



IRISH CONTINENTAL GROUP

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action to be taken, you should consult with your independent financial adviser who, if you are taking advice in Ireland, should be authorised or exempted under the Investment Intermediaries Act, 1995 of Ireland or the Stock Exchange Act 1995 of Ireland, or, if you are seeking advice in the United Kingdom, should be authorised under the Financial Services and Markets Act, 2000 of the United Kingdom. If you have sold or transferred your entire holding of Ordinary Shares in Irish Continental Group, plc ("ICG" or "the Company"), please pass this document, together with the enclosed proxy form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale was effected, for transmission to the purchaser or transferee as soon as possible.

CHAIRMAN'S LETTER & NOTICE OF ANNUAL GENERAL MEETING

A letter from the Chairman of Irish Continental Group plc is set out on pages 2 to 4 of this document.

Your attention is drawn to the Notice of Annual General Meeting, to be held at the Clarion Hotel, North Wall Quay, Dublin 1 on Thursday, 1st May 2008 at 11.00 a.m., which is set out on pages 5 to 6 of this document.

A Form of Proxy for use at the meeting is enclosed. If you wish to appoint a proxy, the form should be returned to the Company's Registrars, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Dublin 18, Ireland, not later than 11.00am on 29th April, 2008.



IRISH CONTINENTAL GROUP

(Incorporated and registered under the Companies Acts with registered number 41043)

Directors:

John B. McGuckian, Chairman*
Eamonn Rothwell, Managing Director
Gearoid O'Dea, Finance Director
Tony Kelly, Marketing Director
Peter Crowley*
Bernard Somers*

Ferryport
Alexandra Road
Dublin 1
Ireland

31st March 2008

*Non-Executive

ANNUAL GENERAL MEETING

Dear Shareholder,

I am writing to you to outline the background to the resolutions to be proposed at the forthcoming AGM, all of which the Board are recommending for your approval.

Your attention is drawn to the Notice set out on pages 5 and 6 of this document convening the AGM which will be held at the Clarion Hotel, North Wall Quay, Dublin 1 on Thursday, 1st May 2008 at 11.00 a.m.

In addition to the ordinary business to be transacted at the AGM (as set out in Resolutions 1 to 3 in the Notice) your Board proposes as special business resolutions 4 to 7 which are summarised below.

Resolution 4 - General authority to allot shares

Resolution 4 proposes to give the Directors a general authority under Section 20 of the Companies (Amendment) Act, 1983 for a period of 1 year to allot shares up to an amount equal to the present authorised but unissued share capital of the Company. This resolution is proposed as an ordinary resolution.

Resolution 5 - Disapplication of statutory pre-emption provisions

At the annual general meeting held on 23rd July 2007, the Directors were granted the authority to allot shares up to an amount equal to the then present authorised but unissued share capital of the Company. Resolution 5 proposes to empower the Directors to allot equity securities for cash without the need to comply with the statutory pre-emption provisions of section 23 of the Companies (Amendment) Act, 1983. The disapplication of the statutory pre-emption provisions will be limited to the allotment of equity securities in connection with a rights issue, the exercise of share options and in addition up to 5% of the nominal value of the Company's issued Ordinary Share capital on 1st May 2008.

The power will expire on the earlier of the annual general meeting in 2009 and 15 months from the date of the forthcoming AGM. The Directors do not have any current intention of exercising this power. This resolution is proposed as a special resolution.

Resolution 6 - Authorisation of market purchases of the Company's shares and reissue of treasury shares

Resolution 6 proposes to authorise the Company or any of its subsidiaries to purchase up to 10% of the Company's shares on the market. This authority will expire on the earlier of the date of the annual general meeting in 2009 and 18 months from the date of the passing of the resolution. The Directors have previously exercised the Company's authority to purchase its own shares and may do so in the future but only following careful consideration and at price levels which the Directors consider to be in the best interests of shareholders generally.

Under the terms of resolution 6 the minimum price which may be paid for any of the Company's own shares is an amount equal to the nominal value of the shares and the maximum price which may be paid is an amount equal to 105% of the then average Market Price (as defined in the resolution) of the shares.

Resolution 6 also provides that, where the Company's shares have been purchased or redeemed and are held as "Treasury Shares", these shares may be re-issued off-market at a maximum price of 120% of the Market Price and a minimum price of 95% of the Market Price. The determination of the re-issue price range will expire on the earlier of the date of the annual general meeting in 2009 and 18 months from the date of the passing of the resolution. This resolution is proposed as a special resolution.

