



Donegal Investment Group plc
Interim results for the six months ended 30 June 2015

1 September 2015: Donegal Investment Group plc (the 'Company' or the 'Group') reports results for the six months ended 30 June 2015

Financial Performance (pre-exceptional)		H1 2015	H1 2014	Change
Revenue – continuing operations	€'000	39,065	39,161	-€0.1m
Adjusted operating profit*	€'000	654	347	+€0.3m
Profit after tax – continuing operations	€'000	1,998	1,075	+€0.9m
Operating cash flow before interest and tax	€'000	727	1,224	-€0.5m
Adjusted earnings per share**	Cent	17.9	10.3	+7.6c
Basic earnings per share – continuing operations (post-exceptional)	Cent	33.4	4.2	+29.2c
Interim dividend per share	Cent	7.0	7.0	-
Net bank debt	€'000	13,852	12,980	+€0.9m
Net asset value per share***	€	6.13	5.96	+€0.17

* *Adjusted operating profit before the impact of change in fair value of investment properties and exceptional items*

** *Adjusted earnings before the impact of change in fair value of investment properties in Group & associates, the related deferred tax and exceptional items*

*** *Net assets are total equity attributable to equity holders of the Company*

Summary

- Group revenue decreased by €0.1m, with an increase in Revenue from our Speciality Dairy being offset in the main by the cessation of ware potato trading in our Donegal Potatoes business in 2014
- Adjusted operating profit was €0.7m, an increase of €0.3m on the first half of 2014. This improvement is driven by the continued growth in our Speciality Dairy business
- Profit after tax, before exceptional items, for the period was €2.0m, an increase of €0.9m over the first half of 2014. Whilst operating profit increased for the first six months of 2015 across all business segments it should also be noted that foreign exchange movements positively impacted our net finance income
- Share of results from associates was €0.8m, €0.3m behind the first half of 2014. Performance from the Group's share of associates was satisfactory with the contribution from Monaghan Middlebrook Mushrooms impacted by the year on year reduction in the level of EU funding received. The Group's shareholding in Monaghan for 2015 was accounted for as a 30% associate (2014: 35%)
- Exceptional items (a net gain of €1.9m before tax) are substantially related to our shareholding in Monaghan Middlebrook Mushrooms. They are a combination of ongoing legal costs, costs awarded by the courts related to both the shareholder oppression and option proceedings as well as the accounting for the 5% option deemed by the courts to have been exercised in early 2015. In our annual 2014 results we reported exceptional costs of €3.6m, principally related to this matter as well as restructuring costs related to the Group's Speciality Dairy business.
- Net debt decreased by €2.8m from December 2014 (€16.7m), partly due to the proceeds received from the sale of the Ballyraine Halls student accommodation
- Adjusted EPS increased 7.6c to 17.9c
- Interim dividend of 7.0 cent maintained

H1 2015 Performance Review

The Board is satisfied with the first half performance. The Revenue of the Group remained flat for the first six months of 2015 with operating profit increasing from €0.3m to €0.7m, reflecting in the main continued growth in our Speciality Dairy business. The Board remains optimistic that our Produce division should see continued recovery in bottom line performance and that our Speciality Dairy will, in the near term, continue to deliver double digit growth under its new NOMADIC brand.

An interim dividend of 7.0c per share will be paid on 4 December 2015 to shareholders on the register on 20 November 2015.

Summary Operations Review

Produce

Revenue was down by €1.2m to €12.3m with a segmental loss of €0.5m before the impact of foreign exchange gains. The first 6 months in 2015 were marked by a reduction in demand for certified seed potatoes across Europe with an average 8% decrease in the ware (table) potato area planted in the top 5 producing countries in the Spring of 2015. This was a direct consequence of negative grower returns for the 2014 harvested ware potato crop. As a result there was downward pressure on pricing in both ware and seed potato markets with any surplus seed potato stock being sold into weak ware markets. While at this stage of the year it is still not possible to provide visibility on the year-end outcome as the crop has not been test-dug nor harvested yet, we remain optimistic that markets will return to more normalised levels in the last quarter of 2015.

It should also be noted that Donegal Potatoes ceased to trade ware potatoes during 2014 which resulted in a €0.9m reduction in comparative Revenue year on year.

