one 51

2008 Annual Report

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Summary of 2008 Financial Performance

Summary Profit and Loss Account	Continuing Business 2008 €'m	Revaluation Adjustments (Exceptional) [Δ] €'m	Exceptional Items €'m
Results from Operating Businesses	35.8	-	(41.9)
Gains on Sale of Investments	-	-	10.6
Results from Joint Ventures	1.8	-	-
Results Total	**37.6**	**-**	**(31.3)**
Revaluation Adjustments [Δ]	-	(39.3)	-
(Loss) / Profit on Ordinary Activities Before Interest and Taxation	**37.6**	**(39.3)**	**(31.3)**

[Δ] Non cash unrealised accounting adjustment applied to year end investment holdings.

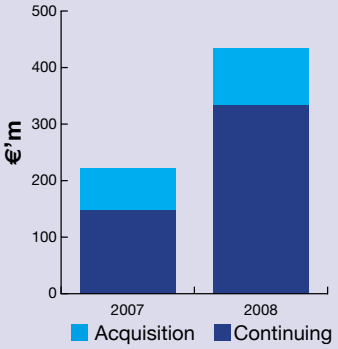
	2008 €'m	2007 €'m	2006 €'m
Results from Operating Businesses			
Turnover	433.3	220.9	121.9
EBITDA [‡]	**52.2**	**31.9**	**15.6**
EBITDA Margin	12%	14%	13%
Operating Profit [‡]	**35.8**	**21.3**	**9.7**
Operating Margin	8%	10%	8%
Exceptional Items - Operating Businesses			
Restructuring and Integration Costs	(14.7)	-	(0.9)
Impairment of Intangible Assets	(27.2)	-	-
Exceptional Items - Operating Businesses	**(41.9)**	**-**	**(0.9)**
Results from Investments and Joint Ventures			
Gains on Sale of Investments	10.6	-	-
Result from Joint Ventures	1.8	1.0	0.9
Results before Revaluation Adjustments	**12.4**	**1.0**	**0.9**
Revaluation Adjustments [Δ]	(39.3)	(14.9)	-
Results from Investments and Joint Ventures	**(26.9)**	**(13.9)**	**0.9**
(Loss) / Profit on Ordinary Activities Before Interest and Taxation	**(33.0)**	**7.4**	**9.7**

[‡] Before Operating Exceptional Items.

[Δ] Non cash unrealised accounting adjustment applied to year end investment holdings.

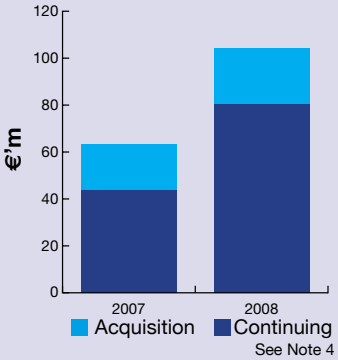
Summary of 2008 Financial Performance (continued)

Operating Businesses Group Turnover



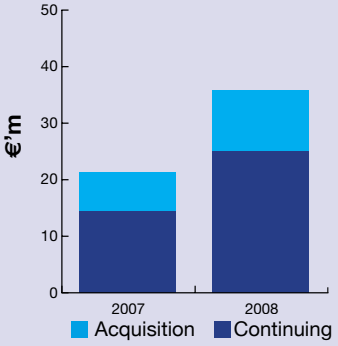
See Note 4 on page 67

Operating Businesses Gross Profit



See Note 4 on page 67

Operating Businesses Operating Profit
(Before Exceptional Items)



See Note 4 on page 67

Net Assets	2008 €'m
Net Assets as at the Balance Sheet date	511.7
Total Called-up Share Capital - Group	123.8
Book Value per Share (Euro)	**4.13**

Capital Employed Utilisation	2008 €'m
Environmental Services and Food & Distribution Operating Businesses	397.0
Environmental Services Investments	50.0
Investment Holdings and Other	288.0
	735.0

Net Debt as at 31 December	2008 €'m
Committed Bank Debt Facility	440.0
Less: Amount Undrawn	217.8
	222.2
Non-recourse Borrowings	8.9
Other Borrowings	3.0
Finance Leases	5.7
Cash Balance	(27.1)
Net Debt†	**212.7**

† Excluding Convertible Loan Notes (CLNs)

Capital Employed Utilisation

Investment Holdings and Other **39%**

Environmental Services and Food Operating Businesses **54%**

Environmental Services Investments **7%**

Committed Bank Debt Facility

Utilised Bank Debt Facility **50.5%**

Facility Debt Undrawn **49.5%**

Wind Capital Group wind farm, Missouri, USA. Image courtesy of NTR plc.

Chairman's Statement

Dear Shareholder

2008 was a year during which financial turmoil, falling stock markets and unprecedented global uncertainty impacted on businesses across all sectors. I am pleased to report that, despite this general upheaval, One Fifty One plc ('One51' or 'the Group') earnings before interest, tax and exceptional items improved by 69% to €37.6 million (2007: €22.3 million) for the year to the 31 December 2008. Group turnover for the year increased by 96% to €433 million (2007: €221 million).

Organisation

One51 is an investment company focused on delivering shareholder value by investing in businesses across four main sectors – Environmental Services, Infrastructure, Renewable Energy, Food and Distribution.

Dividend Policy

The policy of the Company has been not to pay a dividend but this is constantly under review.

Board Changes

During 2008, Mr Tom Corcoran, Mr William Hickey and Mr Noel O'Sullivan retired from the Board. I wish to thank them for their commitment and contribution over the years. In March 2009, Mr David Martin and Mr Ivan Yates joined the Board and I extend a warm welcome to them.

Management and Staff

People remain a central element of One51's success. Despite the demanding macro environment, One51's experienced and committed executives continued to pursue Company growth and development. This relentless effort is a vital cornerstone of the Company. On behalf of the Board I wish to thank Management and Staff for their continued commitment.

Outlook

The current global economic outlook continues to be very challenging and for this reason One51 must adopt a conservative approach to the current year. Management of the Group's existing businesses and investments will be the prime focus. However, times such as these do present opportunities and we will continue to assess potential acquisitions. Shareholders can be assured that opportunities which offer long-term returns as part of our overall business strategy will continue to be pursued.

Yours sincerely

Denis Buckley
Chairman, One51 plc

Irish Pride Bakeries flour silo, Taghmon, Co. Wexford.

Chief Executive's Statement

Dear Shareholder,

December 2008 marked the third anniversary of the formation of One51. With your support, considerable advances have been made over the past 3 years. I am pleased to report that 2008 was another year of progress for One51 in its goal of creating long-term shareholder value.

One51 is an investment company with interests in four principal areas:

Environmental Services	Infrastructure	Renewable Energy	Food and Distribution

One51's interests in each of its selected areas of activity vary from controlled operating businesses within Environmental Services and Food and Distribution to listed and private investments in the areas of Renewable Energy and Infrastructure.

One51's current portfolio, in line with its original strategy, is diversified across attractive areas to yield value over the medium to long term. The profile of this earnings and asset mix will change over time as the constituent parts of One51's overall portfolio evolve.

Environmental Services

One51's Environmental Services business continued its development through both organic growth and acquisition; it now represents a substantial portion of One51's overall capital employed. Capital employed in Environmental Services is expected to increase as this development continues.

A central tenet of One51's strategy has been the creation of an Environmental Services business focused on servicing niche sectors of the recycling and waste management business in Ireland, the United Kingdom and other geographic areas. The initial phase of the Environmental Services development strategy was the acquisition of various businesses within chosen areas. These businesses provide a combination of existing networks and valuable platforms from which we can expand into new opportunities.

This strategy has been rigorously pursued over the past three years with the result that we have created an organisation with scale and specialisation across key areas of the recycling value chain. The regulatory framework within which this business operates is becoming increasingly attractive as recycling and resource management continue to come more into focus.

The second phase of this strategy, now well underway, is the integration of the businesses into cohesive sub-divisions. This includes maximising organic growth by taking advantage of the network effects, efficiencies and enhancing the services offered to all customers. This integration and organic growth programme may soon lead to the development of a separate corporate brand for Environmental Services, which we believe will cement the division's position as a substantial player within a growing sector.

Chief Executive's Statement (continued)

As part of this division's integration and development phase, Mr Hans Droog, an Executive Director of One51, assumed the role of Managing Director of Environmental Services in 2008. Hans is supported by a strong management team with significant industry experience.

Hans took up the leadership of Environmental Services at a time of rapid change in the underlying commodities that the division is exposed to. As a result of these changes Environmental Services was obliged to recognise an impairment of €27 million in 2008. This amount compares to the some €397 million capital employed in our controlled businesses and should be taken in the context of the extreme market movements of the time. Hans explains why this impairment was an appropriate decision for Environmental Services in his business review. Notwithstanding this adjustment, I am confident that with the strong leadership in place, Environmental Services can traverse any immediate challenges and exploit growth opportunities that will deliver superior long term value to shareholders.

Infrastructure

One51's interests in infrastructure are focused on port infrastructure, ferry and terminal operations. Despite the harsh economic environment and challenging outlook, as an island economy, Ireland is dependent on its ports for international trade. The long term fundamentals underpinning One51's investment rationale remain sound.

One51 owns 50% of Greenore Port in conjunction with Dublin Port Company. Furthermore, One51 owns 50% of Moonduster Limited, a joint venture vehicle formed with Doyle Group Limited. Moonduster owns a 24.9% stake in ISEQ quoted ferry and terminal operator, Irish Continental Group plc (ICG).

Towards the end of 2008, Moonduster and Mr Eamonn Rothwell, CEO of ICG, engaged in discussions with a view to potentially making an offer for ICG. Over the following months, Moonduster and Mr Rothwell worked diligently, in highly challenging banking markets, to bring forward a proposal for consideration by the Independent Directors of ICG.

Following an application from the Independent Directors of ICG, the Irish Takeover Panel set Moonduster a 29 April 2009 deadline to announce an offer. Despite the best efforts of all concerned, it was not possible to bring forward an acceptable offer in the current economic climate and difficult funding environment by this date. Accordingly, Moonduster and its concert parties will not be proceeding with an offer for ICG. This situation is under constant review and any change will be communicated accordingly.

Food and Distribution

One51's Food and Distribution business, Irish Pride Bakeries Limited ("Irish Pride"), is the second largest bakery in the Republic of Ireland with an expanding distribution network in the North of Ireland.

Irish Pride has recorded strong organic growth over the past 3 years with the result that profitability and cash flow are healthy. Irish Pride, under the management of Mr Patrick O'Sullivan and his team, continues to capitalise on its nationwide distribution network and is constantly focused on expanding its product range.

Renewable Energy

One51's interests in both NTR plc ("NTR") and OpenHydro Limited ("OpenHydro") provide your company with exposure to a range of renewable energies at various stages of development.

The general landscape for alternative sources of power remains very positive in the medium term. The oil price spike to almost US$ 150 per barrel during 2008 demonstrated clearly just how vulnerable many countries are to their dependence on this fuel. Even as oil prices fell

Chief Executive's Statement (continued)

in the latter half of 2008 and the availability of credit stifled some renewable projects, political will and innovation is likely to ensure that this sector will enjoy sustained growth in the coming decade.

One51 became an investor in NTR in 2004. NTR intends to become a leading international developer and operator in renewable energy and sustainable waste management. Its portfolio of renewable energy businesses in the US is well placed to benefit from the positive effects of President Obama's much publicised renewable energy ambitions. NTR completed a share buy-back programme in July 2008, following the successful sale of Airtricity. One51 received approximately €67 million in cash proceeds, resulting in One51 recouping almost 40% of its total original investment in NTR.

One51 holds an 11.3% stake in the tidal turbine developer, OpenHydro. One51 was an early stage investor in OpenHydro and is represented at Board level. OpenHydro made significant progress in 2008 becoming the first tidal energy company to generate electricity onto the UK National Grid. The company subsequently secured a turbine deal with Électricité de France (EDF) and, in an exciting development, acquired a substantial interest in Alderney Renewable Energy (ARE). As part of this deal, OpenHydro becomes ARE's preferred turbine supplier securing OpenHydro's position in the energy rich seas around Alderney. We look forward to similar progress in 2009.

More comprehensive information on One51's four business areas is contained in the Business Review 2008 beginning on page 17.

Other Investments

One51 continues to manage a small number of other investments. One51 also owns the company's headquarters, the historic IAWS building at 151 Thomas Street, which is partly occupied by the Group and partly let to third parties.

Outlook

One51's four divisions had an encouraging start to 2009 in spite of the difficult economic context. We remain confident that the Company is well placed to deliver enhanced value to shareholders over time. One51 continues to demonstrate a combination of robust earnings, a strong diversified balance sheet and well structured funding arrangements. These factors offer us the flexibility to execute our strategy and grow shareholder value during the challenging period ahead.

At the Annual General Meeting in July 2008 we said we would seek to announce details of a value realisation event within 18 months. We remain focused on this goal, despite the current global economic uncertainty and we will update you as 2009 progresses.

Yours sincerely

Philip Lynch
Chief Executive Officer, One51 plc

Financial Review

Performance Reporting

One51's business model generates value through earnings from controlled businesses and returns on substantial investment holdings.

We report our 2008 profit and loss account at page 53 across two headings – Operating Results and Exceptional Gains and Losses.

It should be noted that these headings capture the following information:

a) Operating Results, reporting earnings from our operating businesses

b) Exceptional Gains and Losses reporting:

- Revaluation and Impairment adjustments for our listed and private equity holdings in line with the quoted market values as at the balance sheet date
- Trading exceptional gains and losses (detailed in Note 5 on page 68.)

Capital Structure

Capital employed represents the Group's total investment in assets (both fixed and current) net of liabilities.

At 31 December 2008, the Group's capital employed totalled €735 million with the main components as follows:

- Environmental Services and Food operating businesses (€397 million)
- Environmental Services investments (€50 million)
- Investment Holdings and Other (€288 million)

The Group is financed through a combination of equity (€512 million – detailed in Notes 24 on page 88 and 25 on page 90), convertible loan notes (€10 million – detailed in Note 31 on page 100) and bank borrowing facilities (€213 million – detailed in Note 31 on page 100). The financing structure of the Group is managed in order to allow the Group to take advantage of growth opportunities and is reviewed on an ongoing basis in conjunction with the active monitoring of funding markets. The Group has set hurdle rates of return for each division which are monitored each month and form part of the incentive packages for key management. The efficient management of assets and working capital form a key part of this structure.

The Group's committed banking facilities were established in December 2006 for a 5 year period to December 2011 taking advantage of the positive lending environment at the time. This has proven to be strategically important as well as cost effective. At 31 December 2008, the Group's net debt totalled €213 million inclusive of €9 million non recourse debt. The Group has a cash balance of €27 million and €218 million undrawn from its total committed facilities of €440 million placing One51 in a strong position to finance its future development plans.

Free Cash Flow

Free cash flow represents surplus cash generated by Group activities available for reinvestment elsewhere. Free cash flow for 2008 was €19.1 million (2007: €4.2 million), the calculation of which is as follows:

Financial Review (continued)

	2008	2007
Net cash inflow from operating activities*	46.4	24.5
Maintenance capital expenditure	(8.7)	(8.5)
Finance costs paid (net)	(13.6)	(8.2)
Income tax paid	(5.0)	(3.6)
Free cash flow	19.1	4.2

**Earnings before finance costs, income taxes, depreciation and exceptional items.*

Total Group net investment for the year was €117.3 million comprised of Free Cash Flow generated (as above) of €19.1 million and movement in Net Debt totalling €98.2 million. The key Group net investment components are as follows:

- Acquisitions and disposals of subsidiaries €135.6million (2007: €110.5 million)
- Development capital expenditure €16.0 million (2007: €26.5 million)
- Net proceeds received from sale of investments €49.0 million (2007: outflow €73.8 million)
- Net cash outflow in respect of joint ventures / associates €11.5 million (2007: €Nil)

Analysis of Results

Operating Results

Within our Profit and Loss account, we consolidate the results from our controlled businesses and our share of profits from joint ventures along with dividends (where applicable) from investments. Results from our minority investments are not consolidated as we do not exercise significant influence over the operating and financial policies of these entities.

Group revenue increased by 96% in 2008 to €433 million (2007: €221 million) while total operating profit before exceptional items increased by 69% to €37.6 million (2007: €22.3 million). Total EBITDA before exceptional items increased by 64% to €52.2 million in 2008 (2007: €31.8 million).

Excluding acquisitions made during 2008, turnover and profitability pre-exceptional items showed the following increases compared to 2007:

- Turnover +51%
- Operating profit +20%
- EBITDA +17%

Offsetting this operating profit are Exceptional Gains and Losses which are listed below

Exceptional Gains and Losses

Exceptional items before taxation for 2008 total €70.6 million with the main components as follows (see also Note 5 on page 68).

Environmental Services

During the period, we decided to close an electronic recycling plant in Dublin. We provided for the associated balance sheet write downs and associated costs as part of this process totalling €9.1 million. Redundancy costs of €1.4 million were incurred as part of the integration work which took place in Environmental Services' four divisions during the year.

In accordance with our accounting policy, we do not amortise goodwill and conduct an annual impairment review of the carrying value of goodwill. In light of the current economic

Financial Review (continued)

climate, we applied appropriate assumptions in this review for 2008 and these assumptions are set out in Note 13 on page 75 to the accompanying financial statements. The review resulted in a goodwill impairment of €27 million predominantly relating to our Environmental Services Metals and WEEE Division; and this adjustment is reflected in the year end goodwill total of €217 million (2007: €177 million).

Revaluation adjustments arising on Investments

Resulting from our change in accounting policy (refer to accounting policies in Note 1 on page 59 in the accompanying financial statements), year-end revaluation adjustments were made to our various public and private equity holdings; analysed between €26.6 million for directly held investments and €12.6 million in respect of our joint venture holding in Moonduster Limited.

Since the end of 2008, the value of the Group's principal directly held investment, NTR plc, has declined. This fall in NTR's share has occurred on thin trading volume and the company's shares remain tightly held. The recent lows are a function of general grey-market illiquidity and do not, in our opinion, represent the inherent medium-term value of the company. The value of One51's indirect investment in ICG plc has also declined further since the year end, in particular following the announcement in April 2009 that Moonduster will not be proceeding with a bid for the company. Further details are contained in Note 37 on page 105.

Investment Activity

During 2008, gains of €10.6 million were realised on our listed and grey market quoted investments while acquisition related costs in respect of investments that were considered but not concluded totalled €3.3 million. Further details are contained in Note 5 on page 68.

Key Performance Indicator (KPI) Highlights

Operating Businesses

Each business segment reports KPIs that capture underlying operating performance. The highlights are as follows:

Environmental Services

Metals Recycling: 2008 was the first full year for our Irish metal division, and saw profit per tonne increasing by 4% with strong volumes on a like-for-like basis with 2007. In our UK metals division, those mature businesses which were owned for a full year saw satisfactory organic growth in local currency. This division also benefitted from the introduction of two acquisitions which brought the profitability per tonne of the UK metals division up to the same level as that in Ireland.

Materials Recycling: Our UK materials division had a satisfactory year in the context of a difficult construction environment. The last quarter of 2008 saw margin benefits resulting from the integration of a complementary business which was acquired earlier in the year. Our Northern Ireland business showed like for like growth of 10% in earnings.

Hazardous Waste Management: Increased earnings in our hazardous division were driven by significantly increased volumes handled during the year.

Speciality Plastics: This division made considerable progress in 2008, with the main focus being the integration of two newly acquired businesses, AAC Plastics Group Limited and MGB Plastics. The last quarter of 2008 saw a number of contract wins which position the division well for organic growth in 2009.

Food and Distribution

Despite an increase in flour prices, our food business continued its strong cash generation

cementing the positive progress it has made since the inception of One51.

Investment Holdings

Our investment portfolio contains listed investments, unlisted investments and certain properties. Listed investments are revalued on a regular basis. Recent market volatility has caused valuation difficulties for investment companies as share prices can vary significantly from day-to-day when trading volumes are thin and markets are illiquid. The year-end value of our investments was €383 million compared to our net investment cash cost of €228 million.

Infrastructure

Project financing facilities for a new €40 million Ro-Ro and Lo-Lo facility at Greenore Port are in place. The planning application process continues.

In May 2008, ICG returned just over €3 million to One51 by means of its joint venture vehicle Moonduster via redemption of redeemable shares. In April 2009, discussions regarding a possible bid for ICG between One51 and concert parties were terminated after it was established that it would not be possible to bring forward an acceptable offer.

Renewable Energy

In July 2008, NTR returned just over €67 million to One51 as part of a €270 million share buy-back. During the year, One51 also received a dividend of just less than €1.1 million. As of 31 December 2008, the value of One51's investment in NTR was €241 million. One51 has exposure to wind energy, solar energy and bio-ethanol through its investment in NTR. This renewable energy portfolio is augmented by One51's direct investment in OpenHydro.

Net Finance Costs

Net finance costs for the year increased by €3 million to €16.6 million (2007: €13.7 million) primarily as a result of acquisitions made during the year.

Included in the 2008 finance cost total is €2.5 million non-cash interest related to contingent consideration provisions (2007: €0.8 million) along with an accrual of €1 million for convertible loan note interest (2007: €4.3 million). The latter charge reduced by €3.3 million during 2008 due primarily to the conversion of €141 million of convertible loan notes to equity during 2007.

Interest payable on Group bank loans and overdrafts for 2008 totalled €13.6 million (2007: €9.2 million). This includes commitment fees of €0.9 million (2007: €1.2 million) in respect of the undrawn portion of our bank facilities. The benefits of interest rate reductions were seen by the Group particularly during the last quarter of 2008 and into 2009. The Group's blended interest rate for the year averaged 5.9% (2007: 6.4%).

Taxation

The total tax charge for the year is €3.4 million (2007: €1.9 million) comprising €7.3 million reflected in the Profit and Loss account reduced by a credit of €3.9 million relating to items accounted for in equity.

Foreign Exchange

Non Euro profits of the Group are translated into Euro at average exchange rates during the year.

The Statement of Total Recognised Gains and Losses on page 54 contains a net €40m accounting loss on the restatement of net investments in foreign operations. This is a non cash loss in the Group financial statements and represents an accounting adjustment for the impact in Euros of non Euro assets and liabilities adjusted for the movement in exchange rates from the end of the previous financial year to the end of the current financial year for assets / liabilities held throughout the year, and for

Financial Review (continued)

the impact of the movement in exchange rates from the date of acquisition to the end of the current financial year for those assets / liabilities acquired during the year. The most significant exchange rate movement which impacted on the Group was Euro : Sterling which moved from 0.7334 as 31 December 2007 to 0.9525 at 31 December 2008.

This restatement can vary both upwards and downwards from year to year depending on the movement in exchange rates. However it does not reflect any change in the underlying profitability of these investments.

The Group has a Board-approved policy on the currency of borrowing for non-Euro investments whereby each investment is assessed on a case-by-case basis under a number of predefined criteria. These include the capital structure, nature of investment, country/political risk and the cash cost of borrowing. This policy is subject to bi-annual review.

Pensions

The Group provides pensions offerings to all its controlled subsidiaries. Pension offerings take account of the conditions and practices of the jurisdictions in which we operate and include both defined benefit and defined contribution schemes. Defined benefit schemes are closed to new members in Ireland and the UK. At 31 December 2008, the net deficit after deferred tax for all defined benefit schemes was €2.3 million.