Resolution 7 - Approval of the Irish Continental Group plc 2008 Share Option Plan

Resolution 7 proposes to put in place a new share option plan, the Irish Continental Group plc 2008 Share Option Plan ("the Plan"), to replace the 1998 Share Option Plan which expired on 25th March 2008. A Plan summary is set out in the Appendix to this letter.

The Director's consider that the approval of the Plan is in the interests of shareholders generally so as to incentivise and retain key employees. This resolution is proposed as an ordinary resolution.

Recommendation

Your Board believes that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a

whole. Accordingly, your Directors unanimously recommend you to vote in favour of the resolutions as they intend to do in respect of all the ICG units held or beneficially owned by them, amounting in total to 4,190,090 ICG units on 31st March 2008, representing approximately 17.1 % of the issued share capital of the Company.

Yours sincerely,

John B. McGuckian
Chairman

APPENDIX TO CHAIRMAN'S LETTER

PLAN SUMMARY

PRINCIPAL FEATURES OF THE IRISH CONTINENTAL GROUP PLC 2008 SHARE OPTION PLAN

Basis of the Plan

The Irish Continental Group plc 2008 Share Option Plan (the Plan) will provide for the grant of options over ordinary shares in Irish Continental Group plc to employees and executive directors of the Irish Continental Group Plc group of companies. Basic tier options will vest and become exercisable three years from the date of grant and second tier options will vest and become exercisable five years from the date of grant, provided (in each case) that certain performance conditions have been met. Options will be personal to the grantee, will not be assignable and will generally have a life of ten years. The main provisions of the Plan are summarised below.

Eligibility

The Plan will be open to full time executive directors and employees of participating companies who are nominated for participation by the Remuneration Committee in its absolute discretion. The Remuneration Committee shall set the number of options to be granted to a participant, the option price and related terms and conditions in accordance with the Plan.

Timing of Grants

Under the Plan options may be granted (i) during the period of 42 days commencing on the adoption date or (ii) during the 42 day period commencing on the second business day following the announcement to the Irish Stock Exchange of half yearly or annual results or (iii) on any day that the Board resolves exceptional circumstances exist which justify the grant of options (provided that if for any reason there is an embargo on dealings under the Stock Exchange Model Code during all or part of any 42 day period referred to above an option may be granted within 14 days following the cessation of the embargo or the later expiry of the 42 day period).

Option Price

The Remuneration Committee shall determine the option price which shall be the greater of (i) the middle market quotation for shares derived from the Daily Official List of the Irish Stock Exchange on the last dealing day before the date of grant and (ii) the nominal value of a share.

Plan Limits

The Plan will specify the following limits on the number of options which can be granted:

1. Option grants under the Plan and shares issued (or to be issued) under any other share scheme within the preceding 10 years cannot exceed 10% of the issued ordinary share capital of the Company from time to time.
2. Option grants under the Plan and shares issued (or to be issued) under any other share scheme within the preceding 3 years cannot exceed 3% of the issued ordinary share capital of the Company from time to time.
3. Basic tier options granted under the Plan and basic tier awards under any other share scheme within the preceding 10 years cannot exceed 5% of the issued ordinary share capital of the Company from time to time.
4. Second tier options granted under the Plan and second tier awards under any other share scheme within the preceding 10 years cannot exceed 5% of the issued ordinary share capital of the Company from time to time.

Provided that the following shall not be counted towards the above Plan limits:

- (i) Options which have lapsed.
- (ii) Awards under any broadly based employee share scheme operated by the Company to the extent that such awards are not required to be taken into account in respect of Plan limits under the Institutional Investor Guidelines of the Irish Association of Investment Managers in force from time to time.
- (iii) Where a right to acquire a share is granted such right will be counted towards the above limits once only when the right is awarded and shall not be counted again when the share subject to the award is issued.

Individual Limits

Basic tier options will be subject to the limit that the aggregate option price payable for all basic tier options granted to an individual within the preceding 10 years (under the Plan or otherwise) cannot exceed four times taxable remuneration.

Second tier options will be subject to the limit that the aggregate option price payable for all second tier options granted to an individual within the preceding 10 years (under the Plan or otherwise) cannot exceed four times taxable remuneration.

Performance Conditions

Basic tier and second tier options granted under the Plan will only vest and become exercisable if certain performance conditions have been met.

Basic tier options will vest and become exercisable three years after the date of grant once Earnings Per Share growth over any period of 3 consecutive financial years commencing at the financial year immediately preceding the date of grant is at least 2% above the increase in the Consumer Price Index compounded per annum over such period.

