Interim Report 2014

NTR

Securing a Greener Future

Contents

Interim Financial Highlights

	Six months ended 30 September 2014 €'000	Six months ended 30 September 2013 €'000
EXTRACTS FROM CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT		
Group revenue – continuing operations	**19,694**	20,696
EBITDA – continuing operations*	**20,095**	19,719
Profit for the period	**5,361**	1,838
Profit for the period attributable to equity holders of the company	**5,016**	1,484
Basic earnings per share, cent	**5.1c**	0.7c
EXTRACTS FROM CONDENSED CONSOLIDATED INTERIM BALANCE SHEET		
Total non-current assets	**567,551**	551,318
Total assets	**648,308**	722,446
Total equity attributable to equity holders of the company	**128,964**	189,008

* EBITDA is defined as earnings before interest, taxes, and depreciation, see note 2 for reconciliation to reported results.

Chairman's Statement

Overview

With a profit of €5.4 million for the six months ending September 2014, I am pleased to say that this is the third consecutive profitable reporting period for NTR plc. The profit reflects the stable nature of the EBITDA generated by our US wind assets and our water waste treatment joint venture CAW, coupled with the successful reduction in costs in recent years. Our operating wind farms in the United States continued to perform well during the period, with the effects of some variability in wind resources being broadly offset by strong availability of turbines and reliability of production output.

The strengthening of the US dollar also contributed to the profit line (foreign exchange gain of €4.7 million). However, as we have noted in our recent 2014 Annual Report, the impact of foreign exchange, while favourable for the six months to September 2014, is outside of our control and we remain subject to foreign exchange variability given that the majority of our assets and liabilities are US dollar denominated. During the period, we sought to reduce the extent of our exposure to foreign exchange variability by transferring our US dollar cash reserves into euro. This will alleviate some of the variability in our results and, due to the favourable exchange rate achieved, had the effect of locking in a realised gain of €1.5 million in the period.

Since the end of the reporting period, we announced that a process has been launched for the sale of the US wind assets. This decision followed a strategic review supported by independent advisors, the results of which indicated that launching a sale process is an appropriate strategy to optimise the value inherent in the projects. Operating projects with long-term off-take agreements together with a strong operating performance history should be attractive to buyers who are active participants in the US wind market at this time. The process is expected to take some months to conclude.

Assuming a satisfactory value is unlocked by the sale of the US wind assets, the Group expects to embark on a process to provide further significant liquidity to shareholders. The structure such a process may take has not yet been determined and any liquidity event will be in addition to the €100 million returned to shareholders last year.

The Group advanced its investment in wind projects in the UK and Ireland and on 1 October 2014 announced the acquisition of fourteen 250KW single turbine wind projects in Northern Ireland comprising four operational sites and a further ten development projects, most of which are at advanced stages of development. With the addition of this portfolio of small wind projects to its existing build out programme, NTR expects to construct, commission and operate a minimum of eighteen 250KW projects across the province in 2015, with more projects under review thereafter. These projects comfortably meet NTR's investment criteria, which is to capture double digit annualised cash yields over a 20 year period for 20MW of single turbine sites. The Group is also in advanced stages on certain other potential wind project acquisitions in the UK and Ireland. These will be the first of some 150MW of wind projects ranging between 5MW and 40MW in size. The projects currently being assessed also meet our criteria for attractive risk adjusted yields, again in the double digit range. Some €400 million of equity and debt will be invested in Europe. €150 million of equity will be invested, of which NTR will invest €50 million. Project finance debt of €250 million will be utilised, of which €100 million has been sourced through framework agreements.

Financial Results

Group revenue from continuing operations for the six months ended 30 September 2014 was €19.7 million, which compares to €20.7 million in the same period last year. This is entirely comprised of Wind Capital Group revenue and the variation arises due to a combination of normal wind variability and foreign exchange movements.

EBITDA of €20.1 million was marginally ahead of the same period last year (€19.7 million), reflecting stable year on year contributions by WCG and CAW and reducing head office costs.

