

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This document amends and restates the Original Scheme Document which was published on 20 March 2007. If you are in any doubt about the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser who, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 of Ireland or the Stock Exchange Act 1995 of Ireland, or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 of the United Kingdom.

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. Such documents should, however, not be distributed, forwarded or transmitted in or into or from any Restricted Jurisdiction.

This document should be read as a whole. Your attention is drawn to the letter from John B. McGuckian, Chairman of ICG, in Part I of this document, which contains a unanimous recommendation from the Independent Board that you vote in favour of the resolutions to be proposed at the Adjourned Court Meetings, the Adjourned EGM and the Second EGM. A letter from NCB Corporate Finance explaining the Scheme appears in Part III of this document.

Notices reconvening the Adjourned Court Meetings and Adjourned EGM and convening the Second EGM, all of which will be held at The Clarion Hotel Dublin IFSC, International Financial Services Centre, Dublin 1 on 26 September 2007 are set out at the end of this document. The Adjourned First Court Meeting will start at 2.30 pm (Dublin time), the Adjourned Second Court Meeting will start at 2.45 pm (Dublin time) (or as soon thereafter as the Adjourned First Court Meeting, convened for the same date and place, has concluded or been adjourned) and the Adjourned EGM will start at 3.00 pm (Dublin time) (or as soon thereafter as the Adjourned Second Court Meeting, convened for the same date and place, has concluded or been adjourned). The Second EGM will start at 3.15 pm (Dublin time) (or as soon thereafter as the Adjourned EGM, convened for the same date and place, has concluded or been adjourned).

The action to be taken by ICG Shareholders in respect of the Adjourned Meetings, the Second EGM and the Revised Acquisition is set out on pages 6 and 7.

Recommended Revised Acquisition
of
IRISH CONTINENTAL GROUP PLC
by
AELLA PLC
by means of a
SCHEME OF ARRANGEMENT
under **Section 201 of the Companies Act 1963 of Ireland**

Shareholders will find enclosed with this document Forms of Proxy for the Adjourned Meetings and the Second EGM. Whether or not ICG Shareholders wish to attend the Adjourned Meetings, or the Second EGM, they are asked to complete the enclosed Forms of Proxy in accordance with the instructions printed on the forms and return them 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, not less than 48 hours before the relevant meeting. If the Forms of Proxy for the respective Adjourned Court Meetings are not lodged by the relevant time, they may be handed to the Chairman of the relevant Adjourned Court Meeting before the start of that Adjourned Court Meeting.

It should be noted that any Original Forms of Proxy or Original Form of Election which have been completed and returned in respect of the Original Acquisition will no longer be treated as valid.

Goodbody Corporate Finance, which is authorised in Ireland by the Financial Regulator under the Investment Intermediaries Act 1995, is acting exclusively for Aella and no one else in connection with the Revised Acquisition and will not be responsible to anyone other than Aella for providing the protections afforded to customers of Goodbody Corporate Finance or for providing advice in relation to the Revised Acquisition, the contents of this document or any transaction or arrangement referred to herein.

NCB Corporate Finance Limited, which is authorised in Ireland by the Financial Regulator under the Investment Intermediaries Act 1995, is acting exclusively for ICG and no one else in connection with the Revised Acquisition and will not be responsible to anyone other than ICG for providing the protections afforded to customers of NCB Corporate Finance or for providing advice in relation to the Revised Acquisition, the contents of this document or any transaction or arrangement referred to herein.

This document does not constitute an offer to sell or an invitation to purchase or the solicitation of an offer to purchase or subscribe for any securities.

This document does not constitute an offer to purchase, sell, subscribe or exchange or the solicitation of an offer to purchase, sell, subscribe or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Revised Acquisition or otherwise.

The distribution of this document in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this document and all other documents relating to the Revised Acquisition are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction.

The securities to be issued pursuant to the Revised Acquisition under the Partial Loan Alternative and the Redeemable Preference Share Alternative will be issued pursuant to the exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act"), provided by Section 3(a)(10) thereof, and have not been and will not be registered under the Securities Act or the securities laws of any state of the United States. In order to qualify for the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10), there must be a hearing on the fairness of the Scheme's terms and conditions to the ICG Shareholders, which all the ICG Shareholders are entitled to attend in person or through representatives to oppose the sanctioning of the Scheme by the High Court, and with respect to which notification will be given to all the ICG Shareholders. The High Court's attention is drawn to the fact that, for the purpose of qualifying for the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10), Aella intends to rely on the High Court's hearing to sanction the Scheme. In addition, the securities to be issued as described herein will not be listed on any stock exchange and have not been, and will not be, registered under the Securities Act, or under any relevant securities laws of any state or Restricted Jurisdiction and no regulatory clearances in respect of those securities have been or will be applied for in any jurisdiction. Neither the Loan Notes nor the Redeemable Preference Shares will be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction.

Any action taken in relation to the Revised Acquisition should be taken only on the basis of all of the information contained in this document and any other document by which the Revised Acquisition and Scheme are made.

If you have any questions relating to this document or how to complete and return the Forms of Proxy or Form of Election please call ICG's Registrars, Computershare Investor Services (Ireland) Limited on 01 447 5483 (if calling within Ireland) or on +353 1 447 5483 (if calling from outside Ireland) between 9.00 am and 5.00 pm on any Business Day.

The attention of ICG Shareholders who are resident in, or citizens of, Restricted Jurisdictions, is drawn to paragraph 11 (Overseas Shareholders) in Part III (Explanatory Statement) of this document.

Information concerning forward-looking statements

This document, including information included or incorporated by reference in this document, may contain 'forward-looking statements' concerning the Revised Acquisition, ICG, Aella and Adonia Aella. Generally, the words 'will', 'may', 'should', 'could', 'would', 'can', 'continue', 'opportunity', 'believes', 'expects', 'intends', 'anticipates', 'estimates' or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such a future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. None of the aforementioned companies, assumes any obligation in respect of, or intends to update these forward-looking statements, except as required pursuant to applicable law.

CONTENTS

ADVISERS TO ICG AND AELLA	.....	4
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	.....	5
ACTION TO BE TAKEN	.....	6
PART I LETTER OF RECOMMENDATION FROM THE INDEPENDENT BOARD OF ICG	.....	8
1 INTRODUCTION	.....	8
2 SUMMARY OF THE TERMS OF THE REVISED ACQUISITION	.....	9
3 THE CONDITIONS	.....	10
4 BACKGROUND TO AND REASONS FOR RECOMMENDING THE REVISED ACQUISITION	.....	11
5 THE REDEEMABLE PREFERENCE SHARE ALTERNATIVE	.....	13
6 IRREVOCABLE UNDERTAKINGS	.....	13
7 EXPENSES REIMBURSEMENT AGREEMENT	.....	13
8 NEW IMPLEMENTATION AGREEMENT	.....	14
9 ICG SHARE OPTION SCHEMES	.....	15
10 THE SECOND EGM AND AMENDMENTS TO THE 1998 SHARE OPTION SCHEME	.....	15
11 ACTION TO BE TAKEN	.....	16
12 FURTHER INFORMATION	.....	16
13 RECOMMENDATION	.....	16
PART II LETTER FROM AELLA	.....	17
1 INTRODUCTION	.....	17
2 THE REVISED ACQUISITION	.....	17
3 BACKGROUND TO AND REASONS FOR THE OFFER	.....	18
4 THE PARTIAL LOAN NOTE ALTERNATIVE TO THE CASH CONSIDERATION	.....	19
5 RISK FACTORS AND INVESTMENT CONSIDERATIONS IN RELATION TO LOAN NOTES	.....	20
6 THE REDEEMABLE PREFERENCE SHARE ALTERNATIVE	.....	20
7 RISK FACTORS AND INVESTMENT CONSIDERATIONS IN RELATION TO REDEEMABLE PREFERENCE SHARES	.....	21
8 IRREVOCABLE UNDERTAKINGS	.....	22
9 INFORMATION ON ICG	.....	23
10 INFORMATION ON AELLA	.....	23
11 INFORMATION ON ADONIA AELLA	.....	23
12 FINANCING	.....	23
13 CASH CONFIRMATION	.....	24
14 BOARD, MANAGEMENT AND EMPLOYEES	.....	24
15 ICG SHARE OPTION SCHEMES	.....	24
16 ACTION TO BE TAKEN	.....	24
PART III EXPLANATORY STATEMENT	.....	26
1 INTRODUCTION	.....	26
2 THE REVISED ACQUISITION	.....	26
3 THE CONDITIONS	.....	27
4 CONSENTS AND ADJOURNED MEETINGS	.....	27
5 STRUCTURE OF THE SCHEME	.....	29

6	BOARD, MANAGEMENT AND EMPLOYEES.....	30
7	ICG SHARE OPTION SCHEMES.....	30
8	THE ICG DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS.....	30
9	TAXATION.....	30
10	SETTLEMENT, LISTING AND DEALINGS.....	30
11	OVERSEAS SHAREHOLDERS.....	31
12	ACTION TO BE TAKEN.....	32
13	FURTHER INFORMATION.....	32
PART IV	THE SCHEME OF ARRANGEMENT.....	33
PART V	CONDITIONS TO AND FURTHER TERMS OF THE REVISED ACQUISITION AND THE SCHEME.....	43
PART VI	PARTICULARS OF THE LOAN NOTES.....	49
PART VII	PARTICULARS OF THE REDEEMABLE PREFERENCE SHARES.....	53
PART VIII	INFORMATION ON AELLA AND ADONIA AELLA.....	56
PART A:	INFORMATION ON AELLA.....	56
PART B:	INFORMATION ON ADONIA AELLA.....	62
PART IX	FINANCIAL INFORMATION RELATING TO ICG.....	63
PART A:	CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDING 31 DECEMBER 2004, 2005 AND 2006.....	63
PART B:	PUBLISHED UNAUDITED INTERIM ACCOUNTS FOR THE SIX MONTHS ENDING 30 JUNE 2007.....	100
PART X	ADDITIONAL INFORMATION.....	111
PART XI	FORM OF ELECTION.....	136
PART XII	SOURCES AND BASES OF INFORMATION.....	145
PART XIII	DEFINITIONS.....	147
	NOTICE OF ADJOURNED FIRST COURT MEETING.....	155
	NOTICE OF ADJOURNED SECOND COURT MEETING.....	157
	NOTICE OF ADJOURNED EXTRAORDINARY GENERAL MEETING.....	159
	NOTICE OF SECOND EXTRAORDINARY GENERAL MEETING.....	162

ADVISERS TO ICG AND AELLA

ICG:

Financial Adviser to ICG

NCB Corporate Finance Limited
3 George's Dock
I.F.S.C.
Dublin 1
Ireland

Legal Adviser to ICG

A&L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

Auditors to ICG

Deloitte & Touche
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Registrars

Computershare Investor Services (Ireland) Limited
P.O. Box 954
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18
Ireland

AELLA:

Financial Adviser to Aella

Goodbody Corporate Finance
Ballsbridge Park
Ballsbridge
Dublin 4
Ireland

Legal Adviser to Aella

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

EXPECTED REVISED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Time and/or Date⁽¹⁾⁽²⁾</u>
Latest time for receipt of GREEN Forms of Election	2.30 pm on 24 September 2007
Latest time for receipt of PINK Forms of Proxy for the Adjourned First Court Meeting ⁽³⁾	2.30 pm on 24 September 2007
Latest time for receipt of WHITE Forms of Proxy for the Adjourned Second Court Meeting ⁽⁴⁾	2.45 pm on 24 September 2007
Latest time for receipt of BLUE Forms of Proxy for the Adjourned Extraordinary General Meeting.....	3.00 pm on 24 September 2007
Latest time for receipt of YELLOW Forms of Proxy for the Second Extraordinary General Meeting.....	3.15 pm on 24 September 2007
Voting Record Time.....	6.00 pm on 24 September 2007
Adjourned First Court Meeting	2.30 pm on 26 September 2007
Adjourned Second Court Meeting ⁽⁵⁾	2.45 pm on 26 September 2007
Adjourned Extraordinary General Meeting ⁽⁶⁾	3.00 pm on 26 September 2007
Second Extraordinary General Meeting ⁽⁷⁾	3.15 pm on 26 September 2007
Intended date for Court Hearing (of the petition to sanction the Scheme).....	17 October 2007
Last day of dealings in ICG Units	18 October 2007
Scheme Record Time	6.00 pm on 18 October 2007
Effective Date of the Scheme.....	19 October 2007
Payments in respect of ICG Units credited to CREST accounts (as appropriate)	No later than 2 November 2007
Despatch of cheques/electronic transfers in respect of the Cash Consideration (as appropriate)	No later than 2 November 2007
Despatch of share certificates in respect of Redeemable Preference Shares (as appropriate).....	No later than 2 November 2007
Despatch of certificates in respect of Loan Notes (as appropriate).....	No later than 2 November 2007

Notes:

- (1) All times shown in this document are Dublin times unless otherwise stated.
- (2) The dates and times are indicative only and will depend on, inter alia, the dates upon which the High Court sanctions the Scheme and confirms the reduction of capital that forms part of the Scheme.
- (3) If the PINK Form of Proxy for the Adjourned First Court Meeting is not returned by this time, a PINK Form of Proxy may be handed to the chairman of the Adjourned First Court Meeting before the start of the meeting and will still be valid.
- (4) If the WHITE Form of Proxy for the Adjourned Second Court Meeting is not returned by this time, a WHITE Form of Proxy may be handed to the chairman of the Adjourned Second Court Meeting before the start of the meeting and will still be valid.
- (5) To commence at 2.45 pm, or, if later, immediately after the conclusion or adjournment of the Adjourned First Court Meeting.
- (6) To commence at 3.00 pm, or, if later, immediately after the conclusion or adjournment of the Adjourned Second Court Meeting.
- (7) To commence at 3.15 pm, or, if later, immediately after the conclusion or adjournment of the Adjourned Extraordinary General Meeting.

If you have any queries in relation to action to be taken, please contact ICG's Registrars, Computershare Investor Services (Ireland) Limited, on 01 447 5483 (if calling within Ireland) or on +353 1 447 5483 (if calling from outside Ireland) between 9.00 am and 5.00 pm on any Business Day. For legal reasons, the Registrars will not be able to provide advice on the merits of the Revised Acquisition itself or give financial or tax advice.

ACTION TO BE TAKEN

ADJOURNED MEETINGS TO BE HELD ON 26 SEPTEMBER 2007

The Scheme requires approval by ICG Shareholders other than Aella Class Shareholders at the Adjourned First Court Meeting to be held at 2.30 pm on 26 September 2007. The MBO Team and certain persons connected to it (the “Aella Class Shareholders”, as defined in this document) will not be entitled to vote at the Adjourned First Court Meeting, but will instead vote at the Adjourned Second Court Meeting to be held at 2.45 pm on 26 September 2007 (or, if later, as soon as the Adjourned First Court Meeting has concluded or has been adjourned). In addition to approval at the Adjourned Court Meetings, implementation of the Scheme also requires various approvals by ICG Shareholders at an Adjourned EGM to be held at 3.00 pm on 26 September 2007 or, if later, immediately after the conclusion or adjournment of the Adjourned Second Court Meeting. Once effective, the Scheme will be binding on all ICG Shareholders, including those who did not vote, or who voted against it, at the Adjourned Court Meetings.

THE SECOND EGM TO BE HELD ON 26 SEPTEMBER 2007

In addition to the Adjourned Court Meetings and Adjourned EGM, notice is given at the end of this document in relation to the Second EGM to be held at 3.15 pm on 26 September 2007 or, if later, immediately after the conclusion or adjournment of the Adjourned EGM at which a resolution will be put before ICG Shareholders in relation to amending the 1988 Share Option Scheme.

SIGN AND RETURN THE ACCOMPANYING FORMS OF PROXY

It is important that as many votes as possible are cast at the Adjourned First Court Meeting so that the High Court may be satisfied that there was a fair representation of Scheme Shareholder opinion. You are therefore encouraged to sign and return the enclosed Forms of Proxy as soon as possible and in any event so as to be received by ICG’s Registrars, Computershare Investor Services (Ireland) Limited at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland, as follows:

- ICG Shareholders have been sent a PINK Form of Proxy for the Adjourned First Court Meeting, a BLUE Form of Proxy for the Adjourned EGM and a YELLOW Form of Proxy for the Second EGM. These should be signed and returned so as to be received no later than 2.30 pm, 3.00 pm and 3.15 pm, respectively, on 24 September 2007. The PINK Form of Proxy for the Adjourned First Court Meeting (but NOT the BLUE Form of Proxy for the Adjourned EGM or YELLOW Form of Proxy for the Second EGM) may also be handed to the Chairman of the Adjourned First Court Meeting before the start of the meeting on 26 September 2007 and will still be valid.
- Aella Class Shareholders have been sent a WHITE Form of Proxy for the Adjourned Second Court Meeting, a BLUE Form of Proxy for the Adjourned EGM and a YELLOW Form of Proxy for the Second EGM. These should be signed and returned so as to be received no later than 2.45 pm, 3.00 pm and 3.15 pm, respectively, on 24 September 2007. The WHITE Form of Proxy for the Adjourned Second Court Meeting (but NOT the BLUE Form of Proxy for the Adjourned EGM or YELLOW Form of Proxy for the Second EGM) may also be handed to the Chairman of the Adjourned Second Court Meeting before the start of the meeting on 26 September 2007 and will still be valid.

Whether or not you plan to attend the Adjourned Court Meetings and/or the Adjourned Extraordinary General Meeting and/or the Second Extraordinary General Meeting, please complete and sign the Forms of Proxy accompanying this document in accordance with the instructions printed thereon and return them either to Computershare Investor Services (Ireland) Limited at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 as soon as possible but, in any event, so as to be received by post or, during normal business hours, by hand by 2.30 pm on 24 September 2007 in the case of the Adjourned First Court Meeting, by 2.45 pm on 24 September 2007 in the case of the Adjourned Second Court Meeting, by 3.00 pm on 24 September 2007 in the case of the Adjourned Extraordinary General Meeting and by 3.15 pm on 24 September 2007 in the case of Second EGM.

The completion and return of a Form of Proxy for the Adjourned Court Meetings, the Adjourned EGM or the Second EGM will not prevent you from attending and voting at either meeting (or any adjournment thereof) in person if you wish to do so. Alternatively, you may submit your proxy via the internet by accessing the Registrar’s website www.computershare.com/ie/voting/irishcontinental. To log in you will require your unique PIN and shareholder reference number (SRN) which you will find printed at the top of your Forms of Proxy. CREST members may make an electronic proxy appointment using the procedures described in the CREST Manual, as set out in the notices of the Adjourned Meetings included at the end of this document.

It is important that, for both of the Adjourned Court Meetings, as many votes as possible are cast at them (whether in person or by proxy) so that the Court may be satisfied that there is a fair and reasonable representation of Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.

If you have any questions relating to this document or the completion and return of the forms of proxy, please telephone the helpline on 01 447 5483 (or, from outside Ireland, +353 1 447 5483) between 9.00 am and 5.00 pm (Dublin time) on any Business Day.

Overseas Shareholders should refer to paragraph 11 of the Explanatory Statement at Part III of the Revised Scheme Document. Details relating to settlement are included in paragraph 10 of the Explanatory Statement at Part III of the Revised Scheme Document.

The Forms of Proxy can be revoked or amended at any time up to 3.00 pm on 24 September 2007 or 3.15 pm on 24 September 2007 in the case of the BLUE Form of Proxy for the Adjourned EGM, or the YELLOW Form of Proxy for the Second EGM, respectively, or the start of the relevant Adjourned Court Meeting in the case of the PINK and WHITE Forms of Proxy for the Adjourned Court Meetings.

If you wish to amend or revoke your Form(s) of Proxy after you have returned them to Computershare Investor Services (Ireland) Limited, you should contact the Registrar at the address given above.

ELECTIONS FOR THE PARTIAL LOAN NOTE ALTERNATIVE OR THE REDEEMABLE PREFERENCE SHARE ALTERNATIVE

A GREEN Form of Election is enclosed with this document. You should only complete and return the Form of Election if you wish to make an election for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative. You will find further information about the Loan Notes in Part VI (Particulars of the Loan Notes) of this document and further information about the Redeemable Preference Shares in Part VII (Particulars of the Redeemable Preference Shares) of this document. Notes on completing the Form of Election are set out in Part XI (Form of Election) of this document.

Your completed Form of Election should be returned, signed and witnessed in accordance with the instructions printed thereon, by post or by hand to Computershare Investor Services (Ireland) Limited at Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18, Ireland as soon as possible but, in any event, so as to be received by no later than 2.30 pm on 24 September 2007 or such later time (if any) to which the right to make an election may be extended.

ICG Shareholders who do not wish to make an election for either the Partial Loan Note Alternative or the Redeemable Preference Share Alternative are not required to return the Form of Election. If you do not complete the Form of Election you will receive the Cash Consideration in respect of all your ICG Units.

RECOMMENDATION

Your Independent Directors are unanimously recommending that you vote in favour of all resolutions at the Adjourned Meetings and the Second EGM using the Forms of Proxy enclosed with this document or submit your proxy via the internet.

The Independent Directors are making no recommendation in respect of the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.

ENQUIRIES

If you have any queries in relation to action to be taken, please contact ICG's Registrars, Computershare Investor Services (Ireland) Limited, on 01 447 5483 (if calling within Ireland) or on +353 1 447 5483 (if calling from outside Ireland) between 9.00 am and 5.00 pm on any Business Day. For legal reasons, the Registrars will not be able to provide advice on the merits of the Revised Acquisition itself or give financial or tax advice.

PART I

LETTER OF RECOMMENDATION FROM THE INDEPENDENT BOARD OF ICG



IRISH CONTINENTAL GROUP

Irish Continental Group plc

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

Independent Board:

John B. McGuckian (Chairman)
Peter Crowley
Bernard Somers

Registered Office

Ferryport
Alexandra Road
Dublin 1

Other Directors:

Eamonn Rothwell*
Garry O'Dea*
Anthony Kelly*

Company Secretary

Thomas Corcoran

10 September 2007

* *Executive director*

To Scheme Shareholders and, for information only, to ICG Optionholders

RECOMMENDED REVISED ACQUISITION OF IRISH CONTINENTAL GROUP PLC

Dear Shareholder

1. INTRODUCTION

On 20 August 2007 the Independent Board of ICG and the Board of Aella announced that they had reached agreement on the terms of a recommended revised acquisition of ICG by Aella, a public limited company that was incorporated in Ireland on 12 February 2007. Aella is owned by Adonia Aella, which is owned and controlled by the MBO Team, who in total own or, through contracts for difference, have an economic interest in 4,065,080 ICG Units, representing approximately 17.2 per cent. of the issued share capital of ICG, and who have irrevocably committed to vote in favour of the Revised Acquisition and the Scheme the 3,329,080 ICG Units which they beneficially hold, representing approximately 14.1 per cent. of the issued share capital of ICG.

I am writing to you to set out the background to the Revised Acquisition and the reasons why the Independent Board considers the terms of the Revised Acquisition to be fair and reasonable and in the best interests of ICG Shareholders taken as a whole, and is unanimously recommending that ICG Shareholders vote in favour of the Revised Acquisition and the Scheme. The Independent Board is making no recommendation in respect of the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.

The Revised Acquisition will be effected by way of a Scheme of Arrangement between ICG and the Scheme Shareholders under Section 201 of the Act, the terms of which are set out in Part IV (The Scheme of Arrangement) of this document and an explanation of which is given by NCB Corporate Finance in Part III (Explanatory Statement) of this document. The Revised Acquisition and the Scheme are subject to the conditions and further terms set out in Part V (Conditions to and Further Terms of the Revised Acquisition and the Scheme) of this document. It is anticipated that, subject to the satisfaction or waiver of these conditions, the Revised Acquisition and the Scheme will become effective during October 2007.

The Scheme was initially circulated to ICG Shareholders in the Original Scheme Document dated 20 March 2007, and is being circulated in its revised form, as set out in full in Part IV of this Revised Scheme Document.

2. SUMMARY OF THE TERMS OF THE REVISED ACQUISITION

The consideration for the Revised Acquisition will comprise (i) Cash Consideration, which incorporates a Partial Loan Note Alternative, and/or (ii) a Redeemable Preference Share Alternative. Further information about the Partial Loan Note Alternative is set out in paragraph 2.2 of this Part I and in Part VI (Particulars of the Loan Notes) of this document. Further information about the Redeemable Preference Share Alternative is set out in paragraph 5 of this Part I, and in Part VII (Particulars of the Redeemable Preference Shares) of this document.

2.1 The Cash Consideration

Subject to the conditions and further terms set out in Part V (Conditions to and Further Terms of the Revised Acquisition and the Scheme) of this document, under the terms of the Revised Acquisition ICG Shareholders will receive:

for each ICG Unit **€24.00 in cash**

If you wish to receive the Cash Consideration in respect of all or any of your ICG Units, you are urged to sign and return the enclosed Forms of Proxy as soon as possible. You should note that if there is insufficient ICG Shareholder support for the Scheme at the Adjourned Meetings, the Scheme will not become effective. ICG Shareholders who wish to receive only the Cash Consideration (instead of making a Loan Note Election and/or a RPS Election) should not complete the Form of Election.

The Cash Consideration values the entire issued and to be issued share capital of ICG at approximately €611.8 million.

A Partial Loan Note Alternative and Redeemable Preference Share Alternative are being made available to ICG Shareholders by Aella. If you wish to participate in the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative, you should complete and return the Form of Election. Whether or not you wish to make a Loan Note Election and/or a RPS Election, in all circumstances you are urged to complete and return the enclosed Forms of Proxy.

The Independent Board is making no recommendation in respect of either the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.

2.2 The Partial Loan Note Alternative to the Cash Consideration

A Partial Loan Note Alternative to the Cash Consideration will be made available to Scheme Shareholders who may elect to receive Loan Notes with a compound interest rate of 19 per cent. per annum in respect of all or any of their ICG Units. The Loan Notes may not be repaid or redeemed without the consent of the Senior Lenders. The Loan Notes may not be repaid before the second anniversary of their issue and the 19 per cent. coupon will be rolled over on a compound basis and will be payable on redemption.

Scheme Shareholders will be entitled to elect to receive Loan Notes to be issued on the following basis:

for every €1 of Cash Consideration **1 Loan Note of €1 in par value**

The Loan Notes, which will be issued by Aella, will be governed by the laws of Ireland, will be unsecured subordinated obligations of Aella, will not be guaranteed as to the payment of principal and the coupon and will be issued, credited as fully paid, in amounts and integral multiples of €1 in par value. For the purposes of providing for the subordination of the Loan Notes to the interests of the Senior Lenders under the Bank Facilities, the Loan Notes will be issued to a nominee who will hold the Loan Notes on behalf of the relevant Scheme Shareholders subject to the terms of the Intercreditor Agreement.

The Loan Notes will be non-transferable and no application will be made for them to be listed or dealt in on any stock exchange. The Loan Notes are also subordinated to the Bank Facilities.

To the extent that elections for Loan Notes are received in excess of €88 million, they will be scaled down as nearly as practicable pro rata to the number of ICG Units that are the subject of valid elections received from Scheme Shareholders and ICG Optionholders. Assuming all Scheme Shareholders and ICG Optionholders elect to receive Loan Notes in respect of their entire holding

of ICG Units, Scheme Shareholders and ICG Optionholders will be entitled to receive Loan Notes in respect of approximately 17.6 per cent. of their ICG Units on the basis that the MBO Team do not intend to accept the Partial Loan Note Alternative.

In the event of elections having to be scaled down, those Scheme Shareholders and ICG Optionholders who have validly elected to receive Loan Notes will instead receive the Cash Consideration in lieu of the Loan Notes they would have received had such elections not been scaled down.

The Partial Loan Note Alternative will not be available in the Restricted Jurisdictions and Scheme Shareholders will not be permitted to make an election for the Partial Loan Note Alternative from any Restricted Jurisdiction. No Scheme Shareholder will be entitled to require Loan Notes to be posted to an address in any Restricted Jurisdiction and no Scheme Shareholder will be entitled to require Loan Notes to be registered in his/her name with an address in any Restricted Jurisdiction.

If you are considering making an election for the Partial Loan Note Alternative, your attention is drawn to paragraph 5 of the letter from Aella set out in Part II of this document, entitled “Risk Factors and Investment Considerations in relation to Loan Notes”. In addition, you are strongly recommended, immediately, to seek your own personal financial advice from a stockbroker, bank manager, solicitor, accountant, independent financial adviser or other professional adviser who, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 or the Stock Exchange Act 1995, or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 of the United Kingdom, and who specialises in advising on the acquisition of shares or other securities.

The Independent Board is making no recommendation in respect of the Partial Loan Note Alternative.

Scheme Shareholders who make an invalid election for the Partial Loan Note Alternative will receive the Cash Consideration in respect of all their ICG Units, save to the extent they have validly elected for the Redeemable Preference Share Alternative.

Further details of the Partial Loan Note Alternative and risk factors and investment considerations in relation to the Loan Notes are set out in paragraphs 4 and 5 of the letter from Aella set out in Part II, and in Part VI (Particulars of the Loan Notes) of this document.

3. THE CONDITIONS

The Revised Acquisition is conditional, amongst other things, on the Scheme becoming effective. The conditions to the Revised Acquisition and the Scheme are set out in full in Part V (Conditions to and Further Terms of the Revised Acquisition and the Scheme) of this document. The implementation of the Scheme is conditional, amongst other things, upon:

- 3.1 the approval at the Adjourned First Court Meeting of a majority in number of ICG Shareholders (other than the Aella Class Shareholders) at the Voting Record Time, present and voting, either in person or by proxy, representing three-fourths or more in value of the ICG Units held by such holders;
- 3.2 the approval at the Adjourned Second Court Meeting of a majority in number of the Aella Class Shareholders at the Voting Record Time, present and voting, either in person or by proxy, representing three-fourths or more in value of the ICG Units held by such holders;
- 3.3 such resolution(s) in connection with and/or required to approve or implement the Scheme and set out in the notice convening the Adjourned Extraordinary General Meeting being duly passed by the requisite majority at the Adjourned Extraordinary General Meeting (or at any adjournment of such meeting);
- 3.4 the sanction (with or without modification) of the Scheme and the confirmation of the reduction of capital involved therein by the High Court and office copies of the Court Orders and the minute required by section 75 of the Act in respect of the reduction, being delivered for registration to the Registrar of Companies and registration of such Court Order and minute confirming the reduction of capital involved in the Scheme by the Registrar of Companies; and

3.5 the conditions which are not otherwise identified above and which are set out in full in Part V of this document being satisfied or waived on or before the sanction of the Scheme by the High Court pursuant to Section 201 of the Act.

The Scheme must become effective by not later than 31 October 2007, or such later date, if any, as ICG and Aella may agree and the High Court may allow, or the Revised Acquisition will not proceed.

4. BACKGROUND TO AND REASONS FOR RECOMMENDING THE REVISED ACQUISITION

On 20 March 2007, Aella made an offer of €18.50 per ICG Unit for the entire issued and to be issued share capital of ICG to be implemented by means of a scheme of arrangement under Section 201 of the Companies Act, 1963.

On 14 June 2007, Moonduster announced a firm intention to make a recommended offer for cash for the entire issued and to be issued share capital of ICG of €22.00 per ICG Unit.

On 20 June 2007, Eamonn Rothwell acquired an interest in 1,750,200 ICG Units (including 736,000 ICG Units via contracts for difference) at €22.00 per ICG Unit.

Since 20 June 2007 it has been the belief of the Independent Directors that neither the Moonduster offer nor the Aella offer, both at a price of €22.00 per ICG Unit, would be capable of implementation without the support of the other party.

Between 20 June 2007 and 19 July 2007 the Independent Directors initiated and supported the engagement which took place between representatives of Moonduster and Aella in order to establish whether there could be an offer level at a price per ICG Unit from either Moonduster or Aella which the other party would accept. With no meaningful progress having been achieved from these efforts, the Independent Directors, on 19 July 2007, wrote to both Moonduster and Aella requesting them to confirm to the Independent Directors the highest price per ICG Unit which they were prepared to offer to acquire the Company and also, *inter alia*, their intentions in the event that a higher offer, other than their own offer, was made. Moonduster confirmed that it would not vote in favour of the Aella offer to acquire the Company for €22.00 per ICG Unit. Aella confirmed that it, and its concert parties, would not vote in favour of the Moonduster offer to acquire the Company for €22.00 per ICG Unit.

The Offer Period commenced more than five months ago on 8 March 2007. As time elapsed, the Independent Directors became increasingly concerned as to protect and act in the best interests of all ICG shareholders by ensuring that there was a timely and efficient resolution to the ongoing uncertainty concerning the future ownership of the Company. The Independent Directors were particularly mindful that as the Offer Period continued there was an increasing risk that the Company was likely to be hindered in the conduct of its affairs while at the same time there being no guarantee of resolving the current uncertainty surrounding the Company's future ownership.

As such, on 31 July 2007 following receipt of the aforementioned confirmations from both Moonduster and Aella, the Independent Directors announced that they would consult with the Panel in order for the Independent Directors to determine the most appropriate manner of seeking to resolve the ongoing uncertainty surrounding the future ownership of the Company.

The Independent Directors announced on 3 August 2007 that, having consulted with the Panel, it was their current intention that, in the absence of any further material development, they would, by no later than 5.00 pm on 17 August 2007, terminate discussions with both Moonduster and Aella and withdraw from each offer and in the event that the Independent Directors took this action the current offer period would be brought to an end.

Immediately prior to the deadline of 5.00 pm on 17 August 2007, the Independent Directors received a letter from Aella setting out the basis on which it would make an offer at €24.00 per ICG Unit. By the deadline of 5.00pm on 17 August 2007, no proposal was received from Moonduster to increase its proposed offer of €22.00 per ICG Unit. Consequently, the Independent Directors withdrew their intention to recommend that the ICG Shareholders vote in favour of the proposed Moonduster offer.

The Independent Board, which has been so advised by NCB Corporate Finance, considers the terms of the Revised Acquisition to be fair and reasonable. In providing its advice, NCB Corporate Finance has taken into account the commercial assessments of the Independent Board. Accordingly, the Independent Board unanimously recommends to ICG Shareholders to vote in favour of the Revised Acquisition and Scheme,

as the members of the Independent Board who hold ICG Units have irrevocably undertaken (subject to certain exceptions) to do in respect of their own beneficial holdings, amounting to, in aggregate 47,354 ICG Units, which represents approximately 0.2 per cent. of the issued share capital of ICG. ICG has agreed with Aella that the Independent Board will not withdraw its recommendation of the Revised Acquisition unless, *inter alia*, a competing offer for ICG is announced which enables ICG Shareholders to receive cash consideration or a Cash Equivalent in excess of €25.50.

The irrevocable undertakings granted by the Independent Directors will cease to be binding on the Independent Directors, and the recommendation of the Independent Directors to ICG Shareholders to vote in favour of the Revised Acquisition and Scheme will only be withdrawn or cease to apply in the event that (i) the Revised Acquisition and Scheme lapse or are withdrawn or the Scheme does not become effective by 31 October 2007 (or such later date as Aella and the Independent Directors agree); (ii) a competing offer for ICG is announced which entitles ICG Shareholders to cash consideration or a Cash Equivalent in excess of €25.50 per ICG Unit; or, (iii) any of the resolutions proposed at the Adjourned Court Meetings or the Adjourned EGM immediately following the Adjourned Court Meetings, notice of which is set out in this document, are not passed in accordance with their terms.

