NewERA

2017/18

ANNUAL
FINANCIAL
REVIEW

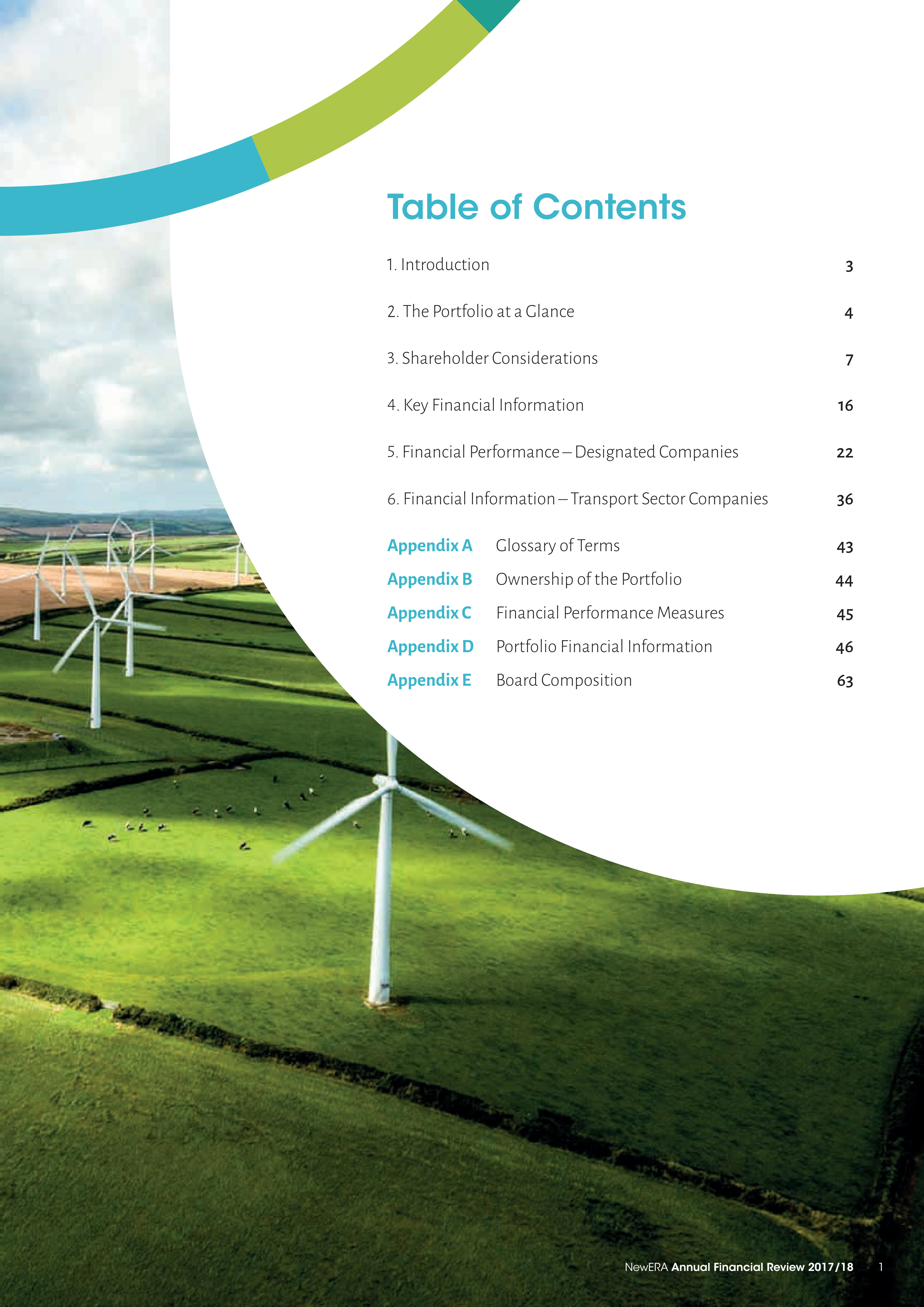


Table of Contents

Important Notice

This report (the "**Report**") has been prepared by the New Economy and Recovery Authority ("**NewERA**") for the purposes of providing an overview of the combined financial performance of the portfolio of Designated Bodies (as defined in the National Treasury Management Agency (Amendment) Act 2014 (the "**NTMA Act**") and listed individually below and collectively referred to as the Designated Bodies or the "**Designated Companies**") for their latest respective reported financial year (the "**Relevant Financial Year**").

The Relevant Financial Year for each of the Designated Companies for the purpose of this Report is the year ended on the following dates:

An Post	31 December 2017;
Bord na Móna plc ("**BnM**")	28 March 2018;
Coillte Cuideachta Ghníomhaíochta Ainmnithe ("**Coillte**")	31 December 2017;
EirGrid plc ("**EirGrid**")	30 September 2017;
Ervia	31 December 2017;
Irish Water ("**IW**")	31 December 2017; and
The Electricity Supply Board ("**ESB**")	31 December 2017.

Financial information is also presented for a number of other commercial State-owned companies, which are not Designated Companies for the purposes of the NTMA Act but for which NewERA is providing financial and commercial advisory services to the Minister for Transport, Tourism and Sport pursuant to an agreed terms of reference. These are listed individually below (collectively referred to as the "**Transport Sector Companies**") along with the Relevant Financial Year for each for the purposes of this Report:

Coras Iompair Éireann ("**CIÉ**")	31 December 2017;
daa plc ("**daa**")	31 December 2017;
Dublin Port Company ("**DPC**")	31 December 2017;
Irish Aviation Authority ("**IAA**")	31 December 2017;
Port of Cork Company ("**PoCC**")	31 December 2017;
Shannon Foynes Port Company ("**SFPC**")	31 December 2017; and
Shannon Group plc ("**Shannon Group**")	31 December 2017.

The Designated Companies and the Transport Sector Companies are collectively referred to as the "**Portfolio**" or the "**Portfolio Companies**" for the purposes of the Report. As many of the Portfolio Companies report on a consolidated basis, reference to them in this Report includes the relevant subsidiaries. It should also be noted that certain of the Portfolio Companies are statutory bodies rather than companies but, for ease of reference, are referred to in this Report as companies.

For the purposes of the Report, the Relevant Financial Year for the Portfolio or the Designated Companies is collectively referred to as "**2017/18**" but, for sections which relate to the Transport Sector Companies, the Relevant Financial Year is referred to as "**2017**".

This Report is issued by NewERA for information purposes only. The contents of this Report do not constitute investment, legal, business or tax advice and should not be read as such. This Report has been prepared by NewERA on the basis of publicly available information relating to the Portfolio Companies including, without limitation, their respective most recently published annual reports. With respect to each of the Portfolio Companies, this Report does not include any financial information relating to periods after, or, save as expressly stated otherwise in this Report, take account of any developments subsequent to, the last day of the Relevant Financial Year of each of the relevant Portfolio Companies. Financial performance measures utilised by NewERA and presented in this Report (see Appendix C) have been applied by NewERA on a standardised basis across each of the Portfolio Companies; the financial performance measures applied by each of the Portfolio Companies for their own purposes and how these are calculated may differ.

This Report also includes some general and non-exhaustive observations by NewERA arising out of its work with the Designated Companies which may be of relevance to the historical and future performance of the Designated Companies. These observations are made from a financial/commercial perspective only; any legal, regulatory and/or policy implications which may also be relevant to these observations are not addressed in this Report.

The accuracy and completeness of the information on which this Report is based has not been independently audited, tested or verified by NewERA and no undertaking, representation or warranty (express or implied) is given as to, and no responsibility or liability, whether in negligence or otherwise howsoever, is accepted by NewERA in respect of, the fairness, reasonableness, adequacy, accuracy, completeness, fitness for use or use of the consents of this Report. Furthermore, NewERA makes no representation that use of this Report or any of its content would not infringe other proprietary rights.

November 2018

1. Introduction

Under its legislation, NewERA has specific responsibility to provide financial and commercial advice to Government Ministers in relation to leading State companies in the energy, water, postal and forestry sectors. These companies are An Post, Bord na Móna, Coillte, EirGrid, Ervia (including Gas Networks Ireland), Irish Water and ESB (these companies are collectively referred to as the "Designated Companies").

NewERA provides financial and commercial advice on a range of matters with an overview of its advisory functions as follows:

Following agreement with the Department of Transport, Tourism and Sport ("DTTAS"), NewERA also provides ongoing financial and commercial advice in relation to CIÉ, daa, Dublin Port Company, Irish Aviation Authority, Port of Cork Company, Shannon Foynes Port Company and Shannon Group. These companies are collectively referred to as the "Transport Sector Companies" and all fall under the remit of DTTAS.

One of the principal aims of NewERA is to facilitate an enhanced level of active ownership by the State as shareholder. Active ownership by the State is particularly important given the critical role the Portfolio Companies play in the economy, with invested capital of €20.4bn.

2. The Portfolio at a Glance

On a combined basis for 2017/18, the Portfolio generated **€9.3bn** in turnover, employed invested capital of **€20.4bn** and undertook gross capital expenditure of **€2.1bn,** supported by a workforce of over **38,000** employees, underlining its importance to the economy.

Key Portfolio Assets and Activities

Energy

REGULATED ELECTRICITY NETWORKS

229,000km

of electricity lines including the interconnector to the UK

REGULATED GAS NETWORKS

14,000km

of gas pipelines including the interconnectors to the UK

INSTALLED GENERATION CAPACITY

6,340 MW

17% of which comprises renewable generation (wind, biomass, landfill gas)

Water

REGULATED WATER NETWORKS

88,000km

of water and wastewater pipelines

TREATMENT PLANTS

2,000

water and wastewater treatment plants

OTHER INFRASTRUCTURE

5,000

other water infrastructure assets, including pumping stations and reservoirs

Natural Resources

FORESTS AND PEATLANDS

520,000ha

of forests and peatland, equivalent to c.7.5% of the land cover of Ireland

Transport

PASSENGER JOURNEYS

299m

passenger journeys facilitated across bus, rail, plane, ferry and cruise transport

FLIGHTS HANDLED

1.1m

flights handled by air traffic controllers in Ireland

Ports

PORT THROUGHPUT

58m tonnes

of throughput handled in Ireland's Tier 1 ports

Postal

MAIL VOLUMES

600m

items of mail collected, delivered and forwarded annually in Ireland

Highlights

OPERATING PROFIT

€1,254m

(2016/17: €1,260m)

€1,254m of operating profit generated by the Portfolio in 2017/18 with an operating profit margin of 13.5%

INVESTED CAPITAL

€20,428m

(2016/17: €20,107m)

€20,428m in capital invested in the Portfolio with a return on invested capital of 5.5% in 2017/18

DIVIDENDS

€332m

(2016/17: €275m)

€332m of total dividends paid by the Portfolio in 2017/18, €324m of that to the Exchequer. Over the past five years €1.79bn of combined dividends have been paid by the Portfolio, €1.72bn of that to the Exchequer

GROSS CAPITAL EXPENDITURE

€2,078m

(2016/17: €1,869m)

€2,078m of capital investment spend in 2017/18, over 70% of which relates to the energy sector companies and IW, reflecting the scale of their individual regulated asset capital investment programmes

EMPLOYEE NUMBERS

38,103

(2016/17: 37,438)

38,103 employed across the Portfolio with over three quarters relating to CIÉ (27%), An Post (26%) and the energy sector companies (24%)

BOARD COMPOSITION

76%:24%

ratio of male to female board members on a combined Portfolio basis

2. The Portfolio at a Glance

Key Contributions by the Portfolio during 2017/18

Decarbonisation efforts

- Facilitated renewable connections of 804MW in 2017, bringing the total renewable connections to almost 5.4GW on the island of Ireland.
- Increased the limit of renewable generation that the grid can reliably accommodate to over 60%.
- Wind capacity totalling 213MW reached commercial operations stage during 2017.
- Around 17% of total installed wind generation capacity in the State at the end of 2017 (3.3GW) has been delivered by the Portfolio.

Preparing for the transformational change in our electricity markets

- Complete reform of the way in which electricity is traded on the island of Ireland with the design and development of the new wholesale European electricity market, known as the Integrated Single Electricity Market ("I-SEM"). This went live on 1 October 2018.

Addressing the infrastructural deficits in Ireland's public water infrastructure

- Significant efforts are being made to address the infrastructural deficits in our public water infrastructure:
  - Completion of 21 key capital projects with a further 400 projects underway;
  - Removal of 33 public water supplies from the Remedial Action List of the Environmental Protection Agency ("EPA"); and
  - Of the 23,000 customers who were on long-term boil water notices at the start of 2014, only 5 remained at the end of 2017.

Creating a sustainable future for our national postal services and retail network

- In response to structural challenges facing the postal sector generally, a strategic plan was put in place in 2017 for the medium-long term future of An Post.

Enhancing Ireland's transport connectivity

- Increased throughput handled by Ireland's Tier 1 ports in 2017 with infrastructure investment programmes underway.
- Growth in passenger numbers, commercial flights and freight volumes for Ireland's three largest airports in 2017 along with the completion of the runway upgrade project at Shannon Airport.
- A record number of passenger rail journeys provided nationwide in 2017 (46 million) with an increased level of public bus journeys in the Dublin area (139 million).

3. Shareholder Considerations

3.1 NewERA – Active Ownership Approach

NewERA's approach is to facilitate an enhanced level of active ownership by the State as shareholder. This has been achieved via the Shareholder Expectations Framework (the "Framework") which communicates the Government's expectations, as shareholder, to the Chairperson and Board of each of the Designated Companies by way of annual/biennial letters ("Framework Letters") from the relevant Government Ministers. This approach is now applied more widely across the commercial State sector with the Framework and the use of Framework Letters having been included in the 2016 Code of Practice for the Governance of State Bodies (the "Code") which states that: *"Clear accountability underpins effective relations between Government Departments and the State Bodies under their aegis"* and sets out that *"For commercial State bodies the oversight agreement is the Shareholder Letter of Expectation"*. The link between the Framework and the strategic, business and financial planning process of the individual State entities is depicted below:

Oireachtas	**Relevant Government Ministers[1], supported by NewERA and relevant Departments**	**Board of Directors[2]**	**Relevant Government Ministers and Departments, NewERA, Board of Directors, Company Management**
▶ **Core Mandate**	**Shareholder Expectations Framework:** ▶ Strategic priorities* ▶ Sectoral policy objectives ▶ Financial performance requirements* ▶ Reporting requirements* * *NewERA input*	▶ **Strategic Plan** ▶ **Rolling five-year business and financial plan**	▶ **Ongoing Dialogue*** * *NewERA input*
The functions and powers of the individual entities as generally set out in their governing legislation or constitution, as applicable.	The purpose of the Framework is to provide formal clarity and guidance to the Chairperson and Board of the commercial State body in relation to the Government's expectations, as shareholder, in respect of strategic priorities, policy objectives, financial performance and reporting requirements.	The Code sets out that the preparation and adoption of a strategic plan and rolling five-year business and financial plan is the primary responsibility of the Board of a State Body. Plans should reflect shareholders' objectives, as appropriate, and the strategic and legal mandate of the State body. A copy of each should be sent to the relevant Ministers before being finalised and adopted by the Board. While final responsibility for the content of the plan rests with the Board in each case, the views of the Minister and consideration of the public interest should be carefully weighed by the Board.	Through ongoing dialogue, the State monitors compliance by entities with their core mandate and Shareholder expectations as provided for in the Framework Letters.

In the context of NewERA's review of the strategic and rolling five-year business and financial plans of the Portfolio Companies, there are a range of areas or themes which are of relevance from a shareholder perspective in the current market environment. The common areas or themes which we wish to highlight in this year's report include the following:

- **Brexit:** the issue of Brexit remains a key concern;
- **Investment:** the delivery of investment and the role of State-owned companies in the context of the National Development Plan (2018-2027); and
- **Sustainability:** there is increasing focus on the need for businesses to balance economic objectives such as profitability and shareholder value creation alongside socio-economic and environmental objectives in order to promote sustainable long-term value growth.

1 On behalf of the State as owner. The shareholdings/stockholdings of the relevant Government Ministers in the Portfolio Companies are set out in Appendix B.
2 Further information regarding board composition is set out in Appendix E.

The common areas and themes identified by us in previous Annual Financial Reviews also continue to be of relevance. For instance, we set out previously that it might be helpful for the State to develop an overarching framework of principles through which to consider on a consistent basis the ownership of, and investment by, State-owned companies. NewERA has also been engaging with the Organisation for Economic Co-operation and Development ("OECD") through its participation on an OECD working group in order to leverage off what other OECD countries are doing in this area. There are a number of learnings that NewERA has gained via this participation but a key one is that governance of State-owned companies is enhanced by having an explicit ownership policy which also sets out clearly the rationales for State ownership. We are of the view that the development of an explicit ownership policy should also be pursued as part of the process between the relevant Departments and NewERA in developing the overarching framework of ownership and investment principles.

3.2 Brexit

Overview

Given the extent of the bilateral trade and investment that the Portfolio has with the UK, along with the types of sectors in which certain Portfolio Companies operate, the issue of Brexit remains a key concern. In this section we consider the following in the context of Brexit:

- The level of UK bilateral trade and investment of the Designated Companies; and
- Key issues presented from a sectoral perspective.

UK Bilateral Trade and Investment

An overview of the revenue generated by the Portfolio in the UK, the book value of its UK-based assets and associated sterling denominated debt is set out in the table below. It is important to note that although the financial information presented below relates only to the Designated Companies, other State companies such as those operating in the airport and port sectors may also be impacted financially given their connectivity with the UK market.

PORTFOLIO'S PROPORTION OF UK REVENUE, FIXED ASSETS & STERLING DENOMINATED DEBT

2017/18 book value, €'m	BnM	Coillte	EirGrid	Ervia*	ESB	An Post
Revenue						
UK Revenue	nd	122	132	39	807	79
Total Group Revenue	395	299	579	473	3,229	840
UK Proportion	nd	41%	23%	8%	25%	9%
Fixed Assets						
UK Fixed Assets	nd	nd	27	350	3,063	nd
Total Group Fixed Assets	268	1,448	607	2,549	10,617	284
UK Proportion	nd	nd	4%	14%	29%	nd
Sterling Denominated Debt						
Sterling Debt	na	na	nd	113	1,713	na
Total Debt	120	162	339	1,186	4,758	49
Sterling Proportion	0%	0%	nd	10%	36%	na

Source: NewERA Analysis
Notes: na = not applicable, nd = not disclosed
**Gas Networks Ireland ("GNI")*

Of the Portfolio, Coillte has the largest proportion of its revenue derived from the UK (2017: 41%) with ESB having the largest proportion of its fixed assets in the UK (2017: 29%), as matched with having the largest proportion of sterling denominated debt (2017: 36%). We would also note that the UK is An Post's main trading partner.

Energy Sector

Given the scale of activity of the Portfolio in the energy sector, the issue of energy supply and interconnection is of key importance. Ireland has historically been a net importer of gas and electricity, although as a result of indigenous gas from the Corrib field, Ireland's dependency on gas imports has reduced in recent years. However, this is expected to increase again as production at the Corrib field is projected to decline from 2018 onwards[3].

3 https://www.dccae.gov.ie/en-ie/energy/topics/gas/Pages/default.aspx

Ireland's gas imports come almost exclusively from the UK, delivered by the following interconnections:

- Ireland and Northern Ireland ("NI") interconnected electricity grid (ESB) and gas grid (GNI);
- Electricity interconnectors between Ireland/Britain (EirGrid) and NI/Britain (not owned by ESB); and
- Gas interconnectors between Ireland/Britain (GNI) and NI/Britain (not owned by GNI).

The single electricity market ("SEM") is the wholesale electricity market for the island of Ireland meaning the electricity market in Ireland is fundamentally integrated with a part of the UK market. The SEM has undergone significant change and, thus far, EU legislation has been driving the coming together of energy markets across Europe with the aim of creating a fully liberalised internal electricity market. The new wholesale market, known as the I-SEM, went live on 1 October 2018. It is unclear at this point whether, or the extent to which, Brexit will impact on this market.

Of the Portfolio, ESB has the largest proportion of its fixed assets in the UK (2017: 29%). ESB's UK investments are funded with sterling debt which will be repaid from sterling earnings – the effect of ESB's financial management policies is that, taken together, the offsetting effects of lower reported earnings and lower reported debt have protected key credit rating metrics to date. In its 2017 annual report, ESB also notes that notwithstanding the risks posed by Brexit, the UK energy sector continues to provide a pipeline of growth opportunities in proximate and interconnected markets.

Port Sector

The following table sets out the tonnages handled at each of Ireland's ports together with the geographical distribution of total port traffic for the period 2015 to 2017:

IRISH PORT TRAFFIC			
('000 tonnes)	2015	2016	2017
All Ports			
Total	**50,667**	**50,713**	**53,343**
Ports of National Significance (Tier 1)			
Dublin	22,205	23,849	24,996
Shannon Foynes	10,871	10,949	11,283
Cork	9,709	8,977	8,967
Total	**42,785**	**43,775**	**45,246**
% of overall total	***84%***	***86%***	***85%***
Ports of National Significance (Tier 2)			
Rosslare	2,064	2,179	2,166
Waterford	1,497	1,325	1,612
Total	**3,561**	**3,504**	**3,778**
% of overall total	***7%***	***7%***	***7%***
Ports of National Significance			
Total	**4,321**	**3,434**	**4,319**
% of overall total	***9%***	***7%***	***8%***

Source: NewERA Analysis, CSO data

Note: (i) Port classification as per the National Ports Policy 2013, (ii) CSO tonnage data is lower than that reported by the port sector companies as, for the unitised traffic modes, it does not include the weight of empty containers and freight trailers.

GEOGRAPHICAL DISTRIBUTION OF PORT TRAFFIC			
	2015	2016	2017
Great Britain & NI	39%	40%	42%
Other EU	32%	33%	33%
Other ports	17%	16%	16%
Non EU	7%	8%	6%
Coastal trade	5%	3%	3%
Total	**100%**	**100%**	**100%**

Source: NewERA Analysis, CSO data

Various contingency plans for Brexit are currently being progressed by DTTAS in conjunction with the State ports sector. Of the Tier 1 ports, Dublin Port has the highest level of trade with the UK market (two thirds of its 2017 throughput emanated from, or was delivered to, the UK) and, in its 2017 annual report, it notes that the degree to which the UK's Brexit decision impacts on gross domestic product ("GDP") growth will have a knock-on effect for volumes through the Port given the strong correlation Dublin Port has seen over many years between its volume growth and GDP growth. A recent report by the Irish Maritime Development Office[4] confirms that a significant proportion of Irish unitised traffic to and from EU continental ports are shipped via the UK landbridge (imports 18%, exports 38%) demonstrating, in particular, the relative importance of the landbridge for Irish exporters. That report also indicated that over 80% of UK landbridge traffic goes through Dublin Port.

4 Breen, B., Brewster, P., O' Driscoll, C., Tsakiridis, A., (2018) The Implications of Brexit on the Use of the Landbridge, Dublin: Irish Maritime Development Office.

3. Shareholder Considerations

Airport Sector

The table below sets out some key performance indicators for each of Ireland's airports for the period 2015 to 2017, together with details of the extent to which the UK influences volumes at each airport:

PASSENGER NUMBERS			
'000's	2015	2016	2017
By Airport			
Dublin	24,050	27,907	29,582
Cork	2,071	2,231	2,309
Shannon	1,715	1,749	1,752
Knock	685	734	749
Kerry	307	326	335
Total	**28,828**	**32,947**	**34,727**
UK Related Proportion			
Dublin	37%	36%	34%
Cork	58%	58%	57%
Shannon	42%	43%	42%
Knock	83%	84%	85%
Kerry	58%	57%	56%

COMMERCIAL FLIGHTS			
'000s	2015	2016	2017
By Airport			
Dublin	189	205	212
Cork	18	20	20
Shannon	13	14	13
Knock	5	6	6
Kerry	3	3	3
Total	**228**	**247**	**254**
UK Related Proportion			
Dublin	44%	44%	41%
Cork	65%	67%	64%
Shannon	46%	49%	48%
Knock	85%	87%	88%
Kerry	39%	38%	38%

FREIGHT			
'000 tonnes	2015	2016	2017
By Airport			
Dublin	137	134	145
Shannon	12	13	19
Total	**150**	**147**	**164**
UK Related Proportion			
Dublin	25%	24%	24%
Shannon	43%	40%	31%

Source: NewERA Analysis, CSO data, DTTAS
Note: Passenger numbers are inclusive of transit passengers.

Ireland's airports outside Dublin have significant reliance on UK traffic (c.56% of passenger volumes on a combined basis for 2017) but so too for Dublin airport whose volume of UK related passengers (c.10 million) is double the entire combined passenger volumes (c.5 million) handled by the other airports in the table above.

Forestry and Horticulture Sectors

With 41% of its 2017 turnover relating to the UK market, Coillte is particularly exposed to the macroeconomic impact of Brexit such as currency and economic growth related risks.

For example, a significant slowdown in UK construction activity would likely mean a consequent deterioration in the trading environment for Coillte products. However, Coillte has undertaken significant restructuring over the past two years delivering €13m of annual overhead savings and Coillte believe that these reductions in its cost base position it strongly to withstand anticipated Brexit-related challenges.

BnM's exposure to the UK market arises through its Horticulture division, which sells growing media and other horticultural products to retail and professional markets. The risks set out above in relation to currency and economic growth apply equally to BnM.

Postal Sector

The UK is An Post's main trading partner and Brexit may have a significant impact on the movement of volume flows to/from the UK.

3.3 Role of the Portfolio in the delivery of the National Development Plan

Overview

The National Development Plan 2018-2027 ("NDP") sets out the investment priorities that underpin the implementation of the new National Planning Framework ("NPF") that will guide national, regional and local planning and investment decisions in Ireland over the next two decades, to cater for an expected population increase of over one million people. Specifically, there are ten national strategic outcomes provided for in the NPF and the NDP sets out ten strategic investment priority areas in order to support the achievement of those outcomes.

The Portfolio will contribute by way of capital investment across a number of the priority areas, namely: climate action, water infrastructure, airports and ports, public transport and rural development. This investment will support the achievement of the following national strategic outcomes:

1) Transition to a Low-Carbon and Climate Resilient Society;

2) Sustainable Management of Water Waste and Other Environmental Resources;

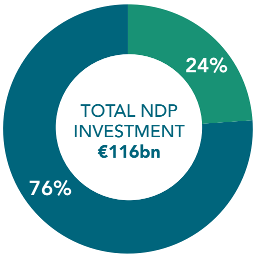
3) High-Quality International Connectivity;

4) Strengthened Rural Economies and Communities; and

5) Sustainable Mobility.

Priority Investment Areas

The NDP envisages total investment estimated at €116bn over the period 2018 to 2027. The Portfolio Companies account for 24%, or €28bn of this, which underlines the critical role they will play in the delivery of the NDP:



	€'bn
Portfolio Companies	
Energy	*13.7*
Irish Water	*8.5*
Airports	*3.8*
Ports	*1.0*
Other (e.g. Coillte and BnM)	*0.8*
Total	**27.8**
Other Exchequer and non-Exchequer funding	

Source: NewERA Analysis, NDP

Note: The total investment in Irish Water included in the NDP is €8.5bn comprising €6.8bn of Exchequer funding and €1.7bn of non-Exchequer funding.

Arising from our review of latest rolling five-year business and financial plans submitted by the Portfolio Companies, planned capital investment on a combined basis is trending ahead of the plans that were used as input to the NDP. Further information regarding the specific contribution of the Portfolio Companies to the national strategic outcomes set out in the NPF is considered below:

(1) TRANSITION TO A LOW-CARBON AND CLIMATE RESILIENT SOCIETY

To achieve energy and climate objectives associated with the national objective of transitioning by 2050 to a low-carbon economy will require a radical transformation of Ireland's energy system. This means that how energy is generated, and how it is used, must fundamentally change. This change is already underway with the increasing share of renewables in the energy mix. In addition to a range of public investment measures that will be required, many major commercial State sector energy projects will be undertaken over the period of the plan with more than €13bn expected to be invested in energy-related investments, with a focus on investment in regulated energy network infrastructure to provide smart reliable electricity networks to support security of electricity supply, SMART metering and enable increased renewable generation.

- **ESB** – The focus of the investment in regulated electricity network infrastructure, to be funded primarily by ESB, is to ensure that Ireland's electricity network infrastructure is maintained to the highest international safety standards, that it is fit for purpose in the medium-to longer-term to meet projected demand levels, and that it meets the challenge of integrating world-leading levels of renewable energy.
- **EirGrid** – EirGrid manage, develop and operate the transmission grid and will continue to progress many important projects within the All-Island Electricity Market, and assess opportunities for interconnection with neighbouring electricity markets to facilitate the diversification of electricity supply sources (e.g. the Celtic Interconnector project (Ireland to France)).
- **Ervia (GNI)** – Continued investment by GNI in the gas network, to ensure it remains fit for purpose and supports regional development and the low carbon transition, will also be made in the years ahead.