The Group's profit for the period was €5.4 million, an increase of €3.5 million on the same period last year (€1.8 million). Unlike the same period last year, the profits for the period all relate to profits from continuing operations. The other main movements relative to the same period in 2013 included a reduction of €13.5 million in financing costs, €9.5 million of which was due to foreign exchange movements, lower borrowing costs of €2.9 million reflecting the reduction of loans and borrowings in Wind Capital Group, and an amount of €1.2 million arising on the unwinding of the discounted consideration receivable of $45 million in respect of the sale of Osage.

Shareholders' funds strengthened by €12.1 million over the previous six months, increasing from €116.9 million at March 2014, to €129.0 million at 30 September 2014. The main contributors to the increase are the attributable profit of €5.0 million recorded in the period together with foreign exchange gains. Total assets at 30 September 2014 stood at €648.3 million compared to €618.4 million at 31 March 2014.

Cash reserves remained strong at €47.2 million on 30 September 2014, an increase of €5.4 million compared to March 2014 (€41.8 million). These reserves take into account the first receipt arising from the sale of the Osage wind project in April 2014, plus other receipts, offset by payments made towards the acquisition of the portfolio of single turbine wind projects in Northern Ireland. NTR continues to hold no debt at the centre.

Earnings per share for the period was 5.1c, all of which pertains to continuing operations and reflects an increase of 4.4c on the same period last year, 0.7c.

Dividend

The Board is not recommending an interim dividend.

Conclusion

In our Annual Report published earlier this year, the Group gave guidance that all things being equal, before taking into account the impact of any new investments, one off items or foreign exchange movements, NTR's profitability for the full year should be in the range of mid single digit millions. The Group is in line to achieve this result for the full year, noting that it is the norm for second half results to be higher than first half results due to stronger winds over the winter period as compared to the summer months.

Turning to the second half of the year, we expect a busy time as we drive the sale process of the US wind assets to unlock value for shareholders and, closer to home, as we build out our portfolio of small wind projects, as well as completing other wind project transactions in Ireland and the UK which are currently at various stages of due diligence.

Tom Roche
Chairman
3 December 2014

Independent Review Report to NTR plc

Introduction

We have been engaged by NTR plc ("the Company") to review the condensed set of financial statements in the Interim Report for the six months ended 30 September 2014 which comprises the Condensed Consolidated Interim Income Statement, Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Balance Sheet, Condensed Consolidated Interim Statement of Cash Flows, Condensed Consolidated Interim Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the condensed set of financial statements included in this Interim Report in accordance with the recognition and measurement requirements of IAS34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Financial Reporting Council for use in the UK and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Report for the six months ended 30 September 2014 has not been prepared, in all material respects, in accordance with the recognition and measurement requirements of IAS34 as adopted by the EU.

Roger Gillespie
for and on behalf of
KPMG
Chartered Accountants
Dublin
3 December 2014

Condensed Consolidated Interim Income Statement (Unaudited)

For the Six Months ended 30 September 2014

	Note	Six months ended 30 September 2014 €'000	Six months ended 30 September 2013 €'000
GROUP REVENUE	2	**19,694**	20,696
Operating expenses		**(13,965)**	(13,946)
Administrative expenses		**(3,666)**	(4,909)
Other operating income, net	3	**8,965**	8,596
OPERATING PROFIT BEFORE SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES		**11,028**	10,437
Share of profit of equity accounted investees, net of tax		**659**	640
OPERATING PROFIT BEFORE FINANCING COSTS		**11,687**	11,077
Financial income (including foreign exchange gains)	5	**5,874**	129
Financial expense (including foreign exchange losses)	5	**(12,562)**	(20,301)
NET FINANCING COSTS		**(6,688)**	(20,172)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**4,999**	(9,095)
Income tax		**341**	5,238
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**5,340**	(3,857)
Profit from discontinued operations, net of tax	4	**21**	5,695
PROFIT FOR THE PERIOD		**5,361**	1,838
Attributable to:			
Equity holders of the Company		**5,016**	1,484
Non-controlling interests		**345**	354
PROFIT FOR THE PERIOD		**5,361**	1,838
Earnings/(loss) per share – basic and diluted (cent)			
- continuing operations		**5.1**	(2.1)
- discontinued operations		**-**	2.8
- total	6	**5.1**	0.7

Condensed Consolidated Interim Statement of Comprehensive Income (Unaudited)