The Independent Board has considered a number of factors in recommending the Revised Acquisition including:

- the Cash Consideration of €24.00 per ICG Unit is the highest offer made to all ICG Shareholders;
- the Cash Consideration is higher than the Cash Consideration under the proposed Moonduster offer and the previous Aella offer;
- the Revised Acquisition is not subject to the same level of conditionality as the proposed Moonduster offer. In particular, the Revised Acquisition is not subject to approval from the Competition Authority and as a result of the lower level of conditionality, the time period for completion of the Revised Acquisition will be shorter than that for the proposed Moonduster offer;
- the considerable period of time which has elapsed since the commencement of the Offer Period on 8 March 2007;
- with the exception of Aella and Moonduster, no other party has approached the Independent Directors with regard to making an offer to all ICG Shareholders to acquire the Company prior to the commencement of the Offer Period or during the Offer Period;
- since 20 June 2007, the date on which Aella confirmed that the Cash Consideration payable under the Aella offer had been increased to €22.00 per ICG Unit, until the date of the Revised Announcement, the ISEQ index declined by 15.5 per cent; and
- whilst the current market price per ICG Unit is at a level above €24.00 no offer has been made to all ICG Shareholders at these levels.

The Cash Consideration represents a premium of approximately:

- 9.1 per cent. over the acquisition price of €22.00 per ICG Unit announced by Moonduster on 14 June 2007;
- 29.7 per cent. over the offer proposed by Aella in the Original Announcement;
- 53.8 per cent. over the closing share price on 7 March 2007, being the last date prior to the commencement of the Offer Period;
- 72.7 per cent. over the share price on 1 January 2007, compared to a fall in the ISEQ index of 13.8 per cent. and a fall in the FTSE 350 index of 2.8 per cent. over the same period;
- 76.2 per cent. over the average closing share price over the six months preceding 8 March 2007 of €13.62; and
- 124.3 per cent. over the closing share price on 8 September 2006, six months prior to the commencement of the Offer Period.

Consequently, the Independent Board considers that the terms of the Revised Acquisition are fair and reasonable and that the Cash Consideration represents an opportunity for ICG Shareholders to realise their investment in ICG at a price that fairly reflects the future prospects of the Company.

Unit as set out in the Original Announcement and the Original Scheme Document (the “**Incremental Value**”).

The liability of ICG to pay the Additional Third Party Costs is limited to a maximum amount equal to 1 per cent. of the Incremental Value.

The circumstances in which such payment will be made include:

- (a) if, prior to the Revised Acquisition lapsing or being withdrawn (or, in certain circumstances not being made), a competing offer or offers or scheme or schemes are recommended by the Independent Board or any such offer becomes or is declared unconditional in all respects or Scheme becomes effective;
- (b) if the Independent Board no longer recommends (or intends to recommend) to ICG Shareholders to accept or vote in favour of the Revised Acquisition or the Independent Board adversely modifies or withdraws its recommendation and the Revised Acquisition lapses or is withdrawn (or, in certain circumstances is not made);
- (c) if, as a result of an act or omission of ICG or any ICG Group company or any of their respective directors, employees, agents or advisers, the Revised Scheme Document is not posted by ICG to ICG Shareholders within 28 days of the date of the Revised Announcement.

In addition, the Expenses Reimbursement Agreement contains a non-solicitation undertaking which provides that until the Revised Acquisition (or any revision thereof) or Scheme becomes effective (or is withdrawn), ICG shall procure that no member of the Group or none of their respective directors, employees, agents or advisers shall solicit interest or initiate discussions or negotiations with any person with a view to making a competing offer which would preclude or materially restrict or delay the Revised Acquisition.

NCB Corporate Finance, independent financial adviser to the Independent Board, has confirmed in writing to the Panel that in the opinion of the Independent Board and NCB Corporate Finance the Expenses Reimbursement Agreement is in the best interests of ICG and ICG Shareholders.

8. NEW IMPLEMENTATION AGREEMENT

ICG and Aella entered into an implementation agreement on 8 March 2007 which has been terminated. That agreement terminated on ICG and Aella entering into a New Implementation Agreement dated 20 August 2007. In the New Implementation Agreement the parties agree to assist each other with the implementation of the Scheme. The parties agree, *inter alia*:

- (a) to consult together as to the terms of, the timing of and the manner of publication of any other formal announcements;
- (b) that the terms of the Revised Acquisition will be set out in the Revised Scheme Document and that they will use all reasonable endeavours to achieve satisfaction of the conditions to the Scheme and the Revised Acquisition as soon as reasonably practicable;
- (c) to assist each other as required for purposes of preparing documents for the Revised Acquisition;
- (d) to assist each other with the implementation of the Scheme;
- (e) that the Second EGM may be convened in connection with approving amendments to the 1988 Share Option Scheme; and
- (f) that ICG will procure that the recommendation of the Independent Board to ICG Shareholders to vote in favour of the Acquisition and Scheme will only be withdrawn or cease to apply in the event that (i) the Revised Acquisition and the Scheme lapse or are withdrawn or the Scheme does not become effective by 31 October 2007 (or such later date as Aella and the Independent Directors agree); (ii) a competing offer for ICG is announced or a firm intention to make such an offer is announced which entitles ICG Shareholders to a cash consideration or a Cash Equivalent in excess of €25.50 per ICG Unit; or (iii) any of the resolutions proposed at the Adjourned Court Meetings or the Adjourned EGM immediately following the Adjourned Court Meetings, notice of which are included in this Revised Scheme Document, are not passed in accordance with their terms.

If (1) certain conditions to the Scheme are not satisfied or waived by 5.00 pm on 31 October 2007 or such later date as is agreed between the parties or (2) the Court declines or refuses to sanction the Scheme and no further appeal is possible or (3) any of the circumstances set out in the Expenses Reimbursement Agreement occurs, either party may terminate the Implementation Agreement.

9. ICG SHARE OPTION SCHEMES

Aella will make appropriate revised proposals to ICG Optionholders.

10. THE SECOND EGM AND AMENDMENTS TO THE 1988 SHARE OPTION SCHEME

There are currently two share option schemes in operation in ICG, the 1988 Share Option Scheme and the 1998 Share Option Plan. It is proposed that a resolution be put before the ICG Shareholders concerning the 1988 Share Option Scheme at the Second EGM (currently scheduled to take place after the Adjourned EGM). This resolution will comprise a number of elements, which are summarised below.

At the Latest Practicable Date, 353,000 options over ICG Units were outstanding under the 1988 Share Option Scheme. These ICG Options are fully vested. They include the 1997 Options, for 278,000 ICG Units in total. Under their original terms the 1997 Options would have lapsed on 15 January 2007 but, in accordance with the rules of the 1988 Share Option Scheme, they were extended for an additional period up to 18 March 2007 by a Board resolution dated 28 January 2004. On 7 March 2007 a resolution was passed by the ICG Board which provided that, to the extent the 1997 Options were not already exercisable, they would be deemed exercisable under the rules of the 1988 Share Option Scheme on the announcement of any offer prior to 18 March 2007 and remain exercisable until:

- 60 days after the court sanction of any scheme of arrangement or, if later, completion;
- 60 days after any offer or competing offer becomes unconditional or, if later, completion; or
- 60 days following the withdrawal/lapsing of all offers, if any.

The purpose of the Board resolution on 7 March 2007 was to facilitate holders of the 1997 Options to avail of a cashless exercise of their options in light of the impending offer from Aella (which was subsequently announced on 8 March 2007) or any other offers for ICG.

The Independent Board has been advised that to ensure conformity with the rules of the 1988 Share Option Scheme and/or for the avoidance of doubt, that the Board resolution of 7 March 2007 should be ratified by shareholders. It is proposed that a resolution should be put to the Second EGM to ratify the Board resolution of 7 March 2007 for all purposes. The performance conditions attached to the 1997 Options have been satisfied and the Independent Board are strongly recommending that Scheme Shareholders vote in favour of the resolution at the Second EGM.

The rules of the 1988 Share Option Scheme also limit the period when an ICG Optionholder can generally exercise an option issued under the 1988 Share Option Scheme to an Option Season. This provision is more restrictive than is required at law or generally adopted in current practice or in the other ICG Share Option Scheme which was adopted in 1998. In practice, ICG Optionholders under the 1988 Share Option Scheme have been allowed to exercise outside of Option Seasons and were given to understand that they could do so. It is proposed at the Second EGM to amend the definition of Option Season to be the period from 7 March 2007 until the lapse date of an ICG Option and to ratify any ICG Options exercised outside of an Option Season in the past.

In addition, while the 1988 Share Option Scheme includes provisions allowing the ICG Board to call on ICG Optionholders to exercise their ICG Options granted under the 1988 Share Option Scheme in connection with a takeover of ICG that is effected by way of an offer to acquire ICG Units, it does not include such a provision in relation to a takeover effected by way of a scheme of arrangement under Section 201 of the Act, such as the Revised Acquisition. The resolution to be put before the Second EGM will amend the rules of the 1988 Share Option Scheme to include a provision that ICG Options granted under the 1988 Share Option Scheme may be exercised within 60 days of the High Court sanctioning a compromise or arrangement under Section 201 of the Act, such as the Revised Acquisition, and if not so exercised, will lapse.

11. ACTION TO BE TAKEN

Your attention is drawn to the summary of the action to be taken on pages 6 and 7 of this document.

12. FURTHER INFORMATION

Your attention is drawn to the information set out in the rest of this document. You are advised to read this document in its entirety and not to rely solely on the information in this letter.

13. RECOMMENDATION

The Independent Board, which has been so advised by NCB Corporate Finance, considers the terms of the Revised Acquisition to be fair and reasonable. In providing its advice, NCB Corporate Finance has taken into account the commercial assessments of the Independent Board. **Accordingly, the Independent Board unanimously recommends that Scheme Shareholders vote in favour of the Revised Acquisition and the Scheme and the proposed resolution at the Second EGM, as the members of the Independent Board who hold ICG Units have irrevocably undertaken (subject to certain exceptions) to do in respect of their own beneficial holdings, amounting to, in aggregate, 47,354 ICG Units, representing approximately 0.2 per cent. of the issued share capital of ICG. The Independent Board is making no recommendation in respect of the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.**

Yours faithfully



**John B. McGuckian
Chairman**

PART II — LETTER FROM AELLA

AELLA PLC
(incorporated and registered in Ireland under the Companies Acts
with registered number 434571)

Directors
Eamonn Rothwell (Chairman)
Garry O’Dea
Anthony Kelly
John Reilly
Company Secretary
Thomas Corcoran

Registered Office
Arthur Cox Building
Earlsfort Terrace
Dublin 2

10 September 2007

Recommended Revised Acquisition of Irish Continental Group plc

To Scheme Shareholders and, for information only, to ICG Optionholders

Dear Shareholder

1. INTRODUCTION

On 20 August 2007 the Independent Board of ICG and the Board of Aella announced that they had reached agreement on the terms of a recommended revised acquisition of ICG by Aella by way of a Scheme of Arrangement under Section 201 of the Act, the terms of which are set out in Part IV (The Scheme of Arrangement) of this document and an explanation of which is given by NCB Corporate Finance in Part III (Explanatory Statement) of this document.

The Cash Consideration values the entire issued and to be issued share capital of ICG at approximately €611.8 million.

Your attention is drawn to the letter of recommendation from the Independent Board on pages 8 to 16 of this document, which sets out the reasons why the Independent Board, having been advised by NCB Corporate Finance, is unanimously recommending that all Scheme Shareholders vote in favour of the Revised Acquisition and Scheme and all resolutions to be considered at the Adjourned Meetings, as the members of the Independent Board who hold ICG Units have irrevocably agreed to do in respect of their own beneficial holdings of ICG Units. In providing its advice to the Independent Board, NCB Corporate Finance has taken into account the commercial assessments of the Independent Board.

I am writing to you in order to explain the background to and reasons for the Revised Acquisition and also to provide you with other relevant information in relation to the Revised Acquisition.

2. THE REVISED ACQUISITION

The consideration for the Revised Acquisition available to Scheme Shareholders is as follows:

**€24.00 in cash (which
incorporates the
Partial Loan Note Alternative)
AND/OR
1 Redeemable Preference Share of €0.0001**

for each ICG Unit

Subject to the conditions and further terms set out in Part V (Conditions to and Further Terms of the Revised Acquisition and the Scheme) of this document, under the terms of the Revised Acquisition, Aella will pay the Cash Consideration to Scheme Shareholders in consideration for all of their ICG Units unless they elect for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative.

Scheme Shareholders accepting the Cash Consideration may make an election for the Partial Loan Note Alternative in respect of all or any part of their holdings of ICG Units, subject to its availability.

Scheme Shareholders who elect for the Redeemable Preference Share Alternative will receive Redeemable Preference Shares instead of the Cash Consideration in exchange for the ICG Units in respect of which they make a valid RPS Election.

The Cash Consideration represents a premium of approximately:

- 9.1 per cent. over the acquisition price of €22.00 per ICG Unit announced by Moonduster on 14 June 2007;
- 29.7 per cent. over the offer proposed by Aella in the Original Announcement;
- 53.8 per cent. over the closing share price on 7 March 2007, being the last date prior to the commencement of the Offer Period;
- 72.7 per cent. over the share price on 1 January 2007, compared to a fall in the ISEQ index of 13.8 per cent. and a fall in the FTSE 350 index of 2.8 per cent. from 1 January 2007 to the date of the Revised Announcement;
- 76.2 per cent. over the average closing share price over the six months preceding 8 March 2007 of €13.62;
- 124.3 per cent. over the closing share price on 8 September 2006, six months prior to the commencement of the Offer Period.

The ICG Units will be acquired pursuant to the Revised Acquisition fully paid or credited as fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the Original Announcement.

3. BACKGROUND TO AND REASONS FOR THE OFFER

On 20 March 2007, Aella made an offer of €18.50 per ICG Unit for the entire issued and to be issued share capital of ICG. At the time this represented a significant premium to the historical trading range of the share price. Furthermore this offer was made in the context of the considerable challenges facing the business, including uncertainty in relation to the trading environment, the lack of acquisition growth targets, and limited scope for further cost savings.

On 14 June 2007, following weeks of stake-building, Moonduster announced a firm intention to make a recommended offer for cash for the entire issued and to be issued share capital of ICG of €22.00 per ICG Unit. While this proposed offer represented a premium to the original Aella offer, the proposed Moonduster offer had additional conditions attached to it, particularly in relation to Competition Authority approvals.

On 20 June 2007, Eamonn Rothwell acquired an interest in 1,750,200 ICG Units (including 736,000 ICG Units via contracts for difference) at €22.00 per ICG Unit, in effect increasing the cash consideration under the original Aella offer to €22.00 per ICG Unit.

On 3 August it was announced that, in the absence of any further material development by no later than 5.00 pm on 17 August 2007, the Company would terminate discussions with both Moonduster and Aella and the current offer period would be brought to an end. The MBO Team agreed with this approach and believe a lack of clarity in relation to the future ownership of ICG creates significant difficulties at an operational level in the Company. Furthermore, the MBO Team believe that all shareholders should be given the opportunity to consider the Aella offer.

Against this background, Aella increased its offer to €24.00 per ICG Unit, such offer being:

- *A substantial premium to the proposed Moonduster offer*

The Aella offer of €24.00 represents a premium of 9.1% to the proposed Moonduster offer.

- *Very attractive offer given equity and debt capital market difficulties*

In the context of general declines in share prices and credit market difficulties, the Aella offer represents a significant premium and exit opportunity to all Shareholders.

- *The highest offer to all ICG Shareholders*

While there has been some share trading activity above €24.00, the volume of trading at these levels has been low. It is believed that the main purchaser of the shares above this level is a single entity which has not publicly stated its intentions.

- *Attractive partial loan note alternative with 19% annual coupon*

Aella believes that the Partial Loan Note Alternative provides Shareholders with the opportunity of continued participation in the business. Aella believes the 19% annual coupon to be very attractive, particularly in light of the current capital markets volatility.

- *Competition Authority approvals are not required*

The proposed Moonduster offer was subject to approval from the Competition Authority, and as such had a higher level of conditionality and therefore the period of time for completion of the Revised Acquisition is most likely to be shorter than that for the proposed Moonduster offer. The Aella offer does not require Competition Authority approval.

- *The Aella offer may be better for competition*

Aella was formed by members of the ICG management team. Aella's acquisition of ICG would not be a consolidation of operations in Dublin Port and would retain three port operators competing with each other. Were Moonduster to acquire ICG, it could result in reduced competition as Doyle Group Limited (an operator in Dublin Port) is a large shareholder in Moonduster.

4. THE PARTIAL LOAN NOTE ALTERNATIVE TO THE CASH CONSIDERATION

In addition to or instead of the Redeemable Preference Share Alternative, a Partial Loan Note Alternative to the Cash Consideration will be made available to Scheme Shareholders who may elect to receive Loan Notes with a compound interest rate of 19 per cent. per annum in respect of all or any of their ICG Units. The Loan Notes may not be repaid or redeemed without the consent of the Senior Lenders. The Loan Notes may not be repaid before the second anniversary of their issue and the 19 per cent. coupon will be rolled over on a compound basis and will be payable on redemption.

Scheme Shareholders will be entitled to elect to receive Loan Notes to be issued on the following basis:

for every €1 of Cash Consideration	1 Loan Note of €1 in par value
---	---------------------------------------

Further details of the Loan Notes are set out in Part VI (Particulars of the Loan Notes) of this document.

Goodbody Corporate Finance, financial adviser to Aella, has advised that, based on market conditions at the Latest Practicable Date, in its opinion, if the Loan Notes had been in issue on that date, the estimated value of the Loan Notes would have been not less than 99 per cent. of the par nominal value on issue of each Loan Note.

If you are considering making an election for the Partial Loan Note Alternative, your attention is drawn to paragraph 5 of this Part II, entitled “Risk Factors and Investment Considerations in relation to Loan Notes”. In addition, you are strongly recommended, immediately, to seek your own personal financial advice from a stockbroker, bank manager, solicitor, accountant, independent financial adviser or other professional adviser who, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 or the Stock Exchange Act 1995, or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 of the United Kingdom, and who specialises in advising on the acquisition of shares or other securities.

The Independent Board is making no recommendation in respect of the Partial Loan Note Alternative.

Scheme Shareholders who make an invalid election for the Partial Loan Note Alternative will receive the Cash Consideration in respect of all the ICG Units held by them, save to the extent that they have validly elected for the Redeemable Preference Share Alternative.

5. RISK FACTORS AND INVESTMENT CONSIDERATIONS IN RELATION TO LOAN NOTES

5.1 The attention of persons who may consider electing for the Partial Loan Note Alternative is drawn to certain risk factors and other investment considerations relevant to a Loan Note Election. These include the following:

- (a) Aella is an unlisted company. There is no market for the Loan Notes.
- (b) Aella currently has no plans to seek a public quotation of the Loan Notes on any recognised securities exchange or other market.
- (c) Aella will not be subject to the disclosure, corporate governance and shareholder protection requirements of the Irish Stock Exchange, the London Stock Exchange, the UK Listing Authority or any other securities exchange.
- (d) The Loan Notes are not transferable so any ICG Shareholder who elects to receive Loan Notes will not be entitled to transfer them or sell them to third parties.
- (e) Aella will have greater borrowings than ICG currently has and this could adversely affect Aella's financial condition and the results of its operations.
- (f) Although the Loan Notes are repayable at such time or times as the Board of Aella determines (subject to having received requisite approval from the ordinary shareholders of Aella), there is no fixed repayment date and holders of Loan Notes cannot demand repayment. In addition, the Loan Notes may not be repaid before the second anniversary of their issue.
- (g) The Loan Notes will be subordinated obligations of Aella, and may not be repaid without the consent of the Senior Lenders.

5.2 Further details of the Loan Notes and the rights of, and restrictions applicable to the Loan Notes are contained in Part VI (Particulars of the Loan Notes) of this document and you are strongly recommended to read this before making a Loan Note Election.

6. THE REDEEMABLE PREFERENCE SHARE ALTERNATIVE

In addition to or instead of the Partial Loan Note Alternative, ICG Shareholders may elect for the Redeemable Preference Share Alternative in exchange for all or any of their ICG Units instead of all the Cash Consideration to which they would otherwise be entitled under the terms of the Revised Acquisition. Scheme Shareholders will be entitled to elect to receive Redeemable Preference Shares to be issued by Aella in exchange for the transfer of all or any of their ICG Units instead of the Cash Consideration, save to the extent that they have validly elected for the Partial Loan Note Alternative.

The Redeemable Preference Share Alternative will be made available on the following basis:

for each ICG Unit

1 Redeemable Preference Share of €0.0001

Each Redeemable Preference Share will be issued credited as fully paid in the amount of €24.00 per share (the "**Paid-Up Amount**"). No application will be made for the Redeemable Preference Shares to be listed or dealt in on any stock exchange and they will be non-transferable. The Redeemable Preference Shares will carry no voting rights and will be governed by the laws of Ireland.

The Redeemable Preference Shares will carry a coupon of 3 per cent. per annum on their Paid-Up Amount. Such coupon will be rolled-up and payable only on a redemption of the Redeemable Preference Shares (if such a redemption is permitted pursuant to the Intercreditor Agreement). Such a redemption may take place following the fifth anniversary of the date of issue or if the board of Aella so determines, earlier.

Subject to the Bank Facilities being repaid, the Loan Notes having been redeemed and the provisions of the Intercreditor Agreement, each Redeemable Preference Share may be redeemable at an amount not exceeding the Paid-Up Amount plus the coupon accumulated to the redemption date at any time or times that the Board of Aella determines and may be redeemed on a pro rata basis or otherwise at the discretion of the Board of Aella. Any redemption would be subject to the restrictions in the Companies Acts on redemptions of shares.

In the event of an event of default occurring under the Bank Facilities (as provided for therein) and any bank exercising its rights of acceleration thereunder, including the appointment of a receiver, the coupon

of 3 per cent. on the Redeemable Preference Shares will cease to be payable and the Redeemable Preference Shares will be converted into non-redeemable, non-voting deferred shares with a nominal value of €0.0001 each (the “**Deferred Shares**”), which may be compulsorily acquired at a price of €0.0001 per Deferred Share by any person who acquires all of the ordinary shares in Aella or its holding company, which is currently Adonia Aella.

It is not intended that any guaranteed mechanism will be put in place to fund the redemption of the Redeemable Preference Shares.

On a return of capital on a winding up or otherwise, the Redeemable Preference Shares will rank ahead of the ordinary shares in Aella in respect of the aggregate of par value, premium and any amounts of unpaid coupon accrued to the date of winding up but will have no other entitlement on a winding up to participate in any of the profits, assets or capital of Aella. If the Redeemable Preference Shares are converted into Deferred Shares, they will rank after the ordinary shares in Aella on a winding up and will only confer a right of return up to the nominal value of the Deferred Shares.

The Redeemable Preference Share Alternative will not be available in the Restricted Jurisdictions and Scheme Shareholders will not be permitted to make an election for the Redeemable Preference Share Alternative from any Restricted Jurisdiction. No Scheme Shareholder will be entitled to require the Redeemable Preference Shares to be posted to an address in any Restricted Jurisdiction and no Scheme Shareholder will be entitled to require the Redeemable Preference Shares to be registered in his/her name with an address in any Restricted Jurisdiction.

Goodbody Corporate Finance, financial adviser to Aella, has advised that, based on market conditions at the Latest Practicable Date, in its opinion, if the Redeemable Preference Shares had been in issue on that date, the estimated value of the Redeemable Preference Shares would not have been less than 10 per cent. of the aggregate of the nominal value and premium to be credited as paid on issue of each Redeemable Preference Share.

The Independent Board is making no recommendation in respect of the Redeemable Preference Share Alternative.

Scheme Shareholders who make an invalid election for the Redeemable Preference Share Alternative will receive the Cash Consideration in respect of all of their ICG Units, save to the extent that they have validly elected for the Partial Loan Note Alternative.

If you are considering making an election for the Redeemable Preference Share Alternative, your attention is drawn to paragraph 7 of this Part II, entitled “Risk Factors and Investment Considerations in relation to Redeemable Preference Shares”. In addition, you are strongly recommended, immediately, to seek your own personal financial advice from a stockbroker, bank manager, solicitor, accountant, independent financial adviser or other professional adviser who, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 or the Stock Exchange Act 1995, or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 of the United Kingdom, and who specialises in advising on the acquisition of shares or other securities.

Further details of the Redeemable Preference Shares are set out in Part VII (Particulars of the Redeemable Preference Shares) of this document.

7. RISK FACTORS AND INVESTMENT CONSIDERATIONS IN RELATION TO REDEEMABLE PREFERENCE SHARES

7.1 The attention of persons who may consider electing for the Redeemable Preference Share Alternative is drawn to certain risk factors and other investment considerations relevant to a RPS Election. These include the following:

- (a) Aella is an unlisted company. There is no market for the Redeemable Preference Shares.
- (b) Aella currently has no plans to seek a public quotation of the Redeemable Preference Shares on any recognised securities exchange or other market.
- (c) Aella will not be subject to the disclosure, corporate governance and shareholder protection requirements of the Irish Stock Exchange, the London Stock Exchange, the UK Listing Authority or any other securities exchange.

- (d) The Redeemable Preference Shares are not transferable so any Scheme Shareholder who elects to receive those shares will not be entitled to transfer them or sell them to third parties.
- (e) Aella will have greater borrowings than ICG currently has and this could adversely affect Aella's financial condition and the results of its operations.
- (f) No distribution will be payable on the Redeemable Preference Shares until the fifth anniversary of the date of their issue unless the Board of Aella determines otherwise.
- (g) Although the Redeemable Preference Shares are redeemable at such time or times as the Board of Aella determines (subject to having received requisite approval from the ordinary shareholders of Aella and the provisions of the Intercreditor Agreement), there is no fixed redemption date and holders of Redeemable Preference Shares cannot demand redemption of such shares. The Redeemable Preference Shares cannot be redeemed until the Bank Facilities have been repaid and the Loan Notes have been redeemed.
- (h) In the event of an event of default occurring which is continuing under the banking facilities from time to time available to Aella and any bank or finance provider exercising rights of acceleration thereunder, including the appointment of a receiver (as provided for therein), the coupon of 3 per cent. per annum on the Redeemable Preference Shares will cease to be payable and the Redeemable Preference Shares will be converted into non-redeemable, non-voting Deferred Shares, which may be compulsorily acquired at a price of €0.0001 per Deferred Share by any person who acquires all of the ordinary shares in Aella or its holding company, which is currently Adonia Aella.
- (i) Your attention is drawn to the value attributed to the Redeemable Preference Shares by Goodbody Corporate Finance. This value is significantly below the level of Cash Consideration payable pursuant to the Revised Acquisition.

7.2 Further details of the Redeemable Preference Shares and the rights of, and restrictions applicable to, the Redeemable Preference Shares are contained in Part VII (Particulars of the Redeemable Preference Shares) of this document and you are strongly recommended to read this before electing to receive Redeemable Preference Shares.

8. IRREVOCABLE UNDERTAKINGS

Aella has received irrevocable undertakings to vote, or procure a vote, in favour of the Revised Acquisition and the Scheme from the members of the MBO Team in respect of the shareholdings they beneficially own and/or control in ICG which amount, in aggregate, to 3,329,080 ICG Units, representing approximately 14.1 per cent. of the issued share capital of ICG. These irrevocable undertakings will cease to have effect in the event that the Revised Acquisition and Scheme lapse or are withdrawn or the Scheme does not become effective on or before 31 October 2007 or Aella announces that it will not proceed with the Revised Acquisition.

In addition, Aella has received irrevocable undertakings to vote in favour of the Revised Acquisition and the Scheme from the members of the Independent Board who hold ICG Units in respect of the shareholdings in ICG they beneficially own and/or control which amount, in aggregate, to 47,354 ICG Units, representing approximately 0.2 per cent. of the issued share capital of ICG. These irrevocable undertakings will lapse in the event that (i) the Revised Acquisition and Scheme lapse or are withdrawn or the Scheme does not become effective on or before 31 October 2007 (or such later date as Aella and the Independent Directors agree); (ii) a competing offer for ICG is announced which entitles ICG Shareholders to a cash consideration or a Cash Equivalent in excess of €25.50 per ICG Unit; or, (iii) any of the resolutions proposed at the Adjourned Court Meetings or the Adjourned EGM immediately following the Adjourned Court Meetings, notice of which is set out in this document, are not passed in accordance with their terms.

Therefore Aella has received irrevocable undertakings to vote in favour of the Revised Acquisition and the Scheme in respect 3,376,434 ICG Units representing approximately 14.3 per cent. of the issued share capital of ICG.

9. INFORMATION ON ICG

ICG is a focussed provider of maritime passenger and freight services with its principal operations in the area of North West Europe. The Group operates through two divisions:

- The Ferries Division comprising Irish Ferries, the leading ferry operator in the Republic of Ireland, with international routes between Ireland and the UK and Ireland and France, ship chartering activities and a holiday business; and
- The Container & Terminal Division, comprising 3 intermodal freight carriers, Eucon, Eurofeeders and Feederlink, and a container terminal, DFT, within the Port of Dublin. The Group operates four ferries and 14 time chartered feeder vessels.

Irish Ferries announced on 22 January 2007 that it had purchased a newer, more luxurious cruise ferry, the Kronprins Harald, for its Ireland-France routes. The acquisition will cost approximately €45 million, including modifications and delivery.

On 10 September 2007, ICG reported its interim accounts for the half year to 30 June 2007.

The Board of ICG reported revenue of €163.2 million in the six months to 30 June 2007, compared with €141.8 million (restated) in the same period in 2006. Trading profit was €16.4 million compared with €2.6 million in 2006. There was a non recurring charge of €16.5 million relating to the proposed acquisition of the Group. Loss from operations was €0.1 million, compared with a profit of €2.6 million in the same period in 2006. Finance costs (net of investment revenue) were €0.9 million which includes a net credit of €2.9 million in relation to interest on defined benefit pension scheme assets and liabilities. There was a loss before tax of €1.0 million compared with a profit of €2.6 million in the first half of 2006. The tax charge was €0.6 million (2006: €0.2 million). Basic EPS was a loss of 6.8c compared with earnings of 10.2c in 2006. Adjusted EPS (before non recurring items and the net pension interest credit) amounted to 50.8c (loss of 1.7c in 2006).

Full details of the published unaudited interim accounts for the six months ending 30 June 2007 are contained in Part B of Part IX of this document.

10. INFORMATION ON AELLA

Aella is a public limited company, which was incorporated in Ireland on 12 February 2007. Aella has not traded prior to the date of this document (except for entering into transactions relating to the Revised Acquisition). Aella is a wholly owned subsidiary of Adonia Aella, which is owned and controlled by the members of the MBO Team. Aella has no employees.

11. INFORMATION ON ADONIA AELLA

Adonia Aella is a private limited company, which was incorporated in Ireland on 21 February 2007. Adonia Aella, which is the holding company of Aella, has not traded prior to the date of this document (except for entering into transactions relating to the Revised Acquisition). Adonia Aella is owned and controlled solely by the members of the MBO Team. The members of the MBO Team are Eamonn Rothwell, Garry O'Dea, Tony Kelly, John Reilly and Tom Corcoran.

The equity ownership of Adonia Aella among the MBO Team is as follows: Eamonn Rothwell, Garry O'Dea, Tony Kelly, John Reilly and Tom Corcoran hold 81.63 per cent., 9.57 per cent., 4.17 per cent., 3.53 per cent. and 1.10 per cent. of the equity share capital of Adonia Aella, respectively.

12. FINANCING

The Revised Acquisition will be financed by equity and equity type instruments by the MBO Team accepting the offer in respect of the ICG Units which they beneficially own, the Partial Loan Note Alternative and PIK facilities made available by AIB (which have a minimum annual coupon of 18 per cent.) and the balance by debt in the Senior Facilities made available to Aella by AIB.

Further details of the financing arrangements are set out in paragraph 5 of Part VIII (Information on Aella and Adonia Aella) of this document.

13. CASH CONFIRMATION

Full payment of the Cash Consideration would involve a maximum cash payment of approximately €611.8 million. Goodbody Corporate Finance is satisfied that the necessary resources are available to Aella to enable it to satisfy payment of the Cash Consideration to all ICG Shareholders.

14. BOARD, MANAGEMENT AND EMPLOYEES

The Board of Aella has given the Independent Directors assurances that following the Scheme becoming effective, the existing employment conditions, including pension rights, of the employees of ICG will be fully safeguarded and all employment agreements (including their conditions) will be honoured. Aella has no current plans to change the locations of ICG's places of business.

Upon the Scheme becoming effective, the non-executive directors of ICG intend to resign from the Board of ICG.

15. ICG SHARE OPTION SCHEMES

In due course, Aella will make appropriate revised proposals to ICG Optionholders.

16. ACTION TO BE TAKEN

Your attention is drawn to the summary of the action to be taken on pages 6 and 7 of this document, which sets out details of the Adjourned Meetings that have been convened for Scheme Shareholders to consider and, if thought fit, approve resolutions to give effect to the Scheme, and approve the resolution at the Second EGM.

Whether or not you plan to attend the Adjourned Court Meetings, the Adjourned Extraordinary General Meeting and/or the Second EGM please complete and sign the Forms of Proxy accompanying this document in accordance with the instructions printed thereon and return them either to Computershare Investor Services (Ireland) Limited at PO Box 954 Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 as soon as possible but, in any event, so as to be received by post or, during normal business hours, by hand by 2.30 pm on 24 September 2007 in the case of the Adjourned First Court Meeting, by 2.45 pm on 24 September 2007 in the case of the Adjourned Second Court Meeting, by 3.00 pm on 24 September 2007 in the case of the Adjourned Extraordinary General Meeting and by 3.15 pm on 24 September 2007 in the case of the Second EGM.

The completion and return of a Form of Proxy for any of the Adjourned Court Meetings, the Adjourned EGM or the Second EGM will not prevent you from attending and voting at any of those meetings (or any adjournment thereof) in person if you wish to do so. Alternatively, you may submit your proxy via the internet by accessing the Registrar's website www.computershare.com/ie/voting/irishcontinental. To log in you will require your unique PIN and shareholder reference number (SRN) which you will find printed at the top of your Forms of Proxy. CREST members may make an electronic proxy appointment using the procedures described in the CREST Manual, as set out in the notices of the Adjourned Meetings included at the end of this document.

It is important to note that all Original Forms of Proxy and Original Forms of Election which accompanied the Original Scheme Document and which were completed and returned prior to the date of this document will no longer be treated as valid and, accordingly, you should complete and return the Forms of Proxy and Form of Election which accompany this document.

It is important that, for both of the Adjourned Court Meetings, as many votes as possible are cast at them (whether in person or by proxy) so that the High Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return the Forms of Proxy which accompany this document as soon as possible.

Notes on completing the Form of Election are set out in Part XI of this document. Apart from completing, signing and returning the appropriate Forms of Proxy (and, only if you wish to elect for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative, the Form of Election) you need take no further action at this stage. If you do not complete and return the Form of Election, you will receive the Cash Consideration in respect of all your ICG Units.

