IRISH CONTINENTAL GROUP

Preliminary Statement of Results for the year ended 31 December 2015

FINANCIAL HIGHLIGHTS	2015	2014	Change %
Revenue	€320.6m	€290.1m	+10.5%
EBITDA	€75.5m	€50.5m	+49.5%
Operating profit (before non-trading items)	€57.2m	€32.7m	+74.9%
Non-trading item: Curtailment gain less related costs	-	€28.7m	
EPS			
EPS Basic	28.9c	30.4c	-4.9%
EPS Adjusted	29.1c	15.5c	+87.7%
Final dividend	7.387c	7.035c	+5.0%
Net Debt	€44.3m	€61.3m	-27.7%

CARRYINGS	2015	2014	
	'000	'000	Change %
Passengers	1,675.8	1,643.3	+2.0%
Cars	400.9	381.8	+5.0%
RoRo Freight	272.5	247.9	+9.9%
Container Freight (teu*)	286.5	277.2	+3.4%
Port Lifts	248.5	187.0	+32.9%

*teu = twenty foot equivalent units

Key financial and performance highlights:

- Revenue up 10.5%, adjusted EPS up 87.7%
- Dividend increased by 5.0%, Net Debt down 27.7%
- RoRo freight volumes +9.9%, car carryings +5.0%

Commenting on the results Chairman John B McGuckian said,

"2015 was another successful year for the group with growth in revenue of 10.5% to €320.6 million and earnings before non-trading items, interest, tax, depreciation and amortisation (EBITDA) of €75.5 million, up 49.5%. During 2015 the Group benefited from lower world fuel prices, stronger Sterling and increased carryings. The Group maintains a pivotal position in facilitating Ireland's international trade and tourism and is operationally geared to the economic recovery in Ireland. We have seen the benefits of this recovery continue into the early weeks of 2016 which, notwithstanding a weakening in Sterling and assuming current oil prices, gives us confidence that we can look forward in 2016, in the absence of unforeseen developments to further growth in revenue and earnings."

7 March 2016

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

2015 Overview

2015 has been another successful year for the Group, with a positive operational and financial performance in both divisions building upon the continued Irish economic recovery.

The Group has again strengthened its strategic position as the leading maritime transport provider in the Republic of Ireland. Revenue for the year grew by 10.5% to €320.6 million. EBITDA for the year increased by 49.5% to €75.5 million. Adjusted EPS, which excludes non-trading items, and the net interest cost on defined benefit pension obligations, was 87.7% higher at 29.1 cent. The Group's return on average capital employed (ROACE) also increased significantly to 36.7% in 2015 (2014: 20.5%).

The Group has benefited from the improvement in 2015 of the economies in our sphere of operations and the decline in global fuel prices. Sterling strength was a positive for tourism business in Irish Ferries. The strength of Sterling increased average yields during the period and also increased the attractiveness of Ireland as a tourist destination for UK based travellers. However, this benefit is partially offset by Sterling denominated costs. The Group's total fuel cost was 26.4% lower than the previous year at €39.0 million (2014: €53.0 million). The benefit of lower fuel costs for the Group has been partially offset by a strong dollar versus the Euro, the fuel adjustment mechanism with freight customers where we pass on the reduction in fuel costs and the amendment of EU environmental regulations requiring the Group to consume more expensive fuel grades.

The Group invested in its operations in the period through the acquisition of four LoLo container vessels adding to its owned vessel fleet and expansion of its container terminal operations at Belfast Port, both being examples of the continued growth in our operations.

BUSINESS REVIEWS

Irish Continental Group operates through two divisions; the Ferries division operating under the Irish Ferries brand offering passenger and RoRo freight services. This division also carries out ship chartering activities. The Container and Terminal division, which includes the container shipping line, Eucon, and two container terminals, Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT), within the two main ports on the island of Ireland.