Accounting Policies

The Group's financial statements are prepared in accordance with Irish and UK Generally Accepted Accounting Principles (GAAP). During the year we changed our accounting policy for investments to more closely align with that used under IFRS. Details of the basis of preparation and the significant accounting policies of the Group are included in Note 1 on Page 59.

Treasury Risk Management

Treasury Risk Management of the Group is governed by a Board approved Treasury Policy which seeks to apply best practice standards in the area. This policy covers liquidity and funding, debt management, foreign exchange, cash management and investment of surplus funds.

Treasury Risk is centrally managed by the Group Treasury function within treasury policy guidelines. The principal objective of this function is to manage such risks in a proactive but prudent manner. The Group monitors counter party credit risk as part of this process.

The policy is subject to semi-annual review by the Audit Committee and also to periodic review by the Group's risk management function.

The Group Treasury function regularly monitors covenant compliance and bank facility covenant tests have been comfortably adhered to since inception of facilities.

Divisions that have commodity related stock holding exposure monitor and report weekly on exposure to commodity price risk within limits set at a Group level.

Energy Risk Management

Energy Price Risk is centrally managed by an Energy Risk Management Committee who benefit from detailed reports on expected energy usage by facility to ensure that the price risk is managed in a proactive but prudent manner.

Yours sincerely

Paul Dixon FCA
Chief Financial Officer, One51 plc

One51 head office, Thomas Street, Dublin 8.

one 51

Investment Approach

INVESTMENT MODEL

One51 is an investment company headed by experienced professionals practiced in managing throughout the business cycle. When we enter a business sector, we look to empower entrepreneurial managers and provide them with the means to succeed. As well as rigorous financial discipline, One51 brings fresh thinking, expertise, capital and a broad business network.

One51 is not short-term orientated; we prefer to build long-term value. Results are how we measure performance. Our overarching goal is to realise the value created for shareholders.

INVESTMENT THEMES

One51's core investment themes are:

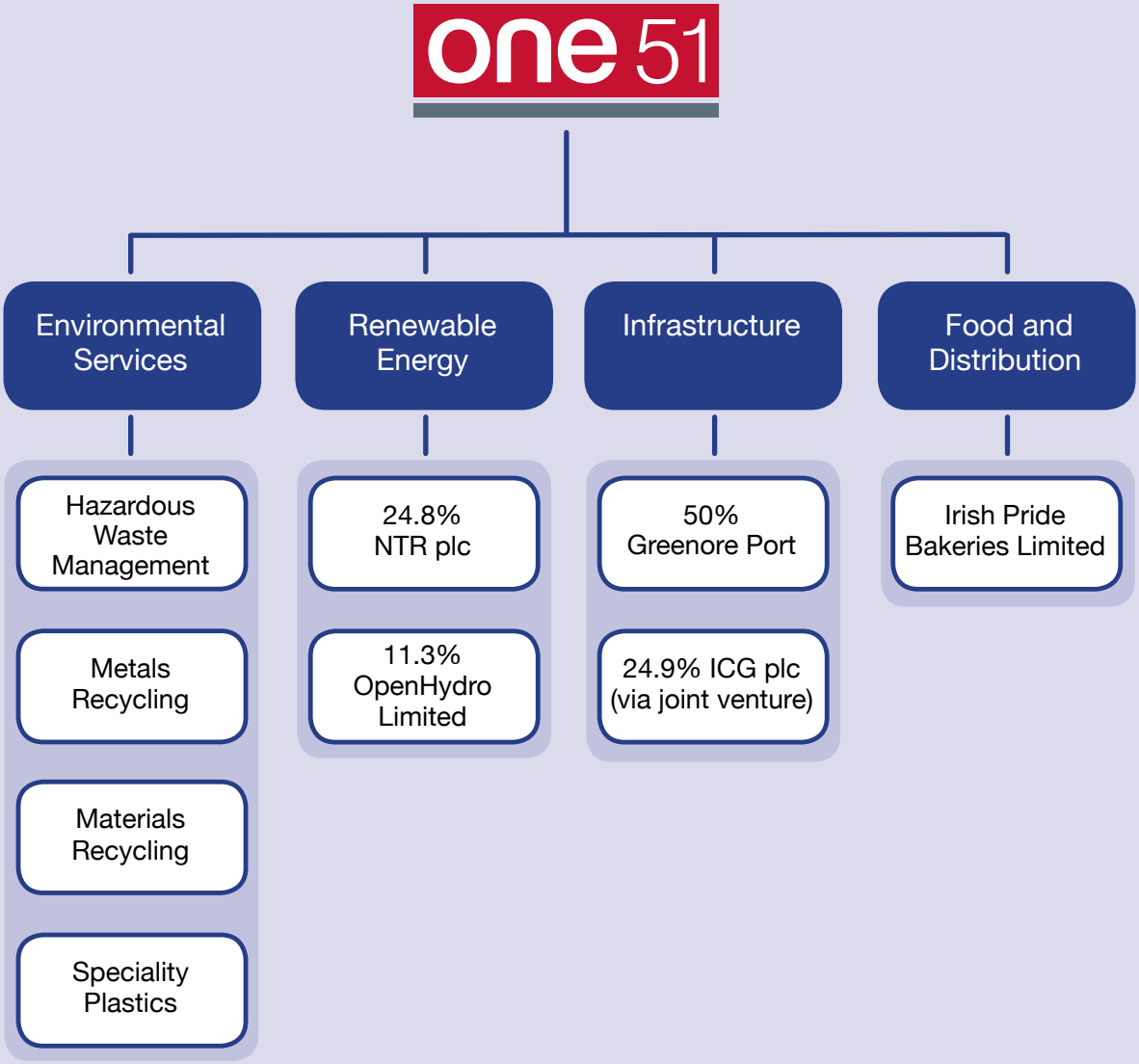
- Free-trade and economic globalisation
- Commodity resource constraints
- Pollution, congestion and climate change
- Legislative policy and initiatives

INVESTMENT CRITERIA

One51 will decide to invest in a business or management team by considering numerous factors. While every situation is different, typical features will include many of the following:

- Coherent business plan demonstrating a clear strategic vision
- Scalable business with opportunity to create defendable market position
- Solid financial performance
- Majority stake or option to exercise significant control
- Synergies with existing investments or foundation for a new platform

Business Review 2008



The purpose of this Business Review is to provide information to shareholders and the Business Review should not be relied upon by any other party or for any other purpose. The Business Review contains certain forward-looking statements and these statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and those statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This Business Review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to One51 and its subsidiaries when viewed as a whole. This Business Review discusses the following:

- **Environmental Services**
- **Infrastructure**
- **Renewable Energy**
- **Food and Distribution**

Environmental Services

Company / Division	Holding
Environmental Services Division	100%

One51 Investment Themes

- Commodity Resource Constraints
- Pollution, Congestion and Climate Change
- Free-Trade and Economic Globalisation
- Legislative Policy and Initiatives

Division Specific Drivers

- Recycling Targets
- EU and Local Directives
- Producer Responsibility Schemes
- Evolving Commodity Value Chain

Industry Features

- Fragmented Structure
- Customer "Corporate Social Responsibility" Commitments
- Operator Licensing and Activity Permits
- Site Availability and Usage Constraints

Environmental Services (continued)

One51's Environmental Services Division (ES) is a leading commercial waste recycling enterprise with operations principally in Ireland and the UK. This sector is comprised of four divisions; Metals Recycling, Materials Recycling, Hazardous Waste Management and Speciality Plastics.

In Ireland and the UK, the business also has a growing reputation for excellence in the manufacture of high-specification components from base material and recycled plastic for the medical, electronics and food industries. ES is seeking to develop that reputation by exploring international expansion opportunities. The growing potential of our plastics operations is reflected in our decision to establish Speciality Plastics as a stand-alone ES division.

The ES division in 2008 was dominated by two themes – strategic acquisition and integration. As well as beginning a process which may result in an offer for Augean plc, the UK's leading hazardous waste business, ES executed a number of acquisitions in the metals, plastics and materials recycling areas. The integration of the existing businesses was the key ES management focus in 2008.

During the year, ES reduced headcount by more than 150 at a cost of €1.4 million, as part of a rigorous process which has involved an examination of every aspect of our business, including relationships with key suppliers. The recurring annual saving is more than double the once-off cost.

Over the last 12 months, ES management have redeployed a number of staff to growth areas of the ES business in a move designed to control costs and allocate our management expertise to more recently acquired companies. This is part of an ongoing organisational development which has seen ES establish four distinct divisions, with dedicated managers.

Since inception ES has grown through a combination of acquisitions and organic growth. As well as more than doubling sales, which

increased by 127% to €365 million, 2008 saw us increase the profitability of ES by 51% to €53.7 million, at the EBITDA level. Operating profit before exceptionals grew by 45% to €41 million. Excluding the impact of acquisitions completed during the year, underlying operating profit grew by 23% to €26.5 million.

Despite these significant advances, 2008 also saw the ES business take the decision to mark down the book value of our Metal and Electronic Recycling operations by €27 million; this is shown as an exceptional item in the Group Profit and Loss account for 2008. ES is a margin business, but volume invariably contracts as prices fall. We believe that this impairment is an appropriate response to the recent sharp falls in global commodity prices and reflects the cyclical nature of raw materials demand.

ES had intended to expand its Waste Electrical and Electronic Equipment (WEEE) business, however since taking charge of the ES division I have decided to revise this strategy. It became increasingly clear in the latter half of 2008 that the disconnect between wholesale prices and domestic gate fees due to escalating commodity price volatility was a significant impediment. This unprecedented increase in volatility was unforeseen; but all indications are that it is to be a

Environmental Services (continued)

feature of the markets concerned for some time to come. Consequently we took the decision to exit our Canadian investment, GEEP, and our Irish WEEE facility, Immark (Ireland). We continue to manage Immark (Europe) which operates in some more highly regulated locations, particularly in Switzerland, which has seen a modest pickup in gate-fee levels since the end of 2008. ES management is confident that the prospects for Swiss WEEE have improved.

While we are pleased with the general performance of ES in 2008 relative to the ambitious targets set, business conditions in 2009 are considerably more challenging. This cautious outlook is due to the embryonic nature of the division and the wider economic climate. We remain encouraged by the significant advances ES has made in just three years and believe that the business is well placed to continue that trajectory over the medium term.

Materials Recycling

ES Materials Recycling operates from three sites, one in Northern Ireland and two in the UK. The ambition is to become the leader in the recycled plastics, recycled glass and commercial waste markets in specific regions of Ireland and the UK. As part of that strategy, ES made a number of acquisitions in 2008.

In the UK, we acquired Any Waste in South London and are moving the administrative and IT functions to our existing Country Waste Recycling business in nearby Croydon. Before the acquisition, Any Waste was removing 80% of its waste to landfill. It is now bringing over 65% of product to Country Waste, which has a recycling rate of more than 90%. The revenue of the joint operation is thus significantly increased.

Our glass recycling business in Northern Ireland, where we are the only significant glass recycler, continued to trade well. During 2008, we installed a glass-separation facility, which uses the most modern technology currently available in Europe, and makes the annual capacity of our glass operations substantial. This ES division is now one of the leading providers on the island of Ireland.

Speciality Plastics

ES Speciality Plastics encompasses six sites which manufacture a diverse range of final plastic products such as computer components, paint cans and wheelie bins from a combination of recycled plastic and base material. Some 40% of the raw material used currently comes from recycled plastic.

Our aim is for ES Speciality Plastics to become a vertically-integrated plastics business, collecting, processing and utilising waste plastic in the UK and Ireland. As part of this strategy, last year ES acquired MGB Plastics, a UK wheelie-bin manufacturer. The continued expansion of our plastics manufacturing capability is a natural long-term fit for our core competence of waste plastic collection and processing.

We are currently assessing potential acquisition opportunities to leverage off our existing deep relationships with demanding multi-national companies.

Environmental Services (continued)

Hazardous Waste Management

ES is the leading player in handling hazardous waste in Ireland. Our strategy is to consolidate that position while also growing to become the leading player in hazardous waste in the UK.

Events such as the contamination of Irish pork supplies in 2008 only serve to strengthen the drive for effective, rigorously enforced legislation. We believe this market will not support companies that do not adhere to the highest standards and we are positioning ourselves to benefit from the continued push for increased regulation both in Ireland and the UK.

During 2008, it was announced that One51 had made an approach to the board of Augean plc (Augean), with a view to taking One51's 27% stake in that company to 100%. Augean, which commands a 38% share of the UK hazardous waste market, owns more than 8 million cubic meters of landfill space and seven recycling and treatment centres. ES continues to actively consider this, and other acquisition opportunities in the UK.

Metals Recycling

The ES Metals Recycling division operates from nine sites in Ireland, the UK and Switzerland. It collects, processes and sells metal and waste electrical and electronic equipment to a wide range of customers serviced from a dispersed network of operational sites.

ES Metals Recycling is the leading metal recycling company in Ireland with sites in Limerick, Cork, Galway, Laois and Dublin. This affords the business scale and a comprehensive network. ES Metals Ireland began the division's integration process. A similar effort with ES Metals Recycling UK is ongoing.

During 2008, ES bought three further metals companies, Howarth Metals and Ampthill Metal Company in the UK, and Cork Metals in Ireland.

ES Metals Recycling division is focused on margins, but the extreme volatility in prices did affect the division's performance in 2008. During the year, we concentrated on minimising the implications of these price swings while developing our integration programme. The centralisation of management and administrative functions into ES Metals Recycling's Limerick office is now well advanced. In the UK, we continue to look for investment opportunities in the Midlands and in North-West England where ES already has established profitable enterprises.

We believe the continued shift in steel production to scrap-intensive electric arc furnaces, which are cheaper and easier to restart than traditional blast furnaces, will maintain world demand for scrap metal. ES is well positioned to benefit from this trend, which will become pronounced once world markets recover.

Yours sincerely,

Hans Droog FCA

Managing Director, Environmental Services

Renewable Energy

	Company / Division	Holding
NTR	NTR plc	24.8%
openhydro tidal technology	OpenHydro Ltd	11.3%

One51 Investment Themes

- Commodity Resource Constraints
- Pollution, Congestion and Climate Change
- Free-Trade and Economic Globalisation
- Legislative Policy and Initiatives

Division Specific Drivers

- Carbon Emissions Targets
- Energy Independence
- Fossil Fuel Depletion
- US and EU Policy

Industry Features

- Feed-in Tariffs and Other Pricing Initiatives
- Production and Investment Tax Credits
- Regional Specialisation
- Energy Clearing Price Set By Traditional Sources

NTR plc

Following the sale of its 51% interest in Airtricity at the end of 2007, NTR returned approximately €270 million to shareholders in July 2008 via a 'share buy-back'. As a result of this, plus dividends received, One51's current net cash invested in NTR is €98 million.

During 2008, NTR affirmed its commitment to be a leading international developer and operator in renewable energy and sustainable waste management. While NTR's principal source of revenue remains its Greenstar waste management division, NTR has ambitious plans in Wind Power, Solar Power and Bio-Ethanol. For this reason, we strategically view our 24.8% stake in NTR as part of our renewable energy platform.

Rather than focusing on countries with a more developed renewable energy footprint, NTR has to date concentrated on the emerging US alternative energy market. The outlook for US renewable energy was significantly boosted in 2008 following the election of President Obama. The Obama Administration has cited peak oil and energy independence as the primary drivers for US renewable energy investments.

Renewable energy infrastructure forms a key part of the incentives contained in the recent American Recovery and Reinvestment Act, commonly known as the US Federal Stimulus Package. A broad range of legislation now exists including production tax credits, investment tax credits, renewable energy loan guarantee schemes and grants for Clean Tech research and development.

To be a successful renewable energy investor, one must not only identify the best projects in the best sectors, but also manage the staging of capital allocation over the long-term. NTR mitigates these risks by taking a portfolio approach and having majority ownership of projects. NTR's US renewable energy investments are:

Wind Capital Group

Wind Capital Group (WCG) is a Midwest wind farm developer and operator. Since 2005, the company has developed the first four wind farms in the state of Missouri. WCG has plans to roll out a further 2,000MW across sixteen states in the medium term.

WCG's current projects include Lost Creek, a 150MW wind farm that will use 100 General Electric (GE) turbines. Securing turbine supply is crucial for wind farm developers as the best turbine manufacturers typically have their pick of global projects. GE's deal speaks to Wind Capital's strength and credibility and was undoubtedly a key factor in Wind Capital signing a long-term Power Purchase Agreement for Lost Creek with Associated Electric Cooperative Inc.; a Missouri based utility with 5.2GW installed capacity.

Image courtesy of NTR plc.

Sterling Energy Systems and Tessera Solar

NTR's solar investments comprise of controlling interests in two private companies, Sterling Energy Systems (SES) and Tessera Solar. SES is a concentrated solar power technology developer using its proprietary SunCatcher™ design. Tessera Solar has been established to develop and operate solar farms utilising SES's devises which it intends to roll-out on a global scale.

NTR plc (continued)

SunCatchers™ are large mirrored dishes designed to concentrate the sun's rays onto closed hydrogen powered generators based on established sterling engine technology. Proven to be the most efficient solar technology in the world, SunCatchers™ require only minimal water (for periodic mirror cleaning), and are consequently ideally suited to arid environments.

2008 saw significant development at SES as the company worked to establish an outsourced production network for dish component parts. Under NTR's guidance, the complexity of the dish's design has been dramatically reduced. Management have also been able to take advantage of the downturn in the auto industry to secure capacity with experienced suppliers.

Tessera Solar intends to utilise SES's SunCatcher™ technology to deliver 1,750MW of grid-quality solar power over the medium term. Tessera Solar is developing two large scale projects in the Mojave Desert and has power purchase agreements signed with both Southern California Edison and San Diego Gas and Electric. These projects are seen as a natural complement to electricity demand in the region as air conditioning usage peaks as the sun shines.

Image courtesy of NTR plc.

The first phase of Tessera Solar's roll-out will see the company install 60 SunCatcher™ units in a Reference AZ Pilot Plant in 2009. These SunCatcher's™ are expected to generate 1.5MWs, a Grid Unit, and will mark an important milestone towards signing the first connection agreements.

Green Plains Renewable Energy

Green Plains Renewable Energy (GPRE) is a vertically integrated US agronomy company with interests spanning grain procurement and storage, bio-ethanol production and third party marketing and distribution. GPRE operate 4 plants between Indiana, Iowa and Tennessee with 330 million gallons of annual ethanol production capacity. They also have grain storage facilities for 393,000 tonnes.

The US ethanol industry grappled with oversupply issues in 2008, and some significant players were forced out of the market. The volatility in commodity prices exposed inefficiencies in the hedging policies of some market participants and consequently added to the list of industry casualties. GPRE successfully navigated the turmoil that beset many of its competitors in 2008, but it was not immune to the negative sentiment. The company's shares, quoted on the NASDAQ, fell 87% in value over the year.

The outlook for the US bio-ethanol market in 2009 appears to be more accommodative. According to the Renewable Fuels Association, annualised US operating ethanol production capacity in January 2009 was 10.6bn gallons. Base US ethanol demand in 2009, dictated by the Renewable Fuels Standard mandate, is 10.5bn gallons. Together with discretionary blending demand, this suggests that total US ethanol demand for 2009 will be in excess of domestic US production. This, coupled with GPRE's risk management competency and integrated approach, bodes well for the company's future.

OpenHydro Limited

OpenHydro is a marine technology company which designs and manufactures turbines to generate energy from tidal streams. The company achieved a significant milestone in May 2008 when it successfully connected a 250kW 'Open-Centre' turbine located in the waters off Orkney, Scotland to the UK national grid and commenced electricity generation. This was the first time that any company had generated tidal energy onto the UK or Irish grid.

Following this success, Électricité de France (EDF) selected OpenHydro turbines for its ocean energy project off the coast of Brittany, France. OpenHydro will install turbines with a total capacity of up to 4MW to be connected to the French electricity grid from 2011.

In 2008, OpenHydro strengthened its competitive position buying a significant interest in Alderney Renewable Energy (ARE). The seas around Alderney are renowned for their tidal energy and ARE has exclusive rights to 48 square miles of seabed (50% of the area available) for 65 years. In Phase 1, ARE plan to install 285MW, subject to planning approval. Under the terms of the deal, OpenHydro become ARE's preferred supplier and consequently have access to 3GWs of potential capacity.

One51 has been a shareholder in OpenHydro since 2006 and has invested just over €10 million in the company to date. Emera Inc, the Canadian energy group, became an investor in OpenHydro at the beginning of 2008. Both One51 and Emera are represented on OpenHydro's Board.

Image courtesy of OpenHydro Ltd.

Infrastructure

	Company / Division	Holding
Greenore Port	Greenore Port	50.0%
Irish Continental Group	Irish Continental Group plc	24.9%*

*Held in partnership with Doyle Group via Moonduster consortium

One51 Investment Themes

- Commodity Resource Constraints
- Pollution, Congestion and Climate Change
- Free-Trade and Economic Globalisation
- Legislative Policy and Initiatives

Division Specific Drivers

- Production Specialisation and Labour Costs
- Hub and Spoke Distribution
- Top-Down Policy
- Long-Term Economic Growth

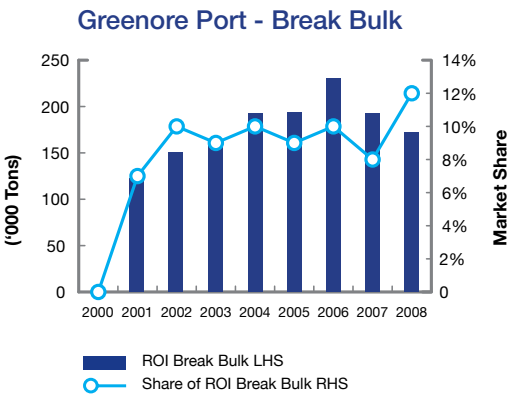
Industry Features

- Preferred Arrival/ Departure Times (Slots)
- Port/Vessel Capacity Utilisation Balance
- Time/Distance/ Mode Trade-Off
- Long Lead In Times and High Capital Costs

Greenore Port

One51 owns 50% of Greenore Port in partnership with Dublin Port Company. Dublin Port Company is a private limited company wholly owned by the Irish State.

As a small open island economy, port infrastructure remains integral to the nation's economic prospects. In 2008, more than 16,000 vessels arrived at Irish ports. These ships helped move some 55 million tonnes of freight through the country's ports, up from just 40 million tonnes 10 years ago. While this increase in volumes mirrors the Celtic Tiger years, important structural shifts continue to take place in global trade such as outsourcing to developing economies and the modularisation of freight. These macro-trends suggests that demand for port capacity over the medium term will likely remain high despite any fall in volumes in the immediate future due to the economic downturn.

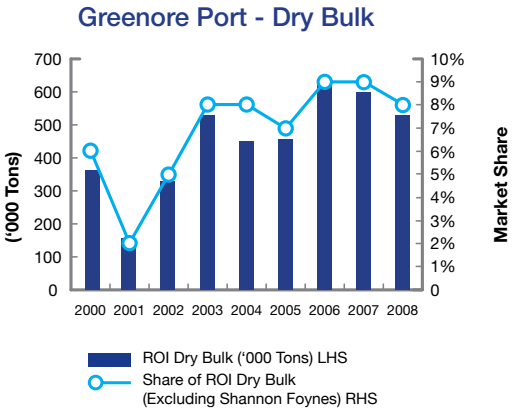


Greenore Port is a natural deep water port located at the midpoint of the important Dublin-Belfast Economic Corridor. Recognising the importance of first class well located ports to Ireland's future growth, An Bord Pleanála confirmed in 2008 that Greenore Port is eligible to apply for planning approval under the Critical Infrastructure Act.