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please telephone the helpline on 01 447 5483 or, +353 1 447 5483 (if calling from outside Ireland) between 9.00 am and 5.00 pm on any Business Day.

Overseas Shareholders should refer to paragraph 11 of the Explanatory Statement at Part III of this document. Details relating to settlement are included in paragraph 10 of the Explanatory Statement at Part III of this document.

The Scheme has the unanimous support and recommendation of the Independent Board of ICG. We urge you to support the Scheme and to vote in favour of the resolutions to be proposed at the Meetings.

If the Scheme becomes effective it will be binding on all ICG Shareholders, including those who did not vote, or who voted against it, at the Adjourned Court Meetings. Provided the Scheme becomes effective, ICG Shareholders will receive the Cash Consideration without having to take further action.

Participants in the ICG Share Option Schemes will receive separate revised proposals setting out the effect of the Scheme on their options and the actions they may wish to take.

If you are in any doubt as to the action you should take in relation to the Scheme, you should consult your independent professional financial adviser immediately.

Yours faithfully,



Eamonn Rothwell
Chairman
for and on behalf of
Aella plc

PART III — EXPLANATORY STATEMENT
(IN COMPLIANCE WITH SECTION 202 OF THE ACT)



NCB Corporate Finance
3 George's Dock
I.F.S.C.
Dublin 1
Ireland

10 September 2007

To Scheme Shareholders and, for information only, to ICG Optionholders

RECOMMENDED REVISED ACQUISITION OF IRISH CONTINENTAL GROUP PLC

Dear Shareholder,

1. INTRODUCTION

On 20 August 2007, the Independent Board of ICG and the Board of Aella announced that they had reached agreement on the terms of a recommended revised acquisition by Aella of ICG by way of Scheme of Arrangement under Section 201 of the Act.

Your attention is drawn to the letter of recommendation from the Independent Board in Part I of this document, which sets out the reasons why the Independent Directors of ICG, who have been so advised by NCB Corporate Finance, consider the terms of the Revised Acquisition to be fair and reasonable and in the best interests of Scheme Shareholders taken as a whole and why the Independent Board of ICG unanimously recommend that all Scheme Shareholders vote in favour of the Revised Acquisition and the Scheme at both the Adjourned Court Meetings and the Adjourned EGM, as they intend to do in respect of their own beneficial holdings of, in aggregate, 47,354 ICG Units, which represent, in aggregate, approximately 0.2 per cent. of the existing issued share capital of ICG. In providing their advice to the Independent Directors of ICG, NCB Corporate Finance has taken into account the commercial assessments of the Independent Directors.

2. THE REVISED ACQUISITION

The Revised Acquisition is to be effected by way of a Scheme of Arrangement between ICG and the Scheme Shareholders under Section 201 of the Act. The Scheme was initially circulated to ICG Shareholders in the Original Scheme Document, and is set out in its revised form in Part IV of this document. Under the terms of the Scheme, Aella will pay the Cash Consideration to Scheme Shareholders in consideration for all of their ICG Units unless they validly elect for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative.

Scheme Shareholders may make an election for the Partial Loan Note Alternative in respect of all or any part of their holdings of ICG Units, subject to any scaling back of elections in the event that Loan Note Elections are received in excess of €88 million.

Scheme Shareholders who elect for the Redeemable Preference Share Alternative in exchange for all or any of their ICG Units will receive Redeemable Preference Shares instead of all the Cash Consideration to which they would otherwise have been entitled under terms of the Revised Acquisition, save to the extent that they have validly elected for the Partial Loan Note Alternative.

If the Scheme is implemented, on the Effective Date: (i) the Cancellation Shares will be cancelled pursuant to Sections 72 and 74 of the Act and (ii) the Transfer Shares (being RPS Elected Shares and Scheme Shares in respect of which any ICG Shareholder completes Box B2 on the Form of Election) will become subject to an irrevocable power of attorney given by way of security pursuant to Section 20 of the Powers of Attorney Act 1996 in favour of Aella to enable Aella to have those Scheme Shares transferred to Aella and/or its nominees and exercise all and any rights attaching to such Scheme Shares, including

voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date. ICG will then issue New ICG Units to Aella in place of the Cancellation Shares, and Aella will pay the Cash Consideration, or issue Loan Notes and/or Redeemable Preference Shares as applicable, to former ICG Shareholders in consideration for the Revised Acquisition. As a result of the Scheme, ICG will become a wholly owned subsidiary of Aella.

The Scheme will require approval by Scheme Shareholders at the Adjourned Court Meetings and the sanction of the High Court at the Court Hearing. The Adjourned Court Meetings and the Adjourned EGM and the nature of the approvals required to be given at them are described in more detail in paragraph 4 below. All Scheme Shareholders are entitled to attend the Adjourned Court Hearing in person or to be represented by counsel or a solicitor (at their own expense) to support or oppose the sanctioning of the Scheme.

The Revised Acquisition is subject to a number of conditions (summarised in paragraph 3 below and set out in full in Part V (Conditions to and Further Terms of the Revised Acquisition and the Scheme) of this document. The Revised Acquisition can only become effective upon the issue by the Registrar of Companies of a certificate of registration of the Court Order and if all the other remaining conditions to the Revised Acquisition have been satisfied or waived on or before the sanction of the Scheme by the High Court. The Scheme will become effective upon the delivery to the Registrar of Companies of an office copy of the Court Order together with the minute required by Sections 75 and 202 of the Act and registration of such Court Order by him which, subject to the sanction of the Scheme by the High Court, is expected to occur during October 2007. **Unless the Scheme becomes effective by no later than 31 October 2007, or such later date, if any, as ICG and Aella may agree and the High Court may allow, the Scheme will not become effective and the Revised Acquisition will not proceed.**

3. THE CONDITIONS

The Revised Acquisition is conditional, amongst other things, on the Scheme becoming effective. The conditions to the Revised Acquisition and the Scheme are set out in full in Part V (Conditions to and Further Terms of the Revised Acquisition and the Scheme) of this document. The implementation of the Scheme is conditional, amongst other things, upon:

- 3.1 the approval at the Adjourned First Court Meeting of a majority in number of ICG Shareholders (other than the Aella Class Shareholders) at the Voting Record Time, present and voting, either in person or by proxy, representing three-fourths or more in value of the ICG Units held by such holders;
- 3.2 the approval at the Adjourned Second Court Meeting of a majority in number of the Aella Class Shareholders at the Voting Record Time, present and voting, either in person or by proxy, representing three-fourths or more in value of the ICG Units held by such holders;
- 3.3 such resolution(s) in connection with and/or required to approve or implement the Scheme and set out in the notice convening the Adjourned Extraordinary General Meeting being duly passed by the requisite majority at the Adjourned Extraordinary General Meeting (or at any adjournment of such meeting);
- 3.4 the sanction (with or without modification) of the Scheme and the confirmation of the reduction of capital involved therein by the High Court and office copies of the Court Orders and the minute required by section 75 of the Act in respect of the reduction, being delivered for registration to the Registrar of Companies and registration of such Court Order and minute confirming the reduction of capital involved in the Scheme by the Registrar of Companies; and
- 3.5 the conditions which are not otherwise identified above and which are set out in full in Part V of this document being satisfied or waived on or before the sanction of the Scheme by the High Court pursuant to Section 201 of the Act.

The Scheme must become effective by not later than 31 October 2007, or such later date, if any, as ICG and Aella may agree and the High Court may allow, or the Revised Acquisition will not proceed.

4. CONSENTS AND ADJOURNED MEETINGS

The Scheme is subject to the approval of Scheme Shareholders at the Adjourned Court Meetings and its implementation will also require various approvals of Scheme Shareholders at the separate Adjourned EGM, all of which will be held at The Clarion Hotel Dublin IFSC, International Financial Services

Centre, Dublin 1 on 26 September 2007. The Adjourned First Court Meeting will start at 2.30 pm, the Adjourned Second Court Meeting will start at 2.45 pm (or as soon thereafter as the Adjourned First Court Meeting is concluded or adjourned) and the Adjourned EGM at 3.00 pm (or as soon thereafter as the Adjourned Second Court Meeting is concluded or adjourned) on that date. The Adjourned Court Meetings are being held at the direction of the High Court to seek the approval of ICG Shareholders to the Scheme. The Adjourned EGM is being convened to enable the directors of ICG to implement the Scheme and to amend the ICG Articles, as described below.

Notices of both the Adjourned Court Meetings and the Adjourned EGM are set out at the end of this document. Entitlement to attend and vote at each Adjourned Meeting and the number of votes which may be cast at each Adjourned Meeting will be determined by reference to the register of members of ICG at the Voting Record Time.

4.1 Adjourned First Court Meeting

The Adjourned First Court Meeting has been convened for 2.30 pm on 26 September 2007 to enable ICG Shareholders (other than the Aella Class Shareholders) to consider and, if thought fit, approve the Scheme. At the Adjourned First Court Meeting, voting will be by poll and not a show of hands and each holder of ICG Units who is present in person or by proxy will be entitled to one vote for each ICG Unit held for the purposes of sub-paragraph (b) below. The approval required at the Adjourned First Court Meeting is that those voting to approve the Scheme should:

- (a) represent a simple majority in number of those ICG Shareholders (other than the Aella Class Shareholders) at the Voting Record Time present and voting in person or by proxy; and
- (b) also represent three-fourths in value of the ICG Units held by those ICG Shareholders at the Voting Record Time present and voting in person or by proxy.

It is important that as many votes as possible are cast at the Adjourned First Court Meeting so that the appropriate resolution can be passed and that the High Court may be satisfied that there is a fair representation of ICG Shareholder opinion when it is considering whether to sanction the Scheme. If you are the registered holder of any ICG Units (but not an Aella Class Shareholder), you are strongly urged to complete and return your PINK Form of Proxy for the Adjourned First Court Meeting as soon as possible.

4.2 Adjourned Second Court Meeting

The Adjourned Second Court Meeting has been convened for the same date at 2.45 pm (or as soon thereafter as the Adjourned First Court Meeting is concluded or adjourned) to enable Aella Class Shareholders to consider and, if thought fit, approve the Scheme. At the Adjourned Second Court Meeting, voting will be by poll and not a show of hands and each Aella Class Shareholder who is present in person or by proxy will be entitled to one vote for each Aella Class Share for the purposes of sub-paragraph (b) below. The approval required at the Adjourned Second Court Meeting is that those voting to approve the Scheme should:

- (a) represent a simple majority in number of those Aella Class Shareholders at the Voting Record Time present and voting in person or by proxy; and
- (b) also represent three-fourths in value of the Aella Class Shares held by those Aella Class Shareholders at the Voting Record Time present and voting in person or by proxy.

If you are an Aella Class Shareholder, you are strongly urged to complete and return your WHITE Form of Proxy for the Adjourned Second Court Meeting as soon as possible.

4.3 Adjourned Extraordinary General Meeting

In addition, the Adjourned EGM has been convened for 3.00 pm on 26 September 2007 (or as soon thereafter as the Adjourned Second Court Meeting is concluded or adjourned) to consider and, if thought fit, pass the following resolutions (which in the case of special resolutions requires

a vote in favour of not less than 75 per cent. of the votes cast and in respect of ordinary resolutions requires in excess of 50 per cent. of the votes cast):

Resolution 1 — Ordinary Resolution

To approve the Scheme and to authorise the directors of ICG to take such action as they consider necessary or appropriate to carry the Scheme into effect;

Resolution 2 — Special Resolution

To approve the cancellation of the Cancellation Shares;

Resolution 3 — Ordinary Resolution

To authorise the directors of ICG to issue relevant securities pursuant to Section 20 of the Companies (Amendment) Act 1983 and to apply the reserve in the books arising upon the cancellation described above in paying up in full at par New ICG Units;

Resolution 4 — Special Resolution

To amend the ICG Articles to ensure that any ICG Units issued under the ICG Option Schemes or otherwise between the Voting Record Time and 6.00 pm on the last day before the Hearing Date will be subject to the Scheme. It is also proposed to amend the ICG Articles so that any ICG Units issued to any person (other than to a member of the Aella Group) after 6.00 pm on the day before the Hearing Date will become transferable to Aella on the same terms as under the Scheme.

These amendments are designed to avoid any person (other than members of the Aella Group) being left with ICG Units after dealings in ICG Units have ceased on the Irish Stock Exchange and the London Stock Exchange (which will occur at the close of business on the Business Day before the Effective Date). Resolution 4, set out in the notice of Adjourned EGM at the end of this document, seeks the approval of ICG Shareholders for such amendments.

4.4 **Court Hearing**

The Court Hearing is expected to take place on or about 17 October 2007. Each ICG Shareholder is entitled to attend the Court Hearing in person or to be represented by counsel or a solicitor (at their own expense) to support or oppose the sanctioning of the Scheme.

4.5 **Forms of Proxy**

ICG Shareholders (other than the Aella Class Shareholders) are strongly urged to complete and return their Forms of Proxy, as soon as possible. ICG Shareholders (other than the Aella Class Shareholders) have been sent a PINK Form of Proxy for the Adjourned First Court Meeting and a BLUE Form of Proxy for the Adjourned EGM.

Aella Class Shareholders are strongly urged to complete and return their Forms of Proxy, as soon as possible. Aella Class Shareholders have been sent a WHITE Form of Proxy for the Adjourned Second Court Meeting and a BLUE Form of Proxy for the Adjourned EGM.

5. **STRUCTURE OF THE SCHEME**

It is proposed that, under the Scheme, (i) the Cancellation Shares will be cancelled pursuant to Sections 72 and 74 of the Act and (ii) the Transfer Shares (being RPS Elected Shares and Scheme Shares in respect of which any ICG Shareholder completes Box B2 on the Form of Election) will become subject to an irrevocable power of attorney given by way of security pursuant to Section 20 of the Powers of Attorney Act 1996 in favour of Aella to enable Aella to have those Scheme Shares transferred to Aella and/or its nominees and exercise all and any rights attaching to such Scheme Shares, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date. Any further ICG Units issued before 6.00 pm on the day before the Hearing Date and in respect of which the holders are or have consented to be bound by the Scheme (by virtue of the ICG Articles as amended from time to time or otherwise) will also be cancelled unless they are Transfer Shares. New ICG Units will be issued by ICG to Aella (and/or its nominee(s)) by the capitalisation of the reserve arising from the cancellation of the Cancellation Shares so that ICG becomes a direct wholly-owned subsidiary of Aella.

ICG Shareholders who are subject to the Scheme will receive the Cash Consideration, Loan Notes and/or Redeemable Preference Shares, as appropriate. ICG Units issued after 6.00 pm on the day before the Hearing Date will not be subject to the Scheme. Accordingly, it is proposed that the ICG Articles be amended so that ICG Units issued after 6.00 pm on the day before the Hearing Date (other than to a member of Aella Group) will be automatically transferred to Aella on the same terms as under the Scheme.

It is expected that the Scheme will become effective and that the Revised Acquisition will complete during October 2007. The Scheme can only become effective if all the conditions to which the Scheme is subject have been satisfied or waived by no later than 31 October 2007 or such later date, if any, as ICG and Aella may agree and the High Court may allow. The Scheme will become effective upon an office copy of the Court Order together with the minute approved by the Court in respect of the capital reduction being registered by the Registrar of Companies and the issue of a certificate of registration of the Court Order. Once the Scheme becomes effective, its terms will be binding on all ICG Shareholders, irrespective of whether they attended the Adjourned Court Meeting and irrespective of the manner in which they voted.

6. BOARD, MANAGEMENT AND EMPLOYEES

The Board of Aella has confirmed that, following the Revised Acquisition becoming unconditional in all respects, the existing employment rights, including pension rights, of all employees of the ICG Group will be fully safeguarded. Upon the Revised Acquisition being declared or becoming unconditional in all respects, the non-executive directors of ICG intend to resign from the ICG Board.

7. ICG SHARE OPTION SCHEMES

Aella will make appropriate revised proposals to ICG Optionholders.

8. THE ICG DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS

The interests of the ICG Directors in the share capital of ICG and in the ICG Share Option Schemes are set out in paragraph 4 of Part X (Additional Information) of this document.

ICG Directors who hold share options under the ICG Share Option Schemes will be treated in the manner set out in paragraph 7 (ICG Share Option Schemes) of this Part III.

The total emoluments receivable by ICG Directors will not be varied automatically as a consequence of the Revised Acquisition.

The effect of the Scheme on the interests of the ICG Directors does not differ from its effect on the like interests of other persons.

9. TAXATION

Irish Taxation

Your attention is drawn to paragraph 12 of Part X (Additional Information) of this document, headed “Irish Taxation”. If you are in any doubt as to your own tax position, you should consult an independent financial adviser immediately.

UK Taxation

Your attention is drawn to paragraph 13 of Part X (Additional Information) of this document headed “UK Taxation”. If you are in any doubt as to your own tax position, you should consult an independent financial adviser immediately.

10. SETTLEMENT, LISTING AND DEALINGS

If the Scheme is approved by the High Court, a request will be made to the Irish Stock Exchange and the London Stock Exchange to cancel the trading in ICG Units on their respective markets for listed securities, and to the Irish Stock Exchange and the UK Listing Authority to cancel the listing of ICG Units on the Official Lists with effect from the close of business on the Business Day immediately prior to the Effective Date. The last day of dealings in ICG Units on the Irish Stock Exchange and the London Stock Exchange will be the last Business Day before the Effective Date, and is expected to be on or about 19 October 2007.

No transfers of ICG Units (other than transfers to any member or members of Aella Group) will be registered after the Scheme Record Time. Upon the Scheme becoming effective, share certificates in respect of ICG Units will cease to be of value and should, if so requested by ICG or its agents, be sent to ICG for cancellation.

Subject to the Revised Acquisition becoming effective, settlement of the consideration to which any ICG Shareholder is entitled under the Revised Acquisition will be effected within 14 days of the Effective Date in the following manner:

10.1 Cash Consideration — ICG Units in uncertificated form (“CREST”)

Where, at the Scheme Record Time, a Scheme Shareholder holds ICG Units in uncertificated form, the Cash Consideration to which such Scheme Shareholder is entitled will, except in limited circumstances, be paid in Euro (€) by means of CREST by Aella procuring the creation of an assured payment obligation in favour of the relevant Scheme Shareholder’s payment bank in respect of the Cash Consideration due, in accordance with the CREST assured payment arrangements. Aella reserves the right to settle all or any part of the consideration referred to in this paragraph 10.1 for all or any accepting Scheme Shareholder(s) in the manner referred to in paragraph 10.2 below, if, for any reason, it wishes to do so.

10.2 Cash Consideration — ICG Units in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds ICG Units in certificated form, settlement of any Cash Consideration due will be despatched by ordinary prepaid post (or by such other manner as the Panel may approve). Such cash payments will be made in Euro (€) by cheque drawn on a branch of an Irish clearing bank. All cheques are posted at the Scheme Shareholder’s own risk.

10.3 The Partial Loan Note Alternative

If a Scheme Shareholder validly elects for the Partial Loan Note Alternative, whether their ICG Units are in certificated or uncertificated form, definitive certificates for any Loan Notes to which they are entitled will be despatched within 14 days of the Effective Date, by ordinary prepaid post (or by such other method as the Panel may approve). No certificates for Loan Notes will be despatched to addresses in a Restricted Jurisdiction. Please note all certificates are posted at the shareholder’s own risk.

10.4 The Redeemable Preference Share Alternative

If a Scheme Shareholder validly elects for the Redeemable Preference Share Alternative, whether their ICG Units are in certificated or uncertificated form, definitive certificates for the Redeemable Preference Shares will be despatched within 14 days of the Effective Date, by ordinary prepaid post (or by such other method as the Panel may approve). No certificates for Redeemable Preference Shares will be despatched to addresses in a Restricted Jurisdiction. Please note all certificates are posted at the shareholder’s own risk.

10.5 General

Except with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Revised Acquisition will be implemented in full in accordance with the terms of the Revised Acquisition without regard to any lien, right of set-off, counterclaim or other analogous right.

All documents and remittances sent to ICG Shareholders (or in accordance with their directions) will be despatched at their own risk.

11. OVERSEAS SHAREHOLDERS

As regards Overseas Shareholders, the Revised Acquisition may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of Overseas Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document has been prepared for the purposes of complying with the laws of Ireland and the Takeover Rules (to the extent applicable) and the information disclosed may be different from that which would have been disclosed if this document had been prepared in accordance with the laws of the jurisdictions outside Ireland.

Overseas Shareholders are encouraged to consult their local tax adviser.

12. ACTION TO BE TAKEN

Your attention is drawn to the summary of the action to be taken on pages 6 and 7 of this document.

13. FURTHER INFORMATION

Your attention is drawn to the conditions and further terms of the Revised Acquisition set out in the remaining parts of this document, all of which form part of this document.

Yours faithfully



Liam Booth
Managing Director



Jonathan Simmons
Director

for and on behalf of
NCB Corporate Finance

PART IV — THE SCHEME OF ARRANGEMENT

2007 No. 115 Cos

THE HIGH COURT

IN THE MATTER OF IRISH CONTINENTAL GROUP PLC
AND IN THE MATTER OF THE COMPANIES ACTS, 1963 TO 2006

SCHEME OF ARRANGEMENT
(UNDER SECTION 201 OF THE COMPANIES ACT, 1963)

BETWEEN
IRISH CONTINENTAL GROUP PLC
AND
THE HOLDERS OF THE SCHEME SHARES

(AS HEREINAFTER DEFINED)

Preliminary

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

the “Act”	the Companies Act 1963 of Ireland, as amended
“Aella”	Aella plc, a public limited company incorporated in Ireland with registered number 434571
“Aella Class Shareholders”	the holders of Aella Class Shares
“Aella Class Shares”	ICG Units of which any member of the MBO Team or any member of the AIB Group is a beneficial owner
“AIB”	Allied Irish Banks p.l.c.
“AIB Group”	AIB and its subsidiaries excluding trustees of pension funds
“Business Day”	any day, other than a Saturday, Sunday or public or bank holiday, on which banks are generally open for business in Dublin and the Irish Stock Exchange is open for transaction of business
“Cancellation Shares”	Scheme Shares, excluding the Transfer Shares and the Designated Shares
“certificated” or “in certificated form”	where a share or other security is not in uncertificated form (that is, not in CREST)
“Circular”	the document dated 20 March 2007, (as amended and restated by the document dated 10 September 2007), sent by the Company to ICG Shareholders (and, for information only, to ICG Optionholders) of which this Scheme forms part
“Cash Consideration”	the cash consideration of €24.00 per ICG Unit payable to ICG Shareholders who do not elect for the Partial Loan Note Alternative or the Redeemable Preference Share Alternative
“Company” or “ICG”	Irish Continental Group plc, incorporated in Ireland with registered number 41043
“Court Meeting”	the meeting or meetings of the ICG Shareholders (and any adjournment thereof) convened by order of the High Court pursuant to Section 201 of the Act to consider and, if thought fit, approve this Scheme (with or without amendment)
“Court Order”	the order or orders of the High Court sanctioning this Scheme under Section 201 of the Act and confirming the reduction of share capital which forms part of it under Sections 72 and 74 of the Act

“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations, 1996 (SI No. 68 of 1996) and the Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (SI No. 63 of 2005), as from time to time amended
“Designated Shares”	means one ICG Unit to be held by Aella and six other ICG Units to be held on trust for Aella, in each case from a date prior to the date on which the Court Meetings are held
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms
“Election Return Time”	6.00 pm on 24 September 2007
“Form of Election”	the form of election under which ICG Shareholders can elect for the Partial Loan Note Alternative to the Cash Consideration and/or for the Redeemable Preference Share Alternative
“High Court”	the High Court of Ireland
“Holder”	a registered holder, including any person(s) entitled by transmission
“ICG Options”	options to subscribe for ICG Units pursuant to the ICG Share Option Schemes
“ICG Optionholders”	the holders of ICG Options
“ICG Optionholders Proposal”	the proposal required to be made by Aella under Rule 15 of the Takeover Rules
“ICG Share Option Schemes”	the Irish Continental Group plc Irish Share Option Scheme and the Irish Continental Group plc 1998 Share Option Plan
“ICG Shareholders”	holders of ICG Units
“ICG Unit” or “ICG Units”	units in the share capital of ICG (each such unit comprising one ordinary share of €0.65 and three redeemable shares of €0.0001 each)
“Irish Stock Exchange”	the Irish Stock Exchange Limited
“Loan Note Election”	an election for the Partial Loan Note Alternative
“Loan Notes”	the unsecured subordinated non-transferable notes with an annual coupon of 19 per cent. to be issued by Aella pursuant to the Partial Loan Note Alternative
“Members”	members of the Company on its register of members at any relevant date
“New ICG Units”	the ordinary shares of €0.65 each and redeemable shares of €0.0001 each in the capital of ICG to be issued (in the ratio of three redeemable shares for every one ordinary share) credited as fully paid up to Aella pursuant to the Scheme
“Partial Loan Note Alternative”	the alternative whereby (a) under the Scheme, Shareholders may elect, subject to certain limitations and conditions, to receive Loan Notes up to a maximum of €88 million instead of all or part of the Cash Consideration to which they would otherwise be entitled pursuant to the Scheme, save to the extent that they have validly elected to receive Redeemable Preference Shares; and (b) save to the extent that they have validly elected to receive Redeemable Preference Shares, holders of options under the ICG Share Option

Schemes may elect to receive, subject to certain terms and conditions, Loan Notes instead of the Cash Consideration to which they would otherwise be entitled in respect of the ICG Units acquired by such holders after 6.00 pm on the last day before the date of the Court Order and which ICG Units shall thereby become transferable to Aella and/or its nominee(s) (to hold on bare trust for Aella) under the proposed amendments to the articles of association of ICG

“Reduction of Capital”	the reduction of the share capital of ICG by the cancellation of the Cancellation Shares to be effected as part of the Scheme
“Redeemable Preference Share Alternative”	the alternative whereby (a) under the Scheme, Shareholders may elect, subject to certain limitations and conditions, to receive Redeemable Preference Shares in exchange for all or any of their ICG Units instead of all the Cash Consideration to which they would otherwise be entitled pursuant to the Scheme, save to the extent that they have validly elected to receive Loan Notes; and (b) save to the extent that they have validly elected to receive Loan Notes, holders of options under the ICG Share Option Schemes may elect to receive, subject to certain terms and conditions, Redeemable Preference Shares in exchange for their ICG Units instead of the Cash Consideration to which they would otherwise be entitled in respect of the ICG Units acquired by such holders after 6.00 pm on the last day before the date of the Court Order which ICG Units shall thereby become transferable to Aella and/or its nominee(s) (to hold on bare trust for Aella) under the proposed amendments to the articles of association of ICG
“Redeemable Preference Shares”	redeemable preference shares of €0.0001 each nominal value in the capital of Aella
“Restricted Overseas Persons”	a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom Aella believes to be in, or resident in, a Restricted Jurisdiction
“Restricted Jurisdiction”	any jurisdiction in relation to which the Company or Aella (as the case may be) is advised that the release, publication or distribution of the Circular or the Forms of Proxy or Forms of Election or the allotment or issue of Loan Notes and/or Redeemable Preference Shares, or the provision of a right to make an election for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative, would or might infringe the laws of that jurisdiction or would or might require compliance with any governmental or other consent or any registration, filing or other formality that the Company or Aella (as the case may be) is unable to comply with or regards as unduly onerous to comply with
“RPS Elected Shares”	Scheme Shares which are the subject of a valid RPS Election
“RPS Election”	an election for the Redeemable Preference Share Alternative
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Section 201 of the Act and the capital reduction under Sections 72 and 74 of the Act with or subject to any modifications, additions or conditions approved or imposed by the High Court and agreed by Aella and ICG
“Scheme Record Time”	6.00 pm on the Business Day before the Effective Date
“Scheme Shares”	(i) the ICG Units in issue at the date of the Circular (as amended and restated);

- (ii) any ICG Units issued after the date of the Circular (as amended and restated) and before the Voting Record Time; and
- (iii) any ICG Units issued at or after the Voting Record Time and before 6.00 pm on the day before the date on which the Court Order is made on terms that the Holder thereof shall be bound by the Scheme, or in respect of which the original or any subsequent holder thereof agrees in writing to be bound by the Scheme other than to Aella and/or its nominee(s)

but excluding the Designated Shares

“Shareholder” or “Scheme Shareholder”	a Holder of Scheme Shares
“Transfer Shareholder”	a Holder of Transfer Shares
“Transfer Shares”	all RPS Elected Shares and all Scheme Shares in respect of which a valid Loan Note Election has been made and accepted (in accordance with Clause 3.7 of the Scheme) on the basis that such Scheme Shares are not to be cancelled but will be, and which Scheme Shares are, exchangeable for Redeemable Preference Shares or Loan Notes, as the case may be
“TTE Instruction”	a TTE (transfer to escrow) instruction to CRESTCo making an election for the Partial Loan Note Alternative and/or Redeemable Preference Share Alternative as the case may be
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other territory subject to its jurisdiction
“Voting Record Time”	6.00 pm on the day which is two days before the date of the Court Meetings or, if the Court Meetings are adjourned, two days before the time set for any such adjourned meetings
“€”, “EUR” or “Euro”	the lawful currency of Ireland

and references to Clauses are to Clauses of this Scheme.

- (B) The authorised share capital of the Company at the date of this Scheme is €29,295,000 divided into 45,000,000 ordinary shares of €0.65 each and 450,000,000 redeemable shares of €0.0001 each of which, as at the date hereof, 23,695,958 ICG Units (excluding treasury shares) have been issued and are credited as fully paid and the remainder are unissued.
- (C) As at the close of business on 7 September 2007, Aella owns one ICG Unit and the Aella Class Shareholders own 3,777,120 ICG Units.
- (D) Aella has agreed to appear by counsel on the hearing of the petition to sanction this Scheme and to submit thereto. Aella undertakes to the High Court to be bound by and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. CANCELLATION OR EXCHANGE OF THE SCHEME SHARES

- 1.1 The issued share capital (but not the authorised share capital) of the Company shall be reduced by cancelling and extinguishing all of the Cancellation Shares.

- 1.2 Forthwith and contingently upon the reduction of capital referred to in Clause 1.1 taking effect:
- (a) the issued share capital of ICG shall be increased to its former amount by the creation of such number of New ICG Units in the capital of ICG as shall be equal to the number of ICG Units which make up the Cancellation Shares, with each such New ICG Unit having the same rights as the ICG Units which make up the Cancellation Shares; and
 - (b) the reserve arising in the books of account of ICG as a result of the said reduction of capital shall be appropriated and applied in paying up in full at par the New ICG Units created pursuant to Clause 1.2(a), which shall be allotted and issued credited as fully paid to Aella and/or its nominee(s) (to hold on bare trust for Aella) in consideration for the Cash Consideration to be paid and/or the Loan Notes to be issued in respect of the Cancellation Shares, by Aella as set out in Clause 2 below.

2. CONSIDERATION FOR THE CANCELLATION SHARES

- 2.1 In consideration for the cancellation of the Cancellation Shares pursuant to Clause 1.1 and the allotment and issue of the New ICG Units as provided in Clause 1.2, Aella shall transfer the consideration (comprising the Cash Consideration and/or any Loan Notes in respect of the Cancellation Shares to which any Holder is entitled) to each Holder appearing in the register of members of the Company at the Scheme Record Time as the Holder of Cancellation Shares in accordance with the provisions of Clause 6 below.
- 2.2 Neither Aella nor the Company shall be liable to any Scheme Shareholder for any cash payment, Loan Notes or dividends or distributions with respect to Scheme Shares delivered to a public official in compliance with any abandoned property, escheat or law permitting attachment of money or property or similar law.

3. PARTIAL LOAN NOTE ELECTION

- 3.1 If any Scheme Shareholder shall validly so elect in respect of all or some of his Scheme Shares in respect of the Partial Loan Note Alternative, then subject as hereinafter provided Aella shall allot and issue Loan Notes on the following basis:

**for every € of Cash Consideration
otherwise received under this
Scheme**

€1 nominal value of Loan Notes

- 3.2 The Partial Loan Note Alternative will not be available in the Restricted Jurisdictions and ICG Shareholders will not be permitted to make an election for the Partial Loan Note Alternative from any Restricted Jurisdiction. No ICG Shareholder will be entitled to require Loan Notes to be posted to an address in any Restricted Jurisdiction and no ICG Shareholder will be entitled to require Loan Notes to be registered in his/her name with an address in any Restricted Jurisdiction.
- 3.3 Loan Note Elections will not affect the entitlements of Scheme Shareholders who do not make any such election. Loan Note Elections will only be accepted in respect of a whole number of Scheme Shares. The aggregate number of Loan Notes to be issued to Scheme Shareholders in accordance with Clause 2 will not be increased as a result of elections made pursuant to this Clause 3, and the aggregate amount of Cash Consideration to be paid to Scheme Shareholders in accordance with Clause 2 will not be increased as a result of elections made pursuant to this Clause 3.
- 3.4 Loan Note Elections shall be made by completion of the Form of Election, which shall be executed as a deed by the Scheme Shareholder or his duly authorised agent (or, in the case of a body corporate, executed under seal or otherwise as a deed) and in the case of joint holders in like manner by or on behalf of all such holders. The instructions, terms, authorities and provisions contained in or deemed to be incorporated in the Form of Election constitute part of the terms of this Scheme. To be effective the Form of Election must be completed and returned in accordance with the instructions printed thereon so as to arrive by not later than the Election Return Time at Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. Forms of Election so completed and lodged shall, unless otherwise agreed by the Company and Aella, be irrevocable. A Scheme Shareholder may make a Loan Note Election in respect of some of his Scheme Shares only and no Loan Note Election in respect of others.