For the Six Months ended 30 September 2014

	Six months ended 30 September 2014 €'000	Six months ended 30 September 2013 €'000
Profit for the period	**5,361**	1,838
Other comprehensive income:		
Foreign currency translation differences for foreign operations	**8,829**	(4,215)
Effective portion of changes in fair value of cash flow hedges	**(2,342)**	4,878
Net change in fair value of cash flow hedges reclassified to income statement	**1,964**	2,108
Movement in fair value reserve	**-**	22
Fair value reserve reclassified to income statement	**-**	(63)
Other comprehensive income for the period, net of income tax	**8,451**	2,730
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**13,812**	4,568
Attributable to:		
Equity holders of the Company	**13,054**	4,053
Non-controlling interests	**758**	515
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**13,812**	4,568

Condensed Consolidated Interim Balance Sheet (Unaudited)

As at 30 September 2014

	30 September 2014 €'000	30 September 2013 €'000	31 March 2014 €'000
ASSETS			
Property, plant and equipment	**461,522**	477,291	429,375
Goodwill	**30,763**	35,940	28,182
Investment in joint ventures	**10,300**	9,698	9,641
Trade and other receivables	**64,297**	28,083	27,710
Other financial assets	**669**	306	546
TOTAL NON-CURRENT ASSETS	**567,551**	551,318	495,454
Trade and other receivables	**6,111**	5,463	7,417
Current tax receivable	**-**	93	65
Other financial assets	**26,767**	25,882	22,969
Cash and cash equivalents	**47,179**	139,038	41,794
Assets classified as held for sale	**700**	652	50,709
TOTAL CURRENT ASSETS	**80,757**	171,128	122,954
TOTAL ASSETS	**648,308**	722,446	618,408

Condensed Consolidated Interim Balance Sheet (Unaudited)

As at 30 September 2014 (continued)

	30 September 2014 €'000	30 September 2013 €'000	31 March 2014 €'000
EQUITY			
Issued share capital	**122**	257	123
Capital conversion reserve	**4**	4	4
Capital redemption reserve	**185**	50	184
Own share reserve	**(16)**	-	(16)
Share premium	**88,916**	268,697	88,916
Other reserves	**5,300**	(1,008)	(2,704)
Retained earnings	**34,453**	(78,992)	30,350
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**128,964**	189,008	116,857
Non-controlling interests	**5,529**	4,474	4,773
TOTAL EQUITY	**134,493**	193,482	121,630
LIABILITIES			
Loans and borrowings	**249,200**	263,810	244,555
Employee benefits	**830**	-	554
Deferred income	**70,366**	68,220	65,518
Provisions	**2,342**	2,003	2,065
Derivative financial instruments	**10,540**	8,837	8,864
Deferred tax liabilities	**110,735**	94,824	98,598
TOTAL NON-CURRENT LIABILITIES	**444,013**	437,694	420,154
Loans and borrowings	**33,286**	38,213	31,385
Trade and other payables	**19,876**	32,515	18,952
Derivative financial instruments	**3,913**	3,973	3,806
Current tax payable	**6,271**	7,095	6,519
Deferred income	**2,853**	2,821	2,657
Provisions	**3,603**	4,439	3,605
Employee benefits	**-**	2,214	-
Liabilities classified as held for sale	**-**	-	9,700
TOTAL CURRENT LIABILITIES	**69,802**	91,270	76,624
TOTAL LIABILITIES	**513,815**	528,964	496,778
TOTAL EQUITY AND LIABILITIES	**648,308**	722,446	618,408

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the Six Months ended 30 September 2014

