

## **TVC Holdings plc**

# **Interim financial results for the period ended 30 September 2013**

TVC Holdings plc (“TVC” or the “Company”), the investment holding company, today (Tuesday, 12 November 2013) announces its Interim Financial Results for the 6 months ended 30 September 2013.

### Key Performance Highlights:

- Gross portfolio return of €8.0 million in the 6 month period to 30 September 2013 (2012: €3.5 million).
- Profit before tax of €6.8 million (2012: €2.4 million).
- Operating expenses, excluding share-based payment expenses, decreased by 10% to €0.89 million (2012: €0.99 million).
- Special dividend of €45.3 million representing €0.495 per share, approved at AGM in June 2013, paid in September 2013.
- In August 2013, repurchased 9.6 million shares at a price equivalent to €0.445 per share excluding the special dividend. TVC’s closing share price on 11 November 2013 was €0.63.
- Increase of 14% in net asset value per share over the 6 month period to €0.81 at 30 September 2013 excluding the impact of the special dividend.
- Net assets at 30 September 2013 of €74.4 million including cash at bank of €25.7 million (net of dividend withholding tax of €4.1m paid in October 2013), quoted equity investments of €38.1 million and unquoted investments of €10.2 million. TVC has no debt.

Commenting on the Interim Results, TVC Holdings’ Executive Chairman, Shane Reihill, said:

“TVC has continued to perform strongly in the first half of the financial year delivering a gross portfolio return of €8.0 million that contributed to an increase of 14% in net asset value per share. During the period, we continued to work actively with our core portfolio investments to maximise their value and to evaluate potential new investment opportunities.

“We returned in excess of €45 million to shareholders during the period, through the payment of a special dividend, following the approval granted by shareholders at our AGM in June 2013. The Company had net assets of €74 million and no debt at 30 September 2013.

“TVC will continue to look for value-enhancing investments and to manage our existing portfolio in order to maximise value for all our shareholders”.

**For further information please contact:**

TVC Holdings plc

Shane Reihill, Executive Chairman

John Tracey, Chief Executive Officer

Tel: +353-1-2057700

Murray Consultants

Pauline McAlester

Tel: +353-1-4980300

Davy

John Frain

Tel: +353-1-6796363

## Executive Chairman's Statement

### Overview of Investment Portfolio

The investment portfolio generated a gross portfolio return of €8.0 million over the 6 month period to 30 September 2013, representing 19% of the opening portfolio value at 31 March 2013. This performance was largely driven by the increase in value of the Company's quoted investment in UTV Media plc. There were no new investments made during the period to 30 September 2013.

As at 30 September 2013, TVC's investment portfolio was comprised as follows:

	Value €'000	% Investments	% Investments + Cash
UTV Media plc	38,149	79%	49%
Unquoted Investments	10,245	21%	13%
<b>Total Investments</b>	<b>48,394</b>	<b>100%</b>	<b>62%</b>
Cash	29,829		38%
<b>Total Investments + Cash</b>	<b>78,223</b>		<b>100%</b>

TVC's quoted investment in UTV Media plc was valued based on its closing bid price of £1.85 on 30 September 2013. The unquoted investments were valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines and the Group's accounting policies.

### Financial Review

#### *Gross portfolio return*

The principal components of TVC's gross portfolio return for the 6 months ended 30 September 2013 were:

- Revaluations – unrealised gain of €6.5 million representing the increase in value of the Group's investment in UTV Media plc to reflect the movement in its share price from £1.55 to £1.85 during the period and an unrealised foreign exchange gain of €0.5 million due to the appreciation of Sterling against the Euro.
- Portfolio income – €1.4 million for the period, mainly relating to dividends receivable from UTV Media plc.

#### *Operating expenses*

Operating expenses for the 6 month period to 30 September 2013, excluding share-based payments expenses, were reduced by 10% to €0.89 million (2012: €0.99 million).

### ***Net asset value (“NAV”) per share***

The movement in the NAV per share during the 6 month period ended 30 September 2013 was as follows:

	<b>€'000</b>	<b>Cent per share</b>
Net asset value at 31 March 2013	121,900	120.6
Share buy backs	(9,121)	2.6
Special dividend	(45,307)	(49.5)
Unrealised gain on quoted investment in UTV Media plc	6,548	7.2
Other net income (excl. share-based payments expenses)	359	0.4
Net asset value at 30 September 2013	74,379	81.3

The NAV per share increased by 14% over the 6 months to 30 September 2013 when the effect of the special dividend is excluded from the opening NAV position.