FERRIES DIVISION

Revenue in the division was 10.6% higher than the previous year at €203.9 million (2014: €184.3 million). Revenue in the first half of the year increased 11.3% to €86.5 million (2014: €77.7 million), while in the second half revenue increased 10.1%, to €117.4 million (2014: €106.6 million). EBITDA increased to €63.7 million (2014: €43.1 million) while EBIT was €48.1 million compared with €28.0 million in 2014. The increase in profit was primarily driven by increased freight and passenger revenue and lower fuel prices in the year compared with 2014.

Car and Passenger markets

It is estimated that the overall car market, to and from the Republic of Ireland, grew by approximately 1.2% in 2015 to 789,000 cars, while the all-island market, i.e. including routes into Northern Ireland, is estimated to have remained flat. Irish Ferries' car carryings performed strongly during the year, at 400,900 cars, (2014: 381,800), up 5.0% on the previous year. In the first half Irish Ferries grew its car volumes by 7.1% while in the second half, which includes the busy summer holiday season at 3.6%.

The total sea passenger market (i.e. comprising car, coach and foot passengers) to and from the Republic of Ireland remained flat in 2015, at a total of 3.2 million passengers, while the all-island market decreased by 2%. Irish Ferries' passenger numbers carried were up 2.0% at 1.676 million (2014: 1.643 million). In the first half of the year, Irish Ferries passenger volumes were up by 2.6% and in the second half of the year, the growth in passenger numbers was 1.5%.

RoRo Freight

The RoRo freight market between the Republic of Ireland, and the U.K. and France, continued to grow in 2015 on the back of the Irish economic recovery, with the total number of trucks and trailers up circa 6% to approximately 888,000 units. On an all-island basis, the market was up around 4% to approximately 1.66 million units.

Irish Ferries' carryings, at 272,500 freight units (2014: 247,900), were up 9.9% in the year reflecting a strong performance by Irish Ferries relative to the market (volumes were up 11.5% in the first half and 8.5% in the second half). The freight market enjoyed excellent growth in 2015 helped by favourable economic condition in the Republic of Ireland. These economic factors in addition to the introduction of the 'Epsilon' in 2013 with the increased frequency it has provided has allowed us to outperform the market. The Epsilon in its second full year of operation has continued to perform well on both the Ireland – UK and Ireland – France routes.

Chartering

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

In an extension of the division's chartering activities, four LoLo container vessels were purchased in late 2015 for a combined cost of €24.2 million. The vessels are the MV Elbfeeder (built 2008), MV Elbtrader (built 2008) and MV Elbcarrier (built 2007), each which has a capacity of 980 teu (Twenty Foot Equivalent) and a gross tonnage of 8,246 tons together with the MV Ranger (built 2005) which has a capacity for 803 teu and a gross tonnage of 7,852 tons. The three Elb vessels are currently on year-long charters to the Group's container shipping subsidiary Eucon on routes between Ireland and the Continent whilst the Ranger is on charter to a third party.

CONTAINER AND TERMINAL DIVISION

Revenue in the division increased to €118.2 million (2014: €107.0 million). The revenue is derived from container handling and related ancillary revenues at our terminals and in Eucon from a mix of domestic door-to-door, quay-to-quay and feeder services with 71% (2014: 71%) of shipping revenue generated from imports into Ireland. With a flexible chartered fleet and slot charter arrangements Eucon was able to adjust capacity and thereby continue to meet the requirements of customers in a cost effective and efficient manner. EBITDA in the division increased to €11.8 million (2014: €7.4 million) while EBIT rose 93.6% to €9.1 million (2014: €4.7 million) due mainly to increased volumes both in Eucon and in our terminal operations as well as reduced fuel costs. Overall container volumes shipped were up 3.4% compared with the previous year at 286,500 teu (2014: 277,200 teu).