Beyond investment in regulated network infrastructure, the Portfolio is also contributing to the low-carbon transition in a number of other ways. Briefly, the main areas are:

- **Ongoing investment in renewable energy technologies** – ESB, Coillte and BnM are all active in renewable power generation and will continue to invest in renewable energy technologies.
- **Repowering existing power generation assets to lower carbon fuel sources** – for example, the conversion of ESB's Moneypoint coal-fired power plant by 2025.
- **Carbon sequestration and biomass development** – see item (4) overleaf.
- **Decarbonising transport** – see item (5) overleaf.

3. Shareholder Considerations

(2) SUSTAINABLE MANAGEMENT OF WATER AND OTHER ENVIRONMENTAL RESOURCES

Ireland's water and wastewater network will require sustained capital investment by Irish Water over many investment cycles to deliver efficient, fit-for purpose water infrastructure and services to meet Ireland's needs. A total of €8.5bn is projected to be invested by Irish Water over the period of the NDP. Two critical major projects are: (i) a new long-term water supply source for the Eastern and Midland Region, which is viewed by IW as being needed by the mid-2020s, to provide for projected population growth up to 2050 and contribute to resilience and security of supply for the region; and (ii) the Greater Dublin Drainage Project, which involves the provision of a new wastewater treatment plant for the Dublin region to augment the existing plant in Ringsend. Of the total allocation of €8.5bn, €6.8bn is Exchequer funding and €1.7bn is non-Exchequer funding.

(3) HIGH-QUALITY INTERNATIONAL CONNECTIVITY

Significant investment in Ireland's airports and ports will play a major role in safeguarding and enhancing Ireland's international connectivity which is fundamental to Ireland's international competitiveness, trading performance in both goods and services and for enhancing its attractiveness to foreign direct investment. This has been allocated €4.8bn in the NDP, all of which is non-Exchequer investment by the airports (€3.8bn) and ports (€1.0bn).

- **Airports** – daa is planning the delivery of a new runway for Dublin Airport by 2021 at an estimated cost of €320m which will continue to be developed as an international hub. The IAA has commenced work on a €50m investment in a new visual control tower at Dublin Airport to facilitate tower control services in a parallel runway environment. In line with the 2015 National Aviation Policy for Ireland, the roles of Cork and Shannon airports as key tourism and business gateways for their regions, and particularly to the development of key niche markets, will require investment.
- **Ports** – Three major capital infrastructure programmes are currently ongoing in the Tier 1 Ports, namely Dublin, Cork and Shannon Foynes. These will enhance national and international connectivity, provide for future increases in trade and national port capacity requirements by facilitating more vessels, larger sized vessels and increased tonnage and throughput. Dublin Port is undertaking the Alexandra Basin redevelopment with an estimated cost of €230m with an estimated completion date in 2022. The Port of Cork is investing c.€90m in the redevelopment of its existing port facilities at Ringaskiddy. Shannon Foynes Port Company is undertaking capacity extension works to be completed in 2022 at an estimated cost of €27m.

(4) STRENGTHENED RURAL ECONOMIES AND COMMUNITIES

Securing regional balance is the fundamental purpose of the NPF which is targeting a level of growth in the northern, western, and southern regions combined, to match that projected in the eastern and midland regions. This has been allocated €8.8bn in the NDP, with Coillte and BnM contributing €0.8bn of that on a combined basis and the balance comprising Exchequer funding.

- **BnM** – The NDP outlines that plans are advancing to convert former BnM peat railways and trackways into cross country walking, cycling and peatway routes, coupled with strengthening nearby towns and villages as hubs for tourism activity and local businesses.
- **Coillte** – Forestry is recognised by the NDP as a vital resource for the Irish economy. In addition to their economic, social and recreational role, Ireland's forests play an essential role in helping with climate change mitigation, through carbon sequestration in forests and the provision of renewable fuels and raw materials (i.e. biomass). Coillte therefore contributes to the NDP across both rural development and climate action.

(5) SUSTAINABLE MOBILITY

The NDP notes that public investment in environmentally sustainable public transport systems in major urban areas and nationally is a primary enabler under the NPF relating to compact growth in urban areas and improved regional connectivity and is one of several important priorities to achieve climate action objectives.

Public transport has been allocated Exchequer funding of €8.6bn in the NDP with projects such as DART expansion, Dublin Bus Connects, Cork Bus Connects and Galway Bus Connects.

Investment Projects and Programmes Tracker

An Investment Projects and Programmes Tracker (the "Project Tracker"), which sets out information on all of the key Exchequer-funded investment projects and programmes being delivered under the NDP, is published on the website of the Department of Public Expenditure and Reform ("DPER").

It would be expected that the Project Tracker would continue to be developed on an incremental basis, and in this context consideration will be given to extending the scope of the Project Tracker to also include non-Exchequer funded public capital investment under the NDP and the investment plans of the commercial State companies. NewERA will explore with DPER, the relevant Government Departments and the Portfolio Companies as to how best information on the projects and programmes of the Portfolio could be included in the Project Tracker going forward, being cognisant of the extent to which such information can be published having regard to the commercial sensitivity of information on the investment plans of the Portfolio.

3.4 The Sustainability Agenda

Overview

Corporate Social Responsibility ("CSR") is defined by the European Commission as companies taking responsibility for their impact on society and is a means of self-regulation whereby companies voluntarily implement policies and procedures which integrate community, environmental and social concerns into their day to day business operations. Societal expectations are that a company will go beyond compliance with its individual legislative and regulatory requirements and will seek to ensure that the interests of the company and the interests of wider society and the environment are mutually supportive. It is expected that companies will be increasingly benchmarked by external stakeholders against the degree to which they manage to integrate CSR practices into their business models, their impacts on sustainable development and the extent to which they create long-term, sustainable value.

International and National Context

The sustainability agenda is shaped by a number of international guidelines such as the UN Global Compact, the UN Guidelines on the Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and ISO 26000 Guidance Standard on Social Responsibility. Since 2015, there has been an increased impetus behind the implementation of sustainable development practices across society with the adoption, by 193 countries, of the UN 2030 Agenda for Sustainable Development (the "2030 Agenda"). This is a common global agenda for both developed and developing countries and consists of 17 sustainable development goals ("SDG's") which define global priorities for 2030 covering the three dimensions of sustainable development:

i. economic growth;

ii. social inclusion; and

iii. environmental protection.

3. Shareholder Considerations

The 2030 Agenda is voluntary and not legally binding, but every country has agreed to implement the SDGs and is expected to develop a national framework setting out how this will be achieved. In April 2018, the Department of Communications, Climate Action and Environment ("DCCAE") launched '*The Sustainable Development Goals National Implementation Plan 2018-2020*', the first of a series of implementation plans in the period to 2030 (the "SDGs Implementation Plan"). In terms of the role of business, the 2030 Agenda explicitly calls for companies, especially large and multinational companies, to be encouraged to adopt sustainable practices and to integrate sustainability information into their reporting cycle (Goal 12.6). The SDGs Implementation Plan assigns responsibility for this goal to the Department for Business, Enterprise and Innovation ("DBEI") and links the delivery of this goal with the '*National Plan on CSR 2017-2020*'.

A key objective of our national CSR policy is that Ireland will be recognised as a centre of excellence for responsible and sustainable business practices through the adoption and implementation of best practice in CSR in enterprises and organisations. The CSR framework contained in the current national CSR Plan is centred on four core pillars[5] and identifies 17 actions across these areas, which are linked to the SDGs:

The Environment

Reducing, reusing or recycling resources to minimise negative environmental impacts

- Environmental Protection
- Climate Change Mitigation
- Respect for Biodiversity
- Resource Efficiency

The Community

Your interaction with your local community partners and organisations

- Employment Creation and Skills Development
- Community Engagement
- Social Inclusion
- Employee Involvement
- Philanthropy and Sponsorship
- Social Enterprise and Entrepreneurship

The Workplace

Supporting and engaging with your employees

- Conditions of Employment
- Equality and Diversity
- Work Life Balance
- Employee Health and Wellbeing
- Consultation and Communication

The Marketplace

The responsible commercial decisions your company makes in dealing with suppliers and customers

- Customer Relations
- Fair Operating Practices
- Sustainable Supply Chains
- Product Quality and Information

The Role of the Portfolio

Although CSR is an enterprise-led, voluntary concept, the State has a number of important responsibilities beyond its relevant regulatory roles, namely: (i) endorsing and supporting the concept of CSR in enterprises and (ii) adhering to good CSR practices in its own operations. It therefore follows that the State, as owner or majority owner of the Portfolio Companies, would expect that these companies would also act in an exemplary fashion or as role models in terms of responsible and sustainable business practice. As such, it is expected that these companies should be:

- working to comply with international guidelines;
- integrating sustainability perspectives into their strategy and business operations;
- formulating strategic targets for sustainable business;
- reporting on CSR and sustainability practices and outcomes in a transparent manner; and
- engaging with external stakeholders in the promotion of sustainable business.

5 Adapted from the National Plan on CSR 2017-2020 and the CSR hub of the Department of Business, Enterprise and Innovation.

The Portfolio engages in a range of CSR and sustainability initiatives and a number of the Portfolio Companies have achieved public recognition for their efforts in recent years having received Chambers Ireland Corporate Social Responsibility Awards. Beyond their individual efforts, certain Portfolio Companies are also helping to promote such activities via membership and participation in key networks and forums:

- An Post, BnM, Dublin Bus, EirGrid, ESB and Gas Networks Ireland are all members of Business in the Community ("BITC") network in Ireland which supports companies in the area of CSR and sustainability;
- EirGrid, ESB and Gas Networks Ireland have achieved the Business Working Responsibly Mark, which is the only independently audited standard for CSR and Sustainability in Ireland, and are all members of the BITC Leaders' Group on Sustainability; and
- ESB and BnM are members of the CSR Stakeholders Forum. This forum is tasked with developing a work programme to implement and support the 17 actions contained in the second national plan on CSR for the period 2017-2020.

Measuring, Monitoring and Reporting

It is recognised, particularly in the context of the global sustainable development agenda, that measuring the impact of such initiatives can be challenging given that the overarching objectives are beyond the direct and exclusive control of any individual company. However as an initial step, and to the extent that this has not already been done by the Portfolio Companies, it is considered that the SDGs provide an integrated framework against which they can benchmark their CSR activities with a view to identifying:

i. the specific SDGs that they have a positive impact on and contribute to via their operations;

ii. the specific SDGs that they could contribute to via future business opportunities; and

iii. the areas where action may need to be taken to mitigate potential negative effects.

This benchmarking approach is embedded in the current national plan for CSR which sets out that larger companies with well-established sustainable business practices should, as a further step in the evolution of CSR, model or benchmark their CSR activities using internationally recognised CSR guidelines and principles[6].

The approach being taken to CSR and sustainability reporting varies between Portfolio Companies. Generally speaking, we consider that external reporting by Portfolio Companies, whether it be financial or non-financial in nature, must seek to be as transparent as the reporting obligations of listed companies. In that regard it is important to note the EU Non-Financial Reporting Directive, which was signed into Irish law in July 2017 and applies to large public-interest entities and certain organisations with more than 500 employees. Such entities must now include a non-financial statement in their management report[7] and a diversity report in the corporate governance statements for financial years starting on or after 1 August 2017. The non-financial statement relates to the disclosure of environmental, social and governance related-factors. For example, information on policies, risks and outcomes relating to environmental matters, social and employee aspects, respect for human rights, anti-corruption and bribery and diversity in the board of directors.

Sustainability reporting is fast emerging as common practice with more and more companies measuring and disclosing their sustainability strategy and activities in order to meet the demand by customers, employees, investors and other stakeholders for transparency. A key area of activity within the Framework to be considered by the Government should be to give greater focus to the CSR and sustainability agenda and the individual approaches being taken by Portfolio Companies to measure, monitor and report the impact of such initiatives.

6 Including the: UN 2030 Agenda for Sustainable Development Goals; UN Guiding Principles on Business and Human Rights; OECD Guidelines for Multinational Enterprises; Non-Financial Reporting Directive; and ISO 26000 Guidance Standard on Social Responsibility.

7 The Directive requires this information to be disclosed in a company's management report. However, an alternative presentation of the non-financial information is possible under Article 1 of the Directive.

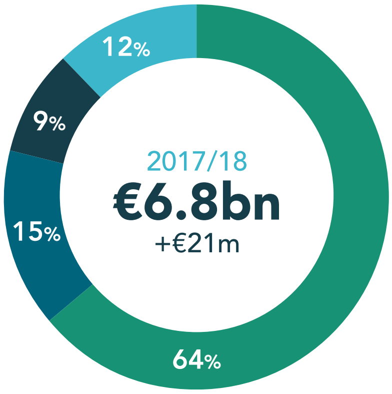
4. Key Financial Information

DESIGNATED COMPANIES – A FINANCIAL OVERVIEW

NewERA's Designated Companies are involved across the energy, water, natural resources and postal and retail sectors with the main activities as follows:

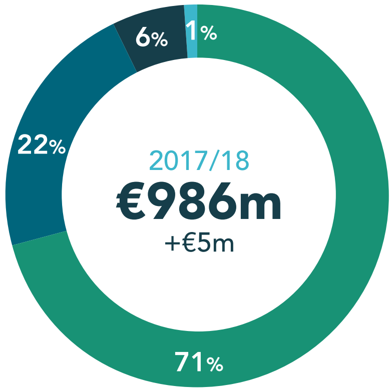
- **Energy:** Ownership and operation of the electricity and gas networks on the island of Ireland including interconnection with other markets, operation of the all-island SEM, power generation and the supply of electricity and gas in both the SEM and Britain.
- **Water:** Delivery of all public water and waste water services to households and businesses in Ireland.
- **Natural Resources:** Management of Ireland's forestry estate (over 440,000 hectares) and peatlands (80,000 hectares) along with associated activities.
- **Postal and Retail:** Operation of Ireland's national postal services and responsibility for the national retail network of post offices.

TURNOVER



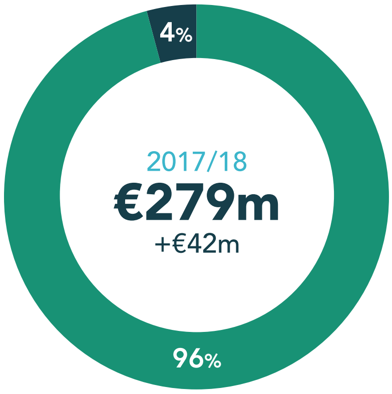
OPERATING PROFIT

(EBIT adjusted)



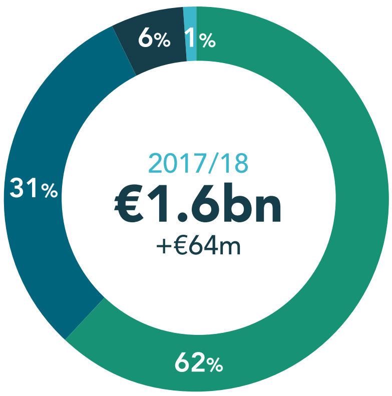
TOTAL DIVIDENDS PAID

(incl. special dividends)
Note: €273m of this was paid to the Exchequer in 2017

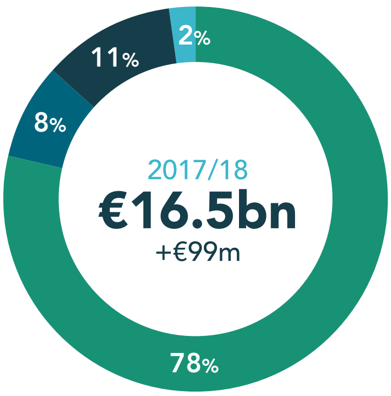


GROSS CAPITAL EXPENDITURE

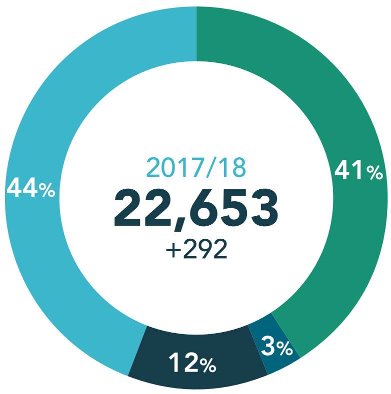
(cash basis)



INVESTED CAPITAL



EMPLOYEE NUMBERS



Energy · Water · Natural Resources · Postal & Retail

Financial Information Overview 2017/18

Key Financial Information	5yr avg.	2017/18	2016/17	yoy Δ
Income Statement (€'m)				
Turnover	6,650	6,828	6,808	+21
EBITDA (adjusted)	1,978	2,099	2,040	+60
EBIT (adjusted)	966	986	980	+5
PAT (adjusted)	555	605	597	+8
PAT (reported)	447	365	389	-24
Balance Sheet (€'m)				
Tangible Fixed Assets	16,687	17,116	17,114	+2
Gross Debt	(7,541)	(7,438)	(7,771)	-334
Net Debt	(6,812)	(6,674)	(6,987)	-313
Pension Liabilities	(1,274)	(862)	(1,313)	-450
Employee Related Liabilities	(152)	(112)	(145)	-33
Net Assets	6,809	7,434	6,809	+625
Invested Capital	15,870	16,453	16,354	+99
Cashflows (€'m)				
Net Cashflow from Operations	1,396	1,575	1,593	-18
Gross Capital Expenditure	(1,527)	(1,576)	(1,512)	+64
Net (Acquisitions)/Disposals Spend	194	39	(13)	+52
Dividends Paid (total)	(327)	(279)	(236)	+42
Dividends Paid (normal)	(147)	(179)	(136)	+42
Employees				
Employee Numbers	22,184	22,653	22,361	+292

Key Metrics	5yr avg.	2017/18	2016/17	yoy Δ
Profitability and Efficiency				
Turnover Growth	(0.4)%	0.3%	(1.7)%	+2.0%
EBITDA Margin	29.8%	30.7%	30.0%	+0.8%
Operating Profit Margin	14.6%	14.4%	14.4%	+0.0%
PAT Margin	8.4%	8.9%	8.8%	+0.1%
Return on Invested Capital (ROIC)	5.4%	5.4%	5.4%	-0.1%
Liquidity				
Current Ratio (times)	0.8x	0.8x	0.7x	+0.1x
Acid Test Ratio (times)	0.8x	0.7x	0.7x	+0.1x
Leverage and Solvency				
Net Gearing (see note iv)	50%	47%	51%	-3%
Net Gearing (see note v)	55%	51%	55%	-5%
Net Debt / EBITDA (times)	3.4x	3.2x	3.4x	-0.2x
EBITDA Interest Cover (times)	6.0x	7.7x	6.6x	+1.1x
Shareholder Returns				
Dividend Payout (normal dividends)	29%	30%	22%	+8%
Earnings (adjusted) growth	10%	1%	(4)%	+5%

NOTES:

i. The above measures are applied by NewERA on a standardised basis across each of the Designated Companies. It is recognised by NewERA that the financial measures used by each entity for their own purposes may differ from the above.
ii. Definitions of NewERA's standardised performance measures are set out in Appendix C.
iii. Detailed combined five-year historical financial information for the Portfolio is provided in Appendix D.
iv. Net gearing excluding pension and employee related liabilities.
v. Net gearing including pension and employee related liabilities.

NewERA considers the financial performance of the Designated Companies and level of return on invested capital ("ROIC") to be satisfactory overall given the sectors they operate in and the challenges faced by some of the underlying businesses in 2017/18.

The combined turnover of the Designated Companies was broadly similar to the prior period with modest growth of 0.3% noting that:

- 82% was generated in Ireland and 17% in the UK (including NI); and
- 40% is derived from regulated energy and water activities with the main components of the balance being energy retail supply (25%), power generation (11%) and mail and retail postal services (11%).

There was a marginal increase in combined operating profitability (as measured by adjusted EBIT) with reduced earnings from energy (-€141m) and land management and related activities (-€24m) partly offsetting an improved operating result from the provision of water services (+€152m) and postal activities (+€19m), noting that IW received increased Government subvention income in the period.

In deriving the adjusted financial information, we excluded exceptional items and certain re-measurements totalling €267m reported in 2017/18 (2016/17: €234m). These comprise exceptional costs of €315m, exceptional income of €46m and net fair value gains on financial instruments of €2m with the main elements being:

- the impairment of certain power generation assets by ESB arising from the expected reduction in capacity income under I-SEM remuneration mechanisms along with other power generation margin pressures (€276m);
- asset impairments, restructuring costs and provisions in BnM (€39m); and
- exceptional income for An Post arising from the sale of a Dublin property and dividends received on an equity investment (€46m).

Net gearing on a combined basis reduced from 51% in 2016/17 to 47% in 2017/18 due to reduced borrowings and increased net assets. The reduction in combined borrowings and, consequently, financing costs is also reflected in an improved level of net debt to EBITDA and an increased level of EBITDA interest cover.

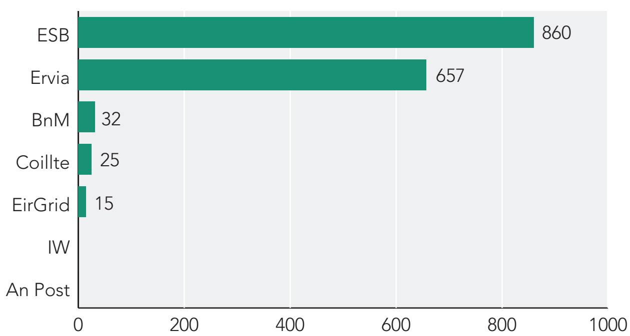
The combined net pension liabilities of the Designated Companies reduced by €450m year-on-year mainly due to employer cash contributions, investment returns, experience gains on the liabilities and changes in the valuation assumptions.

Gross capital investment in 2017/18 totalled €1,576m, the majority (over 90%) relating to spend in the energy and water sectors.

Total dividends paid by the Designated Companies amounted to €279m in 2017/18, with €273m of this paid to the Exchequer.

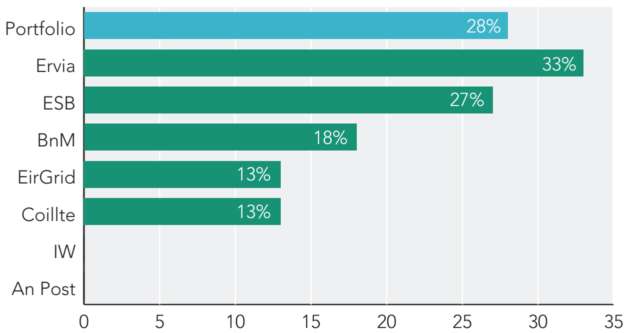
Dividends paid to the Exchequer over the past five years (EUR m)

Includes special dividend payments



Five-year Historical Average Dividend Payout Rate (%)

Based on normal dividends paid as a % of prior year Adjusted PAT



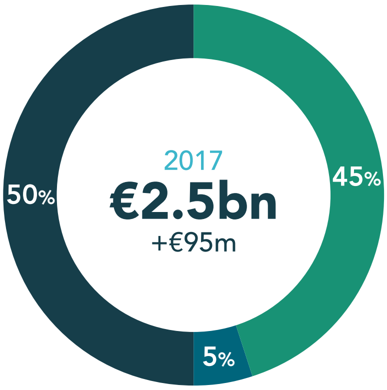
4. Key Financial Information

TRANSPORT SECTOR COMPANIES – A FINANCIAL OVERVIEW

The above companies are involved across the airport, port and transport sectors with the main activities as follows:

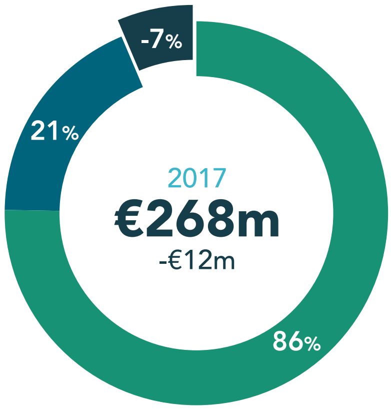
- **Airports:** Ownership and operation of the three largest airports in Ireland – Dublin, Cork and Shannon – and national and international airport retailing. Provision of air traffic control and air navigation services in Irish-controlled airspace and around the main State airports.
- **Ports:** Ownership of the three largest ports in Ireland – Dublin, Cork and Shannon Foynes.
- **Rail and Bus Transport:** Provision of rail and bus public transport and rail freight services throughout Ireland.

TURNOVER



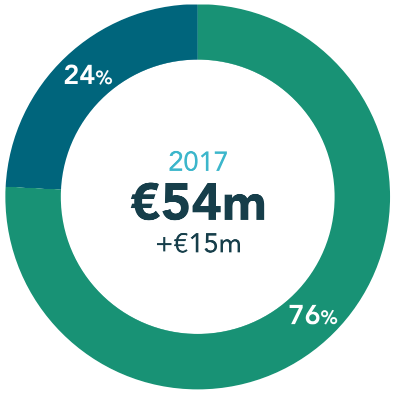
OPERATING PROFIT

(EBIT adjusted)



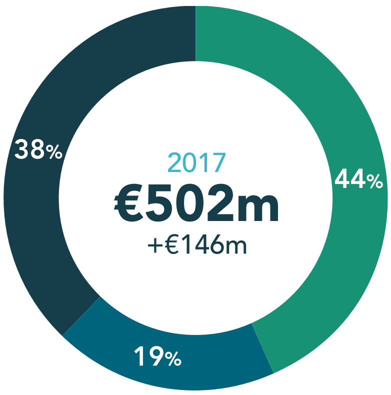
TOTAL DIVIDENDS PAID

(incl. special dividends)
Note: €51m of this was paid to the Exchequer in 2017

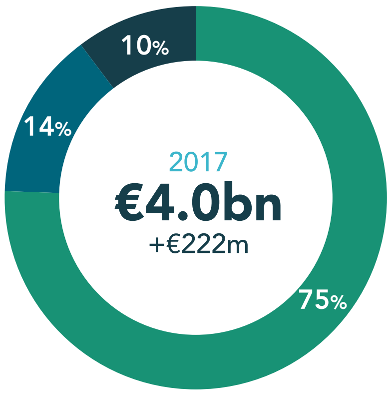


GROSS CAPITAL EXPENDITURE

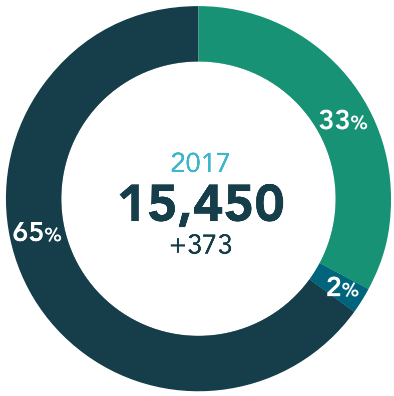
(cash basis)



INVESTED CAPITAL



EMPLOYEE NUMBERS



Airports Ports Rail & Buses

Financial Information Overview 2017

Key Financial Information	5yr avg.	2017	2016	yoy Δ
Income Statement (€'m)				
Turnover	2,172	2,490	2,395	+95
EBITDA (adjusted)	383	428	436	-8
EBIT (adjusted)	224	268	280	-12
PAT (adjusted)	129	177	189	-11
PAT (reported)	149	172	193	-20
Balance Sheet (€'m)				
Tangible Fixed Assets	5,203	5,297	5,209	+88
Gross Debt	(1,261)	(1,255)	(1,274)	-19
Net Debt	(396)	(234)	(288)	-54
Pension Liabilities	(741)	(846)	(912)	-66
Employee Related Liabilities	(51)	(25)	(23)	+2
Net Assets	1,323	1,531	1,327	+203
Invested Capital	3,642	3,975	3,753	+222
Cashflows (€'m)				
Net Cashflow from Operations	300	409	406	+3
Gross Capital Expenditure	(363)	(502)	(356)	+146
Net (Acquisitions)/Disposals Spend	(15)	(8)	(8)	-0
Dividends Paid (total)	(31)	(54)	(39)	+15
Dividends Paid (normal)	(29)	(54)	(39)	+15
Employees				
Employee Numbers	14,438	15,450	15,077	+373

Key Metrics	5yr avg.	2017	2016	yoy Δ
Profitability and Efficiency				
Turnover Growth	6.1%	4.0%	8.8%	-4.9%
EBITDA Margin	17.6%	17.2%	18.2%	-1.0%
Operating Profit Margin	10.2%	10.8%	11.7%	-0.9%
PAT Margin	5.7%	7.1%	7.9%	-0.8%
Return on Invested Capital (ROIC)	5.5%	6.1%	6.7%	-0.7%
Liquidity				
Current Ratio (times)	2.2x	1.6x	2.4x	-0.8x
Acid Test Ratio (times)	2.0x	1.5x	2.2x	-0.8x
Leverage and Solvency				
Net Gearing (see note iv)	23%	13%	18%	-5%
Net Gearing (see note v)	47%	42%	48%	-6%
Net Debt / EBITDA (times)	1.1x	0.5x	0.7x	-0.1x
EBITDA Interest Cover (times)	7.7x	10.2x	9.2x	+1.0x
Shareholder Returns				
Dividend Payout (normal dividends)	25%	28%	34%	-6%
Earnings (adjusted) growth	17%	(6)%	66%	-72%

NOTES:

i. The above measures are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each entity for their own purposes may differ from the above.

ii. Definitions of NewERA's standardised performance measures are set out in Appendix C.

iii. Detailed combined five-year historical financial information for the Portfolio is provided in Appendix D.

iv. Net gearing excluding pension and employee related liabilities.

v. Net gearing including pension and employee related liabilities.