- 3.5 If a Form of Election is received after the Election Return Time or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless ICG and Aella, in their absolute discretion, elect to treat as valid in whole or in part any such election.
- 3.6 Subject to Clause 3.16(a), if a Scheme Shareholder has made a valid Loan Note Election in respect of all of his Scheme Shares by writing “ALL” in the appropriate box on the Form of Election in accordance with the instructions printed thereon, then:
- (a) the validity of the Loan Note Election (as the case may be), shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time prior to the Scheme Record Time; and
 - (b) accordingly, the Loan Note Election will apply in respect of all of the Scheme Shares that the Scheme Shareholder holds immediately prior to the Scheme Record Time.
- 3.7 If a Scheme Shareholder completes Box B2 of the Form of Election, he will be doing so on the basis that he has agreed that his Scheme Shares will not be treated as Cancellation Shares (which will be cancelled pursuant to the Scheme), but will instead be treated as Transfer Shares for the purposes of this Scheme and will be exchanged for Redeemable Preference Shares and/or Loan Notes, as the case may be, in the same way as the other Transfer Shares.
- 3.8 The Loan Notes will be constituted by an instrument substantially in the form already prepared and initialled for the purpose of identification by Arthur Cox solicitors, with such modifications or additions, if any, as may prior to the execution thereof be agreed between ICG, Aella and Goodbody Corporate Finance.
- 3.9 Subject to Clause 3.16:
- (a) If at the Scheme Record Time the number of Scheme Shares held by a person who has made a Loan Note Election is equal to or exceeds the number of Scheme Shares in respect of which the Loan Note Election made by him would otherwise be effective, the validity of his election shall not be affected by any alteration in his holding of Scheme Shares between the date on which he made such election and the Scheme Record Time and any reductions in his holding shall, if applicable, be treated as disposals of those Scheme Shares in respect of which he did not elect to receive Loan Notes.
 - (b) If at the Scheme Record Time the number of Scheme Shares held by a person who has made a Loan Note Election is less than the number of Scheme Shares in respect of which the Holder has elected to receive such Loan Notes, he shall be treated as having validly elected to receive Loan Notes in respect of all of the Scheme Shares held by him at the Scheme Record Time.
- 3.10 The maximum principal amount of Loan Notes which will be issued to Scheme Shareholders and ICG Optionholders under the Partial Loan Note Alternative is €88 million. If valid elections for the Partial Loan Note Alternative are received in respect of a greater principal amount of Loan Notes, the number of Scheme Shares comprised in such elections will be scaled down pro-rata (rounding down any fractions to the nearest whole number) and each Scheme Shareholder shall be entitled to receive Loan Notes only in respect of that scaled-down number of Scheme Shares. Scheme Shareholders shall receive Cash Consideration for the remaining Scheme Shares comprised in such elections.
- 3.11 The Loan Notes shall be issued credited as fully paid and in amounts and integral multiples of €1.00 nominal value. No fraction of a Loan Note shall be issued to any Scheme Shareholder and the cash entitlement relating thereto shall be disregarded and not paid to such Holder.
- 3.12 A Loan Note Election shall be made by the completion and delivery of a Form of Election in accordance with the instructions thereon in respect of ICG Units in certificated form and in respect of ICG Units in uncertificated form by the delivery of a TTE Instruction in each case that is returned or, as the case may be, settled by the Election Return Time.
- 3.13 Aella shall be entitled, in determining whether a Form of Election is valid or not, to exercise the powers and discretions provided for in Part XI (Form of Election) of the Circular.

- 3.14 Upon execution and delivery by a Scheme Shareholder of a valid Loan Note Election or the delivery of a TTE Instruction validly electing for the Partial Loan Note Alternative such Holder shall be bound by the terms and provisions contained in the Form of Election and in Part XI (Form of Election) of the Circular.
- 3.15 The Partial Loan Note Alternative will be capable of acceptance by ICG Optionholders in accordance with the terms of the ICG Optionholders Proposal.
- 3.16 Where a Scheme Shareholder makes a Loan Note Election and a RPS Election:
- (a) If a Scheme Shareholder makes a Loan Note Election in respect of all of their ICG Units by writing “ALL” in Box B1 or Box B2, and a RPS Election by writing “ALL” in Box C on the GREEN Form of Election, such elections shall, for all purposes, be void and the holder of Scheme Shares or ICG Optionholder purporting to make such elections shall receive the Cash Consideration upon the Scheme becoming effective and shall not, for any purpose, be entitled to receive any consideration under the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.
 - (b) If a Scheme Shareholder makes a Loan Note Election in respect of any of their ICG Units in Box B1 or Box B2, and a RPS Election in Box C on the GREEN Form of Election, and the sum of the ICG Units covered by those elections is, immediately prior to the Scheme Record Time, greater than the number of ICG Units that they hold, such elections shall, for all purposes, be void and the holder of Scheme Shares or ICG Optionholder purporting to make such elections shall receive the Cash Consideration upon the Scheme becoming effective and shall not, for any purpose, be entitled to receive any consideration under the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.
 - (c) If a Scheme Shareholder makes a Loan Note Election in respect of some of their ICG Units by writing a whole number in Box B1 or Box B2, and a RPS Election by writing a whole number in Box C on the GREEN Form of Election, and the sum of those numbers is, immediately prior to the Scheme Record Time, less than the number of ICG Units that they hold, the holder of Scheme Shares or ICG Optionholder making such elections shall receive the Cash Consideration pursuant to Clause 2 for that number of ICG Units for which no election has been made.

4. REVISED ACQUISITION OF TRANSFER SHARES

Forthwith and contingently upon the cancellation of the Cancellation Shares becoming effective in accordance with the terms of this Scheme, the allotment of the New ICG Units referred to in Clause 1.2(b) of this Scheme and the registration of such New ICG Units in the name of Aella and/or its nominee(s) (to hold on bare trust for Aella), but subject to Clauses 3.2 and 5.2, Aella and/or its nominee(s) (to hold on bare trust for Aella) shall be entitled to acquire the Transfer Shares (including the legal and beneficial interest therein) fully paid, with full title guarantee, free from all liens, equities, charges, encumbrances and other interests and together with all and any rights at the date of this Scheme or thereafter attached thereto including voting rights and the right to receive and retain in full all dividends and other distributions declared, paid or made thereon, on or after the Effective Date.

5. REDEEMABLE PREFERENCE SHARE ELECTION

- 5.1 If any Scheme Shareholder shall validly make a RPS Election in respect of all or any of his Scheme Shares, then subject as hereinafter provided Aella shall allot and issue Redeemable Preference Shares on the following basis:

for each Transfer Share

a Redeemable Preference Share of €0.0001 each

- 5.2 The Redeemable Preference Share Alternative will not be available in the Restricted Jurisdictions and ICG Shareholders will not be permitted to make an election for the Redeemable Preference Share Alternative from any Restricted Jurisdiction. No ICG Shareholder will be entitled to require the Redeemable Preference Shares to be posted to an address in any Restricted Jurisdiction and no ICG Shareholder will be entitled to require the Redeemable Preference Shares to be registered in his/her name with an address in any Restricted Jurisdiction.
- 5.3 RPS Elections will not affect the entitlements of Scheme Shareholders who do not make any such election. RPS Elections will only be accepted in respect of a whole number of Scheme Shares.

- 5.4 RPS Elections shall be made by completion of the Form of Election, which shall be executed as a deed by the Scheme Shareholder or his duly authorised agent (or, in the case of a body corporate, executed under seal or otherwise as a deed) and in the case of joint holders in like manner by or on behalf of all such holders. The instructions, terms, authorities and provisions contained in or deemed to be incorporated in the Form of Election constitute part of the terms of this Scheme. To be effective the Form of Election must be completed and returned in accordance with the instructions printed thereon so as to arrive by not later than the Election Return Time at Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18. Forms of Election so completed and lodged shall, unless otherwise agreed by the Company and Aella, be irrevocable. A Scheme Shareholder may make a RPS Election in respect of some of his Scheme Shares and no RPS Election in respect of others.
- 5.5 If a Form of Election is received after the Election Return Time or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless ICG and Aella, in their absolute discretion, elect to treat as valid in whole or in part any such election.
- 5.6 Subject to Clause 3.16(a), if a Scheme Shareholder has made a valid RPS Election in respect of all of his Scheme Shares by writing “ALL” in Box C on the Form of Election in accordance with the instructions printed thereon, then:
- (a) the validity of the RPS Election (as the case may be), shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time prior to the Scheme Record Time; and
 - (b) accordingly, the RPS Election will apply in respect of all of the Scheme Shares that the Scheme Shareholder holds at the Scheme Record Time.
- 5.7 The Redeemable Preference Shares will have the rights set out in the Articles of Association of Aella, with such modifications or additions, if any, as may prior to the execution thereof be agreed between ICG, Aella and Goodbody Corporate Finance.
- 5.8 Subject to Clause 3.16:
- (a) If at the Scheme Record Time the number of Scheme Shares held by a person who has made a RPS Election is equal to or exceeds the number of Scheme Shares in respect of which the RPS Election made by him would otherwise be effective, the validity of his election shall not be affected by any alteration in his holding of Scheme Shares between the date on which he made such election and the Scheme Record Time and any reductions in his holding shall, if applicable, be treated as disposals of those Scheme Shares in respect of which he did not elect to receive Redeemable Preference Shares.
 - (b) If at the Scheme Record Time the number of Scheme Shares held by a person who has made a RPS Election is less than the number of Scheme Shares in respect of which the Holder has elected to receive such Redeemable Preference Shares, he shall be treated as having validly elected to receive Redeemable Preference Shares in respect of all of the Scheme Shares held by him at the Scheme Record Time.
- 5.9 Each Redeemable Preference Share will be issued credited as fully paid in the amount of €24.00 per share. No fraction of a Redeemable Preference Share shall be issued to any Scheme Shareholder and the cash entitlement relating to any fraction arising (rounded up to the nearest whole number) shall be disregarded and not paid to such Holder.
- 5.10 A RPS Election shall be made by the completion and delivery of a Form of Election in accordance with the instructions thereon in respect of ICG Units in certificated form and in respect of ICG Units in uncertificated form by the delivery of a TTE Instruction in each case that is returned or, as the case may be, settles by the Election Return Time.
- 5.11 Aella shall be entitled, in determining whether a Form of Election is valid or not, to exercise the powers and discretions provided for in Part XI (Form of Election) of the Circular.
- 5.12 Upon execution and delivery by a Holder of Scheme Shares of a valid RPS Election or the delivery of a TTE Instruction validly electing for the Redeemable Preference Share Alternative such Holder shall be bound by the terms and provisions contained in the Form of Election and in Part XI (Form of Election) of the Circular.

- 5.13 The completion and delivery of a Form of Election in respect of the RPS Election shall, subject to and conditional upon the Scheme becoming effective, have the effect of conferring an irrevocable power of attorney on any person appointed by Aella and/or its nominee(s) (holding on bare trust for Aella) to effect the transfer of the relevant RPS Elected Shares as described in Clause 4.
- 5.14 The Redeemable Preference Share Alternative will be capable of acceptance by ICG Optionholders in accordance with the terms of the ICG Optionholders Proposal.

6. SETTLEMENT OF CONSIDERATION

- 6.1 Not later than 14 days after the Effective Date, Aella shall in the case of Scheme Shares which at the Scheme Record Time are in certificated form, despatch or procure the despatch of, to the persons entitled thereto, cheques drawn in Euro (€) on an Irish clearing bank for the Cash Consideration (if any) payable to them in accordance with Clause 2.1 of this Scheme or, in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that an assured payment obligation in respect of the Cash Consideration (if any) payable to the persons entitled thereto is created in accordance with the CREST assured payment arrangements, provided that Aella reserves the right to make payment of the said sums by cheque as aforesaid if, for any reason, it wishes to do so. All cash payments shall be made in Euro (€).
- 6.2 Not later than 14 days after the Effective Date, Aella shall despatch or procure the despatch of, to the persons entitled thereto, or as they may direct, in accordance with the provisions of this Scheme, definitive certificates for any Loan Notes to which they are entitled.
- 6.3 Not later than 14 days after the Effective Date, Aella shall despatch or procure the despatch of, to the persons entitled thereto, or as they may direct, in accordance with the provisions of this Scheme, definitive certificates for any Redeemable Preference Shares to which they are entitled.
- 6.4 All despatches of cheques and Loan Note and Redeemable Preference Share certificates required to be made pursuant to this Scheme shall be effected by sending the same through the post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the registered address as appearing in the said register at such time of that one of the joint holders whose name then stands first in the said register in respect of such joint holding) or in accordance with any special instructions regarding communications, and neither the Company nor Aella shall be responsible for any loss or delay in the transmission of any cheques, Loan Note or Redeemable Preference Share certificates sent in accordance with this Clause, which shall be sent at the risk of the persons entitled thereto.
- 6.5 All cheques shall be made payable to the Holder or, in the case of joint Holders, to the first named Holder of the Scheme Shares concerned and the encashment of any such cheque shall be a complete discharge to the Company and Aella for the moneys represented thereby.
- 6.6 The provisions of this Clause shall take effect subject to any condition or prohibition imposed by law.

7. OVERSEAS SHAREHOLDERS

- 7.1 The provisions of Clauses 3 and 5 and 6 shall be subject to any prohibition or condition imposed by law. Aella may in its sole discretion determine that the Partial Loan Note Alternative nor Redeemable Preference Share Alternative will not be available in any Restricted Jurisdiction and/or that any Restricted Overseas Person will not be entitled to require that the Loan Notes or Redeemable Preference Shares be posted to an address in any Restricted Jurisdiction or to require the Loan Notes or Redeemable Preference Shares to be registered in his/her name with an address in such jurisdiction. The omission to send a Form of Election to a Scheme Shareholder who is a Restricted Overseas Person shall not constitute a breach by the Company, or Aella (as the case may be) of any of their respective obligations under this Scheme.
- 7.2 Notwithstanding the provisions of Clause 7.1, Aella retains the right to permit the release, publication or distribution of this document or the Forms of Proxy or Forms of Election or the allotment or issue of Loan Notes or Redeemable Preference Shares, or the provision of a right to make an election for the Partial Loan Note Alternative or the Redeemable Preference Share Alternative to any Restricted Overseas Shareholder who satisfies Aella (in its sole discretion) that

doing so will not infringe the laws of the relevant Restricted Jurisdiction or require compliance with any governmental or other consent or any registration, filing or other formality that Aella is unable to comply with or regards as unduly onerous to comply with.

8. CERTIFICATES AND CREST ENTITLEMENTS FOR SCHEME SHARES

With effect from the Effective Date:

- 8.1 All certificates representing Scheme Shares shall cease to have effect as documents of title to the shares comprised therein and every Holder thereof shall be bound at the request of the Company to deliver up such certificate(s) to the Company or as it may direct; and
- 8.2 Except for the assured payment obligations required to be made under Clause 6, CRESTCo shall be instructed to disable the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form.

9. THE EFFECTIVE DATE

- 9.1 This Scheme shall become effective as soon as an office copy of the Court Order and a copy of the minute required by Section 75 of the Companies Act 1963 shall have been duly delivered by the Company to the Registrar of Companies for registration and registered by him, all of which deliveries shall be subject to Clause 9.3.
- 9.2 Unless this Scheme shall have become effective on or before 31 October, or such later date, if any, as the Company and Aella may agree and the High Court may allow, it shall not proceed.
- 9.3 The Company and Aella have agreed that in certain circumstances the necessary actions to seek sanction of this Scheme may not be taken.

10. MODIFICATION

The Company and Aella may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or any condition that the High Court may approve or impose.

11. COSTS

The Company is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation, approval and implementation of this Scheme.

12. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with the laws of Ireland and the Scheme Shareholders hereby agree that the High Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding or to settle any dispute which may arise in relation thereto.

Dated: 20 March 2007, as amended and restated on 10 September 2007

PART V — CONDITIONS TO AND FURTHER TERMS OF THE REVISED ACQUISITION AND THE SCHEME

The Revised Acquisition and Scheme comply with the Takeover Rules and, where relevant, the respective rules and regulations of the Irish Stock Exchange, the London Stock Exchange and the UK Listing Authority and is subject to the terms and conditions set out in this document and in the accompanying Form of Election. The Revised Acquisition and Scheme are governed by the laws of Ireland and subject to the exclusive jurisdiction of the courts of Ireland, which exclusivity shall not limit the right to seek provisional or protective relief in the courts of another jurisdiction during or after any substantive proceedings have been instituted in Ireland, nor shall it limit the right to bring enforcement proceedings in another jurisdiction on foot of an Irish judgment.

1. The Revised Acquisition will be conditional upon the Scheme becoming effective and unconditional by not later than 31 October 2007 (or such lesser period as may be required by the Panel, or such later date as Aella and ICG may agree and the High Court may allow). The Scheme will be conditional upon:
 - (i) the approval of the Scheme by a majority in number representing three-fourths or more in value of the Scheme Shareholders (other than the Aella Class Shareholders) at the Voting Record Time, present and voting either in person or by proxy, at the Adjourned First Court Meeting (or at any adjournment of such meeting);
 - (ii) the approval of the Scheme by a majority in number representing three-fourths or more in value of the Aella Class Shareholders at the Voting Record Time, present and voting in person or by proxy, at the Adjourned Second Court Meeting (or at any adjournment of such meeting);
 - (iii) such resolution(s) in connection with and/or required to approve or implement the Scheme and set out in the notice convening the Adjourned Extraordinary General Meeting being duly passed by the requisite majority at the Adjourned Extraordinary General Meeting (or at any adjournment of such meeting); and
 - (iv) the sanction (with or without modification) of the Scheme and the confirmation of the reduction of capital involved therein by the High Court and office copies of the Court Orders and the minute required by section 75 of the Act in respect of the reduction being delivered for registration to the Registrar of Companies and registration of the Court Order and minute confirming the reduction of capital involved in the Scheme by the Registrar of Companies.
2. ICG and Aella have agreed that, subject to paragraph 3 of this Part V, the Revised Acquisition will also be conditional upon the following matters having been satisfied or waived on or before the sanction of the Scheme by the High Court pursuant to Section 201 of the Act:
 - (a) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, including any national or supranational anti-trust or merger control authorities, court, tribunal, trade agency, professional association, environmental body, any analogous body whatsoever or tribunal in any jurisdiction (each a “**Third Party**”) having decided to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference or having made, proposed or enacted any statute, regulation or order or having withheld any consent or having done or decided to do anything which would or might reasonably be expected to:
 - (i) make the Revised Acquisition or its implementation, or the acquisition or proposed acquisition by Aella of any shares in, or control of, ICG, or any of the assets of ICG void, illegal or unenforceable under the laws of any jurisdiction or otherwise, directly or indirectly, restrain, revoke, prohibit, restrict or materially delay the same or impose additional or different conditions or obligations with respect thereto (except for restraints, prohibitions, restrictions, delays, conditions or obligations that would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole), or otherwise challenge or interfere therewith (except where the result of such challenge or interference would not have, or would not reasonably be expected to have, a material adverse effect (in value terms or otherwise) on the Wider ICG Group taken as a whole);
 - (ii) result in a material delay in the ability of Aella, or render Aella unable, to acquire some or all of the ICG Units or require a divestiture by any member of the Aella Group of any shares in ICG;
 - (iii) except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole, require, prevent or delay the divestiture by any member of the Aella Group or by any member of the Wider ICG Group of all or any

portion of their respective businesses, assets (including, without limitation, the shares or securities of any other member of the ICG Group) or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or own their respective assets or properties or any part thereof;

- (iv) impose any limitation on or result in a material delay in the ability of Aella to acquire, or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership of shares (or the equivalent) in, or to exercise voting or management control over, ICG or any subsidiary or subsidiary undertaking of ICG which is material in the context of the Wider ICG Group taken as a whole (each a **“Material Subsidiary”**) or on the ability of any member of the Wider ICG Group to hold or exercise effectively, directly or indirectly, rights of ownership of shares (or the equivalent) in, or to exercise rights of voting or management control over, any member of the Wider ICG Group;
 - (v) except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole, require any member of the Aella Group or any member of the Wider ICG Group to acquire or offer to acquire any shares or other securities (or the equivalent) in, or any interest in any asset owned by, any member of the Wider ICG Group owned by any third party;
 - (vi) except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole, impose any limitation on the ability of any member of the ICG Group to integrate or co-ordinate its business, or any part of it, with the businesses of any member of the Wider ICG Group;
 - (vii) except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole, result in any member of the Wider ICG Group ceasing to be able to carry on business in any jurisdiction in which it currently does;
 - (viii) except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole, cause any member of the Wider ICG Group to cease to be entitled to any Authorisation (as defined in paragraph (b) below) used by it in the carrying on of its business; or
 - (ix) except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole, otherwise adversely affect the business, profits, assets, liabilities, financial or trading position of any member of the Wider ICG Group;
- (b) all necessary notifications and filings having been made, all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction in which ICG or any Material Subsidiary shall be incorporated or carry on any business which is material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole having expired, lapsed or having been terminated (as appropriate) (save to an extent which would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) and all statutory or regulatory obligations in any jurisdiction in which ICG or a Material Subsidiary shall be incorporated or carry on any business which is material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole having been complied with (save to an extent which would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole), in each case, in connection with the Revised Acquisition or its implementation and all authorisations, orders, recognitions, grants, consents, clearances, confirmations, licences, permissions and approvals in any jurisdiction (**“Authorisations”** and each an **“Authorisation”**) reasonably deemed necessary or appropriate by Aella for or in respect of the Revised Acquisition having been obtained on terms and in a form reasonably satisfactory to Aella from all appropriate Third Parties (except where the consequence of the absence of any such Authorisation would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole), all such Authorisations remaining in full force and effect, there being no notified intention to revoke or vary or not to renew the same at the time at which the Revised Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any such jurisdiction having been complied with (except where the consequence thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole);
- (c) all applicable waiting periods and any other time periods during which any Third Party could, in respect of the Revised Acquisition or the acquisition or proposed acquisition of any shares or other securities (or

the equivalent) in, or control of, ICG or any member of the Wider ICG Group by Aella, institute or implement any action, proceedings, suit, investigation, enquiry or reference under the laws of any jurisdiction which would be reasonably expected adversely to affect (to an extent which would be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) any member of the ICG Group, having expired, lapsed or been terminated;

- (d) except as disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, facility, lease or other instrument to which any member of the Wider ICG Group is a party or by or to which any such member or any of its respective assets may be bound, entitled or be subject and which, in consequence of the Revised Acquisition or the acquisition or proposed acquisition by Aella of any shares or other securities (or the equivalent) in or control of ICG or any member of the ICG Group or because of a change of control or management of ICG or otherwise, would or would be reasonably expected to result (except where, in any of the following cases, the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as whole) in:
- (i) any monies borrowed by, or any indebtedness or liability (actual or contingent) of, or any grant available to any member of the Wider ICG Group becoming, or becoming capable of being declared, repayable immediately or prior to their or its stated maturity or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or materially inhibited;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest wherever existing or having arisen over the whole or any part of the business, property or assets of any member of the Wider ICG Group or any such mortgage, charge or other security interest becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit, franchise, facility, lease or other instrument or the rights, liabilities, obligations or interests of any member of the Wider ICG Group thereunder, or the business of any such members with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated or adversely modified or any adverse action being taken or any obligation or liability arising thereunder;
 - (iv) any material assets or material interests of, or any material asset the use of which is enjoyed by, any member of the Wider ICG Group being or falling to be disposed of or charged, or ceasing to be available to any member of the Wider ICG Group or any right arising under which any such asset or interest would be required to be disposed of or charged or would cease to be available to any member of the Wider ICG Group otherwise than in the ordinary course of business;
 - (v) any member of the Wider ICG Group ceasing to be able to carry on business;
 - (vi) the value of, or financial or trading position of any member of the Wider ICG Group being prejudiced or adversely affected; or
 - (vii) the creation of any liability or liabilities (actual or contingent) by any member of the Wider ICG Group;

unless, if any such provision exists, such provision shall have been waived, modified or amended on terms satisfactory to Aella;

- (e) save as disclosed and/or save as publicly disclosed by the delivery of an announcement to the Irish Stock Exchange or the London Stock Exchange at any time up to 8 March 2007 (being the date of the Original Announcement) or otherwise publicly disclosed in the preliminary results of the ICG Group for the year ended 31 December 2006, no member of the Wider ICG Group having, since 31 December 2006:
- (i) issued or agreed to issue additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible or exchangeable securities (except for (A) issues to ICG or wholly-owned subsidiaries of ICG; or (B) upon any exercise of ICG Options);
 - (ii) recommended, declared, paid or made or issued any bonus, dividend or other distribution other than bonuses, dividends or other distributions lawfully paid or made to another member of the ICG Group;
 - (iii) save for transactions between two or more members of the ICG Group (“**intra-ICG Group transactions**”), made or authorised, proposed or announced any change in its loan capital (save

in respect of loan capital which is not material (in value terms or otherwise) in the context of the ICG Group taken as a whole);

- (iv) save for intra-ICG Group transactions, implemented, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction, amalgamation, scheme or (except in the ordinary and usual course of trading) acquisition or disposal of (or of any interest in) assets or shares (or the equivalent thereof) in any undertaking or undertakings (except in any such case where the consequences of any such merger, demerger, reconstruction, amalgamation, scheme, acquisition or disposal would not be material (in value terms or otherwise) in the context of the ICG Group taken as a whole);
- (v) except in the ordinary and usual course of business entered into or materially improved, or made any offer (which remains open for acceptance) to enter into or materially improve, the terms of any non-executive director or the terms of the employment contract with any director of ICG or any person occupying one of the senior executive positions in the ICG Group or permitted a variation in the terms or rules governing the ICG Share Option Schemes;
- (vi) (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the ICG Group, taken as a whole) issued any loan capital or debentures or (save in the ordinary course of business and save for intra-ICG Group transactions) incurred any indebtedness or contingent liability;
- (vii) purchased, redeemed or repaid or announced any offer to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or made any other change to any part of its share capital;
- (viii) (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) (A) merged with any body corporate, partnership or business, or (B) save for intra-ICG Group transactions, acquired or disposed of, transferred, mortgaged or encumbered any material assets or any material right, title or interest in any asset (including shares and trade investments);
- (ix) (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) entered into or varied any contract, transaction, arrangement or commitment or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or would be materially restrictive on the business of any member of the Wider ICG Group;
- (x) entered into or varied any material contract, transaction or arrangement or announced its intention to enter into or vary any material contract, transaction or arrangement otherwise than in the ordinary and usual course of business, except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole;
- (xi) waived or compromised any claim which would be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole;
- (xii) (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased to carry on all or a substantial part of any business;
- (xiii) (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) made or agreed to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined, or to the basis upon which the liabilities (including pensions) of such pensions schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation;
- (xiv) (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) save for voluntary solvent liquidations, taken any corporate action or had any legal proceedings instituted against it in respect of its

- winding-up, dissolution, examination or reorganisation or for the appointment of a receiver, examiner, administrator, administrative receiver, trustee or similar officer of all or any part of its assets or revenues, or (A) been the subject of any analogous proceedings in any jurisdiction, or (B) appointed any analogous person in any jurisdiction in which ICG or any Material Subsidiary shall be incorporated or carry on any business;
- (xv) entered into any agreement, contract or binding commitment or passed any resolution or made any offer or announcement with respect to, or to effect any of the transactions, matters or events set out in this condition (without prejudice to the exceptions to each paragraph with regard to materiality and other matters); or
 - (xvi) except in the case of amendments to the memoranda or articles of association of subsidiaries which are not material, amended its memorandum and articles of association (save as set out herein or agreed with Aella).
- (f) save as disclosed and/or save as publicly announced by ICG (by the delivery of an announcement to the Irish Stock Exchange or the London Stock Exchange at any time up to 8 March 2007 (being the date of the Original Announcement)) or otherwise disclosed in the preliminary results of the ICG Group for the year ended 31 December 2006) on or prior to the date of the Original Announcement:
- (i) there not having arisen any adverse change or deterioration in the business, assets, financial or trading position or profits of ICG or any member of the Wider ICG Group (save to an extent which would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole);
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider ICG Group is or would reasonably be expected to become a party (whether as plaintiff or defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider ICG Group having been instituted or remaining outstanding by, against or in respect of any member of the ICG Group (save where the consequences of such litigation, arbitration proceedings, prosecution or other legal proceedings or investigation are not or would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole); and
 - (iii) no contingent or other liability existing or having arisen which would reasonably be expected to affect adversely any member of the Wider ICG Group (save where such liability is not or would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole) and no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence, consent, permit, access right or authorisation held by any member of the Wider ICG Group which is necessary for the proper carrying on of its business and which is material in the context of the Wider ICG Group;
- (g) except as disclosed, Aella not having discovered that any financial, business or other information concerning the Wider ICG Group which is material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole and which has been publicly disclosed is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the material information contained therein not misleading, (save where the consequences of which would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole);
- (h) save as disclosed and/or save as publicly announced by ICG (by the delivery of an announcement to the Irish Stock Exchange or the London Stock Exchange at any time up to 8 March 2007 (being the date of the Original Announcement)) or otherwise publicly disclosed in the preliminary results of the ICG Group for the year ended 31 December 2006 on or prior to the date of the Original Announcement, Aella not having discovered:
- (i) that any member of the Wider ICG Group or any partnership, company or other entity in which any member of the Wider ICG Group has an interest and which is not a subsidiary undertaking of ICG is subject to any liability, contingent or otherwise (save where such liability is not or would not be material (in value terms or otherwise) in the context of the Wider Group taken as a whole);
 - (ii) in relation to any release, emission, discharge, disposal or other fact or circumstance which has caused or reasonably might impair or harm human health, that any past or present member of the Wider ICG Group has acted in material violation of any laws, statutes, regulations, notices or

other legal or regulatory requirements of any Third Party (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole);

- (iii) that there is any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the ICG Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority (whether by formal notice or order or not) or Third Party or otherwise (except where such liability is not or would not be material (in value terms or otherwise) in the context of the Wider ICG Group taken as a whole); and
 - (iv) that circumstances exist at the date of the Original Scheme Document which are likely to result in any actual or contingent liability to any member of the Wider ICG Group under any applicable legislation referred to in sub-paragraph (iii) above to improve or modify existing or install new plant, machinery or equipment to carry out any changes in the processes currently carried out (save where such liability is not or would not be material (in value terms or otherwise) in the context of the ICG Group taken as a whole);
- (i) except as disclosed, no member of the ICG Group being in default under the terms or conditions of any material facility or agreement or arrangement for the provision of loans, credit or drawdown facilities, or of any security, surety or guarantee in respect of any facility or agreement or arrangement for the provision of loans, credit or drawdown facilities to any member of the ICG Group (save where such default is not or would not be so material (in value terms or otherwise) in the context of the ICG Group taken as a whole);
 - (j) for the purposes of the conditions set out above:
 - (i) **“Aella Group”** means Aella and its parent undertaking and its subsidiaries and subsidiary undertakings and any other subsidiary or subsidiary undertaking of its parent undertaking;
 - (ii) **“disclosed”** means fairly disclosed in writing by or on behalf of ICG to Aella or Goodbody Corporate Finance or its or their respective employees, officers or advisers at any time up to 8 March 2007 (being the date of the Original Announcement);
 - (iii) **“ICG Group”** means ICG and its subsidiaries and subsidiary undertakings;
 - (iv) **“parent undertaking”**, **“subsidiary undertaking”**, **“associated undertaking”** and **“undertaking”** have the meanings given by the European Communities (Companies: Group Accounts) Regulations, 1992;
 - (v) **“substantial interest”** means an interest in 20 per cent. or more of the voting equity capital of an undertaking;
 - (vii) **“Wider Aella Group”** means the Aella Group, its associated undertakings and any entities in which any member of the Aella Group holds a substantial interest; and
 - (viii) **“Wider ICG Group”** means the ICG Group, its associated undertakings and any entities in which any member of the ICG Group holds a substantial interest.
3. Subject to the requirements of the Panel, if any, Aella reserves the right (but shall be under no obligation) to waive, in whole or in part, all or any of the conditions except for 1(i), (ii), (iii) and (iv).
 4. The Revised Acquisition will lapse unless all of the conditions set out above have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Aella to be or to remain satisfied on the Effective Date.
 5. If Aella is required to make an offer for ICG Units under the provisions of Rule 9 of the Takeover Rules, Aella may make such alterations to any of the above conditions as are necessary to comply with the provisions of that rule.
 6. Aella reserves the right to effect the Revised Acquisition by way of a takeover offer. In such event, such offer will be implemented on the same terms (subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. of the nominal value and voting rights of the ICG Units to which such an offer relates and which are not already in the beneficial ownership of Aella within the meaning of the Takeover Regulations (but capable of waiver on a basis consistent with Rule 10 of the Takeover Rules)), so far as applicable, as those which apply to the Scheme.

PART VI — PARTICULARS OF THE LOAN NOTES

The Loan Notes will be created by a resolution of the board of directors of Aella (or a duly authorised committee thereof) and will be constituted by the Loan Note Instrument. The issue of the Loan Notes will be conditional on the Scheme becoming effective. **The Partial Loan Note Alternative will not be available in the Restricted Jurisdictions and ICG Shareholders will not be permitted to make an election for the Partial Loan Note Alternative from any of the Restricted Jurisdictions. No ICG Shareholder will be entitled to require Loan Notes to be posted to an address in any of the Restricted Jurisdictions and no ICG Shareholder will be entitled to require Loan Notes to be registered in his/her name with an address in any of the Restricted Jurisdictions.**

1. ISSUE AND AMOUNT OF THE LOAN NOTES

The aggregate nominal amount of the Loan Notes available under the Partial Loan Note Alternative will be limited to €88 million. A further €5 million worth of Loan Notes can in certain circumstances be issued if the underwriting to be provided by Eamonn Rothwell is required to be provided in this form.

The Loan Notes will be issued in the name of Goodbody Stockbrokers Nominees Limited (the “**Nominee**”) which will hold the Loan Notes as nominee for those holders of shares and/or options over shares in ICG who validly elect for the Partial Loan Note Alternative under the Scheme subject to the terms of the Loan Note Instrument. If the Partial Loan Note Alternative is not fully subscribed, the portion of the Loan Notes in respect of which no Loan Note Elections have been received will be offered to clients of Goodbody Stockbrokers who will subscribe for those Loan Notes by the Effective Date.

Aella shall procure that the name of the Nominee is recorded in the Register of Noteholders as the holder of the legal title to the Loan Notes and the Nominee shall procure that the names of the Noteholders are entered in the Register of Noteholders as the beneficial owners of the respective Loan Notes held on their behalf.

2. FORM AND STATUS

The Loan Notes will be issued by Aella in amounts and integral multiples of €1.00 nominal value. All fractional entitlements will be disregarded and not paid.

The Loan Notes will constitute a direct and unconditional obligation of Aella which:-

- (a) will rank *pari passu* among themselves;
- (b) rank subordinate to, and rank behind, the Senior Debt and the PIK Debt as provided in the Intercreditor Agreement and, without prejudice to the generality of the foregoing, are subject to the terms of the Intercreditor Agreement in all respects; and
- (c) will be subordinate to, and rank behind any other liability of Aella, in such manner as may be required in such other agreement as the Nominee may execute after the issue date of the Loan Notes in accordance with terms of the Loan Note Instrument and the Loan Notes.

The Loan Note Instrument will not contain any restrictions on borrowings, disposals or charging of assets by Aella.

3. INTEREST

Until such time as the Loan Notes are repaid or purchased, interest will accrue in arrears at the rate of 19% (nineteen per cent.) per annum (the “**Rate of Interest**”) on the principal amount of each Loan Note outstanding over an Interest Period (as defined below). Any such interest shall not be paid in cash but shall be capitalised at the end of such Interest Period and added to the outstanding principal amount of the Loan Notes and will thereafter be treated as part of the principal amount of the Loan Notes. Interest shall continue to accrue during each Interest Period on the outstanding principal amount of the Loan Notes for the time being (including, as aforesaid, any capitalised interest forming part of such principal amount). “**Interest Period**” means the period of twelve months ending on 31 December except that the first Interest Period shall commence on the date 14 days after the Effective Date (or, if a Loan Note is issued after that date, the date of issue of the Loan Note) and end on 31 December 2007 and the last Interest Period shall end on the date which is five Business Days prior to the date of the repayment or purchase of the relevant Loan Note.

All amount of capitalised interest must be paid in full on repayment or repurchase of any Loan Note.

