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If you sell or have sold or otherwise transferred all your ICG Units, please send this document, and the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



IRISH CONTINENTAL GROUP

IRISH CONTINENTAL GROUP PLC

CHAIRMAN'S LETTER

and

NOTICE OF ANNUAL GENERAL MEETING

This document should be read as a whole. Your attention is drawn to the letter from John B. McGuckian, Chairman of ICG, set out on pages 2 to 4 in this document, which contains a unanimous recommendation from the Board that you vote in favour of the resolutions to be proposed at the AGM.

Notice of the Annual General Meeting of ICG to be held at the Westbury Hotel, Clarendon Street, Dublin 2 on Wednesday 24 June 2009 at 11.00 am is set out at the end of this document.

Shareholders will find enclosed with this document a Form of Proxy for the AGM. Whether or not ICG Shareholders wish to attend the AGM, they are asked to complete the enclosed Form of Proxy in accordance with the instructions printed on the form and return it either by post or by hand as soon as possible but in any event so as to be received by ICG's Registrars, **Computershare Investor Services (Ireland) Limited, at P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, no later than 11.00 am on Monday 22 June 2009.**



IRISH CONTINENTAL GROUP

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

Directors:

John B. McGuckian (Chairman)
Eamonn Rothwell*
Garry O'Dea*
Anthony Kelly*
Peter Crowley
Bernard Somers

Registered Office

Ferryport
Alexandra Road
Dublin 1
Ireland

Company Secretary

Thomas Corcoran

29 May 2009

* *Executive director*

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 consider to be in the Company's best interests and are recommending for your approval.

Your attention is drawn to the Notice set out on page 7 of this document convening the AGM which will be held at the Westbury Hotel, Clarendon Street, Dublin 2 on Wednesday 24 June 2009 at 11.00 a.m.

In addition to the ordinary business to be transacted at the AGM (as set out in items 1 to 3 in the Notice), your Board proposes as special business resolutions 4 to 9 which are summarised below.

1. GENERAL AUTHORITY TO ALLOT SHARES (RESOLUTION 4)

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 aggregate nominal value of 33.33% of the present issued ordinary share capital and the present issued redeemable share capital of the Company equivalent to 8,505,402 ordinary shares and 8,505,402 redeemable shares. This resolution is proposed as an ordinary resolution.

2. DISAPPLICATION OF STATUTORY PRE-EMPTION PROVISIONS (RESOLUTION 5)

Resolution 5 proposes to grant to the Directors the authority 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 and the exercise of share options.

The power will expire on the earlier of the annual general meeting in 2010 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.

3. PURCHASE OF OWN SHARES THROUGH BUY BACK AUTHORITY (RESOLUTION 6)

Resolution 6 proposes to authorise the Company or any of its subsidiaries to purchase up to 3,692,500 ICG Units representing approximately 15% of the Company's existing issued share capital, excluding shares held as treasury shares by the company. This authority will expire on the earlier of the date of the annual general meeting in 2010 and 18 months from the date of the passing of the resolution, unless previously varied, revoked or renewed by the Shareholders in general meeting. 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. ICG Units purchased pursuant to this resolution will be cancelled and will not be available for re-issue. This resolution is proposed as a special resolution.

4. SUB-DIVISION OF REDEEMABLE SHARES (RESOLUTION 7)

In the General Meeting on 30 April 2003 the authorised share capital of the Company was increased by the creation of 450,000,000 Redeemable Shares of 0.01 cent each. The Redeemable Shares were created so that the Board could maintain flexibility to maximise the net return on amounts paid to shareholders by the Company from time to time by redeeming Redeemable Shares.

Subsequently on 28 July 2003, the Board allotted Redeemable Shares to shareholders by way of a bonus issue of 10 Redeemable Shares for each Ordinary Share held by shareholders, thereby creating ICG Units with each ICG Unit comprising 1 Ordinary Share and 10 Redeemable Shares.