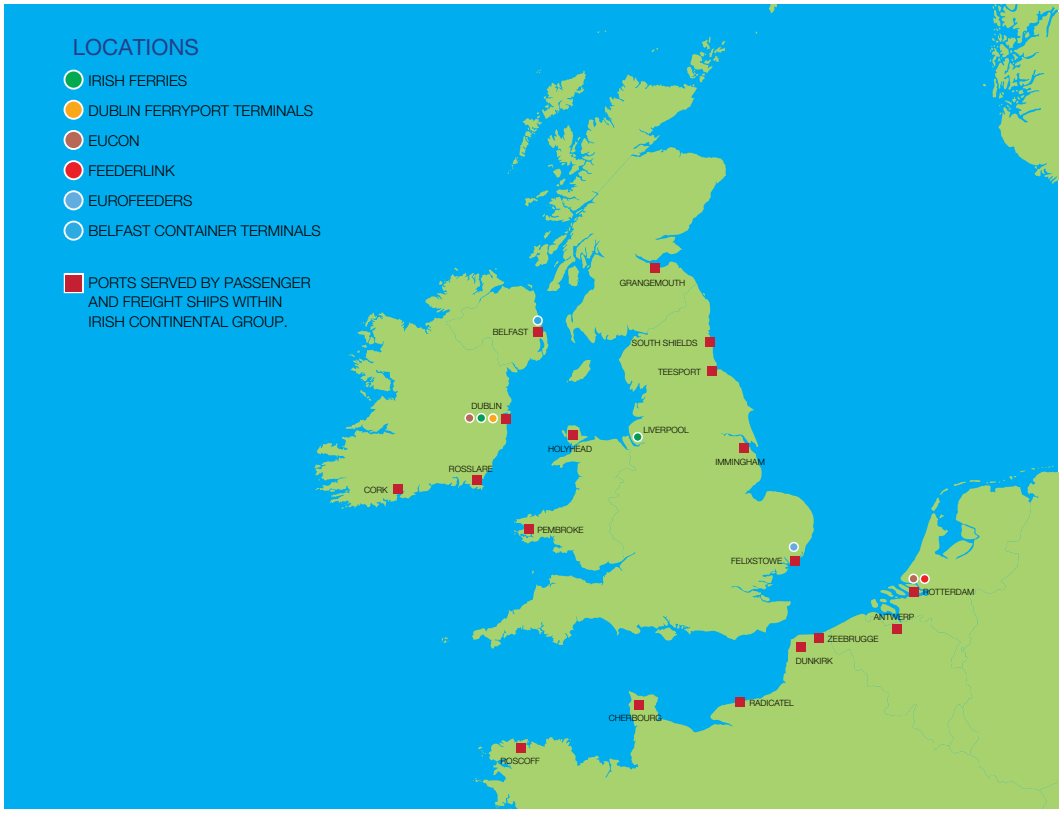
One51 and Dublin Port Company believe that Greenore Port represents a tremendous development opportunity and consequently will

submit plans to expand Greenore Port's facilities to include Ro-Ro and Lo-Lo capabilities soon. Such a move would be of immense economic benefit to the many manufacturing and industrial facilities in the North and South Border regions.

Greenore Port currently handles Dry Bulk and Bulk Break. While these volumes fell in 2008 as a result of the general economic contraction, Greenore Port held its market share. Construction related freight is expected to contract further in 2009 but agricultural volumes are predicted to be less affected.



Irish Continental Group plc



Moonduster Limited owns 24.9% of Irish Continental Group plc (ICG). Moonduster is owned jointly by One51 and the Doyle Group Ltd. Doyle Group was founded in Cork in 1886 and has various property and port related activities including stevedoring and cargo handling.

In December 2008, Moonduster and Mr Eamonn Rothwell (CEO, ICG) confirmed that they were engaged in discussions with a view to potentially bringing forward an offer for ICG. Despite best efforts over the months that followed, the concert parties informed ICG's Independent Directors on 28 April 2009 that they will not be proceeding with an offer for ICG.

The merit of One51's investment in ICG was again proven in 2008. While the shipping group saw a fall in revenues due to a decline in freight and tourism demand, the company's costs also fell as fuel and chartering prices corrected. The net effect of this was a 2008 EBITDA of €66 million, the second best result in the company's history. ICG has since issued an Interim Management Statement for the first four months of 2009. EBITDA for the period was €8.0 million, down from €12.2 million for the same period in 2008.

It is likely that ICG will face challenges in the period ahead as the general economic downturn continues to filter through the system. ICG is well placed to withstand such conditions. At the end of 2008, the company had tangible assets of €236.4 million and net debt of €48.7 million. Furthermore, ICG continues to generate strong cash flows and has minimal capital expenditure requirements in the immediate future.

Image courtesy of ICG plc.

Food and Distribution

	Company / Division	Holding
	Irish Pride Bakeries Limited	100%

One51 Investment Themes

- Commodity Resource Constraints
- Pollution, Congestion and Climate Change
- Free-Trade and Economic Globalisation
- Legislative Policy and Initiatives

Division Specific Drivers

- Preference for Quality Local Product
- Hub and Spoke Distribution
- Time-to-Market Considerations
- Economies of Scale and Scope

Industry Features

- High Volume Low Ticket Price
- Cash Flows Less Correlated with General Economy
- Attention to Brand Name
- National Distribution Critical

Food and Distribution (continued)

One51's operations in Food and Distribution performed well during 2008. Activities are focused on two brands; Irish Pride and the LifeFibre Co., both trading in the bakery sector.

Irish Pride is one of the largest bakery companies in Ireland. Irish Pride has operated since 1989 and is the culmination of the consolidation of a number of acquired bakeries. Irish Pride has grown significantly over the last 10 years. With bakeries located in counties Wexford and Mayo, the business manufactures a comprehensive range of wrapped breads and soft rolls. It undertakes 15,500 deliveries per week, operates 190 routes nationally and serves its retail and food service customers from a national network consisting of four primary and nine secondary depots.

In 2008, Irish Pride remained competitive despite an increasingly difficult economic environment. We continued to maintain market share with our range of products by maintaining a focus on service, consumer trends, price and branding. A key milestone for Irish Pride in 2008 was entering the Top 20 Food Brands in Ireland (AC Nielsen).

Niche bakery operation the LifeFibre Co. was purchased in late 2007. This high end brand addresses the health and wellbeing bakery products market. In 2008, the LifeFibre Co. was integrated into Irish Pride. The business is performing in line with expectations.

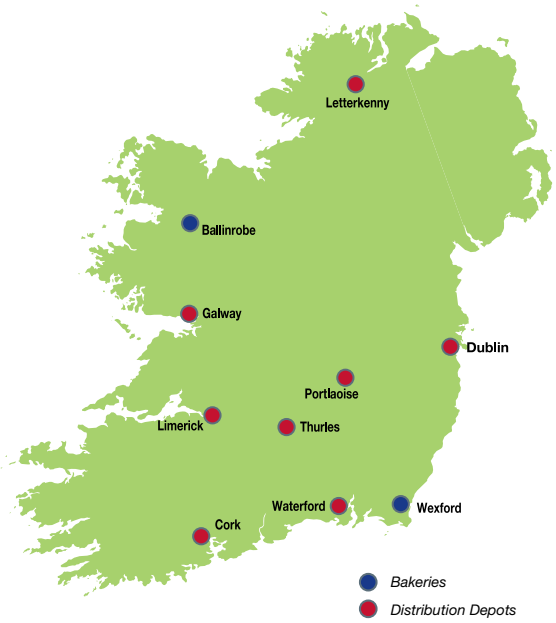
Irish Pride successfully maintained very tight cost controls during 2008. As the economy enters an economic downturn and period of deflation, growing market share and maintaining costs are key goals for Irish Pride. Furthermore, we will develop our core strength in distribution utilising our nationwide distribution network as a strength allowing the company to deliver other well known Irish household bakery brands. To date our portfolio consists of the following brands.

- Irish Pride
- LifeFibre Co.
- McCambridge (sodas)
- Panelto (panini bread)
- Worlds Apart (brioche)

Yours sincerely

Patrick O'Sullivan

Managing Director,
Irish Pride Bakeries Ltd



Environment, Health and Safety Report

Compliance forms an integral part of the decision making process at One51. Throughout due diligence, risk management model development and business continuity planning, our responsibilities in respect of Environmental, Health and Safety compliance are of pre-eminent importance.

In our operating businesses, we ensure that all sites have annual compliance targets and objectives which are monitored through key performance indicators on a monthly basis. During 2008, we added a Group Head of Risk Management to our management team to independently assess and validate the firm's standards and their appropriateness for an organisation of our composition and scale. On foot of this appointment, we re-organised our internal risk management structure to include a Group Risk Management Committee to consider and oversee business risk management company wide including Environment, Health and Safety.

Environmental Management Systems

The maintenance of licence and permit accreditation is central to our compliance systems in the Environmental Services group of companies. Our licences are issued by Environmental Protection Agencies in the respective legal jurisdictions.

In addition, collection permits are issued by the local authorities in our geographic areas of operation. Significant human resources are deployed to meet, and where possible exceed, the requirements of these licences and permits. Our performance is measured through a combination of internal audits, periodic monitoring programmes, site surveillance visits by the various inspectorates and the submission of annual reports.

During 2008, an additional four of our sites attained ISO 14001 accreditation. This increasingly relevant standard is now frequently a customer requirement at the pre-tender stage of new business development.

Food Safety and Quality Assurance Management

Food Safety Management is at the core of all decision making and development at our Food and Distribution sites. Product is moved through a positive release system ensuring it is lawful and consistent with compositional and food safety standards while maintaining best manufacturing practices.

Over time, we have moved away from pinpoint Quality Assurance Management preferring instead to develop a culture where everyone involved in production is a Quality Engineer, and as such, individually and collectively responsible for food safety and quality. Specific targets are set in this area continuously across all aspects and all departments.

Both Irish Pride production sites are accredited to the highest levels with the BRC Global Standard for Food Safety. This standard is a fundamental requirement by all major retailers and it has been maintained seamlessly within Irish Pride since 2003.

Environment, Health and Safety Report (continued)

Health and Safety

In 2008, the Health and Safety Steering Committee was absorbed into the newly formed Group Risk Management Committee. As well as setting the risk management agenda for the entire organisation, this committee carries on the Group's tradition of site specific action plans ensuring continued best practice at all levels.

The Group Risk Management Committee oversees the quarterly group meetings of Health and Safety representatives from each site throughout the year. Given the organisation's size, there are typically two meetings each quarter; one for sites on the Island of Ireland and the other for those from the Rest of Europe.

To assist communication across the Group, a Health and Safety portal has been incorporated into the One51 intranet, OneNet. This tool allows users to issue alerts, share templates, store documentation and training material, interface with insurance professionals and gather statistical data to generate company scorecards.

One51 continues to foster a culture of health and safety compliance throughout the organisation. This is led from the top of the firm down and forms an agenda item for all Board meetings.

The key Health and Safety performance indicators for 2008 were Frequency Rate (number of accidents), Severity Rate (number of lost workdays) and Action Plan adherence expressed in percentage terms. Our systems and standards are assessed throughout the year by means of internal audits, insurance underwriter audits and customer audits. Over 90% of our sites met or exceeded the targets set in 2008.

One51 Charitable Foundation

Huruta, Ethiopia: rural development programme.

The One51 Charitable Foundation ("the Foundation") was created ahead of the reconstruction of the Irish Agricultural Wholesale Society ("the Society") and the subsequent incorporation of One51 plc. It was very generously sponsored by the co-operative members of the Society who gifted assets to the Foundation.

The Foundation continues the co-operative spirit and ethos of Horace Plunkett, the founder of the Society in 1897, by supporting community based self help development programmes that empower people to work their way out of poverty. The Foundation encourages projects that focus on educational, health and rural development initiatives that tackle the underlying causes of poverty.

One51 plc assists the Foundation by providing a serviced office at 151 Thomas Street and One51 plc employees frequently lend their time and expertise to the Foundation pro-bono to further its charitable work.

The goal of the Foundation is to support self sufficiency and capability building in Ireland and overseas. The work of the Foundation is best exemplified through its project in Huruta, 140km south of Addis Ababa, Ethiopia. The Huruta programme of rural development commenced in 2005 and was implemented by Self Help Africa to support the agricultural component of rural livelihoods for a population of over 112,000.

Problems in Ethiopia are multi dimensional: inadequate education, health and water services on top of poor soil fertility, unreliable rainfall and inadequate agricultural technologies. The objective of the project was to contribute towards poverty reduction and increased food security through a number of integrated programmes focusing on the following:

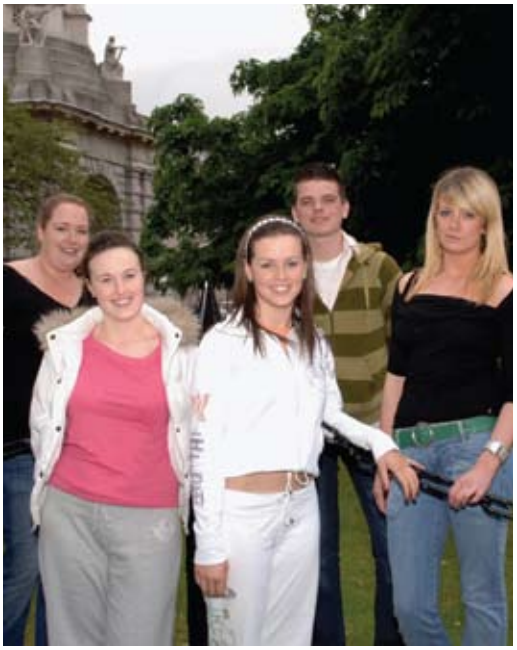
- Increasing crop and livestock production and productivity through training and a veterinary centre
- Improving natural resource management through soil and water conservation

One51 Charitable Foundation (continued)

- Improving education through the building of a secondary school
- Improving medical services through the construction on a public health centre

Over 22,000 households are directly benefiting from the project:

- A veterinary health post has been constructed and over 16,000 livestock have been vaccinated and treated over the last 7 months
- 1,800 farmers have received training
- Drinking water has been provided to up to 20,000 people through the development of a local spring
- A secondary school has been built with capacity for 1,000 students
- A health centre has been built which can provide services for up to 42,000 people
- A revolving drug scheme has been set up to ensure the availability of antibiotics and other essential medicines



Some of the Trinity Access Programme beneficiaries.

- Nine primary Savings and Credit Cooperatives have been established with a total membership of 859

The Foundation's overseas projects are not limited to Ethiopia. It is developing a new Faculty of Agriculture at the Mountains of Moon University in Uganda which will promote a practical hands-on model of learning to address the development needs of the region. The Foundation has also funded a medical dispensary as well as a laboratory, counselling and testing centre for HIV/Aids in Eldoret, Kenya.

In Ireland the One51 Foundation also supports a number of projects, including the Trinity Access Programme which aims to increase the proportion of students from low income groups progressing to third level. Over 70 students will benefit from the Foundation's support.

The Foundation has also supported the work of Focus Ireland by providing funds to help 58 households move out of homelessness.

Directors and Other Information

Non-Executive Chairman	Denis Buckley
Executive Directors	Séamus Clancy Paul Dixon Hans Droog Michael Long Philip Lynch
Non-Executive Directors	Noel Cawley Tom Corcoran (Retired 30/06/08) Eithne FitzGerald (Appointed 22/01/08) David Graham William Hickey (Retired 30/06/08) Hugo Maguire David Martin (Appointed 01/03/09) James C. Murphy Finbarr O'Neill Noel O'Sullivan (Retired 30/06/08) Ivan Yates (Appointed 01/03/09)
Company Secretary	Susan Holburn
Bankers	Allied Irish Bank Plc Bank of Ireland Group Plc Bank of Scotland (Ireland) Limited KBC Ireland plc Rabobank Ireland Plc Ulster Bank Ltd
Solicitors	LK Shields 39/40 Upper Mount Street Dublin 2
Auditors	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Registered Office	151 Thomas Street Dublin 8

Director's Biographies

Non-Executive Chairman

Mr Denis Buckley

Denis Buckley was appointed Chairman of One51 in October 2005. He is also a Director of the Irish Agricultural Wholesale Society Ltd and a board member of Aryzta AG (previously IAWS Group plc). Mr Buckley has been Chairman of Kerry Group plc since 2003, having served as a Director of the company since it was established in 1986.

Executive Directors

Mr Philip Lynch - Chief Executive Officer

Philip Lynch is Chief Executive Officer of One51 and also Chief Executive of the Irish Agricultural Wholesale Society Limited. Mr Lynch is a Director of C&C Group plc, Coillte Teo and FBD Holdings plc and is Chairman of the National Paediatric Hospital Development Board. Between 1988 and 2005, Mr Lynch served as Chief Executive Officer, and subsequently Chairman of IAWS Group plc (now Aryzta AG).

Mr Michael Long - Deputy Chief Executive

Michael Long is Deputy Chief Executive and a Director of the Company since its incorporation. Previously, Mr Long was Chief Executive of United Fish Industries Ltd, a subsidiary of IAWS Group plc (now Aryzta AG). Mr Long is a Director of the Irish Agricultural Wholesale Society Ltd.

Mr Paul Dixon - Chief Financial Officer

Paul Dixon (FCA) has been Chief Financial Officer and a Director of the Company since its incorporation. Previously, Mr Dixon held various senior management positions within IAWS Group plc (now Aryzta AG). Mr Dixon qualified as a Chartered Accountant with PricewaterhouseCoopers.

Mr Hans Droog - Managing Director, Environmental Services

Hans Droog (FCA, AITI) is Managing Director of the Environmental Services Division. Previously, Mr Droog was a senior partner with Ernst & Young and subsequently held a senior management position with IAWS Group plc (now Aryzta AG).

Mr Séamus Clancy - Chief Operations Officer, Environmental Services

Séamus Clancy is Chief Operations Officer of the Environmental Services Division. Previously Mr Clancy was Group Managing Director of SITA Ireland Ltd and Rilta Ltd. Mr Clancy has over 20 years experience at senior management level and is a qualified civil engineer.

Director's Biographies (continued)

Non Executive Directors

Dr Noel Cawley

Dr Noel Cawley was formerly Chief Executive of the Irish Dairy Board. Dr Cawley is Chairman of Teagasc (the Agricultural and Food Development Authority), and has served as Chairman of the Irish Horse Board. Dr Cawley is a Director of An Bord Bia and also chairs the Government established Seafood Review and Implementation Group.

Ms Eithne FitzGerald

Eithne FitzGerald is a Partner in the corporate department at law firm, A&L Goodbody where she is Head of Corporate Finance. Ms FitzGerald managed the firm's London office for 3 years in the 1990's. Ms FitzGerald is the author of the Irish section of "A Practitioner's Guide to Takeover and Mergers in the EU" and regularly writes on legal topics and speaks at conferences.

Mr David Graham

David Graham was formerly Chief Executive of Fane Valley Co-Operative Society Ltd and is a Director of the Irish Agricultural Wholesale Society Ltd.

Mr Hugo Maguire

Hugo Maguire is Chairman of Town of Monaghan Co-Operative Society Ltd and is a Director of the Irish Agricultural Wholesale Society Ltd and Farmer Business Developments plc.

Mr David Martin

David Martin (FCMA) was previously Group Financial Director of IAWS Group plc (now Aryzta AG). Mr Martin is currently a Director of the Irish Auditing and Accounting Supervisory Board, Dormants Accounts Board and a number of private companies.

Mr James C. Murphy

James Murphy was formerly Chief Executive and Secretary of Arrabawn Co-Operative Society Ltd and also formerly a Director of the Irish Agricultural Wholesale Society Ltd.

Mr Finbarr O'Neill

Finbarr O'Neill was formerly Managing Director and Head of Institutional banking at Bank of Ireland Corporate Banking.

Mr Ivan Yates

Ivan Yates was formerly an Irish Government Minister for Agriculture, Food and Forestry and also a Fine Gael TD. Mr Yates is Chairman and Managing Director of the sports betting chain, Celtic Bookmakers.

Directors' Report

The Directors present their report and audited consolidated financial statements for the year ended 31 December 2008.

Principal Activities

One Fifty One plc ("One51", "The Company" or "The Group") is an investment company; the principal areas of activity of the Group are:

- Environmental Services
- Renewable Energy
- Infrastructure
- Food and Distribution

Key operating subsidiary companies are listed in Note 33 on page 102.

Results

The detailed financial statements are set out on pages 52 to 105.

Business Review

A review of the business units of One51 is contained on pages 17 to 31.

Principal Risks and Uncertainties

Under Irish Company law (Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended), the Group is required to give a description of the principal risks and uncertainties which it faces.

The key risks and uncertainties identified are as follows:

- The Group's businesses operate in high growth sectors and the future potential of these businesses is dependent on the Group's continued ability to deliver operational and financial synergies.
- Continued negative domestic and global economic conditions and the outcome of political decisions taken by governments to implement, or not, economic and regulatory policy initiatives could adversely affect the Group's results and financial condition.
- Adverse changes in foreign exchange rates and interest rates could adversely affect Group reported earnings and cash flow.
- The Group is subject to strict environmental and health and safety laws. Situations where enforcement is not consistently applied across the industry could lead to higher compliance costs borne by the Group than some competitors.
- Profitability of some businesses is moderately correlated with the overall level of commodity pricing within the cycle. In any one year the profitability of some units can be more heavily correlated with the rates of change and direction of commodity price movements. Decreased industrial and construction demand for metals may continue to suppress overall metal pricing. The Divisions constantly monitor and report on exposure to commodity price risk within limits set at a Group level.
- The Group's reported profits are exposed to the risk of fluctuation in the market value of its investments. Investments are actively managed to ensure value is optimised over time. Optimisation of return on investment is dependent on the investment horizon of the Group synchronising with overall valuation levels in equity markets.
- A key area of the Group's growth strategy has been through a focussed acquisition and industry consolidation strategy. This strategy may be limited in the long-term if debt and equity markets continue to exhibit systemic weakness. Failures of systemically important financial institutions and sovereign defaults are examples of events that could result in significant operational and financial dislocation through lack of liquidity in the economy or difficulty in utilising existing debt capacity.

Directors' Report (continued)

- The Group's Return on Capital Employed depends on not overpaying for acquisitions.
- For a number of the Group businesses, particularly those engaged in sourcing recyclable metals, there is spot settlement for mixed loads. Managers with decades of experience are engaged to manage these transactions and procedures are designed to minimise exposure.
- The Group's growth may be impacted by unplanned changes in the management teams both at a Group level and in the operating businesses.
- A number of the businesses have production facilities that would be time consuming to rebuild, if they were damaged. While we carry insurance for property damage and a period of loss of profits; the process of rebuilding a business after an interruption may be more costly than the level of insurance cover available.
- The Group carries out due diligence and incurs costs appraising numerous investment opportunities, many of which may not result in an investment being made. These costs are irregular in both frequency and magnitude and can materially affect the reported profit.
- The Group may be adversely affected by bad debts.
- The Group operates in competitive markets where market share can be eroded by competitor actions.
- A write down of goodwill could have a significant impact on the Group's income and equity.