Containers handled at the Group's terminals in Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT) were up 32.9% at 248,500 lifts (2014: 187,000 lifts). DFT's volumes were up 6.6%, while BCT's lifts were up 146.4%. The increase in Belfast arises from the awarding in April 2015 by Belfast Harbour Commissioners (BHC) of the Services Concession to BCT for the operation of a combined container terminal at Victoria Terminal 3 (VT3). The process of combining the two existing container terminals in Belfast began in June and was completed in September.

On 1 January 2015, the EU Sulphur Directive came into force in many parts of Northern Europe, including the North Sea and the English Channel termed as Sulphur Emission Control Area's (SECA's). This reduced the permissible level of sulphur in bunker fuel from 1.0% to 0.1% for vessels in these SECA's requiring the vessels in the Eucon fleet to consume higher cost, low sulphur fuel.

FINANCE
EBITDA for the year was €75.5 million (2014: €50.5 million). There was a net outflow of working capital of €1.6 million, due to the higher level of activity in our operations. The Group made payments, in excess of service costs, to the Group's pension funds of €2.7 million. Cash generated from operations amounted to €71.8 million (2014: €44.4 million).

Interest paid was €2.8 million (2014: €3.6 million) while taxation paid was €0.8 million (2014: €1.1 million). Interest received amounted to €0.1 million (2014: €0.1 million).

Capital expenditure was €35.0 million (2014: €8.0 million) which principally included €24.2 million for the acquisition of container vessels together with the annual refits of the passenger vessels.

The Group's IAS 19 year end pension deficits were €5.1 million (2014: €24.1 million). Net debt at year end was €44.3 million (2014: €61.3 million) which represents 0.6 times EBITDA (2014: 1.2 times EBITDA).

DIVIDEND
During the year the Group paid the final dividend for 2014 of 7.035 cent per ICG Unit. The Group also paid an interim dividend for 2015 of 3.638 cent per ICG Unit, and the Board is proposing a final dividend of 7.387 cent per ICG Unit, payable in June 2016, making a total dividend for 2015 of 11.025 cent per ICG Unit, an increase of 5.0% on the prior year.

Subject to shareholder approval at the Annual General Meeting, the final dividend will be paid on 10 June 2016 to shareholders on the register at close of business on 27 May 2016. Irish dividend withholding tax will be deducted where appropriate.

THE BOARD
In the first half of the year executive directors Tony Kelly and Garry O'Dea retired from the Board on reaching the normal retirement age of 60 years. On 3 March 2016, the Group appointed David Ledwidge as a Director of the Company. David joined ICG in 2006 and in February 2015 was appointed as Chief Financial Officer ("CFO") designate taking up the CFO role in June 2015. He has been with ICG for over 9 years and has played a very significant part in the development of the Company which now looks forward to his contribution at Board level.

CURRENT TRADING & OUTLOOK
Since our last update to the market, in the Interim Management Statement of November 2015, trading conditions have remained favourable. Revenue for the year increased by 10.5% for the full year, versus 9.9% for the 9 months to the end of September 2015 resulting in EBITDA for the final quarter of 2015 up €3.1 million at €11.4 million. The improved momentum has continued into the first two months of 2016. In the period to date cars are up 4% on last year and passenger carryings are 1% ahead of 2015. RoRo freight volumes are up 14% on the same period in 2015. In the Container and Terminal Division containers carried are up 12% while port lifts reflecting the expanded operations at Belfast Port are up 53% year to date.

Lower world fuel prices will continue to help performance although the recent weakening of Sterling will affect the Euro value of UK originating revenues. As a result of these factors, and the ongoing improvement in the economic outlook in our sphere of operations, we look forward, in the absence of unforeseen circumstances, to further growth in revenue and earnings for the financial year 2016.

