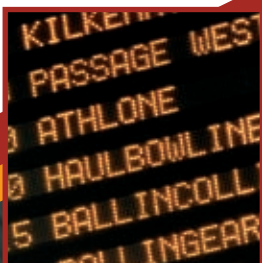




Annual Report and Financial Statements 2006



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Bus Éireann invested €16 million upgrading the fleet in 2006

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Bus Éireann would like to acknowledge funding on major projects by the Irish Government under the National Development Plan 2000-2006 as well as co-funding by the European Union.

Design: First Impression

Operations Review



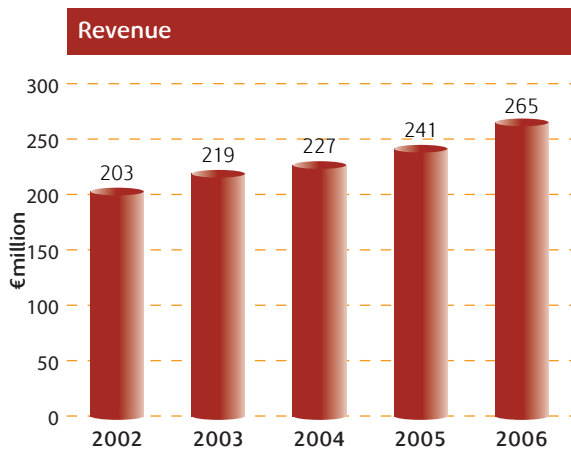
An illustration of the new fully accessible bus station in Tralee, Co Kerry

Financial Performance

Surplus of €2.3 million recorded, Revenue reaches record €265 million

In 2006, Bus Éireann performed strongly, reflecting the continued growth of recent years.

A surplus of €2.3 million was recorded along with a growth in revenue to €265 million, up from €241 million in 2005. Revenue has grown consistently in recent years.



Financial Turnaround Achieved

The financial performance of the company has turned around since 2002, when it recorded losses of €9.4 million.

The current profitable financial position has been achieved through strong financial controls and the introduction of more efficient work practices, and at a time when it continued to expand its range of services, including social services, whilst having to contend with the ever-growing problem of traffic congestion.

Subvention

Level of subvention

Bus Éireann received a subvention from the State, as payment for its Public Service Obligation (PSO), of €26.4 million in 2006, equating to 9% of operating costs. This is one of the lowest subsidy levels given to a European public bus company and does not cover the full cost of providing such social services. The shortfall was provided by Córas Iompair Éireann with an additional subvention of €4 million and by Bus Éireann with €5 million of its own funds generated on other commercial activities.

Bus Éireann and the Department of Transport has a memorandum of understanding on service levels and targets for 2006 which includes the level of state support. The company surpassed all the performance targets set out in this memorandum.

Contributor to the Exchequer

The company is also a major contributor to the Exchequer through the payment of VAT, PAYE and PRSI contributions, which came to €28 million in 2006.

Major Employer

Bus Éireann is a large national employer with a workforce of 2,756.

A further 1,355 suppliers are contracted to provide services mainly to the School Transport Scheme. Our business activities also create employment for people in many other sectors who supply Bus Éireann with goods and services.

Operations Review (continued)



Focus On Customers

Customers Numbers at 92 million

Bus Éireann customer numbers were 92 million in 2006, marginally down on record numbers of 93 million in 2005 arising from changes in demographics where a smaller number of pupils are attending Schools covered by the Schools Transport Scheme. Customers travelling on scheduled services rose to 50 million, representing an average increase of 1% on 2005.

	2006 Thousands	2005 Thousands	Percentage Change
Customer journeys			
Provincial city services	21,940	21,574	2%
Other scheduled services	27,783	27,467	1%
School transport scheme	42,367	43,596	-3%
Total	92,090	92,637	-1%

As shown in the table below, the company operated a total of 157.51 million vehicle kilometres in 2006, an increase of 4.2 million vehicle kilometres on 2005.

	2006 Thousands	2005 Thousands	Percentage Change
Vehicle kilometres			
Provincial city services	8,317	8,236	1%
Other services – own	83,401	83,074	0%
Other services – subcontracted	65,791	61,960	6%
Total	157,509	153,270	3%

Consistent Five Year Growth in Customers

In the past five years, Bus Éireann has achieved growth in customer numbers on both long distance and commuter routes, in addition to its city services. Customer journeys have increased by almost 11% recorded on expressway and commuter routes and by 5% on city services, since 2002. Since the upgrading of services in year 2000 following the NDP investment customer numbers have risen by 23%.

	2006 Thousands	2002 Thousands	Increase as %
Customer journeys			
Provincial city services	21,940	20,954	986 5%
Other scheduled services	27,783	25,104	2,679 11%
School transport scheme	42,367	43,300	-933 -2%
Total	92,090	89,358	2,732 3%
Vehicle kilometres			
Provincial city services	8,317	7,745	572 7%
Other services – own	83,401	71,931	11,470 16%
Other services – subcontracted	65,791	56,311	9,480 17%
Total	157,509	135,987	21,522 16%

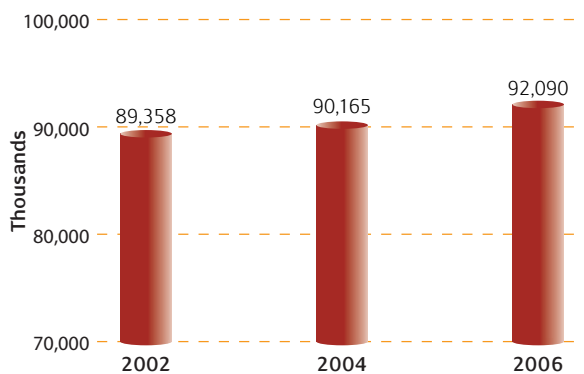
The increased vehicle kilometres demonstrate the extra resources put in place to support increased levels of service to cater for increased numbers of customers. Additional services were also needed to ensure maintenance of existing services arising from the negative impact of worsening levels of traffic congestion.