The combined turnover of the Transport Sector Companies increased by 4% over the prior period noting that:

- 90% of total turnover was generated in Ireland; and
- The majority (95%) was derived from rail and bus services (50%) and airport activities (45%).

Combined operating profitability (as measured by adjusted EBIT) reduced by €12m from €280m in 2016 to €268m in 2017. Increased overall operating profits from airport (+€14m) and port (+€2m) activities were offset by operating losses from rail and bus services (-€28m).

Net gearing on a combined basis reduced from 18% in 2016 to 13% (excluding pension and employee related liabilities) in 2017 due to:

- a decrease in net debt (2017: €234m, 2016: €288m) reflecting reduced borrowings but also increased cash; and
- an increase in net assets (2017: €1,531m, 2016: €1,327m).

The reduction in combined borrowings and, consequently, financing costs is also reflected in an improved level of net debt to EBITDA and an increased level of EBITDA interest cover.

Net gearing increases significantly however when pension and employee related liabilities are taken into consideration (2017: 42%, 2016: 48%). This reflects the amount of the combined net pension liability relative to combined net debt levels (2017: 3.6x).

Combined pension liabilities reduced in 2017 from €912m at the end of 2016 to €846m at the end of 2017. CIÉ, which is the largest employer of the Transport Sector Companies with 10,098 employees in 2017, accounts for a high proportion of the overall pension liability (2017: 93%, 2016: 80%) noting that, apart from CIÉ, pension liabilities fell across all of the Transport Sector Companies in 2017 driven mainly by actuarial gains.

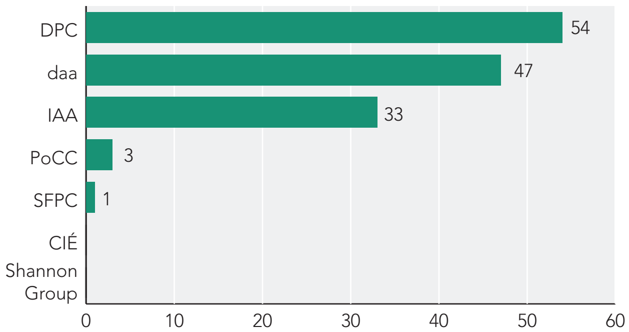
Total invested capital of €3,975m in 2017, which increased by €222m over the prior year (2016: €3,753m). Three quarters of this relates to the airport sector companies (daa, IAA and Shannon Group).

There was an increased level of combined capital investment with gross capital expenditure of €502m, a 41% increase on 2016 (€356m). The main drivers of this increase were investment by daa in airport infrastructure and investment by CIÉ and DPC.

Total dividends paid by the Transport Sector Companies amounted to €54m in 2017, with €51m paid to the Exchequer. The balance of €3m were paid to non-controlling interests by Aer Rianta International, daa's travel retail subsidiary.

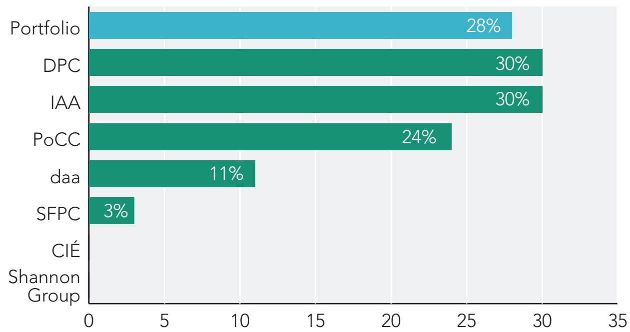
Dividends paid to the Exchequer over the past five years (EUR m)

Includes special dividend payments



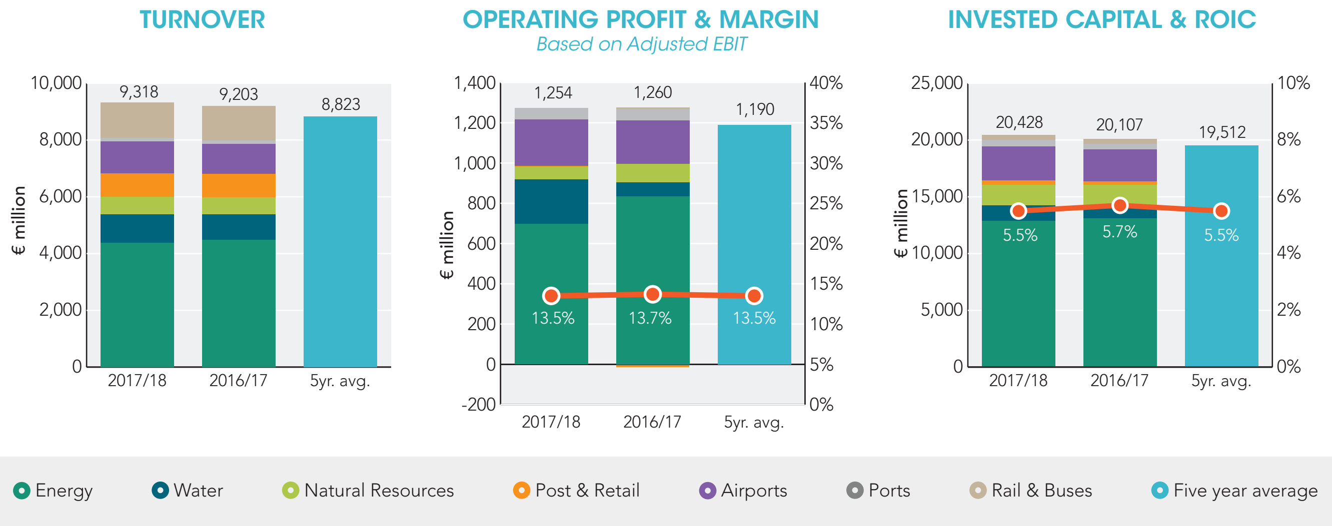
Five-year Historical Average Dividend Payout Rate (%)

Based on normal dividends only



4. Key Financial Information

THE PORTFOLIO COMPANIES – A SECTORAL OVERVIEW



Supporting Commentary

Nearly half of the Portfolio's combined turnover is generated by the energy sector companies

- The proportion of combined turnover by sector is as follows:
  - Energy 47%;
  - Transport 27%;
  - Water 11%;
  - Post & Retail 9%; and
  - Natural Resources 6%.
- Over a third of combined turnover is generated from the regulated assets and activities of the Portfolio Companies (34%) which comprise the regulated electricity, gas and water networks, operation of the SEM and certain aeronautical revenues.
- The balance mainly comprises retail energy (19%), rail and bus services (13%), power generation (8%), mail and postal retail (8%) and unregulated airport activities (7%).
- In terms of geographical markets, the majority of the combined turnover of the Portfolio was generated in Ireland (84%). The balance relates to the UK (13%) and other international markets (3%).
- In interpreting the financial performance of the Portfolio Companies, it should be noted that IW and CIÉ are in receipt of State funding (74% and 25% respectively of revenue in 2017).

With a similar concentration at operating profit level

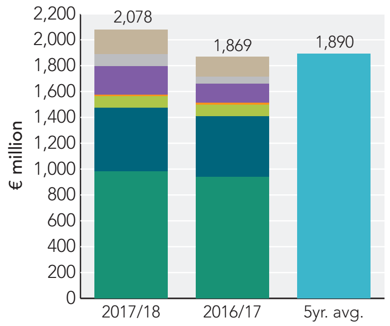
- Over half of the combined operating profit (Adjusted EBIT) of the Portfolio was generated by companies operating in the energy sector (56%) followed by transport companies (21%) and Irish Water (18%).
- The level of operating profit translates to a combined operating profit margin of 13.5% for the Portfolio which, although slightly reduced on prior year levels, is in line with the historical five-year average.

In 2017/18 the Portfolio Companies generated a 5.5% return on combined invested capital

- Combined invested capital of €20.4bn in 2017/18. Approximately 70% of this capital is invested between the energy and water sector companies followed by the airport companies (15%) and the natural resources companies (9%).
- The ROIC generated in 2017/18 was lower than the prior period (5.5% versus 5.7%) due mainly to the increased level of invested capital but the return is in line with the five-year historical average ROIC.
- In our view, a ROIC of 5.5% can be viewed as reasonable given the characteristics of the Portfolio Companies.

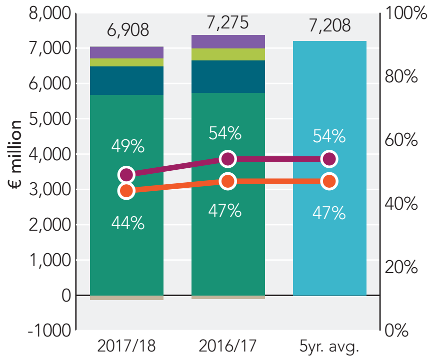
GROSS CAPITAL EXPENDITURE

Expressed on a cash basis



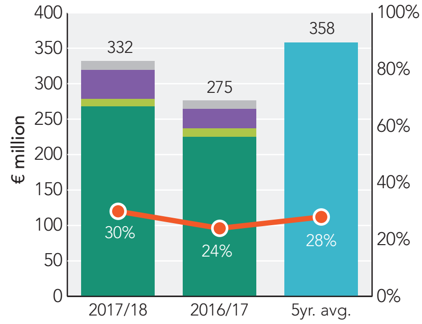
NET DEBT & GEARING

Gearing metric shown to both include & exclude pensions and employee related liabilities



DIVIDENDS PAID & PAYOUT RATE

Dividends paid includes special dividends
Dividend payout rate based on normal dividends only



Energy | Water | Natural Resources | Post & Retail | Airports | Ports | Rail & Buses | Five year average

Supporting Commentary

Regulated energy and water network asset investment programmes are significant drivers of overall Portfolio investment levels

- The Portfolio undertakes significant annual capital investment with €2.1bn spent in 2017/18, most of that in the State. To give some context, the gross capital expenditure by Government Departments in 2017 was €4.5bn[8].
- Over 70% of the €2.1bn spend in 2017/18 relates to the energy sector companies (47%, predominantly ESB and Ervia) and Irish Water (24%), which mainly reflects the scale of their individual regulated asset capital investment programmes.
- The total level of gross spend increased by €209m in 2017/18 due mainly to higher levels of investment in the following sectors: airports (+€71m), energy (+€45m), rail and buses (+€38m), ports (+€36m) and water (+€18m).

The large scale nature of energy and water infrastructure assets is reflected in the concentration of the Portfolio's net debt in those sectors

- A reduction in overall borrowings is reflected in the lower net debt and net gearing metric for 2017/18.
- Including the combined pension and employee related liabilities, the reduction in the net gearing ratio is more marked falling from 54% in 2016/17 to 49% in 2017/18.The combined pension and employee related liabilities of the Portfolio companies comprised:
  - pension liabilities of €1.7bn (2016/17: €2.2bn); and
  - employee related liabilities of €0.1bn (2016/17: €0.2bn).
- A significant proportion of the combined pension liability relates to the energy sector companies (2017/18: 40%, 2016/17: 39%) and the rail and bus companies (2017/18: 46%, 2016/17: 33%).
- The combined pension liability reduced by €516m year-on-year with the largest movements being:
  - An Post (-€228m) - arising mainly from actuarial gains; and
  - ESB (-€158m) - due mainly to ESB's cash contributions to ESB pension scheme.

Over 70% of Portfolio Companies made dividend payments in 2017/18, totalling €332m. A significant proportion of these payments were received from the energy sector companies (81%)

- Total combined dividends of €332m were paid in 2017/18, of which €324m was paid to the Exchequer.
- A significant proportion of dividend payments were received from the energy sector companies (81%). The balance was received from the airport companies (12%), the port companies (4%) and the natural resources companies (3%).
- Total combined dividends, at €332m, were €57m higher than 2016/17 levels and comprised:
  - normal dividend payments of €232m from BnM, Coillte, daa, DPC, EirGrid, Ervia, ESB, IAA, PoCC and SFPC (2016/17: €175m); and
  - special dividends of €100m from Ervia arising from the sale of the Bord Gáis Energy business in 2014 (2016/17: €100m).
- Total normal dividend payments equated to 30% of combined adjusted profits after tax for 2016/17 (€786m).

8 Public Expenditure Databank (DPER).

5. Financial Performance – Designated Companies

KEY ACTIVITIES

- **Mails and Parcels:** An Post is responsible for the operation of Ireland's national postal services. This includes the universal postal service, which involves the provision of an every working day mail service to every household/premises in the State.
- **Post Offices:** Responsible for the national retail network of post offices.
- **Other:** Also manages a number of commercial enterprises and has an investment in the National Lottery Operator (Premier Lotteries Ireland ("PLI")).

State Ownership: 100%

Board Composition *(as at November 2018)*

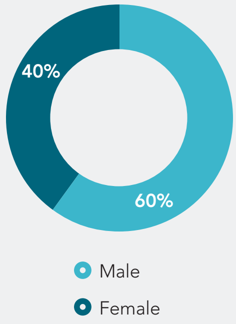
Chairperson: Dermot Divilly

CEO: David McRedmond

Non-Executive Directors: Carol Bolger, Deirdre Burns, Peter Coyne, Jennifer Loftus, Ed Murray, Mary O'Donovan, James Wrynn

Employee Directors: Noel Adamson, Thomas Devlin, William Mooney, Martina O'Connell, Niall Phelan

Postmaster Director: Lorraine Twomey



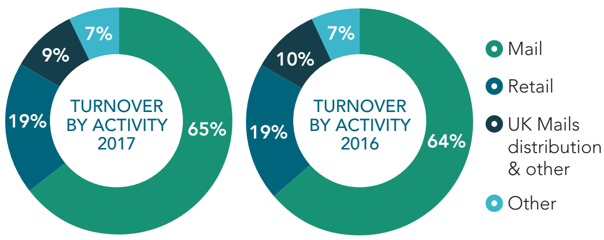
FINANCIAL PERFORMANCE

Key Financial Information				
Year ended 31 December		IFRS	IFRS	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	827	840	825	+15
EBITDA (adjusted)	24	25	16	+9
EBIT (adjusted)	(0)	5	(14)	+19
PAT (adjusted)	(6)	2	(17)	+19
PAT (reported)	3	37	(17)	+54
Balance Sheet (€'m)				
Tangible Fixed Assets	240	231	238	-7
Gross Debt	(30)	(49)	(28)	+21
Net (Debt)/Cash	24	35	2	+33
Pension Liabilities	(237)	(55)	(283)	-228
Net Assets	(33)	175	(96)	+272
Invested Capital	348	384	322	+62
Cashflows (€'m)				
Net Cashflow from Operations	3	(2)	(1)	+1
Gross Capital Expenditure	(14)	(14)	(14)	-0
Dividends Paid (normal)	-	-	-	-
Employees				
Employee Numbers	9,930	9,905	9,928	-23

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	(0.1%)	0.6%	(1.7%)	+2.3%
Return on Invested Capital (ROIC)	3.0%	4.3%	(0.2%)	+4.5%
Liquidity				
Current Ratio (times)	0.9x	1.2x	0.8x	+0.4x
Acid Test Ratio (times)	0.9x	1.2x	0.8x	+0.4x
Leverage				
Net Gearing (see note iii)	-	-	-	-
Net Gearing (see note iv)	-	-	-	-
Shareholder Returns				
Dividend Payout (normal dividends)	-	-	-	-

NOTES:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.
ii. A four-year average is presented above as the entity transitioned to IFRS in 2015 (which included restated amounts for the prior period).
iii. Net gearing excluding pension and employee related liabilities.
iv. Net gearing including pension and employee related liabilities.
v. Detailed five-year historical financial information is provided in Appendix D.



An Post, in common with other national postal operators, has been experiencing falling mail volumes with an acceleration in the use of digital alternatives. In response to these structural challenges, An Post put in place a strategic plan during 2017 for the medium to long-term future of the company.

Despite a further decline in core mail volumes during 2017, An Post delivered an improved trading performance with turnover increasing by €15m to €840m (2016: €825m) and an adjusted operating profit (EBIT adjusted) of €5m, up from a loss making position in the prior period (2016: -€14m).

The increased operating profit is due mainly to revenue growth, arising from the introduction of price increases for postal services during the year. The movement to an operating profit position is reflected in the higher ROIC (2017: 4.3%, 2016: -0.2%) and the positive, albeit low, operating profit margin (2017: 0.6%, 2016: -1.7%).

The increase in reported PAT over the prior period (2017: €37m, 2016: -€17m) also reflects income from two material exceptional items during the year: the disposal of a facility at Cardiff Lane in Dublin, which yielded pre-tax income of €36.8m, and an equity dividend of €9.0m from An Post's investment in PLI.

Gross debt increased to €49m at the end of 2017 (2016: €28m) noting this includes the provision of a €30m State loan from the Minister for Finance in December 2017.

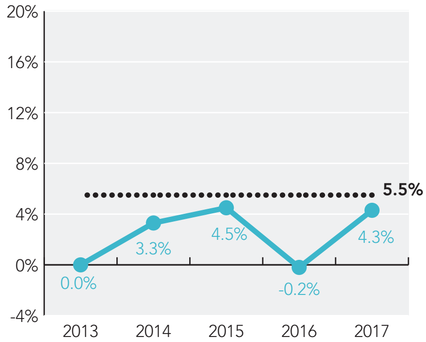
The company was in an increased net cash position at year end (2017: €35m, 2016: €2m) with an increase in borrowings (+€21m) offset by higher cash balances (+€54m). An Post report that the accumulation of cash ensures that adequate resources are available to the group and to enable the execution of its strategic plan.

An Post returned to a net asset position of €175m in 2017 (2016: -€96m) assisted by the reduction of the pension deficit which fell from €283m at the end of 2016 to €55m at the end of 2017.

SELECTION OF KEY FINANCIAL METRICS

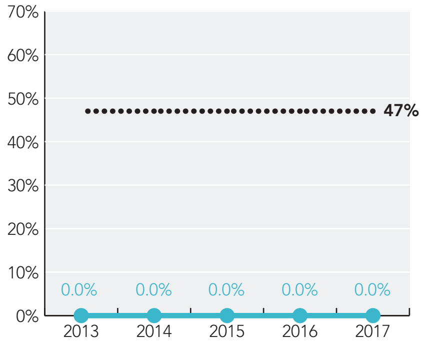
PROFITABILITY

ROIC %
Historical 5yr. Portfolio avg. denoted by dotted black line



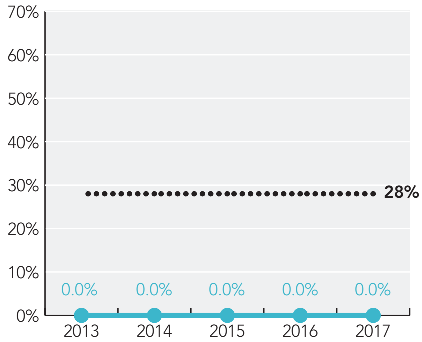
CAPITAL STRUCTURE

Net Gearing %, excl. pension & employee related liabilities
Historical 5yr. Portfolio avg. denoted by dotted black line



DIVIDENDS

Dividend Payout %, excluding special dividends
Historical 5yr. Portfolio avg. denoted by dotted black line



KEY BUSINESS DEVELOPMENTS 2017

Strategic Plan	▶ Strategic plan for the medium-long term future of the company put in place in response to the structural challenges facing the postal sector generally and An Post (cumulative mail volume decline of 42% from the 2007 level).
Business Re-organisation	▶ Undertook a re-organisation of An Post into two standalone business units: one comprising the mails and parcels business and the other being the retail post office network. New managing directors and management teams appointed to each. The re-organisation is a central element of the strategic plan for the period 2018-2022.
Mails and Parcels	▶ Re-launch of the mails and parcels business under a new specification with evening and Saturday deliveries and later cut-off times for next-day delivery.
Retail Network	▶ Launched a payment account during the year and is further developing relationships with companies across the banking and insurance sectors. The retail division expanded the range of National Lottery products and provided these throughout the post office and PostPoint networks. An Post continued the management of the State savings products, now with a combined value of over €20bn, and the cash payments business for the Department of Employment Affairs and Social Protection.
Pricing	▶ Repeal of the price cap mechanism for mail services following the enactment of the Communications Regulation (Postal Services) (Amendment) Act 2017 in March 2017; this gives increased flexibility to An Post around the pricing of mail services. ▶ Price increases applied to mail services in April 2017; An Post report that this brings prices closer to European norms.
Funding	▶ Received a loan of €30m from the Minister for Finance in December 2017. The loan is for a five-year term with the potential for a two-year extension.

KEY CHALLENGES AND OPPORTUNITIES

Continuing decline of mail volume	▶ Core mail volumes are expected to continue to decline due to increasing utilisation of digital alternatives. This poses a serious challenge to An Post and hence the implementation of the new strategic plan is required to ensure that there is a solid foundation for the future of the national postal service.
Growth in parcel services	▶ The continued growth in parcel services, largely driven by on-line shopping, presents an opportunity for An Post to capitalise on.
Retail Network	▶ An Post plans to transform its retail network by delivering new products and new formats. Three particular areas of focus are: i. facilitating out of home e-commerce with longer opening hours; ii. the potential to provide a one-stop shop for Government services; and iii. extending the current range of local financial services for citizens and SMEs. ▶ We note that in May 2018 agreement was reached between Irish Postmasters' Union and An Post on a new contract to facilitate the development and renewal of the post office network and the expansion of new services offered by An Post.

BORD NA MÓNA

KEY ACTIVITIES

- **Peat:** Harvests and supplies peat to the Powergen, Horticulture and Fuels divisions from BnM peatlands.
- **Powergen:** Manages and operates BnM's power generation assets with a number of new power generation projects at various stages of development.
- **Horticulture:** Sells growing media and other horticultural products to Irish and UK retail markets and professional markets primarily in Ireland, the UK and Europe.
- **Fuels:** Manufactures and distributes solid fuel products within the residential heating market in Ireland.
- **Bioenergy:** Development of the biomass supply chain sourcing both domestically and internationally for power generation.
- **Resource Recovery:** Provides domestic and commercial waste collection and disposal services and operates BnM's landfill facility in Kildare.

State Ownership: 95%

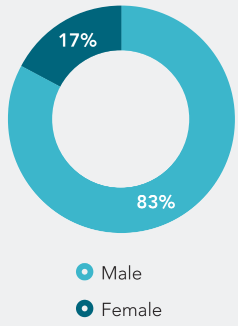
Board Composition *(as at November 2018)*

Chairperson: Geoffrey Meagher

Managing Director: Tom Donnellan

Non-Executive Directors: Denise Cronin, Denis Leonard, Barry Walsh, John Farrelly, Gerard O'Donoghue, Elaine Treacy

Worker Directors: Philip Casey, Kevin Healy, Seamus Maguire, Paschal Maher



FINANCIAL PERFORMANCE

Key Financial Information				
Year ended March		IFRS	IFRS	
Income Statement (€'m)	**Avg 4Y**	**2018**	**2017**	**yoy Δ**
Turnover	410	395	406	-11
EBITDA (adjusted)	89	74	82	-8
EBIT (adjusted)	50	33	40	-7
PAT (adjusted)	32	28	21	+8
PAT (reported)	14	(8)	5	-14
Balance Sheet (€'m)				
Tangible Fixed Assets	301	268	292	-25
Gross Debt	(213)	(120)	(187)	-67
Net Debt	(149)	(75)	(171)	-95
Pension Liabilities	(33)	(13)	(16)	-3
Net Assets	220	218	231	-13
Invested Capital	516	445	489	-44
Cashflows (€'m)				
Net Cashflow from Operations	60	61	49	+12
Gross Capital Expenditure	(64)	(33)	(36)	-3
Net (Acquisitions)/Disposals Spend	7	40	(13)	+53
Dividends Paid (normal)	(7)	(2)	(4)	-2
Employees				
Employee Numbers	1,979	1,980	1,998	-18

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2018**	**2017**	**yoy Δ**
Operating Margin (EBIT adjusted)	12.2%	8.4%	9.9%	-1.5%
Return on Invested Capital (ROIC)	8.3%	4.9%	6.8%	-1.8%
Liquidity				
Current Ratio (times)	1.5x	1.3x	1.4x	-0.1x
Acid Test Ratio (times)	0.9x	0.8x	0.7x	+0.1x
Leverage				
Net Gearing (see note iii)	40%	26%	42%	-17%
Net Gearing (see note iv)	44%	29%	45%	-16%
Net Debt/EBITDA (times)	1.6x	1.0x	2.1x	-1.1x
EBITDA Interest Cover (times)	7.9x	8.5x	7.4x	+1.1x
Shareholder Returns				
Dividend Payout (normal dividends)	20%	12%	12%	-0.6%
Earnings (adjusted) growth	2%	37%	(43%)	+80%

NOTES:

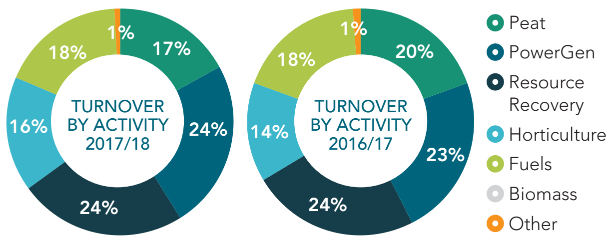
i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. A four-year average is presented above as the entity transitioned to IFRS in 2015/16 (which included restated amounts for the prior period).

iii. Net gearing excluding pension and employee related liabilities.

iv. Net gearing including pension and employee related liabilities.

v. Detailed five-year historical financial information is provided in Appendix D.



BnM had a challenging year in 2017/18 following the decisions to close the Littleton briquette factory and exit the coal business together with the costs of remedying compliance issues in the wake of the 2016 acquisition of White Moss Horticulture ("WMH").

Turnover decreased by €11m from €406m in 2016/17 to €395m in 2017/18 with adjusted operating profit (EBIT adjusted) falling by €7m to €33m. However adjusted PAT (2017/18: €28m, 2016/17: €21m) was higher due to lower finance costs, tax and increased income from joint venture investments.

In 2017/18, BnM reported exceptional costs of €39m (2016/17: €16m) which comprised asset impairments, restructuring costs and provisions. Asset impairments arose as a result of the decisions to close the Littleton briquette factory and exit the coal business. Following a review of the long term outlook for the horticulture market in the UK and Ireland, it was also considered appropriate to impair the carrying value of certain horticulture assets. Further restructuring costs and provisions also arose in relation to remediation initiatives at WMH.

Despite these challenges, net debt fell by over 50% reducing net gearing to 29% from 45% in 2016/17. This reduction was funded from operating cashflows and the sale of various property assets including BnM's former headquarters on Baggot Street and the former headquarters of BnM's UK Anua business in Somerset, that business having been sold in 2016/17.

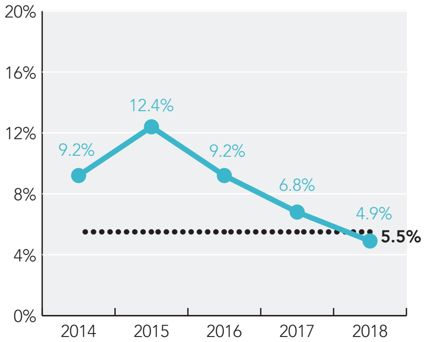
Capital expenditure in 2017/18 was €33m which was broadly in line with prior year but noting that investments in joint ventures increased by €5m in 2017/18 primarily relating to BnM's investment in the Oweninny wind farm joint venture with ESB.

BnM paid €2m in dividends in 2017/18, which equates to 12% of prior year adjusted PAT (2016/17: €21m). BnM has typically applied a dividend payout rate of 33%, noting that NewERA's standardised dividend payout metric, which is applied across the Portfolio Companies, is calculated on a different basis.