The Group employs expert managers with long experience of operating in diverse market conditions and obtains professional advice from external sources, where deemed necessary. The Group has established procedures to ensure that risks are given an appropriate level of consideration, at the correct level within the organisation, commensurate with the probability of risks occurring and their impact if they occur.

Dividends

The Directors do not recommend the payment of a dividend.

Future Development

The Group will continue to pursue new developments and grow shareholder value both organically and by acquisition.

Relations with Shareholders

Managing relations with shareholders is given a high priority by One51. All shareholders receive regular Information Updates containing details of the outlook for the Group and progress to date. Shareholders also have access to the Group website, www.one51.com, which contains updates on the Group's operations.

At the Annual General Meeting ("AGM"), shareholders are afforded the opportunity to raise matters with the Chairman and to meet with the other Directors all of whom attend the Meeting. The Notice of Meeting and Annual Report and Financial Statements are circulated to all shareholders at least 21 days in advance of the AGM.

Internal Control

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group that has been in place for the financial year under review and up to the date of approval of the financial statements and that this process is reviewed by the Board.

Group management has responsibility for major strategic development and financing decisions. Responsibility for operational issues is devolved, subject to limits of authority, to divisional and operating company management. Management at all levels is responsible for internal control over the respective business functions that have been delegated.

The key risk management and internal control procedures, which are supported by detailed controls and processes, include:

- A comprehensive system of financial reporting involving budgeting and monthly reporting to the Board including variance analysis
- Policies and procedures are issued centrally for key functional areas and responsibility is allocated to individual managers to monitor compliance with these policies
- The overall capital expenditure program is approved at a Group level with individual projects subject to further approvals as the program is rolled out
- Acquisitions and disposals are approved by the Board of Directors
- A centralised Treasury function which manages the financial risks of the Group
- A Group Risk Committee has been established to provide for an appropriate risk management framework
- Procedures are in place for the submission of risk and control reports from the Group Risk Function to the Audit Committee

The Directors have procedures in place to enable them to continually monitor the effectiveness of the system of internal controls, including:

- The Audit Committee which considers significant control issues raised by the External Auditors and the Group Risk function
- Group Risk personnel and external consultants perform internal audits of Group operations in line with a 3 month rolling risk based audit program
- The Board, through the Audit Committee, completes an annual assessment of risks and controls
- The Group Risk function facilitates this assessment by preparing a Group Risk and Control Report for their review
- Where necessary, the Audit Committee will convene to deal with any significant control weaknesses
- Significant variances between the budget and the detailed monthly management accounts are investigated by management

Financial Risk Management

The Group's diverse operations expose it to different financial risks that include foreign exchange risk, credit risk, liquidity risk, interest rate risk and equity price risk. In order to manage these exposures, the Group has entered into a limited number of appropriate hedging arrangements with commercial banks. These arrangements comprise the use of forward currency purchase and sales contracts and interest rate swaps. Further details of the policies and control procedures to manage the financial risks involved, including hedging strategies, are set out in Note 36 on page 104 of the financial statements.

Human Resources

Emphasis is placed on the quality and abilities of our people through continuing education, training and development.

Going Concern

The Group's business activities, performance and position are set out in the Business Review on pages 17 to 31. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's Review beginning on

Directors' Report (continued)

page 10. In addition the notes to the financial statements include details of the Group's financial instruments and hedging activities; and its exposures to liquidity risk.

The Group has considerable financial resources and operates in established business sectors across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Directors' responsibility for preparing the financial statements is explained on page 49 and the reporting responsibilities of the auditors are set out in their report on pages 50 and 51.

Political Donations

During the year, the Group and Company made no political donations which are disclosable in accordance with the Electoral Act, 1997.

Books of Account

The measures taken by the Directors to ensure that proper books of account are kept for the Company in accordance with section 202 of the Companies Act, 1990, include the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise, the maintenance of appropriate computerised accounting systems and the provision of adequate resources to the finance function. The books of account of the Company are maintained at 151 Thomas Street, Dublin 8.

Directors and Secretary

On 30 June 2008, Messrs T. Corcoran, W. Hickey and N. O'Sullivan retired as Directors of the Company. On 1 March 2009, Messrs D. Martin and I. Yates were co-opted to the board as Non-Executive Directors.

In accordance with the Articles of Association, Messrs S. Clancy, H. Droog and F. O'Neill retire from the Board by rotation, and being eligible, offer themselves for re-election at the Annual General Meeting. In recommending each of these Directors for re-election, the Board is satisfied that their performance continues to be effective and that they have demonstrated commitment to their roles.

In accordance with the Articles of Association, Directors co-opted by the Board must submit themselves to the shareholders for election at the Annual General Meeting following their co-option. Accordingly, Messrs D. Martin and I. Yates retire and offer themselves for election at the Annual General Meeting.

Directors' and Secretary's Interests

The Directors who held office during the year are listed on page 36. Interests of the Directors and Secretary who held office at 31 December 2008 in the share capital of the Company at 31 December 2008 and 2007 (or date of appointment, if later), which are beneficially held unless otherwise indicated, are shown on page 43.

Executive Directors and the Secretary were awarded deferred convertible ordinary shares in 2007. These shares are convertible into ordinary shares in One51 in December 2010, 2011 and 2012, subject to the achievement of financial targets and service conditions being met. Note 28 on page 97 provides additional details in respect of deferred convertible ordinary shares.

Name	Type of Stock Held	As at 31 Dec 08	As at 31 Dec 07
Directors:			
Denis Buckley	Ordinary Shares of €1.00 each	102,844	102,844
Noel Cawley	Ordinary Shares of €1.00 each	40,000	40,000
Séamus Clancy	Ordinary Shares of €1.00 each	353,631	353,433
	A1 Deferred Convertible Ordinary Shares of €1.00 each	60,000	60,000
	B1 Deferred Convertible Ordinary Shares of €1.00 each	66,000	66,000
	C1 Deferred Convertible Ordinary Shares of €1.00 each	72,600	72,600
Paul Dixon	Ordinary Shares of €1.00 each	416,583	416,385
	A1 Deferred Convertible Ordinary Shares of €1.00 each	60,000	60,000
	B1 Deferred Convertible Ordinary Shares of €1.00 each	66,000	66,000
	C1 Deferred Convertible Ordinary Shares of €1.00 each	72,600	72,600
Hans Droog	Ordinary Shares of €1.00 each	324,596	324,398
	A1 Deferred Convertible Ordinary Shares of €1.00 each	60,000	60,000
	B1 Deferred Convertible Ordinary Shares of €1.00 each	66,000	66,000
	C1 Deferred Convertible Ordinary Shares of €1.00 each	72,600	72,600
Eithne FitzGerald	Ordinary Shares of €1.00 each	10,000	10,000
David Graham	Ordinary Shares of €1.00 each	48,108	48,108
Michael Long	Ordinary Shares of €1.00 each	936,989	936,791
	A1 Deferred Convertible Ordinary Shares of €1.00 each	60,000	60,000
	B1 Deferred Convertible Ordinary Shares of €1.00 each	66,000	66,000
	C1 Deferred Convertible Ordinary Shares of €1.00 each	72,600	72,600
Philip Lynch	Ordinary Shares of €1.00 each	3,430,041	3,429,843
	A1 Deferred Convertible Ordinary Shares of €1.00 each	270,000	270,000
	B1 Deferred Convertible Ordinary Shares of €1.00 each	297,000	297,000
	C1 Deferred Convertible Ordinary Shares of €1.00 each	326,700	326,700
Hugo Maguire	Ordinary Shares of €1.00 each	118,555	118,555
James C Murphy	Ordinary Shares of €1.00 each	16,284	16,284
Finbarr O'Neill	Ordinary Shares of €1.00 each	39,455	39,455
Secretary:			
Susan Holburn	Ordinary Shares of €1.00 each	71,374	81,676
	A1 Deferred Convertible Ordinary Shares of €1.00 each	8,000	8,000
	B1 Deferred Convertible Ordinary Shares of €1.00 each	8,800	8,800
	C1 Deferred Convertible Ordinary Shares of €1.00 each	9,680	9,680

Directors' Report (continued)

Share Options

	No. of options at 31 December 2007	No. of options granted during period	No. of options exercised during period	No. of options at 31 December 2008	Exercise price €	Exercise dates
Philip Lynch	630,000	-	-	**630,000**	5.06	2007 - 2014
Michael Long	270,000	-	-	**270,000**	5.06	2007 - 2014
Paul Dixon	270,000	-	-	**270,000**	5.06	2007 - 2014
Séamus Clancy	140,000	-	-	**140,000**	5.06	2007 - 2014
Hans Droog	140,000	-	-	**140,000**	5.06	2007 - 2014
Susan Holburn (Secretary)	70,000	-	-	**70,000**	5.06	2007 - 2014

There were no transactions in the above interests between 31 December 2008 and 13 May 2009.

Neither the Directors nor the Company Secretary held a beneficial interest in the share capital or debentures of any subsidiary of the Company, at 31 December 2008 and 31 December 2007 (or date of appointment, if later).

Substantial Shareholdings

In addition to those interests disclosed under Directors' and Secretary's interests, as at and 13 May 2009, the Company was aware of the following interests in its ordinary share capital:

No of Shares		**%**
Co-operative Group Ltd	7,431,331	6.12
Kerry Co-operative Creameries Limited	7,379,063	6.08

Corporate Governance

The Board of One51 is committed to the maintenance of a high standard of corporate governance throughout the Group. Corporate Governance is the process by which One51 is directed, managed, administered and controlled in order to protect the interests of the shareholders and other stakeholders.

Board

The Board is accountable to the shareholders for the leadership, direction and control of the company. The management and day to day running of the company is delegated to the Chief Executive and senior management. The Board as at 31 December 2008 consisted of five Executive Directors and seven Non-Executive Directors. In addition on 1 March 2009, Messrs D. Martin and I. Yates were co-opted to the Board in a non-executive capacity.

Meetings of the Board take place normally on a monthly basis but may also take place more frequently as necessary. In advance of the regular monthly Board meetings, each Director is provided with an agenda and relevant papers including management accounts. During 2008, the Board met on 19 separate occasions.

The Board has reserved to itself decision making in relation to an agreed list of matters. These include the setting of the strategic direction of the Group, the approval of budgets and other financial plans, the approval of the financial statements, the approval of acquisitions and investments and major capital expenditure, the approval of senior management appointments and the review of the performance of Board committees.

The Non-Executive Directors are all independent of management. The composition of the Board is made up of persons who bring a wide range of knowledge, skills and experience to the Company. The distinct roles of Chief Executive and Chairman of the Board are reinforced by being carried out by separate individuals.

Board Committees

The efficient operation of the Board is facilitated by the establishment of committees which enable the matters included in their terms of reference to be dealt with in greater detail. The committees established by the Board are: the Audit Committee, the Nomination Committee and the Remuneration Committee. The Company Secretary is also secretary to all of these committees.

Audit Committee

Membership of the Audit Committee which is chaired by Mr F. O'Neill also includes Mr N. Cawley and Mr D. Graham, all of whom are independent Non-Executive Directors. During the year, Mr. W. Hickey retired from the Audit Committee. During 2008, the Audit Committee met on 11 occasions.

The Audit Committee, which has written terms of reference, is responsible to the Board for the review of:

- The adequacy of the systems of internal control
- The financial statements
- Accounting policies
- Risk management procedures

The Audit Committee is also responsible to the Board for the appointment of the Group's external auditors and oversight of the relationship with them particularly in the area of the provision of assurance with regard to their independence. As part of their normal audit procedures, the external auditors test the internal control systems and report material weaknesses to the Audit Committee. The Committee manages the audit fee approval process and monitors the

extent to which non-audit services are provided by the external auditors.

While only the members of the Audit Committee are entitled to be present at meetings of the Committee, the Chief Financial Officer, the Head of Group Risk and the external auditor are regularly invited to attend meetings. On at least one occasion per annum the Committee meets with the external auditor without any executive management in attendance.

Apart from regular meetings, during the past year the Audit Committee:

- Visited 5 of the Group's operating sites and met with local management
- Appointed a Head of Group Risk Management, with a reporting line to the Chairman of the Audit Committee
- Appointed KPMG as Group external auditors, following a tender process

The Audit Committee reviews the Annual Financial Statements before submitting to the Board of Directors with a recommendation whether or not to approve.

Nomination Committee

Membership of the Nomination Committee which is chaired by Ms E. FitzGerald also includes Messrs D. Buckley and P. Lynch. During the year Mr N. O'Sullivan retired and Ms E. FitzGerald was appointed. The Committee met on two occasions during 2008. The Nomination Committee is responsible for making recommendations to the Board with regard to the co-option of new Directors. In fulfilling this responsibility the members of the Committee are obliged to consider the balance of skills, knowledge and experience of candidates with the requirements of the Board. The Committee is also responsible to the Board for the review of management succession plans.

Remuneration Committee

Membership of the Remuneration Committee which is chaired by Mr H. Maguire also includes Messrs. D. Buckley and J.C. Murphy, all of whom are independent Non-Executive Directors. During the year Mr T. Corcoran retired and Mr D. Buckley was appointed. The Remuneration Committee met on seven occasions during 2008. The Committee is responsible to the Board for the formulation and approval of the remuneration policy in respect of executive Directors and other senior management. Details of Directors Remuneration are set out above and in Note 7 on page 70 of the Financial Statements.

Meetings

There were 19 full meetings of the Board during the year ended 31 December 2008. Details of Directors' attendance are set out on page 47. The Chairman sets the agenda for each meeting, in consultation with the Chief Executive and Company Secretary.

Directors' Report (continued)

Attendance at Board and Board Committee meetings during the year ended 31 December 2008

	Board		Audit		Remuneration		Nomination	
	A	B	A	B	A	B	A	B
D Buckley***	19	19	-	-	3	3	2	2
P Lynch	19	19	-	-	-	-	2	2
M Long	19	17	-	-	-	-	-	-
P Dixon	19	18	-	-	-	-	-	-
H Droog	19	16	-	-	-	-	-	-
S Clancy	19	13	-	-	-	-	-	-
N Cawley	19	18	11	11	-	-	-	-
T Corcoran**	9	9	-	-	4	4	-	-
E FitzGerald*	18	16	-	-	-	-	2	2
D Graham	19	16	11	11	-	-	-	-
W Hickey**	9	9	5	5	-	-	-	-
H Maguire	19	19	-	-	7	7	-	-
J C Murphy	19	18	-	-	7	7	-	-
F O'Neill	19	18	11	11	-	-	-	-
N O'Sullivan**	9	9	-	-	-	-	-	-

Column A – indicates the number of meetings held during the period the Director was a member of the Board and/or Committee

Column B – indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee

Changes in the composition of board committees during the year is as follows:

* Director appointed 22 January 2008
** Director resigned 30 June 2008
*** Director appointed 17 July 2008

Directors' Report (continued)

Auditor

Duignan Carthy O'Neill resigned as auditors during the financial year and were replaced by KPMG, Chartered Accountants. In accordance with Section 160 (2) of the Companies Act, 1963, KPMG will continue in office.

On behalf of the Board:

Director: Denis Buckley

Director: Philip Lynch

13 May 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the Group and Company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable Company Law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Group's financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company's financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies, Acts 1963 to 2006.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Director: Denis Buckley

Director: Philip Lynch

Independent Auditors' Report

To the Members of One Fifty One Plc and Subsidiaries

We have audited the Group and Company financial statements ("financial statements") of One Fifty One plc for the year ended 31 December 2008 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Directors' Report and the Group financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 49.

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2006. We also report to you, in our opinion whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company's balance sheet is in agreement with the books of account.

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

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable

Independent Auditors' Report (continued)

assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion: the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Group's and Company's affairs as at 31 December 2008 and of the Group's loss for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

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

In our opinion, the information given in the Directors' report is consistent with the financial statements. The net assets of the company, as stated in the Company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis, there did not exist at 31 December 2008 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Chartered Accountants
and Registered Auditors

Dublin, Ireland
13 May 2009

Financial Statements

for the year ended 31 December 2008

Financial Statements
Consolidated profit and loss account
for the year ended 31 December 2008

	Note	Pre Exceptional 2008 €'000	Exceptional Revaluation Charge 2008 €'000	Other Items 2008 €'000	Total 2008 €'000	Pre Exceptional 2007 €'000 Restated	Exceptional Revaluation Charge 2007 €'000 Restated	Total 2007 €'000 Restated
Turnover – Group and share of joint ventures		436,972	-	-	436,972	226,018	-	226,018
Less: share of joint ventures' turnover		(3,633)	-	-	(3,633)	(5,167)	-	(5,167)
Group turnover	3	433,339	-	-	433,339	220,851	-	220,851
Group turnover – continuing operations	4	333,735	-	-	333,735	148,191	-	148,191
Group turnover – acquisitions	4	99,604	-	-	99,604	72,660	-	72,660
Group operating (loss) / profit	4	35,810	(26,633)	(32,785)	(23,608)	21,265	(13,038)	8,227
- continuing operations	4	24,939	-	-	24,939	14,355	-	14,355
Goodwill impairment charges	5	-	-	(27,233)	(27,233)	-	-	-
Investment revaluation charge	5	-	(26,633)	-	(26,633)	-	(13,038)	(13,038)
Other	5	-	-	(5,552)	(5,552)	-	-	-
- acquisitions		10,871	-	-	10,871	6,910	-	6,910
Share of operating profit / (loss) – joint ventures and associates		1,783	(12,653)	-	(10,870)	1,050	(1,903)	(853)
- Share of operating profit		1,783	-	-	1,783	1,050	-	1,050
- Share of investment revaluation charge	5	-	(12,653)	-	(12,653)	-	(1,903)	(1,903)
Total operating (loss) / profit		37,593	(39,286)	(32,785)	(34,478)	22,315	(14,941)	7,374
Exceptional items – Group	5	-	-	1,507	1,507	-	-	-
(Loss) / profit on ordinary activities before interest and taxation		37,593	(39,286)	(31,278)	(32,971)	22,315	(14,941)	7,374
Net interest payable and similar charges	9	(16,636)	-	-	(16,636)	(13,678)	-	(13,678)
- Group		(16,606)	-	-	(16,606)	(13,609)	-	(13,609)
- Share of joint ventures and associates		(30)	-	-	(30)	(69)	-	(69)
(Loss) / profit on ordinary activities before taxation		20,957	(39,286)	(31,278)	(49,607)	8,637	(14,941)	(6,304)
Tax on (loss) / profit from ordinary activities	10	(6,916)	-	(433)	(7,349)	(1,934)	-	(1,934)
(Loss) / profit on ordinary activities after taxation		14,041	(39,286)	(31,711)	(56,956)	6,703	(14,941)	(8,238)
Minority interests – equity	26	(248)	-	-	(248)	(454)	-	(454)
(Loss) / profit for the financial year attributable to Group shareholder		13,793	(39,286)	(31,711)	(57,204)	6,249	(14,941)	(8,692)
Basic EPS (cent per share)	11	11.46			(47.54)	8.62		(11.99)
Diluted EPS (cent per share)	11	11.32			(47.54)	8.52		(11.99)

On behalf of the board
Director: Denis Buckley
Director: Philip Lynch

Consolidated statement of total recognised gains and losses

for the year ended 31 December 2008

	Note	2008 €'000	2007 €'000 Restated
Loss for the financial year		**(57,204)**	(8,692)
Revaluation surplus on investment property	*15 (i),25*	**1,150**	-
Revaluation deficit on quoted investments	*15(i), 25*	**(51,239)**	(42,346)
Currency translation adjustment on retranslation of net investments in foreign operations	*25*	**(44,114)**	(12,712)
Corporation tax arising on currency translation adjustment	*25*	**3,908**	-
Actuarial loss recognised on defined benefit pension schemes	*25, 27 (ii)*	**(3,051)**	(1,557)
Deferred tax arising on pension deficit		**248**	-
Total recognised gains and losses relating to the financial year		**(150,302)**	(65,307)
Prior year adjustment	*2*	**21,706**	
Total gains and losses recognised since 31 December 2007		**(128,596)**	

Note on historical cost profits and losses

for the year ended 31 December 2008

	2008 €'000	2007 €'000 Restated
Reported loss on ordinary activities before taxation	**(49,607)**	(6,304)
Realisation of quoted investment gains recognised in equity in prior years	**30,746**	-
Historical cost loss on ordinary activities before tax	**(18,861)**	(6,304)

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2008

	Note	At 31 December 2008 €'000	At 31 December 2007 €'000 Restated
Total recognised losses for the year		**(150,302)**	(65,307)
Transfer from Convertible Loan Note liability upon conversion	*23*	**2,772**	71,406
Nominal value of shares issued	*24*	**351**	35,443
Share premium on shares issued	*25*	**1,410**	142,498
Deferred convertible shares issued	*24, 28*	**(95)**	2,526
Reserve on acquisition of minority interests	*25*	**(8,314)**	-
Share awards to employees	*28*	**1,312**	1,562
Net (decrease) / increase in shareholders' funds		**(152,866)**	188,128
Shareholders' funds at 1 January		**664,064**	475,936
Shareholders' funds at 31 December restated	*2*	**511,198**	664,064

The shareholders' funds are all attributable to the equity shares.

Consolidated balance sheet

as at 31 December 2008

	Note	2008 €'000	2008 €'000	2007 €'000 Restated	2007 €'000 Restated
Fixed assets					
Intangible assets	12		2,229		2,348
Goodwill	13		216,823		177,160
Tangible assets	14		165,649		158,059
Financial fixed assets	15(i)		316,368		446,020
Investments in joint ventures	15(ii)				
- Goodwill		3,211		3,211	
- Share of gross assets		72,371		33,603	
- Share of gross liabilities		(9,430)	66,152	(17,813)	19,001
Investments in associates	15(ii)				
- Goodwill		-		26,967	
- Share of net assets		-	-	2,436	29,403
			767,221		831,991
Current assets					
Stocks	16	17,439		12,018	
Debtors	17	57,664		54,411	
Cash at bank and in hand		27,117	102,220	47,306	113,735
Creditors: amounts falling due within one year	18		(99,395)		(76,477)
Net current assets			2,825		37,258
Total assets less current liabilities			770,046		869,249
Creditors: amounts falling due after more than one year	19		(224,680)		(175,293)
Provisions for liabilities	22		(31,431)		(27,344)
Net assets excluding pension liabilities			513,935		666,612
Pension liabilities	27		(2,260)		(365)
Net assets			511,675		666,247
Capital and reserves					
Called-up share capital	24		123,840		122,274
Share premium account	25		253,475		248,149
Revaluation reserve	25		98,406		179,241
Convertible Loan Note reserve	25		10,989		13,443
Other reserves	25		(54,780)		(11,897)
Profit and loss account	25		79,268		112,854
Shareholders' funds			511,198		664,064
Minority interests	26		477		2,183
Equity			511,675		666,247

On behalf of the board
Director: Denis Buckley
Director: Philip Lynch

Consolidated cash flow statement

for the year ended 31 December 2008

	Note	2008 €'000	2007 €'000 Restated
Net cash inflow from operating activities	*29*	**46,424**	24,462
Returns on investments and servicing of finance	*30*	**(13,535)**	(8,239)
Taxation	*30*	**(5,048)**	(3,567)
Capital expenditure and financial investment	*30*	**24,519**	(107,424)
Acquisitions and disposals	*30*	**(147,092)**	(110,455)
Cash (outflow) before financing		**(94,732)**	(205,223)
Financing	*30*	**75,344**	219,216
(Decrease) / Increase in cash in the year		**(19,388)**	13,993

Reconciliation of net cash flow to movement in net debt

	Note	2008 €'000	2007 €'000 Restated
(Decrease) / increase in cash in the year		**(19,388)**	13,993
Cash flow from increase in debt	*30*	**(77,380)**	(83,876)
Change in net debt resulting from cash flows		**(96,768)**	(69,883)
Finance leases acquired with subsidiary	*31*	**(3,091)**	-
Decrease / (Increase) in finance leases for the year	*31*	**2,403**	(1,265)
Translation movement		**(801)**	1,312
Movement in net (debt) in the year		**(98,257)**	(69,836)
Net (debt) at the start of the year	**31**	**(114,491)**	(44,655)
Net (debt) at the end of the year	**31**	**(212,748)**	(114,491)

Company balance sheet

as at 31 December 2008

	Note	2008 €'000	2008 €'000	2007 €'000	2007 €'000
Fixed assets					
Tangible assets	*14*	-		1,568	
Financial fixed assets	*15(iii)*	127,070		112,397	
			127,070		113,965
Current assets					
Debtors	*17*	680,901		695,049	
Deferred tax asset	*22 (ii)*	178		791	
Cash at bank and in hand		22		1,620	
			681,101		697,460
Creditors: amounts falling due within one year	*18*		(18,163)		(29,934)
Net current assets			662,938		667,526
Total assets less current liabilities			790,008		781,491
Creditors: amounts falling due after more than one year	*19*		(13,280)		(41,997)
Provision for liabilities	*22*		-		(3,619)
Net assets			776,728		735,875
Capital and reserves					
Called-up share capital	*24*		123,935		122,274
Share premium account	*25*		253,475		248,149
Convertible Loan Note reserve	*25*		11,541		13,995
Share based payment reserve	*25*		2,874		1,562
Profit and loss account	*25*		384,903		349,895
Equity			776,728		735,875

On behalf of the board
Director: Denis Buckley
Director: Philip Lynch

1 Significant accounting policies

One51 plc (the 'Company') is a company domiciled and incorporated in Ireland. The financial statements for the year ended 31 December 2008 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the 'Group') and show the Group's interest in associates and joint ventures under the equity method of accounting.