John B. McGuckian
Chairman

Enquiries:

Eamonn Rothwell	Chief Executive Officer	+353 1 607 5628
David Ledwidge	Chief Financial Officer	+353 1 607 5628

Consolidated Income Statement for the year ended 31 December 2015

	Notes	2015	2014
		€m	€m
Revenue		320.6	290.1
Depreciation and amortisation		(18.3)	(17.8)
Employee benefits expense		(21.4)	(18.9)
Other operating expenses		(223.7)	(220.7)
		57.2	32.7
Non-trading items	4	-	28.7
Operating profit		**57.2**	**61.4**
Investment revenue		0.1	0.1
Finance costs		(3.2)	(4.8)
Profit before tax		**54.1**	**56.7**
Income tax expense	3	(0.4)	(0.7)
Profit for the year: all attributable to equity holders of the parent		**53.7**	**56.0**
Earnings per share – expressed in € cent per share			
Basic	5	28.9c	30.4c
Diluted	5	28.5c	30.1c

Consolidated Statement of Comprehensive Income for the year ended 31 December 2015

	2015 €m	2014 €m
Profit for the year	53.7	56.0
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
- Fair value movements arising during the year	(0.2)	(1.0)
-Transfer to Consolidated Income Statement – net settlement of cash flow hedge	0.4	0.3
Exchange differences on translation of foreign operations	0.3	0.3
Exchange difference on defined benefit pension obligations	0.2	0.1
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain / (loss) on defined benefit obligations	16.5	(21.2)
Deferred tax on defined benefit obligations	(0.3)	-
Other comprehensive income / (expense) for the year	16.9	(21.5)
Total comprehensive income for the year:		
all attributable to equity holders of the parent	**70.6**	**34.5**

Consolidated Statement of Financial Position as at 31 December 2015

	Notes	2015	2014
		€m	€m
Assets			
Non-current assets			
Property, plant and equipment		170.0	154.0
Intangible assets		0.9	0.7
Retirement benefit surplus	8	5.6	5.4
		176.5	**160.1**
Current assets			
Inventories		1.9	2.0
Trade and other receivables		41.0	34.7
Cash and bank balances	6	25.0	22.7
		67.9	**59.4**
Total assets		**244.4**	**219.5**
Equity and liabilities			
Equity			
Share capital		12.1	12.0
Share premium		13.1	9.7
Other reserves		(9.0)	(8.0)
Retained earnings		99.3	47.6
Equity attributable to equity holders of the parent		**115.5**	**61.3**
Non-current liabilities			
Borrowings	6	55.3	66.7
Deferred tax liabilities		3.8	3.8
Provisions		0.5	0.5
Deferred grant		0.4	0.5
Retirement benefit obligation	8	10.7	29.5
		70.7	**101.0**
Current liabilities			
Borrowings	6	14.0	17.3
Trade and other payables		43.0	38.4
Derivative financial instruments		0.5	0.7
Current income tax liabilities		0.1	0.2
Provisions		0.5	0.5
Deferred grant		0.1	0.1
		58.2	**57.2**
Total liabilities		**128.9**	**158.2**
Total equity and liabilities		**244.4**	**219.5**

Consolidated Statement of Changes in Equity for the year ended 31 December 2015

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2015	**12.0**	**9.7**	**(8.0)**	**47.6**	**61.3**
Profit for the year	-	-	-	53.7	53.7
Other comprehensive income	-	-	0.5	16.4	16.9
Total comprehensive income for the year	**-**	**-**	**0.5**	**70.1**	**70.6**
Employee share-based payment expense	-	-	0.1	-	0.1
Share issue	0.1	3.4	-	-	3.5
Dividends	-	-	-	(19.9)	(19.9)
Settlement of equity plans through market purchase of shares				(0.1)	(0.1)
Transferred to retained earnings on exercise of share options	-	-	(1.6)	1.6	-
	0.1	**3.4**	**(1.0)**	**51.7**	**54.2**
Balance at 31 December 2015	**12.1**	**13.1**	**(9.0)**	**99.3**	**115.5**
Analysed as follows:					
Share capital					12.1
Share premium					13.1
Other reserves					(9.0)
Retained earnings					99.3
					115.5