Operations Review (continued)



An aerial view of Busáras at night

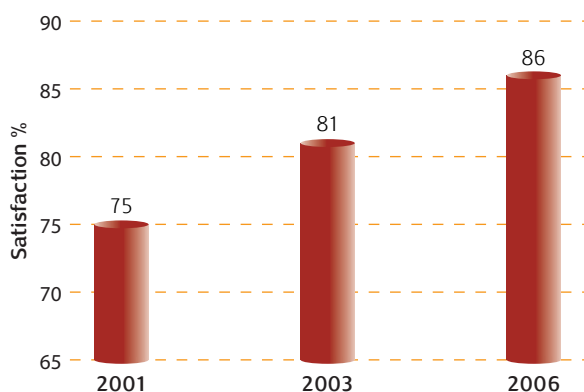
Overall Customer Journeys



Customer Satisfaction Remains High

The seventh independent audit of commitments given in the Bus Éireann customer charter was undertaken in 2006. This audit rates customer satisfaction against a range of performance commitments given in the customer charter.

Overall Customer Satisfaction



As the table above shows, customer satisfaction has been rising steadily each year. An overall customer satisfaction of 86% was recorded in 2006, while customer satisfaction levels rose in terms of punctuality, bus safety and comfort, friendliness of drivers, station cleanliness, queuing times and information availability.

New Customer Services

A range of improved and innovative customer services were introduced in 2006, in response to the growing demand for extended operating hours on public transport.

Highlights include:

The new 24 hour coach service on the Dublin-Belfast route

The Dublin-Belfast route became a 24 hour service in 2006, providing for the growing demand in off peak transport on this increasingly busy route and in particular through Dublin Airport.

Services operate on the hour every hour in both directions from 05.00hrs to 21.00hrs and every two hours thereafter, enabling customers to travel day and night.

All coaches serve Dublin Airport. **Drogheda, Dundalk, Newry, Banbridge, Dromore, Hillsborough and Sprucefield** are also served at certain times. The new 24 hour coach service is operated in conjunction with **Translink**, the Northern Ireland public transport provider.

Donegal and Sligo services

The Nightrider service was successfully extended outside of the Dublin Commuter Area for the first time during the year.

In Donegal and Sligo, late night services were provided at weekends during the Christmas 2006 period.

Customer demand for the service was significant and the services have been extended to operate on Fridays and Saturdays throughout the year.

In Donegal, the Nightrider service operates between Letterkenny and Ballybofey. The Sligo Nightrider service connects Sligo with Strandhill, Rosses Point, Ballisodare and Collooney.

In October 2006 Bus Éireann announced a fifty per cent increase in the level of frequency on the Letterkenny/Dublin route via Dublin Airport. The new timetable offers

Operations Review (continued)



Dr John Lynch (right) Chairman of CIÉ, Lorenz Zimmerman CEO of Siemens Ireland

customers travelling to Dublin and Dublin Airport a choice of nine coach services each way daily. It is synchronised with the joint Translink/Bus Éireann Derry to Dublin service, to provide an hourly frequency from locations between Strabane and Dublin.

In November 2005 Bus Éireann, in conjunction with local private bus operator McGeehan Coaches, implemented an integrated timetable on the Donegal/Dublin route resulting in an enhanced coach service for the people of South and West Donegal.

Dublin Commuter Area

Commuter services in the Greater Dublin area were further expanded in 2006 to meet growing demand, with additional vehicles provided at peak times to ensure all customers are carried.

The main service improvements in the Dublin commuter area were on the following routes:

Drogheda via Balbriggan & Dublin Airport to Dublin

Dundalk – Drogheda – Dublin Airport

Dublin via M1 Motorway Dundalk – Castlebellingham – Dunleer – Drogheda

The Naas/Newbridge Nightrider service was also extended.

A new early morning service from Edenderry to Dublin was also provided.

Service Improvements Cork Area

The No. 5 City Route was extended to Kent Station in January 2006 and all 55 services per day now operate between CIT/City Centre and Kent Station. This means that there is a high frequency bus service available at Kent Station to facilitate people travelling to and from the City Centre, UCC, CIT, FÁS etc.

A new service was introduced in October 2006 linking Whitechurch with Cork City 6 times per day.

Additional services were introduced on the following routes:

- Cloghroe/Blarney to Cork
- Mitchelstown/Fermoy to Cork
- Kinsale to Cork
- Ballinacurra/Midleton to Cork

Limerick Commuter Area

- A new early morning service from Ennis to Galway was introduced.
- An all year round service was introduced from Glin to Limerick.

Galway Area

- A Sunday service was introduced from Galway to Doughiska.

Fare Promotions

A number of attractive fare promotions were run in 2006. A successful €10 national fares promotion ran in February and was followed by travel offers on the Dublin/Belfast, Dublin/Dundalk, Dublin/Drogheda and Dublin/Limerick routes.

In Cork, promotions were offered on the following routes: Cork/Dublin, Cork/Waterford and Cork/Limerick. Free connections to Cork Airport were offered for passengers travelling to Cork on Expressway Services.

In Galway, fare promotions were offered on the Galway/Dublin route and on the Galway/Limerick/Cork route.

Special Events

Ryder Cup

In December 2005 Bus Éireann secured an exclusive contract for management of transport and logistics for the Ryder Cup, which took place in Ireland in September 2006. Bus Éireann oversaw the provision of transport for 40,000 visitors to the site at the K Club for each day of the six day event.

Operations Review (continued)



Winning groups at the Bus Éireann Limerick Community Awards

Approximately 300 dedicated coaches were used to provide services for guests along with an extensive Park and Ride service provided by Dublin Bus and with special trains operated by Irish Rail. In addition there was a dedicated shuttle service for international media personnel. Despite adverse weather conditions on a number of days during the event, the transport arrangements operated smoothly and to plan. The overall handling of the transport arrangements was singled out for special praise by a number of organisations including the Ryder Cup organisations and the media in general.