The individual and Group financial statements of the Company were authorised for issue by the Directors on 13 May 2009.

The following accounting policies have been applied consistently, except for the accounting policy in relation to fixed asset investments in quoted equity instruments and the Group's Convertible Loan Notes (CLN) which have been revised in the current year. The revised policies are outlined further below and the impact of this change in policy has been set out in Note 2 to the financial statements. The amendment to FRS 17 'Retirement benefits' has been adopted in these financial statements for the first time and the disclosures it requires have been presented for both the current and comparative period. The amendment to FRS 17 also requires that quoted securities are valued at their current bid-price rather than their mid-market value, the impact of which is not material to the financial statements in the current or previous financial year. In addition a number of amounts have been reclassified in the prior year comparatives to conform with current year presentation as explained in Note 2.

Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable Company Law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland under the historical cost convention, as modified by the revaluation of investment property and certain fixed asset investments in quoted equity instruments.

The Company has taken advantage of the exemption available to it under section 148(8) of the Companies Act 1963 which permits a company that publishes its Company and Group financial statements together not to present to its members its own profit and loss account and related notes that form part of the approved Company financial statements.

The Group has also availed of the exemption under FRS 1 from preparing a cash flow statement dealing with the cash flows of the Company and the exemption from disclosures under FRS 8 in relation to related party transactions with subsidiary companies with an excess of 90% common ownership.

The Group and Company financial statements are presented in Euro, rounded to the nearest thousand.

Use of estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if revision affects only that period or in the period of revision and future periods if the revision affects both the current and future periods.

The areas involving a high degree of judgement, complexity or areas where assumptions and estimates are significant to the Group financial statements relate primarily to for the measurement of share based payments, valuation of fixed assets investments and investment properties, the assessment of goodwill and intangible assets for impairment, and the recognition and measurement of provisions and deferred tax assets and liabilities.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings made up to 31 December 2008.

Subsidiary undertakings are those entities over which the Group has the power to control the operating and financial policies so as to obtain economic benefit from their activities. The amounts included in these financial statements in respect of subsidiaries are taken from their latest financial statements prepared up to the year end. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

1 Significant accounting policies (continued)

The interest in a subsidiary undertaking that is attributable to the shares held by or on behalf of persons other than the parent undertaking and its subsidiary undertakings is included within the minority interest in the balance sheet.

The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Upon the acquisition of a business, fair values are attributed to the identifiable net assets acquired.

Goodwill arising on acquisitions is dealt with as set out below.

Joint venture and associate undertakings

Joint venture undertakings (joint ventures) are those undertakings over which the Group exercises control jointly with another party.

Associated undertakings (associates) are those undertakings in which the Group has a participating interest in the equity capital and over which it is able to exercise significant influence.

Joint ventures and associates are accounted for using the gross equity method and equity method respectively. The Group's share of the profits less losses of joint ventures and associates are included in the consolidated profit and loss account. The Group's interests in their net assets or liabilities are included as fixed asset investments in the consolidated balance sheet at an amount representing the Group's share of the fair values of the net assets at acquisition plus the Group's share of post acquisition retained profits or losses. Goodwill arising on acquisition of joint ventures and associates is dealt with as stated below.

The amounts included in the consolidated financial statements in respect of the post acquisition profits of joint ventures and associates are taken from their latest audited financial statements made up to the balance sheet date.

Transactions eliminated on consolidation and equity accounting

Intragroup balances and any unrealised gains or losses or income and expenses arising from intragroup transactions, are eliminated in preparing the Group financial statements. Unrealised gains and income and expenses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Business combinations

The acquisition method of accounting is employed in accounting for the acquisition of subsidiaries by the Group.

The cost of a business combination is measured as the aggregate of the fair value at the date of acquisition of assets, liabilities incurred or assumed and equity instruments issued in exchange for control together with any directly attributable costs. Where a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of the estimated adjustment is included in the cost at the acquisition date if the adjustment can be reliably measured. Any changes to this estimate in subsequent periods are reflected in goodwill.

The assets and liabilities of a subsidiary are measured at their fair value at the date of acquisition. Where the initial accounting for a business combination is determined provisionally, adjustments may be made to the provisional values allocated to the identifiable assets and liabilities up to the end of the accounting period following the period of acquisition.

The interest of minority shareholders is stated as the minority's proportion of the fair values of the assets and liabilities recognised.

The acquisition method of accounting is applied in the same manner as detailed above to the proportionate share of net identifiable assets and liabilities acquired in an associate or a joint venture. Goodwill arising on the acquisition of subsidiaries is shown separately in the balance sheet while goodwill arising on the acquisition of associates or joint venture undertakings is recognised as part of the carrying amount of such investments.

Contingent and deferred purchase consideration and earn-out obligations

Contingent and deferred purchase consideration and earn-out obligations payable after one year from the date of acquisition are discounted at an appropriate discount rate, and accordingly, are carried at net present value on the balance sheet. An appropriate interest charge, at an appropriate constant rate on the carrying amount adjusted to reflect market conditions, is

1 Significant accounting policies (continued)

reflected in the profit and loss account over the earn-out period increasing the value of the provision so that the obligation will reflect its settlement value at the time of maturity. Adjustments to the amount of the obligation relating to changes in the amount expected to be paid or the timing of the expected payments are accounted for as adjustments to the cost of the acquisition and reflected in goodwill.

Goodwill

Purchased goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets when they were acquired. Purchased goodwill arising on acquisitions is capitalised in the balance sheet. Purchased goodwill is not amortised but is tested annually for impairment.

Goodwill arising on the acquisition of joint ventures and associates is included in the carrying amount of the investments; other goodwill is shown separately in the balance sheet.

Intangible fixed assets

Research and development expenditure

Research and development costs are written off to the profit and loss account as incurred. Other intangible fixed assets purchased separately from a business are capitalised at their cost.

Other Intangibles

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Tangible fixed assets and depreciation

Buildings and non freehold land are carried at cost less accumulated depreciation. Freehold land is carried at cost as no depreciation is provided for. All other tangible fixed assets are stated at cost less accumulated depreciation. The charge for depreciation is calculated to write down the cost or valuation of tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

Freehold buildings -	25 to 50 years
Leasehold land and buildings -	shorter of the term of each lease and the useful life of the asset
Plant and machinery -	5 to 15 years
Fixtures and fittings -	5 to 15 years
Transportation assets -	3 to 5 years

Provision is also made for any impairment of tangible fixed assets.

Financial fixed assets

Investment properties

Investment properties are revalued periodically so as to reflect without material difference the open market value of investment property held by the Group and are not depreciated or amortised. Where the valuation indicates a permanent diminution in the value of the property, the permanent diminution is charged to the profit and loss account. All other fluctuations in value are transferred to a revaluation reserve.

This treatment is a departure from the requirements of Company law to provide for depreciation on all fixed assets which have a limited useful economic life. However, these investment properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary to give a true and fair view.

1 Significant accounting policies (continued)

Investments in equity instruments

The Group's investments in equity securities comprise investments in listed entities (i.e. entities quoted on a recognised Stock Exchange), investments in entities which are traded on an unregulated over the counter "grey" market and unquoted financial instruments.

All listed and grey market investments are recognised at fair value. All changes in fair value, other than impairment losses, are recognised directly in equity. Any dividends received from equity investments are recognised in other income in the profit and loss account.

When an investment is disposed of the cumulative gain or loss in equity is transferred to retained earnings as a movement within equity. Any difference between the carrying value of an investment and the proceeds realised on disposal is recognised in the profit and loss account.

Declines in fair value below cost which are significant and prolonged are regarded as impairment losses. All impairment losses are recognised in the profit and loss account while other declines in fair value are recognised in reserves.

Other non quoted financial instruments are measured at cost less any impairment losses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

The Group's net investments in overseas subsidiary undertakings, joint ventures and associates are translated at the rate ruling at the Balance Sheet date. The profits and losses of overseas subsidiary undertakings, joint ventures and associates are translated at average rates for the year. Exchange differences resulting from the retranslation of the opening balance sheets of overseas subsidiary undertakings, joint ventures and associates at closing rates, together with the differences on the translation of the profit and loss accounts, are dealt with through reserves and reflected in the statement of total recognised gains and losses. Where net investments are matched in whole or in part by foreign currency borrowings, the exchange difference arising on the retranslation of such borrowings are also recorded as reserve movements and reflected in the statement of total recognised gains and losses.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account by instalments over the estimated useful economic lives of the assets to which they relate.

Other grants are credited to the profit and loss account to offset the matching expenditure.

Leased assets

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Post retirement benefits

Defined contribution schemes

The Group operates defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit schemes: Group

The Group operates a number of pension schemes providing benefits based on final pensionable pay. The assets of these schemes are held separately from those of the Group.

1 Significant accounting policies (continued)

Pension scheme assets are measured using market values. For quoted securities, the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme surpluses (to the extent that they are recoverable) or deficits are recognised in full. The movement in the scheme's surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Defined benefit schemes: Company

The Company is the principal sponsoring employer of the One Fifty One plc Pension Scheme, a scheme providing benefits on final pensionable pay. However, the participating employers in the scheme are subsidiary companies and the Company itself has no employees in the current or preceding financial year who are members of the scheme. Therefore the Company has not recognised a portion of the scheme liabilities or a portion of the service and other costs arising in its individual entity financial statements.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, either the weighted average purchase price or FIFO method is used as appropriate. In the case of finished goods and work in progress cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads. Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

Taxation

Tax is reflected in the profit and loss account where it relates to items recorded there and is reflected in the statement of total recognised gains and losses when it relates to items recorded in that statement in the current or prior years.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax is provided on the Group's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date other than in specified circumstances. No deferred tax has been recognised on revaluation gains arising on non monetary assets. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) They include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

(b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

1 Significant accounting policies (continued)

Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notwithstanding the classification of part of the Group's Convertible Loan Notes (CLNs) as liabilities in accordance with the above policy, the Directors do not anticipate these instruments being settled in cash but rather such instruments are likely to convert to equity shares.

Consequently for the purposes of presenting the Group's cash flow statement, the liability component of the Group's CLNs is excluded from the net debt figures presented.

Turnover

Goods sold

Turnover from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and sales taxes. Turnover is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of turnover can be measured reliably.

Services

Turnover from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Share based payments

The Group operates a number of equity and cash settled incentive and retention plans.

Equity-settled plans

The fair value of equity instruments granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the equity instruments granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted.

Cash settled plans

The Group operates an Annual Bonus plan for executives. The plan operates on an individual basis by providing contingent entitlements to a lump sum award. Awards are applied through issuance of shares in the Company. The plan is a cash settled plan for the purposes of FRS 20 and the cost of awards are written off to the profit and loss account on a straight line basis over the relevant period.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

2 Restatement of prior year accounts

The financial statements for the prior year have been restated as follows:

(i) Change in accounting policy – listed financial fixed assets

In the prior year's financial statements the accounting policy adopted by the Group in respect of the valuation of listed financial fixed assets was one where these investments were stated at valuation based on the lowest price at which each such asset was traded during the full financial year, or from the date of acquisition, if acquired during the financial year.

During the current financial year the Directors have reviewed the appropriateness of this accounting policy being particularly mindful of more closely aligning it to International Financial Reporting Standards ("IFRS"). Upon this basis, the Directors have revised the accounting policy for listed and "grey" market investments to one of recognition at fair value as outlined in Note 1.

This revision is a Change in Accounting Policy, as defined in the Accounting Standards under which the Group prepares its financial statements and therefore the Group is required to restate its prior year financial statements to implement this policy from the starting of the preceding financial year.

(ii) Prior year accounts adjustments and reclassifications

The financial statements for the prior year have been restated to reflect a change in accounting policy and a number of reclassifications described further below. Comparative note disclosures have been restated in accordance with current year presentation where appropriate. Overall, the 2007 profit and loss account remains unchanged except for a prior year adjustment in relation to listed investments resulting from the change in accounting policy (see (i) above).

	Note	*As previously reported*	*Change in investment accounting policy (note A)*	*Reclassification of CLNs (note B)*	*Other reclassifications (note C)*	*As restated*
Impact on Group balance sheet						
Goodwill	*(a)*	207,338	-	-	(30,178)	177,160
Other intangible assets		2,348	-	-	-	2,348
Tangible assets		158,459	-	-	(400)	158,059
Financial fixed assets (listed and unlisted investments)	*(b)*	409,603	36,417	-	(4,500)	441,520
Investment properties	*(b)*	-	-	-	4,500	4,500
Investments in joint ventures and associates	*(c)*	7,714	(1,902)	-	42,592	48,404
Stocks		12,018	-	-	-	12,018
Debtors	*(c)*	66,426	-	-	(12,015)	54,411
Cash at bank		47,306	-	-	-	47,306
Creditors due within one year	*(e)*	(89,698)	-	-	13,221	(76,477)
Creditors due after one year	*(d), (e)*	(175,941)	-	(12,809)	13,457	(175,293)
Deferred tax		(813)	-	-	813	-
Capital grants		(219)	-	-	219	-
Provisions for liabilities	*(d)*	-	-	-	(27,344)	(27,344)
Pension liability		-	-	-	(365)	(365)
Net assets		644,541	34,515	(12,809)	-	666,247
Share capital		122,274	-	-	-	122,274
Share premium		248,149	-	-	-	248,149
Revaluation reserve		-	57,085	-	122,156	179,241

2 Restatement of prior year accounts (continued)

	Note	As previously reported	Change in investment accounting policy (note A)	Reclassification of CLNs (note B)	Other reclassifications (note C)	As restated
Convertible Loan Note reserve		26,252	-	(12,809)	-	13,443
Other reserves		(5,118)	(6,779)	-	-	(11,897)
Profit and loss account		250,801	(15,791)	-	(122,156)	112,854
Shareholders funds		642,358	34,515	(12,809)	-	664,064
Minority Interests		2,183	-	-	-	2,183
Equity		**644,541**	**34,515**	**(12,809)**	**-**	**666,247**
Impact on Group profit and loss account						
Cost of sales	*(f)*	150,190	-	-	7,234	157,424
Distribution costs	*(f)*	7,594	-	-	364	7,958
Sales and marketing expenses	*(f)*	4,654	-	-	12	4,666
Administrative expenses	*(f)*	33,854	-	-	1,985	35,839
Depreciation and amortisation	*(f)*	9,565	-	-	(9,565)	-
Other operating income	*(f)*	(6,271)	-	-	(30)	(6,301)
Operating exceptional costs		-	(13,038)	-	-	(13,038)
Net effect		**199,586**	**(13,038)**	**-**	**-**	**186,548**

A. Change in accounting policy – Listed Financial Fixed Assets

This change in accounting policy requires a restatement of the prior year financial statements from the start of the preceding financial year. Consequently, the carrying value of the Group's financial assets as at 31 December 2007 has been increased by €36.4 million. This incorporates an adjustment at 1 January 2007 to increase values at that date by €219.25 million and all adjustments subsequent to this date required as a result of adopting the new accounting policy, including a revaluation charge in the profit and loss account for the year ended 31 December 2008 of €14.9 million.

B. Restatement of Convertible Loan Notes (CLNs)

The main terms of the CLNs are summarised in Note 23. In the prior year, these instruments were classified as equity instruments in the Group and Company balance sheets. During the year, the Directors reviewed the appropriateness of this accounting treatment and determined the instruments to be a compound instrument for accounting purposes under FRS 25 Financial Instruments: Presentation. Consequently, the liability component at 31 December 2007 of €12.81 million, which represents the potential payment in future years of interest arising on CLNs not converted into Ordinary Shares, has been reclassified to liabilities in the balance sheet.

C. Reclassification of other balances

(a) Goodwill attributable to joint ventures previously recognised within purchased goodwill has been reclassified to investment in joint ventures

(b) Investment property assets held by the Group have been separately identified in Note 15.

(c) Amounts recorded as "amounts due from related parties" in relation to the Moonduster consortium in the 2007 financial statements have been reclassified to investments in joint ventures.

2 Restatement of prior year accounts (continued)

(d) Liabilities for contingent consideration arising on acquisitions have been reclassified to provisions.

(e) The maturity profile of debt as at 31 December 2007 has been reclassified for consistency with current year presentation.

(f) The Group has reclassified its depreciation expense across the functions to which the underlying assets relate.

3 Segmental information

The table below sets out information for each of the Group's industry segments and geographic areas of operation.

	Environmental Services		Food and Distribution		Total	Total
	2008 €'000	2007 €'000 Restated	2008 €'000	2007 €'000	2008 €'000	2007 €'000 Restated
Sales to third parties	364,980	160,946	68,359	59,905	433,339	220,851
Turnover by origin						
Ireland	221,016	77,120	68,359	59,905	289,375	137,025
United Kingdom	119,591	62,980	-	-	119,591	62,980
Continental Europe	24,373	20,846	-	-	24,373	20,846
Sales to third parties	364,980	160,946	68,359	59,905	433,339	220,851
Turnover by destination						
Ireland	117,059	63,779	68,359	59,905	185,418	123,684
United Kingdom	153,649	62,297	-	-	153,649	62,297
Continental Europe	91,907	34,679	-	-	91,907	34,679
Rest of the World	2,365	191	-	-	2,365	191
Sales to third parties	364,980	160,946	68,359	59,905	433,339	220,851

Further segmental information has not been disclosed as, in the opinion of the Directors; to do so would be prejudicial to the interests of the Group.

4 Analysis of continuing operations

	2008			2007		
	Continuing €'000	Acquisition €'000	Total €'000	Continuing €'000	Acquisition €'000	Total €'000
Group turnover	333,735	99,604	433,339	148,191	72,660	220,851
Cost of sales	(253,535)	(75,508)	(329,043)	(104,674)	(52,750)	(157,424)
Gross profit	80,200	24,096	104,296	43,517	19,910	63,427
Distribution costs	(7,700)	(1,429)	(9,129)	(7,525)	(433)	(7,958)
Sales and marketing expenses	(6,560)	(553)	(7,113)	(4,233)	(433)	(4,666)
Administration expenses	(45,328)	(11,597)	(56,925)	(23,548)	(12,291)	(35,839)

Notes

(forming part of the financial statements)

4 Analysis of continuing operations (continued)

	2008			2007		
	Continuing €'000	**Acquisition €'000**	**Total €'000**	Continuing €'000	Acquisition €'000	Total €'000
Other operating income	**4,327**	**354**	**4,681**	6,144	157	6,301
Group operating profit before exceptional costs	**24,939**	**10,871**	**35,810**	14,355	6,910	21,265
Operating exceptional costs	**(59,418)**	**-**	**(59,418)**	(13,038)	-	(13,038)
Group operating (loss) / profit after exceptional costs	**(34,479)**	**10,871**	**(23,608)**	1,317	6,910	8,227

The Group had no discontinued operations in either the current or preceding financial year. Other operating income comprises dividend income in respect of investments and rental income received.

5 Exceptional items

The Group profit and loss account includes a number of gains and losses which are classified as exceptional in the presentation of the results for the current and previous financial years (as restated). These include items which have been classified as exceptional items on the basis of their size or nature and which have been charged in arriving at operating loss (see A below) together with items which are classified as exceptional items after operating loss in accordance with the criteria set out in FRS 3 (see B below).

	Note	**2008 €'000**	2007 €'000
A. Exceptional items charged in arriving at operating loss			
Group			
Goodwill impairment charges (Note 13)	*i*	**(27,233)**	-
Investment revaluation charges (Note 15)	*ii*	**(26,633)**	-
Other	*iii*	**(5,552)**	-
		(59,418)	(13,038)
Share of joint ventures			
Share of investment revaluation charge	*ii*	**(12,653)**	(1,903)

	Note	**2008 €'000**	2007 €'000
B. Exceptional items charged after operating loss			
Group			
Gains on sale of investments	*iv*	**10,631**	-
Provision for loss on termination of an operation	*v*	**(9,124)**	-
		1,507	-
Total exceptional items before tax		**(70,564)**	(14,941)
Tax impact of exceptional items		**(433)**	-
Total exceptional items after tax		**(70,997)**	(14,941)

5 Exceptional items (continued)

(i) Goodwill impairment charges

The Group's accounting policy, as outlined in Note 1, is that goodwill is not amortised but is tested at least annually for impairment and where an impairment is identified a charge is taken to the profit and loss account. Note 13 outlines the methodology and assumptions applied by the Group in conducting the annual review.

As a result of the annual review conducted for 2008, the Group has identified the requirement to recognise an impairment charge in respect of the carrying value of goodwill relating to a subset of one Income Generating Unit ("IGU"). The impairment charge above represents the write down of the purchased goodwill associated with this IGU.

(ii) Investment revaluation charges

In accordance with the Group's accounting policy for quoted investments outlined in Note 1, declines in market value below cost which are classified as significant and prolonged have been charged to the profit and loss account. Charges recognised for the current financial year are €19.2 million (2007: €13.0 million).

In accordance with the Group's accounting policy outlined in Note 1, non quoted investments are stated at cost less impairment. Based on a review of such investments held at year end the Group has recognised impairment provisions totalling €6.8 million (2007: €nil) against a number of these investments.

In accordance with the Group's accounting policy outlined in Note 1, investment properties are revalued periodically and where the value indicates a permanent diminution in the value of the property, the permanent diminution is charged to the Profit and Loss account. The Group has recognised a charge of €0.56 million (2007: €nil) in respect of such diminutions.