#### ***Special dividend***

A special dividend of €0.495 per share, approved at the Company's AGM in June 2013, was paid on 25 September 2013. This gave rise to a total distribution of €45.3 million, including Irish dividend withholding tax of €4.1 million which was paid in October 2013.

#### ***Share buy back***

At the EGM held in June 2013, shareholders renewed the Company's authority to repurchase up to 20 per cent of the issued share capital. In August 2013, 9.6 million shares were repurchased at a price of €0.94 per share. The shares repurchased are held as treasury shares.

#### ***Funding position***

Cash at bank amounted to €29.8 million as at 30 September 2013 and the Group had no debt.

#### ***Investment portfolio***

As at 30 September 2013, TVC's investment portfolio was valued at €48.4 million, of which €38.1 million related to quoted investments and €10.2 million related to unquoted investments.

### **Business Strategy and Outlook**

TVC's strategy is, in the medium term, to have a core portfolio of two to three platform investments in quoted and unquoted companies across a number of business sectors, and to continue to realise significant value from the other companies in its portfolio. The Company had net assets of €74 million and no debt at 30 September 2013.

We will continue to look for value-enhancing investments and to manage our existing portfolio in order to maximise value for all our shareholders.

**Shane Reihill**  
**Executive Chairman**

**12 November 2013**

## Condensed consolidated statement of financial position

as at 30 September 2013

		Unaudited 30 September 2013 €'000	Audited 31 March 2013 €'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Investments designated as fair value through profit or loss			
Quoted equity investments		38,149	31,601
Unquoted equity investments		8,245	8,935
Loans and receivables		2,000	2,000
Total investment portfolio	2	48,394	42,536
Property, plant and equipment		81	99
<b>Total non-current assets</b>		<b>48,475</b>	<b>42,635</b>
<b>Current assets</b>			
Available-for-sale investments	3	-	14,511
Other receivables		740	1,129
Current taxation recoverable		85	-
Cash and cash equivalents		29,829	65,001
<b>Total current assets</b>		<b>30,654</b>	<b>80,641</b>
<b>Total assets</b>		<b>79,129</b>	<b>123,276</b>
<b>Current liabilities</b>			
Trade and other payables	4	(4,750)	(1,366)
Current taxation payable		-	(10)
<b>Total current liabilities</b>		<b>(4,750)</b>	<b>(1,376)</b>
<b>Net assets</b>		<b>74,379</b>	<b>121,900</b>
<b>Equity</b>			
Shareholders' capital		1,011	1,011
Share option reserve		260	175
Reserve for own shares		(9,121)	-
Retained earnings		82,229	120,714
<b>Total equity</b>		<b>74,379</b>	<b>121,900</b>

## Unaudited condensed consolidated income statement

for the 6 months ended 30 September 2013

		6 months ended 30 September 2013 €'000	6 months ended 30 September 2012 €'000
	<i>Notes</i>		
Realised profits over opening value on the disposal of investments		41	3,909
Net unrealised profits/(losses) on the revaluation of investments		6,548	(1,790)
		<b>6,589</b>	2,119
Portfolio income			
Dividends		1,406	1,367
Fees receivable		45	47
<b>Gross portfolio return</b>	5	<b>8,040</b>	3,533
Operating expenses		(975)	(1,057)
<b>Net portfolio return</b>		<b>7,065</b>	2,476
Finance income		118	207
Exchange movements		(361)	(278)
<b>Profit before tax</b>		<b>6,822</b>	2,405
Income tax		-	(95)
<b>Profit after tax for the financial period</b>		<b>6,822</b>	2,310
<b>Earnings per share</b>			
Basic EPS (cent)	8	<b>6.9</b>	2.3
Diluted EPS (cent)	8	<b>6.9</b>	2.2

## Unaudited condensed consolidated statement of comprehensive income

for the 6 months ended 30 September 2013

	<b>6 months ended 30 September 2013 €'000</b>	6 months ended 30 September 2012 €'000
Profit for the period	<b>6,822</b>	2,310
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>6,822</b>	2,310