Downs Syndrome World Swimming championships

The company operated all coach requirements for this event during September 2006 which took place at the University of Limerick.

Traffic congestion and Infrastructure

The worsening traffic congestion with consequential effects on costs and reliability is a considerable source of concern to the company.

It is a major difficulty for the company resulting in the need to deploy additional resources in order to maintain existing services.

It continues to adversely affect the reliability of Bus Éireann services, particularly at peak times. A recent study showed that traffic congestion cost the company a record €22.6m in 2006. This is as a result of traffic flows and average speeds which are considerably worse than in comparable cities and towns in other European countries.

Bus Éireann has long supported the introduction of bus lanes and bus priority measures in cities and towns across Ireland to tackle traffic congestion. Freeing up road space for public transport results in shorter journey times, increasing the appeal of public transport. This in turn reduces the number of private cars on the road which improves general traffic conditions and reduces emissions.

Bus Éireann has engaged with the local authority management in Cork, Galway, Limerick, Waterford and the Greater Dublin Area to plan and progress priority measures. The company has also promoted the potential for the opening up of hard shoulders and their use as bus lanes where possible.

During 2007 the Company is anxious to progress this matter forward.

Bus Priority Measures

The introduction of bus priority measures are critical to the provision of a cost effective and efficient service geared towards meeting the needs of customers.

Measures such as Green Routes and Quality Bus Corridors are vital for separating the bus from traffic jams and improving the reliability and attractiveness of public transport. The following progress was made in the development of bus priority measures across the main cities in 2006, as follows:

In **Cork**, 9 'Green Routes' were proposed in the Cork Area Strategic Plan (CASP) and to date 4 have been implemented: Grange/Frankfield to City Centre (No.6 Route); Curraheen to City Centre (No.8 Route); Mayfield to City Centre (No.8 Route) and Airport to City Centre (Routes 226/249). Two further routes commenced construction in 2006 – Ballincollig to City Centre and Knocknaheeny/ Gurranaברה to City Centre.

In **Limerick**, Limerick County Council completed a section of Green Route that extends from Raheen roundabout to the Crescent Shopping centre in 2006. The Council is currently working on the construction of another green route that will stretch from Coonagh roundabout to Ivans on the Ennis Rd. These initiatives are very welcome indeed given the severe traffic congestion experienced by our services in Limerick. The further extension of these services to the Limerick city area is very important for the operation of our services.

Operations Review (continued)



TV Campaign promoting the use of seatbelts on school buses

In **Galway**, an additional 2km of bus lane on the Dublin road was completed in 2006, and the Galway Strategic Bus Study completed in 2006 recommends further bus priority measures.

Initiatives such as the Green routes, funded by the Department of Transport under the National Development Plan, are very welcome and the company looks forward to further progress in this area in 2007 in all of the cities including Dublin.

Technology

Ticket vending machines are in operation in Busáras and in Parnell Place bus station Cork. They are popular with customers who find them to be simple and quick to operate. Further machines will be rolled out in 2007.

The development of an auto vehicle location system is being rolled out and significant progress was achieved in 2006 as set out below.

1. GPS information was gathered for over 2,000 bus stops located around the country. This information is necessary for the AVL system to function properly.
2. A mobile network solution was put in place by a leading network operator for the AVL project.
3. A wireless network was installed in both Busáras bus station and Broadstone depot. Using this network, large amounts of data can be downloaded by wireless to and from buses.
4. Almost 150 buses were installed with the AVL system. Some of the key equipment installed included a voice communication system, a monitor for interaction with the system and an onboard computer for running the system.

2007 will be a very significant year for the AVL system and will involve the system being rolled out to other locations, the remaining buses will be installed with the AVL equipment and real-time data being made available to the public.

Accessibility

Refurbishment work was undertaken at a range of bus stations in 2006, in order to enhance access for mobility-impaired customers and staff. The projects were funded by the Irish government under the National Development Plan 2000-2006. The stations that benefited from Accessibility Projects were Tralee, Ennis and Letterkenny.

School Transport

On 27 July 2005 the Minister for Education & Science announced a range of measures agreed by Government to provide all School Transport Scheme services on a one child per adult seat basis. Seat belts were also to be fitted on all school buses by the end of 2006.

Bus Éireann worked intensively throughout 2006 with the Department of Education & Science to successfully deliver these measures efficiently on a national basis without disruption to services. Specific programmes were developed to ensure firstly that seat belts were installed on all school buses in the system, including all subcontracted buses, and secondly to check that these seat belts satisfied appropriate safety standards.

These improvements amount to a substantial change in the way school bus services are delivered in Ireland.

A wide range of important initiatives to enhance the quality and safety of the School Transport Scheme were introduced in 2006:

'One for One' Accommodation

In order to provide sufficient accommodation in the transition from the three children to two adult seat regime to a one child per adult seat position, Bus Éireann examined several thousand individual school bus routes on a route by route basis to determine the most efficient method of creating the additional seating accommodation necessary.

By undertaking a network review of all school bus services, the number of extra buses needed was kept to

Operations Review (continued)



Customers at the recently refurbished Sligo Bus Station

a minimum. By year end some 300 additional contractors buses had been introduced to allow pupils travel on a one for one basis. A smaller number of additional Bus Éireann school buses were also provided.

The transition to a fully one child per adult seat position was achieved in line with the Government deadline for the project.

Safety Belts

The Bus Éireann School Bus fleet has been fully retrofitted with safety belts to a standard that satisfies the requirements due to be in force from September 2008 onwards.

In 2006 Bus Éireann put in place a national visual inspection programme, conducted by independent experts, to check the standard of safety belts installed on all contractors buses providing services under the School Transport Scheme. In the region of 4,000 vehicle inspections were conducted in this exercise.

Bus Éireann also made arrangements as part of this programme for about 50 contractors buses to have safety belts installed and pull tested in order to develop seat belt installation specifications for school buses involved in the scheme.

All of this work took place throughout 2006. In May 2006, the mandatory requirement on all passengers to wear safety belts where provided became law, meaning that a child had to have an adult seat on school buses that had safety belts installed.