SELECTION OF KEY FINANCIAL METRICS

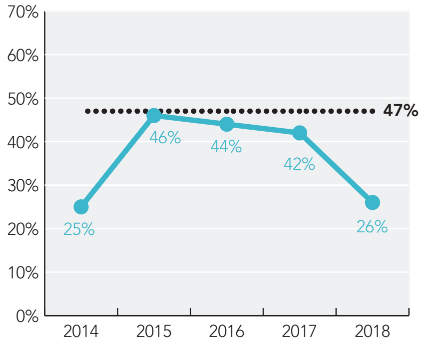
PROFITABILITY

ROIC %
Historical 5yr. Portfolio avg. denoted by dotted black line



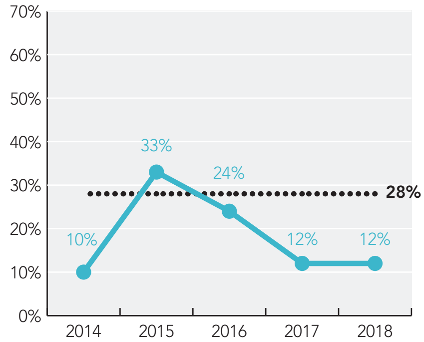
CAPITAL STRUCTURE

Net Gearing %, excl. pension & employee related liabilities
Historical 5yr. Portfolio avg. denoted by dotted black line



DIVIDENDS

Dividend Payout %, excluding special dividends
Historical 5yr. Portfolio avg. denoted by dotted black line



KEY BUSINESS DEVELOPMENTS 2017/18	
Rationalisation of the Fuels business	▶ Board decision taken to (i) close the Littleton briquette factory as current and anticipated demand for briquettes did not justify maintaining two production facilities and (ii) to exit the domestic coal market due to the anticipated financial impact of the planned national ban on the distribution of bituminous coal. These resulted in significant one-off costs in 2017/18.
Integration of WMH	▶ Progressed the integration of WMH with material non-compliance issues identified post-acquisition reported to have been corrected to the satisfaction of the UK Environment Agency. These remediation initiatives giving rise to significant one-off costs in 2017/18.
BioEnergy	▶ Launched the Bioenergy division which is developing indigenous and international biomass supply chains.
Oweninny Wind Farm	▶ Continued to progress the €180m Oweninny joint venture wind farm project, with ESB, achieving financial close post year-end. This project is located next to BnM's Bellacorrick wind farm in Mayo. The installed capacity of the first phase is c. 93MW.
Resource Recovery	▶ Launched an end of life tyre recycling business capturing 30% of the market for end of life tyres nationwide. Investment also continued at its dry mixed recycling facility in Tullamore.

KEY CHALLENGES AND OPPORTUNITIES	
Phasing out of peat for energy	▶ The most significant challenge facing BnM is to identify sustainable business growth opportunities in view of its stated ambition of working towards phasing out the use of peat for energy by 2028. The successful implementation of the recently announced restructuring programme will be critical to ensure further reductions in BnM's cost base to position it to meet future business challenges and create future employment opportunities for the regions in which it operates.
Key Supply Contracts	▶ BnM currently supplies peat to the two ESB power stations at Lough Ree and West Offaly. Support subsidies (via the public service obligation levy) will cease for those plants at the end of 2019. BnM continues to engage with ESB regarding the supply of peat and biomass to those plants on a commercial basis beyond 2019.
Regulatory Environment	▶ The changing regulatory environment will continue to present challenges and opportunities for BnM. Among these changes are increased regulations covering the extraction of peat, the expiration of the public service obligation on the two ESB peat fuelled plants, the potential for increased carbon taxes on peat briquettes, the trend towards peat dilution in retail horticultural products in the UK and the implementation of the I-SEM in October 2018.
Renewable Power Generation	▶ BnM has identified growth opportunities in renewable energy and is aiming to significantly increase its renewable energy generation capacity by 2030 powered by solar farms and wind farms. During 2018/19, BnM expects to commence the procurement phase for the Cloncreen wind farm, submit a planning application for the Derryadd wind farm and commence planning for solar generation.
Resource Recovery	▶ With the Poolbeg incinerator operating at full capacity, BnM identify a short to medium-term need for a responsibly managed engineered landfill such as Drehid, in particular for waste streams, such as construction and demolition waste. ▶ A planning application has been submitted for further development at the Drehid landfill facility to facilitate these particular waste streams as well as an ash recovery facility and a waste water treatment facility.
Energy Services	▶ BnM's acquisition of a 50% shareholding in Electricity Exchange DAC enables it to participate indirectly in the development of smart technology and the provision of flexible demand side management services to the national electricity grid. ▶ Demand side management services also facilitate the secure accommodation of a higher level of penetration by renewable technology on the power system which is an enabler for BnM's own renewable power generation strategy.

COILLTE
GROW·TRANSFORM·SUSTAIN

KEY ACTIVITIES

- **Coillte Forest:** Manages the core forestry business including planting, growing, protecting and harvesting of forests. Provision of a range of wood products from its forests along with public goods such as nature conservation, landscape management and recreation.
- **Medite SmartPly:** Manufactures MDF and OSB sustainable timber construction panels, exporting to over 30 countries worldwide.
- **Land Solutions:** Provides commercial land solutions which protect the core productive forest estate and support the delivery of Government policies in areas such as renewable energy, infrastructure and tourism.

State Ownership: 100%

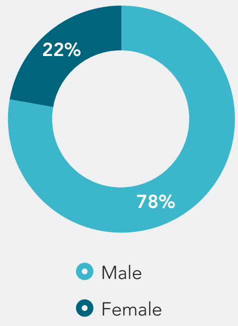
Board Composition *(as at November 2018)*

Chairperson: John Moloney

CEO: Fergal Leamy

Non-Executive Directors: Roisin Brennan, Gerard Gray, Jerry Houlihan, Patrick Eamon King, Dermot Mulvihill, Julie Murphy O'Connor

Employee Director: Thomas O'Malley



FINANCIAL PERFORMANCE

Key Financial Information				
Year ended 31 December		FRS102	FRS102	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	289	299	288	+11
EBITDA (adjusted)	88	83	98	-16
EBIT (adjusted)	62	49	66	-17
PAT (adjusted)	46	43	49	-6
PAT (reported)	42	43	48	-5
Balance Sheet (€'m)				
Tangible Fixed Assets (see note iii)	1,405	1,421	1,415	+6
Gross Debt	(174)	(162)	(170)	-8
Net Debt	(163)	(154)	(168)	+14
Pension Liabilities	(101)	(76)	(108)	-32
Net Assets	1,066	1,139	1,068	+70
Invested Capital	1,356	1,392	1,366	+26
Cashflows (€'m)				
Net Cashflow from Operations	38	67	26	+41
Gross Capital Expenditure	(60)	(57)	(53)	+4
Net (Acquisitions)/Disposals Spend	17	-	-	-
Dividends Paid (normal)	(6)	(8)	(7)	+1
Employees				
Employee Numbers	873	827	862	-35

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	21.5%	16.3%	22.9%	-6.6%
Return on Invested Capital (ROIC)	4.1%	3.1%	4.3%	-1.2%
Liquidity				
Current Ratio (times)	1.9x	2.0x	1.9x	+0.2x
Acid Test Ratio (times)	1.6x	1.6x	1.5x	+0.1x
Leverage				
Net Gearing (see note iv)	13%	12%	14%	-2%
Net Gearing (see note v)	20%	17%	21%	-4%
Net Debt/EBITDA (times)	1.9x	1.9x	1.7x	+0.2x
EBITDA Interest Cover (times)	17.4x	34.4x	15.2x	+19.2x
Shareholder Returns				
Dividend Payout (normal dividends)	16%	16%	13%	+3%
Earnings (adjusted) growth	17%	(12%)	(12%)	-0%

NOTES:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

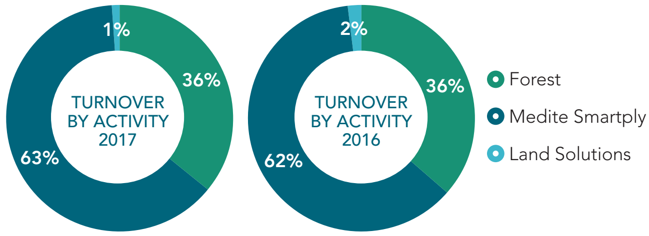
ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Including biological assets.

iv. Net gearing excluding pension and employee related liabilities.

v. Net gearing including pension and employee related liabilities.

vi. Detailed five-year historical financial information is provided in Appendix D.



Coillte's underlying trading performance in terms of turnover and operating cashflow continued to improve in 2017, in part due to the completion of a fundamental restructuring of the business which has resulted in a significant shift in the cost base.

Turnover generated of €299m was 4% ahead of the prior year and net cashflow from operations more than doubled year-on-year (2017: €67m, 2016: €26m), reflecting Coillte's underlying strategic focus on growing cashflow from recurring operations.

The decline in adjusted operating profit (EBIT adjusted) from €66m in 2016 to €49m in 2017, which resulted in a lower operating profit margin (2017: 16.3%, 2016: 22.9%) and ROIC (2017: 3.1%, 2016: 4.3%), mainly reflected the additional income that was received in 2016 from large one-off land sales transactions.

Net debt decreased by €14m in 2017 (2017: €154m, 2016: €168m) with reduced gross debt and an increase in cash during the year. This is reflected in a slightly lower net gearing level (2017: 12%, 2016: 14%), noting that net debt/EBITDA increased year-on-year to 1.9 times due to the reduction in EBITDA in 2017.

Coillte's pension liability reduced from €108m in 2016 to €76m in 2017 arising from a favourable return on scheme assets and a reduction in the deficit due to changes in mortality assumptions and a higher discount rate.

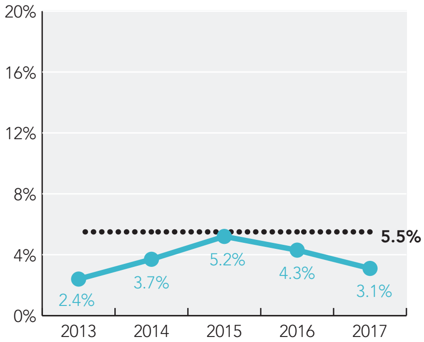
Capital expenditure in 2017 was €57m, slightly higher than 2016 levels with more than two thirds relating to investment in the forest estate.

Coillte made a final dividend payment for 2017 of €8.0m during 2017, versus €7.2m in 2016 which comprised a final dividend of €1.0m in respect of 2015 and a dividend of €6.2m in respect of 2016. This equates to 16% of prior year adjusted PAT (2016: €49m).

SELECTION OF KEY FINANCIAL METRICS

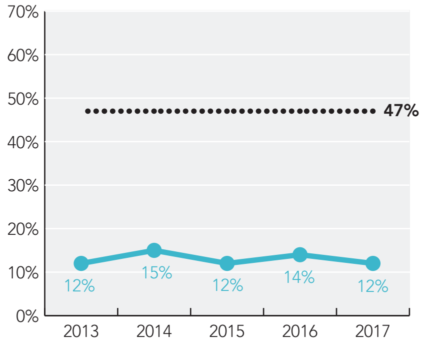
PROFITABILITY

ROIC %
Historical 5yr. Portfolio avg. denoted by dotted black line



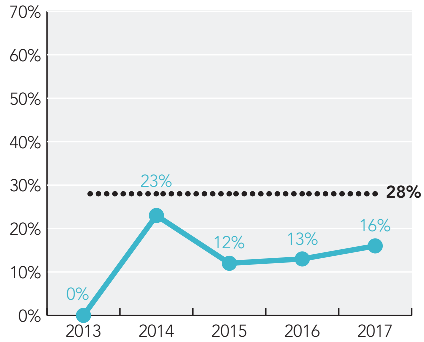
CAPITAL STRUCTURE

Net Gearing %, excl. pension & employee related liabilities
Historical 5yr. Portfolio avg. denoted by dotted black line



DIVIDENDS

Dividend Payout %, excluding special dividends
Historical 5yr. Portfolio avg. denoted by dotted black line



KEY BUSINESS DEVELOPMENTS 2017	
Coillte Forest	▶ Planted 19.5m trees, the highest forest establishment level in over 10 years. ▶ Sold in excess of 1.6m3 of sawlog, similar in level to 2016 sales but representing an increase of 23% since 2015.
Land Solutions	▶ Asset delivery during 2017: the Sliabh Bawn wind farm in Roscommon and the Cloosh Valley wind farm in Galway both started exporting power to the national grid and the Castlepook wind farm in Cork became fully operational in March 2018. These have a combined energy output of 205MW. ▶ Completed a strategic review of its wind energy business and announced plans to move forward with the development of a further 1GW of renewable energy by 2030.
Medite Smartply	▶ Entered into a €68m investment deal with global partners to develop the world's first Tricoya wood chip manufacturing plant in the UK, due to open 2019.
Other	▶ Completed the final phase of business restructuring during 2017, with annual cost savings of €16m delivered across the group which comprises overhead cost savings of €13m and interest cost savings of €3m, following the refinancing of Coillte's commercial bank facilities at the end of 2016 with a combination of its existing bank consortium and the European Investment Bank ("EIB"). ▶ Undrawn commercial bank facilities of €50m were cancelled to eliminate excess headroom and Coillte exercised an option to extend its revolving credit facility by one year (now maturing at the end 2022).

KEY CHALLENGES AND OPPORTUNITIES	
Brexit	▶ Brexit remains a concern given Coillte's bilateral trade with the UK market; over 40% of Coillte's turnover was generated in the UK in 2017 (2016: 41%). ▶ A hard Brexit on World Trade Organisation ("WTO") terms presents financial and operational implications for Coillte, both through the imposition of non-tariff barriers to trade (i.e. customs checks) and tariffs on panel products. Further weakening of sterling would also adversely affect trading performance across both its forestry and panel divisions. ▶ Coillte is taking steps to mitigate these risks through operational changes, foreign exchange hedging and participation in the Timber Industry Brexit Forum.
Forest Management Technology	▶ A new Forest Management System will be rolled-out in 2018. It is expected to improve operational efficiency in Coillte Forest and further increase the production capacity of the estate.
Renewable Energy	▶ A competitive sale process for the majority of Coillte's equity stakes in its four operating wind farms was launched in May 2018 and has generated significant proceeds that Coillte envisages may be used to reinvest in its core forestry business, co-fund future wind development opportunities and invest in its panel products business. An additional dividend payment to the State is also an option under consideration. ▶ In relation to future wind development opportunities, Coillte is intending to announce how it plans to develop up to 1GW of renewable power generation between now and 2030. The delivery of this pipeline represents a significant value creation opportunity and will also contribute to meeting Ireland's overall renewable energy targets.
Other Development Opportunities	▶ Coillte has outlined that its land solutions development pipeline is expected to include, inter alia, integrated constructed wetlands for waste water treatment in rural towns, residential housing in proximity to towns and villages and commercial tourism. While the prime focus remains on Coillte's core purpose of forestry, these will be explored further with Coillte in the context of its corporate plan and regulatory replanting obligations.

EIRGRID GROUP

KEY ACTIVITIES

- **EirGrid TSO:** Develops, manages and operates the high voltage electricity transmission grid in Ireland and is regulated by the Commission for Regulation of Utilities in Ireland ("CRU").
- **SONI:** Develops, manages and operates the high voltage electricity transmission grid in Northern Ireland and is regulated by Utility Regulator Northern Ireland ("URegNI").
- **SEMO:** Operates the SEM across Ireland and Northern Ireland and is regulated by the SEM Committee.
- **EWIC:** Owns and operates the high voltage electricity link between Ireland and Wales, selling capacity through auctions.
- **Other:** Responsible for implementing the systems and processes needed for the introduction of new market arrangements under I-SEM. Also working to help deliver on 2020 renewable electricity targets through the programme for Delivering A Secure and Sustainable Electricity System (known as DS3).

State Ownership: 100%

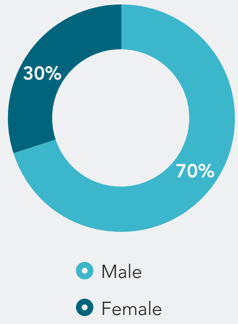
Board Composition *(as at November 2018)*

Chairperson: John O'Connor

CEO: Mark Foley

Non-Executive Directors: Tom Coughlan, Lynne Crowther, Dr Theresa Donaldson, Michael Hand, Eileen Maher, Liam O'Halloran, John Trethowan

Employee Representative: Shane Brennan



FINANCIAL PERFORMANCE

Key Financial Information				
Year ended 30 September		**IFRS**	**IFRS**	
Income Statement (€'m)	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Turnover	650	579	673	-93
EBITDA (adjusted)	79	50	61	-10
EBIT (adjusted)	49	22	26	-4
PAT (adjusted)	27	2	9	-7
PAT (reported)	27	2	9	-7
Balance Sheet (€'m)				
Tangible Fixed Assets	599	605	590	+15
Gross Debt	(369)	(339)	(354)	-14
Net Debt	(224)	(200)	(182)	+18
Pension Liabilities	(27)	(24)	(54)	-30
Net Assets	168	203	146	+58
Invested Capital	661	619	667	-47
Cashflows (€'m)				
Net Cashflow from Operations	67	(21)	62	-83
Gross Capital Expenditure	(47)	(48)	(32)	+16
Dividends Paid (normal)	(2.1)	(4.0)	(3.5)	+0.5
Employees				
Employee Numbers	468	472	480	-8

Key Metrics				
Profitability and Efficiency	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	7.5%	3.8%	3.9%	-0.1%
Return on Invested Capital (ROIC)	7.8%	3.1%	3.5%	-0.4%
Liquidity				
Current Ratio (times)	1.4x	1.4x	1.4x	-0.1x
Acid Test Ratio (times)	1.4x	1.4x	1.4x	-0.1x
Leverage				
Net Gearing (see note ii)	57%	50%	56%	-6%
Net Gearing (see note iii)	60%	52%	62%	-9%
Net Debt/EBITDA (times)	3.0x	4.0x	3.0x	+1.0x
EBITDA Interest Cover (times)	3.9x	2.8x	3.3x	-0.6x
Shareholder Returns				
Dividend Payout (normal dividends)	13%	46%	10%	+36%
Earnings (adjusted) growth	(9%)	(77%)	(74%)	-3%

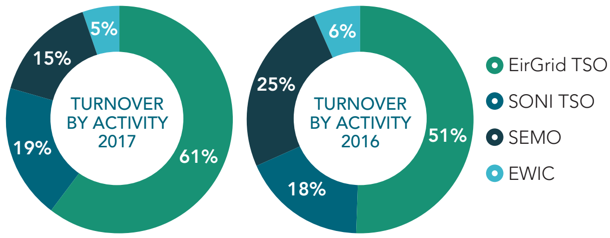
NOTES:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. Net gearing excluding pension and employee related liabilities.

iii. Net gearing including pension and employee related liabilities.

iv. Detailed five-year historical financial information is provided in Appendix D.



EirGrid's activities are predominantly regulated and its reported profits and returns can vary from year to year due to over and under-recoveries of regulatory income. In accordance with normal regulatory practice, over and under-recoveries of regulatory income are corrected for in future tariffs. A significant element of its turnover is also pass-through in nature as it comprises regulatory tariffs which it collects on behalf of the transmission asset owners. These two factors make it difficult to fully assess the underlying operating performance of the entity.

A financial measure which is more useful to use in reviewing its financial performance is management's estimate for underlying profit before tax (this estimate excludes regulatory income adjustments). Management's reported estimate for underlying profit before tax was unchanged at €16m for 2017 (2016: €16m) indicating a stable financial performance for 2017.

Net debt was €200m at year end, an increase of €18m on prior year. Although gross debt reduced by €14m year-on-year (2017: €339m, 2016: €354m), reflecting the continued repayment of EWIC-related borrowings, unrestricted cash balances were lower by €32m meaning an increase in net debt overall (EirGrid's total cash position includes restricted cash balances relating to the SEM collateral reserve accounts and amounts held for EWIC and TUoS collateral which are excluded for the purposes of calculating net debt).

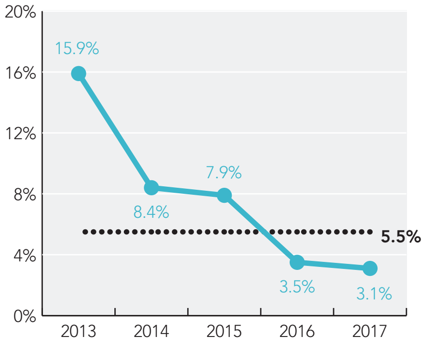
EirGrid operates two defined benefit schemes for qualifying employees, the main scheme being in Ireland with a second scheme in Northern Ireland. The combined net pension liability reduced from €54m at the end of 2016 to €24m by the end of 2017. This was mainly due to an increase in the discount rate used to calculate the present value of funded defined benefit obligations.

EirGrid proposed a dividend to the Exchequer of €4.0m in respect of 2017, which it paid in May 2018, and paid a dividend of €4.0m in June 2017 in respect of 2016, which is similar in level to the prior period. Dividends paid in 2017 equate to 46% of prior year adjusted PAT (€9m) noting that this includes regulatory over and under-recoveries. This ratio would reduce to 29% if based on prior year underlying profit after tax (€16m).

SELECTION OF KEY FINANCIAL METRICS

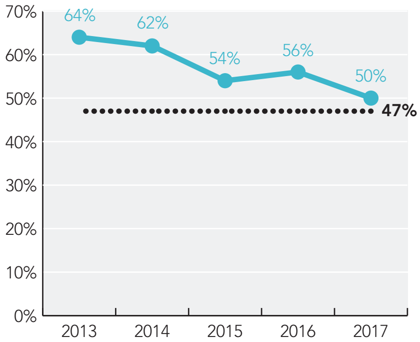
PROFITABILITY

ROIC %
Historical 5yr. Portfolio avg. denoted by dotted black line



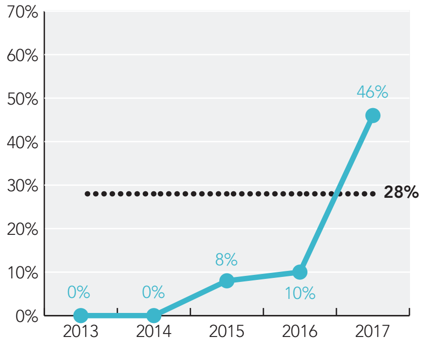
CAPITAL STRUCTURE

Net Gearing %, excl. pension & employee related liabilities
Historical 5yr. Portfolio avg. denoted by dotted black line



DIVIDENDS

Dividend Payout %, excluding special dividends
Historical 5yr. Portfolio avg. denoted by dotted black line



KEY BUSINESS DEVELOPMENTS 2017

European Electricity Market Integration

- EirGrid continued preparations for the introduction of new market systems and new electricity trading arrangements required for I-SEM.
- Extension of the go-live date for the I-SEM by the SEM Committee from May 2018 to October 2018 to allow for residual IT issues to be resolved and for a longer period of market testing and trialling.

Market Interconnection

- Progress made on the planning process for the North-South Interconnector project with the Planning Appeals Commission in Northern Ireland making a positive recommendation for the northern element of the project to the Department for Infrastructure in November 2017.
- Identification of East Cork as the preferred point of connection for the Celtic Interconnector (the project to link the electricity grids in Ireland and France).
- Awarded a second tranche of funding of €4m for the Celtic Interconnector from the EU's Connecting Europe Facility in June 2017 to support the initial design and pre-consultation phase.

Sustainable Power System

- Record breaking 3.1GW of wind power generated in the SEM in January 2017.
- Increased the limit of renewable generation that the grid can reliably carry to 60% in March 2017 and commenced trialling at 65%.
- Key initiatives undertaken during 2017/18 to support a sustainable power system:
  - EU-SysFlex, an EirGrid-led consortium of 34 organisations across Europe, was awarded €20m in EU funding for research into the deployment of an increasing level of renewable energy on European electricity systems;
  - Pursuant to DS3, EirGrid completed the first qualification trial for potential new system services providers which resulted in successful demonstrations of new technologies in areas like wind and demand side management;
  - The world's first deployment of real-time power flow adjustment was trialled on the high voltage electricity system; and
  - Several residential demand reduction trials were carried out in partnership with ESB as part of the 'Power Off & Save' project.

KEY CHALLENGES AND OPPORTUNITIES

I-SEM

- EirGrid has responsibility for the design and development of new market systems and new electricity trading arrangements required for I-SEM. This is a major and complex undertaking for the group as it includes a complete reform of the SEM and will fundamentally change the way in which electricity is traded. I-SEM went live on 1 October 2018.

Importance of Interconnection

- Both the North South Interconnector and the Celtic Interconnector are designated as EU Projects of Common Interest, meaning that their successful deployment is considered an essential step towards EU goals of affordable, secure and sustainable energy.
- The importance of a link between the Irish and mainland European grid has also increased in the context of Brexit but noting that, should it be decided to progress the Celtic Interconnector, it would not go live until 2025/2026. The complexity and scale of this project will present challenges from a financial and operational perspective.

ervia | Gas Networks Ireland

KEY ACTIVITIES

- **Ervia:** parent company of GNI and IW (IW financials are not consolidated with Ervia Group financials and therefore are shown separately in this report). Also provides certain group central and support services to GNI and IW.
- **GNI:** Ownership, operation and maintenance of the natural gas transmission and distribution network in Ireland. Regulated by the CRU.
- **GNI (UK):** Operation and part-ownership of the gas interconnector pipelines between Ireland and Scotland and ownership and operation of two gas transmission pipelines in Northern Ireland. Regulated by the CRU, URegNI and Ofgem.
- **Other:** Ownership and operation of a dark fibre telecoms network under the business name Aurora Telecom.

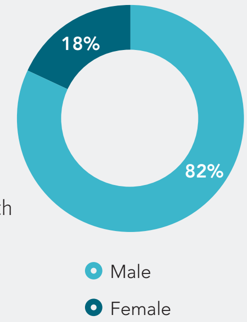
State Ownership: 100%

Board Composition *(as at November 2018)*

Chairperson (Ervia): Tony Keohane

CEO (Ervia): Mike Quinn

Non-Executive Directors (Ervia): Chris Banks, Fred Barry, Peter Cross, Celine Fitzgerald, Keith Harris, Sean Hogan, Mari Hurley, Finbarr Kennelly, Joe O'Flynn



FINANCIAL PERFORMANCE

Key Financial Information				
Year ended 31 December		**IFRS**	**IFRS**	
Income Statement (€'m)	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Turnover	495	473	498	-25
EBITDA (adjusted)	323	300	323	-23
EBIT (adjusted)	196	167	195	-29
PAT (adjusted)	120	120	129	-8
PAT (reported)	114	127	103	+25
Balance Sheet (€'m)				
Tangible Fixed Assets	2,527	2,514	2,502	+12
Gross Debt	(1,289)	(1,186)	(1,172)	+14
Net Debt	(1,177)	(1,094)	(1,028)	+66
Pension Liabilities	(88)	(128)	(129)	-1
Employee Related Liabilities	(3)	(0)	(3)	-3
Net Assets	1,125	1,028	1,043	-15
Invested Capital	2,464	2,424	2,438	-14
Cashflows (€'m)				
Net Cashflow from Operations	240	224	278	-53
Gross Capital Expenditure	(115)	(144)	(135)	+8
Net (Acquisitions)/Disposals Spend	187	(2)	1	-3
Dividends Paid (normal)	(37)	(48)	(35)	+14
Dividends Paid (special)	(94)	(100)	(100)	-
Dividends Paid (total)	(131)	(148)	(135)	+14
Employees				
Employee Numbers	914	927	904	+23

Key Metrics				
Profitability and Efficiency	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	39%	35%	39%	-4%
Return on Invested Capital (ROIC)	6.6%	6.0%	7.0%	-1.0%
Liquidity				
Current Ratio (times)	0.7x	0.9x	0.9x	+0.0x
Acid Test Ratio (times)	0.7x	0.9x	0.9x	+0.0x
Leverage				
Net Gearing (see note ii)	51%	52%	50%	+2%
Net Gearing (see note iii)	53%	54%	53%	+2%
Net Debt/EBITDA (times)	3.6x	3.6x	3.2x	+0.5x
EBITDA Interest Cover (times)	7.5x	11.9x	7.6x	+4.3x
Shareholder Returns				
Dividend Payout (normal dividends)	33%	38%	30%	+8%
Earnings (adjusted) growth	5%	(6%)	11%	-18%

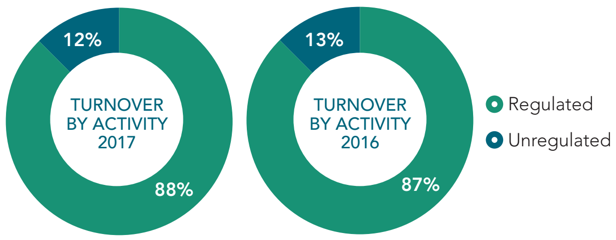
NOTES:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. Net gearing excluding pension and employee related liabilities.

iii. Net gearing including pension and employee related liabilities.

iv. Detailed five-year historical financial information is provided in Appendix D.



Ervia's reported profits and returns are derived substantially from GNI which is mainly regulated (88% of 2017 revenue derived from regulated activities) and its results can therefore vary from year to year due to over and under-recoveries in respect of allowable regulatory income.

In 2017, both turnover (2017: €473m, 2016: €498m) and adjusted operating profit (EBIT adjusted: 2017: €167m, 2016: €195m) decreased from the prior year mainly due to lower regulated gas tariffs to customers. The lower level of operating profit is reflected in the reduced operating profit margin and ROIC.