Food-Agri & Property

Revenue from continuing operations increased by €1.1m to €26.8m. The segmental result from continuing operations before the impact of foreign exchange movements was an increase of €0.3m to €1.5m.

Our animal feeds business experienced a satisfactory first 6 months with both tonnage and margins in line with 2014 H1 performance.

Our Speciality Dairy business continues to perform to plan with the NOMADIC rebrand well received by trade and consumers alike. Our Lassi drinks range is gaining traction, with a number of new listings commencing in quarter two of 2015. Manufacturing has now been consolidated in Killygordon, Co. Donegal with the infrastructure and investment now in place to support further growth. It should be noted that the vast majority of NOMADIC products are sold into the UK market, with the current euro sterling rates positively impacting results.

There was no significant change to the property portfolio during the period.

Associates

Our main associate investment is Monaghan Middlebrook Mushrooms via our shareholding in Elst (the holding company of Monaghan Middlebrook Mushrooms business). Performance from the Group's share of associates was satisfactory with the contribution from Monaghan impacted by the year on year reduction in the level of EU funding received.

Following on from the Court's decision (noted below) that Danbywiske and the General Partners of the Wilson Partnership 1 had an option to acquire 5% of Elst that is held by the Company, we are now accounting for our shareholding in Monaghan at 30% (2014: 35%) on the basis of the option effectively having been exercised. This has resulted in a partial disposal for accounting purposes with the recognition of an exceptional gain of €0.8m.

As advised previously, the Company took a shareholder oppression claim relating to its shareholding in Elst (the "Oppression Action"). The respondents (being the majority shareholders in Elst) admitted specified and unspecified acts of oppression and on 21 May 2015, the Commercial Court ordered the respondents to purchase the shares held by the Company in Elst (the "Remedy"). The Company is considering whether to appeal the Remedy.

The Commercial Court, a division of the High Court, gave judgment on 5 June 2015 in relation to the costs of the Oppression Action. The Judge observed that it had been necessary for the Company to bring the Oppression Action and the costs of the Oppression Action (including the valuation module) were awarded in favour of the Company.

H1 2015 Performance Review *(continued)*

In separate proceedings issued against the Company, as noted above, the Court held that Danbywiske and the General Partners of the Wilson Partnership 1 had an option to acquire 5% of Elst that is held by the Company. The Company is not appealing this judgment. On the basis the Option has effectively been exercised, the Company's 30% shareholding in Elst was valued by the

Commercial Court at €26,228,571. This valuation is under appeal to the Court of Appeal and is scheduled to be heard in April 2016. The directors are satisfied that the Court approved value is not less than the carrying value on the Group's balance sheet.

Finance

The Group's net debt at 30 June 2015 was €13.9m, an increase of €0.9m on 30 June 2014.

Outlook

The key determinant of performance in the second half, and for the year overall, will be the contribution from the Produce Division. The Board is currently optimistic that the performance of the Produce Division will return to levels of profits more consistent with the business historically, as a result of expected improvements in market dynamics.

Geoffrey Vance
Chairman

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Donegal Investment Group plc
 Unaudited condensed consolidated interim statement of profit or loss and comprehensive income
 for the six months ended 30 June 2015

	Note	Pre- Exceptional Unaudited €'000	Note 11 Exceptional Unaudited €'000	2015 Total Unaudited €'000	Pre- Exceptional Unaudited €'000	Note 11 Exceptional Unaudited €'000	2014 Total Unaudited €'000
Continuing operations							
Revenue	5	39,065	-	39,065	39,161	-	39,161
Cost of sales		(30,632)	-	(30,632)	(31,392)	-	(31,392)
Gross profit		8,433	-	8,433	7,769	-	7,769
Other income		344	2,380	2,724	484	-	484
Other expenses		(26)	-	(26)	-	-	-
Distribution expenses		(3,004)	-	(3,004)	(2,866)	-	(2,866)
Administrative expenses		(5,093)	(468)	(5,561)	(5,040)	(619)	(5,659)
Profit/(loss) from operating activities		654	1,912	2,566	347	(619)	(272)
Finance income		1,130	-	1,130	404	-	404
Finance expenses		(501)	-	(501)	(607)	-	(607)
Net finance income/ (expense)		629	-	629	(203)	-	(203)
Share of profit of associates (net of tax)		796	-	796	1,065	-	1,065
Profit/(loss) before income tax		2,079	1,912	3,991	1,209	(619)	590
Income tax expense		(81)	(390)	(471)	(134)	-	(134)
Profit/(loss) for the period – continuing operations	5	1,998	1,522	3,520	1,075	(619)	456
Other comprehensive income							
Items that are or may be reclassified to profit or loss							
Foreign currency translation differences for foreign operations				295			180
Currency translation adjustment in associate undertaking				460			94
Revaluation of available for sale financial assets				218			255
Tax on revaluation of available for sale financial assets				(72)			(84)
Total comprehensive income for the period				4,421			901
Profit attributable to:							
Equity holders of the company				3,384			435
Non-controlling interest				136			21
				3,520			456