Bus Éireann planned and managed this seat belt change programme ahead of schedule, without disruption to services and despite vehicles being out of service during the period in the changeover.

From January 2007 all Bus Éireann and contractors school buses providing services under the Department of Education & Science School Transport Scheme have safety belts installed to an appropriate standard in line with the government requirement.

New School Buses

In September 2006 Bus Éireann introduced 20 new custom built school buses, consisting of four different types for evaluation purposes. By the end of 2006 this figure had increased to 34 new school buses. These buses are distinctive yellow coloured vehicles, and are fitted with safety belts and CCTV systems.

Multi Media Safety Campaign

In conjunction with the mandatory requirement to wear seat belts from May 2006, Bus Éireann and the Department of Education & Science produced a special television commercial with schoolchildren in mind to encourage them to put their safety belt on. This was accompanied by a similar campaign aimed mainly at parents on national and local radio, and in cinemas.

Bus Éireann commissioned a Safety DVD for schoolchildren, produced in conjunction with the Department of Education & Science and with the support of the Road Safety Authority, containing important safety messages covering various aspects of their journey including how to behave before boarding, on board, and after alighting, and to avoid tampering with the emergency door. Over 4,000 copies of this DVD have been produced and distributed to all primary and post primary schools in Ireland.

An additional 26 wheelchair accessible vehicles were introduced into the School Transport Scheme in 2006, bringing the total used each school day to 236 such vehicles.

IMPROVING THE OPERATIONS

Safety and Risk Management

The safety of our customers and staff is of paramount importance to Bus Éireann. The management continues to reinforce a culture of safety throughout the company. The company continued to invest in Advanced Driver Training in 2006. In line with policy the company regularly reviews and updates its management systems. It continues to strengthen its resources in this area.

Operations Review (continued)



Major refurbishment programme in Busáras is nearing completion

Major Bus Station Improvements

There was significant investment in improving bus stations and customer facilities during the year.

Busáras

The first phase of a major refurbishment of Busáras in Dublin was completed in May. Customer facilities have been upgraded with the introduction of electronic information display systems, ticket vending machines and automated doors. The overall station ambience and appearance has also improved with the restoration of floors and ceilings.

Tralee Bus Station

Construction began in late 2005 and project was approved for carryover to 2006. The project was completed by the end of 2006 at a cost of €1.88 million.

The purpose of the project was to build a completely new fully accessible bus station. It incorporates features such as automatic doors, ramped paths, hearing loop systems, accessible toilets for people with disabilities, colour contrast systems, full and adequate signage systems etc. There are dedicated bus bays to allow safe entry and exit for our customers.

Limerick Bus Station

Submission of a planning application for the development of a new bus station in Limerick has been made.

Ennis Bus Station

Construction began in early 2006 and was completed by the end of 2006 at a cost of €795,000. The purpose of the project is to make the entire Bus Station and adjacent bus parking yard area fully accessible to all of our customers including those who may have mobility impairments. It comprises a completely re-designed facility including provision of new counter facilities with all mobility and hearing aid features. A widened walk area is also provided for wheelchairs and buggies. A new bus safety management system for parking of all buses is incorporated into the design.

Fleet Upgrades

€16.3 million was invested in fleet improvements during the year, with the purchase of 60 modern Scania PB coaches. 18 coaches were procured for operation on the CIÉ Tours fleet, with the remainder allocated to long distance services.

Increase in Payments to Subcontractors

The company paid over **€100.1 million** to subcontractors in 2006.

The amount refers to the cost of bus hireage and outside bus maintenance.

INVESTING IN PEOPLE

Staff training and development

The company implemented various programmes of training and development throughout 2006. Driver refresher programmes for regular and part time drivers continued during the year. Regular drivers participated in an interactive driver training programme which is CD Rom based. The part time school bus drivers completed an advanced driver training programme. This is now being extended to schools contractors. Other staff have also undertaken training programmes such as maintenance staff who have undergone technical and maintenance courses. The FÁS Excellence Through People Certification is continuing in the Cork area.

Management Development

As part of the process of continually developing management skills, 14 Bus Éireann employees commenced a Diploma in Management Studies in September 2006. This course has been developed by the Dublin Institute of Technology and the Irish Aviation Authority and is supported by FÁS. It combines practical management skills with management theory and focuses on the transport industry in general. The course will take two years to complete.

Directors and Other Information

Directors at 26th March 2007

Dr. J.J. Lynch, Chairman

Mrs. T. Honan

Ms. K. Byrne

Mr. J. Byrne

Mr. J. Hegarty

Mr. R. Langford

Mr. J. Moloney

Mr. B. McCamley

Chief Executive

Mr. T. Hayes

Secretary and Registered Office

Ms. A. Keane

Broadstone,

Dublin 7.

Telephone: 00 353 1 703 3447

Facsimile: 00 353 1 703 3486

Website: www.buseireann.ie

Registered Number: 119570

Auditors

PricewaterhouseCoopers,

Chartered Accountants and Registered Auditors,

Wilton Place,

Dublin 2.

Report of the Directors

For the year ended 31st December, 2006

The directors present their annual report in accordance with their obligations under the Irish Companies Acts 1963 to 2006 and the Transport (Re-organisation of Córas Iompar Éireann) Act 1986. The accounts of the company and the related notes, which form part of the accounts and are included in this report, have been prepared in accordance with accounting standards generally accepted in Ireland.

Principal Activities and Financial Review

Bus Éireann is a transport management company, whose principal activities are the management and planning of an integrated network of services, using its own and subcontractor resources. This integrated network covers long distance coach services, local, rural, commuter, provincial city and town bus services. The company is also responsible for the management and provision of the nationwide school transport scheme on behalf of the Department of Education and Science.

The company recorded an overall surplus of €2,311,000 after the Public Service Obligation payment of €26,459,000 and CIÉ subvention of €4,000,000. Road passenger journeys increased in 2006 with a record 49.72 million passenger journeys. School journeys reduced from 43.6 million journeys in 2005 to 42.4 million journeys in 2006.