The Group's share of losses of €12.65 million (2007: €1.9 million) incurred on the same basis by its joint venture, Moonduster, on its holding of shares in Irish Continental Group plc has also been reflected in the Group Profit and Loss account.

(iii) Other

The main components of other exceptional items of €5.5 million are:

During the financial year, a number of acquisition opportunities were actively pursued by the Group but ultimately no transaction completed. Costs of €3.33 million have been recognised in respect of these transactions.

During the financial year, a Group wide review of staffing and resource allocation was undertaken as part of the integration of acquisitions which led to reducing staff numbers through redundancies and the reorganisation of a number of business units. None of these initiatives would be classified as fundamental in an overall Group context. Costs of €1.4 million have been recognised in respect of this.

(iv) Gain on sale of investments

During the year, the Group disposed of a number of quoted and unquoted investments as follows:

A part disposal of its shareholding in NTR plc via participation in the share redemption program effected by that company during the year. Disposal proceeds received by the Group were €67 million in respect of this transaction, and the gain recognised through the Profit and Loss account was €6.5 million.

The remaining net gain of €4.1 million arose from the disposal by the Group of a number of non-quoted investments and its shareholding in Global Electric Electronic Processing Inc. during the financial year.

(v) Provision for loss on termination of an operation

As announced in November 2008, the Group took the decision to terminate operations at one of its subsidiaries in Ireland, Immark Ireland Limited. The main components of the €9.1 million charge are a €4.5 million write off of tangible fixed assets, a €1.9 million goodwill write off and a €2 million provision.

Notes

(forming part of the financial statements)

6 Statutory and other information

	2008 €'000	2007 €'000 Restated
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Predecessor auditor remuneration	-	395
Auditors' remuneration from date of appointment:		
for audit services	430	-
for other assurance services	50	-
for other non audit services	581	-
Depreciation and amortisation of:		
Goodwill	-	-
Intangible fixed assets	35	30
Owned tangible fixed assets	14,304	9,217
Leased tangible fixed assets	258	348
Impairments of goodwill	27,233	-
Investment revaluation charge	26,633	13,038
Rentals payable under operating leases		
Hire of plant and machinery	178	885
Hire of other assets	868	1,126
Research and development expenditure	1,891	1,729
Government grants (capital) amortised	(238)	(81)

7 Directors' remuneration and share based payments

	2008 €'000	2007 €'000 Restated
Remuneration (including bonus and benefits in kind)	3,243	2,904
Fees to Non-Executive Directors	372	320
Share based payments charge	923	2,712
Other remuneration including pension contributions	359	127
	4,897	6,063

8 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

Number of employees	**2008**	2007
Management / administration	**281**	397
Operations	**1,375**	908
	1,656	1,305
The aggregate payroll costs of these persons were as follows:		
	€'000	€'000
Wages and salaries	**63,343**	41,706
Share based payments (Note 28)	**3,012**	4,088
Social security costs	**5,016**	3,315
Other pension costs (Note 27)	**1,449**	1,851
Charged to profit and loss account	**73,820**	50,960
Actuarial loss on defined benefit pension schemes recognised in equity	**3,051**	1,557
Total	**75,871**	52,517

9 Interest payable and similar charges

	2008	2007
	€'000	€'000
Group		
Expense		
On bank loans and overdrafts	**13,612**	9,233
On deferred and contingent consideration	**2,485**	842
Convertible Loan Note interest (Note 23)	**1,055**	4,333
Finance charges payable in respect of finance leases and hire purchase contracts	**332**	236
	17,484	14,644
Income		
Interest receivable	**(762)**	(804)
Net interest on pension scheme liabilities after expected return on scheme assets (Note 27)	**(116)**	(231)
	(878)	(1,035)
	16,606	13,609
Joint ventures		
On bank loans and overdrafts	**30**	69
	16,636	13,678

10 Taxation

	2008 €'000	2007 €'000 Restated
Current Tax: Republic of Ireland		
Corporation tax on losses for the year at 12.5% (2007: 12.5%)	4,218	762
Adjustment in respect of prior periods	337	(16)
	4,555	746
Share of joint venture and associate tax	610	81
	5,165	827
Current Tax: Overseas		
Current tax on profits for the year	975	1,087
Adjustments in respect of prior periods	(226)	(179)
	749	908
Total current tax charge	5,914	1,735
Deferred tax		
Origination and reversal of timing differences (Note 22)	1,435	199
Tax on profit on ordinary activities	7,349	1,934
Factors affecting tax charge for period		
The tax assessed for the year does not equal the standard rate of corporation tax in the Republic of Ireland. The differences are explained below:		
Loss on ordinary activities before tax	(49,607)	(6,304)
Less share of joint venture and associated losses	10,900	922
	(38,707)	(5,382)
Loss on ordinary activities multiplied by standard rate of corporation tax of 12.5% (2007: 12.5%)	(4,838)	(673)
Effects of:		
Expenses not deductible for tax purposes	2,772	1,980
Impact of goodwill impairments and investment revaluations	8,069	-
Movement in timing differences	(712)	(320)
Other adjustments	773	721
Franked investment income	(504)	-
Adjustments in respect of previous years	111	(195)
Higher rates of tax on other income	371	387
Losses forward utilised in the period	(347)	(757)
Non-taxable income	(973)	-
Losses not utilised in the period	95	-
Higher foreign rate of tax on profits	487	511
Share of associates tax	610	81
Total current tax charge	5,914	1,735

The Group has an unrecognised capital loss of €8.1 million arising on various investments at 31 December 2008.

11 Earnings per share

(i) Basic and diluted loss per share

The calculation of basic earnings per share for the year ended 31 December 2008 was based on the loss for the financial year attributable to ordinary shareholders of €57.2 million (2007: €8.7 million restated) and the weighted average number of ordinary shares outstanding during the year of 120,334,471 (2007: 72,510,610) calculated as follows:

	2008 €'000	2007 €'000 Restated
Loss for the financial year attributable to ordinary shareholders	(57,204)	(8,692)
Weighted average number of ordinary shares	'000	'000
Issued ordinary shares at 1 January	119,748	44,943
Effect of shares issued during the year	586	27,567
Weighted average number of ordinary shares for the year	120,334	72,510
Basic and diluted loss per share	(47.54 cent)	(11.99 cent)

(ii) Basic and diluted earnings per share pre-exceptional items

(a) Basic earnings per share pre-exceptional items

	2008 €'000	2007 €'000 Restated
Profit for the financial year attributed to ordinary shareholders pre-exceptional items	13,793	6,249
Weighted average number of ordinary shares	'000	'000
Issued ordinary shares at 1 January	119,748	44,943
Effect of shares issued during the year	586	27,567
Weighted average number of ordinary shares for the year	120,334	72,510
Basic earnings per share pre-exceptional items	11.46 cent	8.62 cent

Notes

(forming part of the financial statements)

11 Earnings per share (continued)

(b) Diluted earnings per share

	2008 €'000	2007 €'000 Restated
Profit for the financial year attributed to ordinary shareholders	13,793	6,249
Weighted average number of ordinary shares	'000	'000
Weighted average number of ordinary shares used in calculation of basic earnings per share	120,334	72,510
Equity instruments with a dilutive effect	1,529	824
Weighted average number of ordinary shares for the year	121,863	73,334
Diluted earnings per share pre-exceptional items	11.32 cent	8.52 cent

(iii) Basic and diluted loss per share on exceptional items

	2008 €'000	2007 €'000 Restated
Exceptional items for the financial year attributed to ordinary shareholders	(70,997)	(14,941)
Weighted average number of ordinary shares	'000	'000
Issued ordinary shares at 1 January	119,748	44,943
Effect of shares issued during the year	586	27,567
Weighted average number of ordinary shares for the year	120,334	72,510
Basic and diluted loss per share on exceptional items	(59.00 cent)	(20.61 cent)

12 Intangible assets

Group	Total €'000
Cost	
At beginning of year	2,458
Additions in year	63
Currency translation adjustments	(115)
At end of year	2,406
Amortisation and impairment	
At beginning of year	(110)
Charged in year	(35)

12 Intangible assets (continued)

	Total
	€'000
Currency translation adjustments	24
Impairment	(56)
At end of year	(177)
Net book value	
At 31 December 2008	**2,229**
At 31 December 2007	2,348

The principal intangible fixed asset held by the Group is the "LifeFibre Co." brand name which was acquired by Irish Pride Bakeries Limited in 2007 for €1.9 million. This asset is not being amortised and is subject to an annual impairment review.

Other intangible assets comprise acquired computer software and licences which are amortised.

Company

The Company held no intangible assets during the current or preceding financial years.

13 Goodwill

	2008	2007
	€'000	€'000
Cost		
At beginning of year	**177,160**	61,572
Acquired in business combinations (Note 32)	**101,392**	118,465
Adjustment to provisional fair values	**2,193**	-
Adjustment to contingent consideration payable (Note 22)	**(7,052)**	-
Currency translation adjustments	**(27,709)**	(2,877)
At end of year	**245,984**	177,160
Impairment		
Impairment on termination of operation (Note 5(v))	**(1,928)**	-
Impairment charges (Note 5(i))	**(27,233)**	-
	(29,161)	-
Net book value		
At end of year	**216,823**	177,160
At beginning of year	177,160	61,572

The opening balances have been restated as per Note 2.

The Group does not amortise purchased goodwill as it has determined that the useful economic life of such goodwill to be infinite. Purchased goodwill is tested annually for impairment and any such impairment identified is charged to the profit and loss account.

The determination of the useful economic life of purchased goodwill is based on a number of factors including; the nature of the business activity to which it relates, the stability of the business sectors to which it relates, the life spans of the products/services to which it relates, and market entry barriers that will continue to exist.

Goodwill acquired through business combinations has been allocated to income generating units ("IGUs") for the purpose of impairment testing. The IGUs represent the lowest level within the Group at which the associated goodwill is monitored for

13 Goodwill (continued)

management purposes. The IGUs identified by the Group are as follows:

- Materials Recycling Ireland and UK
- Hazardous Waste Management Ireland and UK
- Metals Recycling Ireland, UK and Europe
- Speciality Plastics Ireland and UK
- Food and Distribution Ireland

The recoverable amount of each IGU is based on a value in use calculation. The cash flow forecasts employed for this computation are extracted from a three year plan and specifically exclude future acquisition or reorganisation activity. Cash flows for a further two years are based on growth assumptions (0% - 2%), and a terminal value reflecting these growth assumptions is applied to the year five cash flows. A present value of the future cash flows is calculated using an after tax discount rate representing the Group's estimated after tax average cost of capital of 8%.

Applying these techniques, an impairment of €27 million has been recognised in respect of one IGU in the financial year.

Key assumptions include management's estimates of future profitability, capital expenditure requirements, working capital investment and tax considerations. Forecasts are generally based on historical performance together with management's expectation of future trends affecting the industry and other developments and initiatives in the business.

14 Tangible assets

Group	Land and building €'000	Plant, machinery, fixtures and fittings €'000	Transport assets €'000	Total €'000
Cost				
At beginning of year	100,332	101,420	12,619	214,371
Additions in year	5,534	15,012	2,970	23,516
Disposals in year	(10)	(133)	(465)	(608)
Acquired in business combination	4,070	13,576	2,447	20,093
Transfers to investment properties	(12,171)	-	-	(12,171)
Currency translation adjustments	(2,616)	(3,933)	(679)	(7,228)
At end of year	**95,139**	**125,942**	**16,892**	**237,973**
Depreciation and impairment				
At beginning of year	(3,267)	(45,657)	(7,388)	(56,312)
Charge for year	(939)	(11,257)	(2,366)	(14,562)
Disposals in year	-	133	389	522
Impairments	(523)	(3,994)	-	(4,517)
Currency translation adjustments	249	2,040	256	2,545
At end of year	**(4,480)**	**(58,735)**	**(9,109)**	**(72,324)**
Net book value				
At 31 December 2008	**90,659**	**67,207**	**7,783**	**165,649**
At 31 December 2007	97,065	55,763	5,231	158,059

14 Tangible assets (continued)

The opening cost value of plant, machinery, fixtures and fittings has been restated downwards by €0.4 million as described in Note 2. Tangible fixed asset impairments above totalling €4.52 million result from the termination of an operation as detailed in Note 5(v).

Included in the total net book value of Plant and Machinery is €1.15 million (2007: €0.92m) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was €0.15 million (2007: €0.25 million).

Company	Plant and machinery / fixtures and fittings €'000	Total €'000
Cost		
At beginning of year	1,568	1,568
Disposals in year	(1,568)	(1,568)
At end of year	-	-
Depreciation		
At beginning of year	-	-
At end of year	-	-
Net book value		
At 31 December 2008	-	-
At 31 December 2007	1,568	1,568

15 Financial fixed assets

Group (i) Financial fixed assets	Listed investments €'000	Unlisted investments €'000	Investment property €'000	Total €'000
2008				
At the beginning of the year (restated)	385,445	56,075	4,500	446,020
Additions during the year	19,977	10,106	1,067	31,150
Disposals during the year	(62,087)	(28,761)	-	(90,848)
Reclassification from tangible fixed assets (Note 14)	-	-	12,171	12,171
Reclassification from associates	-	1,355	-	1,355
Revaluations during the year	(51,239)	-	1,150	(50,089)
Impairment provisions recognised in year (Note 5)	(19,262)	(6,808)	(563)	(26,633)
Exchange adjustments	(5,233)	45	(1,570)	(6,758)
At the end of the year	**267,601**	**32,012**	**16,755**	**316,368**

15 Financial fixed assets (continued)

The principal financial fixed assets are as follows:

Listed investments:

The carrying value of listed investments at 1 January 2007 has been restated to reflect the change in accounting policy to valuing these investments at market value. The impact of the change has been an increase in the opening carrying value of €219.247 million at this date.

€26.528 million of the total for listed investments above relates to investments listed on recognised stock exchanges (cost €59.227 million) and €241.073 million relates to investments quoted on an unregulated over the counter "grey" market (cost €143.887 million). Included within listed investments are the Group's investments in NTR plc and Augean plc. The Group holds 24.8% and 26.9% respectively in these entities. These shareholdings are accounted for as investments as the Group does not exercise significant influence over the operating or financial policies of these entities.

As required under Section 16 Companies Act 1986 the following information is disclosed in respect of NTR plc and Augean plc from their most recent publicly available financial statements which are made up to 31 March 2008 and 31 December 2008 respectively.

	NTR plc €'000	Augean Plc £'000
Aggregate capital and reserves	1,088,566	87,104
Profit for the financial year	1,058,566	3,646

Unlisted Investments:

Unlisted investments include investments in shares and loan capital and are carried at cost less provision for impairments. During the financial year the Group recognised impairment provisions totalling €5.9 million on a number of these investments. In the opinion of the Directors, the recoverable amount of the unlisted investments is not less than their net book value.

Investment Property:

The Group hold a number of properties, comprising land and buildings held for rental income or capital appreciation and not occupied by the Group, which are classified as investment properties. These properties are located in the Republic of Ireland and in Northern Ireland. Valuations were undertaken on each of these properties as at 31 December 2008 in all cases by external independent property valuers and the carrying values of each property have been adjusted to reflect market value at that date.

The previous carrying values of these properties was established at the time of the reconstruction of the Irish Agricultural Wholesale Society ("the Society") and the subsequent incorporation of One51 plc in the case of properties held at that time and at the date of acquisition in the case of other properties. While investment property values have declined during the financial year, the net revaluation gain of €0.6 million recognised in the current financial year reflects the cumulative change in values since previous values were established.

Attention is drawn to the risks associated with the valuation of investment properties, particularly at the current time. The property valuations have been prepared in a period of considerable market uncertainty due to the current difficulties being experienced in the world's financial markets. This has resulted in a reduced quantity of properties being sold and little market activity in some areas. The lack of market activity has meant that valuations have not had as high a degree of certainty as would be the case in a more stable market with a good level of market evidence.

15 Financial fixed assets (continued)

(ii) Joint ventures and associates

	Joint ventures €'000	Associates €'000	Total €'000
2008			
At the beginning of the year (restated)	19,001	29,403	48,404
Additions during the year	35,723	-	35,723
Transfer during the year	23,563	-	23,563
Disposals during the year	-	(28,673)	(28,673)
Reclassification to investments	-	(1,355)	(1,355)
Share of retained (losses) / profits	(12,135)	625	(11,510)
At the end of the year	**66,152**	**-**	**66,152**

Joint Ventures

The Group joint venture investments comprise:

(a) A joint venture with Dublin Port Company in Greenore Port

(b) A joint venture with Doyle Group Limited in the "Moonduster Consortium"

The opening position above is stated after the reclassification of goodwill attributable to joint ventures previously recognised within purchased goodwill and the reclassification of an amount recorded as amounts due from related parties in the 2007 financial statements in relation to the Moonduster consortium.

The Group's investments in joint ventures are made substantially via long-term non-interest bearing shareholder loans.

The Group's share of losses in 2008 principally comprise its share of losses of €12.653 million incurred by Moonduster Limited on its holding of shares in Irish Continental Group plc (Note 5 (ii)).

Associates

As a result of ceasing to have the ability to exercise significant influence, other investments with a carrying value of €1.355m, previously held as associates have been reclassified to unlisted investments.

During 2007, the Group acquired a one third interest in Global Electric Electronic Holdings Inc, based in Barrie, Canada. During 2008, the Group disposed of this investment to the original vendors. Disposal proceeds approximated to the cost of investment resulting from protection built in to the original investment agreement.

15 Financial fixed assets (continued)

(iii) Financial fixed assets

Company

2008	Investments in subsidiaries €'000	Unlisted investments €'000	Total €'000
At the beginning of the year	101,891	10,506	112,397
Additions during the year	17,666	-	17,666
Impairment during the year	-	(2,900)	(2,900)
Repayments during the year	-	(93)	(93)
At end of the year	**119,557**	**7,513**	**127,070**

Unlisted investments comprise loans advanced to third parties. During the year, the Company reviewed the recoverability of these loans and made provisions for non payment as outlined above.

In the opinion of the Directors, the recoverable amount of the unlisted investments included above is not less than their net book value.

16 Stocks

	Group		Company	
	2008 €'000	2007 €'000	**2008** €'000	2007 €'000
Raw materials and consumables	**9,204**	5,256	-	-
Work in progress	**149**	-	-	-
Finished goods and goods for resale	**8,086**	6,762	-	-
	17,439	12,018	-	-

There are no material differences between the replacement cost of stock and the balance sheet amounts.

17 Debtors

	Group		Company	
	2008	2007	**2008**	2007
	€'000	€'000	**€'000**	€'000
Trade debtors	**45,875**	47,272	**-**	678
Amounts owed by subsidiary undertakings	**-**	-	**680,875**	693,243
Amounts owed by joint ventures and associates	**26**	126	**-**	-
Other debtors	**2,077**	1,625	**-**	1,128
Prepayments and accrued income	**5,639**	5,388	**26**	-
VAT - Ireland	**1,724**	-	**-**	-
VAT - Overseas	**2,323**	-	**-**	-
	57,664	54,411	**680,901**	695,049

18 Creditors: amounts falling due within one year

	Group		Company	
	2008	2007	**2008**	2007
	€'000	€'000	**€'000**	€'000
Loans and other borrowings (note 20):				
Bank loans and overdrafts	**25,606**	606	**-**	-
Obligations under finance leases and hire purchase contracts	**4,236**	3,245	**-**	-
	29,842	3,851	**-**	-
Other creditors:				
Trade creditors	**32,382**	29,439	**-**	2,067
Other creditors including tax and social welfare	**1,972**	875	**16**	179
Corporation tax	**(581)**	554	**840**	840
Amounts owed to subsidiary undertakings	**-**	-	**9,366**	11,859
Accruals and deferred income	**29,134**	29,304	**1,746**	2,601
Amounts owed to related parties	**-**	66	**-**	-
Other creditors	**997**	-	**1,334**	-
Deferred consideration	**5,649**	12,388	**4,861**	12,388
	99,395	76,477	**18,163**	29,934

Of the €25.6 million stated above for bank loans and overdrafts, €25 million relates to a scheduled repayment on the Group's €440 million syndicate bank facility. As this repayment is due in December 2009, it is classified as due within one year. See Note 20 for further details of Group borrowings and maturity profile.

Of the €5.6 million stated above for deferred consideration, €4.8 million relates to contractual obligations of the Company to acquire preference shares in a subsidiary under an option agreement, these preference shares were granted to the vendors of a subsidiary acquired by the Company. The balance relates to deferred consideration due but not paid at the year end.

19 Creditors: amounts falling due after more than one year

	Group		Company	
	2008	2007	**2008**	2007
	€'000	€'000	**€'000**	€'000
Loans and other borrowings (note 20):				
Bank loans	**208,591**	156,211	**-**	-
Obligations under finance leases and hire purchase contracts	**1,432**	1,735	**-**	-
	210,023	157,946	**-**	-
Convertible Loan Note classified as financial liability (Note 23)	**10,473**	12,809	**10,989**	13,326
Convertible Loan Note accrued interest (Note 23)	**2,291**	1,672	**2,291**	1,672
Amounts owed to subsidiary undertakings	**-**	-	**-**	26,999
Accruals and deferred income	**877**	2,647	**-**	-
Other creditors	**850**	-	**-**	-
Capital grants (Note 21)	**166**	219	**-**	-
	224,680	175,293	**13,280**	41,997

20 Details of borrowings

Maturity Analysis	**Within one year**	**Between one and two years**	**Between two and five years**	**After five years**	**Total**
2008	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Group					
Repayable other than by instalments:					
Bank overdrafts	-	-	-	-	-
Bank loans	-	-	172,240	-	172,240
Repayable by instalments:					
Bank loans	25,606	25,606	1,818	8,927	61,957
Obligations under finance leases and similar hire purchase contracts	4,236	1,432	-	-	5,668
	29,842	**27,038**	**174,058**	**8,927**	**239,865**

20 Details of borrowings (continued)

Maturity Analysis 2007	Within one year €'000	Between one and two years €'000	Between two and five years €'000	After five years €'000	Total €'000
Group					
Repayable other than by instalments					
Bank overdrafts	-	-	-	-	-
Bank loans	-	-	94,254	-	94,254
Repayable by instalments:					
Bank loans	606	25,606	26,818	9,533	62,563
Obligations under finance leases and similar hire purchase contracts	3,245	1,735	-	-	4,980
	3,851	27,341	121,072	9,533	161,797

The comparative maturity analysis for 2007 has been restated to:

(i) include bank overdrafts within bank loans as these are part of the syndicate loan facility.

(ii) more accurately reflect the maturity profile of the bank debt of Swiss subsidiaries.

The Company had no borrowings as at 31 December 2008, however it is a party to the Group's syndicate bank facility outlined below.

On 15 December 2006 the Group entered into a five year syndicated loan facility agreement which expires on the 15 December 2011. This is a committed facility for an amount of €440 million. The repayment profile under this agreement requires the Group to repay €25 million in December 2009, €25 million in December 2010 and any remaining borrowings upon termination of the agreement. This facility is secured by fixed and floating charges over the assets of the Company and a number of subsidiaries.

Certain Swiss subsidiaries of the Group have local bank borrowings totalling €11.9 million at the end of the financial year. €8.9 million of these loans are secured on property assets of these entities and are non-recourse to the Group.