Donegal Investment Group plc
 Unaudited condensed consolidated interim statement of profit or loss and comprehensive income *(continued)*
 for the six months ended 30 June 2015

	Note	2015 €'000	2014 €'000
Total comprehensive income attributable to:			
Equity holders of the company		4,289	901
Non-controlling interest		132	(41)
		<hr/> 4,421	<hr/> 860
Earnings per share			
Basic earnings per share (euro cent)			
Continuing	6	33.4	4.2
		<hr/>	<hr/>
Diluted earnings per share (euro cent)			
Continuing	6	33.0	4.2
		<hr/>	<hr/>

Donegal Investment Group plc
 Unaudited condensed consolidated interim statement of financial position
 As at 30 June 2015

		30 June 2015	31 Dec 2014	30 June 2014
	Note	Unaudited	Audited	Unaudited
		€'000	€'000	€'000
Assets				
Property, plant and equipment	8	15,210	15,076	15,093
Investment property	9	18,158	18,177	21,781
Goodwill		3,633	3,633	3,633
Intangible assets		481	534	511
Investments in associates	10	23,173	25,337	24,742
Other investments		1,359	1,141	1,068
Prepayments		189	190	190
Total non-current assets		62,203	64,088	67,018
Inventories		4,165	5,565	4,627
Trade and other receivables		25,981	33,046	23,141
Current tax		110	246	-
Cash at Bank		-	-	1,019
Total current assets		30,256	38,857	28,787
Total assets		92,459	102,945	95,805
Equity				
Share capital		1,337	1,337	1,337
Share premium		2,975	2,975	2,975
Other reserves		1,889	1,462	1,217
Retained earnings		55,771	52,387	55,647
Total equity attributable to equity holders of the company		61,972	58,161	61,176
Non – controlling interest		1,466	1,335	1,509
Total equity		63,438	59,496	62,685
Liabilities				
Loans and borrowings		11,626	12,276	1,878
Deferred income		135	130	136
Derivatives		-	3,925	3,925
Deferred tax liabilities		3,326	2,963	3,740
Total non-current liabilities		15,087	19,294	9,679
Trade and other payables		11,612	19,577	10,877
Bank overdraft		1,052	3,300	-
Loans and borrowings		1,270	1,278	12,280
Current tax		-	-	284
Total current liabilities		13,934	24,155	23,441
Total liabilities		29,021	43,449	33,120
Total equity and liabilities		92,459	102,945	95,805

Donegal Investment Group plc
 Unaudited condensed consolidated interim statement of changes in equity
 for the six months ended 30 June 2015

	Share Capital €'000	Share Premium €'000	Trans- lation Reserve €'000	Reserve for own shares €'000	Reval- uation reserves €'000	Fair value reserve €'000	Share option reserve €'000	Retained earnings €'000	Total €'000	Non- controlling interest €'000	Total Equity €'000
Balance at 1 January 2015	1,337	2,975	(2,832)	(351)	4,169	318	158	52,387	58,161	1,335	59,496
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	3,384	3,384	136	3,520
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	246	-	-	-	-	-	246	49	295
Currency translation adjustment in associate undertaking	-	-	460	-	-	-	-	-	460	-	460
Net change in fair value of available for sale financial assets, net of tax	-	-	-	-	-	146	-	-	146	-	146
Other comprehensive income	-	-	706	-	-	146	-	-	852	49	901
Total comprehensive income for the period	-	-	706	-	-	146	-	3,384	4,236	185	4,421
Contributions by and distributions to owners											
Dividend paid	-	-	-	-	-	-	-	-	-	(54)	(54)
Acquisition of treasury shares	-	-	-	(530)	-	-	-	-	(530)	-	(530)
Share based payments	-	-	-	-	-	-	105	-	105	-	105
Total contributions by and distributions to owners	-	-	-	(530)	-	-	105	-	(425)	(54)	(479)
Balance at 30 June 2015	1,337	2,975	(2,126)	(881)	4,169	464	263	55,771	61,972	1,466	63,438

