IRISH CONTINENTAL GROUP

INTERIM MANAGEMENT STATEMENT

Highlights

Volumes (Year to date, 8 May 2010)

Cars	92,500	-5.6%
Passengers	431,500	+10.4%
RoRo Freight	63,000	-15.1%
Container Freight (teu)	147,000	+10.5%
Terminal Lifts	57,700	+5.6%

Financial (January – April 2010)

Revenue	€75.7m	-0.7%
EBITDA	€8.0m	0.0%
Net Debt (May 2010)	€16.0m	(€21.7m 31 Dec 2009)

Irish Continental Group plc (ICG) issues this Interim Management Statement in accordance with the reporting requirements of the Transparency Regulations 2007. The statement covers the period from 1 January 2010 to date. It should be noted that ICG's business is significantly weighted towards the second half of the year when normally a higher proportion of the Group's operating profit is generated than in the first six months.

Current Trading

In the first four months of the year Group revenue was €75.7 million, compared with €76.2 in the same period last year. Higher passenger and car revenue was offset by lower freight revenue. Operating costs (before depreciation & amortisation) were €67.7.million versus €68.2 million the previous year including an increase of €4.1 million in fuel costs to €12.4 million. Earnings before interest tax and depreciation (EBITDA) were €8.0 million compared with € 8.0 million in the same period in 2009.

In the period up to 8 May 2010, we carried 92,500 cars, a 5.6% reduction on the same period last year (3.7% lower on the Irish Sea and 21.7% lower on the Ireland France route due to a two month later start of the service following winter vessel refit). The lower volumes were compensated for by higher yields. Our total passenger numbers were up by 40,500 (10.4 %) at 431,500. The substantial increase in passenger numbers was influenced by a 49% increase in foot and coach passengers due partly, but not exclusively, to the disruption to air travel to and from Ireland during the closure of European airspace from 15th to 21st April. (Prior to the airspace closure foot passenger numbers were already up 18% versus 2009).

In the Roll on Roll off freight market, while the overall market is showing signs of modest growth (low single digits) for the first time in approximately 18 months, excess Ro Ro freight capacity continues. Irish Ferries carried 60,300 Ro Ro units compared with 71,000 in the same period in 2009, a reduction of 15.1 %. Our carryings have been adversely influenced by the additional capacity put in place in 2009 by competitors on both the Dublin to Holyhead and Dublin to Liverpool routes despite market demand being at substantially lower levels than in 2007/ 8. The comparative capacity on Dublin to Holyhead will be on a like for like basis from early April onwards. In the last 4 weeks our RoRo carryings were down 4 % on the same period in 2009, a substantial improvement in trend.

Container freight has returned to growth and our volumes shipped rose by 10.5% to 147,000 teu (twenty foot equivalent units) in the period to 8 May 2010 compared with the same period last year although rate levels are lower than last year. Units handled at our terminals in Dublin and Belfast increased by 5.6 % year on year, over the same period

The Group's balance sheet and cash flow characteristics remain strong. Current net debt is approximately €16 million, down from €21.7 million at 31 December 2009. Liquidity remains strong with gross cash balances of €25 million.

Outlook

The recent closures of Irish airspace have reinforced the strategic importance of sea access to the island of Ireland for both passengers and freight.

Forward bookings for Irish Ferries have improved during recent weeks as uncertainty about the effects of volcanic ash on air travel continues. The reaction from customers who used our services during the recent disruption has been universally positive and we are hopeful that this will lead to repeat business, particularly for summer car traffic.

The decline in the RoRo market has halted after almost eighteen months of overall decline with small growth in the first quarter of 2010. The base effects of the increase in competitor capacity, introduced in 2009, will start to be reflected in the comparative figures from now although the full impact from the long sea routes will not be comparable until later in the year. The trend in Irish Ferries RoRo volumes has been improving in recent weeks relative to last year. The container freight market is also recovering although some freight rate levels being offered are unsustainably low. Finally, the recent weakening of the Euro against Sterling is a positive development for both inbound tourism to Ireland and also Irish exports to the UK, both of which are core business flows for ICG.

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