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2015	**7.3**	**4.8**	**(0.7)**	**(19.4)**	**(8.0)**
Total comprehensive income	**-**	**-**	**0.2**	**0.3**	**0.5**
Employee share-based payment expense	-	0.1	-	-	0.1
Transferred to retained earnings on exercise of share options	-	(1.6)	-	-	(1.6)
	-	**(1.5)**	**0.2**	**0.3**	**(1.0)**
Balance at 31 December 2015	**7.3**	**3.3**	**(0.5)**	**(19.1)**	**(9.0)**

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

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

Other Reserves comprise the following:

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

Consolidated Statement of Cash Flows for the year ended 31 December 2015

	Notes	2015 €m	2014 €m
Net cash inflow from operating activities	7	**68.2**	**39.7**
Cash flow from investing activities			
Interest received		0.1	0.1
Proceeds on disposal of property, plant and equipment		0.1	0.1
Payment received on finance lease receivable		-	17.8
Purchases of property, plant and equipment		(34.4)	(7.7)
Purchases of intangible assets		(0.6)	(0.3)
Net cash (outflow) / inflow from investing activities		**(34.8)**	**10.0**
Cash flow from financing activities			
Dividends paid to equity holders of the Company		(19.9)	(18.8)
Repayments of borrowings		(28.0)	(39.6)
Repayments of obligations under finance leases		(1.0)	(0.8)
Proceeds on issue of ordinary share capital		3.5	1.2
New bank loans raised		17.5	7.5
Settlement of equity plans through market purchase of shares		(0.1)	-
Proceeds from sale and leaseback		-	1.6
Net cash outflow from financing activities		**(28.0)**	**(48.9)**
Net increase in cash and cash equivalents		**5.4**	**0.8**
Cash and cash equivalents at the beginning of year		19.4	18.5
Effect of foreign exchange rate changes		0.2	0.1
Cash and cash equivalents at the end of year	**6**	**25.0**	**19.4**

Notes to the Preliminary Statement for the year ended 31 December 2015

1. Accounting policies

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

2. Segmental information

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

	Revenue		Profit Before Tax		Net Assets (equity attributable to equity holders)	
Analysis of results	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
Ferries	203.9	184.3	48.1	28.0	134.2	97.8
Container and Terminal	118.2	107.0	9.1	4.7	25.6	24.8
Intersegment Revenue	(1.5)	(1.2)	-	-	-	-
	320.6	290.1	57.2	32.7	159.8	122.6
Non-trading items	-	-	-	28.7	-	-
Net interest / debt	-	-	(3.1)	(4.7)	(44.3)	(61.3)
Other liabilities	-	-	-	-	-	-
Total	**320.6**	**290.1**	**54.1**	**56.7**	**115.5**	**61.3**
Analysis by origin of booking	**2015**	**2014**				
	€m	**€m**				
Ireland	153.6	147.5				
United Kingdom	69.5	52.8				
Netherlands	52.0	48.3				
Belgium	26.9	24.6				
France	7.1	7.1				
Other	11.5	9.8				
Total	**320.6**	**290.1**				

3. Income tax expense

	2015	2014
	€m	€m
Current tax	0.7	0.8
Deferred tax	(0.3)	(0.1)
Income tax expense for the year	**0.4**	**0.7**

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

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

Domestic income tax is calculated at 12.5% of the estimated assessable profit for the year for all activities which do not fall to be taxed under the tonnage tax system. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions and range between 20% and 21% (2014: 21% and 23%).