Turnover increased by €23.78 million to €265 million in a difficult year of trading with increased competition on the most lucrative elements of the network. Payroll and related costs increased to €122.7 million during the year in line with the increase in the national wage agreement and increased employer pension costs.

Materials and services costs increased primarily as a result of higher fuel costs, contractor costs and maintenance costs.

€16.3 million was invested in fleet improvements during the year, with the purchase of 60 coaches. 18 coaches were procured for operation on the CIÉ Tours fleet, with the remainder allocated to long distance services.

The company continues its strong focus on improving quality and efficiency of its services for all customers. In monitoring the company's performance a range of key operating and financial performance indicators are regularly reviewed by both the management and directors of the company.

A detailed review of the company's activity for the year is contained in the Operations Review on pages 3 to 10.

Results and Reserves

The financial statements for the year ended 31st December 2006 are set out in detail on pages 18 to 31. The results for the year ended 31st December 2006 show a surplus of €2,311,000 (2005- Surplus €3,525,000).

Internal Control and Risk Management

The board of Bus Éireann has an Audit Review Group in place to review the annual accounts, internal controls and compliance matters, the effectiveness of internal and external audit and risk management. A risk register is maintained by the company and is updated for review by the directors and senior management on an ongoing basis.

A Board Safety Committee and a Board Maintenance Committee are also in place to review safety matters, maintenance matters and procedures and which report to the Bus Éireann board.

Employee Participation

In 2006, there were 27 meetings of the local Partnership councils which took place at the company's locations throughout the country. A meeting of the Steering Group which comprises of the Chief Executive, Function Heads and Full Time National Trade Union Officials took place in Dublin.

A meeting of the Top Group comprising the Chief Executive, function heads, Full Time National Trade Union Officials, Worker Directors and one representative from each local council also took place during the year.

Report of the Directors (continued)

Since its inception in 2003 the Scheme for Enterprise Partnership has proven to be a very worthwhile forum for the exchange of information between management and staff for suggestions and proposals for business development and other issues which have benefits for all. The local councils have made very practical contributions to the partnership process.

Health and Safety

The company is committed to ensuring the well-being of its employees by maintaining a safe place of work and by complying with relevant employment legislation including the Safety, Health and Welfare at Work Act, 2005.

The Bus Éireann Board safety committee, which was established at sub board level in 2004, met on a number of occasions during the year. This committee monitors the safety of the company against an annual safety plan and encourages the widest participation in safety awareness and accident prevention in the company.

EC (Late Payment) Regulation 2002

The directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment) Regulation 2002. Procedures have been implemented to identify the dates upon which all invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the regulations.

Equality and Diversity

In 2006 Bus Éireann was closely involved with the Equality Authority and with other transport companies in a campaign against ageism. The 'Say No to Ageism' campaign was launched in May 2006 and continued during the year. The focus of the campaign was to better understand the barriers that older people may face when accessing public transport and to work to minimise those barriers. Focus groups were also held with older workers

in the company to better understand the working environment from their perspective.

Building on the work carried out in previous years in order to support the growing diverse profile of customers and employees, seminars were held in Galway, Limerick and Waterford on the topic of racism and interculturism.

In 2006 Bus Éireann established the Equality Advisory Group. The role of this group is to advise and make recommendations to Bus Éireann on equality and diversity in relation to policies and procedures in the workplace in an everchanging environment. Both management and trade unions are represented on the group, which is chaired by an independent chairperson.

Books of Account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Bus Éireann, Broadstone, Dublin 7.

Directors

The directors of the company are appointed by the Chairman of Córas Iompair Éireann with the consent of the Minister for Transport. The directors during the year ended 31st December, 2006 are set out below. Except where indicated they served as directors for the entire year.

Dr. J.J. Lynch, Chairman
Mr. J. Byrne (Re-appointed 23rd September, 2006)
Ms. K. Byrne (Re-appointed 1st June, 2006)
Mr. J. Hegarty (Re-appointed 29th March, 2006)
Mrs. T. Honan
Mr. R. Langford
Mr. J. Moloney (Appointed 1st January, 2006)
Mr. B. Mc Camley (Appointed 1st January, 2006)

None of the directors or the secretary held any interest in any shares or debentures of the company, its holding company or its fellow subsidiaries at any time during the year.

Report of the Directors (continued)

Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the Code of Practice for the Governance of State Bodies are set out in the C oras Iompar  ireann group accounts.

Auditors

The auditors, PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board

Dr. J.J. Lynch, Chairman

Mr. R. Langford, Director

Statement of Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that year.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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 enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2006. They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Auditors

Independent auditors' report to the members of Bus Éireann - Irish Bus

We have audited the financial statements on pages 18 to 31.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Irish law and accounting standards generally accepted in Ireland are set out on page 15 in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions is not disclosed.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 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.

Report of the Auditors (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 2006 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the report of the directors on pages 12 to 14 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 20, 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 31st December, 2006, 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.

PricewaterhouseCoopers,

Chartered Accountants and Registered Auditors,
Dublin.

26th March 2007

- A. The maintenance and integrity of the C oras Iompair  ireann website is the responsibility of the Board; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- B. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal Accounting Policies

The significant accounting policies and estimation techniques adopted by the company are as follows:

(A) Basis of accounting

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2003. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

(B) Tangible assets and depreciation

Tangible assets are stated at historical cost less accumulated depreciation based on that historical cost.

The bases of calculation of depreciation are as follows:

(i) Road passenger vehicles

The historical costs of road passenger vehicles other than school buses are depreciated over their expected useful lives on a reducing percentage basis which reflects the vehicles' usage throughout their lives. The historical costs of school buses are depreciated in equal annual instalments over their expected useful lives.

(ii) Plant and machinery

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives.

(C) Leased assets

Operating leases

Rental payments under operating leases are charged to the profit and loss account as they accrue.