As at 29 May 2009, being the date of this document, as a result of redemptions of Redeemable Shares from time to time, each ICG Unit includes a holding of 1 Redeemable Share and 1 Ordinary Share. The Board wishes to continue to maximise the net return on amounts paid to shareholders. In this regard, the Board proposes to maintain the flexibility in the future to redeem Redeemable Shares from time to time. In order to ensure that there are sufficient Redeemable Shares in issue, the Board seeks authority to subdivide the existing Redeemable Share capital of the Company so that each ICG Unit will comprise 1 Ordinary Share and 10 Redeemable Shares at the subdivision date.

This will be achieved by subdividing the authorised and issued Redeemable Share capital of the Company such that each Redeemable Share of 0.01 cent is subdivided into 10 Redeemable Shares of 0.001 cent. Consequently, the authorised Redeemable Share capital of the Company will be changed from 450,000,000 Redeemable Shares of 0.01 cent each into 4,500,000,000 Redeemable Shares of 0.001 cent each, and the issued Redeemable Share capital of the Company will be changed from 25,516,208 Redeemable Shares of 0.01 cent each into 255,162,080 Redeemable Shares of 0.001 cent each.

Subject to the conditions laid out in the Articles of Association, the Company may from time to time and at any time, at the discretion of the Directors, redeem Redeemable Shares. Under this resolution, this discretion will be limited to the redemption of 2 Redeemable Shares. Any further redemptions of Redeemable Shares recommended by the Directors will require approval by an ordinary resolution of shareholders of the company in general meeting.

This resolution is proposed as an ordinary resolution.

5. APPROVAL OF THE IRISH CONTINENTAL GROUP PLC 2009 SHARE OPTION PLAN (RESOLUTION 8)

This Resolution proposes to put in place a new share option plan, the Irish Continental Group plc 2009 Share Option Plan ("the Plan"), to replace the 1998 Share Option Plan which expired on 25 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.

6. AUTHORITY TO SEND DOCUMENTS AND OTHER COMPANY INFORMATION TO SHAREHOLDERS BY ELECTRONIC MEANS (RESOLUTION 9)

The Transparency Directive (2004/109/EC) Regulations, 2007 (“The Transparency Directive”) permits companies to communicate with Shareholders in electronic form and for documents or information to be sent or supplied via the Company’s website, to shareholders who have not either, requested a hard copy of the relevant document or information or provided an e-mail address to which the document or information can be sent.

Although the Company’s Articles of Association currently contain provisions relating to electronic communications, the Transparency Directive permits the use of electronic communications to a greater extent than is currently possible. The Directors believe that it is in the interests of the Company to take advantage of these broader powers and, subject to the passing of this resolution, the Company intends to make use of these provisions in the future in order to facilitate communications between the Company and its shareholders in a more efficient and effective manner. Accordingly, it is proposed that the Company be authorised to use electronic communication in the manner permitted by the Transparency Directive. If the resolution is passed the Company will in due course write to all shareholders seeking their consent to receive documents and information in electronic form. The Transparency Directive provides that if a shareholder does not object to the use of electronic means within a reasonable period of time (one month) the shareholder’s consent will be deemed to be given. Shareholders who wish to continue to receive documents and information in hard copy form, rather than by electronic means (including via the website www.icg.ie), will be invited to notify the Company accordingly.

This resolution is proposed as an ordinary resolution.

7. ACTION TO BE TAKEN

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the AGM.

Whether or not you intend to be present at the AGM, you are requested to complete the accompanying Form of Proxy in accordance with the instructions printed thereon and to return it as soon as possible and, in any event, so as to be received by Computershare Investor Services (Ireland) Limited, at P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not later than 11.00 am on 22 June 2009. Completion and return of the Form of Proxy will not preclude Shareholders from attending the meeting and voting in person on the Resolutions, should they wish to do so.

8. RECOMMENDATION

The Board considers the Resolutions to be in the best interest of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions at the AGM, as they intend to do so in respect of their own beneficial holdings being in aggregate 4,190,089 ICG Units, representing approximately 17.02% of the existing issued share capital of the Company.