## Unaudited condensed consolidated statement of cash flows

for the 6 months ended 30 September 2013

	6 months ended 30 September 2013 €'000	6 months ended 30 September 2012 €'000
<b>Cash flows from operating activities</b>		
Profit for period before tax	6,822	2,405
<i>Adjusted for:</i>		
Depreciation	21	20
Net unrealised (profits)/losses on the revaluation of investments	(6,548)	1,790
Realised profits over opening value on the disposal of investments	(41)	(3,909)
Exchange movements	361	278
Share-based payment expenses	85	70
Finance income	(118)	(207)
Proceeds from disposal of investments	731	7,577
Increase in other current assets	(73)	(381)
Decrease in trade and other payables	(717)	(359)
Tax received	7	187
<b>Net cash inflow from operating activities</b>	<b>530</b>	<b>7,471</b>
<b>Cash flows from investing activities</b>		
Purchase of available-for-sale investments	-	(14,748)
Redemption of available-for-sale investments	14,399	14,500
Interest received	591	429
Purchase of property, plant and equipment	(3)	(1)
<b>Net cash inflow from investing activities</b>	<b>14,987</b>	<b>180</b>
<b>Cash flows from financing activities</b>		
Purchase of own shares	(9,121)	-
Dividends paid (net of withholding tax)	(41,208)	-
<b>Net cash outflow from financing activities</b>	<b>(50,329)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(34,812)</b>	<b>7,651</b>
Opening cash and cash equivalents	65,001	58,111
Effect of exchange rate fluctuations	(360)	(260)
<b>Closing cash and cash equivalents</b>	<b>29,829</b>	<b>65,502</b>



## Unaudited condensed consolidated statement of changes in shareholders' equity

for the 6 months ended 30 September 2013

	No. of shares	Ordinary shares €'000	Share option reserve €'000	Reserve for own shares €'000	Retained earnings €'000	Total equity €'000
<b>Balance at 1 April 2012</b>	<b>101,112,579</b>	<b>1,011</b>	<b>77</b>	<b>-</b>	<b>114,098</b>	<b>115,186</b>
Profit for the period	-	-	-	-	2,310	2,310
Total other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,310</b>	<b>2,310</b>
Share-based payments	-	-	70	-	-	70
<b>Balance at 30 September 2012</b>	<b>101,112,579</b>	<b>1,011</b>	<b>147</b>	<b>-</b>	<b>116,408</b>	<b>117,566</b>
Profit for the period	-	-	-	-	4,306	4,306
Total other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,306</b>	<b>4,306</b>
Share-based payments	-	-	28	-	-	28
<b>Balance at 31 March 2013</b>	<b>101,112,579</b>	<b>1,011</b>	<b>175</b>	<b>-</b>	<b>120,714</b>	<b>121,900</b>
Profit for the period	-	-	-	-	6,822	6,822
Total other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,822</b>	<b>6,822</b>
<i>Transactions with owners of the Company, recognised directly in equity</i>						
Purchase of own shares	-	-	-	(9,121)	-	(9,121)
Dividends paid to shareholders	-	-	-	-	(45,307)	(45,307)
Share-based payments	-	-	85	-	-	85
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>(9,121)</b>	<b>(45,307)</b>	<b>(54,343)</b>
<b>Balance at 30 September 2013</b>	<b>101,112,579</b>	<b>1,011</b>	<b>260</b>	<b>(9,121)</b>	<b>82,229</b>	<b>74,379</b>

The number of ordinary shares at 30 September 2013 includes 9,583,652 ordinary shares which are held as treasury shares.

## Notes to the condensed consolidated interim financial statements

### 1 Basis of preparation

The unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 September 2013 (the “Interim Financial Statements”) comprise the Company and its subsidiaries (together referred to as the “Group”). The Interim Financial Statements were authorised for issue by the Directors on 11 November 2013.

The Interim Financial Statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the EU. The Interim Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2013 as set out in the 2013 Annual Report (the “2013 Accounts”).

The Interim Financial Statements do not constitute statutory financial statements. The statutory financial statements for the year ended 31 March 2013, extracts from which are included in these Interim Financial Statements, were prepared under IFRSs as adopted by the EU and will be filed with the Registrar of Companies with the Company’s 2013 annual return. The auditor’s report on those statutory financial statements was unqualified.

The financial information contained in the Interim Financial Statements has been prepared in accordance with the accounting policies applied in the 2013 Accounts except for the adoption of IFRS 13, ‘Fair Value Measurement’, as outlined below. None of the other new IFRSs or interpretations that are effective for the financial year ending 31 March 2014, as outlined on pages 32-33 of the 2013 Accounts, had an impact on the Group’s reported income or net assets.