21 Government grants deferred

Group	2008 €'000	2007 €'000
At beginning of year	(219)	(300)
Received and receivable in year	(185)	-
Amortised in year	238	81
	(166)	(219)
Included as accruals and deferred income under creditors: amounts falling due after more than one year	(166)	(219)

Company

The Company has no deferred government grants.

22 Provisions for liabilities

	Deferred taxation €'000	Contingent consideration €'000	Reorganisation provision €'000	Total €'000
Group				
At beginning of year	813	26,531	-	27,344
Charge to the profit and loss account for the year	1,435	1,584	2,033	5,052
Paid during the year	-	(14,040)	-	(14,040)
Foreign exchange difference on retranslation	(351)	-	-	(351)
Amounts released unused	-	(7,052)	-	(7,052)
Amounts arising on business combinations	1,179	19,299	-	20,478
At end of year	**3,076**	**26,322**	**2,033**	**31,431**

(i) Deferred tax

The elements of deferred taxation are as follows:

	2008 €'000	2007 €'000
Difference between accumulated depreciation and amortisation and capital allowances	**(4,297)**	(2,477)
Other timing differences	**1,221**	1,664
	(3,076)	(813)

(ii) Contingent Consideration

The Group's accounting policy in relation to contingent consideration arising from business combinations is outlined in Note 1.

The Group recognise a contingent consideration provision following a business combination where there is an obligation to make a contingent payment subject to the achievement of future performance targets as defined in the purchase agreement.

The Group reviews at least annually, the probability of these future targets being achieved. Where in the opinion of the Directors the probability of a contingent consideration payment being made has reduced sufficiently, the provision to make the payment is released. Adjustments to provisions for contingent consideration payments are made against goodwill arising on the related acquisitions.

(iii) Reorganisation provision

As outlined in Note 5, the Group took the decision during the financial year to terminate the operations of Immark Ireland Limited. Immark Ireland Limited was engaged in the processing of Waste Electrical and Electronic Equipment ("WEEE") in the Republic of Ireland.

22 Provisions for liabilities (continued)

Company (i) Contingent consideration	Total €'000
At beginning of year	3,619
Charge to the profit and loss account for the year	244
Paid during the year	(2,000)
Amounts released unused	(1,863)
At end of year	-

(ii) Deferred tax asset

	Total €'000
At beginning of year	(791)
Charge to the profit and loss account for the year	613
At end of year	(178)

23 Convertible Loan Notes ("CLNs")

	Principal classed as equity €'000	Principal classed as debt €'000	Accrued interest – debt €'000	2008 Total €'000	2007 Total €'000
As at 1 January 2008	13,443	12,809	1,672	27,924	171,498
Interest charged in year	-	-	1,055	1,055	4,333
Converted into ordinary share capital during year	(2,454)	(2,336)	(436)	(5,226)	(147,907)
As at 31 December 2008	**10,989**	**10,473**	**2,291**	**23,753**	**27,924**

During the financial year the Company offered CLN holders an opportunity to convert their CLN's into ordinary shares of the Company, which was taken up by a number of CLN holders. This conversion resulted in:

	2008 €'000	2007 €'000
(i) The issue of ordinary share capital (Note 24)	**1,310**	39,362
(ii) Reclassification of equity in share premium (Note 25)	**2,454**	72,521
(iii) Reclassification of CLN liability to share premium conversion	**1,462**	36,024
	5,226	147,907

23 Convertible Loan Notes ("CLNs") (continued)

he main terms of the CLNs issued on 13 January 2006 and on 20 July 2006 by One Fifty One plc ("One51") are as follows:

1. Convertible Loan Notes issued on 13 January 2006

1.1 Conversion on an Initial Public Offering or Trade Sale

The noteholders shall be entitled to convert all but not part of their CLNs (including accrued but unpaid interest) into Ordinary Shares on the notification to them by the Company of the occurrence of one of the following ("Conversion Event"):

(a) An initial public offering of the shares of the Company; or

(b) The sale of 51% or more of the issued share capital of the Company; or

(c) The sale of the whole or a substantial part of the business and assets of the Company.

The Company will be required to notify the noteholders of their right to convert on the occurrence of any one of the events described above. The noteholders will then have a period of 20 working days from notification to notify the Company of their intention to convert their CLNs into Ordinary Shares, failing which they will lose forever the right to convert their CLNs into Ordinary Shares.

1.2 Conversion after Three Years

On the third anniversary of the issue of the CLNs, each noteholder will become entitled to convert not less than 50% of his CLNs (including accrued but unpaid interest) into Ordinary Shares, provided that a Conversion Event has not previously occurred. The noteholders will have 60 days from the third anniversary of the issue of the CLNs to notify the Company of their intention to convert their CLNs into Ordinary Shares.

1.3 Conversion after Five Years

From the fifth anniversary of the issue of the CLNs, provided that a Conversion Event has not previously occurred, each noteholder will become entitled to convert not less than 50% of his CLNs (including accrued but unpaid interest) into Ordinary Shares during the following periods:

(a) A period of 60 days beginning on the fifth anniversary of the issue of the CLNs;

(b) A period of 14 working days following notification by the Company that it intends to redeem the CLNs;

(c) On an annual basis, a period of 10 working days following the earlier of i) the announcement of the annual results or ii) the publication of the audited accounts of the Company.

1.4 Conversion prior to the fifth anniversary

The Company may (but shall not be obliged to) by notice in writing to all note holders invite note holders to convert all (but not same only) of CLN's at certain time(s) prior to the fifth anniversary at the conversion price set out in paragraph 1.7.

1.5 Redemption

If a Conversion Event has occurred and the noteholder has not elected to convert his CLNs into Ordinary Shares under paragraph 1.1 above, the right of conversion is lost forever, and the Company shall be entitled to redeem the CLNs at any time.

If a noteholder does not elect to convert a minimum of 50% of his CLNs into Ordinary Shares within 60 days of the fifth anniversary of the issue of the CLNs in accordance with paragraph 1.3 above, the Company shall be entitled to redeem the CLNs held by that noteholder at any time thereafter.

The Company shall never be required to redeem the CLNs unless a specified event of default has occurred in relation to the Company.

Payment of any principal and interest in respect of the CLNs is subordinated to all monies owing in respect of bank debt.

1.6 Coupon

Interest will accrue on the principal amount outstanding on the CLNs from the date of issue at a rate of 4.0% per annum compounded annually in arrears. Interest payments accrued from years one to five inclusive will be rolled-up and will become

23 Convertible Loan Notes ("CLNs") (continued)

convertible into Ordinary Shares on the same terms as the principal of the CLNs. However, if conversion has not occurred by the end of year five, the interest payments from years one to five inclusive shall be payable in cash on the fifth anniversary of the issue of the CLNs or upon the redemption of the CLNs if earlier. Interest on the CLNs accruing after the fifth anniversary of the issue of the CLNs shall be payable in cash on an annual basis in arrears commencing on the sixth anniversary of the issue of the CLNs, unless the CLNs are converted or redeemed prior to this date.

1.7 Conversion Price

The CLNs are convertible into ordinary shares at a fixed share price of €3.37.

As at 31 December 2008, 753,723 (2007: 950,991) CLNs have not been converted.

2. Convertible Loan Notes issued on 20 July 2006

2.1 Conversion on an Initial Public Offering or Trade Sale

Noteholders will be entitled to convert not less than 100% of their CLNs (including accrued but unpaid interest) into Ordinary Shares on the occurrence of one of the following events ("Conversion Event"):

(a) An initial public offering of the shares in the Company on a recognised Stock Exchange; or

(b) The sale of 51% or more of the issued share capital of the Company; or

(c) The sale of the whole or a substantial part of the business and assets of the Company; or

(d) A merger transaction pursuant to which the Company issues new shares equal to 50% or greater of the issued share capital of the Company.

The Company will be required to notify the noteholders of their right to convert on the occurrence of any one of the events described above. The noteholders will then have a period of 60 days from notification to notify the Company of their intention to convert their CLNs into Ordinary Shares.

In the case of a Conversion Event under (d) above, the entitlement to convert will commence 12 months from the date of the merger transaction (but will in any event cease on 30 April 2011).

If a noteholder fails to exercise his/her conversion right on the occurrence of a conversion event, then, in such circumstances the noteholder will not be entitled to convert any of the CLNs pursuant to paragraph 2.2.

2.2 Conversion at 28 February 2011

On 28 February 2011, provided that a Conversion Event has not previously occurred, each noteholder will become entitled to convert not less than 100% of his CLNs (including accrued but unpaid interest) into Ordinary Shares. The noteholders will have 60 days from 28 February 2011 to notify the Company of their intention to convert their CLNs into Ordinary Shares.

2.3 Conversion Prior to 28 February 2011

The Company may (but shall not be obliged to) by Notice in writing to all noteholders invite noteholders to convert all (but not some only) of their CLNs at certain time(s) prior to 28 February 2011 at the Conversion Price set out in paragraph 2.5.

2.4 Redemption

To the extent that a noteholder has not converted all his CLNs pursuant to paragraphs 2.1 to 2.3 (inclusive) above, then from 30 April 2011 onward the Company will have the option to redeem the CLNs (including any accrued but unpaid interest) for cash at its absolute discretion. The Company shall never be required to redeem the principal amount of the CLNs unless a specified event of default has occurred in relation to the Company.

2.5 Conversion Price

The CLNs are convertible into Ordinary Shares in the Company at a final share price of €4.00.

23 Convertible Loan Notes ("CLNs") (continued)

2.6 Coupon

Interest will accrue on the principal amount outstanding on the CLNs from the date of issue at a rate of 4% compounded annually in arrears. Interest will be rolled up and will become convertible into Ordinary Shares on the same terms as the principal amount of the CLNs on the occurrence of a Conversion Event or conversion at 28 February 2011. However, if conversion has not occurred by 28 February 2011, the rolled-up interest will become payable in cash at the end of the 60 day notice period following this date. Thereafter, interest will be paid annually in cash in arrears.

As at 31 December 2008, 20,612,932 (2007: 25,300,564) CLNs have not been converted.

24 Called-up share capital

	At 31 December 2008 €'000	At 31 December 2007 €'000
Authorised		
200,000,000 ordinary shares of €1 each	200,000	200,000
1,800,000 A1 Deferred convertible shares of €1 each	1,800	1,800
600,000 A2 Deferred convertible shares of €1 each	600	600
600,000 A3 Deferred convertible shares of €1 each	600	600
600,000 A4 Deferred convertible shares of €1 each	600	600
600,000 A5 Deferred convertible shares of €1 each	600	600
600,000 A6 Deferred convertible shares of €1 each	600	600
600,000 A7 Deferred convertible shares of €1 each	600	600
600,000 A8 Deferred convertible shares of €1 each	600	600
1,800,000 B1 Deferred convertible shares of €1 each	1,800	1,800
600,000 B2 Deferred convertible shares of €1 each	600	600
600,000 B3 Deferred convertible shares of€1 each	600	600
600,000 B4 Deferred convertible shares of €1 each	600	600
600,000 B5 Deferred convertible shares of €1 each	600	600
600,000 B6 Deferred convertible shares of €1 each	600	600
600,000 B7 Deferred convertible shares of €1 each	600	600
600,000 B8 Deferred convertible shares of €1 each	600	600
1,800,000 C1 Deferred convertible shares of €1 each	1,800	1,800
600,000 C2 Deferred convertible shares of €1 each	600	600
600,000 C3 Deferred convertible shares of €1 each	600	600
600,000 C4 Deferred convertible shares of €1 each	600	600
600,000 C5 Deferred convertible shares of €1 each	600	600
600,000 C6 Deferred convertible shares of €1 each	600	600
600,000 C7 Deferred convertible shares of €1 each	600	600
600,000 C8 Deferred convertible shares of €1 each	600	600
1,800,000 D1 Deferred convertible shares of €1 each	1,800	1,800
600,000 D2 Deferred convertible shares of €1 each	600	600
600,000 D3 Deferred convertible shares of €1 each	600	600

24 Called-up share capital (continued)

	At 31 December 2008 €'000	At 31 December 2007 €'000
600,000 D4 Deferred convertible shares of €1 each	600	600
600,000 D5 Deferred convertible shares of €1 each	600	600
600,000 D6 Deferred convertible shares of €1 each	600	600
600,000 D7 Deferred convertible shares of €1 each	600	600
600,000 D8 Deferred convertible shares of €1 each	600	600
1,800,000 E1 Deferred convertible shares of €1 each	1,800	1,800
600,000 E2 Deferred convertible shares of €1 each	600	600
600,000 E3 Deferred convertible shares of €1 each	600	600
600,000 E4 Deferred convertible shares of €1 each	600	600
600,000 E5 Deferred convertible shares of €1 each	600	600
600,000 E6 Deferred convertible shares of €1 each	600	600
600,000 E7 Deferred convertible shares of €1 each	600	600
600,000 E8 Deferred convertible shares of €1 each	600	600
	230,000	230,000

Allotted, called-up and fully paid	**2008**	2007
Ordinary shares of €1 each	**€'000**	€'000
Opening balance at 1 January	**119,748**	44,943
Ordinary shares issued during the financial year – CLN conversion (Note 23)	**1,310**	39,362
Ordinary shares issued during the financial year – issue of new shares	**351**	35,443
Closing balance at 31 December	**121,409**	**119,748**

Deferred convertible shares of €1 each

		2008 €'000	2007 €'000
Opening balance at 1 January		2,526	-
605,000	A1 Deferred convertible shares of €1 each	-	605
20,000	A2 Deferred convertible shares of €1 each	-	20
70,000	A3 Deferred convertible shares of €1 each	-	70
12,000	A4 Deferred convertible shares of €1 each	-	12
16,000	A5 Deferred convertible shares of €1 each	-	16
40,000	A6 Deferred convertible shares of €1 each	-	40
665,500	B1 Deferred convertible shares of €1 each	-	666
22,000	B2 Deferred convertible shares of €1 each	-	22
77,000	B3 Deferred convertible shares of €1 each	-	77
13,200	B4 Deferred convertible shares of €1 each	-	13
17,600	B5 Deferred convertible shares of €1 each	-	18

24 Called-up share capital (continued)

		2008 €'000	2007 €'000
44,000	B6 Deferred convertible shares of €1 each	-	44
732,050	C1 Deferred convertible shares of €1 each	-	732
24,200	C2 Deferred convertible shares of €1 each	-	24
84,700	C3 Deferred convertible shares of €1 each	-	85
14,520	C4 Deferred convertible shares of €1 each	-	15
19,360	C5 Deferred convertible shares of €1 each	-	19
48,400	C6 Deferred convertible shares of €1 each	-	48
Closing balance at 31 December		2,526	2,526
Total called-up share capital - Company		**123,935**	122,274
Deferred convertible shares acquired by the Group (note 28 (c))		(95)	-
Total called-up share capital - Group		**123,840**	122,274

During the financial year, the following shares were allotted:

- 1,310,434 shares on conversion by CLN holders of notes held pursuant to an early conversion option offered by the Company
- 169,884 shares to employees of the Group under an approved profit sharing scheme
- 180,717 shares issued under the terms of the One51 Annual Bonus Plan 2006

25 Share premium and reserves

Group	Share premium account €'000	Revaluation reserve €'000	CLN reserve €'000	Other reserves €'000	Profit and loss account €'000
At beginning of year	248,149	122,156	26,252	(5,118)	128,645
Prior year adjustments (Note 2)	-	57,085	(12,809)	(6,779)	(15,791)
At beginning of year as restated	248,149	179,241	13,443	(11,897)	112,854
Loss for the year	-	-	-	-	(57,204)
Premium on share issued, less expenses	1,410	-	-	-	-
Reclassification on conversion of CLN's (Note 23)	2,454	-	(2,454)	-	-
Reclassification of CLN liability on conversion (Note 23)	1,462	-	-	-	-
Reserve on acquisition of minority interests	-	-	-	-	(8,314)
Revaluation deficit on quoted investments	-	(51,239)	-	-	-
Revaluation surplus on investment property	-	1,150	-	-	-
Realisation of revaluation surplus	-	(30,746)	-	-	30,746
Exchange translation differences net of tax	-	-	-	(40,206)	-
Reclassification	-	-	-	(4,237)	4,237

25 Share premium and reserves (continued)

Group	Share premium account €'000	Revaluation reserve €'000	CLN reserve €'000	Other reserves €'000	Profit and loss account €'000
Actuarial loss recognised on defined benefit pension schemes	-	-	-	-	(3,051)
Increase in share based payment reserve	-	-	-	1,312	-
Deferred tax arising on pension deficit	-	-	-	248	-
At end of year	**253,475**	**98,406**	**10,989**	**(54,780)**	**79,268**

Company	Share premium account €'000	CLN reserve €'000	Share based payment reserve €'000	Profit and loss account €'000
At beginning of year	248,149	13,995	1,562	349,895
Profit for the year	-	-	-	35,008
Premium on share issues, less expenses	1,410	-	-	-
Reclassification on conversion of CLNs	2,454	(2,454)	-	-
Reclassification of CLN liability in conversion	1,462	-	-	-
Charge in relation to share based payments	-	-	1,312	-
At end of year	**253,475**	**11,541**	**2,874**	**384,903**

Profit and loss account

A profit for the year after taxation and attributable to ordinary shareholders amounting to €35.0 million (2007: €231.8 million) has been accounted for in the financial statements of the Company. As permitted by Section 3 (2) of the Companies Amendment Act, 1986, a separate Profit and Loss Account of the Company is not presented.

26 Minority interests

	2008 €'000	2007 €'000
At beginning of year	**2,183**	1,938
Share of loss for the year	**248**	454
Arising on buyout of minority interest in subsidiaries	**(2,138)**	(22)
Exchange differences	**184**	(187)
At end of year	**477**	2,183

26 Minority interests (continued)

During the year, the Group purchased a number of minority interests held by third parties in subsidiaries for €10.452m. This resulted in the reduction in minority interests of €2.138m. The difference of €8.3m between the fair value of consideration paid and the book value of the minority interest acquired has been recognised directly in equity.

27 Pension scheme

	2008 €'000	2007 €'000
Pension scheme costs recognised in operating profit		
Defined contribution schemes (i)	**936**	1,322
Irish defined benefit schemes – service cost (ii)(a)	**249**	377
Swiss BVGs scheme – service costs (ii)(b)	**264**	152
	1,449	1,851

(i) Defined contribution pension schemes

The Group operates a number of defined contribution pension schemes in the jurisdictions in which it operates. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to €936,266.

Contributions amounting to €168,000 were payable to the scheme and are included in creditors.

(ii) Defined benefit pension schemes

Summary

	Ireland (a) 2008 €'000	Switzerland (b) 2008 €'000	Total 2008 €'000	Total 2007 €'000
Current and past service cost recognised in profit and loss account	249	264	**513**	529
Actuarial loss recognised in STRGL	2,999	52	**3,051**	1,557
Deficit at 31 December 2008 (net of deferred tax)	1,610	650	**2,260**	365

(a) Ireland

The Group operates a number of defined benefit schemes with assets held in separate trustee administered funds. The two material defined benefit schemes are the One Fifty One plc Pension Scheme and the Irish Pride Bakeries Limited Plan. The date of the most recent full actuarial valuations of these schemes was 1 August 2007.

The valuation of the defined benefit schemes under FRS 17 at 31 December 2008 has been based on the results of the most recent full actuarial valuations. These valuations have been updated by an independent actuary to take account of the requirements of FRS 17 in order to assess the liabilities at the balance sheet date. Assets are stated at their bid price value.

27 Pension scheme (continued)

The major assumptions used in this valuation were:

	2008 €'000	2007 €'000
Weighted average assumption used to determine benefit obligations		
Discount rate	**5.70%**	5.50%
Rate of increase in pensions in payment and Deferred pensions	**2.5%**	2.5%
Inflation assumption	**2.0%**	2.5%
Rate of compensation increase		
- 2009	**0.0%**	4.0%
- 2010	**2.5%**	4.0%
- thereafter	**4.0%**	4.0%
Weighted average assumptions used to determine pension expense for year ended		
Discount rate	**5.50%**	4.70%
Expected long-term return on plan assets	**6.70%**	6.30%
Weighted average life expectancy for mortality tables used to determine benefit obligations at		
Member age 65 (current life expectancy)	**20.7**	20.2
Member age 40 (life expectancy at age 65)	**21.8**	21.5
Weighted average assumptions used to determine pension expense for year ended		
Discount rate	**5.50%**	4.70%
Expected long-term return on plan assets	**6.70%**	6.30%

	2008 €'000	2007 €'000
Change in benefit obligation		
Benefit obligation at beginning of year	**7,900**	7,911
Current service cost	**249**	352
Interest cost	**369**	395
Plan members contributions	**138**	85
Past service cost	**-**	25
Actuarial loss / (gain)	**141**	(802)
Transferred out of scheme	**(3,000)**	-
Benefits paid	**(76)**	(24)
Premiums paid	**(46)**	(42)
Benefit obligation at end of year	**5,675**	7,900

27 Pension scheme (continued)

	2008 €'000	2007 €'000
Change in plan assets		
Fair value of plan assets at beginning of year	**7,923**	6,870
Expected return on plan assets	**485**	626
Actuarial loss	**(2,858)**	(811)
Employer contributions	**1,252**	1,219
Member contributions	**138**	85
Transferred out of scheme	**(3,000)**	-
Benefits paid from plan	**(76)**	(24)
Premiums paid	**(47)**	(42)
Fair value of plan assets at end of year	**3,817**	7,923

	2008 €'000	2007 €'000
Amounts recognised in the balance sheet		
Present value of funded obligations	**(5,675)**	(7,900)
Fair value of plan assets	**3,817**	7,923
Deficit / (surplus) for funded plans	**1,858**	(23)
Related deferred tax (asset)	**(248)**	-
Net liability / (asset)	**1,610**	(23)

	2008 €'000	2007 €'000
Amounts in the balance sheet		
Liabilities	**1,610**	-
Assets	**-**	23
Net liability / (asset)	**1,610**	(23)

	2008 €'000	2007 €'000
Expense recognised in the profit and loss account		
Current service cost	**249**	352
Interest cost	**369**	395
Expected return on plan assets	**(485)**	(626)
Past service cost	**-**	25
Total pension expense recognised in the profit and loss account	**133**	146

27 Pension scheme (continued)

	2008 €'000	2007 €'000
Statement of total recognised gains and losses		
Actuarial losses for the year	**2,999**	1,673
Cumulative pension cost recognised in the STRGL	**4,672**	1,673

Plan assets	**2008**	**2007**
The assets allocations at the year end were as follows:		
Equities	**89.47%**	76.56%
Bonds	**6.69%**	23.44%
Cash	**3.84%**	0.00%
	100.00%	100.00%

To develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighed based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 6.7% assumption.

History of defined benefit obligations, assets and experience gains and losses	**2008 €'000**	2007 €'000
Actual return on plan assets	**(2,373)**	(185)
Defined benefit obligation	**5,674**	7,900
Fair value of plan assets	**3,817**	7,923
Deficit / (surplus)	**1,857**	(23)
Difference between expected and actual return on plan assets:		
Amount	**2,858**	811
Percentage of plan assets	**74.88%**	10.24%
Experience (gains) / losses on plan liabilities		
Amount	**886**	1,574
Percentage of plan liabilities	**15.62%**	19.92%

Contributions

The Group expects to contribute €527,000 to its pension plan in 2009.