4. BINDING EFFECT OF ANY INTERCREDITOR AGREEMENT

The terms of the Intercreditor Agreement (including any modification thereof or any further intercreditor agreement) will be deemed to be incorporated in the conditions governing the Loan Notes and are binding on Aella, the Nominee, the Noteholders and all persons claiming through or under them respectively. Except as permitted by the Intercreditor Agreement (including any modification thereof or any further intercreditor agreement) neither the Nominee nor any Noteholder:-

- (a) may sue, claim or prove for, take or receive from Aella by cash receipt, set-off or in any other manner whatsoever, the whole or any part of the Loan Notes;
- (b) may petition for or vote in favour of any resolution or take any other action whatsoever for, or which may lead to, the winding up or dissolution of, or appointment of an examiner or interim examiner to Aella; and
- (c) shall seek to, or take any steps to, redeem the Loan Notes.

Under the Loan Note Instrument, the Nominee will have the power and authority to execute the Intercreditor Agreement (and to enter into any modification thereof and any further intercreditor agreement) without further notice to any Noteholder as may be required by Aella in respect of the Senior Debt and the PIK Debt or otherwise relating to the finance facilities necessary for the operation of the business of the Group and shall do so immediately on request by Aella. Any such agreement shall be binding on the Noteholders.

Subject to the conditions referred to above, each Noteholder shall be entitled to require all (but not part only) of the Loan Notes held by him to be repaid at par together with accrued interest up to (but excluding) the end of the Interest Period whilst any of the following is continuing:

- (i) Aella fails to pay within 30 days of its due date any principal or interest payable in respect of the Loan Notes; or
- (ii) an order is made or an effective resolution is passed for the winding-up or dissolution of Aella (otherwise than for the purposes of an amalgamation or reconstruction or a members' voluntary winding up upon terms previously approved by the Noteholders); or
- (iii) an encumbrancer takes possession or a trustee, receiver or similar officer is appointed of all or substantially all of the undertaking of Aella and such person has not been paid out or discharged within 30 days.

5. REPAYMENT, PREPAYMENT, PURCHASE AND REDEMPTION

Subject always to the terms of the Intercreditor Agreement:

- (a) Aella shall be entitled to redeem the Loan Notes at par (together with any capitalised interest) at any time on or after the second anniversary of the issue date of the Loan Notes on not less than 10 days' prior written notice to the Nominee and the Noteholders;
- (b) Aella may at any time purchase any Loan Notes by tender (available to all Noteholders alike) or by private treaty or otherwise at any price; and
- (c) if not previously repaid or purchased, the Loan Notes will be repaid by Aella at par (together with any capitalised interest) on 31 December 2017.

If required by law, Aella shall deduct tax or any other deductions or withholdings required by law from any amount payable to the Noteholder in respect of the principal moneys and/or interest payable upon the Loan Notes, and Aella will not be required to make any additional payment to the relevant Noteholder in respect thereof.

6. CANCELLATION

Any Loan Notes redeemed or purchased by Aella under paragraph 5 above shall be cancelled and shall not be available for reissue.

7. POWERS OF THE NOMINEE

Under the Loan Note Instrument, the Nominee will covenant and agree for the benefit of Aella and the Noteholders that it will hold the legal title to the Loan Notes for the benefit of the Noteholders and will

comply with the terms of the Loan Note Instrument and the Loan Notes and will not take any action on behalf of itself or the Noteholders which is not in compliance with the terms of the Loan Note Instrument and the Loan Notes and the Intercreditor Agreement (including any modification thereof or any further intercreditor agreement).

The Nominee will also undertake to perform such duties and only such duties as are specifically set forth in the Loan Note Instrument and the Loan Notes, and no implied covenants or obligations shall be read into the Loan Note Instrument and the Loan Notes against the Nominee.

No provision of the Loan Note Instrument or the Loan Notes shall require the Nominee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The Nominee may conclusively rely and shall be fully protected in acting or refraining from acting upon any information contained in the Register of Noteholders as well as any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note, coupon or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Nominee shall not be bound to make any investigation into the facts or matters stated in the Register of Noteholders or in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, coupon or other paper or document, but the Nominee, in its discretion, may, but shall not be obligated to make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Nominee shall determine to make such further inquiry or investigation, it shall be entitled to examine, during business hours and upon reasonable notice, the books and records of Aella relating to the Loan Notes at the sole cost of Aella.

If the Nominee or any person acting on its behalf cannot perform any of its services under the Loan Note Instrument or the Loan Notes due to circumstances beyond its reasonable control, it will take all reasonable steps to bring these circumstances to an end, but it will not be liable for its non-performance except to the extent required by law.

The Nominee shall not be required to give any Noteholder any investment, taxation or legal advice in connection with their Loan Notes.

The Nominee shall be under no obligation to exercise any of the rights or powers vested in it by or pursuant to the Loan Note Instrument or the Loan Notes at the request or direction of any of the Noteholders pursuant to the Loan Note Instrument or the Loan Notes, unless such Noteholders shall have offered to the Nominee such security or indemnity as is reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Nominee shall have the power and authority (and each Noteholder in subscribing for the Loan Notes irrevocably and unconditionally authorises the Nominee) to execute the Intercreditor Agreement (and to enter into any modification thereof and any further intercreditor agreement) without further notice to any Noteholder as may be required by Aella in respect of the Senior Debt and the PIK Debt or otherwise relating to the finance facilities necessary for the operation of the business of the Group and shall do so immediately on request by Aella.

Neither the Nominee nor any its employees or agents shall have any liability (whether direct or indirect, in contract, tort or otherwise) to Aella, the Noteholders or their respective directors, officers, employees or agents for or in connection with the Loan Note Instrument or the Loan Notes except for any such liability for claims, liabilities, losses, damages or expenses incurred by Aella or the Noteholders which arise from the Nominee's wilful default or gross negligence.

The Nominee may resign at any time with respect to its duties under the Loan Note Instrument by giving written notice to Aella provided that a new nominee acceptable to Aella shall have undertaken in a form acceptable to Aella to discharge the obligations of the Nominee under the Loan Note Instrument and the Loan Notes and shall have first acceded to the Intercreditor Agreement.

8. MODIFICATIONS

The provisions of the deed constituting the Loan Notes and the rights of the Noteholders will be subject to modification, abrogation or compromise in any respect by Aella with the sanction of an extraordinary resolution of the Noteholders, as defined in the Loan Note Instrument. Aella may, with the consent of its financial advisers make the Loan Notes transferable and/or amend the provisions of the Loan Note Instrument or of the Loan Notes, without the sanction or consent of the Nominee or the Noteholders

if, in the opinion of the financial advisers, such amendment is of a formal, minor or technical nature or to correct a manifest error and is not prejudicial to the interests of the Nominee or the Noteholders. Any opinion of a financial adviser in this regard shall be arrived at in its absolute discretion without consulting the Nominee or the Noteholders and no liability shall attach to Aella or its financial advisers in respect thereof.

9. SUBSTITUTION

The Loan Notes will contain provisions entitling Aella, without the consent of Noteholders, to substitute any other member of the Aella Group as the principal debtor or debtors under the Loan Note Instrument. References to Aella in this summary shall be construed accordingly. Aella's right to require substitution will be exercisable only if (i) such substitution will not be treated as a disposal of the Loan Notes for the purposes of Irish taxation of chargeable gains and (ii) the substituted member(s) is/are resident in a country that has a double taxation treaty with Ireland which permits payment of interest on the Loan Notes without deduction or withholding on account of any tax.

10. REGISTRATION AND NON-TRANSFERABLE

The Loan Notes will be evidenced by certificates and will be registered in amounts and integral multiples of €1.00 nominal amount. The Loan Notes will not be transferable.

11. NO LISTING

No application has been made, or is intended to be made, for the Loan Notes to be listed or dealt in on any stock exchange.

12. DATA PROTECTION AND ANTI-MONEY LAUNDERING DISCLOSURES

Each of Aella and the Nominee may disclose information about any Noteholder to:

- (a) each other or to its agents for the purposes of the Loan Note Instrument and the Loan Notes, the repayment or purchase of any Loan Notes or anything which relates to communication with and/or the identity of the Noteholders, or
- (b) any authority where this is required by applicable law or regulation.

and for the purpose of section 8 of the Data Protection Act 1988 each Noteholder in subscribing for the Loan Notes irrevocably and unconditionally consents to such disclosure.

Aella and/or the Nominee may require evidence of the identity of a Noteholder to comply with rules and regulations aimed at combatting money laundering. Delay or failure to provide satisfactory evidence shall entitle Aella to withhold payments under a Loan Notes to the relevant Noteholder. No payment shall be made under a Loan Notes by either Aella or the Nominee until the Noteholder has provided to the Registrar with a copy to the Nominee such documentation as is required under Directive 2005/60/EU (the Third Money Laundering Directive).

13. NO OVERSEAS REGISTRATION

The Partial Loan Note Alternative is not being offered in any other jurisdiction where it would be unlawful to do so. The Loan Notes have not been, and will not be, registered under any relevant securities laws of any state or other jurisdiction where it would be unlawful to do so and may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into jurisdiction where it would be unlawful to do so except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of any applicable requirements of such jurisdictions.

14. GOVERNING LAW AND JURISDICTION OF IRISH COURTS

The Loan Notes and the Loan Note Instrument will be governed by, and construed in accordance with, Irish law. Aella and the Nominee (and each Noteholder through the Nominee) irrevocably agree that the courts of Ireland shall have jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with:-

- (a) any of them and the Loan Note Instrument and the Loan Notes; and
- (b) the Intercreditor Agreement;

and, for these purposes, irrevocably submits to the jurisdiction of the courts of Ireland.

PART VII — PARTICULARS OF THE REDEEMABLE PREFERENCE SHARES

1. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of Aella is €50,000 divided into 38,093 ordinary shares of €1 each and 119,070,000 3 per cent. Redeemable Preference Shares of €0.0001 each.

2. RIGHTS AND RESTRICTIONS ATTACHED TO REDEEMABLE PREFERENCE SHARES

The Redeemable Preference Shares shall have the rights and be subject to the restrictions summarised in this paragraph 2. Notwithstanding any provision in the articles of association of Aella (“**Aella Articles**”), no distribution, dividend or return of capital shall be made in respect of any share in Aella (including the Redeemable Preference Shares) so long as this is something which is prohibited by any subordination arrangements or agreements which may be required to apply to the discharge of Aella’s liability by any lender to Aella. In this regard please refer to the Intercreditor Agreement, (summarised in paragraph 5.4 of Part VIII (Information on Aella and Adonia Aella) of this document) which precludes the payment of dividends.

2.1 Income Rights

- (a) Subject to the provisions summarised at paragraph 2.7 below, a fixed cumulative dividend (the “**Preference Dividend**”) at the rate of 3 per cent. per annum on the amount of the capital for the time being paid up or credited as paid up on the Redeemable Preference Shares (including the premium paid or credited as paid on issue) shall accrue on the Redeemable Preference Shares in priority to any accrual of dividends, but without priority as to payment of dividends, to the holders of shares of any other class, provided that the Preference Dividend shall not, subject to the remaining provisions of Article 3(b) of the Aella Articles, be paid to the holders of the Redeemable Preference Shares until after the fifth anniversary of the issue of the Redeemable Preference Shares and only on a redemption of the Redeemable Preference Shares in accordance with the provisions of the Aella Articles as summarised at paragraph 2.4 below.
- (b) The sums due to the holders of Redeemable Preference Shares pursuant to Article 3(b)(i) of the Aella Articles shall be carried to reserve out of the profits of Aella by the Board of Aella and those sums shall not be available for distribution other than pursuant to Article 3(b)(i) or 3(b)(iii) of the Aella Articles.
- (c) Notwithstanding anything contained in Article 3 the Board of Aella may in their absolute discretion if it is in accordance with and is permitted by any subordination arrangements Aella is party to from time to time (for example, the Intercreditor Agreement summarised in paragraph 5.4 of Part VIII (Information on Aella and Adonia Aella) of this document) resolve to pay the Preference Dividend to some or all of the holders of Redeemable Preference Shares earlier than provided for pursuant to Articles 3 (b) (i) and 3 (b) (ii) of the Aella Articles on a redemption, in which case the sum payable shall be calculated down to the date of redemption as determined by the Board of Aella, irrespective of whether such dividends have been earned or declared or not. In addition, on a redemption of any Redeemable Preference Shares pursuant to the provisions summarised at paragraphs 2.4(a) to 2.4(c) below, whether prior to or after the fifth anniversary of the date of their issue, the accrued dividend shall be payable as summarised by paragraph 2.4(b) below.

2.2 Capital Rights

On a return of capital on a winding up or otherwise, the holders of the Redeemable Preference Shares shall have the right, in priority to any payment to the holders of shares of any other class of shares, to the repayment of the amounts paid up or credited as paid up thereon (including any premium paid or credited as paid on subscription) together with the amount of any accrued but unpaid dividends thereon (whether earned or declared or not) but to no further right to participate in any of the profits, assets or capital of Aella. If the Redeemable Preference shares are converted into Deferred Shares (see paragraph 2.7 below) such Deferred Shares will rank after the ordinary shares in Aella on a return of capital on a winding up or otherwise and will only confer a right of return up to the nominal value of the Deferred Shares.

2.3 Voting Rights

The Redeemable Preference Shares shall not entitle the holders to vote upon any resolution (other than a resolution varying or abrogating any special rights attached to such shares), to receive notice of or to attend or vote at any general meeting of Aella by virtue of their holdings of Redeemable Preference Shares.

2.4 Redemption

Subject to the provisions summarised at paragraph 2.7 below:

- (a) Aella shall at its discretion, but only with the authority of a special resolution of the members of Aella having a right to attend and vote at general meetings of Aella, have the right (subject to the provisions of any and every statute from time to time in force concerning companies in so far as the same applies to Aella) to redeem at any time all or any of the Redeemable Preference Shares which are outstanding immediately prior to any such redemption. Aella shall not be required to select the shares to be redeemed on a pro rata basis or in any particular manner as between the holders of the Redeemable Preference Shares and no objection may be raised by any holder(s) of Redeemable Preference Shares in respect of any redemption or proposed redemption made pursuant to these provisions. Any such redemption shall only be made in accordance with and if permitted by any subordination arrangements or agreements which may be required to apply to the discharge of Aella's liabilities to any lender to Aella.
- (b) Upon any redemption of Redeemable Preference Shares pursuant to the provisions summarised at paragraph 2.4 (a) above, Aella shall pay to the holders of those Redeemable Preference Shares the amount paid up or credited as paid up (including any premium paid or credited as paid on issue) together with a sum equal to any arrears or accruals of the dividend thereon calculated down to the date of redemption irrespective of whether such dividends have been declared or not.
- (c) In respect of any proposed redemption, Aella shall give notice in writing to the holder(s) of the relevant Redeemable Preference Shares affected. Any such notice shall specify the date fixed by Aella for redemption and the place at which certificates are to be presented for redemption. Each such holder shall upon receipt of such notice be bound to deliver to Aella at such place as aforesaid the certificate for the relevant Redeemable Preference Shares in order that the same may be cancelled. Upon the date specified as the date for such redemption, subject to receipt of the relevant share certificate(s) from that holder, Aella shall pay to each such holder (or, in the case of joint holders, to the holder whose name stands first in the register in respect of such Redeemable Preference Shares) the amount due to him in respect of such redemption. If any certificate so delivered to Aella shall include any Redeemable Preference Shares not being redeemed on that occasion, a fresh certificate for such Redeemable Preference Shares shall be issued to the holder without charge. If any holder shall fail or refuse to deliver up the certificate for such Redeemable Preference Shares or shall fail or refuse to accept payment of the redemption moneys payable in respect of such Redeemable Preference Shares the relevant Redeemable Preference Shares may nonetheless be redeemed and the moneys payable to such holder in respect of the Redeemable Preference Shares may be held by Aella in trust for such holder but without interest and upon placing the amount on deposit at a bank Aella shall thereby be discharged from all obligations in connection with such Redeemable Preference Shares. Aella shall not be responsible for the safe custody of such moneys or interest thereon except such interest (if any) as the said moneys may earn whilst on deposit less any expenses incurred by Aella.
- (d) The Board of Aella shall have the power to issue ordinary shares in Aella in a nominal amount equivalent to Redeemable Preference Shares being redeemed, in anticipation of such redemption to the extent permitted by Part XI of the Companies Act, 1990.

2.5 Payments — Currency

All payments to be made by Aella in respect of the Redeemable Preference Shares shall be calculated and made in Euro (€).

2.6 No Transfer

- (a) Without prejudice to Articles 37 — 40 (Transmission of Shares) of the Aella Articles, no Redeemable Preference Share or Redeemable Preference Shares (and no interest therein of any nature) shall be capable of being transferred, disposed of or assigned to any party.

- (b) If any holder of Redeemable Preference Shares attempts to deal with or dispose of any Redeemable Preference Shares in Aella otherwise than in accordance with the provision of the Aella Articles, then a Specified Event shall be deemed to have occurred in relation to the relevant Redeemable Preference Shares. The term Specified Event is explained at paragraph 4.5 of Part A of Part VIII (Information on Aella and Adonia Aella) of this document.

2.7 Conversion to Deferred Shares on Default on Banking Facilities

In the event of an event of default occurring which is continuing under the banking facilities from time to time available to Aella and any bank or finance provider exercising rights of acceleration thereunder, including the appointment of a receiver (as provided for therein) the coupon of 3 per cent on the Redeemable Preference Shares will cease to be payable and the Redeemable Preference Shares will be converted into non-redeemable, non-voting deferred shares with a nominal value of €0.0001 each (the “**Deferred Shares**”), which may be compulsorily acquired at a price of €0.0001 per Deferred Share by any person who acquires all of the ordinary shares in Aella or Aella’s holding company.

2.8 Subordination Agreements - No Dividend or Distribution

Notwithstanding any provision in the Aella Articles, no distribution, dividend or return of capital shall be made in respect of any share in Aella as long as this is something which is prohibited by any subordination arrangement or agreement which may be required to apply to the discharge of Aella’s liability to any lender to Aella. The Directors of Aella have the power and authority (and each shareholder in subscribing for, or taking a transfer of, shares in Aella irrevocably and unconditionally authorises the Directors) to bind Aella and the shareholders to any subordination arrangements which may be required to apply to the discharge of Aella’s liabilities by any lender to Aella and to execute and to enter into any modification thereof and any further subordination or intercreditor agreement relating to the finance facilities necessary for the operation of the business of the Aella Group, which if the Scheme becomes effective will include ICG.

2.9 Transmission of Redeemable Preference Shares in Aella

- (a) The Aella Articles provide that if a shareholder in Aella holding Redeemable Preference Shares dies, the survivor or survivors, where such shareholder was a joint holder, and, where such shareholder was a sole holder, the personal representatives of such shareholder shall be the only persons recognised by Aella as having any title to the interest of such shareholder in the relevant shares in Aella.
- (b) A person becoming entitled to a Redeemable Preference Share in consequence of the death or bankruptcy of a shareholder may elect either to be registered as the holder of the share or to have some person nominated by such person registered as the holder but the Directors of Aella shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of shares of that shareholder before his death or bankruptcy.
- (c) A person becoming entitled to a share by reason of the death or bankruptcy of a shareholder holding Redeemable Preference Shares (upon supplying to Aella such evidence as the Board of Aella may reasonably require to show the title of such person to the share) shall have the rights to which such person would be entitled if such person were registered as the holder of the share, except that, before being registered such person shall not be entitled in respect of the relevant share to attend or vote at any meeting of Aella or at any separate meeting so, however, that the Board of Aella may give notice requiring any such person to elect either to be registered or to transfer the share. If such a notice is not complied with within ninety days, the Board of Aella may withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with by such person.

2.10 Public Quotation

Aella currently has no plans to seek a public quotation of the Redeemable Preference Shares on any recognised securities exchange or other market.

PART VIII — INFORMATION ON AELLA AND ADONIA AELLA

PART A: INFORMATION ON AELLA

1. INCORPORATION AND REGISTERED OFFICE

Aella was incorporated on 12 February 2007 as a public limited company.

The registered office of Aella is Arthur Cox Building, Earlsfort Centre, Earlsfort Terrace, Dublin 2 and its registered number is 434571.

2. DIRECTORS

The directors of Aella are:

Eamonn Rothwell

Garry O’Dea

Anthony Kelly

John Reilly

3. SHARE CAPITAL

3.1 Initial Share Capital

- (a) On incorporation on 12 February 2007 the authorised share capital of Aella was €38,093 of which 7 ordinary shares of €1.00 were fully paid up (“**Aella Ordinary Shares**”). On 14 February 2007 38,085 ordinary shares of €1.00 were issued to Fand Limited paid up to €0.25 each.
- (b) On 6 March 2007 the authorised share capital of Aella was increased from €38,093 divided into 38,093 ordinary shares of €1 each to €50,000 by the creation of 119,070,000 3 per cent. Redeemable Preference Shares of €0.0001 each. On 7 March 2007 the issued share capital of Aella was fully paid up and 38,085 ordinary shares of €1.00 each were transferred by Fand Limited (as nominee of Adonia Aella) to Adonia Aella (a company owned and controlled by the MBO Team) for nil consideration.
- (c) Since incorporation, Aella has not redeemed or purchased any of its own shares.
- (d) Adonia Aella owns the beneficial interest in the entire issued share capital of Aella. As at close of business on the Latest Practicable Date, the following persons had an indirect interest of 5 per cent. or more of the relevant securities of Aella via their shareholding in Adonia Aella, Aella’s parent company:

<u>Name</u>	<u>Address</u>	<u>Per cent.</u>
Eamonn Rothwell	Biscayne, South Hill Avenue, Blackrock, County Dublin	81.63
Garry O’Dea	20 Braemor Park, Churchtown, Dublin 14	9.57

3.2 Share Capital following Completion

- (a) Following completion of the Revised Acquisition it is intended that the authorised and issued share capital of Aella will be as follows (on the assumption that the only ICG Shareholders and ICG Option holders who elect for the Redeemable Preference Share Alternative will be the MBO Team):

Authorised Share Capital: €50,000 divided into 38,093 ordinary shares of €1 each and 119,070,000 Redeemable Preference Shares of €0.0001 each

Issued Share Capital: 38,092 ordinary shares of €1 each and 2,308,950 Redeemable Preference Shares of €0.0001 each

- (b) Immediately following completion of the Revised Acquisition (on the assumption that the only ICG Shareholders and ICG Optionholders who elect for the Redeemable Preference Share

Alternative will be the MBO Team) it is expected that the following persons will have a direct or indirect interest of 5 per cent. or more of the relevant securities of Aella:

<u>Name</u>	<u>Address</u>	<u>Per cent.</u>
Eamonn Rothwell	Biscayne, South Hill Avenue, Blackrock, County Dublin	81.63
Garry O’Dea	20 Braemor Park, Churchtown, Dublin 14	9.57

4. SUMMARY OF ARTICLES OF ASSOCIATION OF AELLA

On 7 March 2007 new Articles of Association of Aella were adopted (the “**Aella Articles**”). The Aella Articles set out, inter alia, details of the rights of, and restrictions applying to, the Redeemable Preference Shares, which are summarised in Part VII (Particulars of the Redeemable Preference Shares) of this document. Apart from the rights of the Redeemable Preference Shareholders set out at Part VII (Particulars of the Redeemable Preference Shares), the holders of the ordinary shares of Aella are entitled to all the rights of shareholders in Aella including, rights to dividends and to attend and vote at general meetings of Aella. Adonia Aella, a company controlled by the MBO Team, is the beneficial owner of the entire issued ordinary share capital of Aella. This Part VIII should be read in conjunction with Part VII (Particulars of the Redeemable Preference Shares) to this document.

Under the terms of the Aella Articles:

- 4.1 For the purposes of section 20 of the Companies (Amendment) Act 1983, the Board of Aella are authorised to allot shares in the capital of Aella up to an amount of the authorised but unissued share capital of Aella. This authority expires on 11 February 2012 unless previously renewed, varied or revoked by Aella in general meeting. For so long as the Board of Aella are so authorised, they have power to allot equity securities as if the pre-emption provisions contained in section 23(1) of that Act do not apply.
- 4.2 Whenever the share capital of Aella is divided into different classes of shares, the rights attached to any class of shares in the capital of Aella may, whether or not Aella is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares in that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- 4.3 The directors of Aella may at any time and from time to time if, in their absolute discretion, they consider it to be in the interests of Aella to do so, give a notice to the holder or holders of any share (or any of them) requiring such holder or holders to notify Aella in writing within such period as may be specified in such notice (which shall not be less than twenty-eight days from the date of service of such notice) of full and accurate particulars of all or any of the following matters, namely:-(i) his interest in such share; (ii) if his interest in the share does not consist of the entire beneficial interest in it, the interests of all persons having any beneficial interest in the share (provided that one joint holder of a share shall not be obliged to give particulars of interests of persons in the share which arise only through another joint holder); and (iii) any arrangements (whether legally binding or not) entered into by him or any person having any beneficial interest in the share whereby it has been agreed or undertaken or the holder of such share can be required to transfer the share or any interest therein to any person (other than a joint holder of the share) or to act in relation to any meeting of Aella or of the holders of any class of shares of Aella in a particular way or in accordance with the wishes or directions of any other person (other than a person who is a joint holder of such share).
- 4.4 If, pursuant to any notice given as summarised under paragraph 4.3, the person stated to own any beneficial interest in a share or the person in favour of whom any holder (or other person having any beneficial interest in the share) has entered into any arrangements referred to in paragraph 4.3, is a body corporate, trust, society or any other legal entity or association of individuals and/or entities, the directors of Aella may at any time and from time to time if, in their absolute discretion, they consider it to be in the best interests of Aella to do so, give a notice to the holder or holders of such share (or any of them) requiring such holder or holders to notify Aella in writing within such period as may be specified in such notice (which shall not be less than fourteen days from the date of service of such notice) of full and accurate particulars of the names and addresses of the individuals who control (whether directly or indirectly and through any number of vehicles or arrangements) the beneficial ownership of all the shares, interests, units or other measure of ownership of such body corporate, trust, society, or other entity or association wherever the same shall be incorporated, registered or domiciled or wherever such individuals shall reside provided that if at any stage of such chain of ownership the

beneficial interest in any share shall be established to the satisfaction of the directors of Aella to be in the ownership of any body corporate which is listed or quoted on any bona fide stock exchange, unlisted securities market or over-the-counter securities market, it shall not be necessary to disclose details of the individuals ultimately controlling the beneficial interests in the shares of such body corporate. The directors of Aella may (before or after receipt of any written particulars) require any such particulars to be verified by statutory declaration.

- 4.5 If at any time the Board of Aella determines that a Specified Event (as defined below) shall have occurred in relation to any share or shares, the Board of Aella may serve a notice to such effect on the holder or holders thereof. Upon the service of any such notice (a “**Restriction Notice**”), for so long as such Restriction Notice shall remain in force:
- (a) no holder or holders of the share or shares specified in such Restriction Notice (in this paragraph referred to as “**Specified Shares**”) shall be entitled to attend, speak or vote at any general meeting of Aella or at any general meeting of the class of shares concerned or to exercise any other right conferred by membership in relation to any such meeting; and
 - (b) the Board of Aella shall be entitled to withhold payment of any dividend or other amount payable (including shares issuable in lieu of dividend) in respect of the Specified Shares.

The expression “**Specified Event**” in relation to any share in this paragraph shall mean any of the following events:

- (i) the failure of the holder or holders thereof to pay any call or instalment of a call in the manner and at the time appointed for payment thereof;
 - (ii) the failure by the holder thereof or any of the holders thereof to comply, to the satisfaction of the Board of Aella, with all or any of the terms of the Articles relating to disclosure of interests in, or transfer of shares; or
 - (iii) the failure by the holder thereof or any of the holders thereof to comply, to the satisfaction of the Board of Aella, with the terms of any notice given to such holder or any of such holders pursuant to the provisions of section 81 of the Companies Act 1990.
- 4.6 As summarised in Part VII (Particulars of the Redeemable Preference Shares), no Redeemable Preference Share or Redeemable Preference Shares (and no interest of any nature in such shares) shall be capable of being transferred, disposed of or assigned to any party (other than in the case of transmission on death/bankruptcy).
- 4.7 The number of the directors of Aella shall be not less than two and not more than ten.
- 4.8 A director of Aella may vote in respect of any contract, appointment or arrangement in which he is interested and he shall be counted in the quorum present at the meeting, provided always that a director of Aella who is in any way, whether directly or indirectly, interested in a contract or proposed contract with Aella, or an appointment or an arrangement with Aella, shall declare the nature of his interest at a meeting of the directors of Aella in accordance with section 194 of the Act.
- 4.9 A director of Aella may hold and be remunerated in respect of any other office or place of profit under Aella or any other company in which Aella may be interested (other than the office of auditor of Aella) in conjunction with his office of director for such period and on such terms as to remuneration and otherwise as the directors of Aella may determine, and no director or intending director of Aella shall be disqualified by his office from contracting or being interested, directly or indirectly, in any contract or arrangement with Aella or any such other company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any director of Aella so contracting or being so interested be liable to account to Aella for any profits and advantages accruing to him from any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.
- 4.10 No distribution, dividend or return of capital shall be made in respect of any share in Aella if it is prohibited by any subordination arrangement or agreement which may be required to apply to the discharge of Aella’s liability to any lender to Aella. The directors of Aella have the power and authority (and each shareholder in subscribing for, or taking a transfer of, shares in Aella irrevocably and unconditionally so authorises the directors of Aella) to bind Aella and the shareholders to any subordination arrangements which may be required to apply to the discharge of Aella’s liabilities by any lender to Aella and to execute and to enter into any modification thereof and any further

subordination or intercreditor agreement relating to the finance facilities necessary for the operation of the business of the Aella Group.

5. FINANCING OF THE REVISED ACQUISITION

The total amount of funds required by Aella to purchase, pursuant to the terms of the Revised Acquisition, all of the issued and to be issued share capital of Aella is estimated to be approximately €611.8 million. This assumes all the ICG Shareholders receive the Cash Consideration and that all outstanding options under the ICG Share Option Schemes have been exercised and Cash Consideration paid for the resulting ICG Units. The payment of interest on and the repayment of the facilities detailed below and (subject to the Scheme becoming effective) the security therefore will depend to a significant extent on the business of the ICG Group.

In order to fund the Revised Acquisition Aella has entered into the following two facility agreements:

- (a) Facility Agreement (the “**Senior Facility Agreement**”) dated 8 March 2007 and amended and restated on 20 June 2007 and 18 August 2007 between (1) Adonia Aella as parent (2) Adonia Aella and Aella as original borrowers (3) Adonia Aella and Aella as original guarantors (4) AIB as arranger (5) AIB as agent (6) AIB as issuing bank and (7) the financial institutions listed in Schedule 1 thereto as original lenders in a total sum of €531 million and U.S.\$23.3 million (as amended, the “**Senior Facilities**”); and
- (b) PIK Facility Agreement (the “**PIK Facility Agreement**”) dated 8 March 2007 and amended and restated on 20 June 2007 between (1) Adonia Aella as parent (2) Aella as PIK borrower (3) Aella and Adonia Aella as original PIK guarantors (4) AIB as PIK agent (5) AIB as arranger and (6) AIB as original PIK lender in an aggregate amount of €40 million and the sum of €133 million less the aggregate amount of the Loan Note issued under the Loan Notes Instrument (as amended, the “**PIK Facility**”)

5.1 Senior Facility Agreement

The Senior Facility Agreement makes available to Aella and Adonia Aella facilities in a total amount of €531 million and U.S.\$23.3 million to facilitate the Revised Acquisition and in particular financing/or refinancing:

- (a) the payments to be made by Aella pursuant to the terms of the Scheme or under any undertaking given in respect of the Scheme;
- (b) payment of the fees costs and expenses associated with the Revised Acquisition;
- (c) the existing bank indebtedness of the ICG Group;
- (d) the redemption of any Redeemable Preference Shares from time to time issued in Aella and held by members of Aella other than the MBO Team;
- (e) costs incurred in connection with the acquisition and refurbishment of the MV Kronprins Harald;
- (f) the general corporate and working capital requirements of Aella, Adonia Aella and the ICG Group; and
- (g) the continued use of letters of credit or guarantees previously issued by AIB on behalf of the ICG Group.

The Senior Facilities attract an interest rate of EURIBOR and any Mandatory Cost together with a Margin (both as defined in the Senior Facility Agreement).

The Senior Facilities are secured on all of the assets of Aella and Adonia Aella including any ICG Units acquired by Aella pursuant to the Scheme and (subject to the Scheme becoming effective) will also be secured on the assets of the ICG Group. The Senior Facility Agreement also contains a guarantee and indemnity from each of Aella and Adonia Aella of all obligations arising under the Senior Facility Agreement. If the Scheme becomes effective, the ICG Group will accede to the Senior Facility Agreement and specified members of the ICG Group will enter into a guarantee and indemnity pursuant thereto.

The availability of the Senior Facilities are subject to various customary representations and warranties, covenants, conditions precedent and events of default, subject always to the certain funds provisions as therein set out.

The Senior Facilities are divided into various categories of facilities, the latest repayment date of which is the ninth anniversary of the drawdown of such facilities.

5.2 PIK Facility Agreement

The PIK Facility Agreement makes available to Aella the PIK Facility to facilitate financing the payments to be made by Aella pursuant to the terms of the Scheme or under any undertaking given in respect of the Scheme and the payment of the fees, costs and expenses associated with the Revised Acquisition.

The PIK Facility attracts an interest rate of 18 per cent. per annum and any Mandatory Costs (as defined in the PIK Facility Agreement).

The PIK Facility Agreement contains a guarantee and indemnity from each of Aella and Adonia Aella of all obligations arising under the PIK Facility Agreement. If the Scheme becomes effective, the ICG Group will accede to the PIK Facility Agreement and will enter into a guarantee and indemnity pursuant thereto.

The availability of the PIK Facility is subject to various customary representations and warranties, covenants, conditions precedent and events of default but subject always to the certain funds provisions as therein set out.

The PIK Facility is repayable on the tenth anniversary of the first drawdown.

5.3 Underwriting arrangements with Eamonn Rothwell

Under certain circumstances, Eamonn Rothwell has agreed with AIB to underwrite up to €25 million of the Partial Loan Note Alternative. If this underwriting commitment is called upon, the amount of the Loan Notes which can be issued by Aella can be increased by up to €5 million to €93 million.

5.4 Intercreditor Agreement

An intercreditor agreement has been entered into between among others Aella, Adonia Aella, AIB as the Original Senior Lender, the Original PIK Lender, the Senior Agent, the companies listed in Part 2 of Schedule 1 thereto as original Inter-Group Creditors, the companies listed in Part 1 of Schedule 1 thereto as original obligors and the PIK Agent, the Security Agent and the Original Hedging Counterparty and Goodbody Stockbrokers Nominees Limited, as Loan Note Nominee and the investors listed in Schedule 2 thereto, as Original Investors (the “**Intercreditor Agreement**”).

The Intercreditor Agreement sets out the order of ranking of the debt due to each of the parties to the Intercreditor Agreement and the terms upon which sums due to them are subordinated and recoveries upon any future enforcement by the Security Agent are to be applied. It also details certain subordination agreements, the priority of security held from the Group, the circumstances in which enforcement can occur and other matters regulating the relationship among creditors and between creditors and the Group and exercise of rights. The terms of the appointment of the Security Agent (as defined therein) are also contained as are certain indemnities, consents, powers of attorney and information/cooperation provisions. As part of the agreements between creditors in the Intercreditor Agreement, it is expressly agreed that the no distribution or payment of any kind will be made to or received by any investor in Aella or Adonia Aella. For the avoidance of doubt and without prejudice to the generality of the foregoing, this means that no dividend can be paid in respect of the Redeemable Preference Shares nor can they be redeemed until debts ranking in priority have been permanently discharged in full (other than intra group debts).