#### *IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single framework for measuring fair value when such measurements are required or permitted by other IFRSs. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures on fair value, some of which replace existing disclosure requirements in other standards, including IFRS 7 ‘Financial Instruments: Disclosures’. Some of these disclosures are specifically required for financial instruments by IAS 34 thereby affecting the interim condensed financial statements for the period. These additional disclosures are included in note 11.

The Interim Financial Statements are presented in Euro, rounded to the nearest thousand, which is the functional currency of both the parent company and its subsidiaries.

#### *Critical accounting estimates and judgements*

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates. In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2013 Accounts.

## 2 Investment portfolio

	Equity investments €'000	Loans and receivables €'000	Total €'000
<b>6 month period to 30 September 2013</b>			
At 1 April 2013	40,536	2,000	42,536
Revaluation	6,030	-	6,030
Disposals	(690)	-	(690)
Exchange movements	518	-	518
<b>At 30 September 2013</b>	<b>46,394</b>	<b>2,000</b>	<b>48,394</b>
Quoted	38,149	-	38,149
Unquoted	8,245	2,000	10,245

	Equity investments €'000	Loans and receivables €'000	Total €'000
<b>Year to 31 March 2013</b>			
At 1 April 2012	41,610	500	42,110
Revaluation	6,325	1,500	7,825
Disposals	(7,400)	-	(7,400)
Exchange movements	1	-	1
<b>At 31 March 2013</b>	<b>40,536</b>	<b>2,000</b>	<b>42,536</b>
Quoted	31,601	-	31,601
Unquoted	8,935	2,000	10,935

## 3 Available-for-sale investments

	<b>6 months ended 30 September 2013 €'000</b>	Year ended 31 March 2013 €'000
At beginning of period/year	<b>14,511</b>	14,513
Additions	-	29,504
Disposals, repayments	<b>(14,500)</b>	(28,950)
Amortisation of premium paid	<b>(11)</b>	(556)
<b>At end of period/year</b>	<b>-</b>	14,511

The available-for-sale investments at 31 March 2013 represented investments in German government fixed rate Euro bonds with a maturity date in April 2013.

## 4 Trade and other payables

Trade and other payables at 30 September 2013 included €4.1 million in respect of Dividend Withholding Tax (31 March 2013: €nil).

## 5 Segmental analysis

Segmental information is presented in respect of the Group's investment portfolio based on whether the investee company is quoted or unquoted. The Group has only one reportable geographical segment as its investments are all located in the Island of Ireland. The segmental information presented is consistent with the Group's internal analysis of its investment portfolio.

	UTV Media plc €'000	Unquoted investments €'000	Total €'000
<b>6 month period to 30 September 2013</b>			
<b>Gross portfolio return</b>			
Realised profits over opening value on the disposal of investments	-	41	41
Unrealised profits on the revaluation of investments	6,548	-	6,548
Portfolio income	1,406	45	1,451
	7,954	86	8,040
<b>Net (investment)/divestment</b>			
Realisation proceeds	-	731	731
	-	731	731
<b>6 month period to 30 September 2012</b>			
<b>Gross portfolio return</b>			
Realised profits over opening value on the disposal of investments	-	3,909	3,909
Unrealised losses on the revaluation of investments	(1,790)	-	(1,790)
Portfolio income	1,367	47	1,414
	(423)	3,956	3,533
<b>Net (investment)/divestment</b>			
Realisation proceeds	-	7,400	7,400
	-	7,400	7,400
<b>Statement of financial position</b>			
<b>At 30 September 2013</b>			
Value of investment portfolio	38,149	10,245	48,394
<b>At 31 March 2013</b>			
Value of investment portfolio	31,601	10,935	42,536

## 6 Share-based compensation

The Company operates an equity-settled share option plan under which it grants share options to certain employees and executive directors. Options are exercisable between the third and tenth anniversaries of the date of grant to the extent that performance targets have been met over a performance period of three years from the date of grant.