Yours faithfully



John B. McGuckian
Chairman

**APPENDIX – PRINCIPAL FEATURES OF THE IRISH CONTINENTAL GROUP PLC
2009 SHARE OPTION PLAN**

BASIS OF THE PLAN

The Irish Continental Group plc 2009 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 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 (and shares issued or to be issued) under the Plan over a 10 year period cannot exceed 5% of the issued ordinary share capital of the Company from time to time.
- (2) Option grants (and shares issued or to be issued) under the Plan over a rolling 3 year period cannot exceed 1.5% of the issued ordinary share capital of the Company from time to time.
- (3) Basic tier options granted under the Plan over a 10 year period cannot exceed 2.5% of the issued ordinary share capital of the Company from time to time.
- (4) Second tier options granted under the Plan over a 10 year period cannot exceed 2.5% 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) Shares issued (or to be issued) under any other share scheme in the Company within the preceding 10 years.
- (ii) Options which have lapsed.

- (iii) 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.
- (iv) 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 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 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 least 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 this 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 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that an Annual General Meeting of Irish Continental Group plc will be held at the Westbury Hotel, Clarendon Street, Dublin 2 on 24 June 2009 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, 2008 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) Eamonn Rothwell;
 - (b) Tony Kelly; and
 - (c) John B. McGuckian.
3. To authorise the Directors to fix the remuneration of the Auditors for the year ending 31st December, 2009.

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 value not exceeding €5,528,512 on the allotment of ordinary shares and €850.54 on the allotment of redeemable shares; 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 allotted 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 offered 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); and
- (2) the allotment of equity securities pursuant to any of the Company's share option schemes for the time being in force;

and the power shall expire at the conclusion of the next annual general meeting of the Company or (if earlier) 24th September, 2010, 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 15 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 shall be an amount equal to its nominal value;

(3) the maximum price which may be paid for any share shall be an amount equal to 105 per cent of the Market Price (as hereafter defined) on the day of purchase; and

(4) all shares purchased will be cancelled and will not be available for reissue.

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) 24th December, 2010 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 ; provided that, to the extent permitted by law, if after the date of this resolution, two redeemable shares of 0.001 cent each comprised in each ICG Unit (as defined in the Articles of Association of the Company (the "Articles")) have been redeemed (whether together or in two separate redemptions), notwithstanding any other provision contained in the Articles, no further redemption of redeemable shares in the capital of the Company shall be effected unless and until such further redemption is approved by an ordinary resolution of the shareholders of the Company in general meeting."

7. As an ordinary resolution:

"That the Company's authorised but unissued redeemable share capital comprising 424,483,792 shares of 0.01 cent each be and is hereby subdivided into 4,244,837,920 redeemable shares of 0.001 cent each and that the issued redeemable share capital of the Company, comprising 25,516,208 shares of 0.01 cent each, be and is hereby subdivided into 255,162,080 redeemable shares of 0.001 cent each and that the Memorandum and Articles of Association be and is hereby amended accordingly; provided that, to the extent permitted by law, if after the date of this resolution, two redeemable shares of 0.001 cent each comprised in each ICG Unit (as defined in the Articles of Association of the Company (the "Articles")) have been redeemed (whether together or in two separate redemptions), notwithstanding any other provision contained in the Articles, no further redemption of redeemable shares in the capital of the Company shall be effected unless and until such further redemption is approved by an ordinary resolution of the shareholders of the Company in general meeting."

8. As an ordinary resolution:

"That the Directors be and are hereby authorised to adopt and implement a new option plan for the employees and executive directors of the Company (to be known as the Irish Continental Group plc 2009 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."

9. As an ordinary resolution:

“That the Company be authorised, subject to and in accordance with the provisions of the Transparency Directive (2004/109/EC) Regulations, 2007 and the Articles of Association to send, convey or supply all types of notices, documents, share certificates or information to members of the Company by means of electronic equipment (including digital compression), storage and transmission of data, employing wires, radio, optical technologies, or other electromagnetic means including, without limitation, by sending such notices, documents, share certificates or information by electronic mail or by making such notice documents, share certificates or information available on a website”.

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: 29 May 2009

Notes:

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 notariially 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 22 June 2009.
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 close of business on 19 June 2009 (or in the case of an adjournment as at close of business on the day which is two days 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.