On enforcement of the security, the order of ranking of the claims is as follows:

- (a) all monies due to finance parties under the Finance Documents (as defined in the Senior Facility Agreement) and then any associated hedging liabilities;
- (b) all monies due to the PIK finance parties under the PIK Finance Documents (as defined in the PIK Facility Agreement);

- (c) all monies due to Goodbody Stockbrokers Nominees Limited, as Loan Note Nominee, under the Loan Notes or any loan notes which may be issued to persons in their capacity as employees;
- (d) all monies due by a member of the ICG Group, Aella or Adonia Aella to another member of the ICG Group, Aella or Adonia Aella; and
- (e) all monies due by a member of the ICG Group, Aella or Adonia Aella to the Original Investors or any other person who becomes an investor pursuant to the constitutional documents of a member of the ICG Group, Aella or Adonia Aella, the Intercreditor Agreement and any other document providing for the payment of any amount by ICG Group, Aella or Adonia Aella to such an investor or by virtue of holding shares in any Group Company and includes any amount due in respect of the Redeemable Preference Shares.

5.5 Other Document signed by Aella in connection with the Financing

- (a) In connection with the financing of the Revised Acquisition, Aella and Adonia Aella have also entered into a debenture dated 8 March 2007 between (1) Aella (2) Adonia Aella and (3) AIB as Security Trustee providing for certain of the security required pursuant to the Senior Facilities Agreement (the “**Debenture**”).

6. FINANCIAL INFORMATION AND ACTIVITIES

Aella has not traded or held any assets at any time since it was incorporated, nor has it entered into any obligations other than in connection with the Revised Acquisition and the financing thereof. The financial and trading prospects of Aella if the Scheme becomes effective will depend on the strength of ICG’s business and the sector in general.

PART B: INFORMATION ON ADONIA AELLA

1. INCORPORATION AND REGISTERED OFFICE

Adonia Aella was incorporated on 21 February 2007 as a private limited company. Adonia Aella is owned by the members of the MBO Team.

The registered office of Adonia Aella is Arthur Cox Building, Earlsfort Centre, Earlsfort Terrace, Dublin 2 and its registered number is 435192.

2. DIRECTORS

The directors of Adonia Aella are:

Eamonn Rothwell
Garry O'Dea
Anthony Kelly
John Reilly

3. FINANCIAL INFORMATION AND ACTIVITIES

Adonia Aella has not traded or held any assets other than its shares in Aella at any time since it was incorporated, nor has it entered into any obligations other than in connection with the Revised Acquisition and the financing thereof.

The financial and trading prospects of Adonia Aella if the Scheme becomes effective will depend on the strength of ICG's business and the sector in general.

4. SHARE CAPITAL

Immediately following completion of the Revised Acquisition (on the assumption that the only ICG Shareholders and ICG Optionholders who elect for the Redeemable Preference Shares will be the MBO Team), it is expected that the following persons will have a direct or indirect interest of 5 per cent. or more of the relevant securities of Adonia Aella:

<u>Name</u>	<u>Address</u>	<u>Per cent</u>
Eamonn Rothwell	Biscayne, South Hill Avenue, Blackrock, County Dublin	81.63
Garry O'Dea	20 Braemor Park, Churchtown, Dublin 14	9.57

PART IX — FINANCIAL INFORMATION RELATING TO ICG

The financial information in this Part IX is extracted without material adjustment from the published audited consolidated accounts for the years ended 31 December 2005 and 2006 (Part A) and the published unaudited interim accounts for the six months ended 30 June 2007 (Part B). The group prepared its financial statements in accordance with International Financial Reporting Standards (IFRS) for the first time in 2005 and restated the comparative financial information for 2004 under IFRS. The financial information contained in this Part IX for 2004 is the restated 2004 financial information published as comparatives in the 2005 financial statements which has been extracted without material adjustments from those financial statements. The impact of the restatement of the 2004 financial information under IFRS is set out in Note 39. The auditors, Deloitte & Touche, have reported without qualification in respect of the financial statements prepared in accordance with IFRS for each of the financial years ended 2005 and 2006. The auditors, Deloitte & Touche have reported without qualification in respect of the financial statements prepared in accordance with Irish GAAP for the year ended 31 December 2004. The financial information in this Part IX does not constitute statutory accounts within the meaning of section 4 of the Companies (Amendment) Act 1986.

PART A

Consolidated Income Statements for the years ended 31 December 2004, 2005 and 2006

	Notes	** As Restated 2004 €m	2005		2006 €m
			As Previously Stated €m	* As Restated €m	
Continuing operations					
Revenue	5	293.3	298.7	298.5	312.1
Depreciation and amortisation	13	(26.3)	(27.8)	(27.7)	(27.5)
Employee benefits expense	7	(58.4)	(57.2)	(57.9)	(32.9)
Other operating expenses		<u>(185.3)</u>	<u>(194.7)</u>	<u>(194.8)</u>	<u>(219.5)</u>
Trading profit		23.3	19.0	18.1	32.2
Non recurring (charge)/credit	9	<u>(12.4)</u>	<u>(29.1)</u>	<u>(31.6)</u>	<u>0.7</u>
Operating profit/(loss)		10.9	(10.1)	(13.5)	32.9
Investment revenue	10	0.9	1.0	14.1	18.3
Finance costs	11	<u>(6.3)</u>	<u>(5.7)</u>	<u>(15.6)</u>	<u>(17.9)</u>
Profit/(loss) before tax		5.5	(14.8)	(15.0)	33.3
Income tax expense	12	<u>—</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>(1.0)</u>
Profit/(loss) for the year: all attributable to equity holders of the parent	13	<u>5.5</u>	<u>(15.6)</u>	<u>(15.8)</u>	<u>32.3</u>
Earnings/(loss) per share					
All from continuing operations:					
Basic	15	23.4c	(66.9)c	(67.8)c	137.4c
Diluted	15	23.3c	—	—	136.9c

* Presentation of comparative amounts have been restated and reclassified (see notes 6 and 9)

** Restated following the implementation of International Financial Reporting Standards (Note 39)

**Consolidated Statements of Recognised Income and Expense
for the years ended 31 December 2004, 2005 and 2006**

	Notes	2004 ** as restated €m	2005		2006 €m
			As Previously Stated €m	* As Restated €m	
(Losses)/Gains on cash flow hedges	23	—	—	(0.1)	0.6
Exchange differences on translation of foreign operations	23	(2.2)	5.8	5.8	(0.9)
Actuarial (loss) gain on retirement obligations	34(viii)	(14.3)	3.9	3.9	12.1
Deferred Tax on Group defined benefit pension schemes	26	—	—	—	(0.5)
Profit/(loss) for the year		<u>5.5</u>	<u>(15.6)</u>	<u>(15.8)</u>	<u>32.3</u>
Total recognised income and expense for the year: all attributable to equity holders of the parent — (decrease)/increase in retained earnings		<u>(11.0)</u>	<u>(5.9)</u>	<u>(6.2)</u>	43.6
Effect of change in accounting policy	6				<u>1.5</u>
Total recognised income and expense for the year as restated					<u>45.1</u>

**Consolidated Cash Flow Statements
for the years ended 31 December 2005 and 2006**

	Notes	* As Restated 2005 €m	2006 €m
Net cash from operating activities	36	<u>31.7</u>	<u>8.7</u>
Investing activities			
Interest received		1.0	0.3
Proceeds on disposal of property, plant and equipment		0.6	0.2
Purchases of property, plant and equipment		(11.9)	(11.4)
Purchases of intangible assets		<u>(1.6)</u>	<u>(0.6)</u>
Net cash used in investing activities		<u>(11.9)</u>	<u>(11.5)</u>
Financing activities			
Redemption of redeemable shares		(6.3)	(7.2)
Repayments of borrowings		(77.9)	(11.8)
Repayments of obligations under finance leases		(4.3)	(4.0)
Proceeds on issue of ordinary share capital		—	1.1
New bank loans raised		71.8	19.6
New finance leases raised		0.2	2.4
Decrease in bank overdrafts		<u>(0.2)</u>	<u>—</u>
Net cash used in financing activities		<u>(16.7)</u>	<u>0.1</u>
Net increase/(decrease) in cash and cash equivalents		3.1	(2.7)
Cash and cash equivalents at the beginning of the year		9.2	14.0
Effect of foreign exchange rate changes		<u>1.7</u>	<u>(0.3)</u>
Cash and cash equivalents at the end of the year			
Bank balances and cash		<u>14.0</u>	<u>11.0</u>

* Presentation of comparative amounts have been restated and reclassified (see notes 6 and 9)

** Restated following the implementation of International Financial Reporting Standards (Note 39)

**Consolidated Balance Sheets
at 31 December 2005 and 2006**

	<u>Notes</u>	<u>As Restated 2005 €m</u>	<u>2006 €m</u>
Assets			
Non-current assets			
Property, plant and equipment	16	287.8	271.0
Intangible assets	17	3.3	2.8
Long term receivable		4.9	4.5
Retirement benefit surplus	34(ix)	8.0	29.9
		<u>304.0</u>	<u>308.2</u>
Current assets			
Inventories	19	0.6	0.6
Trade and other receivables	20	37.6	53.5
Derivative financial instruments	25	—	0.5
Cash and cash equivalents	21	14.0	11.0
		<u>52.2</u>	<u>65.6</u>
		<u>356.2</u>	<u>373.8</u>
Total assets			
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	22	15.8	15.9
Share premium	23	39.6	40.6
Other reserves	23	5.8	5.9
Retained earnings	23	79.2	115.9
		<u>140.4</u>	<u>178.3</u>
Equity attributable to equity holders of the parent			
<i>Non-current liabilities</i>			
Borrowings	24	99.4	105.3
Obligations under finance leases	27	5.3	5.0
Trade and other payables	28	3.7	—
Provisions	29	2.1	1.8
Deferred tax liabilities	26	4.9	5.6
Derivative financial instruments	25	0.1	—
Retirement benefit obligation	34(ix)	0.6	10.1
		<u>116.1</u>	<u>127.8</u>
<i>Current liabilities</i>			
Borrowings	24	11.7	11.9
Obligations under finance leases	27	3.5	2.6
Trade and other payables	28	46.0	47.8
Current tax liabilities	28	4.8	3.6
Provisions	29	33.7	1.8
		<u>99.7</u>	<u>67.7</u>
		<u>215.8</u>	<u>195.5</u>
Total liabilities			
Total equity and liabilities			
		<u>356.2</u>	<u>373.8</u>

* Presentation of comparative amounts have been restated and reclassified (see notes 6, 9 and 39)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policy for deferred revenue and the presentation of the financial statements in relation to the expected return on scheme assets and the interest on scheme liabilities have been amended in 2006 and the impact of these changes are set out in note 6, 9 and 39.

The significant accounting policies adopted by the Group are as follows:

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared on the historical cost basis except for the revaluation of financial instruments. The principal accounting policies adopted by the Group are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable from passenger and freight services supplied to third parties, exclusive of discounts and value added tax.

Passenger ticket revenue is recognised at the date of travel. Freight revenue is recognised at the date of transportation. Revenue from passenger tickets sold before the year end for a travel date after the year end is included in the balance sheet in current liabilities under the caption "trade and other payables".

Cash revenue from on-board sales is recognised immediately.

Leasing

The Group as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease.

The capital element of future lease rentals is treated as a liability and is included in the balance sheet as a finance lease obligation. The interest element of lease payments is charged to the Consolidated Income Statement over the period of the lease in proportion to the balance outstanding.

Rentals payable under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the term of the lease.

The Group as lessor

Rental income from operating leases is recognised as determined by the relevant lease.

Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each entity are expressed in euro, which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in the income statement for the year.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group foreign operations are expressed in euros using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year.

Exchange differences arising on the translation of foreign currency subsidiaries, if any, are classified as equity and transferred to the Group's translation reserve. On disposal of a foreign subsidiary the cumulative translation difference for that foreign subsidiary is transferred to the Consolidated Income Statement as part of the gain or loss on disposal.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below for details of the Group's accounting policies in respect of such derivative financial instruments).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

Government Grants

Grants of a capital nature are accounted for as deferred income and are released to the Consolidated Income Statement at the same rates as the related assets are depreciated. Grants of a revenue nature are credited to the Consolidated Income Statement to offset the matching expenditure.

Retirement Benefit Costs

For defined benefit retirement benefit plans, the cost of providing benefits and the liabilities of the plans are determined using the projected unit credit method, with actuarial valuations being carried out by independent and professionally qualified actuaries at each balance sheet date.

Current service cost, interest cost and return on plan assets are recognised in the Consolidated Income Statement. Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Recognised Income and Expense. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund. This scheme is treated as a defined benefit scheme and included with the other Group schemes.

The expected return on scheme assets has been recorded under Investment revenue and the interest on scheme liabilities has been recorded in the income statement under Finance costs.

The surplus or deficit on the Group's defined benefit pension plans is recognised in full in the Consolidated Balance Sheet.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A proportion of the Group's profits fall within the charge to Tonnage Tax, under which regime taxable profits are relieved to an amount based on the tonnage of vessels employed during the year. The tonnage tax charge is included within the income tax charge in the Consolidated Income Statement.

Deferred taxes are calculated based on the temporary differences that arise between the tax base of the asset or liability and its carrying value in the Balance Sheet. Deferred tax is recognised on all temporary differences in existence at the balance sheet date except as provided under IAS 12. Deferred tax assets are recognised to the extent that it is probable that they will be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and deferred tax liabilities are offset where taxes are levied by the same taxation authority and relate to the same tax period.

Property, Plant and Equipment

Passenger ships

Passenger ships are stated at cost, with the exception of the fast ferry Jonathan Swift which is stated at deemed cost upon transition to IFRS.

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant parts and each such part is depreciated separately. In respect of passenger ships cost is allocated between hull and machinery and hotel and catering areas.

For passenger ships hotel and catering components with intensive wear are depreciated over 10 years. Hull and machinery components with minor wear are depreciated over the useful lives of the ships of 15 years for fast ferries and 30 years to residual value for conventional ferries. Residual values are reviewed on an annual basis.

Other Assets

Other tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. When the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. Cost comprises purchase price and directly attributable costs. Freehold land is not depreciated.

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant parts and each such part is depreciated separately. In respect of stevedoring equipment cost is allocated between structural frame and machinery.

Depreciation on the tangible fixed assets is calculated by charging equal annual instalments to the Consolidated Income Statement so as to provide for their cost over the period of their expected useful lives at the following annual rates:

Ships	3.33%-10% to residual value
Land and Buildings	0.7%-10%
Plant and Equipment	4%-25%
Vehicles	20%

Assets under construction, the construction of which falls into two or more accounting periods are recorded at the cost incurred to date and no depreciation is charged on these amounts.

Drydocking

Costs incurred on the overhaul of ships are capitalised and depreciated over the period to the next overhaul.

Intangible Assets

Computer software that is not an integral part of an item of computer hardware is capitalised as an intangible asset. All software has a finite useful life of 5 years over which the assets are amortised. Amortisation is on a straight line basis.

Financial Fixed Assets

Financial fixed assets are shown at cost less amounts charged to the Income Statement where the directors consider that there has been a permanent impairment in value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents suppliers' invoiced cost determined on a first in, first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing selling and distribution.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at invoice value, which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Consolidated Income Statement when there is objective evidence that the carrying value of the asset exceeds the recoverable amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see above).

Trade payables

Trade payables are measured at fair value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group use foreign exchange forward contracts and interest rate swaps to hedge these exposures.

Derivative financial instruments are held in the Balance Sheet at their fair value. Changes in the fair value of derivative financial instruments that are designated, and are effective, as hedges of changes in future cash flows are recognised directly in equity. Any ineffective portion of the hedge is recognised in the Consolidated Income Statement. When the cash flow hedge of a firm commitment or forecasted transaction subsequently results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are recognised in the Consolidated Income Statement.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Share-Based Payments

In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2004.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using the Binomial pricing model. In the prior year the Black Scholes pricing model was used to measure fair value. The Binomial pricing model has been adopted in the current year as in the opinion of the directors this is more appropriate given the nature of the scheme. The difference in fair value using the Binomial model is not material and therefore the comparative figures have not been restated.

The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Treasury Shares

Treasury shares are deducted from Equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the treasury shares. Any consideration paid or received is included in share premium.

Segmental Analysis

The Group's primary format for segmental reporting is business segments. The risks and returns of the Group's operations are primarily determined by the different services that the Group offers. The Group has two business segments, Ferries and Container and Terminal. Corporate activities, such as the cost of corporate stewardship, are reported along with the elimination of inter-group activities under the heading "Unallocated Liabilities".

Segment assets and liabilities consist of property, plant and equipment and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated segment assets and liabilities mainly include current and deferred income tax balances together with financial assets and liabilities.

The Group's secondary format for segmental reporting is geographical segments. There is no significant difference in risk profile between the routes the Group operates i.e. between geographical areas. Given that the Group is primarily an operator of ships there is no reasonable basis upon which to assign its main assets, ships, to any geographical area. Therefore the Group will only present geographical information relating to where revenues are earned.

2. GENERAL INFORMATION

Irish Continental Group plc (ICG) is a public limited company incorporated in Ireland under the Companies Acts 1963 to 2006. The principal activities of the Group are described in note 5.

The group operates a passenger and freight shipping service between Ireland and France.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In 2006, the Group adopted the Amendments to International Accounting Standard (IAS) 39 Financial Instruments: recognition and measurement and International Financial Reporting Standard (IFRS) 4 Insurance contracts. There has been no impact on opening reserves or results to date in relation to the implementation of these new standards.

In 2005, the group adopted IAS 39 Financial Instruments. The impact of this at 31 December 2005 was an increase in trade and other payables by €0.1m.

4. REVENUE

An analysis of the Groups revenue for the year is as follows:

	2004 €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
Continuing operations				
Ferries	164.3	162.7	162.5	170.0
Containers & Terminal	129.8	136.4	136.4	142.6
Intersegment	<u>(0.8)</u>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.5)</u>
	<u>293.3</u>	<u>298.7</u>	<u>298.5</u>	<u>312.1</u>

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business Segments

For management purposes, the Group is currently organised into two operating divisions — Ferries and Container & Terminal. These divisions are the basis on which the Group reports its primary segment information.

The principal activities of the Ferries division are the operation and external charter of combined Ro-Ro passenger ferries. The principal activities of the Container & Terminal division are the provision of door-to-door and feeder Lo-Lo freight services, stevedoring and container storage.

Segment information about the Group's continuing operations is presented below.

<u>2006</u>	<u>Ferries €m</u>	<u>Container & Terminal €m</u>	<u>Total (All Continuing Operations) €m</u>
Revenue			
External sales	170.0	142.6	312.6
Inter-segment sales	<u>—</u>	<u>(0.5)</u>	<u>(0.5)</u>
Total revenue from continuing operations	<u>170.0</u>	<u>142.1</u>	<u>312.1</u>
Inter-segment sales are charged at prevailing market prices			
Result			
Segment result from continuing operations	28.6	3.6	32.2
Non recurring credit	<u>0.7</u>	<u>—</u>	<u>0.7</u>
Operating profit from continuing operations	<u>29.3</u>	<u>3.6</u>	32.9
Investment income			18.3
Finance costs			<u>(17.9)</u>
Profit before tax			33.3
Income tax expense			<u>(1.0)</u>
Profit for the year from continuing operations			<u>32.3</u>
Other Information			
Capital additions	8.7	3.3	12.0
Depreciation and amortisation	24.2	3.3	27.5
	<u>Ferries €m</u>	<u>Container & Terminal €m</u>	<u>Total (All Continuing Operations) €m</u>
Balance sheet			
Assets			
Segment assets	<u>326.4</u>	<u>31.9</u>	358.3
Cash and cash equivalents			11.0
Unallocated assets			<u>4.5</u>
Consolidated total assets			<u>373.8</u>
Liabilities			
Segment liabilities	<u>41.6</u>	<u>20.2</u>	61.8
Debt			124.8
Unallocated liabilities			<u>8.9</u>
Consolidated total liabilities			<u>195.5</u>

<u>2005</u>	<u>As Previously Stated Ferries €m</u>	<u>As Restated Ferries €m</u>	<u>Container & Terminal €m</u>	<u>As Previously Stated Total (All Continuing Operations) €m</u>	<u>As Restated Total (All Continuing Operations) €m</u>
Revenue					
External sales	162.7	162.5	136.4	299.1	298.9
Inter-segment sales	<u>—</u>	<u>—</u>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.4)</u>
Total revenue from continuing operations	<u>162.7</u>	<u>162.5</u>	<u>136.0</u>	<u>298.7</u>	<u>298.5</u>

Inter-segment sales are charged at prevailing market prices.

	<u>As Previously Stated €m</u>	<u>As Restated €m</u>	<u>€m</u>	<u>As Previously Stated €m</u>	<u>As Restated €m</u>
Result					
Segment result from continuing operations	14.8	13.9	4.2	19.0	18.1
Non recurring charge	<u>(29.1)</u>	<u>(31.6)</u>	<u>—</u>	(29.1)	(31.6)
Operating (loss)/profit from continuing operations	<u>14.3</u>	<u>(17.7)</u>	<u>4.2</u>	(10.1)	(13.5)
Investment Income				1.0	14.1
Finance Costs				<u>(5.7)</u>	<u>(15.6)</u>
Loss before tax				(14.8)	(15.0)
Income tax expense				<u>(0.8)</u>	<u>(0.8)</u>
Loss for the year from continuing operations				<u>(15.6)</u>	<u>(15.8)</u>

	<u>As Previously Stated Ferries €m</u>	<u>As Restated Ferries €m</u>	<u>Container & Terminal €m</u>	<u>As Previously Stated Total (All Continuing Operations) €m</u>	<u>As Restated Total (All Continuing Operations) €m</u>
Other Information					
Capital additions	10.9	10.9	2.6	13.5	13.5
Depreciation and amortisation	24.0	23.9	3.8	27.8	27.7

Balance Sheet

Assets

Segment assets	282.3	282.3	55.0	337.3	337.3
Cash and cash equivalents				14.0	14.0
Unallocated assets				<u>4.9</u>	<u>4.9</u>
Consolidated total assets				<u>356.2</u>	<u>356.2</u>

Liabilities

Segment liabilities	32.8	31.3	22.7	55.5	54.0
Debt				119.9	119.9
Unallocated liabilities				<u>41.9</u>	<u>41.9</u>
Consolidated total liabilities				<u>217.3</u>	<u>215.8</u>

2004 As Restated	Ferries €m	Container & Terminal €m	Total (All Continuing Operations) €m
Revenue			
External sales	164.3	129.8	294.1
Inter-segment sales	—	(0.8)	(0.8)
Total revenue from continuing operations	<u>164.3</u>	<u>129.0</u>	<u>293.3</u>
Inter-segment sales are charged at prevailing market prices			
Result			
Segment result from continuing operations	20.8	2.5	23.3
Restructuring costs	<u>(10.9)</u>	<u>(1.5)</u>	<u>(12.4)</u>
	<u>9.9</u>	<u>1.0</u>	10.9
Investment income			0.9
Finance costs			<u>(6.3)</u>
Profit before tax			5.5
Income tax expense			—
Profit for the year from continuing operations			<u>5.5</u>
Other Information			
	Ferries €m	Container & Terminal €m	Total (All Continuing Operations) €m
Capital additions	11.0	2.5	13.5
Depreciation and amortisation	23.3	3.0	26.3
Balance Sheet			
Assets			
Segment assets	284.1	56.7	340.8
Cash and cash equivalents			9.2
Unallocated assets			4.0
Construction in progress			<u>2.3</u>
Consolidated total assets			<u>356.3</u>
Liabilities			
Segment liabilities	39.6	25.7	65.3
Debt			127.1
Unallocated liabilities			<u>12.8</u>
Consolidated total liabilities			<u>205.2</u>

Revenue Split on the Basis of Geographical Origin

As noted in the Statement of Significant Accounting Policies the Group's secondary format for segmental reporting is geographical segments. There is no significant difference in risk profile between the routes the Group operates i.e. between geographical areas. Given that the Group is primarily an operator of ships

there is no reasonable basis upon which to assign its main assets, ships, to any geographical area. Therefore, the Group presents geographical information relating only to where revenues are earned.

	2004 As Restated €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
Ireland	123.3	124.7	124.5	129.5
United Kingdom	93.4	92.5	92.5	78.8
Continental Europe	76.6	81.5	81.5	103.8
	<u>293.3</u>	<u>298.7</u>	<u>298.5</u>	<u>312.1</u>

6. CHANGE IN ACCOUNTING POLICY

The Group made two changes to accounting policies in 2006. The details of these changes are set out below.

Passenger Tickets

In prior years, unused tickets were recognised as revenue based on management's knowledge and experience of the business. As a result of changes in the business the policy now is to treat unused tickets as revenue in accordance with the Group's current terms and conditions of sale.

This prior year adjustment gives rise to a cumulative increase in reserves of €1.7 million at 1 January 2005.

The comparative figures in 2005 have been restated in accordance with the new policy, resulting in a charge to the income statement of €0.2 million for the year ended 31 December 2005 and a decrease in deferred revenue in the balance sheet of €1.5 million as follows:

	Deferred Revenue €m	Revenue €m	Retained Earnings €m
As previously reported at 31 December 2005	1.8	298.7	77.7
Deferred revenue restatement	<u>(1.5)</u>	<u>(0.2)</u>	<u>1.5</u>
As restated at 31 December 2005	<u>0.3</u>	<u>298.5</u>	<u>79.2</u>

The adjustment in the current year has the following effect on the financial statements:

	Deferred Revenue €m	Revenue €m	Retained Earnings €m
Current year effect	<u>(1.2)</u>	<u>(0.3)</u>	<u>1.5</u>

The impact in 2004 of the application of this change in accounting policy is to reduce reported profit for the year by €0.2 m and increase retained earnings by €1.9m. The 2004 comparatives have not been restated to reflect this change.

Employee benefits

The Group has changed the presentation of the financial statements and included Expected Return on Pension Scheme Assets under Investment Revenue (note 10) and Interest on Pension Scheme Liabilities in the income statement under Finance costs (note 11).

In 2005, the net of these two amounts (€3.2 million) was offset against Employee benefits expense. The comparatives have been restated to reflect the change in accounting policy. There is no impact on reported profit before tax.

This change in accounting policy has been made so that the trading profit better reflects the trading performance of the Group.

There is no impact in 2004 of the application of this change in accounting policy.

7. EMPLOYEE BENEFITS EXPENSE

	2005			2006
	2004 As Restated	As Previously Stated	As Restated	
The average number of employees during the year was as follows:				
At sea	745	580	580	47
On shore	554	515	515	483
	<u>1,299</u>	<u>1,095</u>	<u>1,095</u>	<u>530</u>
Number of employees at year end	<u>1,219</u>	<u>1,055</u>	<u>1,055</u>	<u>479</u>
	2005			2006
	2004 As Restated €m	As Previously Stated €m	As Restated €m		2006 €m
Aggregate costs of employee benefits were as follows:				
Wages and salaries	52.5	43.5	43.5	27.1
Social welfare charge	2.9	6.6	4.1	2.2
Retirement benefit costs (note 6, and note 34) (ii) and (vii)	3	7.0	10.2	3.2
Share options expense	—	0.1	0.1	0.4
Non recurring (charge)/credit (note 9)	—	—	31.6	(0.7)
	<u>58.4</u>	<u>57.2</u>	<u>89.5</u>	<u>32.2</u>
Less non recurring (charge)/credit included above	—	—	(31.6)	0.7
Total included in Trading Profit	<u>58.4</u>	<u>57.2</u>	<u>57.9</u>	<u>32.9</u>

The Group has changed its accounting policy in 2006 as set out in note 6.

The charge for Retirement benefit costs in 2005 includes a charge of €5.0 million for MNOPF compared with a charge of €0.1 million in 2006 (Note 8).

8. MERCHANT NAVY OFFICERS PENSION FUND

The Merchant Navy Officers Pension Scheme (MNOPF) is a defined benefit multi-employer scheme in which some ships' officers employed in the Group participate. The Group had 60 contributing members to the scheme out of a total contributing membership of the scheme of 2,821 as at the valuation date of 31 March 2003. The scheme is divided into two sections, the Old Section and the New Section, both of which are closed to new members.

The Old Section is the Section of the Fund under which benefits accrued for service prior to April 1978. There is an actuarial surplus in this section as at March 2003.

The New Section relates to benefits accrued for service since 1978. It is closed to new members but existing contributors continue to accrue benefits. Most of the accrued benefits in respect of active members employed by the Group are within this section. As at 31 March 2003 the New Section had an actuarial deficit. The Trustee Board of the MNOPF applied to the courts for a determination on the apportionment of this deficit among the participating employers. The deficit apportioned to ICG was €4.9 million and this will be recovered by the MNOPF by way of additional contributions, together with interest, over 9 years until the deficit is eliminated.

The first instalment of €0.6 million was paid in 2005 and this was included in employee benefits expense. The remaining liability at 31 December 2005 of €4.3 million was accrued and this was also charged to employee benefits expense.

From 1 January 2006, however, the trustees were able to provide sufficient data to enable the scheme to be treated as a defined benefit scheme included with the other Group schemes.

The deficit apportioned to the Group is €10 million at 31 December 2006 (2005: €4.3 million included in trade and other payables) and this is the value included in the Groups pension scheme in 2006.

In the year to 31 December 2005 there was a defined contribution charge to the Income Statement of €5.0 million. In 2006 there is a credit to the Income Statement in relation to the MNOPF scheme of €0.5 million comprising a service cost of €0.1 million included in Employee Benefit Expense and a credit of €0.6 million included within finance charges.

9. NON RECURRING CREDIT/(CHARGE)

	2004 As Restated €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
PRSI rebate charge/(credit)	—	—	(2.5)	4.4
Restructuring costs	(12.4)	29.1	(29.1)	(3.7)
	<u>(12.4)</u>	<u>29.1</u>	<u>(31.6)</u>	<u>0.7</u>

PRSI Rebate

The credit of €4.4 million represents rebates of Seafarers' PRSI under the relevant scheme. In the prior year, as a result of a delay in enacting the relevant legislation renewing the PRSI rebate scheme, a charge of €2.5 million was created against the PRSI rebate recorded as a debtor at 31 December 2004. This €2.5 million was included in Employee Benefits Expense in the Income Statement in 2005 but was reclassified in the 2006 Financial Statements, as reported above.

These items were reclassified to allow a more accurate comparison year on year.

The credit to employee expenses in respect of the items in 2004 was €2.5m. The 2004 comparatives have not been adjusted to reflect this change.

Restructuring Costs

The restructuring charge in 2006 of €3.7 million, comprises redundancy costs in respect of applicants for the severance package announced in 2006, in addition to those that were provided for in the prior year. The €29.1 million in the 2005 relates to the voluntary redundancy package offered to all relevant staff members under the outsourcing programme, which is net of a pension curtailment credit of €5.4 million in 2005.

In 2004 a charge of €12.4m was recognised in the income statement in respect of changes in the crewing arrangements on the Ireland-France ferry route and associated redundancy costs; changes in work practices in the Terminal division including the termination of maintenance contracts and related redundancy payments; and provision for impairment of assets following a decision to close the remaining UK travel agency shops.

10. INVESTMENT REVENUE

	2004 As Restated €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
Interest on bank deposits	0.3	0.3	0.3	0.3
Expected return on defined benefit pension scheme assets (note 34)	—	—	13.1	17.8
Other financial income	0.6	0.7	0.7	0.2
	<u>0.9</u>	<u>1.0</u>	<u>14.1</u>	<u>18.3</u>

The presentation of the Expected Return on Benefit Pension Scheme Assets has been amended in 2006 and details of this are set out in note 6.

11. FINANCE COSTS

	2004 As Restated €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
Interest on bank overdrafts and loans	5.8	5.1	5.1	5.7
Interest on obligations under finance leases	0.5	0.5	0.5	0.3
Interest on defined benefit pension scheme liabilities (note 34)	—	—	9.9	11.7
Interest on other balances	—	0.1	0.1	0.2
Total borrowing costs from continuing operations	<u>6.3</u>	<u>5.7</u>	<u>15.6</u>	<u>17.9</u>

The presentation of Interest on Defined Benefit Pension Scheme Liabilities has been amended in 2006 and details of this are set out in note 6.