	Attributable to Equity Holders of the Company											
	Share Capital	Capital Conversion Reserve	Capital Redemption Reserve	Own Shares	Share Premium	Translation Reserve	Hedging Reserve	Share Based Payments Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 April 2014	**123**	**4**	**184**	**(16)**	**88,916**	**14,412**	**(19,519)**	**2,403**	**30,350**	**116,857**	**4,773**	**121,630**
Profit for the period	-	-	-	-	-	-	-	-	5,016	5,016	345	5,361
Other comprehensive income:												
Foreign currency translation differences	-	-	-	-	-	8,403	-	-	-	8,403	426	8,829
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(2,261)	-	-	(2,261)	(81)	(2,342)
Net change in fair value of cash flow hedges reclassified to income statement	-	-	-	-	-	-	1,896	-	-	1,896	68	1,964
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**8,403**	**(365)**	**-**	**-**	**8,038**	**413**	**8,451**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**8,403**	**(365)**	**-**	**5,016**	**13,054**	**758**	**13,812**
Transactions with shareholders												
Own shares redeemed	(1)	-	1	-	-	-	-	-	(913)	(913)	-	(913)
Lapsed share awards	-	-	-	-	-	-	-	(34)	-	(34)	(2)	(36)
Total transactions with shareholders	**(1)**	**-**	**1**	**-**	**-**	**-**	**-**	**(34)**	**(913)**	**(947)**	**(2)**	**(949)**
As at 30 September 2014	**122**	**4**	**185**	**(16)**	**88,916**	**22,815**	**(19,884)**	**2,369**	**34,453**	**128,964**	**5,529**	**134,493**

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

For the Six Months ended 30 September 2013

	Attributable to Equity Holders of the Parent Company											
	Share Capital	Capital Conversion Reserve	Capital Redemption Reserve	Share Premium	Translation Reserve	Hedging Reserve	Share Based Payments Reserve	Fair value Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 April 2013	**257**	**4**	**50**	**268,697**	**20,297**	**(26,300)**	**2,639**	**41**	**(53,772)**	**211,913**	**(22,999)**	**188,914**
Profit for the period	-	-	-	-	-	-	-	-	1,484	1,484	354	1,838
Other comprehensive income:												
Foreign currency translation differences	-	-	-	-	(4,134)	-	-	-	-	(4,134)	(81)	(4,215)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	4,709	-	-	-	4,709	169	4,878
Net change in fair value of cash flow hedges reclassified to income statement	-	-	-	-	-	2,035	-	-	-	2,035	73	2,108
Movement in fair value reserve	-	-	-	-	-	-	-	22	-	22	-	22
Fair value reserve reclassified to income statement	-	-	-	-	-	-	-	(63)	-	(63)	-	(63)
Total other comprehensive income	**-**	**-**	**-**	**-**	**(4,134)**	**6,744**	**-**	**(41)**	**-**	**2,569**	**161**	**2,730**
Total comprehensive income	**-**	**-**	**-**	**-**	**(4,134)**	**6,744**	**-**	**(41)**	**1,484**	**4,053**	**515**	**4,568**
Transactions with shareholders												
Share options waived	-	-	-	-	-	-	(254)	-	254	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(26,958)	(26,958)	26,958	-
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(254)**	**-**	**(26,704)**	**(26,958)**	**26,958**	**-**
As at 30 September 2013	**257**	**4**	**50**	**268,697**	**16,163**	**(19,556)**	**2,385**	**-**	**(78,992)**	**189,008**	**4,474**	**193,482**

For the Year ended 31 March 2014

	Share Capital €'000	Capital Conversion Reserve €'000	Capital Redemption Reserve €'000	Own Shares €'000	Share Premium €'000	Translation Reserve €'000	Hedging Reserve €'000	Share Based Payments Reserve €'000	Fair value Reserve €'000	Retained Earnings €'000	Total €'000	Non-Controlling Interests €'000	Total Equity €'000
	Attributable to Equity Holders of the Company												
As at 1 April 2013	**257**	**4**	**50**	**-**	**268,697**	**20,297**	**(26,300)**	**2,639**	**41**	**(53,772)**	**211,913**	**(22,999)**	**188,914**
Profit for the year	-	-	-	-	-	-	-	-	-	30,195	30,195	1,177	31,372
Other comprehensive income:													
Foreign currency translation differences	-	-	-	-	-	(5,885)	-	-	-	-	(5,885)	(157)	(6,042)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	2,821	-	-	-	2,821	102	2,923
Net change in fair value of cash flow hedges reclassified to income statement	-	-	-	-	-	-	3,960	-	-	-	3,960	142	4,102
Movement in fair value reserve	-	-	-	-	-	-	-	-	22	-	22	-	22
Fair value reserve reclassified to income statement	-	-	-	-	-	-	-	-	(63)	-	(63)	-	(63)
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(5,885)**	**6,781**	**-**	**(41)**	**-**	**855**	**87**	**942**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(5,885)**	**6,781**	**-**	**(41)**	**30,195**	**31,050**	**1,264**	**32,314**
Transactions with shareholders													
Transfer from share premium on capital reduction	-	-	-	-	(180,000)	-	-	-	-	180,000	-	-	-
Own shares redeemed	(134)		134	-	-	-	-	-	-	(98,812)	(98,812)	-	(98,812)
Own shares redeemed transaction costs	-	-	-	-	-	-	-	-	-	(557)	(557)	-	(557)
Share awards to employees	-	-	-	-	-	-	-	237	-	-	237	-	237
Shares issued on foot of share award scheme	-	-	-	-	219	-	-	(219)			-	-	-
Share options waived	-	-	-	-	-	-	-	(254)	-	254	-	-	-
Own shares acquired	-	-	-	(16)	-	-	-	-	-	-	(16)	-	(16)
Dividend income from joint venture	-	-	-	-	-	-	-	-	-	-	-	491	491
Dividends paid to non-controlling interests of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(941)	(941)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(26,958)	(26,958)	26,958	-
Total transactions with shareholders	**(134)**	**-**	**134**	**(16)**	**(179,781)**	**-**	**-**	**(236)**	**-**	**53,927**	**(126,106)**	**26,508**	**(99,598)**
As at 31 March 2014	**123**	**4**	**184**	**(16)**	**88,916**	**14,412**	**(19,519)**	**2,403**	**-**	**30,350**	**116,857**	**4,773**	**121,630**

