IRISH CONTINENTAL GROUP

INTERIM MANAGEMENT STATEMENT

Key Points

	Q3 2011	Q3 2010	9 months to 30 September 2011	2010
	€m	€m	€m	€m
Turnover	84.9	81.2	211.5	203.6
EBITDA	23.9	25.0	40.0	45.0
Operating Profit	18.5	19.0	25.0	27.8

Interim Management Statement

Irish Continental Group plc (ICG) issues its second Interim Management Statement for 2011 which covers the period from 1 July 2011.

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

In the three months to 30 September, the Group recorded turnover of €84.9 million (up 4.6%) and EBITDA of €23.9 million compared with €25.0 million in the same quarter in 2010. The reduction in EBITDA is due to sustained high oil prices (up €3.7 million in the quarter) and soft tourism markets partially offset by higher yields in the car market and volume growth in freight. Operating profit in the quarter was €18.5 million versus €19.0 million in the same period in 2010.

Volumes July – October

In the ferries division, the trends outlined in our half yearly report continued in the period from July to October with lower car volumes (down 6.2%) but at higher yields. Passenger numbers were higher (up 0.3%) reflecting increased coach, rail and foot passengers, and there was also growth in RoRo freight (up 4.7% in the 4 months). Container freight volumes for the same period were up 4.1% at 138,400 teu, while units lifted at our ports were up 12.0% at 63,700 lifts.

Year to Date Volumes

In the year to date (ten months to 31 October 2011), passengers carried were down 1.7% at 1,353,900, while car numbers were down 4.7% at 311,000. RoRo freight volumes in the same period were up 9.0% on last year at 161,600 units reflecting the benefits of reduced competing capacity on the Dublin Liverpool route. Container freight volumes, which had been 2.5% behind the previous year at the six month stage, were in line with the previous year after 10 months at 343,700 teu, while units handled at our port terminals in Dublin and Belfast were up by 13.4% at 157,900 lifts.

Cumulative Financial Results to 30 September (unaudited)

Group revenue for the nine months to 30th September 2011 was €211.5 million (2010: €203.6 million). Revenue in the Ferries division was in line with the comparable period in 2010, while in the Container & Terminal division cumulative revenue was up 9.7% year on year. EBITDA for the nine months was €40.0 million (2010: €45.0 million), while operating profit for the nine months was €25.0 million compared with €27.8 million in the same period in 2010, a reduction of 10.1%. Year to date, i.e. to 30 September 2011, fuel costs are €38.6 million versus €30.6 million in 2010.

Financial Position

During the quarter, there was an increase in working capital for seasonal reasons and also as a consequence of the increase in our freight business. A dividend of €8.2 million was also paid during the quarter. At the end of the quarter, net debt stood at €13.0 million compared with €14.4 million at 30 June 2011.

Outlook

The economic backdrop remains challenging. The impact of the adjustments in public finances in both Ireland and the UK is affecting both tourism and freight demand although the reduction in vessel capacity on Dublin Liverpool has helped to offset the weak freight demand. Nevertheless, we have carefully managed our cost base and our operational capacity to continue to be able to compete successfully in this tough trading environment. The continued high level of fuel prices (expected to result in a fuel bill for the year of approximately €52 million) however means that earnings for the year, as previously indicated, will be lower than in 2010.

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