Adjusted PAT was also lower (2017: €120m, 2016: €129m) reflecting the reduced operating profit partly offset by lower interest costs following a bond refinancing in late 2016.

Net pension liabilities were materially unchanged year-on-year (2017: €128m, 2016: €129m). Net debt increased marginally (2017: €1,094m, 2016: €1,028m) with operating cashflows primarily utilised to meet capital investment needs and dividend payments.

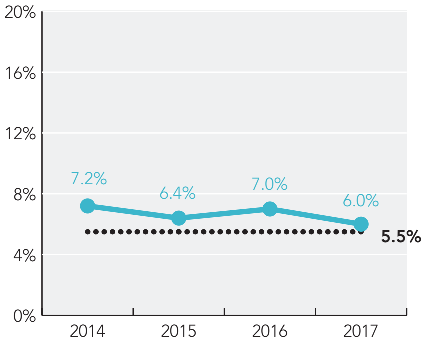
Ervia continued to progress its regulatory capital investment programme in 2017 with gross capital expenditure of €144m (cash basis), an increase on prior year (2016: €135m) and the historical five-year average (€115m).

Of the €148m in dividend payments in 2017, €100m comprised a special dividend paid to the Exchequer in respect of a further instalment of the sale proceeds of Bord Gáis Energy. The balance of dividend payments in 2017 (€48m) comprised the annual dividend in respect of 2016. Normal dividends paid in 2017 (€48m) equate to 38% of prior year adjusted PAT (€129m). Ervia report that the 2017 dividend was based on 45% of prior year adjusted profits (2016: 30%), noting that NewERA's standardised dividend payout metric, which is applied across the Portfolio Companies, is calculated on a different basis.

SELECTION OF KEY FINANCIAL METRICS

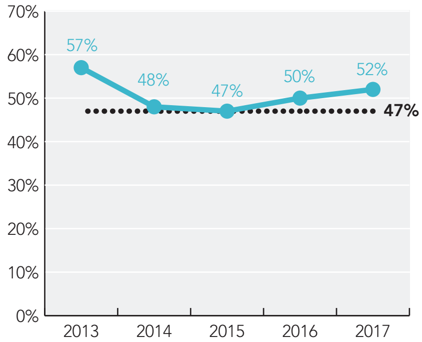
PROFITABILITY

ROIC %
Historical 5yr. Portfolio avg. denoted by dotted black line



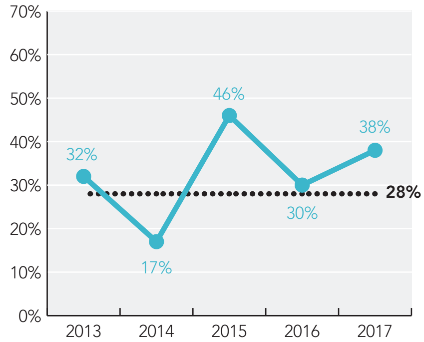
CAPITAL STRUCTURE

Net Gearing %, excl. pension & employee related liabilities
Historical 5yr. Portfolio avg. denoted by dotted black line



DIVIDENDS

Dividend Payout %, excluding special dividends
Historical 5yr. Portfolio avg. denoted by dotted black line



KEY BUSINESS DEVELOPMENTS 2017	
Gas Networks	▶ 74,000 GWh of gas transported through the network for Ireland, Northern Ireland and Isle of Man, an increase of 1.8% on 2016. ▶ Imported a third of Ireland's gas requirements from the UK via the interconnectors (2016: 33%) with the balance supplied from the Corrib (c. 61%) and Kinsale (6%) gas fields noting that the operator of the latter ceased storage operations during 2017. ▶ 10,436 new customer connections. ▶ Developed market arrangements for the first injection of renewable gas to the transmission grid in 2018.
Regulatory	▶ Price controls were published by the relevant regulatory authorities in Ireland (CRU) and Northern Ireland (URegNI) which will individually govern the level of revenue GNI can recover over the period from October 2017 to September 2022 in each respective jurisdiction.
Investment	▶ Completed 29km of the 50km twinning pipeline in Scotland to improve security of gas supply to Ireland. ▶ Commenced work on a 40km feeder main to Listowel, Co. Kerry. ▶ Commissioned a CNG facility in Shannon and completed the construction of the first publicly accessible CNG fuelling station in Ireland at Dublin Port. ▶ Progressed plans to complete the Aurora dark fibre network from Cork to Dublin.
Other	▶ Credit Rating agencies affirmed GNI's existing investment grade credit ratings (Standard & Poor's: A, Moody's: A3).

KEY CHALLENGES AND OPPORTUNITIES	
Future Separation of IW	▶ In July 2018, the Government decided that IW would become a standalone publicly owned, commercial, regulated utility separated from the Ervia Group during 2023. A key challenge for Ervia will be ensuring IW's readiness to become a standalone public utility during 2023, while also ensuring that there is no distraction in the intervening period on implementing IW's key strategic objectives such as its capital investment plan and transformation plan.
Regulatory Environment	▶ A key challenge for GNI will be seeking to continue to operate, maintain and develop its gas network, while also working to support energy policy within its regulated revenue allowances and delivering on efficiency targets set by the regulatory authorities.
Decarbonisation	▶ GNI is actively supporting the long-term decarbonisation initiative in Ireland by the continued development of the use of CNG for large vehicles, trialling the introduction of indigenous renewable gas into the gas network, investigating carbon capture and storage for electricity and industry and the use of carbon-free hydrogen in the gas network. ▶ Managing these growth opportunities, while being cognisant of the risk of investment in infrastructure in the context of the long term move to a low carbon energy system, will be the key long term challenge for GNI.

ervia UISCE ÉIREANN : IRISH WATER

KEY ACTIVITIES

- **Water Services:** Ireland's national water utility with responsibility for the delivery of all public water services to households and businesses including the supply of drinking water and the collection, treatment and disposal of waste water.
- The CRU provides independent economic oversight of IW and it is also subject to the requirements of the EPA.

Note: Irish Water is a subsidiary of Ervia under the Companies Act 2014 but, due to its share ownership structure, it is not a subsidiary of Ervia for accounting purposes. From a governance perspective, the Ervia Board and Executive Team are responsible for the performance of Irish Water.

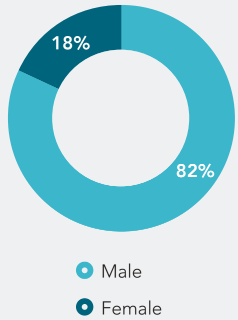
State Ownership: 100%

Board Composition *(as at November 2018)*

Chairperson (Ervia): Tony Keohane

CEO (Ervia): Mike Quinn

Non-Executive Directors (Ervia): Chris Banks, Fred Barry, Peter Cross, Celine Fitzgerald, Keith Harris, Sean Hogan, Mari Hurley, Finbarr Kennelly, Joe O'Flynn

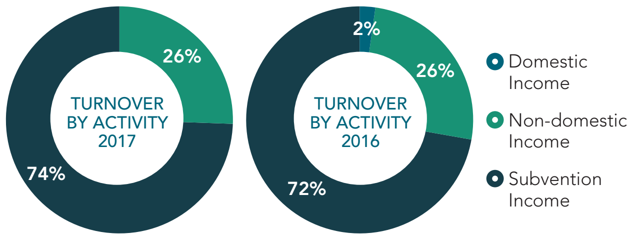


FINANCIAL PERFORMANCE

Key Financial Information				
Year ended 31 December		**IFRS**	**IFRS**	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	864	1,013	906	+107
EBITDA (adjusted)	96	290	129	+161
EBIT (adjusted)	47	221	69	+152
PAT (adjusted)	32	196	54	+141
PAT (reported)	32	196	54	+141
Balance Sheet (€'m)				
Tangible Fixed Assets	1,421	2,072	1,638	+434
Gross Debt	(777)	(825)	(974)	-149
Net Debt	(735)	(809)	(917)	-108
Pension Liabilities	(29)	(29)	(26)	+2
Net Assets	421	958	493	+465
Invested Capital	888	1,367	1,094	+273
Cashflows (€'m)				
Net Cashflow from Operations	95	328	168	+160
Gross Capital Expenditure	(505)	(489)	(471)	+18
Net (Acquisitions)/Disposals Spend	(15)	1	(2)	+2
Dividends Paid (total)	-	-	-	-
Employees				
Employee Numbers	532	752	592	+160

NOTES:

i. A four-year average is presented above as IW was not operational for a full 12-month period in 2013, having been incorporated on the 17th of July that year.
ii. Key financial metrics are not currently presented for IW given its stage of development.
iii. Detailed five-year historical financial information is provided in Appendix D.



IW's revenue allowance, through State subvention and from customers, is determined by the CRU following a review of IW's operating and capital funding requirements. A substantial portion of IW's operating and capital funding requirements are provided by the State (74% of revenue in 2017) and are also therefore subject to the annual Exchequer budgetary process.

In 2017, IW reported an increase of €107m in turnover (2017: €1,013m, 2016: €906m) due mainly to an increase in Government subvention income, which is being provided to meet normal usage requirements for domestic water customers. Turnover from non-domestic customers/new connections also increased.

The increased turnover, coupled with operating cost savings and a lower bad debt provision, resulted in a significantly higher level of operating profit (EBIT adjusted) of €221m in 2017 compared to €69m in 2016.

The increase in turnover and profit in 2017 reflects the regulated utility model, which allows IW to generate a return on its capital investment incurred to date which can be applied to fund further capital investment.

IW's tangible fixed assets increased by €434m (2017: €2.1bn, 2016: €1.6bn) reflecting IW's ongoing capital investment in water infrastructure. The reduction in borrowings in 2017 resulted in the improved net debt position (2017: €809m, 2016: €917m). The near doubling of net assets from €493m in 2016 to €958m in 2017 reflects the shareholder equity subscription of €270m from the State and IW's increased level of retained profits.

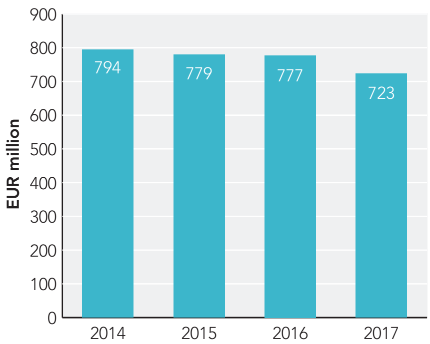
Gross capital expenditure in 2017 was €489m on a cash basis. This was primarily funded from the cash equity subscription of €270m from the State and from operating cashflows, which almost doubled from €168m in 2016 to €328m in 2017.

Given IW's stage of development and funding model, any surplus generated is currently reinvested in water and wastewater infrastructure.

SELECTION OF KEY FINANCIAL INFORMATION

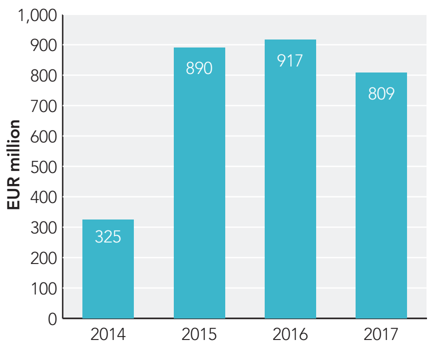
OPERATING COSTS

Operating Costs (excluding D&A)



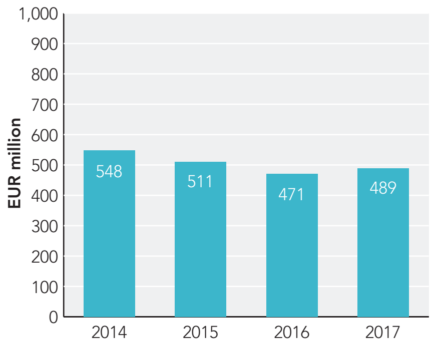
CAPITAL STRUCTURE

Net debt levels



CAPITAL INVESTMENT

Gross Capital Expenditure (cash basis)



KEY BUSINESS DEVELOPMENTS 2017	
Investment	▶ Investment focused on improving drinking water quality and the treatment of wastewater and reducing leakage with: – over 400 capital projects to upgrade plants underway; – completion of 21 key infrastructure projects, including 5 new and upgraded water treatment plants and 16 new and upgraded wastewater treatment plants; – repair of over 26,000 customer leaks to date through the First Fix scheme; – removal and replacement of 1,234 lead service connections; – laying of 203km new or renewed water mains; – reduction in the number of customers on legacy long-term boil water notices to five at the end of 2017 from 23,000 at the start of 2014; and – removal of 33 public water supplies from the EPA's remedial action list. ▶ Launched the national leakage reduction programme to source and repair sections of the network where almost 50% of treated drinking water is lost. ▶ Achieved the first deliverable of the Environmental Information Management System project which, once complete, will centralise all environmental data for IW.
Non-domestic customers	▶ Completed the migration of all non-domestic accounts from the local authorities bringing all water services management for these customers under IW.

KEY CHALLENGES AND OPPORTUNITIES	
Delivery of Capital Investment Plan	▶ It is generally accepted that Ireland's water infrastructure requires a sustained level of high capital investment through several successive investment cycles to address the deficit in public water infrastructure due to historic underinvestment. The National Development Plan provides for the delivery of €8.5bn of capital investment by IW over 2018-27. With the changes to IW's funding model during 2016-17, the majority of this capital investment will be funded by the State (on behalf of domestic water users). ▶ IW's Strategic Funding Plan sets out its estimated funding requirements over 2019-24, subject to future regulatory and budgetary decisions, including €6.1bn capital investment over this period to help meet the overall target in the National Development Plan. This is a very substantial capital programme and a key challenge for IW will be delivering it in an efficient manner, while adapting to any changes in policy objectives or infrastructure needs as required.
Transformation Plan	▶ A key element of the rationale for establishing IW is the delivery of a single public utility, to deliver enhanced services, efficiencies and economic of scale. IW's Strategic Funding Plan sets out a target of delivering €310m in annual operating efficiencies by 2024, which will be key in bringing its cost base closer over time to comparable water industry benchmarks and managing other growth pressures on its cost base arising from increased compliance requirements and demand growth. IW will need to continue to engage with relevant stakeholders to progress the transformation of the operating framework for the Irish water industry.
Future Separation from Ervia	▶ In July 2018, the Government decided that IW would become a standalone publicly owned, commercial, regulated utility to be separated from the Ervia Group by 2023. IW was established in 2013 and, while it has with Ervia's support made significant progress since then, it remains a relatively immature utility in comparison to Ireland's electricity and gas networks. The next phase of Ervia's role is to ensure that IW develops the required resources and capabilities to become a high-performing and standalone public utility.

Energy for generations

KEY ACTIVITIES

- **Networks:** Owner of the transmission network and owner and operator of the distribution network on the island of Ireland.
- **Generation & Wholesale Markets:** Owner and operator of installed power generation capacity of 5.8GW across the SEM and Great Britain, of which 739 MW is renewable generation.
- **Electric Ireland:** Supplier of electricity and gas throughout the island of Ireland.
- **Innovation:** Activities include the provision of consultancy and engineering services (ESB International), ESB's fibre to the building joint venture and other telecom activities, the Novus Modus fund, eCars and Smart Energy Services.

State Ownership: c. 95%

Board Composition *(as at November 2018)*

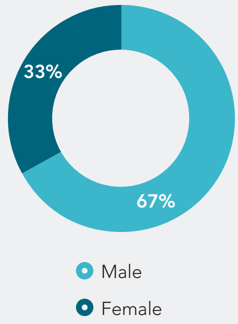
Chairperson: Ellvena Graham OBE

CEO: Pat O'Doherty

Non-Executive Directors: Anne Butler, Noreen O'Kelly, Noreen Wright, Andrew Hastings, Alf Smiddy, Paul Lynam

Employee Representatives: Dave Byrne, Sean Kelly, Tony Merriman

ESOP Representative: Peter O'Sullivan



FINANCIAL PERFORMANCE

Key Financial Information				
Year ended 31 December		IFRS	IFRS	
Income Statement (€'m)	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Turnover	3,291	3,229	3,212	+17
EBITDA (adjusted)	1,319	1,276	1,330	-53
EBIT (adjusted)	592	490	597	-108
PAT (adjusted)	329	213	353	-139
PAT (reported)	233	(32)	186	-218
Balance Sheet (€'m)				
Tangible Fixed Assets	10,438	10,005	10,439	-434
Gross Debt	(4,811)	(4,758)	(4,887)	-130
Net Debt	(4,532)	(4,377)	(4,524)	-146
Pension Liabilities	(759)	(537)	(695)	-158
Employee Related Liabilities	(150)	(112)	(143)	-31
Net Assets	3,901	3,713	3,924	-211
Invested Capital	9,769	9,822	9,977	-156
Cashflows (€'m)				
Net Cashflow from Operations	934	917	1,011	-95
Gross Capital Expenditure	(803)	(791)	(771)	+20
Dividends Paid (normal)	(97)	(116)	(86)	+29
Dividends Paid (special)	(84)	-	-	-
Dividends Paid (total)	(181)	(116)	(86)	+29
Employees				
Employee Numbers	7,466	7,790	7,597	+193

Key Metrics				
Profitability and Efficiency	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	17.9%	15.2%	18.6%	-3.4%
Return on Invested Capital (ROIC)	5.4%	4.4%	5.4%	-1.0%
Liquidity				
Current Ratio (times)	1.1x	1.1x	0.9x	+0.2x
Acid Test Ratio (times)	1.0x	1.0x	0.9x	+0.1x
Leverage				
Net Gearing (see note ii)	54%	54%	54%	+1%
Net Gearing (see note iii)	58%	58%	58%	-0%
Net Debt/EBITDA (times)	3.4x	3.4x	3.4x	+0.0x
EBITDA Interest Cover (times)	5.7x	6.3x	6.3x	-0.0x
Shareholder Returns				
Dividend Payout (normal dividends)	27%	33%	24%	+9%
Earnings (adjusted) growth	(5%)	(40%)	(4%)	-36%

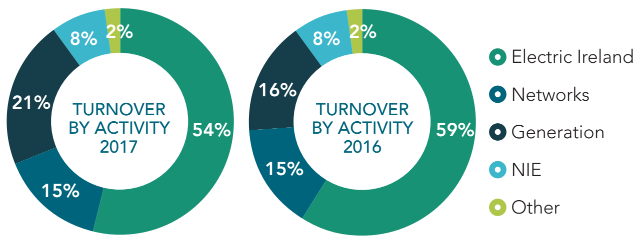
NOTES:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. Net gearing excluding pension and employee related liabilities.

iii. Net gearing including pension and employee related liabilities.

iv. Detailed five-year historical financial information is provided in Appendix D.



Although there was an improved gross margin in ESB Networks arising from increased regulated income, there was downward pressure on ESB's gross margin overall in 2017 due to lower running of Moneypoint, higher fuel costs, lower plant availability due to a number of forced outages and reduced revenue in Electric Ireland (lower volumes and price reductions).

Adjusted operating profit (EBIT adjusted) reduced year-on-year (2017: €490m, 2016: €597m) mainly as a result of the downward pressure on energy margins and increased levels of operating expenditure. The reduction in operating profitability is reflected in a lower adjusted operating margin (2017: 15.2%, 2016: 18.6%) and ROIC (2017: 4.4%, 2016: 5.4%). However, trading performance was satisfactory in the context of difficult market conditions.

ESB recognised exceptional impairment charges of €276m in 2017, with €263m of that relating to certain of its thermal generation assets and €13m for renewable assets. These charges have arisen due to the anticipated reduction in ESB's revenue from the introduction of the I-SEM and other energy margin pressures.

Profit after tax for 2017 was a negative €32m compared with €186m in 2016. This reflects the reduction in operating profit and the impact of exceptional impairment charges partly offset by a lower fair value movement on financial instruments.

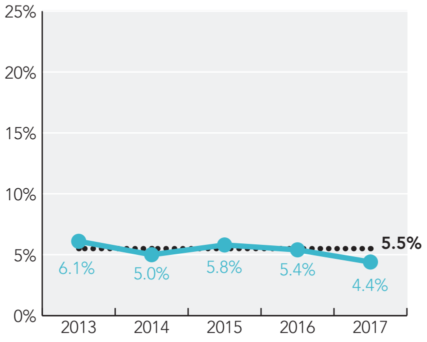
Net debt reduced by €146m (2017: €4,377m, 2016: €4,524m) reflecting lower gross debt and an improved cash position but noting that net gearing remains materially unchanged. ESB's net pension liability and employee related liabilities continued to decline reducing by €189m (2017: €649m, 2016: €838m) due mainly to ongoing payments under pre-2012 voluntary severance schemes and the 2010 Pension Agreement.

Dividends of €116m were paid in 2017 comprising a €60m final dividend for 2016 and a €55m interim dividend in relation to 2017. A final dividend of €5m has been recommended by the Board of ESB in respect of 2017. Dividends paid in 2017 (€116m) equate to 33% of prior year adjusted PAT (€353m). ESB has a dividend policy framework in place which targets a dividend payout rate of 40% noting that NewERA's standardised dividend payout metric, which is applied across the Portfolio Companies, is calculated on a different basis.

SELECTION OF KEY FINANCIAL METRICS

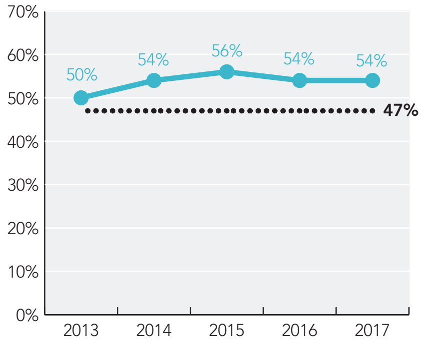
PROFITABILITY

ROIC %
Historical 5yr. Portfolio avg. denoted by dotted black line



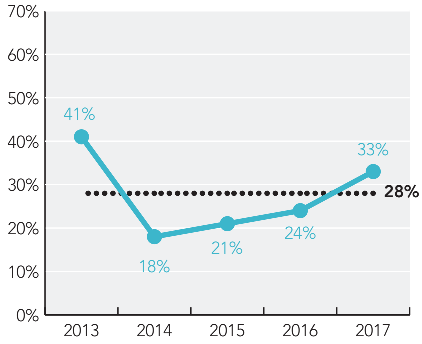
CAPITAL STRUCTURE

Net Gearing %, excl. pension & employee related liabilities
Historical 5yr. Portfolio avg. denoted by dotted black line



DIVIDENDS

Dividend Payout %, excluding special dividends
Historical 5yr. Portfolio avg. denoted by dotted black line



KEY BUSINESS DEVELOPMENTS 2017

Electricity Networks

- NIAUR published the price control which will govern NIE Networks expenditure from October 2017 to March 2024 (known as RP6).
- Obtained formal regulatory approval to complete phase one of the Smart Metering Project by 2020 which will cost an estimated €304m.
- Facilitated renewable connections of 443MW and 361MW in Ireland and Northern Ireland respectively during 2017, bringing the total renewable connections in Ireland at the end of 2017 to almost 4GW and to 1.4GW in Northern Ireland.

Power Generation

- All-island market share of 42% for power generation (2016: 47%)
- Secured 42% of the I-SEM capacity contracts awarded under the first capacity auction in December 2017 (7,774MW awarded capacity contracts).
- Asset delivery during 2017: Four new wind farms totalling 95MW were commissioned in the SEM. Completed construction of a 40MW biomass plant near London (a joint venture ("JV") with Green Investment Group) and a 35MW wind farm in Cork (a JV with Coillte), with both in the final commissioning stages at year end.

Customer Supply

- All-island market share of 34% for electricity supply with over 1.25m customers (2016: 37%, 1.4m customers).
- Entered the domestic supply market for electricity and gas in Great Britain during 2017 with the establishment of ESB Energy.

Other

- Credit Rating agencies affirmed ESB's existing credit ratings with Moody's upgrading ESB's long-term issuer rating to A3 from Baa1 in September 2017.
- Issued a 12-year €500m fixed rate bond in January 2017 at a coupon of 1.75%, the lowest coupon on any bonds issued to date under ESB's Eurobond programme and which provided ESB with the majority of its 2017 funding requirements.
- SIRO (a JV between ESB and Vodafone for high speed broadband) progressed its own rollout with services available to over 120,000 premises by year end.
- Published a joint report with Poyry, *"Ireland's Low-Carbon Future – dimensions of a solution"*, in relation to meeting Ireland's carbon reduction targets.
- eCars won a place on the Transport for London framework in 2017 and began the installation of rapid charging facilities at sites across London.

KEY CHALLENGES AND OPPORTUNITIES

Regulatory Environment

- 2018 will bring transformational change to the electricity market on the island of Ireland with the introduction of new market arrangements under I-SEM. This will present both financial and operational challenges for ESB.
- ESB has a dedicated I-SEM project team in place to prepare for the transition to I-SEM and to develop ESB positions on regulatory, market and structural issues.
- Significant downward pressure on revenues, in particular capacity income for its generation plant in Ireland and Northern Ireland, are expected which will be partly offset by the potential for additional income from the provision of system services for the grid. ESB has commenced a project to address business model and cost base changes required in response to the impact of the expected loss of revenues.

Decarbonisation

- The long-term, progressive decarbonisation of the energy system is at the core of European and respective national energy policies and is a key facet of ESB's current strategy, driving transformational change to its traditional business model.
- To deliver this transformation, ESB is projecting significant capital investment, averaging €1bn per annum to 2030, in smart networks, low carbon and renewable generation and customer offerings focused on distributed energy and digital technologies.
- This presents both challenges and opportunities for ESB. A key area of focus will be the review by ESB of repowering options for Moneypoint and its peat stations in the midlands. Noting, in particular, the importance of Moneypoint's contribution to the Irish market from a security of supply perspective (915MW), a key decision on the station is expected to be taken before 2020.

6. Financial Information – Transport Sector Companies

CIE

KEY ACTIVITIES

Transport Services:

- CIÉ is the main provider of bus and rail public transport services and rail freight services in Ireland through its operating subsidiaries:
  - Bus Átha Cliath ("BÁC");
  - Bus Éireann ("BÉ"); and
  - Iarnród Éireann ("IÉ").
- This includes both commercial services and services which are subvented by the State via Public Service Obligation ("PSO") payments along with the operation of a schools transport service which it administers for the Department of Education and Skills.
- CIÉ also owns CIÉ Tours International ("CIÉ Tours") which promotes and sells Irish coach tour holidays.

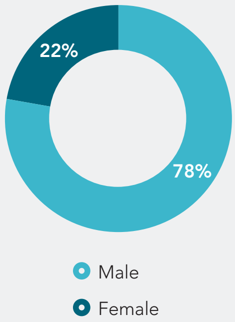
State Ownership: 100%

Board Composition *(as at November 2018)*

Chairperson: Fiona Ross

Non-Executive Directors: Frank Allen, Ultan Courtney, Aidan Murphy, Liam O'Rourke

Worker Directors: Denise Guinan, Stephen Hannan, Tom O'Connor, Tommy Wynne



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		FRS102	FRS102	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	1,182	1,238	1,218	+20
EBITDA (adjusted)	54	29	58	-29
EBIT (adjusted)	0	(20)	8	-28
PAT (adjusted)	(16)	(33)	(5)	-28
PAT (reported)	(11)	(43)	28	-71
Balance Sheet (€'m)				
Tangible Fixed Assets	3,016	2,862	2,954	-91
Gross Debt	(48)	(28)	(41)	-13
Net (Debt) / Cash	45	121	73	+48
Pension Liabilities	(626)	(784)	(730)	+54
Employee Related Liabilities	(9)	(14)	(8)	+6
Net Assets / (Liabilities)	(511)	(636)	(585)	-51
Invested Capital	413	416	426	-10
Cashflows (€'m)				
Net Cashflow from Operations	76	65	99	-35
Gross Capital Expenditure	(185)	(190)	(152)	+38
Dividends Paid	-	-	-	-
Employees				
Employee Numbers	9,900	10,098	10,017	+81

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	0.0%	(1.6%)	0.6%	-2.2%
Return on Invested Capital (ROIC)	0.7%	(3.4%)	2.4%	-5.8%
Liquidity				
Current Ratio (times)	0.9x	1.0x	1.0x	+0.1x
Acid Test Ratio (times)	0.7x	0.8x	0.7x	+0.1x
Leverage				
Net Debt/EBITDA (times)	0.1x	-	-	-
EBITDA Interest Cover (times)	17.4x	14.3x	22.7x	-8.4x

NOTES:

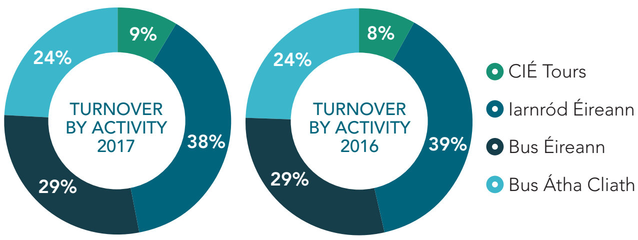
i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Net gearing excluding pension and employee related liabilities.

iv. Net gearing including pension and employee related liabilities.

v. Detailed five-year historical financial information is provided in Appendix D.