Donegal Investment Group plc
 Unaudited condensed consolidated interim statement of changes in equity
 for the six months ended 30 June 2014

	Share Capital €'000	Share Premium €'000	Trans- lation Reserve €'000	Reserve for own shares €'000	Reval- uation reserves €'000	Fair value reserve €'000	Share option reserve €'000	Retained earnings €'000	Total €'000	Non- controlling interest €'000	Total Equity €'000
Balance at 1 January 2014	1,337	2,975	(3,403)	(144)	4,169	98	194	55,072	60,298	1,468	61,766
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	435	435	21	456
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	160	-	-	-	-	-	160	20	180
Currency translation adjustment in associate undertaking	-	-	94	-	-	-	-	-	94	-	94
Net change in fair value of available for sale financial assets, net of tax	-	-	-	-	-	171	-	-	171	-	171
Other comprehensive income	-	-	254	-	-	171	-	-	425	20	445
Total comprehensive income for the period	-	-	254	-	-	171	-	435	860	41	901
Contributions by and distributions to owners											
Acquisition of treasury shares	-	-	-	(136)	-	-	-	-	(136)	-	(136)
Share based payments	-	-	-	135	-	-	(121)	140	154	-	154
Total contributions by and distributions to owners	-	-	-	(1)	-	-	(121)	140	18	-	18
Balance at 30 June 2014	1,337	2,975	(3,149)	(145)	4,169	269	73	55,647	61,176	1,509	62,685

Donegal Investment Group plc
 Unaudited condensed consolidated interim statement of cash flows
 for the six months ended 30 June 2015

	2015	2014
	Unaudited	Unaudited
	€'000	€'000
Cash flows from operating activities		
Profit for the period	3,520	456
Adjustments for:		
Depreciation	687	629
Amortisation of intangibles	53	55
Net finance (income)/expense	(629)	203
Share of profit of associates	(796)	(1,065)
Gain on sale of property, plant and equipment	(36)	(48)
Gain on exercise of option over financial assets	(820)	-
Loss on sale of investment property	3	8
Loss on sale of subsidiary	7	-
Equity-settled share-based payment transactions	105	40
Income tax expense	471	134
Change in inventories	1,214	118
Change in trade and other receivables	3,060	7,421
Change in trade and other payables	(6,112)	(6,727)
	727	1,224
Interest paid	(267)	(263)
Income tax paid	(5)	(12)
Net cash from operating activities	455	949
Cash flows from investing activities		
Interest received	15	18
Dividends received	2	23
Proceeds from sale of property, plant and equipment	68	64
Proceeds from disposal of investment property	3,252	2,612
Acquisition of treasury shares	(530)	(136)
Exercise of share options	-	114
Acquisition of property, plant and equipment	(506)	(725)
Acquisition of intangibles	-	(30)
Net cash used in investing activities	2,301	1,940

Donegal Investment Group plc
Unaudited condensed consolidated interim statement of cash flows *(continued)*
for the six months ended 30 June 2015

	2015	2014
	€'000	€'000
Cashflows from financing activities		
Repayment of borrowings	(600)	(600)
Payment of finance lease liabilities	(25)	(31)
Dividend to minority interest	(53)	-
	<hr/>	<hr/>
Net cashflow from financing activities	(678)	(631)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,078	2,258
Cash and cash equivalents at 1 January	(3,300)	(1,135)
Effect of exchange rate fluctuations on cash held	170	(104)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	(1,052)	1,019
	<hr/>	<hr/>

(1) Reporting entity

Donegal Investment Group Plc (the "Company") is a company domiciled in Ireland. The unaudited condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

(2) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with international financial reporting standard (IFRS) IAS 34 *Interim Financial Reporting* as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group, prepared in accordance with IFRS as adopted by the EU (EU IFRS) as at and for the year ended 31 December 2014. The financial information presented herein does not amount to statutory financial statements that are required by company law to be annexed to the annual return of the company. The financial statements for the financial year ended 31 December 2014 are annexed to the annual return to be filed with the Registrar of Companies. The audit report on those EU IFRS financial statements was not qualified.