(D) Stocks

Stocks of materials and spare parts are valued at the lower of average cost and net realisable value.

Stocks which are known to be obsolete at the balance sheet date are written off, and provision is made in respect of stocks which may become obsolete in the future.

(E) Public Service Obligation Payments and Grants

(i) Public Service Obligation payment

Public Service Obligation payments received during the year are dealt with in the profit and loss account.

(ii) European Union and Exchequer grants

European Union (EU) and Exchequer grants which relate to capital expenditure are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated.

(F) Foreign currency

Transactions denominated in a foreign currency are translated into euro at the rate ruling at the date of the transaction, or at contract rates where the amounts payable or receivable are covered by forward contracts.

Realised exchange gains or losses on transactions settled during the year are treated as part of the surplus or deficit for the year from ordinary activities.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or at contract rates where applicable.

(G) Pensions

The expected cost of providing pensions to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees. The cost is calculated, with the benefit of advice from independent actuaries, at what is expected to be a stable percentage of pensionable pay. Variations from regular pension costs, identified by periodic actuarial valuations, are spread over the expected average remaining service lives of the members of the scheme.

The capital cost of supplementary pensions is provided for and charged to the profit and loss account in the year that the related employee severance is recognised and is included in the cost of severance.

Profit and Loss Account

Year ended 31st December	Notes	2006 €000	2005 €000
Revenue		265,069	241,290
Costs			
Payroll and related costs	1	(122,703)	(113,642)
Materials and services	2	(159,282)	(138,241)
Depreciation	3	(12,164)	(11,773)
Total operating costs		(294,149)	(263,656)
Deficit before interest, Public Service Obligation Payment, CIÉ Subvention		(29,080)	(22,366)
Interest receivable		932	691
Deficit before Public Service Obligation payment and CIÉ Subvention		(28,148)	(21,675)
Public Service Obligation payment	20	26,459	25,200
Deficit before CIÉ Subvention		(1,689)	3,525
CIÉ Subvention		4,000	0
Surplus for the year after Public Service Obligation payment and CIÉ Subvention		2,311	3,525
Accumulated deficit at beginning of the year		(1,324)	(4,849)
Accumulated Surplus/(deficit) at end of the year		987	(1,324)

All figures relate to the continuing activities of the company.
There were no recognised gains or losses other than those included in the profit and loss account.

On behalf of the board
Dr. J.J. Lynch, *Chairman*
Mr. R. Langford, *Director*

Balance Sheet

As at 31st December	Notes	2006 €000	2005 €000
Fixed assets			
Tangible assets	4	95,192	79,873
Current assets			
Stocks	5	4,920	4,446
Debtors	6	56,274	52,608
Cash at bank and in hand		901	1,180
		62,095	58,234
Creditors (amounts falling due within one year)	7	(45,598)	(38,568)
Net current assets		16,497	19,666
Total assets less current liabilities		111,689	99,539
Provision for liabilities and charges	8	(45,525)	(43,197)
Creditors (amounts falling due after one year)	7(b)	0	(500)
Deferred Income	9	(29,021)	(21,010)
		37,143	34,832
Financed by:			
Capital and reserves			
Called up share capital	10	29,204	29,204
Asset replacement reserve	11	6,952	6,952
Profit and loss account		987	(1,324)
Shareholders' funds	12	37,143	34,832

On behalf of the board
Dr. J.J. Lynch, *Chairman*
Mr. R. Langford, *Director*

Cash Flow Statement

Year ended 31st December	Notes	2006 €000	2005 €000
Net cash inflow from operating activities	13(a)	19,459	21,286
Returns on investment and servicing of finance			
Interest receivable		932	691
		20,391	21,977
Capital expenditure			
Additions to tangible assets	4	(31,926)	(14,569)
Proceeds from disposal of tangible assets		103	28
Capital grants received	9	12,835	3,824
		(18,988)	(10,717)
Inflow before use of liquid resources and financing		1,403	11,260
Management of liquid resources			
Movement in amounts owed by holding company	13(b)	(1,182)	(9,224)
Increase in cash	13(b)	221	2,036
Liquid resources comprise amounts owed by the holding company, which represent cash generated not immediately required for operations, and made available to the holding company, repayable on demand.			
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		221	2,036
Cash from change in liquid resources		1,182	9,224
Movement in net funds		1,403	11,260
Net funds at 1st January		40,382	29,122
Net funds at 31st December		41,785	40,382

Notes to the Financial Statements

1. PAYROLL AND RELATED COSTS

	2006 €000	2005 €000
Staff Costs		
Wages and salaries	105,135	99,817
Social welfare costs	8,736	8,159
Other pension costs	6,158	5,732
	<hr/> 120,029	<hr/> 113,708
Change programme costs	2,658	0
Engineering work for group companies	(113)	(184)
Net staff costs	<hr/> 122,574	<hr/> 113,524
Directors' remuneration		
Emoluments		
- for services as directors	78	49
- for other services	51	69
Total directors' remuneration and emoluments	<hr/> 129	<hr/> 118
Payroll and related costs	<hr/> 122,703	<hr/> 113,642

The average numbers of employees during the year were as follows:

	Staff Numbers	
	2006	2005
Full-time	2,216	2,211
Part-time school bus drivers	540	547
Total	<hr/> 2,756	<hr/> 2,758

Notes to the Financial Statements (continued)

2. MATERIALS AND SERVICES

	2006 €000	2005 €000
Fuels and lubricants	14,167	12,381
Other contractors	100,108	80,096
Road tax and licences	309	330
Operating lease rental of vehicles	720	838
Third party and employer's liability claims	6,515	11,071
Rates	717	759
Auditors' remuneration	50	50
Other materials and services	36,696	32,716
	159,282	138,241

3. DEPRECIATION AND LOSS ON DISPOSAL OF TANGIBLE ASSETS

	2006 €000	2005 €000
Depreciation of tangible fixed assets (<i>note 4</i>)	16,425	15,384
Loss on Disposal	79	344
Grant amortisation (<i>note 9</i>)	(4,340)	(3,955)
	12,164	11,773