On 20 June 2013, 1,434,953 share options were granted. 50% of these options vest subject to a performance condition, measured over a three-year performance period, relating to average annual percentage growth in net asset value ('NAV') per share relative to the average annual percentage change in the Irish Consumer Price Index ('CPI'). The remaining 50% of the options vest subject to a performance condition, measured over a three-year performance period, relating to average annual percentage growth in the Company's share price relative to the average annual percentage change in CPI. The vesting of options is determined as follows:

	<u>NAV/share price growth required</u>	<u>% vesting</u>
Minimum vesting	CPI + 3%	25%
Maximum vesting	CPI + 7%	100%

For NAV and/or share price growth between the minimum and maximum vesting levels, the options vest on a pro-rata basis.

1,324,156 options granted in June 2012 vest subject to two performance conditions similar to those set out above. 1,213,810 options granted in June 2011 vest subject to one performance condition relating to the growth in NAV compared to CPI as set out above.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The fair value of the options granted is estimated as of the date of the grant based on the Black-Scholes option-pricing model. The fair value per option and the assumptions used in the calculations are as follows:

	<b>2013</b>	2012	2011
Weighted average share price	<b>€0.935</b>	€0.84	€0.77
Weighted average exercise price	<b>€0.935</b>	€0.84	€0.77
Expected life	<b>5 years</b>	5 years	5 years
Expected volatility	<b>17%</b>	18%	19%
Expected dividend yield	<b>0%</b>	0%	0%
Risk-free rate	<b>0.730%</b>	0.323%	2.267%
Fair value per option	<b>€0.16</b>	€0.14	€0.17

The Company determined expected volatility by using the Company's historic share price volatility over the five-year period (2012: four-year period) preceding the date of grant. The risk-free interest rate assumption was based upon the average yield on German Government bonds with maturities equivalent to the expected term of the share options.

No options were exercised during the current or prior period. The Company recognised an expense of €85,000 relating to share options during the period ended 30 September 2013 (2012: €70,000).

## 6 Share-based compensation (continued)

Details of share options outstanding during the period are as follows:

	2013	2013	2012	2012
	Number of	Weighted average	Number of	Weighted average
	share options	exercise price	share options	exercise price
		(cent)		(cent)
Outstanding at 1 April	2,537,966	0.80	1,789,870	0.77
Granted during the period	1,434,953	0.935	1,640,714	0.84
Outstanding at 30 September	3,972,919	0.85	3,430,584	0.80
Exercisable at 30 September	-	-	-	-

The weighted average remaining contractual life for the share options outstanding at the end of the period was 8.78 years (2012: 9.23 years).

As outlined in note 9, the Company paid a special dividend of €0.495 per ordinary share on 25 September 2013. Participants in the Share Option Plan were not, by virtue of the options they hold, entitled to participate in the special dividend. However, the Share Option Plan contains provisions to allow the Remuneration Committee to adjust the exercise price and the performance conditions of issued options to take account of the special dividend. In November 2013, the option exercise price and the NAV and share price growth conditions used to measure performance targets for vesting of such options were adjusted by the amount of the special dividend of €0.495 per ordinary share. This exercise of the Company's right to adjust the terms of the share options as a result of the special dividend did not constitute a 'modification' as defined in IFRS 2 *Share-based payments*. Additionally, the adjustments did not result in a change in the fair value of the share-based payment arrangements and were not beneficial to option holders. Accordingly, no accounting adjustments were required.

The weighted average exercise price of the outstanding options over 3,972,919 ordinary shares is now €0.36. The range of exercise prices for the options is €0.275 - €0.44 (2012: €0.77 - €0.84).

## 7 Reserve for treasury shares

The reserve for treasury shares comprises of the cost of the Company's shares held by the Group. At 30 September 2013, the Group held 9,583,652 of the Company's ordinary shares (2012: nil). Dividends are not payable in respect of treasury shares and treasury shares are excluded from the calculation of earnings per share.

## 8 Earnings per share

	<b>6 months ended 30 September 2013</b>	6 months ended 30 September 2012
Basic earnings per share (cent)	<b>6.9</b>	2.3
Diluted earnings per share (cent)	<b>6.9</b>	2.2
<b>Earnings (€'000)</b>		
Profit for the period	<b>6,822</b>	2,310
<b>Number of shares (Number)</b>		
Weighted average number of shares in issue	<b>101,112,579</b>	101,112,579
Less: weighted average own shares held	<b>(2,802,074)</b>	-
Weighted average number of shares for calculation of basic earnings per share	<b>98,310,505</b>	101,112,579
Weighted average number of dilutive shares under options	<b>1,188,668</b>	1,789,870
Weighted average number of shares including dilutive share options	<b>99,499,173</b>	102,902,449

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares during the period.

Diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the effect of all potentially dilutive shares and instruments, including share options.

## 9 Dividends

On 25 September 2013, a special dividend of 49.5 cent per ordinary share was paid giving rise to a total distribution of €45,306,819. The special dividend was approved by shareholders at the Annual General Meeting held on 27 June 2013.

## 10 Related party transactions

With the exception of the transactions detailed below, related party transactions occurring in the period were similar in nature to those described in the 2013 Annual Report.

### Key management personnel – purchase of own shares

On 8 August 2013 and 9 August 2013, the Company purchased 4,845,925 and 4,737,727 ordinary shares respectively at a price of €0.94 per ordinary share. As part of the trades on 8 August 2013, certain directors of the Company sold ordinary shares as follows:

<b>Director</b>	<b>Number of ordinary shares sold</b>
David Doyle	1,198,311
Pádraig Ó Ríordáin	833,333
John Tracey	862,424

## 10 Related party transactions (continued)

### Special dividend

On 25 September 2013, a special dividend of 49.5 cent per ordinary share was paid to shareholders on the register on 13 September 2013. The shareholdings of the directors and secretary at that date were as follows:

<b>Director</b>	<b>Number of ordinary shares at 13 September 2013</b>
Shane Reihill	27,088,378
John Tracey	252,832
David Doyle	1,101,000
John B. McGuckian	66,667
Gavin O'Reilly	166,667
Pádraig Ó Ríordáin	-
John Fagan	265,024

## 11 Fair values

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	30 September 2013			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
<b>Financial assets at fair value through profit or loss</b>				
Quoted equity investments	38,149	-	-	38,149
Unquoted equity investments	-	-	8,245	8,245
Loans and receivables	-	-	2,000	2,000
<b>Total</b>	<b>38,149</b>	<b>-</b>	<b>10,245</b>	<b>48,394</b>

During the period ended 30 September 2013, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.



## 11 Fair values (continued)

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 during the period.

	6 months ended 30 September 2013		
	Unquoted equity investments €'000	Loans and receivables €'000	Total €'000
Opening balance	8,935	2,000	10,935
Total profits for year in profit or loss	41	-	41
Sales	(731)	-	(731)
Closing balance	8,245	2,000	10,245
Realised profits for the year included in profit or loss	41	-	41
Total profits for the year in profit or loss	41	-	41

### *Valuation techniques*

Level 1 financial instruments comprise active listed equities included in the Group's investment portfolio and are valued at closing bid price at the reporting date. In accordance with IFRS, no discount is applied for liquidity of the stock or any dealing restrictions.

Level 3 financial instruments relate to the unquoted equity investments and loans and receivables included in the Group's investment portfolio.

The fair value of the Group's unquoted investments is generally obtained by calculating the enterprise value of the investee company. The enterprise value is then adjusted for net cash or debt and for financial instruments ranking ahead of the Group's instruments in the investee company. The remaining value is then apportioned over the other financial instruments including those held by the Group to assess the fair value of the Group's investment.

The enterprise value is determined using a number of methodologies which include earnings multiple, revenue multiple and imminent sale proceeds. The valuation techniques take account of the lack of marketability or liquidity and the relative size of the unquoted investments. Consideration is also given to recently completed third party transactions of comparable companies.

The valuations of the Group's unquoted investments at 30 September 2013 were determined having regard to the above methodologies. The valuation of such investments involves exercising judgement as it requires management to make assumptions with regard to valuation inputs many of which are not supported by observable current market transactions. Given the uncertainties inherent in estimating fair value, a degree of caution is applied in exercising judgements and making the necessary estimates.

The Group determines the fair value of its investment portfolio using the International Private Equity and Venture Capital Valuation Guidelines. However, amounts ultimately realised on disposal of an investee company can differ materially from the previous carrying value and therefore have a significant impact on the Group's profits and net assets.

The Executive Directors and the Chief Financial Officer are responsible for all significant fair value measurements, including Level 3 fair value measurements. Level 3 fair value measurements, together with any changes in valuations, are reported to the Board and the Audit Committee.

## **12 Subsequent events**

There have been no significant events affecting the Group in the period from 30 September 2013 to the date of approval of the Interim Financial Statements.