Second tier options will vest and become exercisable from the fifth anniversary of grant once (i) Earnings Per Share growth over any period of five consecutive financial years commencing at the financial year immediately preceding the date of grant place the Company in the top quartile of companies (a) listed on the Irish Stock Exchange and Irish Enterprise Exchange or (b) included in the London Stock Exchange FTSE 250 by reference to Earnings Per Share growth over the same period and (ii) over that period the Earnings Per Share growth is at 10% above the increase in the Consumer Price Index compounded per annum over such period.

Cessation of Employment

If a participant dies his options will lapse unless the Remuneration Committee determines vested options can be exercised by his personal representative within the period of 12 months after death.

If a participant ceases employment for health reasons, on redundancy, or because his employer is no longer part of the group, the Remuneration Committee may permit the participant to exercise his vested options within the period of 12 months (or lesser period) after cessation.

If a participant ceases employment for any other reason (not specified above) his options will lapse unless the Remuneration Committee determines the participant can exercise a vested option within a period of 3 months (or lesser period) after such cessation.

Offers for Share Capital

If any person obtains control of the Company as a consequence of a general offer to shareholders, all outstanding options may be exercised within 60 days of such an offer becoming unconditional.

If a court sanctions a compromise or scheme in connection with the reconstruction or amalgamation of the Company, all outstanding options may be exercised within 60 days of the court sanction.

In any of the circumstances set out above a participant may agree with an acquiring company to exchange his existing options under the Plan for equivalent options over shares in another company.

Adjustments for Capitalisation and Rights Issues

In the event of an alteration in the capital structure of the Company the Remuneration Committee may adjust the number of shares subject to the Plan, the definition of share, the number of shares subject to any option and the option price payable. Except for capitalisation issues, adjustments can only be made with the prior confirmation in writing by the auditors that the adjustment is fair and reasonable.

Reconstruction and Winding Up

In the event of a reconstruction of the Company involving a material change in the nature of the shares under option, or the Company passing a resolution or an order being made for the winding up of the Company, all outstanding options may be exercised within 60 days of such event (or within such period before or after such date as the board determines) and upon such conditions as the board may decide.

Amendments and Termination

The Company may amend the Plan by resolution of the board provided that the purpose of the Plan shall not be altered, no amendment will be made to certain Plan provisions (including the provisions relating to the timing of option grants, plan limits, individual limits, the setting of the option price and performance conditions) to the advantage of participants without the prior sanction of the Company in general meeting (except for minor administrative amendments, amendments required to take account of changes in legislation or to maintain favourable tax, exchange control or regulatory treatment). No amendment can increase the amount payable by a participant or adversely affect any existing participant rights without the approval of the Company in general meeting.

The Remuneration Committee may also amend the Plan as it considers necessary or desirable to comply with or take account of any tax, legal, regulatory or other rule or guideline provided that no such amendment would be made to the advantage of participants without the prior approval of the Company in general meeting.

No options will be granted under the Plan more than ten years after the date it is adopted. The Plan may be terminated earlier at any time by ordinary resolution of the Company or by resolution of the board. Termination of the Plan shall mean that no further option grants can be made, but shall not affect subsisting participant rights.

Miscellaneous

The Plan will allow the Board to extend the life of any Option if exercise at the anticipated date of lapse is prohibited because of an embargo on share dealings.

The Plan will provide that the Company may at the discretion of the board make loans or provide financial assistance to participants in connection with the subscription for shares under the Plan.

The Plan will be governed by and construed in accordance with Irish law and the Company and participants will submit to the non exclusive jurisdiction of the Irish courts.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that an Annual General Meeting of Irish Continental Group plc will be held at the Clarion Hotel, North Wall Quay, Dublin 1 on 1st May 2008 at 11.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the financial statements for the period ended 31st December, 2007 and the reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:
 - (a) John B. McGuckian;
 - (b) Gearoid O'Dea.
3. To authorise the Directors to fix the remuneration of the Auditors for the year ending 31st December, 2008.

SPECIAL BUSINESS

TO CONSIDER and, if thought fit, to pass the following resolutions:

4. As an ordinary resolution:

"That the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount not exceeding the present authorised unissued capital of the Company; provided that this authority shall expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allocated after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired."