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

For the Six Months ended 30 September 2014

	Note	Six months ended 30 September 2014 €'000	Six months ended 30 September 2013 €'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**5,361**	1,838
Adjustments for:			
Depreciation		**8,408**	8,642
Impairment of property held for sale	8	**-**	229
Financial income	5	**(5,874)**	(129)
Financial expense	5	**12,562**	20,301
Share of profit of equity accounted investees		**(659)**	(640)
Gain on disposal of subsidiary in prior period	3	**-**	(1,806)
Gain on sale of property, plant and equipment	3	**(9)**	-
Amortisation of government grants	3	**(1,334)**	(1,365)
Production tax credits	3	**(6,834)**	(7,089)
Amortisation of deferred income	3	**(55)**	(112)
Release of provisions	3	**-**	(1,169)
Onerous contract provision		**(16)**	-
Restructuring costs paid		**(316)**	(1,586)
Share based payment credit		**(36)**	-
Employee benefit accrual		**276**	60
Employee benefit paid		**-**	(1,618)
Income tax credit		**(336)**	(5,211)
OPERATING CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		**11,138**	10,345
Decrease in trade and other receivables		**1,819**	4,305
Decrease in trade and other payables		**(28)**	(4,563)
CASH FROM OPERATIONS		**12,929**	10,087
Income taxes paid		**(2,380)**	(111)
NET CASH FROM OPERATING ACTIVITIES		**10,549**	9,976

	Note	Six months ended 30 September 2014 €'000	Six months ended 30 September 2013 €'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**20**	44
Acquisition of property, plant and equipment		**(66)**	(9,935)
Proceeds in escrow from sale of Greenstar Recycling received		**-**	3,584
Disposal of investment in quoted shares		**-**	473
Additional investment in other financial assets		**(106)**	-
Disposal of property, plant and equipment		**26**	-
Disposal of subsidiary		**10,838**	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**10,712**	(5,834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share redemption		**(913)**	-
Movement in restricted cash deposits		**(1,725)**	2,222
Drawdown of borrowings		**408**	2,128
Repayment of borrowings		**(11,326)**	(13,405)
Loan arrangement fees paid		**-**	(19)
Interest paid		**(4,190)**	(4,592)
NET CASH USED IN FINANCING ACTIVITIES		**(17,746)**	(13,666)
Net increase/(decrease) in cash and cash equivalents		**3,515**	(9,524)
Cash and cash equivalents at start of period		**41,794**	150,942
Effect of exchange rates fluctuations on cash held		**1,870**	(2,380)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**47,179**	139,038

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months ended 30 September 2014