Notes to the Financial Statements (continued)

4. TANGIBLE FIXED ASSETS

	Road Passenger Vehicles €000	Plant And Machinery €000	Total €000
Cost			
At 1st January, 2006	190,032	10,731	200,763
Additions	30,574	1,352	31,926
Disposals	(13,114)	(435)	(13,549)
At 31st December, 2006	207,492	11,648	219,140
Depreciation			
At 1st January, 2006	115,793	5,097	120,890
Charge for the year	15,140	1,285	16,425
Disposals	(12,946)	(421)	(13,367)
At 31st December 2006	117,987	5,961	123,948
Net book amounts			
At 31st December, 2006	89,505	5,687	95,192
At 31st December, 2005	74,239	5,634	79,893

(a) The expected useful lives of the various types of assets for depreciation purposes are as follows:

	Lives (Years)
Road passenger vehicles	8 - 14
Plant and machinery	5 - 10

(b) Road passenger vehicles at a cost of €15,331,716 (2005- €21,967,146) were fully depreciated but still in use at the balance sheet date.

(c) Tangible fixed assets at 31st December, 2006 include €4,754,453 (2005 – €5,166,059) in respect of tangible fixed assets not yet in service.

Notes to the Financial Statements (continued)

5. STOCKS

	2006 €000	2005 €000
Maintenance materials and spare parts	3,443	3,376
Fuels, lubricants and sundry stocks	1,477	1,070
	4,920	4,446

These amounts include parts and components necessarily held to meet long-term operational requirements. The replacement value of stocks is not materially different from their book value.

6. DEBTORS

	2006 €000	2005 €000
Trade debtors	2,335	2,572
Department of Education and Science	8,855	6,329
Amounts owed by holding company (note 13(b))	41,384	40,202
Other debtors and accrued income	3,700	3,505
	56,274	52,608

7. CREDITORS

	2006 €000	2005 €000
(A) Amounts falling due within one year		
Trade creditors	15,722	12,216
Income tax deducted under PAYE	1,319	1,256
Pay-related social insurance	1,156	1,173
Value added tax and other taxes	1,057	724
Other creditors	1,644	1,595
Accruals	9,754	7,642
Third party and employer's liability claims (note 8)	9,000	8,500
Deferred Income (note 9)	5,446	4,962
Loan from holding company	500	500
	45,598	38,568
Creditors for taxation and social welfare included above	3,532	3,153
(B) Amounts falling due after one year		
Loan from holding company	0	500

Notes to the Financial Statements (continued)

8. PROVISIONS FOR LIABILITIES AND CHARGES

	2006 €000	2005 €000
Third party & Employer's Liability Claims		
Balance at 1st January	51,697	46,518
Utilised during the year	(3,687)	(5,892)
Transfer from profit and loss account	6,515	11,071
Balance carried forward at 31st December, 2006	54,525	51,697
Apportioned:		
Current liabilities (<i>note 7</i>)	9,000	8,500
Amounts falling due after one year	45,525	43,197
	54,525	51,697

Third party and employer's liability claims

Any losses not covered by external insurance are charged to the profit and loss account, and unsettled amounts are included in provisions for liabilities and charges.

(A) External Insurance Cover

Córas Iompair Éireann has, on behalf of the company, the following external cover:

- (i) Third party liability in excess of €2,000,000 for school buses and €2,000,000 for other road transport on any one occurrence or series of occurrences arising out of any one road transport event, except in the case of claims subject to United States jurisdiction where the excess is US\$3,300,000.
- (ii) Tour Operators liability for the group with an indemnity of €2,000,000 on any one incident and in the aggregate, subject to an excess of €250,000.
- (iii) Third party liability for the Group in excess of €150,000 on any one occurrence or series of occurrences arising out of Other Risk events, except;
 - (a) at Ossory Road, Dublin, in the case of flood damage, where the excess is a non-ranking €1,000,000, and
 - (b) any other flood damage where the excess is €250,000.
- (iv) Road transport liabilities in excess of a self-insured retention of €11,000,000 in aggregate in the twelve month period, April 2006 to March 2007, subject to an overall Group self insured retention of €27,000,000.
- (v) Terrorism Public Liability cover for the group of €10,000,000 subject to excesses appropriate to the incident category.
- (vi) Group Combined Liability Insurance overall indemnity is €200,000,000 for the twelve month period, April 2006 to March 2007, for rail and road transport Third Party and Other Risks Liabilities.
- (vii) All risks, including storm damage, with an indemnity of €200,000,000 in respect of Group's property in excess of €1,000,000 on any one loss or series of losses, with the annual excess capped at €5,000,000 in aggregate.
- (viii) Terrorism indemnity cover for the Group is €200,000,000 with an excess of €500,000 in respect of railway and road rolling stock and €150,000 in respect of other property damage, for each and every loss.

Notes to the Financial Statements (continued)

8. PROVISIONS FOR LIABILITIES AND CHARGES *(continued)*

(B) Third Party and Employer Liability Claims Provision and Related Recoveries

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported (IBNR) to the company. The estimated cost of claims includes expenses to be incurred in settling claims. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

In calculating the estimated cost of unpaid claims the company uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may cause distortion in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including, for example, changes in company processes which might accelerate or slow down the development and/or recording of paid or incurred claims, changes in the legal environment, the effect of inflation, changes in mix of business and the impact of large losses.

In estimating the cost of claims notified but unpaid, the company has regard to the claim circumstance as reported, any information available from legal or other experts and information on the cost of settling claims with similar characteristics in previous periods.

The estimation of IBNR claims is subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the company, because of the lack of any information about the claim event. Claim types which have a longer reporting tail and where the IBNR proportion of the total reserve is therefore high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Provisions for claims are calculated gross of any reinsurance recoveries where such recoveries can be reasonably estimated. Reinsurance recoveries in respect of estimated IBNR claims are assumed to be consistent with the historical pattern of such recoveries, adjusted to reflect changes in the nature and extent of the company's reinsurance programme over time. An assessment is also made of the recoverability of reinsurance having regard to notification from the company's brokers of any re-insurers in run off.