5. As a special resolution:

"That the Directors be and are hereby empowered pursuant to section 23 and section 24 (1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of section 23 of the said Act) for cash, pursuant to the authority conferred by resolution 4 in this notice of annual general meeting, as if section 23(1) did not apply to any such allotment, provided that this power shall be limited to:

(1) the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities are issued proportionally (or as nearly as may be) to the respective numbers of shares held by such shareholders (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with issues arising under the laws of any territory or the requirements of any regulatory body or any Stock Exchange in any territory or in connection with fractional entitlements or otherwise howsoever);

(2) the allotment of equity securities pursuant to any of the Company's share option schemes for the time being in force; and

(3) the allotment (otherwise than pursuant to sub-paragraphs (1) or (2) above) of equity securities up to an aggregate nominal value of five per cent of the aggregate nominal value of the Company's issued share capital of the Company for the time being;

and the power shall expire at the conclusion of the next annual general meeting of the Company or (if earlier) 1st August, 2009, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired."

6. As a special resolution:

"That subject to and for the purposes of the Companies Act, 1990, the Company and/or any of its subsidiaries be and are hereby generally authorised to make market purchases of shares of any class of the Company on such terms and conditions and in such manner as the Directors may from time to time determine, but so that:

(1) the maximum number of shares authorised to be purchased under this resolution shall be such number of shares whose aggregate nominal value shall not exceed 10 per cent of the aggregate nominal value of the issued share capital of the Company as at the commencement of business on the day of the passing of this resolution;

(2) the minimum price which may be paid for any share is an amount equal to its nominal value; and

(3) the maximum price which may be paid for any share is an amount equal to 105 per cent of the Market Price (as hereafter defined) on the day of purchase and the price range within which any shares purchased or redeemed and held as treasury shares, within the meaning of section 209 of the Companies Act, 1990, may be re-issued off-market is from 95 to 120 per cent of the Market Price on the day of re-issue.

For the purpose of this resolution:

(a) the Market Price of any shares on a particular day means the higher of:
the average middle market price (if there is one) derived from the List (as hereafter defined); and
the average Current Price (as hereafter defined) on the immediately preceding five business days;

(b) the Current Price on a particular day means the closing quotation price as published in the List or (for a day on which there was no dealing in such shares on the Stock Exchange) the mid-point between the high and low market guide prices as published in the

List or (if there is only one such market guide price published) the market guide price so published whether it is the high or the low market guide price;

(c) the List means the Irish Stock Exchange Daily Official List; and

(d) the Stock Exchange means The Irish Stock Exchange Limited.

The authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or (if earlier) 1st November, 2009 unless previously varied, revoked or renewed. The Company or any subsidiary may before such expiry make a contract for the purchase of shares which would or might be wholly or partly executed after such expiry and may make a purchase of shares pursuant to any such contract as if the authority hereby conferred had not expired."

7. As an ordinary resolution:

"That the Directors be and are hereby authorised to adopt and implement a new share option plan for the employees and executive directors of the Company (to be known as the Irish Continental Group plc 2008 Share Option Plan ("the Plan") which Plan will incorporate the provisions set out in the Plan summary attached as the Appendix to the Chairman's letter to the shareholders of the Company, (which summary was also produced to this meeting and initialled by the Chairman for the purposes of identification) subject only to such immaterial amendments as any Director shall deem necessary or desirable and that the Directors of the Company be and are hereby authorised to implement such Plan and to grant awards thereunder and to execute such documents and do all acts and things as may be necessary or desirable to give effect to this resolution."

And to transact any other business which may properly be brought before the meeting."

By Order of the Board

Thomas Corcoran
Secretary

Registered Office: Ferryport, Alexandra Road, Dublin 1.

Date: 31st March, 2008

1. A member entitled to attend and vote at the annual general meeting may appoint a proxy to attend, speak and vote his/her behalf. A proxy need not be a member of the Company. The deposit of an instrument of proxy will not preclude a member from attending and voting in person at the meeting.

2. A form of proxy is enclosed with this notice. To be effective, the form of proxy, duly completed and signed, together with any authority under which it is executed or a copy of such authority certified notarially or by a solicitor practicing in Ireland, must be deposited with the Company's registrars, Computershare Investor Services (Ireland) Limited, P.O. 954, Dublin 18, Ireland, not later than 11.00 a.m. on 29th April 2008.

3. In the case of a corporation, the form of proxy must be either executed under seal or signed on its behalf by an officer or attorney, duly authorised.

4. There are no service contracts which are required to be available for inspection at the meeting.

5. The Company, pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 specifies that only those members registered in the register of members of the Company as at 11.00 a.m. on 29th April 2008 (or in the case of an adjournment as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.