1. Basis of Preparation and Accounting Policies

The financial information presented in this report has been prepared in accordance with the recognition and measurement requirements of IAS 34 *Interim Financial Reporting* as adopted by the EU. The accounting policies and methods of computation adopted in the preparation of the financial information are consistent with those set out in the Group's consolidated financial statements for the year ended 31 March 2014 which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU Commission except as described below. The following standards and interpretations, none of which have a material effect on the results of financial position of the Group, are effective for the Group from 1 April 2014:

- IFRS 10, *Consolidated Financial Statements*, replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The core principle that a consolidated entity presents a parent and its subsidiaries as a single entity remains the same, as does the mechanics for consolidation. This standard has not had any significant impact on the Group.
- IFRS 11, *Joint Arrangements*, removes the existing accounting policy choice of proportionate consolidation for jointly controlled entities and makes equity accounting mandatory for participants in joint ventures. This standard has had no impact on the Group.
- IFRS 12, *Disclosure of Interest in Other Entities*, requires entities to disclose information about the nature, risks and financial effects associated with the entity's interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has not had a significant impact on the Group's financial statements.
- Amendment to IAS 32, *Offsetting financial assets and financial liabilities*, clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment has not had a significant impact on the Group's financial statements.

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities revenues and expenses together with disclosure of contingent assets and liabilities. 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 the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The interim financial information for both the six months ended 30 September 2014 and the comparative six months ended 30 September 2013 are unaudited but have been reviewed by the Auditor, whose report is set out on page 4. The financial information for the year ended 31 March 2014 represents an abbreviated version of the Group's statutory financial statements for that year. Those statutory financial statements contained an unqualified audit report.

Prospective accounting changes

IFRS 9, *Financial Instruments*, published by the IASB was not effective for the period ended 30 September 2014 and has not been adopted early in preparing the financial statements.

2. Segmental Analysis

	Wind - US		Wind - Europe		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Segmental revenue *	**19,694**	20,696	**-**	-	**-**	-	**19,694**	20,696
Share of profit of equity accounted investees	**-**	-	**-**	-	**659**	640	**659**	640
Adjusted EBITDA **	**21,977**	22,530	**-**	-	**606**	587	**22,583**	23,117
Depreciation	**(8,381)**	(8,610)	**-**	-	**-**	-	**(8,381)**	(8,610)
Financial income	**5**	4	**-**	-	**-**	-	**5**	4
Financial costs	**(12,562)**	(15,435)	**-**	-	**-**	-	**(12,562)**	(15,435)
Reportable segment assets	**571,554**	556,137	**419**	-	**11,141**	9,805	**583,114**	565,942
Reportable segment liabilities	**(444,513)**	(438,214)	**-**	-	**(50,294)**	(58,802)	**(494,807)**	(497,016)

* Group revenue from continuing operations is entirely comprised of revenue from the Wind Division. The Group has two windfarms in operation. Each windfarm has a long-term power purchase agreement with one customer.

** EBITDA from Wind – US includes Production Tax Credits of €6,834,000 (2013: €7,089,000) and the amortisation of government grants amounting to €1,334,000 (2013: €1,365,000), see note 3.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months ended 30 September 2014 (continued)

2. Segmental Analysis (continued)

Reconciliation of reportable segmental operating profit, assets, liabilities and other material items

	2014 €'000	2013 €'000
Operating profit before financing costs		
EBITDA for reported segments	**22,583**	23,117
Unallocated centre costs	**(2,488)**	(3,398)
EBITDA (as defined *) - continuing operations**	**20,095**	19,719
Depreciation	**(8,408)**	(8,642)
Operating profit before financing costs	**11,687**	11,077

*** *Defined as earnings before interest, tax, and depreciation.*

	2014 €'000	2013 €'000
Depreciation		
Reportable segment total	**(8,381)**	(8,610)
Centre costs	**(27)**	(32)
	(8,408)	(8,642)
Financial income		
Reportable segment total	**5**	4
Centre interest income	**15**	40
Unwinding of discount on deferred consideration	**1,163**	-
Net gain on disposal of available-for-sale financial asset reclassified from equity	**-**	63
Foreign exchange gain	**4,691**	22
	5,874	129
Finance costs		
Reportable segment total	**(12,562)**	(15,435)
Foreign exchange loss	**-**	(4,862)
Centre costs	**-**	(4)
	(12,562)	(20,301)
Assets		
Reportable segment total	**583,114**	565,942
Other unallocated amounts	**65,194**	156,504
	648,308	722,446
Liabilities		
Reportable segment total	**(494,807)**	(497,016)
Other unallocated amounts	**(19,008)**	(31,948)
	(513,815)	(528,964)

