



IRISH CONTINENTAL GROUP

INTERIM MANAGEMENT STATEMENT

Irish Continental Group plc (ICG) issues its second Interim Management Statement for 2008 which covers the period from 1 July 2008.

It should be noted that ICG's business is significantly weighted towards the second half of the year (particularly the third quarter) where normally a higher proportion of the Group's operating profit is generated than in the first six months.

TRADING, YEAR TO DATE

Group revenue for the nine months to 30th September 2008 was €265.5 million (2007: €269.2 million), while operating profit (before non trading charges) for the nine months was €37.5 million compared with €44.6 million in the same period in 2007. This result was achieved despite Group fuel costs being 60% higher at €40 million (versus €25 million in the same period in 2007).

In the year to date (to 31 October 2008), passengers carried are down 5.5% at 1,318,000, while car numbers are down 6.4% at 335,000. RoRo freight volumes in the same period are down 6.6% on last year's record performance at 207,000 units. Container freight volumes are 1.8% higher than the previous year at 450,000 teu, while units handled at our port terminals are ahead by a similar percentage.

Fuel prices have eased considerably from the historically high levels seen in mid year. The current price for heavy fuel oil is in the region of €225 - €250 per tonne, compared with an average in the nine months to 30 September 2008 of €384 per tonne (and an average of €243 per tonne in the corresponding period in 2007). This is providing a counterbalance to the weaker demand environment.

FINANCE

Net debt at 30 September 2008, was €55.5 million, down from €70.3 million at 30 June 2008. This is the lowest level of net debt since 1994 and leaves the Group in a very strong financial position.

MATERIAL EVENTS

On 22 October 2008, the Board received an approach from Moonduster Limited, in which it was stated that Moonduster would seek to engage with the other major shareholders with a view to potentially bringing forward an offer for the Company.

Shareholders are reminded that the approach from Moonduster remains extremely preliminary in nature. In addition, there continues to be no guarantee that any discussions between Moonduster and the other major shareholders of the Company will result in an offer for the Company. Moreover, no details have been provided to the Board regarding the offer price at which an offer for the Company may be proposed, nor has the Board received any information regarding arrangements for the financing of such an offer or of the conditions to which the financing and making of such an offer may be subject. Consequently, there continues to be no certainty that an offer will ultimately be forthcoming.

In light of the above, the Board announced on 23 October 2008 that it had decided to defer a decision on whether to proceed with a redemption of redeemable shares for a period of six weeks from that date.

Further announcements regarding both the Moonduster approach and any redemption of redeemable shares will be made when appropriate.

OUTLOOK

The overall economic environment remains challenging. We have adjusted the frequency of our fast ferry service from Dublin to Holyhead from two round trips a day to one round trip during the off season. This will lead to fuel and other operational cost savings to counteract the weaker passenger demand. We have also taken further steps to reduce sales, distribution and other overhead costs.

In our Container and Terminal division we have recognised the need, under current market conditions, to optimise capacity and to exploit the economies of scale offered by larger vessels. All of our vessels are time chartered and charter rates are easing in response to market conditions.

These measures, combined with a lower level of fuel costs, will help to offset the effects of reduced demand in the marketplace. Furthermore, our strong balance sheet and low cost base ensures that we can continue to compete in this demanding environment.

17th November 2008