CIÉ group turnover increased by 1.6% over the prior period (2017: €1,238m, 2016: €1,218m) with higher passenger demand for the services of BÁC, IÉ and CIÉ Tours partly offset by lower operating revenues at BÉ and a reduction in PSO, Exchequer and grant income.

CIÉ generated an operating loss in 2017 compared to an operating profit in the prior period (EBIT adjusted 2017: -€20m, 2016: €8m) noting that adjusted EBITDA halved in 2017. This was mainly due to increased materials costs, higher payroll costs and an increase in the current service cost of the pension schemes. These cost increases were partially offset by a reduction in the group's transport fuel costs. Losses after tax of €43m were reported, mainly reflecting the operating loss and recognition of exceptional costs in 2017.

Exceptional costs in 2017 comprised restructuring costs of €20m, which increased on prior year (2016: €4m). These were offset by profit on the disposal of tangible assets (2017: €12m, 2016: €8m). There was also a non-recurring VAT settlement (€27m net) received by CIÉ in 2016.

Borrowings reduced in 2017, noting that the group is in an increased net cash position at year end (2017: €121m, 2016: €73m). At the end of 2017 the undrawn amount available to CIÉ under its revolving credit facilities was €80m.

CIÉ administers two defined benefit pension schemes. In 2017, the pension deficit rose by €54m to €784m due to an increase in the future cost of benefits payable by the schemes. A revised funding proposal to the Pension Authority from the Trustees of the two CIÉ pension schemes is required to address the existing deficit to meet minimum funding standard requirements.

Gross capital expenditure was €190m in 2017, an increase on prior year (2016: €152m). This investment was funded from a combination of operating cashflows, PSO funding, Exchequer and other grants.

Total funding provided by the State (via the NTA and DTTAS in the form of PSO funding, Exchequer grants, revenue grants and capital grants) during 2017 was €449m (2016: €431m).

KEY ACTIVITIES

Airports:

- daa's principal activities are airport development, operation and management, international airport retailing and international airport investment.
- daa owns and operates the two largest airports in Ireland, Dublin and Cork, and has retail activities in Ireland and a range of international locations.
- daa also has investments in three European airports and operates a terminal in Saudi Arabia.

State Ownership: 100%

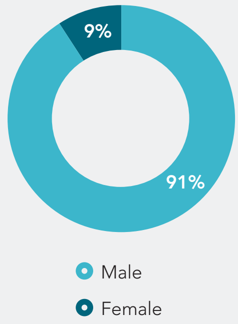
Board Composition *(as at November 2018)*

Chairperson: Basil Geoghan

CEO: Dalton Philips

Non-Executive Directors: Niall Greene, Patricia King, Colm McCarthy, Risteard Sheridan, Gerry Walsh

Worker Directors: Paul Mehlhorn, Barry Nevin, Eric Nolan, Denis Smyth



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		FRS102	FRS102	
Income Statement (€'m)	**Avg 5Y**	**2017**	**2016**	**yoy Δ**
Turnover	723	855	793	+61
EBITDA (adjusted)	226	271	247	+23
EBIT (adjusted)	147	187	169	+19
PAT (adjusted)	84	125	108	+18
PAT (reported)	81	130	79	+51
Balance Sheet (€'m)				
Tangible Fixed Assets	1,651	1,717	1,642	+75
Gross Debt	(1,130)	(1,136)	(1,178)	-42
Net Debt	(582)	(541)	(572)	-31
Pension Liabilities	(12)	(6)	(10)	-3
Employee Related Liabilities	(32)	(9)	(12)	-3
Net Assets	1,169	1,293	1,200	+93
Invested Capital	2,362	2,532	2,371	+161
Cashflows (€'m)				
Net Cashflow from Operations	146	209	191	+18
Gross Capital Expenditure	(117)	(171)	(118)	+53
Net (Acquisitions)/Disposals Spend	(13)	(5)	-	+5
Dividends Paid (normal)	(15)	(32)	(20)	+12
Dividends Paid (total- State)	(12)	(29)	(18)	+11
Employees				
Employee Numbers	3,392	3,855	3,598	+257

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	20.1%	21.9%	21.3%	+0.7%
Return on Invested Capital (ROIC)	5.5%	6.7%	6.4%	+0.3%
Liquidity				
Current Ratio (times)	2.9x	1.4x	3.6x	-2.2x
Acid Test Ratio (times)	2.7x	1.3x	3.4x	-2.1x
Leverage				
Net Gearing (see note iii)	33%	29%	32%	-3%
Net Gearing (see note iv)	35%	30%	33%	-3%
Net Debt/EBITDA (times)	2.7x	2.0x	2.3x	-0.3x
EBITDA Interest Cover (times)	5.1x	7.1x	5.7x	+1.4x
Shareholder Returns				
Dividend Payout (normal dividends)	14%	27%	30%	-3%
Earnings (adjusted) growth	47%	16%	75%	-58%

NOTES:

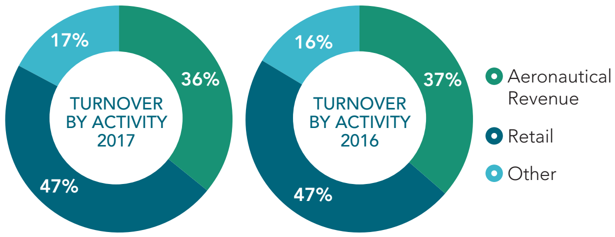
i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Net gearing excluding pension and employee related liabilities.

iv. Net gearing including pension and employee related liabilities.

v. Detailed five-year historical financial information is provided in Appendix D.



daa reported an 8% increase in turnover in 2017 (2017: €855m, 2016: €793m) with continued passenger growth at Dublin and Cork Airports in 2017 (Dublin +6%, Cork +3.5%) although the rate of growth has moderated in Dublin from 2016 growth levels (+11%). daa's share of profits from its associate/joint venture international retail operations and airport investments also contributed operating income of €30m in 2017 (2016: €30m).

Adjusted operating profit (EBIT adjusted) increased by €19m over the prior period (2017: €187m, 2016: €169m) with the growth in turnover partly offset by increased operating costs and depreciation.

The improved operating result is reflected in a higher level of adjusted PAT for the year (2017: €125m, 2016: €108m) with interest cost savings arising from the 2016 bond refinancing offset by a higher tax charge in 2017.

Tangible fixed assets increased during the period (2017: €1,717m, 2016: €1,642m) reflecting ongoing capital investment in airport infrastructure during the year.

Net debt decreased by €31m (2017: €541m, 2016: €572m) with a €42m reduction in borrowings partially offset by lower cash balances.

Dividends of €29m were paid by daa to the Exchequer and dividends of €3m were paid to non-controlling interests by Aer Rianta International, daa's travel retail subsidiary. Dividends paid to the State in 2017 (€29m) equate to 27% of prior year adjusted PAT (€108m).

COMHLACHT CHALAFORT ÁTHA CLIATH
DUBLIN PORT COMPANY

KEY ACTIVITIES

Port Services:

- Dublin Port is the largest freight and passenger port in Ireland. As a landlord port, all cargo handling activities are carried out by private sector companies operating in competitive markets within the Port.
- Dublin Port is classified as a Tier 1 port by the National Ports Policy 2013 and is categorised as a core/comprehensive port in the EU Ten-T network.
- Key revenue generating functions are the setting and collection of port dues and the leasing of port lands and infrastructure to private sector operators.

State Ownership: 100%

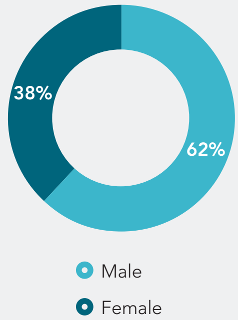
Board Composition *(as at November 2018)*

Chairperson: Lucy McCaffrey

CEO: Eamonn O'Reilly

Non-Executive Directors: Helen Collins, Paul Bates, Geoffrey Darling, Emer Finnan, Michael Hand

Worker Director: Keith Nolan



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		FRS102	FRS102	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	79	85	82	+4
EBITDA (adjusted)	50	54	54	-0
EBIT (adjusted)	42	46	46	+0
PAT (adjusted)	36	40	39	+1
PAT (reported)	37	41	39	+2
Balance Sheet (€'m)				
Tangible Fixed Assets	332	418	329	+88
Gross Debt	(41)	(60)	(35)	+25
Net (Debt) / Cash	4	(38)	3	-41
Pension (Liabilities) / Assets	15	51	11	+39
Net Assets	343	409	350	+59
Invested Capital	371	417	375	+42
Cashflows (€'m)				
Net Cashflow from Operations	39	47	38	+9
Gross Capital Expenditure	(37)	(78)	(45)	+33
Net (Acquisitions)/Disposals Spend	1	-	-	-
Dividends Paid (normal)	(10)	(12)	(11)	+1
Employees				
Employee Numbers	143	148	146	+2

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	53.3%	54.0%	56.0%	-2.0%
Return on Invested Capital (ROIC)	10.3%	10.2%	10.9%	-0.7%
Liquidity				
Current Ratio (times)	5.6x	3.1x	1.3x	+1.8x
Acid Test Ratio (times)	5.6x	3.0x	1.3x	+1.7x
Leverage				
Net Gearing (see note iii)	2%	9%	-	+9%
Net Gearing (see note iv)	2%	9%	-	+9%
Net Debt/EBITDA (times)	0.2x	0.7x	-	+0.7x
EBITDA Interest Cover (times)	59x	53x	52x	+1.0x
Shareholder Returns				
Dividend Payout (normal dividends)	30%	30%	30%	-0%
Earnings (adjusted) growth	11%	3%	7%	-4%

NOTES:

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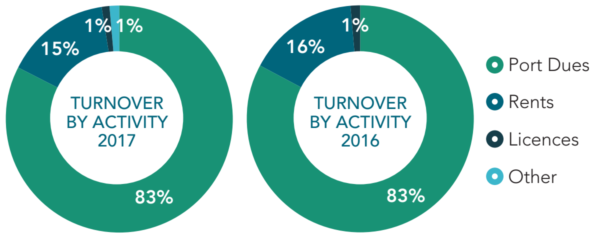
iii. Net gearing excluding pension and employee related liabilities.
iv. Net gearing including pension and employee related liabilities.
v. Detailed five-year historical financial information is provided in Appendix D.



Growth at Dublin Port continued through 2017 with turnover increasing by 5% (2017: €85m, 2016: €82m). This growth was driven by increased throughput at the port reflecting the relatively positive performance of the economy during the year. Cargo at the port is increasingly dominated by unitised modes which accounted for approximately 83% of volumes handled in 2017. Cruise tourism also grew in 2017 with 127 cruise calls, a 17% increase on the prior year.

Adjusted operating profit(EBIT adjusted) remained consistent with the prior year at €46m with the growth in turnover offset by a corresponding increase in operating costs, noting however that this reflected a return to normalised cost levels following the receipt of a pension past service credit in 2016. The consistent trading performance is reflected in the ROIC metric, which reduced only slightly on the prior year.

Tangible fixed assets increased during the period (2017: €418m, 2016: €329m) reflecting capital investment at the port, which totalled €78m in 2017. This investment mainly related to the Alexandra Basin Redevelopment Project and the acquisition of lands in respect of the new inland port facility, to where non-core port activities will be relocated in due course.

Net debt increased to €38m in 2017 from a net cash position of €3m in 2016 but DPC remains lowly geared (2017: net gearing 9%).

DPC's defined pension asset increased in value (2017: €51m, 2016: €11m) following a change to the assumptions used to value the scheme's liabilities.

DPC made dividend payments of €12m in 2017 (2016: €11m) equating to 30% of prior year adjusted PAT (€39m).

KEY ACTIVITIES

Aviation Services:

- The IAA is the sole provider of air traffic control and air navigation services in Irish-controlled airspace and around the main State airports (Dublin, Cork & Shannon). It provides air traffic management to flights passing through Irish-controlled airspace (known as En-Route flights) and to flights landing at or departing from Irish airports (known as Terminal flights).
- It is also the sole provider of voice communication to aircraft flying over the north-eastern Atlantic Ocean.
- IAA's Safety Regulation Division is responsible for the regulatory and safety oversight of civil aviation in Ireland.

State Ownership: 100%

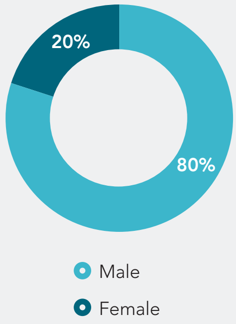
Board Composition *(as at November 2018)*

Chairperson: Michael McGrail

CEO: Peter Kearney

Non-Executive Directors: Marie Bradley, Michael Norton

Worker Director: Ernie Donnelly



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		**FRS102**	**FRS102**	
Income Statement (€'m)	**Avg 3Y**	**2017**	**2016**	**yoy Δ**
Turnover	190	193	192	+2
EBITDA (adjusted)	50	48	54	-6
EBIT (adjusted)	35	34	39	-6
PAT (adjusted)	28	26	32	-6
PAT (reported)	28	26	32	-6
Balance Sheet (€'m)				
Tangible Fixed Assets	79	77	80	-3
Gross Debt	-	-	-	-
Net (Debt) / Cash	181	220	177	+43
Pension Liabilities	(125)	(87)	(161)	+73
Net Assets	157	212	129	+83
Invested Capital	291	301	298	+3
Cashflows (€'m)				
Net Cashflow from Operations	57	68	60	+9
Gross Capital Expenditure	(14)	(13)	(14)	-1
Net (Acquisitions)/Disposals Spend	(5)	(3)	(8)	-5
Dividends Paid (normal)	(8)	(9)	(7)	+2
Employees				
Employee Numbers	658	666	652	+14

Key Metrics				
Profitability and Efficiency	**Avg 3Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	18.7%	17.3%	20.6%	-3.2%
Return on Invested Capital (ROIC)	11.4%	10.3%	12.6%	-2.3%
Liquidity				
Current Ratio (times)	14.9x	19.8x	12.1x	+7.8x
Acid Test Ratio (times)	14.9x	19.8x	12.1x	+7.8x
Shareholder Returns				
Dividend Payout (normal dividends)	30%	29%	30%	-1%
Earnings (adjusted) growth	10%	(18%)	30%	-48%

NOTES:

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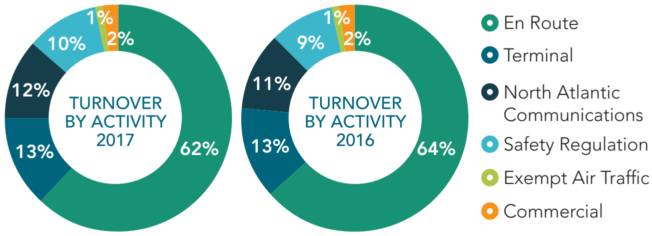
ii. A three-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Detailed five-year historical financial information is provided in Appendix D.



The charges for En-Route and Terminal air navigation services across Europe are regulated by the National Supervisory Authority consistent with EC Regulations. These activities represented 75% of IAA revenue in 2017.

IAA reported a reduction in operating profitability (EBIT adjusted) for 2017 (2017: €34m, 2016: €39m) due mainly to increases in operating expenditure which outstripped the modest growth in turnover (2017: €193m, 2016: €192m).

Turnover growth was marginal despite traffic volume growth as average unit rates charged for air traffic services reduced. Whilst traffic volumes continued to grow in 2017, the rate of growth compared to recent years has slowed somewhat: growth in en-route flights reduced from +7% in 2016 to +1% in 2017 while growth in flights landing at or departing from Irish airports decreased from +8% to +3%.

There was a 5% increase in operating costs with almost half of this due to higher staff costs and the balance relating to increased operating and maintenance expenditure and depreciation costs. The higher staff costs arise from increased headcount and general pay increases pursuant to a five-year collective agreement between IAA and IMPACT covering the period 2015-2019.

IAA had cash of €220m at the end of 2017, comprising cash at bank of €33m and short-term deposits of €187m. This increased by €43m over the prior period (2016: €177m) with positive residual cashflows post investment activities and servicing of finance.

The company administers two defined benefit pension schemes and there was a significant decrease in the pension deficit from €161m at the end of 2016 to €87m at the end of 2017 primarily due to actuarial gains. This is reflected in the improved net asset position at year-end (2017: €212m, 2016: €129m).

Dividends of €9m were paid during 2017, which equates to 29% of prior year adjusted PAT (€32m).

KEY ACTIVITIES

Port Services:

- Ireland's second largest multi-modal port by volume throughput, accepting all principal modes of port traffic.
- Cork Port is classified as a Tier 1 port by the National Ports Policy 2013 and is categorised as a core / comprehensive port in the EU Ten-T network.
- Key revenue generating functions are the setting and collection of port dues and the leasing of port land, infrastructure and superstructure to private sector operators.
- Also generates income from stevedoring services, rents on warehouse space, vessel towage charges, storage charges and other miscellaneous activities.

State Ownership: 100%

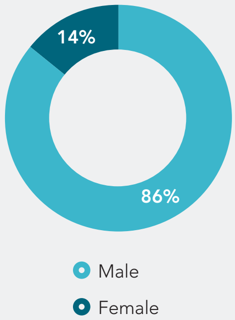
Board Composition *(as at November 2018)*

Chairperson: John Mullins

CEO: Brendan Keating

Non-Executive Directors: Helen Boyle, Noel Cregan, Dominic McEvoy, Philip Smith

Worker Director: David Browne



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		**FRS102**	**FRS102**	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	29.3	31.5	29.6	+1.9
EBITDA (adjusted)	8.6	10.0	8.5	+1.5
EBIT (adjusted)	4.8	6.2	4.7	+1.5
PAT (adjusted)	3.9	5.0	3.7	+1.3
PAT (reported)	3.8	5.0	3.3	+1.7
Balance Sheet (€'m)				
Tangible Fixed Assets	95.3	101.1	97.2	+3.9
Gross Debt	(5.9)	(4.2)	(5.3)	-1.2
Net (Debt) / Cash	9.9	7.7	12.1	-4.4
Pension Liabilities	(10.3)	(9.1)	(11.0)	-1.9
Employee Related Liabilities	(2.0)	(2.1)	(2.1)	+0.0
Net Assets	73.0	78.6	73.2	+5.5
Invested Capital	91.2	94.1	91.5	+2.6
Cashflows (€'m)				
Net Cashflow from Operations	7.6	8.2	6.2	+2.0
Gross Capital Expenditure	(7.5)	(8.7)	(10.4)	-1.7
Net (Acquisitions)/Disposals Spend	0.3	(0.0)	-	+0.0
Dividends Paid (normal)	(0.6)	(0.7)	(0.7)	+0.0
Employees				
Employee Numbers	125	134	128	+6

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	16.2%	19.6%	15.9%	+3.7%
Return on Invested Capital (ROIC)	4.7%	5.8%	4.5%	+1.3%
Liquidity				
Current Ratio (times)	3.6x	2.7x	3.6x	-0.9x
Acid Test Ratio (times)	3.5x	2.6x	3.5x	-0.9x
Shareholder Returns				
Dividend Payout (normal dividends)	23%	19%	15%	+4%
Earnings (adjusted) growth	38%	36%	(18%)	+54%

NOTES:

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ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Detailed five-year historical financial information is provided in Appendix D.

Note: *A breakdown of the components of turnover is not disclosed in the annual report*

Turnover increased by 6.5% over the prior period (2017: €31.5m, 2016: €29.6m) driven largely by increased throughput. As turnover growth exceeded growth in operating costs, both EBITDA and EBIT increased by €1.5m to €10.0m and €6.2m respectively.

As a result of increased EBIT, lower exceptional costs and broadly flat net finance costs, reported PAT increased from €3.3m in 2016 to €5.0m in 2017.

Gross debt reduced by €1.2m to €4.2m due to scheduled repayments. With cash balances of €11.9m (down from €17.5m in 2016 due to capital expenditure and an investment in Marino Point), PoCC was in a net cash position at year end of €7.7m.

The deficit on PoCC's defined benefit pension scheme fell by €1.9m from €11.0m to €9.1m, arising from a higher return on scheme assets and an increase in the discount rate used to value scheme liabilities.

During 2017, PoCC took a 40% stake in a joint venture with Lanber Holdings (a privately owned company with interests in food processing, agri-business, property and renewable energy) to purchase Marino Point. Marino Point is located on Great Island c. 5km from Cobh. The site is currently largely vacant but is intended to accommodate displaced port traffic from City Quays and Tivoli.

Dividend payments were broadly flat year-on-year (2017: €690k, 2016: €673k). Dividends paid in 2017 equate to 19% of prior year adjusted PAT (€3.7m).

Shannon Foynes
PORT COMPANY

KEY ACTIVITIES

Port Services:

- SFPC is classified as a Tier 1 port by the National Ports Policy 2013 and is categorised as a core/comprehensive port in the EU TEN-T network.
- Revenues are generated from activity at its directly-owned terminals at Foynes, Limerick Docks and Shannon and from activity at three privately-owned terminals on the Shannon Estuary: (i) ESB's Moneypoint power station, (ii) the Aughinish Alumina plant and (iii) Tarbert, which hosts a power plant owned by SSE and a NORA storage facility.
- SFPC also has a wholly-owned and fully consolidated subsidiary, Limerick Cargo Handling DAC, which carries out stevedoring activities.

State Ownership: 100%

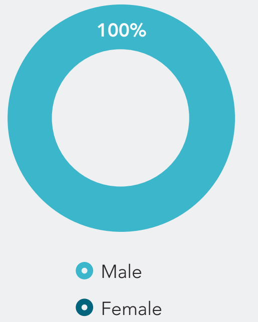
Board Composition *(as at November 2018)*

Chairperson: David McGarry

CEO: Pat Keating

Non-Executive Directors: Michael Finucane, Conal Henry, Edmund Jennings

Worker Director: Tom Treacy



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		FRS102	FRS102	
Income Statement (€'m)	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Turnover	12.6	14.0	13.2	+0.8
EBITDA (adjusted)	5.9	6.6	6.4	+0.2
EBIT (adjusted)	4.2	4.8	4.7	+0.1
PAT (adjusted)	3.3	3.9	3.9	+0.0
PAT (reported)	3.3	3.9	3.9	-0.0
Balance Sheet (€'m)				
Tangible Fixed Assets	54.6	59.0	55.9	+3.1
Gross Debt	(13.6)	(12.7)	(14.3)	-1.5
Net Debt	(8.0)	(9.0)	(6.9)	+2.1
Pension Liabilities	(11.0)	(9.3)	(11.0)	-1.7
Net Assets	31.8	37.6	33.1	+4.5
Invested Capital	56.8	60.2	58.8	+1.4
Cashflows (€'m)				
Net Cashflow from Operations	4.4	4.5	4.9	-0.3
Gross Capital Expenditure	(5.3)	(6.5)	(1.7)	+4.8
Dividends Paid (normal)	(0.1)	(0.3)	(0.2)	+0.1
Employees				
Employee Numbers	39	40	37	+3

Key Metrics				
Profitability and Efficiency	**Avg 4Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	33.0%	34.3%	35.3%	-1.0%
Return on Invested Capital (ROIC)	6.6%	7.1%	7.0%	+0.1%
Liquidity				
Current Ratio (times)	2.6x	2.0x	2.7x	-0.7x
Acid Test Ratio (times)	2.6x	2.0x	2.7x	-0.7x
Leverage				
Net Gearing (see note iii)	20%	19%	17%	+2.1%
Net Gearing (see note iv)	38%	33%	35%	-2.3%
Net Debt/EBITDA (times)	1.4x	1.4x	1.1x	+0.3x
EBITDA Interest Cover (times)	17.7x	19.3x	15.7x	+3.6x
Shareholder Returns				
Dividend Payout (normal dividends)	4%	6%	7%	-0%
Earnings (adjusted) growth	9%	1%	34%	-33%

NOTES:

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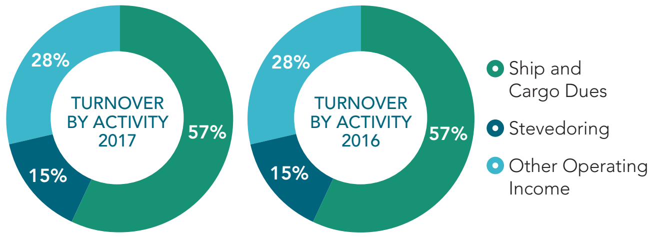
v. Detailed five-year historical financial information is provided in Appendix D.



Turnover increased by €0.8m to €14.0m in 2017, driven principally by increases at the SFPC-owned terminals arising from a 4% increase in throughput.

Adjusted operating profit (EBIT adjusted) increased marginally in 2017 over the prior period with the growth in turnover exceeding the increase in operating costs and depreciation net of amortisation. The consistent operating result is reflected in the operating profit margin and ROIC levels being maintained year-on-year.

Gross debt decreased by €1.5m to €12.7m due to scheduled repayments. Cash decreased by €3.6m to €3.8m with cash resources and operating cashflows primarily utilised in funding capital investment and servicing of finance resulting in a net debt position of €9.0m at year end (2016: €6.9m).

The company's defined benefit pension liability fell by €1.7m (2017: €9.3m, 2016: €11.0m) arising from a higher return on scheme assets and an increase in the discount rate used to value scheme liabilities.

There was an increased level of capital investment by SFPC in 2017, more than tripling from 2016 investment levels (2017: €6.5m, 2016: €1.7m).

Dividend payments also increased year-on-year (2017: €250k, 2016: €200k). Dividends paid in 2017 equate to 6% of prior year adjusted PAT (€3.9m).

KEY ACTIVITIES

- **Shannon Airport Authority:** Provision of air transport and aviation services at Shannon Airport and the development of the aerospace industry in Shannon via the International Aviation Services Centre which consisted of over 60 companies at the end of 2017.
- **Shannon Commercial Properties**: Owns and operates a range of business and industrial parks in the Shannon/Limerick area and across the mid-west of Ireland with the flagship park being the Shannon Free Zone.
- **Shannon Heritage:** Development and operation of a range of heritage tourism attractions in mid-west Ireland and the Dublin area.

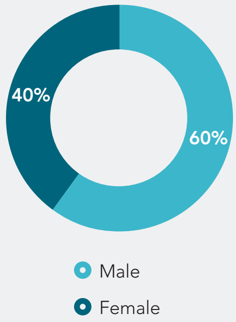
State Ownership: 100%

Board Composition *(as at November 2018)*

Chairperson: Rose Hynes

CEO: Matthew Thomas

Non-Executive Directors: Tom Kelly, Kathryn O'Leary Higgins, Liam O'Shea



FINANCIAL INFORMATION

Key Financial Information				
Year ended 31 December		**IFRS**	**IFRS**	
Income Statement (€'m)	**Avg 3Y**	**2017**	**2016**	**yoy Δ**
Turnover	68.3	72.2	67.2	+5.0
EBITDA (adjusted)	7.9	9.3	7.6	+1.8
EBIT (adjusted)	8.7	9.7	8.4	+1.3
PAT (adjusted)	8.7	9.9	8.0	+1.9
PAT (reported)	7.7	9.2	6.6	+2.6
Balance Sheet (€'m)				
Tangible Fixed Assets	53.9	63.0	51.3	+11.7
Investment properties	68.9	82.0	66.2	+15.9
Gross Debt	(4.9)	(14.4)	(0.1)	+14.3
Net (Debt) / Cash	20.1	4.4	25.7	-21.3
Pension Liabilities	(0.9)	(0.8)	(1.1)	-0.3
Employee Related Liabilities	(0.6)	(0.3)	(1.3)	-1.0
Net Assets	127.6	136.1	126.7	+9.4
Invested Capital	137.0	154.7	133.2	+21.6
Cashflows (€'m)				
Net Cashflow from Operations	5.9	7.5	7.9	-0.4
Gross Capital Expenditure	(20.2)	(34.2)	(14.8)	+19.5
Proceeds from the sale of assets	6.3	5.4	2.0	+3.4
Dividends Paid (normal)	-	-	-	-
Employees				
Employee Numbers	496	509	499	+10

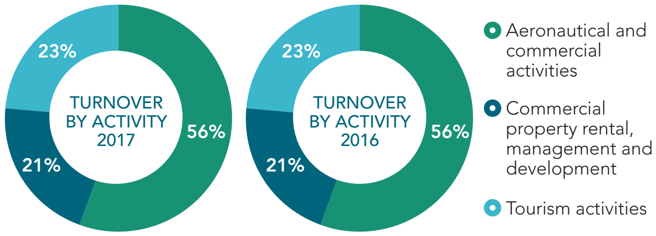
Key Metrics				
Profitability and Efficiency	**Avg 3Y**	**2017**	**2016**	**yoy Δ**
Operating Margin (EBIT adjusted)	12.7%	13.5%	12.5%	+0.9%
Return on Invested Capital (ROIC)	2.5%	2.5%	2.5%	-0.0%
Liquidity				
Current Ratio (times)	1.9x	1.5x	2.0x	-0.5x
Acid Test Ratio (times)	1.8x	1.4x	1.8x	-0.5x
Shareholder Returns				
Dividend Payout (normal dividends)	-	-	-	-

NOTES:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ.

ii. A three-year average is presented above as 2014 was not a full 12-month period (the company was incorporated on 29 August 2014).

iii. Detailed three-year historical financial information is provided in Appendix D.