(b) Switzerland

In January 2007, One51 acquired the Immark (formally Resmar) group of companies based in Switzerland. The pension regime in Switzerland is governed by Swiss law and each company in the Immark group operates its own pension plan, commonly referred to as BVG pension plans. As permitted under Swiss law, these pension plans have been contracted to an independent professional pension fund operated by a large Swiss insurance company until 2010. Under these contracts, the obligations of the employer is limited to the contributions payable into the pension fund except in the case of non temporary deficits where both the employer and employee may jointly contribute to eliminate the situation. While these plans have the attributes of a

27 Pension scheme (continued)

Defined Contribution pension scheme, the Swiss Auditing Chamber's Auditing Practice committee and its Accounting Practice subcommittee have issued guidance that these schemes should be regarded as defined benefit schemes for the purpose of accounting under International Accounting Standard ("IAS 19"). The date of the most recent full actuarial valuation of these schemes is 31 December 2008.

While One51 does not report under IFRS, as the requirements of FRS 17 are similar to IAS 19, One51 has accounted for these schemes as defined benefit schemes in the financial statements for the year to 31 December 2008 by the inclusion of the following in relation to the pension plans operated by the Immark group:

	2008 €'000	2007 €'000
Actuarial loss recognised in STRGL	52	151
Service cost for the year to 31 December	264	152
Employer contributions	650	388

The following are also disclosed in relation to these schemes:

	2008 €'000	2007 €'000	2006 €'000
Weighted average assumption used to determine benefit obligations			
Discount rate	3.25%	3.50%	3.50%
Rate of increase in pensions in payment and deferred pensions	0%	0%	0%
Inflation assumption	1%	0%	0%
Rate of compensation increase	2%	2%	2%

	2008 €'000	2007 €'000	2006 €'000
Fair value of scheme assets	4,772	3,597	3,419
Fair value of scheme liabilities	(5,422)	(3,985)	(3,546)
Net liability	(650)	(388)	(127)
Difference between expected and actual return on plan assets:			
Amount	(364)	383	70
Percentage of scheme assets	10.2%	(8.2%)	(37.9%)
Experience gains and losses arising on scheme liabilities:			
Amount	355	65	104
Percentage of scheme liabilities	6.5%	(1.6%)	(2.9%)

28 Employee share schemes

The expense reported in the Group Profit and loss Account is €3.0 million (2007: €4.1 million) split as follows:

	2008 €'000	2007 €'000
Equity Settled		
Par value of deferred convertible shares issued during the year	-	2,526
Credit in respect of shares issued forfeiting conversion rights	(27)	-
Charge in respect of the residual conversion element	1,339	663
Charge in respect of share option granted	-	899
	1,312	4,088
Cash settled		
Charge in respect of cash settled annual bonus scheme	1,700	-
Total	3,012	4,088

The Group grants equity instruments under the following plans and schemes:

(a) One51 Group Share Option Scheme 2006

(b) One51 Annual Executive Bonus Plan 2006

(c) One51 Deferred Convertible Share Plan 2007

The general terms and conditions applicable to the equity instruments granted by One51 plc under the above listed plans are addressed below. The economic cost to the Group and the shareholders of the various reward schemes will be controlled through an overall 15% limit. Within the prescribed limit, the Board will control the level of participation by individuals.

The equity instruments granted to the Group's employees under the above schemes are equity settled share based payments as defined in FRS 20, Share Based Payments. The FRS requires that a recognised valuation methodology be employed to determine the fair value of equity instruments granted and stipulates that this methodology should be consistent with the methodologies used for the pricing of financial instruments.

(a) One51 Group Share Option Scheme 2006

On 3 January 2007, the Group granted employees options over 2,247,160 ordinary shares in One Fifty One plc which may be exercisable upon the attainment of a specified growth in the share price being achieved. The terms to expiry of these options is seven years from date of grant and the exercise price at which they may be exercised is €5.06 per share. The share price growth target was attained during 2007 and all options are exercisable at the end of the financial year.

The measurement requirements of FRS 20 have been applied to options granted under this scheme. The fair value of the options granted under the scheme was determined using the following assumptions:

Expected volatility	25% per annum
Dividend yield	0% per annum
Risk free interest rate	3.9% per annum
Expected rate of forfeitures	10% per annum
Minimum gain for voluntary early exercise	100% of exercise price
Rate of voluntary early exercise at minimum gain	50% per annum
Headline share price at date of grant	€5.06
Option exercise price	€5.06
Discount on headline share price to arrive at fair value	35%

28 Employee share schemes (continued)

The fair value of each option granted based on the above assumptions was €0.40 per option, and the charge included in the profit and loss account in the financial year in respect of these options was €nil (2007: €899,000). During the financial year no further options were granted.

(b) One51 Annual Executive Bonus Plan 2006

This scheme is a cash-settled scheme under FRS 20 which provides for the awarding of entitlements of lump sum award which may be applied through issuance or purchase of shares in the company.

During the financial year, One51 plc issued 180,717 ordinary shares to employees under this scheme. Under the terms of the plan, employees are restricted from disposing of these shares for a period of 3 years and 1 week from the date of issue. This award has not resulted in a charge to the profit and loss account for the financial year as the cost of this award was accrued in the 2007 financial statements.

The Company has taken a charge to the profit and loss account of €1.7 million in the financial year in relation to ordinary shares that may issue in 2009 under this scheme in respect of the attainment of targets agreed with employees during the financial year for the financial year.

(c) One51 Deferred Convertible Share Plan 2007

The main terms of the scheme are as follows:

- Employees have been granted deferred convertible shares in One Fifty One plc which conditionally convert into ordinary shares on the attainment of financial performance targets and the completion of length of service requirements once the financial performance targets have been attained.
- The financial performance targets have been set for 2007, 2008 and 2009 respectively.
- Should a financial performance target for a specific year not be attained the Group may purchase / redeem the deferred convertible shares issued in respect of that year at par value of €1 per share.

2,525,530 deferred convertible shares were issued under the scheme in 2007. During the financial year the Group purchased 92,960 shares from employees due to the non attainment of targets and conversion rights in respect of these shares have been forfeit.

The measurement requirements of FRS 20 have been applied to shares issued under this scheme and the calculation of the fair value of each share comprises two elements as follows:

(1) The par value of €1 per share, which is charged to the profit and loss account on issue of the shares, and

(2) The residual conversion element, which is accounted for as a share based payment.

The fair value of the conversion element of the deferred convertible shares issued under the plan was determined by employing a Black – Scholes Model using the following assumptions:

Expected volatility	25% per annum
Dividend yield	0% per annum
Risk free interest rate	4.25% per annum
Headline share price at date of issue	€5.00
Discount on headline share price to arrive at fair value	35%

FRS 20 requires that the fair value of the conversion element should be spread over its respective vesting period.

29 Reconciliation of group operating (loss) / profit to net cash inflow from operating activities

	2008 €'000	2007 €'000
Group operating profit/(loss)	**(23,608)**	8,227
Depreciation of tangible fixed assets	**14,562**	9,595
Amortisation of intangible fixed assets	**35**	-
(Profit)/loss on disposal of tangible fixed assets	**(10)**	13
Grants amortised	**(238)**	(143)
Goodwill impairment	**27,233**	-
Impairment on investments	**26,633**	13,038
Excess of pension contribution made over pension charge in year	**(1,003)**	(803)
Accrued share based payments	**1,339**	4,088
Reduction in SBP reserve	**(27)**	-
(Increase)/decrease in stocks	**(1,177)**	859
Increase in operating debtors	**7,499**	1,715
(Decrease) in operating creditors	**(4,814)**	(12,127)
Net cash inflow from operating activities	**46,424**	24,462

30 Analysis of cash flows

	Notes	2008 €'000	2007 €'000
Returns on investment and servicing of finance			
Interest received		**349**	-
Interest paid		**(13,555)**	(8,239)
Finance paid on shares classified as liabilities		**3**	-
Interest element of finance lease rental payments		**(332)**	-
		(13,535)	(8,239)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(24,714)**	(34,971)
Purchase of investment		**(32,482)**	(76,199)
Dividends from joint venture & associates		**-**	375
Sale of plant and machinery		**96**	987
Government grants		**165**	-
Sale of investments		**81,518**	2,384
Purchase of intangible assets		**(64)**	-
		24,519	(107,424)
Acquisitions and disposals			
Purchase of subsidiary undertakings (a)		**(135,599)**	(110,455)
Purchase of interest in joint venture/associates	*15 (ii)*	**(35,723)**	-
Disposal of interest in joint venture/associates		**24,230**	-
		(147,092)	(110,455)

30 Analysis of cash flows (continued)

	Notes	2008 €'000	2007 €'000
Taxation		**(5,048)**	(3,567)
Financing			
New secured loan drawdown	*20*	**194,221**	83,876
Loans repaid		**(116,841)**	-
Net debt drawdown		**77,380**	83,876
Capital element of finance lease rental payments		**(2,036)**	(810)
		75,344	83,066
Issue of ordinary share capital		**-**	136,150
		75,344	219,216

(a) The cash outflow on purchase of subsidiary undertakings arises on the net cash consideration relating to 2008 acquisitions including the outflow on capitalised costs (see note 32), as well as payments made on contingent and deferred consideration relating to prior period acquisitions (refer to notes 18 and 22). In addition the net cash outflow on purchase of subsidiary undertakings includes the outflow on minority interests (note 26) and the outflow relating to provisional fair value adjustments on prior period acquisitions.

31 Analysis of changes in net debt during the year

	At 31 Dec 2007 €'000	Acquisitions €'000	Cash Flows €'000	Foreign Exchange Translation €'000	Non-Cash Movements €'000	At 31 Dec 2008 €'000
Cash at bank and in hand	47,306	24,678	(44,006)	(801)	-	27,117
Bank loans due within one year	(606)	-	(25,000)	-	-	(25,606)
Bank loans due after one year	(156,211)	-	(52,380)	-	-	(208,591)
Obligations under finance leases	(4,980)	(3,091)	2,036	-	367	(5,668)
Net Debt	**(114,491)**	**21,587**	**(119,410)**	**(801)**	**367**	**(212,748)**
Convertible Loan Notes	**(12,809)**	**-**	**-**	**-**	**2,336**	**(10,473)**

32 Acquisitions of subsidiary undertakings

On various dates between 1 January 2008 and 31 December 2008, the Group acquired the entire issued share capital of Ampthill Metal Company Ltd, AAC Plastics Group Ltd, Any Waste Solution Ltd, Any Waste Recycling Ltd, W Howarth Metals Ltd, Howcan Ltd, Future Industrial Services Ltd, and Cork Metal Company Ltd. During the same period, the Group acquired the trade and assets of Cedar Resources and MGB Plastics. The integration of these acquisitions into the relevant ES division commenced immediately following acquisition. The assets acquired and considerations paid were as follows:

32 Acquisitions of subsidiary undertakings (continued)

	Fair value at date of acquisition €'000
Tangible fixed assets	20,505
Financial fixed assets	92
Stocks	4,792
Debtors	15,681
Creditors	(19,861)
Deferred taxation	(1,179)
Net assets acquired (excluding cash)	20,030
Goodwill arising on acquisition (Note 13)	101,392
Total acquired	**121,422**
Satisfied by	
Cash consideration	124,572
Net cash transferred	(24,678)
Contingent consideration (Note 22)	19,299
Capitalised costs	2,229
Total cost of acquisition	**121,422**

The impact of acquisitions in aggregate in the year, all of which relate to the One51 Environmental Services division, on turnover and operating profit is set out in Note 4. The analysis of the total cost of acquisition within One51 Environmental Services is as follows:

- Materials Recycling Ireland and UK €8.5 million
- Hazardous Waste Management Ireland and UK €13.4 million
- Metals Recycling Ireland, UK and Europe €78.7 million
- Speciality Plastics Ireland and UK €20.8 million

The information relating to each individual acquisition is not disclosed as in the opinion of the Directors this is considered to be commercially sensitive information.

33 Key operating subsidiaries, associates and joint ventures

Name	Registered office	Country of incorporation	Proportion held by: Company/Subsidiary	Principal activity
A1 Metal Recycling Ltd	i	Ireland	100%	Metal Recycling
Ampthill Metal Company Ltd	iv	United Kingdom	100%	Metal Recycling
Andrew & Mark Smith Metals Ltd	ii	United Kingdom	100%	Metal Recycling
Any Waste Solution Ltd	iv	United Kingdom	100%	Recycling and Treatment
Cullen Environmental Services Ltd	i	Ireland	100%	Recycling and Treatment
Country Land Ltd	iv	United Kingdom	100%	Property Company
Country Waste Recycling Ltd	iv	United Kingdom	100%	Recycling and Treatment
Cork Metal Company Ltd	i	Ireland	90.1%	Metal Recycling
Enplast Ltd	i	Ireland	100%	Manufacturer of Polypropylene Sheeting
Foamalite Ltd	i	Ireland	100%	Manufacturer of PVC Foam Products
Future Industrial Services Ltd	iv	United Kingdom	100%	Recycling and Treatment
Galway Metal Company Ltd	i	Ireland	100%	Metal Recycling
Glassdon Ltd	iii	Northern Ireland	100%	Glass and Dry Recycling
Hegarty Metals Processors (International) Ltd	i	Ireland	100%	Metal Recycling
Immark AG	vii	Switzerland	97.5%	Electronic Recycling
Immark Deutschland GmbH	viii	Germany	90%	Electronic Recycling
Immark (NI) Ltd	v	Northern Ireland	90%	Electronic Recycling
Irish Pride Bakeries Ltd	i	Ireland	100%	Manufacturing and Distribution of Bread Products
MGB Plastics Ltd	iv	United Kingdom	100%	Manufacturer of Plastic Products
One Fifty One Biofuels Ltd	i	Ireland	100%	Biofuels Processing
One Fifty One Capital Ltd	i	Ireland	100%	Investment Company
One Four All Ltd	i	Ireland	100%	Intermediate Holding Company
Plunkett Holdings UK Ltd	iv	United Kingdom	100%	Intermediate Holding Company
Premier Proteins (2000) Ltd	i	Ireland	100%	Rendering
Protech Performance Plastics Ltd	i	Ireland	100%	Injection Moulding Company
Rambone Ltd *	i	Ireland	50%	Joint Venture Vehicle which owns 100% of Moonduster Ltd
Renore Ltd *	i	Ireland	50%	Joint Venture Vehicle Holding Greenore Port Investment
Resmar Ltd		Ireland	100%	Intermediate Holding Company
Reclamet Ltd	iv	United Kingdom	100%	Metal Recycling
Returnbatt Ltd	i	Ireland	100%	Battery Recycling
Rilta Environmental Ltd	i	Ireland	100%	Recycling and Treatment
W Howarth Metals Ltd	iv	United Kingdom	100%	Metal Recycling
Soils Environmental Services Ltd	i	Ireland	100%	Recycling and Treatment
Thormac Engineering Ltd	i	Ireland	100%	Injection Moulding Company

* Joint Ventures

(i) Registered Office is 151 Thomas Street, Dublin 8.

(ii) Registered Office is Darbishire Street, Off Waterloo Street, Bolton, BL1 2TN, United Kingdom.

(iii) Registered Office is 52 Creagh Road, Toombridge, Co. Antrim BT41 3SE, Northern Ireland.

(iv) Registered Office is C/o Andrew and Mark Smith Metals Ltd, Darbishire Street, Off Waterloo Street, Bolton, BL1 2TN United Kingdom.

(v) Registered Office is 110 Trewmont Road, Killyman, Dungannon, Northern Ireland, BT71 7EF.

(vi) Registered Office is Dublin Port Company, Port Centre, Alexandra Road, Dublin 1.

(vii) Registered Office is Bahnstrasse 142, 8105 Regensdorf, Switzerland.

(viii) Registered Office is Philipsstrasse 8, 52068 Aachen, Germany.

A full list of subsidiaries, associates and joint ventures will be filed with the relevant Registrar of Companies.

33 Key operating subsidiaries, associates and joint ventures (continued)

The Group has shareholdings of 24.8% and 26.9% in NTR plc and Augean plc respectively. The Group does not exercise significant influence over the operating policies of these entities. Therefore, in the opinion of the Directors these shareholdings are investments and are treated as financial assets in the financial statements of the Group.

34 Commitments

The Group has entered into agreements with the private equity funds to contribute a total of €25 million to investment opportunities as they arise. As at 31 December 2008 contributions totalling, €11.68 million (2007: €7.33 million) had been made.

As part of the OpenHydro fund raising in 2007, the Group has a commitment to invest a further €1.125 million in 2009 into this company. This investment has been made post the year end.

Capital commitments

Future capital expenditure approved by the Directors but not provided for in these financial statements is as follows:

	2008 €'000	2007 €'000
Group		
Contracted	**2,935**	6,950
Authorised but not contracted	**24**	-
Total	**2,959**	6,950

Annual commitments exist under non cancellable operating leases as follows:

	2008 €'000	2007 €'000
Group		
Expiring:		
Within one year	**951**	415
Between two and five years	**763**	658
More than five years	**189**	187
	1,903	1,260

Joint ventures and associates

The Group and Company's share of capital commitments, as at the end of the financial year, of its joint ventures and associates was nil (2007: nil).

35 Contingencies

As permitted by Section 17 of the Companies (Amendment) Act 1986 the Company has irrevocably guaranteed the liabilities, specified in Section 5 (c) of that Act, of all its subsidiary undertakings incorporated in the Republic of Ireland.

As outlined in Note 20 the Group has entered into a €440 million syndicate bank facility of which €222 million was drawn as at the end of the financial year. These facilities are secured by fixed and floating charges on the assets of Group companies and by cross guarantees between the Company and all subsidiary companies who are borrowers under the facility.

Under legislative requirements bonding arrangements are required to be put in place for the movement of waste material between jurisdictions. As at 31 December 2008 the Group had such Trans Frontier Shipments bonds in place totalling approximately €6 million.

The Company has guaranteed deferred consideration payments to vendors in respect of business combinations entered into by subsidiaries that may crystallise under the terms of those agreements on the attainment of profit targets.

36 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Interest rate risk
- Equity price risk

Exposure to credit risk

Credit risk arises from credit to customers and joint ventures arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates and the Group uses Credit Insurance where available on reasonable commercial terms. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored.

Cash and short term bank deposits are invested with institutions having considered their credit rating with limits on amounts held with individual banks or institutions at any one time. The Group has advanced loans to certain joint ventures. The Group limits its exposure through active participation in the execution of joint control and through regular reviews of the business plans.

Exposure to market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's risk management strategy is to manage and control market risk exposures within acceptable parameters.

Foreign exchange risk also arises from foreign currency transactions, assets and liabilities. Management requires all Group operations to manage their foreign exchange risk against their functional currency. These currency risks are monitored on a daily basis and managed by utilising spot and forward foreign currency contracts. The vast majority of transactions entered into by Group entities are denominated in their functional currencies.

The Group holds both interest bearing assets and interest bearing liabilities. In general, the approach employed by the Group to manage its interest exposure is to maintain the majority of its cash, short term bank deposits and interest bearing borrowings on floating rates. Rates are generally fixed for relatively short periods in order to match funding requirements while being able to benefit from opportunities due to movement in longer term rates. In limited instances, the Group uses floating-to-fixed interest rate swaps which have the economic effect of converting borrowings from floating to fixed rates.

The Group is exposed to equity price risk through its holdings of both listed and unlisted investments. Typical investment

36 Financial risk management (continued)

horizons for these investments are multi-year and are not short term in nature. These investments are continuously reviewed and the Group deploys a broad range of strategic initiatives during the holding period to maximise the eventual realised return. The Group does not seek to hedge the accounting effect of unrealised gains or losses during the investment holding period.

37 Material post balance sheet events

As outlined in Note 34, the Group had a commitment as at the end of the financial year to make a further investment of €1.125 million to OpenHydro. This investment has been made.

The Group has disposed of listed investments during quarter one 2009 for €10.4 million. This investment was valued in the balance sheet as at 31 December 2008 at €9.4 million.

The global downturn in equity markets that commenced in 2008 has continued into 2009. This has negatively impacted on the value of the Group's listed investments which have declined by €125 million as at 12 May 2009. €117 million of this decline is attributable to the Group's investment in NTR plc, which trades on a grey market and whose shares have been thinly traded since the year end.

The value of the Group's investment in the "Moonduster" joint venture has also been negatively impacted, declining by €17 million from its value at year end.

On 29 April 2009, the "Moonduster Consortium", of which the Group is a member, announced that it would not be bringing forward an offer for Irish Continental Group plc.

On 29 April 2009, Irish Continental Group plc ("ICG") announced its decision to redeem one Redeemable Share per ICG unit for a cash consideration of 100 cent per redeemable share. This event will result in a cash inflow to the Group of €3.0 million via its joint venture vehicle, Moonduster Limited.

38 Related party transactions

Amounts owing to / from joint ventures and associates to the Group are stated within the relevant notes above.

Details of the Directors of the Company are given on page 36. Their beneficial interests, including family interests are given in the Directors' Report. Directors' share options are given in the Directors' Report and their remuneration and other transactions are given in Note 7.

The Company has availed of the exemption available in FRS 8 *Related Party Disclosures* from disclosing transactions with Group undertakings.

39 Approval of financial statements

The Board of Directors approved these financial statements on 13 May 2009.

Information for Shareholders

Forthcoming Events

One51 Annual General Meeting: 11am Wednesday, 29 July 2009

Annual General Meeting Venue: Shelbourne Hotel, 27 St. Stephen's Green, Dublin 2

Investor Relations Enquiries

For investor relations enquiries, please contact:

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Chief Financial Officer
T: +353 (0)1 612-1357

Jonathan O'Grady QFA
Investor Relations
T: +353 (0)1 612-1368

Email enquires: ir@One51.com
Alternatively write to: One51 plc, 151 Thomas Street, Dublin 8, Ireland

Share Price and Related Services

In October 2007, a 'grey' market was established to allow shareholders to trade their investment in One51. This market allows existing shareholders to realise value and provides prospective investors with an opportunity to share in One51's future success. The market price of the shares at 31 December 2008 was €4.50 and the range during the year was €4.05 to €5.50.

The following stockbrokers currently administer One51's shares on the 'grey' market:

Bloxham
International Financial Services Centre
2/3 Exchange Place
Dublin 1
Ireland

Tel: +353 (0)1 611 9200
Fax: +353 (0)1 829 1877

Email: info@bloxham.ie

Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Tel: +353 (0)1 679 7788
Fax: +353 (0)1 614 8727

Email: csu@davy.ie

NCB
International Financial Services Centre
3 George's Dock
Dublin 1
Ireland

Tel: +353 (0) 1 611 5611
Fax: +353 (0) 1 611 5766

Email: info@ncb.ie

Shareholding Enquiry Services

One51 plc in connection with its Registrars, Computershare, offers a shareholding enquiry service to its shareholders. This allows shareholders to:

- Check details of their One51 plc shareholdings
- Receive forms in order to notify the Registrar of a change in personal details, for example, address, amalgamation of separate accounts etc.

As a security measure you will be asked for your "Shareholder Reference" number. This is your shareholder account number and may be found on:

- Your One51 plc Share Certificate(s)
- Other personalised correspondence sent to you by the Registrar

Computershare may be contacted online at www.computershare.com. Computershare also provides information by telephone. The dedicated enquiry line for One51 plc investors is: +353 (0)1 447 5526

Please note that One51 plc is not responsible for the information provided by Computershare or any third party.

Notes

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