12. INCOME TAX EXPENSE

	2004 As Restated €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
Current tax	1.3	1.0	1.0	0.9
Deferred tax (note 26)	(1.3)	(0.2)	(0.2)	0.1
Income tax expense for the year	<u>—</u>	<u>0.8</u>	<u>0.8</u>	<u>1.0</u>

The company and its subsidiaries have elected to be taxed under the Irish Tonnage Tax system in respect of all eligible activities. Domestic income tax is calculated at 12.5 per cent. of the estimated assessable profit for the year for all activities which do not fall to be taxed under the tonnage tax system. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit/(loss) as follows:

	2004 As Restated €m	2005		2006 €m
		As Previously Stated €m	As Restated €m	
Profit/(loss) before tax from continuing operations	<u>5.5</u>	<u>(14.8)</u>	<u>(15.0)</u>	<u>33.3</u>
Tax at the domestic income tax rate of 12.5 per cent	0.7	(1.9)	(1.9)	4.2
Effect of depreciation in excess of capital allowances	0.2	0.1	0.1	0.1
Effect of expenses not deductible in determining taxable profit	(0.4)	(0.4)	(0.4)	(0.2)
Effect of other timing differences	(0.1)	0.1	0.1	(0.1)
Effect of utilisation of tax losses	(0.6)	(0.3)	(0.3)	(0.4)
Effect of unused tax losses carried forward	0.5	0.9	0.9	0.1
Effect of different tax rates of subsidiaries operating in other jurisdictions	0.9	0.4	0.4	0.4
Adjustment in respect of previous period				0.1
Effect of shipping profits relief	<u>0.1</u>	<u>2.1</u>	<u>2.1</u>	<u>(3.3)</u>
Income tax expense recognised in profit or loss	<u>1.3</u>	<u>1.0</u>	<u>1.0</u>	<u>0.9</u>

13. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after (crediting)/charging:

	2004 As Restated €m	2005		2006 €m
		As Previously Stated	As Restated €m	
Net foreign exchange (gains)/losses	<u>(0.3)</u>	<u>4.8</u>	<u>4.8</u>	<u>(0.9)</u>
Amortisation of intangible assets (note 17)	0.5	0.8	0.8	1.1
Depreciation of property, plant and equipment (note 16)	<u>25.8</u>	<u>27.0</u>	<u>27.0</u>	<u>26.5</u>
	26.3	27.8	27.8	27.6
Amortisation of deferred grant (note 29)	<u>(0.2)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>
Net depreciation and amortisation expense	<u>26.1</u>	<u>27.7</u>	<u>27.7</u>	<u>27.5</u>
Auditors' remuneration				
For audit services	0.2	0.2	0.2	0.2
For tax compliance services	0.1	0.1	0.1	0.1
Directors' remuneration	1.5	1.5	1.5	2.0

14. REDEMPTION OF REDEEMABLE SHARES

	2004		2005 €m	2006 €m
	As Restated €m	€m		
Redemption of one redeemable share for 19.2c	—	—	—	4.6
Redemption of one redeemable share for 10.92c	—	—	—	2.6
Redemption of one redeemable share for 17.25c	—	4.0	—	—
Redemption of one redeemable share for 9.91875c	—	2.3	—	—
Redemption of one redeemable share for 15.0c	3.5	—	—	—
Redemption of one redeemable share for 8.625c	<u>2.0</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>5.5</u>	<u>6.3</u>	<u>—</u>	<u>7.2</u>

15. EARNINGS/(LOSS) PER SHARE — ALL FROM CONTINUING OPERATIONS

	2004 As Restated Cent	2005		2006 Cent
		As Previously Stated Cent	As Restated Cent	
Basic earnings/(loss) per share	<u>23.4</u>	<u>66.9</u>	<u>(67.8)</u>	<u>137.4</u>
Diluted earnings per share	<u>23.3</u>	<u>—</u>	<u>—</u>	<u>136.9</u>
Adjusted basic earnings per share	<u>76.2</u>	<u>57.9</u>	<u>54.1</u>	<u>108.5</u>
Adjusted diluted earnings per share	<u>75.8</u>	<u>57.2</u>	<u>53.4</u>	<u>108.1</u>

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

Earnings

	2004 As Restated €m	2005		2006 €m
		As Previously Stated	As Restated €m	
Earnings for the purposes of basic earnings per share —				
Profit/(loss) for the year attributable to equity holders of the parent	<u>5.5</u>	<u>(15.6)</u>	<u>(15.8)</u>	<u>32.3</u>
Earnings for the purposes of diluted earnings per share	<u>5.5</u>	<u>(15.6)</u>	<u>(15.8)</u>	<u>32.3</u>

	2005		2006 €m
	2004 As Restated €m	As Previously Stated €m	
Earnings for the purposes of basic earnings per share —			
Profit/(loss) for the year attributable to equity holders of the parent	5.5	(15.6)	32.3
Effect of non recurring (credit)/charge	12.4	29.1	(0.7)
Effect of expected return on defined benefit pension scheme assets	—	—	(17.8)
Effect of interest on defined benefit pension scheme liabilities	—	—	9.9
Earnings for the purposes of adjusted earnings per share	<u>17.9</u>	<u>13.5</u>	<u>25.5</u>
Number of Shares	<u>m</u>	<u>m</u>	<u>m</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	23.5	23.3	23.5
Effect of dilutive potential ordinary shares: Share options	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	<u>23.6</u>	<u>23.6</u>	<u>23.6</u>

The denominator for the purposes of calculating both basic and diluted earnings per share have been adjusted to reflect shares issued during the year (see note 22).

Adjusted earnings for 2005 have been restated to reflect the inclusion of a €2.5 million PRSI rebate cost for that year in the non recurring charge as set out in note 9. It has also taken into account the €0.2 million charge to revenue in relation to the deferred revenue adjustment as set out in note 6.

The adjusted earnings per share calculation has been calculated to exclude the net figure for the expected return on defined benefit pension scheme assets and the interest on defined pension scheme liabilities. This prior years adjusted earnings per share has been adjusted accordingly.

These changes have changed the Basic loss per share as previously reported from 66.9 cent to 67.8 cent and the Adjusted diluted earnings per share from 57.2 cent to 53.4 cent.

Adjusted earnings for 2004 has not been restated for the above items. The impact of restating adjusted earnings to reflect the reclassification would be to reduce basic EPS by 0.8c to 22.6c and diluted EPS by 0.8c to 22.5c. Adjusted basic EPS would be reduced by 24.1c to 52.1c and adjusted diluted EPS would be reduced by 24c to 51.8c.

16. PROPERTY, PLANT AND EQUIPMENT
2006

	2006 Total €m	Assets Under Construction €m	Ships €m	Plant, and Equipment €m	Vehicles €m	Land and Buildings €m
<i>Cost or valuation</i>						
At 1 January 2006	470.2	—	384.8	58.6	2.3	24.5
Additions	11.4	0.7	6.1	3.9	0.7	—
Exchange differences	(4.1)	—	(4.1)	—	—	—
Disposals	<u>(6.9)</u>	<u>—</u>	<u>(6.4)</u>	<u>—</u>	<u>(0.5)</u>	<u>—</u>
At 31 December 2006	<u>470.6</u>	<u>0.7</u>	<u>380.4</u>	<u>62.5</u>	<u>2.5</u>	<u>24.5</u>
<i>Accumulated depreciation</i>						
At 1 January 2006	182.4	—	136.6	37.5	1.4	6.9
Depreciation charge for the year	26.5	—	21.7	3.9	0.4	0.5
Exchange differences	(2.4)	—	(2.4)	—	—	—
Eliminated on disposals	<u>(6.9)</u>	<u>—</u>	<u>(6.4)</u>	<u>—</u>	<u>(0.5)</u>	<u>—</u>
At 31 December 2006	<u>199.6</u>	<u>—</u>	<u>149.5</u>	<u>41.4</u>	<u>1.3</u>	<u>7.4</u>
<i>Carrying amount</i>						
At 31 December 2006	<u>271.0</u>	<u>0.7</u>	<u>230.9</u>	<u>21.1</u>	<u>1.2</u>	<u>17.1</u>

2005

	2005 Total €m	Assets Under Construction €m	Ships €m	Plant Machinery & Equipment €m	Vehicles €m	Land and Buildings €m
<i>Cost or valuation</i>						
At 1 January 2005	450.4	2.3	365.9	56.2	2.4	23.6
Additions	11.9	0.5	8.3	2.5	0.4	0.2
Exchange differences	13.8	0.1	13.6	0.1	—	—
Reclassification	—	(2.9)	2.1	—	—	0.8
Disposals	<u>(5.9)</u>	<u>—</u>	<u>(5.1)</u>	<u>(0.2)</u>	<u>(0.5)</u>	<u>(0.1)</u>
At 31 December 2005	<u>470.2</u>	<u>—</u>	<u>384.8</u>	<u>58.6</u>	<u>2.3</u>	<u>24.5</u>
<i>Accumulated depreciation</i>						
At 1 January 2005	155.3	—	113.8	33.7	1.3	6.5
Depreciation charge for the year	27.0	—	22.1	4.0	0.5	0.4
Exchange differences	5.8	—	5.8	—	—	—
Eliminated on disposals	<u>(5.7)</u>	<u>—</u>	<u>(5.1)</u>	<u>(0.2)</u>	<u>(0.4)</u>	<u>—</u>
At 31 December 2005	<u>182.4</u>	<u>—</u>	<u>136.6</u>	<u>37.5</u>	<u>1.4</u>	<u>6.9</u>
<i>Carrying amount</i>						
At 31 December 2005	<u>287.8</u>	<u>—</u>	<u>248.2</u>	<u>21.1</u>	<u>0.9</u>	<u>17.6</u>

The carrying amount of the Group's plant and equipment and vehicles includes an amount of €14.1 million (2005: €16.6 million) in respect of assets held under finance leases.

Certain of the Group's borrowings are secured on ships which have a carrying amount of approximately €108.0 million (2005: €112.9 million).

17. INTANGIBLE ASSETS

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
<i>Cost</i>		
At beginning of year	4.4	6.0
Additions	<u>1.6</u>	<u>0.6</u>
At end of year	<u>6.0</u>	<u>6.6</u>
<i>Amortisation</i>		
At beginning of year	1.9	2.7
Charge for the year	<u>0.8</u>	<u>1.1</u>
At end of year	<u>2.7</u>	<u>3.8</u>
<i>Carrying amount</i>		
At end of year	<u>3.3</u>	<u>2.8</u>
At beginning of year	<u>2.5</u>	<u>3.3</u>

The intangible assets included above, all software, have finite useful lives of 5 years, over which the assets are amortised. Amortisation is on a straight line basis.

18. FINANCIAL ASSETS

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Investment in subsidiaries at beginning of year	11.1	11.0
Write down to recoverable amount	<u>(0.1)</u>	<u>—</u>
Investment in subsidiaries at end of year	<u>11.0</u>	<u>11.0</u>

The Company's principal subsidiaries are as follows:

<u>Name of Subsidiary</u>	<u>Country of Incorporation and Operation</u>	<u>Proportion of Ownership Interest</u>	<u>Proportion of Voting Power Held</u>	<u>Principal Activity</u>
Irish Ferries Limited	Ireland	100%	100%	Ferry Operator
Irish Ferries (UK) Limited	United Kingdom	100%	100%	Shipping & forwarding agents
Eucon Shipping & Transport Limited	Ireland	100%	100%	Container shipping services
Eurofeeders Limited	United Kingdom	100%	100%	Shipping & forwarding agents
Feederlink Shipping & Trading b.v	Netherlands	100%	100%	Container shipping services
Zatarga Limited	Isle of Man	100%	100%	Ship owner
Irish Continental Line Limited	Ireland	100%	100%	Ship owner
Belfast Container Terminal	Northern Ireland	100%	100%	Container handling & storage

19. INVENTORIES

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Fuel and lubricating oil	0.3	0.4
Catering and other stocks	<u>0.3</u>	<u>0.2</u>
	<u>0.6</u>	<u>0.6</u>

20. TRADE AND OTHER RECEIVABLES

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Trade receivables	32.3	42.3
Allowance for doubtful debts	<u>(1.8)</u>	<u>(1.7)</u>
	30.5	40.6
Prepayments	4.9	5.4
Amounts due from subsidiary companies	—	—
	<u>2.2</u>	<u>7.5</u>
Other receivables	<u>37.6</u>	<u>53.5</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value. No interest is charged on trade receivables.

Credit Risk

The Group's principal financial assets are bank balances and cash, and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Movement in the allowance for doubtful debts

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Balance at beginning of the year	1.8	1.8
Amounts written off during the year	—	(0.2)
Increase in provision in year	—	0.2
Amounts recovered during the year	—	<u>(0.1)</u>
Balance at end of year	<u>1.8</u>	<u>1.7</u>

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the exposure being spread over a large number of counterparties and customers. Accordingly, the directors believe that there is no further provision required in excess of the allowance for doubtful debts.

This allowance has been determined by reference to past default experience.

21. CASH AND CASH EQUIVALENTS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

22. SHARE CAPITAL

<u>Authorised</u>	<u>Number</u>	<u>2005</u> <u>€m</u>	<u>Number</u>	<u>2006</u> <u>€m</u>
Ordinary shares of par value €0.65 each	45,000,000	29.3	45,000,000	29.3
Redeemable shares of par value €0.0001 each	450,000,000	—	450,000,000	—
		<u>29.3</u>		<u>29.3</u>

<u>Allotted, Called up and Fully Paid:</u>	<u>Number</u>	<u>2005 €m</u>	<u>Number</u>	<u>2006 €m</u>
Ordinary shares				
At beginning of year	24,243,298	15.8	24,250,958	15.8
Share issue	<u>7,660</u>	<u>—</u>	<u>155,250</u>	<u>0.1</u>
At end of year	<u>24,250,958</u>	<u>15.8</u>	<u>24,406,208</u>	<u>15.9</u>
Redeemable shares				
At beginning of year	169,703,086	—	121,254,790	—
Share issue	48,460	—	702,450	—
Redemption of redeemable shares transfer to Capital Redemption Reserve	<u>(48,496,756)</u>	<u>—</u>	<u>(48,738,616)</u>	<u>—</u>
At end of year	<u>121,254,790</u>	<u>—</u>	<u>73,218,624</u>	<u>—</u>

The Company has one class of share unit, comprising one ordinary share and ten redeemable shares, or such number of redeemable shares as remains after any redemption of such shares. At 31 December 2006 the number of such redeemable shares is three (2005: five). The share unit carries no right to fixed income.

Included in the share capital above are 899,500 (2005: 899,500) ICG share units which are held as treasury shares. Retained earnings have been reduced by €10.0 million in relation to these treasury shares.

23. RECONCILIATION OF SHAREHOLDERS FUNDS

2006

	<u>Share Capital €m</u>	<u>Share Premium €m</u>	<u>Capital Reserve €m</u>	<u>Share Options Reserve €m</u>	<u>Hedging Reserve €m</u>	<u>Translation Reserve €m</u>	<u>Retained Earnings €m</u>	<u>Total €m</u>
Balance at 1 January 2006 — (as previously stated)	15.8	39.6	2.2	0.1	(0.1)	3.6	77.7	138.9
Prior year adjustment — Deferred revenue (note 6)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1.5</u>	<u>1.5</u>
At beginning of year as restated	15.8	39.6	2.2	0.1	(0.1)	3.6	79.2	140.4
Total recognised income and expense for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.6</u>	<u>(0.9)</u>	<u>43.9</u>	<u>43.6</u>
Share issue	0.1	—	—	—	—	—	—	0.1
Exercise of share options — shares issued at premium	—	1.0	—	—	—	—	—	1.0
Employee share options expense	—	—	—	0.4	—	—	—	0.4
Redemption of redeemable share capital	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(7.2)</u>	<u>(7.2)</u>
	<u>0.1</u>	<u>1.0</u>	<u>—</u>	<u>0.4</u>	<u>0.6</u>	<u>(0.9)</u>	<u>36.7</u>	<u>37.9</u>
Balance at 31 December 2006	<u>15.9</u>	<u>40.6</u>	<u>2.2</u>	<u>0.5</u>	<u>0.5</u>	<u>2.7</u>	<u>115.9</u>	<u>178.3</u>
Analysed as follows:								
Share capital								15.9
Share premium								40.6
Other reserves								5.9
Retained earnings								<u>115.9</u>
								<u>178.3</u>

2005

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2005 — (as previously stated)	15.8	39.6	2.2	—	—	(2.2)	95.7	151.1
Prior year adjustment — Deferred revenue (note 6)	—	—	—	—	—	—	1.7	1.7
At beginning of year as restated	15.8	39.6	2.2	—	—	(2.2)	97.4	152.8
Total recognised income and expense for the year	—	—	—	—	(0.1)	5.8	(11.9)	(6.2)
Employee share options expense	—	—	—	0.1	—	—	—	0.1
Redemption of redeemable share capital	—	—	—	—	—	—	(6.3)	(6.3)
	<u>0.0</u>	<u>0.0</u>	<u>—</u>	<u>0.1</u>	<u>(0.1)</u>	<u>5.8</u>	<u>(18.2)</u>	<u>(12.4)</u>
Balance at 31 December 2005	<u>15.8</u>	<u>39.6</u>	<u>2.2</u>	<u>0.1</u>	<u>(0.1)</u>	<u>3.6</u>	<u>79.2</u>	<u>140.4</u>
Analysed as follows:								
Share capital								15.8
Share premium								39.6
Other reserves								5.8
Retained earnings								<u>79.2</u>
								<u>140.4</u>

Share Premium

The share premium account comprises the excess of monies received in respect of share capital over the nominal value of shares issued.

Capital Reserves

This consists of reserves arising on consolidation and the capital redemption reserve. Reserves arising on consolidation relate to the acquisition of a subsidiary. At 31 December 2006 the reserve balance stands at €0.1 million. The balance is unchanged from 1 January 2005 and 1 January 2006.

The Capital Redemption reserve represents the nominal value of share capital repurchased. At 31 December 2006 the reserve balance stands at €2.1 million. The balance is unchanged from 1 January 2005 and 1 January 2006.

Share Options Reserve

The share options reserve represents the cumulative charge to the Income Statement of share options issued which are not yet exercised and issued as shares.

Hedging reserve

The hedging reserve represents the fair value of derivative financial instruments.

Translation Reserve

The translation reserve represents the value of retranslation of the reserves of subsidiary companies.

24. BORROWINGS

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Bank overdrafts	0.1	0.1
Bank loans	<u>111.0</u>	<u>117.1</u>
	<u>111.1</u>	<u>117.2</u>
The borrowings are repayable as follows:		
On demand or within one year	11.7	11.9
In the second year	11.6	11.8
In the third year	11.6	9.1
In the fourth year	9.2	84.4
In the fifth year	<u>67.0</u>	<u>—</u>
	111.1	117.2
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(11.7)</u>	<u>(11.9)</u>
Amount due for settlement after 12 months	<u>99.4</u>	<u>105.3</u>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	<u>Euro</u> <u>€m</u>	<u>Sterling</u> <u>€m</u>	<u>US Dollar</u> <u>€m</u>	<u>Total</u> <u>€m</u>
2006				
Bank overdrafts	0.1	—	—	0.1
Bank loans	<u>85.8</u>	<u>16.7</u>	<u>14.6</u>	<u>117.1</u>
	<u>85.9</u>	<u>16.7</u>	<u>14.6</u>	<u>117.2</u>
2005				
Bank overdrafts	0.1	—	—	0.1
Bank loans	<u>70.1</u>	<u>24.6</u>	<u>16.3</u>	<u>111.0</u>
	<u>70.2</u>	<u>24.6</u>	<u>16.3</u>	<u>111.1</u>

The weighted average interest rates paid were as follows:

	<u>2005</u>	<u>2006</u>
Bank overdrafts	3.7%	4.5%
Bank loans	4.0%	4.4%

All borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Bank overdrafts are repayable on demand and are unsecured. The average effective interest rate on bank overdrafts is calculated by reference to the lenders prime rate and approximated 4.5 per cent. (2005: 3.7 per cent.).

The bank loans have been drawn under a Multicurrency and Revolving Facilities agreement date 4 October 2005. At 31 December 2006 €16.7m (2005: €25.1m) of the amounts drawn were unsecured. Interest on all debt is calculated by reference to inter bank interest rates (EURIBOR and LIBOR). At 31 December 2006 the Group had two principal drawings under the group loan facility:

- (a) Amortising Debt of €38.4 million repayable in four annual instalments, and
- (b) Revolving Debt of €78.7 million repayable by 4th October 2010.

At 31 December 2006, the Group had available €26.8 million (2005: €44.3 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	2005		2006	
	Assets €m	Liabilities €m	Assets €m	Liabilities €m
Interest rate swaps				
— current assets/non current liabilities	—	0.1	0.5	—

Interest Rate Swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowing by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with nominal values of €59.5 million have fixed interest payments at an average rate of 3.5 per cent for periods up until 2008 and have floating interest receipts calculated by reference to EURIBOR or LIBOR at each interest fixing date.

The fair value of swaps entered into at 31 December 2006 is estimated at €0.5 (2005: €0.1 million). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. All of these interest rate swaps are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity. Cash flow under these contracts are expected to arise over the life of the contract which range from 12 to 36 months from the balance sheet date.

Receipts totalling €0.1 million (2005: payments €0.8 million) have been included in the Group interest charge for the period.

Currency Derivatives

The Group utilises currency derivatives to hedge future cash flows in the management of its exchange rate exposures. At 31 December 2006 and 31 December 2005 the Group had no unsettled foreign currency forward contracts.

Interest Rate Risk Profile of Financial Assets and Liabilities

The interest rate and currency profile of the Group's borrowings as at 31 December was as follows:

	2006			
	Euro €m	Sterling €m	US Dollars €m	Total €m
Fixed rate debt	(51.2)	(—)	(—)	(51.2)
Variable rate debt	(42.3)	(16.7)	(14.6)	(73.6)
Gross debt	(93.5)	(16.7)	(14.6)	(124.8)
Cash deposits	5.8	4.5	0.7	11.0
Net debt	(87.7)	(12.2)	(13.9)	(113.8)
Weighted average fixed rate	4.3%	—%	8.1%	4.3%
Weighted average period of fixed interest (years)	3.5	—	9.1	3.5
	2005			
	Euro €m	Sterling €m	US Dollars €m	Total €m
Fixed rate debt	(37.6)	(8.8)	(4.5)	(50.9)
Variable rate debt	(41.1)	(15.9)	(12.0)	(69.0)
Gross debt	(78.7)	(24.7)	(16.5)	(119.9)
Cash deposits	9.3	2.9	1.8	14.0
Net debt	(69.4)	(21.8)	(14.7)	(105.9)
Weighted average fixed rate	4.13%	5.05%	3.95%	4.28%
Weighted average period of fixed interest (years)	3.76	2.71	3.41	3.55

26. DEFERRED TAX LIABILITIES

The Company and its subsidiaries, where appropriate, have elected to be taxed under the Irish Tonnage Tax system in respect of all eligible activities. Certain activities will not fall within the tonnage tax regime and will continue therefore to be subject to standard rates of corporation tax. These activities give rise to deferred tax assets and liabilities and the impact of these is shown below.

Taxable losses, in excess of expected future reversing taxable temporary differences, have been incurred that are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses where suitable taxable profits are not expected to arise within the next financial year.

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods.

2006

	2006 Total €m	Accelerated Tax Depreciation €m	Tax Losses €m	Retirement Benefit Obligation €m
At 1 January 2006	4.9	6.6	(2.2)	0.5
Charge/(credit) to the income statement for the year	0.1	(0.6)	0.5	0.2
Charge to the Statement of Recognised Income and Expenses	0.5	—	—	0.5
Exchange differences	<u>0.1</u>	<u>0.1</u>	<u>—</u>	<u>—</u>
At 31 December 2006	<u>5.6</u>	<u>6.1</u>	<u>(1.7)</u>	<u>1.2</u>

2005

	2005 Total €m	Accelerated Tax Depreciation €m	Tax Losses €m	Retirement Benefit Obligation €m
At 1 January 2005	5.1	6.0	(1.6)	0.7
Charge/(credit) to the profit or loss for the year	(0.3)	0.5	(0.6)	(0.2)
Exchange differences	<u>0.1</u>	<u>0.1</u>	<u>—</u>	<u>—</u>
At 31 December 2005	<u>4.9</u>	<u>6.6</u>	<u>(2.2)</u>	<u>0.5</u>

Unrecognised Deferred Tax Assets

The estimated value of the deferred tax asset not recognised is €0.6 million (2005: €2.9 million). This is analysed as follows:

	2005 €m	2006 €m
Accelerated capital allowances	0.2	(0.1)
ACT not immediately recoverable	0.1	0.1
Tax losses carried forward	<u>2.6</u>	<u>0.6</u>
Deferred tax asset not recognised	<u>2.9</u>	<u>0.6</u>

27. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2005 €m	2006 €m	2005 €m	2006 €m
Amounts payable under finance leases:				
Within one year	3.6	2.8	3.5	2.6
In the second to fifth years inclusive	5.7	5.0	5.2	4.6
After five years	<u>0.1</u>	<u>0.4</u>	<u>0.1</u>	<u>0.4</u>
	9.4	8.2	8.8	7.6
Less: future finance charges	<u>(0.6)</u>	<u>(0.6)</u>	—	—
Present value of lease obligations	8.8	7.6	8.8	7.6
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(3.5)</u>	<u>(2.6)</u>	<u>(3.5)</u>	<u>(2.6)</u>
Amount due for settlement after 12 months	<u><u>5.3</u></u>	<u><u>5.0</u></u>	<u><u>5.3</u></u>	<u><u>5.0</u></u>

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. Lease terms vary from 3 to 12 years depending on the type of asset. For the year ended 31 December 2006, the average effective borrowing rate was 4.3 per cent. (2005: 4.2 per cent.). Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis.

Lease obligations at 31 December are denominated in the following currencies:

	2005 €m	2006 €m
Euro	8.6	7.6
US Dollar	<u>0.2</u>	—
	<u><u>8.8</u></u>	<u><u>7.6</u></u>

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

28. TRADE AND OTHER PAYABLES

	2005		2006 €m
	As previously stated €m	As Restated €m	
Trade creditors and accruals	<u>51.2</u>	<u>49.7</u>	<u>47.8</u>
— payable within one year	47.5	46.0	47.8
— payable after one year	<u>3.7</u>	<u>3.7</u>	—
	<u><u>51.2</u></u>	<u><u>49.7</u></u>	<u><u>47.8</u></u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing.

The directors consider that the carrying amount of trade payables approximates their fair value.

Taxation amounts payable at 31 December are as follows:

	2005 €m	2006 €m
Corporation tax	1.8	0.7
Payroll taxes	1.1	1.0
Pay related social insurance	1.1	0.5
Value added tax	<u>0.8</u>	<u>1.4</u>
	<u><u>4.8</u></u>	<u><u>3.6</u></u>

29. PROVISIONS

2006

	<u>2006 Total €m</u>	<u>Claims Provision €m</u>	<u>Restructuring Provision €m</u>	<u>Deferred Grant €m</u>
At beginning of year	35.8	1.2	33.0	1.6
Additional provision in the year	3.7	—	3.7	—
Utilisation of provision	(35.9)	(0.4)	(35.4)	(0.1)
Release of overprovision	—	—	—	—
At end of year	<u>3.6</u>	<u>0.8</u>	<u>1.3</u>	<u>1.5</u>
Analysed as:				
Current liabilities	1.8	0.4	1.3	0.1
Non-current liabilities	<u>1.8</u>	<u>0.4</u>	<u>—</u>	<u>1.4</u>
	<u>3.6</u>	<u>0.8</u>	<u>1.3</u>	<u>1.5</u>

2005

	<u>2005 Total €m</u>	<u>Claims Provision €m</u>	<u>Restructuring Provision €m</u>	<u>Deferred Grant €m</u>
At 1 January 2005	8.6	2.4	4.5	1.7
Additional provision in the year	34.5	—	34.5	—
Utilisation of provision	(6.0)	—	(5.9)	(0.1)
Release of overprovision	<u>(1.3)</u>	<u>(1.2)</u>	<u>(0.1)</u>	<u>—</u>
At 31 December 2005	<u>35.8</u>	<u>1.2</u>	<u>33.0</u>	<u>1.6</u>
Analysed as:				
Current liabilities	33.7	0.6	33.0	0.1
Non-current liabilities	<u>2.1</u>	<u>0.6</u>	<u>—</u>	<u>1.5</u>
	<u>35.8</u>	<u>1.2</u>	<u>33.0</u>	<u>1.6</u>

The claims provision comprises the insurance excess payable by the Group in a number of potential compensation claims, principally from passengers. It is estimated that 50 per cent. of these claims will be settled within one year. The deferred grant is in respect of capital assets and is amortised to the income statement over the life of the assets. Restructuring costs and the related provision are explained in note 9 and are all payable within one year.

30. COMMITMENTS

	<u>2005 €m</u>	<u>2006 €m</u>
Commitments under port operating agreements	<u>3.2</u>	<u>3.4</u>
Commitments for the acquisition of property, plant and equipment	<u>2.2</u>	<u>7.1</u>

The Group has given commitments under a number of port operating agreements which give rise to a minimum annual charge as noted above. These agreements are due to expire within two to four years.

31. OPERATING LEASE AGREEMENTS

	<u>2005 €m</u>	<u>2006 €m</u>
Minimum lease payments under operating leases recognised as an expense in the year	<u>32.7</u>	<u>32.4</u>

At the balance sheet date outstanding commitments under non-cancellable operating leases fall due as follows:

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Within one year	29.0	15.4
In the second to fifth years	<u>12.1</u>	<u>3.0</u>
Inclusive	<u>46.4</u>	<u>45.7</u>
After five years	<u>87.5</u>	<u>64.1</u>

Group

Operating lease payments represent rentals payable by the Group for certain of its properties, for the charter of container ships and for the hire of containers and other equipment. The outstanding term of the operating leases of the Group at 31 December 2006 ranges from two months to 116 years (2005: two months to 117 years). Property rentals are fixed for periods ranging from two to six years. All other rentals are fixed for the term of the contract.

32. OPERATING LEASE INCOME

The aggregate future minimum lease payments receivable under non-cancellable operating leases for the Group are as follows:

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Within one year	10.8	10.2
In the second to fifth years	6.3	22.4
Inclusive	<u>—</u>	<u>—</u>
After five years	<u>17.1</u>	<u>32.6</u>

The group charters two ships under operating lease to a third party. The ships are chartered at fixed rates for terms expiring in 2010, with the charterer's option to extend.

33. SHARE-BASED PAYMENTS

The Group operates equity settled share option schemes. Certain employees of the Group have been issued with share options under the Group's share option plans adopted in 1988 and 1998.

Options granted prior to March 1998 are governed by the provisions of the 1988 share option scheme as amended. The scheme provides for two forms of share options to be granted as follows:

1. Three year options: These may be exercised between the third and tenth anniversary of grant only if earnings per share growth exceeded the rate of inflation for the period.
2. Five year options: These may be exercised between the fifth and tenth anniversary of grant provided earnings per share growth would place the Group in the top quartile of companies in the ISEQ.

Options granted subsequent to March 1998 are governed by the provisions of the 1998 share option scheme. In the case of this plan the performance criteria are as follows:

1. Basic options may be exercised between the third and tenth anniversary of grant only if earnings per share growth is 2 per cent. per annum above inflation for the period.
2. Super options may be exercised between the fifth and tenth anniversary of grant only if earnings per share growth is such as to place the Group in the top quartile of ISEQ companies and the Group's earnings per share growth is at least 10 per cent. per annum above inflation for the period.

The number of shares over which options may be granted may not exceed 10 per cent. of the shares of the company in issue.

Options are forfeited when the grantee ceases employment with the Group.

The number and weighted average exercise price of share options granted under the above plans is as follows:

	2005		2006	
	Number of Share Options	Weighted Average Exercise Price €	Number of Share Options	Weighted Average Exercise Price €
Outstanding at 1 January	1,936,500	8.17	2,164,000	8.41
Granted during the year	252,500	10.00	265,000	10.67
Forfeited during the year	(17,500)	5.30	(282,000)	11.10
Exercised during the year	(7,500)	5.54	(155,000)	6.66
Expired during the year	—	—	—	—
Outstanding at 31 December	2,164,000	8.42	1,992,000	8.46
Exercisable at 31 December	550,000	6.44	398,750	6.25
Weighted average share price at date of exercise of options	9.97		11.74	
Weighted average remaining contractual life of options outstanding at year end		4.5 years		4.6 years

The options outstanding at 31 December 2006 can be exercised at prices ranging from 530 cent to 1143 cent.

Options issued after 7 November 2002

Since the 7th of November 2002 options have been granted on the 13th of April 2005 and on the 18th of September 2006. The estimated fair values of the options are €4.01 and €4.43 respectively per share under option. No other options have been granted since 7 November 2002.

Equity settled share-based payments for share options granted after 7 November 2002 are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Fair value is measured using the Binomial option pricing model (2005: Black-Scholes). The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The inputs into the model were as follows:

	2005	2006
Weighted average share price	€10	€10.67
Weighted average exercise price	€10	€10.67
Expected volatility	36%	35%
Expected life	10 years	10 years
Risk free rate	3.293%	3.765%
Expected dividend yield	1.69%	1.87%

Expected volatility was determined by calculating the historical volatility of the groups share price over the previous 10 years. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. In 2006 the Group recognised total expenses of €0.4 million (2005: €0.1 million) relating to equity share-based payment transactions. The balance on the share option reserve in the Balance Sheet at 31 December 2006 is €0.5 million (2005: €0.1 million) as per note 23.

34. RETIREMENT BENEFIT PLANS

(i) Group Sponsored Schemes

The Group operates contributory defined benefit pension schemes, which provide retirement and death benefits for virtually all full-time employees. The assets of these schemes are held separately from those of the Group in funds under the control of trustees.

The pension contributions paid in the year ended 31 December 2006 amounted to €1.7 million (2005: €2.0 million) while the current service cost charged to the income statement, amounted to €3.2 million (2005: €4.2 million). In 2005 a curtailment credit of €5.4 million was recognised as a credit to restructuring costs in the income statement. There is no corresponding credit in 2006. At 31 December 2006 the number of pensioners in payment from the Group company sponsored funds was 744 (2005: 732).

The pensions charge and payments in respect of the schemes are in accordance with the advice of professionally qualified actuaries. The latest actuarial valuation reports for these schemes, which are not available for public inspection, are dated between 1 October 2003 and 31 March 2006. The valuations employed for disclosure purposes have been based on the most recent funding valuations for each scheme adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2006 and to take account of financial conditions at this date. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method and assets have been valued at market value.

(ii) Merchant Navy Officers Pension Fund (MNOPF)

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund. In prior years due to the unavailability of data this was recorded as a defined contribution scheme included in trade and other payables. From 1 January 2006, however, the trustees were able to provide sufficient data to enable this scheme to be treated as a defined benefit scheme included with the other Group schemes.

The deficit apportioned to the Group is €10 million at 31 December 2006 (2005: €4.3 million included in trade and other payables) and this is the value included in the Groups pension scheme in 2006.

In the year to 31 December 2005 there was a defined contribution charge to the Income Statement of €5.0 million. In the current year there is a credit to the Income Statement in relation to the MNOPF scheme of €0.5 million comprising a service cost of €0.1 million included in Employee Benefit Expense and a credit of €0.6 million included within finance charges.

(iii) Principal Assumptions

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	<u>Euro Liabilities</u>		<u>Sterling Liabilities</u>	
	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>
Discount rate	4.25%	4.75%	4.75%	5.10%
Inflation rate	2.25%	2.25%	2.75%	2.75%
Rate of increase of pensions in payment	2.0% - 2.50%	2.0% - 2.25%	2.75%	2.75%
Rate of general salary increases	3.75%	3.75% - 4.25%	4.25%	4.25%

The long term expected rates of return at 31 December were as follows:

	<u>Euro Assets</u>		<u>Sterling Assets</u>	
	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>
Equities	7.25%	7.25%	8.25%	7.5%
Bonds	3.60%	4.10%	4.10%	4.50%
Property	6.25%	6.25%	7.25%	6.50%
Other	2.00%	3.00%	2.50%	3.50%

The average life expectancy used in all schemes at age 60 is as follows;

	<u>2006</u>
Current retirees	24.5 years
Future retirees	25.3 years

The directors have taken independent actuarial advice on the discount rate and the expected long term rates of return as these are key judgements used in the estimate of retirement benefit scheme assets and liabilities.

(iv) Retirement Benefit Assets and Liabilities

The amount recognised in the balance sheet in respect of the Group's defined benefit retirement benefit plan is as follows:

	Schemes with Liabilities in Euro		Schemes with Liabilities in Sterling	
	2005 €m	2006 €m	2005 €m	2006 €m
Equities	165.6	184.5	8.1	32.2
Bonds	31.3	28.6	12.1	23.3
Property	17.0	17.6	0.3	3.7
Other	<u>5.4</u>	<u>6.2</u>	<u>0.1</u>	<u>1.0</u>
Market value of scheme assets	219.3	236.9	20.6	60.2
Present value of scheme liabilities	<u>(213.6)</u>	<u>(210.0)</u>	<u>(18.9)</u>	<u>(67.3)</u>
Excess/(deficit) in schemes	<u>5.7</u>	<u>26.9</u>	<u>1.7</u>	<u>(7.1)</u>

Investment of the plan assets in the Employer Company did not exceed 5 per cent. of the total market value of the Fund.