The financial statements are presented in euro, which is the company's functional currency. All financial information presented in euro is rounded to the nearest thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial assets classified as available-for-sale and investment property. These condensed consolidated interim financial statements were approved by the Board of Directors on 26 August 2015.

(3) Accounting policies

The following standards, amendments and interpretations were applicable in the financial year beginning 1 January 2015.

1. IAS 19 Amendment: Defined Benefit Plans; Employee Contributions

These narrow scope amendments apply to contributions from employees or third parties to benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This did not impact the Group as it does not operate a defined benefit pension plan.

2. Annual Improvements to IFRS 2010-2012 Cycle and 2011-2013 Cycle

As part of its annual improvements process, the IASB has published non-urgent but necessary amendments to IFRS. Together, the two cycles cover a total of nine standards, with consequential amendments to other standards. The amendments apply prospectively for annual periods beginning on or after 1 July 2014. The topics covered in these revisions are listed below.

Annual Improvements to IFRS 2010-2012 Cycle

- IFRS 2 Share-based Payment: definition of a vesting condition.
- IFRS 3 Business Combinations: accounting for contingent consideration in a business combination.
- IFRS 8 Operating Segments: (i) aggregation of operating segments and (ii) reconciliation of the total of the reportable segments' assets to the entity's assets.
- IFRS 13 Fair Value Measurement: short-term receivables and payables.
- IAS 16 Property, Plant and Equipment: revaluation method – proportionate restatement of accumulated depreciation.
- IAS 24 Related Party Disclosures: key management personnel services.
- IAS 38 Intangible Assets: revaluation method; proportionate restatement of accumulated amortisation.

(3) Accounting policies (continued)

Annual Improvements to IFRS 2011-2013 Cycle

- IFRS 1 First-time adoption of IFRS: meaning of 'effective IFRS'.
- IFRS 3 Business Combinations: scope exceptions for joint ventures.
- IFRS 13 Fair Value Measurement: scope of paragraph 52 (portfolio exception).
- IAS 40 Investment Property: clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

For all changes to the standards above, the Group has changed its accounting policies accordingly, which did not have a material impact on the financial results or financial position of the Group.

(4) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were broadly consistent with those that applied in prior years (in respect of the carrying value of goodwill, deferred tax, financial assets and liabilities).

(5) Segment Information

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance.

The Group comprises the following reportable business segments:

- Produce: The growing, sales and distribution of seed potatoes and organic produce.
- Food-Agri & Property: The manufacture, sale and distribution of farm inputs and dairy products and rental and sale of property assets.
- Associates: Associates is comprised of our existing investments in Monaghan Middlebrook Mushrooms, North Western Livestock Holdings and Leapgrange.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit/(loss) as included in the internal management reports that are reviewed by the Group's CODM, being the Board. Segment operating profit is used to measure performance; as such information is the most relevant in evaluating the results of the Group's segments. Segment results, assets and liabilities include all items directly attributable to a segment. Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

Donegal Investment Group plc
Notes to the unaudited condensed interim financial statements
for the six months ended 30 June 2015

(5) Segment information (continued)

Business segments (continued)

	Produce		Food-Agri & Property		Associates		Total-Group	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Total revenues	12,303	13,545	26,762	25,616	50,019	59,945	89,084	99,106
Less : Revenue for associates	-	-	-	-	(50,019)	(59,945)	(50,019)	(59,945)
Revenue – continuing operations	12,303	13,545	26,762	25,616	-	-	39,065	39,161
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment result before exceptional items	(524)	(668)	1,283	1,055	796	1,065	1,555	1,452
Inter-segmental charges	-	-	219	159	(219)	(159)	-	-
Segmental result from continuing operations before exceptional items	(524)	(668)	1,502	1,214	577	906	1,555	1,452
Exceptional items							1,522	(619)
Net finance income/(expense)							629	(203)
Share option expense							(105)	(40)
Income tax expense							(81)	(134)
Profit for the period – continuing operations							3,520	456

Donegal Investment Group plc
Notes to the unaudited condensed interim financial statements
for the six months ended 30 June 2015