Turnover increased by €5.0m over the prior period (2017: €72.2m, 2016: €67.2m) with over half of the growth coming from Shannon Airport activities.

Operating profit (EBIT adjusted) increased by €1.3m (2017: €9.7m, 2016: €8.4m) with higher revenues, revaluation gains and disposal gains partly offset by increased operating expenditure and depreciation charges. The operating result is reflected in a higher operating profit margin (2017: 13.5%, 2016: 12.5%). ROIC was at a broadly similar level year-on-year (2017: 2.5%, 2016: 2.5%) reflecting that underlying operating profit is broadly similar year-on-year when revaluation gains and profit from asset disposals are excluded.

Reported PAT increased by €2.6m over the prior period (2017: €9.2m, 2016: €6.6m) reflecting the operating result together with a lower level of exceptional charges and an income tax credit offset by higher interest costs arising from an increase in borrowings. Shannon Group incurred a €0.6m exceptional charge in 2017 in respect of the group-wide voluntary severance scheme, which was launched in 2016 (2016 charge: €1.3m).

There was an increase in the value of tangible fixed assets (2017: €63.0m, 2016: €51.3m) and investment properties (2017: €82.0m, 2016: €66.2m) mainly reflecting ongoing capital investment. In 2017, the group invested €34.2m in capital projects (2016: €14.8m) which included the Shannon Airport runway resurfacing project and the development of a number of commercial properties. This investment was funded by a combination of cash resources, operating cashflows, asset disposal proceeds and new borrowings obtained for the runway project.

Shannon Group was in a net cash position of €4.4m at the end of 2017, a reduction of €21.3m on the prior period (2016: €25.7m) due to ongoing capital expenditure.

Appendix A – Glossary of Terms

BÁC	Bus Átha Cliath
BÉ	Bus Éireann
BITC	Business in the Community
BnM	Bord na Móna
CIÉ	Coras Iompair Éireann
CNG	Compressed Natural Gas
Coillte	Coillte Cuideachta Ghníomhaíochta Ainmnithe
CRU	Commission for Regulation of Utilities
CSR	Corporate Social Responsibility
daa	daa plc
DCCAE	Department of Communications, Climate Action and the Environment
DBEI	Department for Business, Enterprise and Innovation
DPC	Dublin Port Company
DPER	Department of Public Expenditure and Reform
DTTAS	Department of Transport, Tourism and Sport
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, tax, depreciation and amortisation adjusted for exceptional items and certain fair value movements
EIB	European Investment Bank
EirGrid	EirGrid plc
EirGrid TSO	EirGrid Transmission System Operator
EPA	Environmental Protection Agency
ESB	The Electricity Supply Board
ESOP	Employee Share Ownership Plan
EU	European Union
EWIC	East West Interconnector
GDP	Gross Domestic Product
GNI	Gas Networks Ireland
GW	Gigawatt
IAA	Irish Aviation Authority
IÉ	Iarnród Éireann
I-SEM	Integrated Single Electricity Market

IW	Irish Water
JV	Joint Venture
MAFM	Minister for Agriculture, Food and the Marine
MCCAE	Minister for Communications, Climate Action and Environment
MDF	Medium-density fibreboard
MFIN	Minister for Finance
MHPLG	Minister for Housing, Planning and Local Government
MPER	Minister for Public Expenditure and Reform
MTTAS	Minister for Transport, Tourism and Sport
MW	Megawatt
NDP	National Development Plan
NI	Northern Ireland
NIE	Northern Ireland Electricity Networks
NPF	National Planning Framework
OECD	Organisation for Economic Co-operation and Development
OSB	Oriented strand board
PAT	Profit after Taxation
PLI	Premier Lotteries Ireland
PoCC	Port of Cork Company
PSO	Public Service Obligation
ROIC	Return on Invested Capital
SDGs	Sustainable Development Goals
SEM	Single Electricity Market
SEMO	Single Electricity Market Operator
SFPC	Shannon Foynes Port Company
Shannon Group	Shannon Group plc
SONI	System Operator for Northern Ireland
UK	United Kingdom
URegNI	Utility Regulator Northern Ireland
WMH	White Moss Horticulture
WTO	World Trade Organisation

Appendix B – Ownership of the Portfolio

Shareholdings / stockholdings in the Designated & Non-Designated Bodies (excl. IW) as at the Relevant Financial Year end

Designated Body or State Body	Units in issue	Portion held by or for MPER (Note 1)	Portion held by or for MHPLG	Portion held by MCCAE	Portion held by MTTAS	Portion held by MAFM	% held by ESOT
BnM	65,200,000 ordinary shares	c.95%	n/a	One share	n/a	n/a	5%
Coillte	631,000,000 ordinary shares	c.100%	n/a	n/a	n/a	One share	n/a
EirGrid	30,000 ordinary shares	c.100%	n/a	One share	n/a	n/a	n/a
Ervia	Note 2	Note 2	Note 2	Note 2	n/a	n/a	Note 2
ESB	1,975,181,852 units capital stock	c.85.2%	n/a	c.10%	n/a	n/a	c.4.8%
Port of Cork	18,014,977 ordinary shares	One share	n/a	n/a	c.100%	n/a	n/a
Shannon Foynes	17,749,900 ordinary shares	One share	n/a	n/a	c.100%	n/a	n/a
An Post	54,590,946 ordinary shares	One share	n/a	c.100%	n/a	n/a	n/a
daa	186,336,813 ordinary shares	100%	n/a	n/a	n/a	n/a	n/a
Shannon Group	38,107 ordinary shares	100%	n/a	n/a	n/a	n/a	n/a
Dublin Port	11,571,000 ordinary shares	One share	n/a	n/a	c.100%	n/a	n/a
IAA	17,858,000 ordinary shares	c.100%	n/a	n/a	One share	n/a	n/a
CIÉ	n/a Note 3	n/a	n/a	n/a	1 Note 3	n/a	n/a

Source: NewERA Analysis

Note 1: *The Ministers and Secretaries (Amendment) Act 2011 had the effect of transferring ownership of either the stock or shares previously held by the Minister for Finance to the MPER.*

Note 2: *In March 2014, an agreement was signed regarding the buy-out of the 3.27% capital stockholding in Ervia held by the ESOP Trustee on behalf of ESOP beneficiaries. The agreement provided for the appropriation and cancellation of the entire capital stock issued to the ESOP, in exchange for promissory notes to be issued by Ervia and redeemed over the period 2014 to 2018. Ervia's 2017 Annual Report notes that Ervia is 100% beneficially owned by the State. Pursuant to the Gas Act 1976 (as amended by the Gas Regulation Act 2013), the MHPLG acts as the majority shareholding Minister for Ervia.*

Note 3: *CIÉ is a statutory body without share capital. It is wholly owned by the Government of Ireland and reports to the MTTAS.*

Shareholdings / stockholdings in IW as at the Relevant Financial Year end

Designated Body	Units in issue	Units held by or on behalf of Ervia	Units held by the MHPLG	Units held by the MFIN	Units held by the ESOP Trustee
Irish Water	1 ordinary A Share[1] 650 ordinary B shares[2]	1 ordinary A share[1] (100% voting rights)	325 ordinary B shares[2] (50% economic rights)	325 ordinary B shares[2] (50% economic rights)	n/a

Source: NewERA Analysis

1 Ordinary A share is a voting share but with no economic rights attaching

2 Ordinary B shares are non-voting shares but with economic rights attaching

Appendix C – Financial Performance Measures

Term	Definition
Acid Test Ratio	Aggregate of closing balance for trade and other receivables, cash and current tax assets *divided by* aggregate of closing balance for trade and other payables, current borrowings and current tax liabilities
Adjusted EBIT	Earnings before interest and tax, adjusted for exceptional items and certain fair value movements. Also referred to in this report as operating profit
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation adjusted for exceptional items and certain fair value movements
Adjusted PAT	Net profit after tax, adjusted for exceptional items and certain fair value movements
Average Employee Costs	Employee costs *divided by* average number of employees where employee costs: 1. Include capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any) 2. Include capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs Note: where an entity does not disclose the average number of employees in the notes to its financial statements, the employee numbers as at the end of the financial year are used.
Current Ratio	Aggregate of closing balance for inventories, trade and other receivables, cash and current tax assets *divided by* aggregate of closing balance for trade and other payables, current borrowings and current tax liabilities
Dividends Paid	Dividends paid during the financial year per the cashflow statement (including or excluding special dividends depending on the individual metric)
Dividend Payout Rate	Dividends Paid (excluding special dividends) *divided by* prior year Adjusted PAT
Earnings (adjusted) Growth	Year-on-year growth in Adjusted PAT
EBITDA Margin	Adjusted EBITDA *divided by* reported turnover
EBIT Margin/Operating Margin	Adjusted EBIT *divided by* reported turnover
EBITDA Interest Cover	Adjusted EBITDA *divided by* Interest paid
Equity	Total shareholder(s) equity taken from the balance sheet
Fair Value Movements	Includes unrealised fair value gains/losses on derivatives or all fair value gains/losses on derivatives where the Designated Body does not separately identify unrealised items
Invested Capital	Adjusted total debt *plus* adjusted total equity (per NewERA methodology)
Net Debt/EBITDA	Net debt *divided by* Adjusted EBITDA
Net Gearing	i. Net debt *divided by* net debt *plus* equity ii. Net debt *divided* by net debt *plus* pension liabilities *plus* employee related liabilities *plus* equity
PAT Margin	Adjusted PAT *divided by* turnover
Return on Invested Capital (ROIC)	Net operating profit after tax (NOPAT) *divided by* average invested capital
Total Shareholder Return	(Equity value at the end of the year *less* equity value at the beginning of the year plus equity injected *plus* dividends paid) *divided by* equity value at the beginning of the year
Turnover Growth	Year-on-year growth in reported turnover

Appendix D – Portfolio Financial Information

PORTFOLIO COMPANIES

KEY FINANCIAL INFORMATION	5yr avg.	2017/18	2016/17	2015/16	2014/15	2013/14
INCOME STATEMENT (€'m)						
Turnover	8,823	9,318	9,203	9,127	8,619	7,848
EBITDA (adjusted)	2,360	2,527	2,475	2,412	2,195	2,193
EBIT (adjusted)	1,190	1,254	1,260	1,265	1,009	1,164
PAT (adjusted)	684	783	786	736	458	655
PAT (reported)	596	537	581	648	459	752
BALANCE SHEET (€'m)						
Tangible Fixed Assets	21,890	22,413	22,323	22,417	21,927	20,370
Gross Debt	(8,802)	(8,693)	(9,045)	(9,273)	(8,390)	(8,608)
Net Debt	(7,208)	(6,908)	(7,275)	(7,792)	(6,994)	(7,072)
Pension Liabilities	(2,016)	(1,709)	(2,225)	(1,609)	(2,596)	(1,940)
Employee Related Liabilities	(203)	(137)	(168)	(168)	(277)	(265)
Net Assets	8,132	8,965	8,136	8,278	7,180	8,100
Invested Capital	19,512	20,428	20,107	19,412	18,857	18,754
CASHFLOWS (€'m)						
Net Cashflow from Operations	1,696	1,984	2,000	1,568	1,474	1,455
Gross Capital Expenditure	(1,890)	(2,078)	(1,869)	(1,943)	(2,061)	(1,498)
Net (Acquisitions)/Disposals Spend	180	31	(21)	7	878	3
Dividends Paid (total)	(358)	(332)	(275)	(461)	(494)	(228)
Dividends Paid (normal)	(177)	(232)	(175)	(147)	(133)	(196)
EMPLOYEES						
Employee Numbers	36,623	38,103	37,438	36,459	35,605	35,508
Avg. Cost per Employee (see note iii) €'000	65	67	65	65	63	63
Avg. Cost per Employee (see note iv) €'000	54	56	55	54	53	53

KEY METRICS	5yr avg.	2017/18	2016/17	2015/16	2014/15	2013/14
PROFITABILITY AND EFFICIENCY						
Turnover Growth	1.1%	1.3%	0.8%	5.9%	9.8%	(12.3)%
EBITDA Margin	26.8%	27.1%	26.9%	26.4%	25.5%	27.9%
Operating Profit Margin	13.5%	13.5%	13.7%	13.9%	11.7%	14.8%
PAT Margin	7.7%	8.4%	8.5%	8.1%	5.3%	8.4%
Return on Invested Capital (ROIC)	5.5%	5.5%	5.7%	5.9%	4.8%	5.4%
LIQUIDITY						
Current Ratio (times)	1.0x	1.0x	0.9x	0.9x	1.1x	1.3x
Acid Test Ratio (times)	0.9x	0.9x	0.9x	0.8x	1.0x	1.2x
LEVERAGE AND SOLVENCY						
Net Gearing (see note v)	47%	44%	47%	48%	49%	47%
Net Gearing (see note vi)	54%	49%	54%	54%	58%	53%
Net Debt / EBITDA (times)	3.1x	2.7x	2.9x	3.2x	3.2x	3.2x
EBITDA Interest Cover (times)	6.3x	8.0x	7.0x	5.8x	5.4x	5.1x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	28%	30%	24%	32%	20%	32%
Earnings (adjusted) growth	9%	(0)%	7%	61%	(30)%	9%

Source: Annual Reports, NewERA Analysis

Notes:

i. The above measures are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each entity and how they are calculated may differ from the above.

ii. See Appendix C for NewERA's standardised performance measures.

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

DESIGNATED COMPANIES

KEY FINANCIAL INFORMATION	5yr avg.	2017/18	2016/17	2015/16	2014/15	2013/14
INCOME STATEMENT (€'m)						
Turnover	6,650	6,828	6,808	6,926	6,627	6,064
EBITDA (adjusted)	1,978	2,099	2,040	2,039	1,832	1,879
EBIT (adjusted)	966	986	980	1,050	816	999
PAT (adjusted)	555	605	597	623	361	589
PAT (reported)	447	365	389	516	284	679
BALANCE SHEET (€'m)						
Tangible Fixed Assets	16,687	17,116	17,114	17,163	16,572	15,469
Gross Debt	(7,541)	(7,438)	(7,771)	(8,079)	(7,144)	(7,272)
Net Debt	(6,812)	(6,674)	(6,987)	(7,394)	(6,548)	(6,459)
Pension Liabilities	(1,274)	(862)	(1,313)	(1,178)	(1,681)	(1,338)
Employee Related Liabilities	(152)	(112)	(145)	(148)	(169)	(187)
Net Assets	6,809	7,434	6,809	6,666	6,176	6,960
Invested Capital	15,870	16,453	16,354	15,876	15,285	15,380
CASHFLOWS (€'m)						
Net Cashflow from Operations	1,396	1,575	1,593	1,332	1,200	1,279
Gross Capital Expenditure	(1,527)	(1,576)	(1,512)	(1,589)	(1,753)	(1,205)
Net (Acquisitions)/Disposals Spend	194	39	(13)	9	934	3
Dividends Paid (total)	(327)	(279)	(236)	(441)	(476)	(204)
Dividends Paid (normal)	(147)	(179)	(136)	(127)	(114)	(181)
EMPLOYEES						
Employee Numbers	22,184	22,653	22,361	21,885	21,742	22,281
Avg. Cost per Employee (see note iii) €'000	66	69	67	66	65	63
Avg. Cost per Employee (see note iv) €'000	55	57	56	56	55	53

KEY METRICS	5yr avg.	2017/18	2016/17	2015/16	2014/15	2013/14
PROFITABILITY AND EFFICIENCY						
Turnover Growth	(0.4)%	0.3%	(1.7)%	4.5%	9.3%	(14.4)%
EBITDA Margin	29.8%	30.7%	30.0%	29.4%	27.6%	31.0%
Operating Profit Margin	14.6%	14.4%	14.4%	15.2%	12.3%	16.5%
PAT Margin	8.4%	8.9%	8.8%	9.0%	5.4%	9.7%
Return on Invested Capital (ROIC)	5.4%	5.4%	5.4%	6.0%	4.7%	5.6%
LIQUIDITY						
Current Ratio (times)	0.8x	0.8x	0.7x	0.7x	0.9x	1.1x
Acid Test Ratio (times)	0.8x	0.7x	0.7x	0.6x	0.8x	1.0x
LEVERAGE AND SOLVENCY						
Net Gearing (see note v)	50%	47%	51%	53%	51%	48%
Net Gearing (see note vi)	55%	51%	55%	57%	58%	53%
Net Debt / EBITDA (times)	3.4x	3.2x	3.4x	3.6x	3.6x	3.4x
EBITDA Interest Cover (times)	6.0x	7.7x	6.6x	5.7x	5.2x	5.0x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	29%	30%	22%	35%	19%	37%
Earnings (adjusted) growth	10%	1%	(4)%	72%	(39)%	19%

Source: Annual Reports, NewERA Analysis

Notes:

i. The above measures are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each entity and how they are calculated may differ from the above.

ii. See Appendix C for NewERA's standardised performance measures.

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

TRANSPORT SECTOR COMPANIES

KEY FINANCIAL INFORMATION	5yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	2,172	2,490	2,395	2,201	1,992	1,785
EBITDA (adjusted)	383	428	436	373	364	314
EBIT (adjusted)	224	268	280	216	193	165
PAT (adjusted)	129	177	189	113	97	67
PAT (reported)	149	172	193	133	174	73
BALANCE SHEET (€'m)						
Tangible Fixed Assets	5,203	5,297	5,209	5,254	5,355	4,901
Gross Debt	(1,261)	(1,255)	(1,274)	(1,194)	(1,246)	(1,336)
Net Debt	(396)	(234)	(288)	(398)	(446)	(614)
Pension Liabilities	(741)	(846)	(912)	(431)	(915)	(601)
Employee Related Liabilities	(51)	(25)	(23)	(19)	(108)	(78)
Net Assets	1,323	1,531	1,327	1,612	1,004	1,140
Invested Capital	3,642	3,975	3,753	3,536	3,572	3,375
CASHFLOWS (€'m)						
Net Cashflow from Operations	300	409	406	236	274	176
Gross Capital Expenditure	(363)	(502)	(356)	(354)	(308)	(294)
Net (Acquisitions)/Disposals Spend	(15)	(8)	(8)	(3)	(56)	(0)
Dividends Paid (total)	(31)	(54)	(39)	(20)	(18)	(25)
Dividends Paid (normal)	(29)	(54)	(39)	(20)	(18)	(15)
EMPLOYEES						
Employee Numbers	14,438	15,450	15,077	14,574	13,863	13,227
Avg. Cost per Employee (see note iii) €'000	62	65	62	62	60	62
Avg. Cost per Employee (see note iv) €'000	52	53	52	51	50	52

KEY METRICS	5yr avg.	2017	2016	2015	2014	2013
PROFITABILITY AND EFFICIENCY						
Turnover Growth	6.1%	4.0%	8.8%	10.5%	11.6%	(4.3)%
EBITDA Margin	17.6%	17.2%	18.2%	16.9%	18.3%	17.6%
Operating Profit Margin	10.2%	10.8%	11.7%	9.8%	9.7%	9.3%
PAT Margin	5.7%	7.1%	7.9%	5.1%	4.9%	3.7%
Return on Invested Capital (ROIC)	5.5%	6.1%	6.7%	5.3%	5.0%	4.5%
LIQUIDITY						
Current Ratio (times)	2.2x	1.6x	2.4x	2.4x	2.5x	2.1x
Acid Test Ratio (times)	2.0x	1.5x	2.2x	2.2x	2.3x	1.9x
LEVERAGE AND SOLVENCY						
Net Gearing (see note v)	23%	13%	18%	20%	31%	35%
Net Gearing (see note vi)	47%	42%	48%	34%	59%	53%
Net Debt / EBITDA (times)	1.1x	0.5x	0.7x	1.1x	1.2x	2.0x
EBITDA Interest Cover (times)	7.7x	10.2x	9.2x	6.6x	6.5x	6.2x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	25%	28%	34%	21%	27%	13%
Earnings (adjusted) growth	17%	(6)%	66%	17%	45%	(39)%

Source: Annual Reports, NewERA Analysis

Notes:

i. The above measures are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each entity and how they are calculated may differ from the above.

ii. See Appendix C for NewERA's standardised performance measures.

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS	IFRS	GAAP
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	827	840	825	826	815	812
EBITDA (adjusted)	24	25	16	27	26	16
EBIT (adjusted)	(0)	5	(14)	5	2	(11)
PAT (adjusted)	(6)	2	(17)	(2)	(5)	(7)
PAT (reported)	3	37	(17)	(2)	(5)	8
BALANCE SHEET (€'m)						
Tangible Fixed Assets	240	231	238	244	247	268
Gross Debt	(30)	(49)	(28)	(23)	(22)	(4)
Net (Debt)/Cash	24	35	2	27	33	60
Pension Liabilities	(237)	(55)	(283)	(169)	(440)	(229)
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	(33)	175	(96)	35	(245)	(5)
Invested Capital	348	384	322	341	344	353
CASHFLOWS (€'m)						
Net Cashflow from Operations	3	(2)	(1)	8	5	(18)
Gross Capital Expenditure	(14)	(14)	(14)	(17)	(10)	(30)
Dividends Paid (normal)	-	-	-	-	-	-
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	-	-	-	-	-	-
EMPLOYEES						
Employee Numbers	9,930	9,905	9,928	9,862	10,024	10,145
Avg. Cost per Employee (see note iii) €'000	49	50	49	49	48	48
Avg. Cost per Employee (see note iv) €'000	41	41	41	40	40	40

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	(0.1)%	0.6%	(1.7)%	0.6%	0.3%	(1.4)%
Return on Invested Capital (ROIC)	3.0%	4.3%	(0.2)%	4.5%	3.3%	0.0%
LIQUIDITY						
Current Ratio (times)	0.9x	1.2x	0.8x	0.9x	0.9x	1.0x
Acid Test Ratio (times)	0.9x	1.2x	0.8x	0.9x	0.9x	1.0x
LEVERAGE						
Net Gearing (see note v)	-	-	-	-	-	-
Net Gearing (see note vi)	-	-	-	-	-	-
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	-	-	-	-	-	-

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.
ii. A four-year average is presented above as the entity transitioned to IFRS in 2015 (which included restated amounts for the prior period).
iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.
iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.
v. Net gearing excluding pensions and employee related liabilities.
vi. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

BORD NA MÓNA

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS	IFRS	GAAP
Year ended March	4yr avg.	2018	2017	2016	2015	2014
INCOME STATEMENT (€'m)						
Turnover	410	395	406	433	407	427
EBITDA (adjusted)	89	74	82	100	101	91
EBIT (adjusted)	50	33	40	59	70	50
PAT (adjusted)	32	28	21	36	43	33
PAT (reported)	14	(8)	5	16	43	33
BALANCE SHEET (€'m)						
Tangible Fixed Assets	301	268	292	301	342	316
Gross Debt	(213)	(120)	(187)	(271)	(274)	(245)
Net (Debt)/Cash	(149)	(75)	(171)	(173)	(178)	(72)
Pension Liabilities	(33)	(13)	(16)	(34)	(67)	(43)
Employee Related Liabilities	-	-	-	-	-	(0)
Net Assets	220	218	231	221	208	212
Invested Capital	516	445	489	567	562	449
CASHFLOWS (€'m)						
Net Cashflow from Operations	60	61	49	69	62	28
Gross Capital Expenditure	(64)	(33)	(36)	(72)	(115)	(89)
Net (Acquisitions)/Disposals Spend	7	40	(13)	-	-	3
Dividends Paid (normal)	(7)	(2)	(4)	(10)	(11)	(3)
Dividends Paid (special)	-	-	-	-	-	(2)
Dividends Paid (total)	(7)	(2)	(4)	(10)	(11)	(5)
EMPLOYEES						
Employee Numbers	1,979	1,980	1,998	1,937	1,999	2,061
Avg. Cost per Employee (see note iii) €'000	53	52	50	55	56	55
Avg. Cost per Employee (see note iv) €'000	46	45	44	48	49	48

KEY METRICS	4yr avg.	2018	2017	2016	2015	2014
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	12.2%	8.4%	9.9%	13.5%	17.1%	11.8%
Return on Invested Capital (ROIC)	8.3%	4.9%	6.8%	9.2%	12.4%	9.2%
LIQUIDITY						
Current Ratio (times)	1.5x	1.3x	1.4x	1.3x	2.1x	2.1x
Acid Test Ratio (times)	0.9x	0.8x	0.7x	0.8x	1.3x	1.6x
LEVERAGE						
Net Gearing (see note v)	40%	26%	42%	44%	46%	25%
Net Gearing (see note vi)	44%	29%	45%	48%	54%	35%
Net Debt / EBITDA (times)	1.6x	1.0x	2.1x	1.7x	1.8x	0.8x
EBITDA Interest Cover (times)	7.9x	8.5x	7.4x	8.0x	7.5x	9.0x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	20%	12%	12%	24%	33%	10%
Earnings (adjusted) growth	2%	37%	(43)%	(15)%	27%	12%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to IFRS in 2015/16 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

COILLTE
GROW·TRANSFORM·SUSTAIN

KEY FINANCIAL INFORMATION		FRS102	FRS102	FRS102	FRS102	Old GAAP
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	289	299	288	283	286	276
EBITDA (adjusted)	88	83	98	90	81	59
EBIT (adjusted)	62	49	66	79	54	41
PAT (adjusted)	46	43	49	56	34	27
PAT (reported)	42	43	48	48	29	26
BALANCE SHEET (€'m)						
Tangible Fixed Assets (see note iii)	1,405	1,421	1,415	1,391	1,393	1,512
Gross Debt	(174)	(162)	(170)	(188)	(176)	(175)
Net Debt	(163)	(154)	(168)	(154)	(176)	(171)
Pension Liabilities	(101)	(76)	(108)	(78)	(142)	(130)
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	1,066	1,139	1,068	1,078	979	1,242
Invested Capital	1,356	1,392	1,366	1,358	1,307	1,553
CASHFLOWS (€'m)						
Net Cashflow from Operations	38	67	26	23	36	21
Gross Capital Expenditure	(60)	(57)	(53)	(79)	(49)	(41)
Net (Acquisitions)/Disposals Spend	17	-	-	67	-	-
Dividends Paid (normal)	(6)	(8)	(7)	(4)	(6)	-
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	(6)	(8)	(7)	(4)	(6)	-
EMPLOYEES						
Employee Numbers	873	827	862	897	907	913
Avg. Cost per Employee (see note iv) €'000	73	74	72	74	71	70
Avg. Cost per Employee (see note v) €'000	59	59	59	60	58	58

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	21.5%	16.3%	22.9%	27.9%	18.8%	15.0%
Return on Invested Capital (ROIC)	4.1%	3.1%	4.3%	5.2%	3.7%	2.4%
LIQUIDITY						
Current Ratio (times)	1.9x	2.0x	1.9x	2.2x	1.7x	1.6x
Acid Test Ratio (times)	1.6x	1.6x	1.5x	1.8x	1.4x	1.3x
LEVERAGE						
Net Gearing (see note vi)	13%	12%	14%	12%	15%	12%
Net Gearing (see note vii)	20%	17%	21%	18%	25%	20%
Net Debt / EBITDA (times)	1.9x	1.9x	1.7x	1.7x	2.2x	2.9x
EBITDA Interest Cover (times)	17.4x	34.4x	15.2x	11.9x	8.2x	6.2x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	16%	16%	13%	12%	23%	-
Earnings (adjusted) growth	17%	(12)%	(12)%	66%	27%	29%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes biological assets.

iv. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

vi. Net gearing excluding pensions and employee related liabilities.

vii. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

EIRGRID GROUP

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS	IFRS	IFRS
Year ended 30 September	5yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	650	579	673	706	668	622
EBITDA (adjusted)	79	50	61	96	92	94
EBIT (adjusted)	49	22	26	60	64	73
PAT (adjusted)	27	2	9	34	39	53
PAT (reported)	27	2	9	34	39	53
BALANCE SHEET (€'m)						
Tangible Fixed Assets	599	605	590	591	598	610
Gross Debt	(369)	(339)	(354)	(367)	(384)	(402)
Net (Debt)/Cash	(224)	(200)	(182)	(207)	(253)	(276)
Pension Liabilities	(27)	(24)	(54)	(27)	(18)	(10)
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	168	203	146	179	159	155
Invested Capital	661	619	667	682	673	663
CASHFLOWS (€'m)						
Net Cashflow from Operations	67	(21)	62	136	43	115
Gross Capital Expenditure	(47)	(48)	(32)	(23)	(17)	(116)
Net (Acquisitions)/Disposals Spend	-	-	-	-	-	-
Dividends Paid (normal)	(2)	(4)	(4)	(3)	-	-
Dividends Paid (special)	(1)	-	-	-	(4)	-
Dividends Paid (total)	(3)	(4)	(4)	(3)	(4)	-
EMPLOYEES						
Employee Numbers	468	472	480	480	460	449
Avg. Cost per Employee (see note ii) €'000	102	109	102	101	102	98
Avg. Cost per Employee (see note iii) €'000	77	76	74	77	78	78