9. DEFERRED INCOME

This account comprises of non-repayable EU and Exchequer grants which will be credited to the profit and loss account on the same basis as the related fixed assets are depreciated (accounting policy E).

	2006 €000	2005 €000
Capital Grants		
Balance at 1st January	25,972	26,103
Received and receivable	12,835	3,824
Transfer to profit and loss account	(4,340)	(3,955)
Balance carried forward	34,467	25,972
Less transfer to current liabilities <i>(note 7)</i>	(5,446)	(4,962)
Balance at 31st December	29,021	21,010

Notes to the Financial Statements (continued)

10. SHARE CAPITAL

	2006 €000	2005 €000
Authorised		
Ordinary shares of €1.27 each	40,632	40,632
Allotted, called up and fully paid		
Ordinary shares of €1.27 each	29,204	29,204

11. ASSET REPLACEMENT RESERVE

	2006 €000	2005 €000
Balance at 31st December	6,952	6,952

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 €000	2005 €000
Surplus for the year	2,311	3,525
Opening equity shareholders' funds	34,832	31,307
Closing equity shareholders' funds	37,143	34,832

13. CASH FLOW STATEMENT

	2006 €000	2005 €000
(A) Reconciliation of operating deficit to net cash inflow from operating activities		
Operating deficit before Public Service Obligation payment and ClÉ Subvention	(29,080)	(22,366)
Public service obligation payment and ClÉ Subvention	30,459	25,200
	1,379	2,834
Depreciation and loss on disposal of tangible fixed assets	16,504	15,728
Capital grants amortised	(4,340)	(3,955)
(Increase) in stocks	(474)	(36)
(Increase)/Decrease in debtors	(2,483)	395
Increase in creditors	6,045	1,140
Increase in provisions for liabilities and charges	2,828	5,180
Net cash inflow from operating activities	19,459	21,286

Notes to the Financial Statements (continued)

13. CASH FLOW STATEMENT *(continued)*

(B) Analysis of change in net funds

	At 1st Jan. 2006 €000	Flows €000	At 31 Dec. 2006 €000
Cash at bank and in hand	1,180	(279)	901
Loan from holding company	(1,000)	500	(500)
Amounts owed by holding company	40,202	1,182	41,384
	40,382	1,403	41,785

14. OPERATING LEASE OBLIGATIONS

	2006 €000	2005 €000
Commitments under non-cancellable operating leases payable in the coming year expire as follows:		
Within one year	0	11
Between one and five years	141	148
	141	159

15. PENSIONS

The majority of the company's employees participate in defined benefit pension schemes based on final pensionable pay and operated for eligible employees of all CIÉ companies. Contributions by the company and the employees are invested in trustee-administered funds.

Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions as incurred over the employees' working lives with the Group as a stable percentage of expected future pay. Contributions to the schemes are determined by an independent actuary on the basis of annual reviews using the projected unit method.

Whilst the schemes are defined benefit schemes the company is unable to identify its share of the underlying assets and liabilities of the schemes. The actuarial position of the schemes at 31st December, 2006 using the bases required by FRS 17 showed a deficit of €224.7 million. Details required by Financial Reporting Standard 17 (Retirement Benefits) in relation to the schemes are contained in the accounts of CIÉ.

16. CAPITAL COMMITMENTS

	2006 €000	2005 €000
Contracted for	7,654	23,553
Authorised by the directors, but not contracted for	4,221	3,762
	11,875	27,315

Notes to the Financial Statements (continued)

17. CONTINGENT LIABILITIES

The company, from time to time, is party to various legal proceedings. It is the opinion of the directors that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the financial statements.

18. NET SURPLUS/DEFICIT BY ACTIVITY

PUBLIC SERVICES

	Commercial and schools transport €000	Stage Carriage €000	City €000	Sub Total €000	Total €000
2006					
Revenue	199,211	41,525	24,333	65,858	265,069
Costs	191,968	65,575	35,674	101,249	293,217
Surplus/(deficit) before Public Service Obligation payment	7,243	(24,050)	(11,341)	(35,391)	(28,148)
Public Service Obligation payment				26,459	26,459
Surplus/(deficit) for Year before CIÉ subvention	7,243			(8,932)	(1,689)
CIÉ Subvention				4,000	4,000
Surplus/(deficit) for year	7,243			(4,932)	2,311
2005					
Surplus/(deficit)	7,656			(4,131)	3,525

The company operates commercial, schools transport and public service activities. The principal activity operated on a commercial basis is Expressway. The School Transport scheme is operated under contract with the Department of Education and Science on a cost recovery basis. The remaining principal activities are Stage Carriage and City Services for which the company receives Public Service Obligation payments in respect of these public service activities. Costs for Expressway, Stage Carriage and City Services are allocated on the basis of metrics derived from prior period actual costs, independent studies of Bus Éireann operations, numbers of buses and mileage.

Notes to the Financial Statements (continued)

19. RELATED PARTIES

Entities controlled by the Irish Government are related parties of the company by virtue of the Irish Government's control of the holding company, Córas Iompair Éireann.

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being the ESB, An Post and Bord Gáis. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

The financial statements of Córas Iompair Éireann provide the information required by Financial Reporting Standard No. 8 (related party disclosures) concerning transactions between that company, its subsidiaries and the Irish Government.

20. PUBLIC SERVICE OBLIGATION PAYMENT

The Public Service Obligation payable to the company through the holding company, Córas Iompair Éireann, amounted to €26,459,000 for the year ended 31st December, 2006 (2005 - €25,200,000).

21. MEMBERSHIP OF CÓRAS IOMPAIR ÉIREANN GROUP

Bus Éireann-Irish Bus is a wholly owned subsidiary of Córas Iompair Éireann (the Group) and the financial statements reflect the effects of group membership.

22. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 26th March 2007.