(5) Segment Information (continued)
Business segments (continued)

	Produce		Food-Agri & Property		Associates		Total-Group	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Segment assets	15,074	13,617	54,212	56,427	-	-	69,286	70,044
Investments in associates	-	-	-	-	23,173	24,742	23,173	24,742
	15,074	13,617	54,212	56,427	23,173	24,742	92,459	94,786
Cash at bank (unallocated)							-	1,019
Total assets							92,459	95,805
Segment liabilities	3,461	3,979	8,286	7,318	-	-	11,747	11,297
Bank overdraft (unallocated)							1,052	-
Derivatives (unallocated)							-	3,925
Loans and borrowings (unallocated)							12,896	14,158
Deferred tax (unallocated)							3,326	3,740
Total liabilities							29,021	33,120
Capital expenditure	56	123	450	632	-	-	506	755
Depreciation and amortisation	250	241	490	443	-	-	740	684
Change in fair value of investment property and other assets		-	(218)	(255)		-	(218)	(255)

(5) Segment Information (continued)
Business segments (continued)

	Island of Ireland		Europe		Rest of World		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue from external customers (by origin)	33,732	32,805	5,121	6,255	212	101	39,065	39,161
Segment assets	86,018	89,343	5,684	6,060	757	402	92,459	95,805
Capital expenditure	488	656	17	65	1	34	506	755

Entity-wide disclosures

Section 1: Information about products and services

The Group's revenue from external customers in respect of its principal products and services is analysed in the disclosures above.

Section 2: Information about geographical areas and customers

The Group has a presence in several countries worldwide. The revenues from external customers and non-current assets (as defined in IFRS 8) attributable to the country of domicile of all foreign operations are noted above.

Seasonality

The Group's Produce and Food-Agri & Property divisions are second half weighted. This weighting is primarily driven by weather and global buying patterns.

The Group is not reliant on any single customer for greater than 10% of its revenues.

(6) Earnings per share

The calculation of basic and diluted earnings per share is set out below:

	2015	2014
	€'000	€'000
Profit for the period	3,520	456
Profit attributable to ordinary shareholders	3,384	435
Weighted average number of ordinary shares	2015	2014
<i>In thousands of shares</i>		
Weighted average number of ordinary shares in issue for the period	10,286	10,286
Weighted average number of treasury shares	(133)	(22)
Denominator for basic earnings per share	10,153	10,264
Effect of share options in issue	96	99
Weighted average number of ordinary shares (diluted) at 30 June	10,249	10,363

The Group purchased 119,480 treasury shares at a total purchase price of €530,000 including transaction costs, in a number of transactions, intended to be used to settle awards made under the Group's share option scheme.

	2015	2014
Basic earnings per share (euro cent)		
Continuing	33.4	4.2
Diluted earnings per share (euro cent)		
Continuing	33.0	4.2

(7) Dividends

No dividends were paid in either the 6 months ended 30 June 2015 or the 6 months ended 30 June 2014. The Board has proposed the payment of an interim dividend of 7.0 cent per share on 4 December 2015 (7.0 cent per share in 2014) to shareholders on the register on 20 November 2015.

A final dividend of 9.0 cent per share for the year ended 31 December 2014 was paid on 21 August 2015 to shareholders on the register on 31 July 2015.

(8) Property, plant and equipment

Additions and disposals

During the six months ended 30 June 2015, the Group acquired assets for €506,000 (six months ended 30 June 2014: €755,000). Assets with a net book value of €32,000 were disposed of during the six months ended 30 June 2015 (six months ended 30 June 2014: €12,000), resulting in a gain on disposal of €36,000 (six months ended 30 June 2014: gain of €48,000).

(9) Investment property	2015	2014
	€'000	€'000
Balance at 1 January	18,177	24,389
Disposal	(50)	(2,620)
Effect of movement in exchange rates	31	12
Balance at 30 June	18,158	21,781

Investment property includes the Grianan estate, the Oatfield site in Letterkenny, the Bridgend property, store in Omagh and development land in Donegal.

Additions and disposals

During the six months ended 30 June 2015, the Group did not acquire any investment properties (six months ended 30 June 2014: €nil). The Group disposed of investment property with a carrying value of €50,000 during the period (six months ended 30 June 2014: €2,620,000) resulting in a loss on disposal of €3,000 (six months ended 30 June 2014: Loss €8,000). Proceeds in respect of the sale of Ballyraine Halls were received during the period.