3. Other Operating Income, net

	2014 €'000	2013 €'000
Production tax credits	**6,834**	7,089
Amortisation of government grants	**1,334**	1,365
Gain on disposal of subsidiary in prior period	**-**	1,806
Gain on successful resolution of court action	**-**	3,127
Release of accruals	**645**	-
Release of provisions	**-**	1,169
Rental income	**41**	42
Amortisation of deferred income	**55**	112
Gain on disposal of property, plant and equipment	**9**	-
Other	**88**	34
	9,006	14,744
Continuing operations	**8,965**	8,596
Discontinued operations	**41**	6,148
	9,006	14,744

Other operating income, net includes the following:

- The Post Rock windfarm qualifies for Production Tax Credits ('PTCs'). PTCs are tax credits that are generated as electricity is produced. They are a form of non-cash government assistance or benefit and are accounted for as a government grant. PTC income of €6,834,000 (2013: €7,089,000) was earned in the period.
- A credit arising on the amortisation of government grants amounting to €1,334,000 (2013: €1,365,000). This income relates to a grant received in 2010 by the Group's US wind division, in respect of its Lost Creek wind farm. The grant is being amortised to the Income Statement over the life of the wind farm (30 years).
- The Group disposed of Greenstar Recycling in January 2013. During the six months to 30 September 2013, the Group recorded gains of €1,806,000 arising from a favourable working capital adjustment and an increase in the expected recovery of amounts held in escrow.
- In May 2013, the Group was successful in resolving a legal action relating to a business acquisition in Greenstar Recycling which resulted in a gain of €3,127,000.
- Accruals of €645,000 in respect of continuing operations held in respect of a prior period asset disposal were released in the current period as the potential obligation for which they were held have expired.
- A provision of €1,169,000 was released in 2013 in respect of discontinued operations arising from the settlement of a legal action in relation to a business acquisition in Greenstar Recycling.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months ended 30 September 2014 (continued)

4. Discontinued Operations

On 31 January 2013, the sale of Greenstar Recycling (US) to WM Recycle America, LLC, a subsidiary of Waste Management, Inc, was completed.

The Group recorded a gain of €21,000 (2013: €5,695,000) in respect of Greenstar Recycling for the period. The gain for the six months to 30 September 2013 of €5,695,000 principally arose from the successful resolution of two court actions, an increase in the recovery of amounts held in escrow and a positive working capital adjustment, see note 3.

Results of discontinued operations:

	Greenstar Recycling	
	2014	2013
	€'000	€'000
Revenue	**-**	-
Administrative expenses	**(15)**	(197)
Impairment of property held for sale	**-**	(229)
Other operating income, net	**41**	6,148
Operating profit before financing costs	**26**	5,722
Net financing costs	**-**	-
Results from operating activities before tax	**26**	5,722
Income tax charge	**(5)**	(27)
Profit for the period	**21**	5,695
Attributable to:		
Equity holders of the Company	**21**	5,695
Non-controlling interests	**-**	-
Profit for the period	**21**	5,695

5. Finance Expense and Finance Income

	2014 €'000	2013 €'000
Recognised in Income Statement		
Finance expense		
Interest expense on financial liabilities measured at amortised cost		
- Bank borrowings	**3,060**	4,004
- On preferential equity in subsidiary	**7,376**	8,962
- On promissory notes	**7**	49
Net changes in fair value of cash flow hedges reclassified from equity	**1,964**	2,108
Unwind of discount on site restoration	**73**	69
Unwind of discount on onerous contract provision	**17**	17
Foreign exchange loss	**-**	4,862
Ineffective portion of changes in fair value of cash flow hedges	**65**	251
	12,562	20,322
Finance expenses capitalised	**-**	(21)
	12,562	20,301
Continuing operations	**12,562**	20,301
Discontinued operations	**-**	-
	12,562	20,301
Finance income		
Interest income	**20**	44
Unwinding of discount on proceeds receivable on business disposals	**1,163**	-
Fair value reserve reclassified from equity	**-**	63
Foreign exchange gain	**4,691**	22
	5,874	129
Continuing operations	**5,874**	129
Discontinued operations	**-**	-
	5,874	129
Net financing costs recognised in profit or loss		
Continuing operations	**(6,688)**	(20,172)
Discontinued operations	**-**	-
	(6,688)	(20,172)