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

	2015	2014
	€m	€m
Profit before tax	54.1	56.7
Tax at the domestic income tax rate of 12.5% (2014: 12.5%)	6.8	7.1
Effect of tonnage relief	(5.5)	(1.9)
Non-taxable curtailment gain	-	(3.9)
Net utilisation of tax losses	(0.3)	(0.1)
Difference in effective tax rates	-	0.1
Other items	(0.6)	(0.6)
Income tax expense recognised in the		
Consolidated Income Statement	**0.4**	**0.7**

4. Non-trading items

	2015	2014
	€m	€m
Continuing operations		
Curtailment gain arising from pension deficit funding agreement		
less related costs	-	28.7
Total non-trading items	-	28.7

In 2014 the Group concluded a deficit funding agreement with the trustee of the Group's main defined benefit pension obligations, whereby the future liabilities of the scheme were reduced. These changes gave rise to a curtailment gain of €31.0 million less €2.0 million of directly related share-based payment expense and €0.3 million of other costs was included as a non-trading item in the Consolidated Income Statement and within the Ferries division segment.

5. Earnings per share

Number of shares	2015 '000	2014 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	185,776	184,357
Effect of dilutive potential ordinary shares: Share options	2,806	1,438
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	188,582	185,795

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

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

Profit attributable to ordinary shareholders

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

Earnings	2015 €m	2014 €m
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	53.7	56.0
Earnings for the purposes of diluted earnings per share	53.7	56.0
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	53.7	56.0
Effect of non-trading items	-	(28.7)
Net interest cost on defined benefit obligations	0.4	1.2
Earnings for the purposes of adjusted earnings per share	54.1	28.5

	2015 Cent	2014 Cent
Basic earnings per share	28.9	30.4
Diluted earnings per share	28.5	30.1
Adjusted basic earnings per share	29.1	15.5
Adjusted diluted earnings per share	28.7	15.3

6. Net debt

	Cash	Bank Overdraft	Loans	Leases	Total
	€m	**€m**	**€m**	**€m**	**€m**
At 1 January 2015					
Current assets	22.7	-	-	-	22.7
Creditors due within one year	-	(3.3)	(13.0)	(1.0)	(17.3)
Creditors due after one year	-	-	(63.2)	(3.5)	(66.7)
	22.7	**(3.3)**	**(76.2)**	**(4.5)**	**(61.3)**
Cash flow	2.3	-	-	-	2.3
Drawdown	-	-	(17.5)	-	(17.5)
Repayment	-	3.3	28.0	1.0	32.3
Foreign exchange rate changes	-	-	-	(0.1)	(0.1)
	2.3	**3.3**	**10.5**	**0.9**	**17.0**
At 31 December 2015					
Current assets	25.0	-	-	-	25.0
Creditors due within one year	-	-	(13.0)	(1.0)	(14.0)
Creditors due after one year	-	-	(52.7)	(2.6)	(55.3)
	25.0	**-**	**(65.7)**	**(3.6)**	**(44.3)**

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

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

	2015	2014
	€m	**€m**
Cash and bank balances	25.0	22.7
Bank overdraft	-	(3.3)
Cash and cash equivalents	**25.0**	**19.4**

7. Net cash from operating activities

	2015	2014
	€m	**€m**
Operating activities		
Profit for the year	53.7	56.0
Adjustments for:		
Finance costs (net)	3.1	4.7
Income tax expense	0.4	0.7
Retirement benefit obligations – current service cost	1.9	1.9
Retirement benefit obligations – payments	(4.3)	(4.0)
Retirement benefit obligations – past service credit	(0.3)	(1.8)
Depreciation of property, plant and equipment	18.0	17.5
Amortisation of intangible assets	0.4	0.4
Amortisation of deferred income	(0.1)	(0.1)
Share-based payment expense	0.1	0.2
Non-trading item: Net gain on pension deficit agreement	-	(28.7)
Non-trading item: Fees related to pension deficit agreement	-	(0.3)
Gain on disposal of property, plant and equipment	(0.1)	(0.1)
Impairment	0.6	-
Increase in other provisions	-	0.2
Operating cash flows before movements in working capital	**73.4**	**46.6**
Decrease in inventories	0.1	0.7
Increase in receivables	(6.3)	(4.8)
Increase in payables	4.6	1.9
Cash generated from operations	**71.8**	**44.4**
Income taxes paid	(0.8)	(1.1)
Interest paid	(2.8)	(3.6)
Net cash inflow from operating activities	**68.2**	**39.7**