(10) Investment in associates

	2015	2015		2014	2014	
	Interest in	Loans to	2015	Interest in	Loans to	2014
	associate	associate	Total	associate	associate	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	24,539	798	25,337	22,788	792	23,580
Share of increase in net assets after tax	1,256	-	1,256	1,159	-	1,159
Reversal of impairment of loan to associate	-	48	48	-	-	-
Interest charged	-	4	4	-	3	3
Exercise of option over financial asset	(3,472)	-	(3,472)	-	-	-
Balance at 30 June	22,323	850	23,173	23,947	795	24,742

The Group's share of after tax profits in its associates, primarily related to Monaghan, for the period was €1,256,000 (2014: €1,159,000).

Following on from the Court's decision (noted below) that Danbywiske and the General Partners of the Wilson Partnership 1 had an option to acquire 5% of Elst that is held by the Company, we are now accounting for our shareholding in Monaghan at 30% (2014: 35%) on the basis of the option effectively having been exercised. This has resulted in a partial disposal for accounting purposes with the recognition of an exceptional gain of €0.8m.

As advised previously, the Company took a shareholder oppression claim relating to its shareholding in Elst (the "Oppression Action"). The respondents (being the majority shareholders in Elst) admitted specified and unspecified acts of oppression and on 21 May 2015, the Commercial Court ordered the respondents to purchase the shares held by the Company in Elst (the "Remedy"). The Company is considering whether to appeal the Remedy.

The Commercial Court, a division of the High Court, gave judgment on 5 June 2015 in relation to the costs of the Oppression Action. The Judge observed that it had been necessary for the Company to bring the Oppression Action and the costs of the Oppression Action (including the valuation module) were awarded in favour of the Company.

In separate proceedings issued against the Company, as noted above, the Court held that Danbywiske and the General Partners of the Wilson Partnership 1 had an option to acquire 5% of Elst that is held by the Company. The Company is not appealing this judgment. On the basis the Option has effectively been exercised, the Company's 30% shareholding in Elst was valued by the Commercial Court at €26,228,571. This valuation is under appeal to the Court of Appeal and is scheduled to be heard in April 2016. The directors are satisfied that the Court approved value is not less than the carrying value on the Group's balance sheet.

(11) Exceptional items

Exceptional items are those that, in management’s judgement, should be disclosed by virtue of their nature or amount. Such items are included in the Statement of profit or loss and comprehensive income caption to which they relate. The Group reports the following exceptional items:

		2015	2014
		€’000	€’000
Legal costs receivable in respect of oppression action with Monaghan	(a)	1,800	-
Legal costs payable in respect of the option case with Monaghan	(b)	(240)	-
Accounting profit in respect of the exercise of option over financial asset held by Monaghan	(c)	820	-
Legal costs in respect of the ongoing legal case with Monaghan	(d)	(468)	(375)
Restructuring costs	(e)	-	(244)
Income tax expense in respect of exceptional items		(390)	-
		1,522	(619)

- a) Estimated legal costs receivable in respect of costs awarded by the Courts to the Group in respect of the Oppression Action.
- b) Estimated legal costs payable in respect of costs awarded by the Courts against the Group in respect of share option legal case.
- c) Accounting profit in respect of the exercise of the option over financial assets held by Monaghan.
- d) Legal costs are costs in respect of the ongoing legal case with Monaghan.
- e) Restructuring costs include redundancy costs, operational costs, legal, and accounting and taxation advice in respect of costs associated with restructuring the Group.

(12) Related parties

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and equity compensation benefits. Key management personnel received total compensation of €293,230 relating to two executive directors for the six months ended 30 June 2015 (six months ended 30 June 2014: €179,811 relating to one executive director). Total remuneration is included in “administration expenses.”

Other related party transactions

	Transaction value		Balance outstanding	
	Period ended		As at	
	30 June		30 June	
	2015	2014	2015	2014
	€’000	€’000	€’000	€’000
Sale of goods and services				
Sales by Group to directors	169	170	45	41

(13) Events after the balance sheet date

There have been no significant events subsequent to the period end, which would require adjustment to, or disclosure in, the interim financial statements.