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months ended 30 September 2014 (continued)

6. Earnings per Share

	2014	2013
Profit/(loss) attributable to equity shareholders of the Company		
Profit/(loss) from continuing operations (€'000)	**4,995**	(4,211)
Profit from discontinued operations (€'000)	**21**	5,695
Total profit attributable to equity shareholders of the Company	**5,016**	1,484
The basic weighted average number of ordinary shares in issue is calculated as follows:		
In issue at beginning of period	**98,665,021**	205,831,359
Adjustment for shares redeemed during the period	**(520,455)**	-
Weighted average number of ordinary shares	**98,144,566**	205,831,359
Basic and diluted earnings per share (cent)		
Continuing operations	**5.1**	(2.1)
Discontinued operations	**-**	2.8
Total	**5.1**	0.7

7. Dividends paid on Ordinary Shares

No dividend was paid in the current or prior period. No interim dividend is proposed.

8. Assets/(Liabilities) Classified as Held for Sale

The assets and liabilities of Osage Wind, LLC were classified as held for sale at 31 March 2014. The sale of the subsidiary was completed in April 2014.

At 30 September 2014 and 30 September 2013, the Group has a property held for sale in Omaha, Nebraska.

	2014 €'000	2013 €'000
Assets classified as held for sale		
Property, plant and equipment	**700**	652
	700	652

	2014 €'000	2013 €'000
The movement during the period was:		
At start of period	**50,709**	922
Disposal of Osage	**(49,882)**	-
Impairment of property held for sale	**-**	(229)
Effect of movement in exchange rates	**(127)**	(41)
At end of period	**700**	652

Liabilities classified as held for sale

No liabilities were classified as held for sale at 30 September 2014 or 30 September 2013.

	2014 €'000	2013 €'000
The movement during the period was:		
At start of period	**9,700**	-
Disposal of Osage	**(9,305)**	-
Effect of movement in exchange rates	**(395)**	-
At end of period	**-**	-

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months ended 30 September 2014 (continued)

9. Capital and Reserves

Share Capital

	Ordinary shares of €0.00125 each	Redeemable ordinary shares of €0.00125 each	Deferred shares of €0.00125 each
Authorised			
At 1 April 2014	211,300,000	1,295,454	1,295,454
Cancellation of shares following conversion and redemption	(992,118)	(992,118)	(992,118)
At 30 September 2014	**210,307,882**	**303,336**	**303,336**
Issued, called up and fully paid			
At 1 April 2014	98,665,021	-	-
Converted in the period	(992,118)	992,118	-
Redeemed in the period	-	(992,118)	-
At 30 September 2014	**97,672,903**	**-**	**-**

Under the terms of the Redemption of shares approved by shareholders at an Extraordinary General Meeting in September 2013, the Company was authorised by shareholders to redeem up to 108,700,000 Redeemable Ordinary Shares for an aggregate maximum redemption amount of €100,004,000. 107,404,546 were redeemed in the year ended 31 March 2014 for €98,812,182.

A further 992,118 shares were redeemed for €912,749 from current and former employees in June 2014 when the shares were released from clog, which had been in place for tax purposes.

At 30 September 2014, 302,214 shares are held by current and former employees which remain clogged for tax purposes, are eligible for redemption under the scheme in January 2016. A further €278,037 therefore remained to be distributed at 30 September 2014.

10. Subsequent Events

On 1 October 2014, the Group completed the acquisition of 100% of the shares of KN Energy Limited which has fourteen 250KW single turbine wind projects across Northern Ireland. Four of the projects are operational and a further ten projects are at advanced stages of development.

On 13 November 2014, the Group announced that following a strategic review, Marathon Capital LLC has been appointed by the Group's subsidiary Wind Capital Group, LLC to launch a sale process of its wind projects. The two wind projects, Post Rock and Lost Creek based in Kansas and Missouri respectively, comprise 351MW of operating assets with long-term power purchase agreements.

Securing a Greener Future

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