KEY METRICS	5yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	7.5%	3.8%	3.9%	8.5%	9.6%	11.8%
Return on Invested Capital (ROIC)	7.8%	3.1%	3.5%	7.9%	8.4%	15.9%
LIQUIDITY						
Current Ratio (times)	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x
Acid Test Ratio (times)	1.4x	1.4x	1.4x	1.4x	1.4x	1.4x
LEVERAGE						
Net Gearing (see note iv)	57%	50%	56%	54%	62%	64%
Net Gearing (see note v)	60%	52%	62%	57%	63%	65%
Net Debt / EBITDA (times)	3.0x	4.0x	3.0x	2.2x	2.8x	2.9x
EBITDA Interest Cover (times)	3.9x	2.8x	3.3x	5.0x	4.6x	4.1x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	13%	46%	10%	8%	-	-
Earnings (adjusted) growth	(9)%	(77)%	(74)%	(12)%	(27)%	144%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iii. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Net gearing excluding pensions and employee related liabilities.

v. Net gearing including pensions and employee related liabilities.

ervia Gas Networks Ireland

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS	IFRS	IFRS
Year ended 31 December	5yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	495	473	498	491	506	505
EBITDA (adjusted)	323	300	323	307	337	346
EBIT (adjusted)	196	167	195	182	204	230
PAT (adjusted)	120	120	129	116	111	123
PAT (reported)	114	127	103	117	103	120
BALANCE SHEET (€'m)						
Tangible Fixed Assets	2,527	2,514	2,502	2,528	2,537	2,555
Gross Debt	(1,289)	(1,186)	(1,172)	(1,176)	(1,142)	(1,768)
Net (Debt)/Cash	(1,177)	(1,094)	(1,028)	(1,022)	(1,010)	(1,730)
Pension Liabilities	(88)	(128)	(129)	(51)	(85)	(49)
Employee Related Liabilities	(3)	(0)	(3)	(3)	(3)	(4)
Net Assets	1,125	1,028	1,043	1,139	1,109	1,304
Invested Capital	2,464	2,424	2,438	2,475	2,512	2,471
CASHFLOWS (€'m)						
Net Cashflow from Operations	240	224	278	263	175	261
Gross Capital Expenditure	(115)	(144)	(135)	(100)	(94)	(103)
Net (Acquisitions)/Disposals Spend	187	(2)	1	2	934	-
Dividends Paid (normal)	(37)	(48)	(35)	(51)	(21)	(31)
Dividends Paid (special)	(94)	(100)	(100)	(100)	(150)	(20)
Dividends Paid (total)	(131)	(148)	(135)	(151)	(171)	(52)
EMPLOYEES						
Employee Numbers	914	927	904	909	914	n/a
Avg. Cost per Employee (see note ii) €'000	94	100	93	94	87	n/a
Avg. Cost per Employee (see note iii) €'000	72	75	73	71	70	n/a

KEY METRICS	5yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	39%	35%	39%	37%	40%	46%
Return on Invested Capital (ROIC)	6.6%	6.0%	7.0%	6.4%	7.2%	n/a
LIQUIDITY						
Current Ratio (times)	0.7x	0.9x	0.9x	0.6x	0.9x	0.2x
Acid Test Ratio (times)	0.7x	0.9x	0.9x	0.6x	0.9x	0.2x
LEVERAGE						
Net Gearing (see note iv)	51%	52%	50%	47%	48%	57%
Net Gearing (see note v)	53%	54%	53%	49%	50%	58%
Net Debt / EBITDA (times)	3.6x	3.6x	3.2x	3.3x	3.0x	5.0x
EBITDA Interest Cover (times)	7.5x	11.9x	7.6x	8.2x	5.3x	4.6x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	33%	38%	30%	46%	17%	32%
Earnings (adjusted) growth	5%	(6)%	11%	5%	(10)%	27%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iii. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Net gearing excluding pensions and employee related liabilities.

v. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS	IFRS	IFRS
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	864	1,013	906	851	687	-
EBITDA (adjusted)	96	290	129	72	(107)	(68)
EBIT (adjusted)	47	221	69	29	(130)	(69)
PAT (adjusted)	32	196	54	17	(139)	(71)
PAT (reported)	32	196	54	17	(139)	(71)
BALANCE SHEET (€'m)						
Tangible Fixed Assets	1,421	2,072	1,638	1,235	737	52
Gross Debt	(777)	(825)	(974)	(945)	(362)	(162)
Net (Debt)/Cash	(735)	(809)	(917)	(890)	(325)	(125)
Pension Liabilities	(29)	(29)	(26)	(27)	(33)	-
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	421	958	493	156	76	(71)
Invested Capital	888	1,367	1,094	773	320	90
CASHFLOWS (€'m)						
Net Cashflow from Operations	95	328	168	(56)	(59)	(42)
Gross Capital Expenditure	(505)	(489)	(471)	(511)	(548)	(81)
Net (Acquisitions)/Disposals Spend	(15)	1	(2)	(60)	-	-
Dividends Paid (normal)	-	-	-	-	-	-
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	-	-	-	-	-	-
EMPLOYEES						
Employee Numbers	532	752	592	495	289	20
Avg. Cost per Employee (see note iii) €'000	74	84	73	73	67	70
Avg. Cost per Employee (see note iv) €'000	62	66	62	62	60	63

Source: Annual Reports, NewERA Analysis

Notes:

i. A four-year average is presented above as IW was not operational for a full 12-month period in 2013, having been incorporated on the 17th of July that year.

ii. Key financial metrics are not currently presented for IW given its stage of development.

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

Energy for generations

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS	IFRS	IFRS
Year ended 31 December	5yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	3,291	3,229	3,212	3,335	3,258	3,422
EBITDA (adjusted)	1,319	1,276	1,330	1,348	1,301	1,342
EBIT (adjusted)	592	490	597	635	552	684
PAT (adjusted)	329	213	353	366	280	431
PAT (reported)	233	(32)	186	286	215	510
BALANCE SHEET (€'m)						
Tangible Fixed Assets	10,438	10,005	10,439	10,873	10,717	10,157
Gross Debt	(4,811)	(4,758)	(4,887)	(5,109)	(4,783)	(4,515)
Net (Debt)/Cash	(4,532)	(4,377)	(4,524)	(4,975)	(4,639)	(4,145)
Pension Liabilities	(759)	(537)	(695)	(790)	(895)	(876)
Employee Related Liabilities	(150)	(112)	(143)	(145)	(166)	(183)
Net Assets	3,901	3,713	3,924	3,859	3,889	4,122
Invested Capital	9,769	9,822	9,977	9,681	9,567	9,800
CASHFLOWS (€'m)						
Net Cashflow from Operations	934	917	1,011	889	938	915
Gross Capital Expenditure	(803)	(791)	(771)	(786)	(920)	(745)
Net (Acquisitions)/Disposals Spend	-	-	-	-	-	-
Dividends Paid (normal)	(97)	(116)	(86)	(59)	(76)	(147)
Dividends Paid (special)	(84)	-	-	(214)	(208)	-
Dividends Paid (total)	(181)	(116)	(86)	(273)	(284)	(147)
EMPLOYEES						
Employee Numbers	7,466	7,790	7,597	7,305	7,149	7,490
Avg. Cost per Employee (see note ii) €'000	86	90	88	86	85	79
Avg. Cost per Employee (see note iii) €'000	74	77	76	74	72	68

KEY METRICS	5yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	17.9%	15.2%	18.6%	19.0%	16.9%	20.0%
Return on Invested Capital (ROIC)	5.4%	4.4%	5.4%	5.8%	5.0%	6.1%
LIQUIDITY						
Current Ratio (times)	1.1x	1.1x	0.9x	0.9x	1.0x	1.6x
Acid Test Ratio (times)	1.0x	1.0x	0.9x	0.8x	0.9x	1.5x
LEVERAGE						
Net Gearing (see note iv)	54%	54%	54%	56%	54%	50%
Net Gearing (see note v)	58%	58%	58%	61%	59%	56%
Net Debt / EBITDA (times)	3.4x	3.4x	3.4x	3.7x	3.6x	3.1x
EBITDA Interest Cover (times)	5.7x	6.3x	6.3x	5.3x	5.6x	5.2x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	27%	33%	24%	21%	18%	41%
Earnings (adjusted) growth	(5)%	(40)%	(4)%	31%	(35)%	21%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iii. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Net gearing excluding pensions and employee related liabilities.

v. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

KEY FINANCIAL INFORMATION		FRS 102	FRS 102	FRS 102	FRS 102	Old GAAP
Year ended 31 December	**4yr avg.**	**2017**	**2016**	**2015**	**2014**	**2013**
INCOME STATEMENT (€'m)						
Turnover	1,182	1,238	1,218	1,153	1,120	1,006
EBITDA (adjusted)	54	29	58	48	81	59
EBIT (adjusted)	0	(20)	8	(8)	20	(0)
PAT (adjusted)	(16)	(33)	(5)	(25)	(0)	(9)
PAT (reported)	(11)	(43)	28	(26)	(3)	(12)
BALANCE SHEET (€'m)						
Tangible Fixed Assets	3,016	2,862	2,954	3,064	3,184	2,687
Gross Debt	(48)	(28)	(41)	(54)	(69)	(129)
Net (Debt)/Cash	45	121	73	5	(19)	(103)
Pension Liabilities	(626)	(784)	(730)	(288)	(702)	(418)
Employee Related Liabilities	(9)	(14)	(8)	(7)	(9)	(13)
Net Assets	(511)	(636)	(585)	(206)	(616)	(302)
Invested Capital	413	416	426	395	415	443
CASHFLOWS (€'m)						
Net Cashflow from Operations	76	65	99	62	79	17
Gross Capital Expenditure	(185)	(190)	(152)	(184)	(216)	(208)
Net (Acquisitions)/Disposals Spend	-	-	-	-	-	-
Dividends Paid (normal)	-	-	-	-	-	-
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	-	-	-	-	-	-
EMPLOYEES						
Employee Numbers	9,900	10,098	10,017	9,837	9,648	9,691
Avg. Cost per Employee (see note iii) €'000	59	62	59	59	58	58
Avg. Cost per Employee (see note iv) €'000	49	50	49	48	49	49

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	0.0%	(1.6)%	0.6%	(0.7)%	1.8%	(0.0)%
Return on Invested Capital (ROIC)	0.7%	(3.4)%	2.4%	(1.0)%	4.8%	0.7%
LIQUIDITY						
Current Ratio (times)	0.9x	1.0x	1.0x	0.9x	0.9x	0.5x
Acid Test Ratio (times)	0.7x	0.8x	0.7x	0.6x	0.6x	0.3x
LEVERAGE						
Net Debt / EBITDA (times)	0.1x	0.0x	0.0x	0.0x	0.2x	1.8x
EBITDA Interest Cover (times)	17.4x	14.3x	22.7x	14.8x	17.6x	16.6x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	-	-	-	-	-	-

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

KEY FINANCIAL INFORMATION		FRS 102	FRS 102	FRS 102	FRS 102	Old GAAP
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	723	855	793	680	564	501
EBITDA (adjusted)	226	271	247	206	181	161
EBIT (adjusted)	147	187	169	130	101	100
PAT (adjusted)	84	125	108	61	42	28
PAT (reported)	81	130	79	83	31	38
BALANCE SHEET (€'m)						
Tangible Fixed Assets	1,651	1,717	1,642	1,621	1,625	1,708
Gross Debt	(1,130)	(1,136)	(1,178)	(1,081)	(1,124)	(1,152)
Net (Debt)/Cash	(582)	(541)	(572)	(616)	(600)	(614)
Pension Liabilities	(12)	(6)	(10)	(9)	(21)	(25)
Employee Related Liabilities	(32)	(9)	(12)	(11)	(97)	(64)
Net Assets	1,169	1,293	1,200	1,135	1,047	1,000
Invested Capital	2,362	2,532	2,371	2,239	2,308	2,244
CASHFLOWS (€'m)						
Net Cashflow from Operations	146	209	191	75	108	87
Gross Capital Expenditure	(117)	(171)	(118)	(112)	(65)	(56)
Net (Acquisitions)/Disposals Spend	(13)	(5)	-	-	(48)	1
Dividends Paid (normal)	(15)	(32)	(20)	(4)	(5)	(4)
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	(15)	(32)	(20)	(4)	(5)	(4)
Dividends Paid (total- State)	(12)	(29)	(18)	-	-	-
EMPLOYEES						
Employee Numbers	3,392	3,855	3,598	3,300	2,813	2,588
Avg. Cost per Employee (see note iii) €'000	59	61	59	57	57	57
Avg. Cost per Employee (see note iv) €'000	51	53	51	50	50	50

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	20.1%	21.9%	21.3%	19.1%	18.0%	20.0%
Return on Invested Capital (ROIC)	5.5%	6.7%	6.4%	5.0%	4.0%	4.0%
LIQUIDITY						
Current Ratio (times)	2.9x	1.4x	3.6x	2.9x	3.7x	4.0x
Acid Test Ratio (times)	2.7x	1.3x	3.4x	2.7x	3.5x	3.9x
LEVERAGE						
Net Gearing (see note v)	33%	29%	32%	35%	36%	38%
Net Gearing (see note vi)	35%	30%	33%	36%	41%	41%
Net Debt / EBITDA (times)	2.7x	2.0x	2.3x	3.0x	3.3x	3.8x
EBITDA Interest Cover (times)	5.1x	7.1x	5.7x	4.0x	3.6x	3.4x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	14%	27%	30%	-	-	-
Earnings (adjusted) growth	47%	16%	75%	47%	49%	(35)%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

COMHLACHT CHALAFORT ÁTHA CLIATH
DUBLIN PORT COMPANY

KEY FINANCIAL INFORMATION		FRS 102	FRS 102	FRS 102	FRS 102	Old GAAP
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	79	85	82	78	72	68
EBITDA (adjusted)	50	54	54	49	43	41
EBIT (adjusted)	42	46	46	43	34	34
PAT (adjusted)	36	40	39	36	29	27
PAT (reported)	37	41	39	36	31	26
BALANCE SHEET (€'m)						
Tangible Fixed Assets	332	418	329	294	285	285
Gross Debt	(41)	(60)	(35)	(35)	(35)	(35)
Net (Debt)/Cash	4	(38)	3	35	17	(0)
Pension Liabilities	15	51	11	11	(13)	(10)
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	343	409	350	328	284	269
Invested Capital	371	417	375	356	335	317
CASHFLOWS (€'m)						
Net Cashflow from Operations	39	47	38	41	32	31
Gross Capital Expenditure	(37)	(78)	(45)	(16)	(9)	(13)
Net (Acquisitions)/Disposals Spend	1	-	-	-	2	-
Dividends Paid (normal)	(10)	(12)	(11)	(9)	(8)	(7)
Dividends Paid (special)	-	-	-	-	-	(8)
Dividends Paid (total)	(10)	(12)	(11)	(9)	(8)	(15)
EMPLOYEES						
Employee Numbers	143	148	146	140	136	140
Avg. Cost per Employee (see note iii) €'000	85	98	74	90	80	82
Avg. Cost per Employee (see note iv) €'000	71	75	70	71	70	70

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	53.3%	54.0%	56.0%	55.3%	47.7%	49.2%
Return on Invested Capital (ROIC)	10.3%	10.2%	10.9%	10.9%	9.2%	9.4%
LIQUIDITY						
Current Ratio (times)	5.6x	3.1x	1.3x	8.9x	9.4x	6.9x
Acid Test Ratio (times)	5.6x	3.0x	1.3x	8.8x	9.3x	6.8x
LEVERAGE						
Net Gearing (see note v)	2%	9%	-	-	-	0%
Net Gearing (see note vi)	2%	9%	-	-	-	4%
Net Debt / EBITDA (times)	0.2x	0.7x	0.0x	0.0x	0.0x	0.0x
EBITDA Interest Cover (times)	59.1x	53.1x	52.1x	59.2x	72.1x	123.5x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	30%	30%	30%	30%	30%	28%
Earnings (adjusted) growth	11%	3%	7%	25%	8%	7%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

KEY FINANCIAL INFORMATION		FRS 102	FRS 102	FRS 102	Old GAAP	Old GAAP
Year ended 31 December	3yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	190	193	192	183	177	174
EBITDA (adjusted)	50	48	54	47	45	42
EBIT (adjusted)	35	34	39	33	30	26
PAT (adjusted)	28	26	32	25	21	16
PAT (reported)	28	26	32	25	110	16
BALANCE SHEET (€'m)						
Tangible Fixed Assets	79	77	80	79	79	86
Gross Debt	-	-	-	-	-	-
Net (Debt)/Cash	181	220	177	146	126	106
Pension Liabilities	(125)	(87)	(161)	(126)	(152)	(131)
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	157	212	129	131	84	81
Invested Capital	291	301	298	274	257	235
CASHFLOWS (€'m)						
Net Cashflow from Operations	57	68	60	42	42	31
Gross Capital Expenditure	(14)	(13)	(14)	(14)	(7)	(9)
Net (Acquisitions)/Disposals Spend	(5)	(3)	(8)	(3)	(11)	(1)
Dividends Paid (normal)	(8)	(9)	(7)	(7)	(5)	(3)
Dividends Paid (special)	-	-	-	-	-	(2)
Dividends Paid (total)	(8)	(9)	(7)	(7)	(5)	(5)
EMPLOYEES						
Employee Numbers	658	666	652	655	649	659
Avg. Cost per Employee (see note iii) €'000	133	135	133	131	131	133
Avg. Cost per Employee (see note iv) €'000	94	97	94	92	91	91

KEY METRICS	3yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	18.7%	17.3%	20.6%	18.2%	16.9%	14.9%
Return on Invested Capital (ROIC)	11.4%	10.3%	12.6%	11.4%	10.3%	10.3%
LIQUIDITY						
Current Ratio (times)	14.9x	19.8x	12.1x	12.8x	7.1x	4.2x
Acid Test Ratio (times)	14.9x	19.8x	12.1x	12.8x	7.1x	4.2x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	30%	29%	30%	32%	30%	30%
Earnings (adjusted) growth	10%	(18)%	30%	20%	29%	60%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A three-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

Appendix D – Portfolio Financial Information

PORT of CORK
DEEPWATER MULTI-MODAL PORT

KEY FINANCIAL INFORMATION		FRS 102	FRS 102	FRS 102	FRS 102	Old GAAP
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	29.3	31.5	29.6	29.8	26.4	23.3
EBITDA (adjusted)	8.6	10.0	8.5	9.3	6.8	5.4
EBIT (adjusted)	4.8	6.2	4.7	5.5	2.9	1.8
PAT (adjusted)	3.9	5.0	3.7	4.5	2.4	1.6
PAT (reported)	3.8	5.0	3.3	4.5	2.4	1.7
BALANCE SHEET (€'m)						
Tangible Fixed Assets	95.3	101.1	97.2	92.1	90.9	88.7
Gross Debt	(5.9)	(4.2)	(5.3)	(6.5)	(7.6)	(9.0)
Net (Debt)/Cash	9.9	7.7	12.1	12.9	7.0	4.6
Pension Liabilities	(10.3)	(9.1)	(11.0)	(7.5)	(13.5)	(6.8)
Employee Related Liabilities	(2.0)	(2.1)	(2.1)	(1.9)	(1.9)	(1.5)
Net Assets	73.0	78.6	73.2	74.4	65.7	66.8
Invested Capital	91.2	94.1	91.5	90.4	88.7	85.1
CASHFLOWS (€'m)						
Net Cashflow from Operations	7.6	8.2	6.2	10.1	6.1	5.2
Gross Capital Expenditure	(7.5)	(8.7)	(10.4)	(6.1)	(4.9)	(5.9)
Net (Acquisitions)/Disposals Spend	0.3	(0.0)	-	-	1.4	-
Dividends Paid (normal)	(0.6)	(0.7)	(0.7)	(0.7)	(0.5)	(0.4)
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	(0.6)	(0.7)	(0.7)	(0.7)	(0.5)	(0.4)
EMPLOYEES						
Employee Numbers	125	134	128	121	116	109
Avg. Cost per Employee (see note iii) €'000	81	81	81	82	79	81
Avg. Cost per Employee (see note iv) €'000	67	66	68	67	66	68

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	16.2%	19.6%	15.9%	18.5%	10.9%	7.9%
Return on Invested Capital (ROIC)	4.7%	5.8%	4.5%	5.4%	2.9%	1.9%
LIQUIDITY						
Current Ratio (times)	3.6x	2.7x	3.6x	3.7x	4.3x	4.4x
Acid Test Ratio (times)	3.5x	2.6x	3.5x	3.7x	4.2x	4.3x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	23%	19%	15%	27%	31%	30%
Earnings (adjusted) growth	38%	36%	(18)%	86%	49%	20%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

Shannon Foynes
PORT COMPANY

KEY FINANCIAL INFORMATION		FRS 102	FRS 102	FRS 102	FRS 102	Old GAAP
Year ended 31 December	4yr avg.	2017	2016	2015	2014	2013
INCOME STATEMENT (€'m)						
Turnover	12.6	14.0	13.2	11.9	11.2	11.9
EBITDA (adjusted)	5.9	6.6	6.4	5.3	5.1	5.7
EBIT (adjusted)	4.2	4.8	4.7	3.7	3.6	4.1
PAT (adjusted)	3.3	3.9	3.9	2.9	2.6	2.8
PAT (reported)	3.3	3.9	3.9	2.9	2.7	2.8
BALANCE SHEET (€'m)						
Tangible Fixed Assets	54.6	59.0	55.9	56.6	46.7	47.2
Gross Debt	(13.6)	(12.7)	(14.3)	(16.3)	(11.3)	(12.1)
Net (Debt)/Cash	(8.0)	(9.0)	(6.9)	(11.0)	(5.2)	(7.2)
Pension Liabilities	(11.0)	(9.3)	(11.0)	(11.6)	(12.1)	(11.6)
Employee Related Liabilities	-	-	-	-	-	-
Net Assets	31.8	37.6	33.1	29.5	26.9	25.9
Invested Capital	56.8	60.2	58.8	57.8	50.4	49.6
CASHFLOWS (€'m)						
Net Cashflow from Operations	4.4	4.5	4.9	4.3	3.8	4.1
Gross Capital Expenditure	(5.3)	(6.5)	(1.7)	(11.3)	(1.8)	(2.3)
Net (Acquisitions)/Disposals Spend	-	-	-	-	-	-
Dividends Paid (normal)	(0.1)	(0.3)	(0.2)	(0.1)	-	-
Dividends Paid (special)	-	-	-	-	-	-
Dividends Paid (total)	(0.1)	(0.3)	(0.2)	(0.1)	-	-
EMPLOYEES						
Employee Numbers	39	40	37	40	40	40
Avg. Cost per Employee (see note iii) €'000	86	89	95	83	78	77
Avg. Cost per Employee (see note iv) €'000	68	69	74	66	62	62

KEY METRICS	4yr avg.	2017	2016	2015	2014	2013
PROFITABILITY & EFFICIENCY						
Operating Margin (EBIT adjusted)	33.0%	34.3%	35.3%	31.0%	31.6%	35.0%
Return on Invested Capital (ROIC)	6.6%	7.1%	7.0%	5.9%	6.3%	7.4%
LIQUIDITY						
Current Ratio (times)	2.6x	2.0x	2.7x	2.2x	3.3x	3.0x
Acid Test Ratio (times)	2.6x	2.0x	2.7x	2.2x	3.3x	3.0x
LEVERAGE						
Net Gearing (see note v)	20%	19%	17%	27%	16%	22%
Net Gearing (see note vi)	38%	33%	35%	43%	39%	42%
Net Debt / EBITDA (times)	1.4x	1.4x	1.1x	2.1x	1.0x	1.3x
EBITDA Interest Cover (times)	17.7x	19.3x	15.7x	18.7x	17.0x	14.4x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	4%	6%	7%	4%	-	-
Earnings (adjusted) growth	9%	1%	34%	9%	(7)%	39%

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A four-year average is presented above as the entity transitioned to FRS102 in 2015 (which included restated amounts for the prior period).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

v. Net gearing excluding pensions and employee related liabilities.

vi. Net gearing including pensions and employee related liabilities.

Appendix D – Portfolio Financial Information

shannon GROUP

KEY FINANCIAL INFORMATION		IFRS	IFRS	IFRS
Year ended 31 December	3yr avg.	2017	2016	2015
INCOME STATEMENT (€'m)				
Turnover	68.3	72.2	67.2	65.6
EBITDA (adjusted)	7.9	9.3	7.6	6.9
EBIT (adjusted)	8.7	9.7	8.4	8.0
PAT (adjusted)	8.7	9.9	8.0	8.2
PAT (reported)	7.7	9.2	6.6	7.3
BALANCE SHEET (€'m)				
Tangible Fixed Assets	53.9	63.0	51.3	47.3
Investment properties	68.9	82.0	66.2	58.5
Gross Debt	(4.9)	(14.4)	(0.1)	(0.2)
Net (Debt) / Cash	20.1	4.4	25.7	30.2
Pension Liabilities	(0.9)	(0.8)	(1.1)	(0.7)
Employee Related Liabilities	(0.6)	(0.3)	(1.3)	-
Net Assets	127.6	136.1	126.7	120.2
Invested Capital	137.0	154.7	133.2	123.2
CASHFLOWS (€'m)				
Net Cashflow from Operations	5.9	7.5	7.9	2.2
Gross Capital Expenditure	(20.2)	(34.2)	(14.8)	(11.5)
Proceeds from the sale of assets	6.3	5.4	2.0	11.6
Net (Acquisitions)/Disposals Spend	-	-	-	-
Dividends Paid (normal)	-	-	-	-
Dividends Paid (special)	-	-	-	-
Dividends Paid (total)	-	-	-	-
EMPLOYEES				
Employee Numbers	496	509	499	481
Avg. Cost per Employee (see note iii) €'000	58	58	56	58
Avg. Cost per Employee (see note iv) €'000	49	50	48	50

KEY METRICS	3yr avg.	2017	2016	2015
PROFITABILITY & EFFICIENCY				
Operating Margin (EBIT adjusted)	12.7%	13.5%	12.5%	12.1%
Return on Invested Capital (ROIC)	2.5%	2.5%	2.5%	2.5%
LIQUIDITY				
Current Ratio (times)	1.9x	1.5x	2.0x	2.2x
Acid Test Ratio (times)	1.8x	1.4x	1.8x	2.1x
SHAREHOLDER RETURNS				
Dividend Payout (normal dividends)	-	-	-	-

Source: Annual Reports, NewERA Analysis

Notes:

i. Definitions of key financial metrics are set out in Appendix C. The financial metrics presented are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each Portfolio Entity and how they are calculated may differ. For example, each Portfolio Entity may have a formal dividend policy framework which provides for the calculation of the dividend payout metric on a different basis.

ii. A three-year average is presented above as 2014 was not a full 12-month period (the company was incorporated on 29 August 2014).

iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.

Appendix E – Board Composition

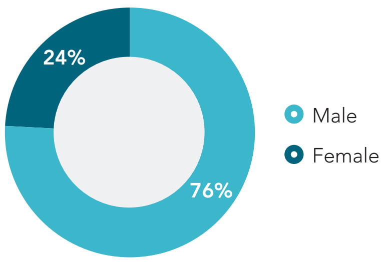
Board Composition	Maximum Number of Directors	Actual Number of Directors	Actual Number of Directors by Position			
			Chair	CEO/MD	NED	Other (see note)
An Post	15	15	1	1	7	6
BnM	12	12	1	1	6	4
Coillte	9	9	1	1	6	1
EirGrid	10	10	1	1	7	1
Ervia	11	11	1	1	9	-
ESB	12	12	1	1	6	4
CIÉ	12	9	1	-	4	4
daa	13	11	1	1	5	4
DPC	8	8	1	1	5	1
IAA	9	5	1	1	2	1
PoCC	8	7	1	1	4	1
SFPC	8	6	1	1	3	1
Shannon Group	10	5	1	1	3	-
TOTAL	**137**	**120**	**13**	**12**	**67**	**28**

Note: Other includes Worker Directors, Employee Representatives and ESOP Representatives (as applicable).

Board Gender Balance	Male	Female
An Post	60%	40%
BnM	83%	17%
Coillte	78%	22%
EirGrid	70%	30%
Ervia	82%	18%
ESB	67%	33%
CIÉ	78%	22%
daa	91%	9%
DPC	62%	38%
IAA	80%	20%
PoCC	86%	14%
SFPC	100%	0%
Shannon Group	60%	40%
TOTAL	**76%**	**24%**

Source: Annual Reports, www.stateboards.ie, NewERA Analysis

Board Gender Balance as at November 2018



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