8. Retirement benefit schemes

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

	STERLING LIABILITIES		EURO LIABILITIES	
	2015	2014	2015	2014
Discount rate	3.75%	3.65%	2.20%	2.00%
Inflation rate	3.10%	3.10%	1.50%	1.50%
Rate of increase of pensions in payment	2.90%	2.90%	0.60% - 0.70%	0.60% - 0.70%
Rate of general salary increases	1.44%	1.44%	0.00% - 1.00%	1.00%

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

	2015		2014	
	Male	Female	Male	Female
Current retirees	26.0 years	28.9 years	24.3 years	27.2 years
Future retirees	27.6 years	30.2 years	27.5 years	29.8 years

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

	SCHEMES WITH LIABILITIES IN STERLING		SCHEMES WITH LIABILITIES IN EURO	
	2015	2014	2015	2014
	€m	€m	€m	€m
Equities	9.9	8.9	119.4	131.9
Bonds	16.2	15.9	88.4	81.8
Property	0.4	0.3	16.5	14.2
Other	0.6	0.7	12.3	2.8
Market value of scheme assets	27.1	25.8	236.6	230.7
Present value of scheme liabilities	(22.8)	(22.6)	(246.0)	(258.0)
Surplus / (deficit) in schemes	4.3	3.2	(9.4)	(27.3)

8. Retirement benefit schemes – continued

The movement during the year is reconciled as follows:

	2015	2014
	€m	€m
Opening net deficit	(24.1)	(36.7)
Current service cost	(1.9)	(1.9)
Employer contributions paid	4.3	4.0
Past service credit	0.3	1.8
Curtailment gain (note 4)	-	31.0
Net interest cost	(0.4)	(1.2)
Actuarial gain / (loss)	16.5	(21.2)
Other	0.2	0.1
Closing net deficit	**(5.1)**	**(24.1)**
Schemes in surplus	5.6	5.4
Schemes in deficit	(10.7)	(29.5)
Net deficit	**(5.1)**	**(24.1)**

9. Related party transactions

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

During the year ended 31 December 2015 the material transactions between Irish Continental Group plc and its key management personnel were the remuneration of employees and Directors, the participation in Group dividends on the same terms available to shareholders generally, and the provision of professional services at arm's length basis.

10. General information

The financial information in this preliminary announcement does not constitute full statutory financial statements, a copy of which is required to be annexed to the annual return to the Companies Registration Office. A copy of the financial statements in respect of the financial year ended 31 December 2015 will be annexed to the annual return for 2016. The auditors have made a report, without any qualification on their audit, of the consolidated financial statements in respect of the financial year ended 31 December 2015 and the Directors approved the consolidated financial statements in respect of the financial year ended 31 December 2015 on 4 March 2016. A copy of the consolidated financial statements in respect of the year ended 31 December 2014 has been annexed to the annual return for 2015 filed at the Companies Registration Office.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and therefore the Group's financial statements comply with Article 4 of the IAS Regulations. The consolidated financial statements have also been prepared in accordance with the Companies Acts 2014, and the Listing Rules of the Irish Stock Exchange and the UK Listing Authority.

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

11. Subsequent events

The Board is proposing a final dividend of 7.387 cent per ICG unit in respect of the results for the year ended 31 December 2015.

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2015.

12. Board Approval

This preliminary announcement was approved by the Board of Directors of Irish Continental Group plc. on 4 March 2016.

13. Annual Report and Annual General Meeting

The Group's Annual Report and notice of Annual General Meeting, which will be held on Friday 13 May 2016, will be notified to shareholders in April 2016.