(v) Movement in Retirement Benefit Assets

Movements in the present value of fair value of scheme assets in the current year were as follows:

	2005 Total €m	2006 Total €m
At 1 January 2006	205.8	239.9
MNOPF reclassification from trade and other payables in 2005	—	34.4
Expected return on scheme assets	13.1	17.8
Actuarial gains	25.5	9.3
Exchange difference	0.5	1.1
Contributions from sponsoring company	2.1	1.7
Contributions from scheme members	1.5	0.9
Benefits paid	<u>(8.6)</u>	<u>(8.0)</u>
At 31 December 2006	<u>239.9</u>	<u>297.1</u>

(vi) Movement in Retirement Benefit Liabilities

Movements in the present value of defined benefit obligations in the year were as follows:

	2005 Total €m	2006 Total €m
At 1 January 2006	207.8	232.4
MNOPF reclassification from trade and other payables in 2005	—	38.7
Service cost	4.2	3.2
Interest cost	9.9	11.7
Contributions from scheme members	1.5	0.9
Actuarial gains and losses	21.5	(2.8)
Exchange difference	0.6	1.2
Benefits paid	(8.6)	(8.0)
Curtailment gain	(5.4)	—
Past service cost	<u>1.0</u>	<u>—</u>
At 31 December 2006	<u>232.5</u>	<u>277.3</u>

(vii) Amounts Recognised in Consolidated Income Statement

Amounts recognised in the Consolidated Income Statement in respect of the defined benefit plan are as follows:

	<u>2004</u> <u>€m</u>	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Charged to Employee benefits expense			
Current service cost	4.9	4.2	3.2
Past service cost	0.5	1.0	—
Expected return on scheme assets	10.1	—	—
Interest on scheme liabilities	<u>(13.0)</u>	<u>—</u>	<u>—</u>
	<u>2.5</u>	<u>5.2</u>	<u>3.2</u>
Other charges/(credits) to Income statement			
Expected return on scheme assets (note 10)		(13.1)	(17.8)
Interest on scheme liabilities (note 11)		<u>9.9</u>	<u>11.7</u>
		<u>(3.2)</u>	<u>(6.1)</u>

In 2006 the Expected return on scheme assets has been recorded under Investment revenue (note 10) and the interest on scheme liabilities has been recorded in the income statement under Finance costs (note 11).

In the 2005 financial statements, the net of these two amounts (€3.2 million) was offset against Employee benefits expense. This change in accounting policy has been made so that the trading profit better reflects the trading performance of the Group and the comparatives have been restated accordingly.

The 2004 income statement has not been restated to reflect this change in accounting policy.

The estimated amounts of contributions expected to be paid to the schemes during 2007 is €1.7 million (2006: €1.3 million).

(viii) Amount recognised in the Consolidated Statement of Recognised Income and Expenses

Amounts recognised in the Consolidated Statement of Recognised Income and Expense (SORIE) in respect of the defined benefit plan are as follows:

	<u>2004</u> <u>€m</u>	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Actual return less expected return on scheme assets	7.7	25.4	9.3
Experience (loss)/gain on scheme liabilities	(7.0)	3.1	(12.3)
Gain/(loss) due to change in assumptions used to value liabilities	<u>(15.0)</u>	<u>(24.6)</u>	<u>15.1</u>
Actuarial gain recognised in Group SORIE	<u>(14.3)</u>	<u>3.9</u>	<u>12.1</u>

(ix) Balance Sheet presentation

Three of the defined benefit schemes accounted for by the Group are in a surplus position and are shown in non current assets on the consolidated balance sheet.

Two of the defined benefit schemes accounted for by the Group are in a deficit position and are shown in non current liabilities. The split between the amounts shown in each category is as follows:

	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Non current assets — retirement benefit surplus	8.0	29.9
Non current liabilities — retirement benefit deficit	<u>(0.6)</u>	<u>(10.1)</u>
	<u>7.4</u>	<u>19.8</u>

(x) Experience Adjustments

The three-year history of experience adjustments is as follows:

	<u>2004</u> <u>€m</u>	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Present value of defined benefit obligations	(207.8)	(232.5)	(277.3)
Fair value of scheme assets	<u>205.8</u>	<u>239.9</u>	<u>297.1</u>
Net surplus/(deficit) in pension scheme	<u>(2.0)</u>	<u>7.4</u>	<u>19.8</u>
Experience adjustments on scheme liabilities			
Experience adjustments on scheme assets			

35. RELATED PARTY TRANSACTIONS

In 2006, Group entities provided administration and accounting services to Irish Ferries Limited Pension Scheme and Irish Ferries UK Pension Scheme, related parties that are not members of the Group. The value of these transactions was €0.1 million (2005: €0.1 million). Amounts owed by the pension schemes to the Group at 31 December 2006 totalled €0.1 million (2005: €0.1 million).

Compensation of Key Management Personnel

The remuneration of key management, including directors, during the year was as follows:

	<u>2004</u> <u>€m</u>	<u>2005</u> <u>€m</u>	<u>2006</u> <u>€m</u>
Short-term benefits	3.4	3.5	4.0
Post-employment benefits	0.3	1.0	0.5
Share based payments expense	<u>—</u>	<u>0.1</u>	<u>0.4</u>
	<u>3.7</u>	<u>4.6</u>	<u>4.9</u>

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals, market trends and the performance of the Group.

Post-employment benefits comprise the past and present service cost for key management calculated in accordance with IAS 19 Employee Benefits.

36. NET CASH FROM OPERATING ACTIVITIES

	As Restated 2005 €m	2006 €m
Operating activities		
(Loss)/profit for the year	(15.8)	32.3
Adjustments for:		
Finance costs (net)	1.5	(0.4)
Income tax expense	0.8	1.0
Retirement benefit obligations — service cost	5.2	3.2
Retirement benefit obligations — payments	(2.0)	(1.7)
Depreciation of property, plant and equipment	27.0	26.5
Amortisation of intangible assets	0.8	1.1
Amortisation of deferred income	(0.1)	(0.1)
Share-based payment expense	0.1	0.4
Gain on disposal of property, plant and equipment	(0.5)	(0.2)
Increase/(decrease) in restructuring provision	28.5	(31.7)
Decrease in other provisions	<u>(1.1)</u>	<u>(0.5)</u>
Operating cash flows before movements in working capital	44.4	29.9
Increase in receivables	(2.4)	(15.9)
(Decrease)/increase in payables	<u>(2.7)</u>	<u>2.4</u>
Cash generated from operations	39.3	16.4
Income taxes paid	(1.7)	(1.7)
Interest paid	<u>(5.9)</u>	<u>(6.0)</u>
Net cash from operating activities	<u>31.7</u>	<u>8.7</u>

37. NON-CASH TRANSACTIONS

Additions to property, plant and equipment during 2006 amounting to €2.4 million (2005: €0.2 million).

38. CONTINGENT LIABILITIES

Pursuant to the provision of Section 17 of the Companies (Amendment) Act, 1986, the parent Company has guaranteed the liabilities of certain of its subsidiaries and, as a result, such subsidiaries have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986.

The Group has issued counter indemnities to Allied Irish Banks plc in relation to bonds required by regulatory authorities and suppliers, amounting to €0.9 million. The group regards these indemnities as insurance contracts and accordingly the accounting treatment applied is that applicable to insurance contracts. No claims were notified to the group in respect of these contracts therefore there was no provision required at 31 December 2006 (2005: Nil).

The Group has entered into leasing transactions in respect of two of the Group's vessels the early termination of which could, in certain circumstances, require the Group to compensate a counterparty for a benefit foregone to a current value of €13.5 million in present value terms (2005: €18.0 million). These leases are for a twenty year term and expire in 2018. The directors consider that no obligation had arisen at the balance sheet date nor is likely to arise as the likelihood of termination is remote. The group has fair valued this financial guarantee contract at Nil at 31 December 2006 (2005: Nil) based on projected future cashflows. Arising from the lease transaction, a net benefit accrues to the Group which is being recognised over the term of the lease. The amount included under other financial income in respect of this net benefit for 2006 was €0.2 million (2005: €0.7 million).

39. RECONCILIATION OF IMPACT OF IFRS ON THE FINANCIAL STATEMENTS

In 2005, the Group adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the ASB) and the International Financial Reporting

Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2005.

The adoption of these new and revised Standards and Interpretations resulted in changes to the Group's accounting policies in the following areas that have affected the amounts previously reported for 2004:

- First time adoption of International Financial Reporting Standards (IFRS 1);
- Property, Plant & Equipment (IAS 16);
- Employee Benefits (IAS 19)

The impact of these changes in accounting policies on the financial information previously reported for 2004 is discussed in detail later in this note.

RECONCILIATION OF IMPACT OF IFRS ON THE CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	Impact of Transition to IFRS			
	Under Irish GAAP €m	IAS 19 €m	IAS 16 €m	Under IFRS €m
Continuing operations				
Revenue	293.3	—	—	293.3
Depreciation	(25.2)	—	(1.1)	(26.3)
Employee benefits expense	(56.3)	(2.1)	—	(58.4)
Other operating expenses	(185.3)	—	—	(185.3)
Operating profit	26.5	(2.1)	(1.1)	23.3
Restructuring costs	(11.9)	(0.5)	—	(12.4)
Investment income	0.9	—	—	0.9
Finance costs	(6.3)	—	—	(6.3)
Profit before taxation	9.2	(2.6)	(1.1)	5.5
Taxation	(1.2)	1.2	—	—
Profit for the period: all attributable to equity holders of the parent	<u>8.0</u>	<u>(1.4)</u>	<u>(1.1)</u>	<u>5.5</u>
Earnings per ordinary share (cent)				
All from continuing operations				
— basic	34.0	(5.9)	(4.7)	23.4
— fully diluted	33.9	(5.9)	(4.7)	23.3

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2004

	Impact of Transition to IFRS			
	Under Irish GAAP €m	IAS 19 €m	IAS 16 €m	Under IFRS €m
Exchange differences on translation of foreign operations	(2.3)	0.1	—	(2.2)
Actuarial losses on retirement obligations	—	(14.3)	—	(14.3)
Profit for the period: all attributable to equity holders of the parent	<u>8.0</u>	<u>(1.4)</u>	<u>(1.1)</u>	<u>5.5</u>
Net income recognised directly in equity	<u>5.7</u>	<u>(15.6)</u>	<u>(1.1)</u>	<u>(11.0)</u>

IFRS 1 First Time Adoption of International Financial Reporting Standards

At the date of transition to IFRS the Group availed of the option provided under IFRS1 which states that an entity may elect to measure an item of Property, Plant and Equipment at date of transition at Fair Value and use that Fair Value as its deemed cost at that date. The Group elected to measure one of its vessels, the fast

ferry Jonathan Swift, at its fair value at the date of transition. This resulted in a reduction of €10.2 million in the value of fixed assets at the date of transition and a corresponding reduction in reserves.

IAS 16 Property, Plant & Equipment

IAS 16, *Property, Plant & Equipment*, requires that an entity allocates the amount initially recognised in respect of an item of Property, Plant and Equipment to its significant parts and separately depreciates each part with a cost that is significant in relation to the total cost of the item. Prior to the adoption of IAS 16 the Group depreciated each item of Property, Plant & Equipment on a straight line basis over its total expected useful life.

In respect of passenger ships, cost is allocated between Hull & Machinery and Hotel & Catering areas. Hull & Machinery, which is subject to minor wear, are assessed on initial recognition to have a useful life of 15 years for fast ferries and 30 years for conventional ferries, and are depreciated accordingly. Hotel and Catering areas, which are subject to intensive wear, are assessed on initial recognition to have a useful life of 10 years and are depreciated accordingly.

In respect of stevedoring equipment cost is allocated between structural frame and machinery. Structural frame is subject to minor wear and is depreciated over 12 years. Machinery is subject to intensive wear and is depreciated over 8 years.

This standard has been applied at the date of transition to IFRS resulting in an increase of €11.5 million to accumulated depreciation at that date and a corresponding reduction in reserves.

IAS 19 Employee Benefits

IAS 19, *Employee Benefits*, requires post retirement benefits that qualify as Defined Benefit pension schemes to be presented on the Group Consolidated Balance Sheet. Previously no Retirement Benefit asset or liability was shown in the Group Financial Statements, although the Group complied with the disclosure requirements of FRS 17 *Retirement Benefits*.

Under Irish GAAP the defined benefit pension cost charged to the Profit and Loss account was based on current service cost plus the impact of spreading any surpluses or deficits arising on the Group's Defined Benefit Pension Scheme over the estimated average remaining service lives of the employees. Under IFRS the defined benefit pension charge in the Consolidated Income Statement is based on current service cost and a financing charge or credit.

The Group has opted for full recognition of pension deficits or surpluses on the Consolidated Balance Sheet under IFRS. The surplus arising on the Group's Defined Benefit Pension Plan at the date of transition to IFRS, as measured by the plan's actuaries using the attained age and projected unit method, have been recognised in full resulting in the recognition of a Retirement Benefit asset of €14.3 million at 1 January 2004 and a corresponding increase in reserves.

PART B

Unaudited interim accounts of ICG for the six months ended 30 June 2007



IRISH CONTINENTAL GROUP

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2007

RESULTS

The Board of Irish Continental Group plc (ICG) reports Revenue of €163.2 million in the six months to 30th June 2007, compared with €141.8 million (restated) in the same period in 2006. Trading profit was €16.4 million compared with €2.6 million in 2006. There was a non recurring charge of €16.5 million relating to the proposed acquisition of the Group (see below). Loss from operations was €0.1 million, compared with a profit of €2.6 million in the same period in 2006. Finance costs (net of investment revenue) were €0.9 million which includes a net credit of €2.9 million in relation to interest on defined benefit pension scheme assets and liabilities. There was a loss before tax of €1.0 million compared with a profit of €2.6 million in the first half of 2006. The tax charge was €0.6 million (2006: €0.2 million). Basic EPS was a loss of 6.8c compared with earnings of 10.2c in 2006. Adjusted EPS, i.e. before non recurring items and the net pension interest credit amounted to 50.8c (loss of 1.7c in 2006).

NON RECURRING ITEM

On 8th March 2007 a committee of Independent Directors of the Board and the Board of Directors of Aella plc announced the terms of a recommended acquisition for cash of the entire issued, and to be issued, share capital of ICG by Aella for cash consideration of €18.50 per ICG Unit (the “Aella Offer”). On 14th June 2007 the Independent Directors of ICG and the Board of Directors of Moonduster Limited announced the terms of a recommended acquisition for cash of the entire issued, and to be issued, share capital of ICG by Moonduster for cash consideration of €22.00 per ICG unit (“The Moonduster Offer”). In the announcement of the Moonduster Offer, the Independent Directors indicated that by announcing their intention to recommend the Moonduster Offer they were withdrawing their recommendation of the Aella Offer. On 20th August 2007 the Independent Directors of ICG announced the terms of a recommended revised acquisition for cash of the entire issued, and to be issued, share capital of ICG by Aella plc for a cash consideration of €24.00 per ICG unit. The non recurring charge of €16.5 million represents estimated potential costs incurred by the Group to date in relation to this process.

REDEMPTION OF REDEEMABLE SHARES

As stated above the offer period for the Company which commenced on 8 March 2007, is still ongoing. In the preliminary results announcement for the year ended 31 December 2006, it was stated that, in light of the Aella Offer, the Directors did not propose to declare a further redemption of Redeemable Shares or payment of an ordinary dividend for the year ended 31 December 2006. The offer period is still ongoing and it remains a condition of the offers which the Company has received that no new dividends or redeemable share redemptions occur and accordingly the Directors continue to propose not to declare any further redemption or dividend for the time being.

OPERATIONAL REVIEW

Ferries Division

The division comprises Irish Ferries, a leading provider of ferry services between Ireland and both the UK and Continental Europe, and the chartering of multipurpose ferries to third parties.

Revenue in the division was €85.9 million (2006: €72.2 million). Profit from operations was €12.2 million (2006: €1.4 million).

The Irish Ferries’ passenger business is driven by car tourism. Our total cars carried in the first half of 2007 is, at 173,000, up 19% from the first half of 2006, whereas the market as a whole is up 4%.

The prior year comparison for the passenger business benefits significantly from the consequential effects of industrial action in November and December of 2005. When compared with the first half of 2005, when there was no such disruption, our total cars carried were up 7%.

The passenger business has been further helped by the reduction in overall capacity within the industry which took effect in the latter half of 2006, and is impacting in 2007. There was a reduction in one competitor's fast ferry frequency on the Central Corridor, while on the Southern Corridor another competitor temporarily suspended services for 2007.

The overall Roll On Roll Off freight market continues to develop and our volumes were up 19% to 131,000 units, when compared with the first half of 2006.

Volume growth exceeded that of the market (itself up 7%), primarily due to the absence of the knock-on effect of the industrial action in late 2005 on carryings in the comparable period. Another factor in the increase in volume growth is the timing of our drydockings which effectively increased our capacity in January 2007, while one of our competitors had a temporary reduction in capacity in March 2007 due to operational reasons.

In ship chartering, the Pride of Bilbao remained on charter to P&O, servicing their Spanish route from Portsmouth while the former Pride of Cherbourg continued its subcharter to Toll Shipping Pty, in New Zealand.

In January we announced the acquisition of the mv Kronprins Harald, which we will rename Oscar Wilde, in an investment of approximately €45 million. The vessel remained on charter with the vendors until its physical delivery scheduled for the second half of the year.

Container and Terminal Division

The division includes our intermodal freight services Eucon, Feederlink and Eurofeeders as well as our strategically located container terminals in Dublin and Belfast, (DFT & BCT).

Turnover in the division was €77.3 million (2006: €69.6 million). Profit from operations was €4.2 million (2006: €1.2 million).

Total containers shipped on continuing routes were up 12% at 255,000 teu., while the number of units lifted at our port facilities in Dublin (DFT) and Belfast (BCT) were up 11% at 88,000 lifts. During the half year we broadened our product offering by introducing refrigerated containers to cater for the market for temperature controlled products for the first time.

A construction project to add capacity at DFT, our lift-on / lift-off terminal in Dublin Port, commenced in March 2007 and has progressed satisfactorily during the half year.

FINANCE

Capital expenditure in the period was €51.3 million (2006: €8.4 million), principally the acquisition of the Oscar Wilde and the development of DFT. Net debt at the end of the period amounted to €121.2 million. This compares with €113.8 million at 31 December 2006, the increase due mainly to the significant capital expenditure partially offset by the positive cash flow from operations.

**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	<u>Notes</u>	<u>30 June 2007 €m</u>	<u>As restated 30 June 2006 €m</u>	<u>31 Dec 2006 €m</u>
Continuing operations				
Revenue		163.2	141.8	312.1
Depreciation and amortisation		(16.2)	(13.0)	(27.5)
Employee benefits expense		(17.2)	(19.7)	(32.9)
Other operating expenses		<u>(113.4)</u>	<u>(106.5)</u>	<u>(219.5)</u>
Trading profit		16.4	2.6	32.2
Non recurring (charge)/credit		<u>(16.5)</u>	<u>—</u>	<u>0.7</u>
Operating (loss)/profit		(0.1)	2.6	32.9
Investment revenue		10.2	8.2	18.3
Finance costs		<u>(11.1)</u>	<u>(8.2)</u>	<u>(17.9)</u>
(Loss)/profit before taxation		(1.0)	2.6	33.3
Income tax expense		<u>(0.6)</u>	<u>(0.2)</u>	<u>(1.0)</u>
(Loss)/profit for the period: all attributable to equity holders of the parent		<u>(1.6)</u>	<u>2.4</u>	<u>32.3</u>
(Loss)/earnings per ordinary share (cent)				
All from continuing operations				
— basic	4	(6.8)	10.2	137.4
— diluted	4	—	10.2	136.9

**CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	30 June 2007 €m	As restated 30 June 2006 €m	31 Dec 2006 €m
Gain on cash flow hedges	—	—	0.6
Exchange differences on translation of foreign operations	(1.0)	(2.7)	(0.9)
Actuarial (loss)/gain on retirement obligations	(0.8)	4.1	12.1
Deferred Tax on Group defined benefit pension schemes	(0.3)	—	(0.5)
(Loss)/profit for the period	<u>(1.6)</u>	<u>2.4</u>	<u>32.3</u>
Total recognised (expense)/income for the period: all attributable to equity holders of the parent — (decrease)/increase in retained earnings	(3.7)	3.8	43.6
Effect of change in accounting policy	<u>—</u>	<u>1.4</u>	<u>1.5</u>
Total recognised income and expense for the period as restated	<u>(3.7)</u>	<u>5.2</u>	<u>45.1</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2007	15.9	40.6	2.2	0.5	0.5	2.7	115.9	178.3
Exchange differences arising on translation of foreign operations	—	—	—	—	—	(1.0)	—	(1.0)
Actuarial loss on defined benefit pension schemes	—	—	—	—	—	—	(0.8)	(0.8)
Deferred Tax on Group defined benefit pension schemes	—	—	—	—	—	—	(0.3)	(0.3)
Net expense recognised directly in equity	—	—	—	—	—	(1.0)	(1.1)	(2.1)
Loss for the period	—	—	—	—	—	—	(1.6)	(1.6)
Total recognised income and expense for the period	—	—	—	—	—	(1.0)	(2.7)	(3.7)
Share issue	0.1	—	—	—	—	—	—	0.1
Exercise of share options — shares issued at premium	—	0.9	—	—	—	—	—	0.9
Employee share options expense	—	—	—	0.3	—	—	—	0.3
	<u>0.1</u>	<u>0.9</u>	<u>—</u>	<u>0.3</u>	<u>—</u>	<u>(1.0)</u>	<u>(2.7)</u>	<u>(2.4)</u>
Balance at 30 June 2007	<u>16.0</u>	<u>41.5</u>	<u>2.2</u>	<u>0.8</u>	<u>0.5</u>	<u>1.7</u>	<u>113.2</u>	<u>175.9</u>
Analysed as follows:								
Share capital								16.0
Share premium								41.5
Other reserves								5.2
Retained earnings								<u>113.2</u>
								<u>175.9</u>

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007**

	<u>Notes</u>	<u>30 June 2007 €m</u>	<u>As restated 30 June 2006 €m</u>	<u>31 Dec 2006 €m</u>
Assets				
Non current assets				
Property, plant & equipment	5	305.4	279.9	271.0
Intangible assets	6	2.6	3.2	2.8
Long term receivables		4.7	4.8	4.5
Retirement benefit surplus		31.2	14.3	29.9
		<u>343.9</u>	<u>302.2</u>	<u>308.2</u>
Current assets				
Inventories		0.8	0.8	0.6
Trade and other receivables		46.1	48.6	53.5
Derivative financial instruments		0.4	0.4	0.5
Cash and cash equivalents		19.0	12.5	11.0
		<u>66.3</u>	<u>62.3</u>	<u>65.6</u>
Total assets		<u>410.2</u>	<u>364.5</u>	<u>373.8</u>
Equity and liabilities				
Capital and reserves				
Share capital		16.0	15.9	15.9
Share premium		41.5	40.4	40.6
Other reserves		5.2	3.6	5.9
Retained earnings		113.2	81.2	115.9
Equity attributable to equity holders		<u>175.9</u>	<u>141.1</u>	<u>178.3</u>
Non-current liabilities				
Borrowings		107.4	124.1	105.3
Obligations under finance leases		4.1	5.9	5.0
Trade and other payables		—	3.3	—
Provisions		4.2	2.0	1.8
Deferred tax liabilities		5.9	5.2	5.6
Retirement benefit obligation		9.2	0.6	10.1
		<u>130.8</u>	<u>141.1</u>	<u>127.8</u>
Current liabilities				
Borrowings		26.3	11.6	11.9
Obligations under finance leases		2.4	3.3	2.6
Trade and other payables		70.5	62.6	47.8
Current tax liabilities		4.2	4.1	3.6
Provisions		0.1	0.7	1.8
		<u>103.5</u>	<u>82.3</u>	<u>67.7</u>
Total liabilities		<u>234.3</u>	<u>223.4</u>	<u>195.5</u>
Total equity and liabilities		<u>410.2</u>	<u>364.5</u>	<u>373.8</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	30 June 2007 €m	As restated 30 June 2006 €m	31 Dec 2006 €m
Operating activities			
(Loss) / profit for the period	(1.6)	2.4	32.3
Adjustments for:			
Finance costs (net)	0.9	—	(0.4)
Income tax expense	0.6	0.2	1.0
Retirement benefit obligation — service cost	1.2	1.5	3.2
Retirement benefit obligation — payments	(1.1)	(0.5)	(1.7)
Depreciation of property, plant and equipment	15.7	12.6	26.5
Amortisation of intangible assets	0.5	0.5	1.1
Amortisation of deferred income	—	(0.1)	(0.1)
Share based payment expense	0.3	—	0.4
Gain on disposal of property, plant and equipment	—	—	(0.2)
Restructuring programme payments	—	(36.3)	(35.4)
Increase in restructuring provisions	—	—	3.7
Increase / (decrease) in other provisions	<u>0.7</u>	<u>—</u>	<u>(0.5)</u>
Operating cash flow before movements in working capital	17.2	(19.7)	29.9
Increase in inventories	(0.2)	(0.2)	—
Decrease / (increase) in receivables	7.4	(7.7)	(15.9)
Increase in payables	<u>22.9</u>	<u>15.8</u>	<u>2.4</u>
Cash generated from operations	47.3	(11.8)	16.4
Income taxes paid	(0.2)	(1.0)	(1.7)
Interest paid	<u>(4.4)</u>	<u>(3.0)</u>	<u>(6.0)</u>
Net cash from operating activities	<u>42.7</u>	<u>(15.8)</u>	<u>8.7</u>
Investing activities			
Interest received	0.6	0.4	0.3
Proceeds on disposal of property, plant and equipment	—	—	0.2
Purchases of property, plant and equipment	(51.0)	(8.1)	(11.4)
Purchase of intangible assets	<u>(0.3)</u>	<u>(0.3)</u>	<u>(0.6)</u>
Net cash used in investing activities	<u>(50.7)</u>	<u>(8.0)</u>	<u>(11.5)</u>
Financing activities			
Redemption of redeemable shares	—	(4.5)	(7.2)
Repayments of borrowings	(50.0)	(18.6)	(11.8)
Repayments of obligations under finance leases	(1.3)	(1.8)	(4.0)
Proceeds on issue of share capital	1.0	0.9	1.1
New bank loans raised	62.5	44.7	19.6
New finance leases raised	0.1	2.2	2.4
Increase / (decrease) in bank overdrafts	<u>4.4</u>	<u>(0.1)</u>	<u>—</u>
Net cash from financing activities	<u>16.7</u>	<u>22.8</u>	<u>0.1</u>
Net increase / (decrease) in cash and cash equivalents	8.7	(1.0)	(2.7)
Cash and cash equivalents at the beginning of the year	11.0	14.0	14.0
Effect of foreign exchange rate changes	<u>(0.7)</u>	<u>(0.5)</u>	<u>(0.3)</u>
Cash and cash equivalents at the end of the year			
Bank balances and cash	<u><u>19.0</u></u>	<u><u>12.5</u></u>	<u><u>11.0</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2007**

1. Accounting policies

These June 2007 interim consolidated financial statements are for the six months ended 30 June 2007. The interim financial report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and the accounting policies and methods of computation used in the interim financial statements are consistent with those used in the Group 2006 Annual Report, which is available at www.icg.ie.

The figures included in the financial statements for the six months ended 30 June 2007 and 30 June 2006 are unaudited. The full year figures for the twelve months ended 31 December 2006 were extracted from the audited financial statements for that year.

2. Segmental information: Analysis by class of business

	As restated					
	6 months ended				12 months ended	
	30 June 2007		30 June 2006		31 Dec 2006	
	Revenue €m	Profit €m	Revenue €m	Profit €m	Revenue €m	Profit €m
Ferries & Travel	85.9	12.2	72.2	1.4	170.0	29.3
Container and Terminal	77.5	4.2	70.2	1.2	142.6	3.6
Intersegment	(0.2)	—	(0.6)	—	(0.5)	—
Net Interest	—	(0.9)	—	—	—	0.4
Non allocated item	—	(16.5)	—	—	—	—
	<u>163.2</u>	<u>(1.0)</u>	<u>141.8</u>	<u>2.6</u>	<u>312.1</u>	<u>33.3</u>

3. Change in accounting policy

As reported in the 2006 Annual Report, there were two changes made to the Group's accounting policies during the year.

The first change was in relation to passenger tickets and the treatment of unused tickets. Due to the change in accounting policy, passenger ticket revenue is now recognised at the date of travel.

The 2006 interim comparative has been restated in accordance with the new policy, resulting in a charge to the income statement of €0.1 million for the period ended 30 June 2006 and a decrease in deferred revenue accruals as previously reported in the balance sheet at 30 June 2006 of €1.4 million as follows:

	Revenue €m	Deferred Revenue Accruals €m	Retained Earnings €m
As previously reported at 30 June 2006	141.9	12.7	79.8
Deferred revenue restatement —			
Income Statement effect	(0.1)	—	—
Balance Sheet effect	—	(1.4)	1.4
	<u>141.8</u>	<u>11.3</u>	<u>81.2</u>

The second change was in the area of employee benefits and the presentation of the financial statements in relation to the Expected return on scheme assets, now shown under Investment revenue and Interest on scheme liabilities, now shown under Finance costs. These had previously been netted off and accounted for under Employee benefit expenses.

In the 2006 interim report, the net of these two amounts (€2.8 million) was offset against Employee benefits expense. The 2006 interim comparative has been restated to reflect the change in accounting policy. There is no impact on reported profit before tax.

4. Earnings per share

	6 months ended 30 June 2007 cent	As restated 6 months ended 30 June 2006 cent	12 months ended 31 December 2006 cent
Basic (loss)/earnings per share	(6.8)	10.2	137.4
Diluted earnings per share	—	10.2	136.9
Adjusted earnings/(loss) per share	50.8	(1.7)	108.5
Adjusted diluted earnings per share	49.4	—	108.1

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	<u>€m</u>	<u>€m</u>	<u>€m</u>
Earnings			
Earnings for the purpose of basic earnings per share —			
(Loss)/profit for the year attributable to equity holders of the parent	<u>(1.6)</u>	<u>2.4</u>	<u>32.3</u>
Earnings for the purpose of diluted earnings per share	<u>(1.6)</u>	<u>2.4</u>	<u>32.3</u>
Earnings for the purpose of basic earnings per share —			
(Loss)/profit for the year attributable to equity holders of the parent	(1.6)	2.4	32.3
Effect of non recurring charge/(credit)	16.5	—	(0.7)
Effect of expected return on defined benefit pension scheme assets	(9.6)	(7.8)	(17.8)
Effect of interest on defined benefit pension scheme liabilities	<u>6.7</u>	<u>5.0</u>	<u>11.7</u>
Earnings for the purpose of adjusted earnings per share	<u>12.0</u>	<u>(0.4)</u>	<u>25.5</u>
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	23.6	23.5	23.5
Effect of dilutive potential ordinary shares: Share options	<u>0.7</u>	<u>0.1</u>	<u>0.1</u>
Weighted average number of ordinary shares for the purpose of diluted adjusted earnings per share	<u>24.3</u>	<u>23.6</u>	<u>23.6</u>

5. Property, plant and equipment

	<u>Assets under construction €m</u>	<u>Ships €m</u>	<u>Plant & equipment €m</u>	<u>Vehicles €m</u>	<u>Land & buildings €m</u>	<u>Total €m</u>
Cost or valuation						
At 1 January 2007	0.7	380.4	62.5	2.5	24.5	470.6
Additions	3.3	46.4	1.0	0.3	—	51.0
Disposals	—	—	—	(0.2)	—	(0.2)
Exchange differences	<u>—</u>	<u>(2.0)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2.0)</u>
At 30 June 2007	<u>4.0</u>	<u>424.8</u>	<u>63.5</u>	<u>2.6</u>	<u>24.5</u>	<u>519.4</u>
Accumulated depreciation						
At 1 January 2007	—	149.5	41.4	1.3	7.4	199.6
Charge for period	—	13.5	1.8	0.2	0.2	15.7
Disposals	—	—	—	(0.2)	—	(0.2)
Exchange differences	<u>—</u>	<u>(1.1)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1.1)</u>
At 30 June 2007	<u>—</u>	<u>161.9</u>	<u>43.2</u>	<u>1.3</u>	<u>7.6</u>	<u>214.0</u>
Net book amounts						
At 1 January 2007	<u>0.7</u>	<u>230.9</u>	<u>21.1</u>	<u>1.2</u>	<u>17.1</u>	<u>271.0</u>
At 30 June 2007	<u>4.0</u>	<u>262.9</u>	<u>20.3</u>	<u>1.3</u>	<u>16.9</u>	<u>305.4</u>

At 30 June 2007 the Group has entered into commitments to the value of €1.5 million for the purchase of fixed assets.

6. Intangible Assets

	<u>€m</u>
Cost	
At 1 January 2007	6.6
Additions	<u>0.3</u>
At 30 June 2007	<u>6.9</u>
Amortisation	
At 1 January 2007	3.8
Charge for the year	<u>0.5</u>
At 30 June 2007	<u>4.3</u>
Carrying amount	
At 1 January 2007	<u>2.8</u>
At 30 June 2007	<u>2.6</u>

7. Net debt

	<u>Cash €m</u>	<u>Overdrafts €m</u>	<u>Loans €m</u>	<u>Leases €m</u>	<u>Total €m</u>
At 1 January 2007					
Current assets	11.0	—	—	—	11.0
Creditors due within one year	—	(0.1)	(11.8)	(2.6)	(14.5)
Creditors due after one year	—	—	(105.3)	(5.0)	(110.3)
	11.0	(0.1)	(117.1)	(7.6)	(113.8)
Cash flow	8.7	(4.4)	(12.1)	1.1	(6.7)
Foreign exchange rate changes	(0.7)	—	—	—	(0.7)
	<u>19.0</u>	<u>(4.5)</u>	<u>(129.2)</u>	<u>(6.5)</u>	<u>(121.2)</u>
At 30 June 2007					
Current assets	19.0	—	—	—	19.0
Creditors due within one year	—	(4.5)	(21.8)	(2.4)	(28.7)
Creditors due after one year	—	—	(107.4)	(4.1)	(111.5)
	<u>19.0</u>	<u>(4.5)</u>	<u>(129.2)</u>	<u>(6.5)</u>	<u>(121.2)</u>

8. Tax

Corporation tax for the interim period is estimated based on the best estimates of the weighted average annual corporation tax rate expected to apply for the full financial year.

9. Retirement benefit schemes

Retirement benefit scheme valuations have been updated at the half year to reflect management's best estimates of scheme assets and schemes liabilities. Scheme assets have been valued as per investment managers valuations at 30 June 2007. Scheme liabilities have been estimated using the same assumptions as at 31 December 2006 except that the discount rate has been increased to 5% for schemes with euro liabilities and 5.3% for schemes with sterling liabilities, reflecting the underlying long term interest rate and yield on European AAA rated bonds.

10. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation.

11. Board Approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 7 September 2007.

PART X — ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The directors of Aella, whose names appear in paragraph 2 of Part A of Part VIII (Information on Aella and Adonia Aella) of this document, accept responsibility for the information contained in this document relating to Aella and/or Adonia Aella and to the participation of the MBO Team (or any members thereof) in, or their arrangements with, Aella and/or Adonia Aella. To the best of the knowledge and belief of the directors of Aella (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The directors of ICG, whose names appear in paragraph 2 of this Part X, accept responsibility for the information contained in this document other than that relating to the recommendation and related opinions of the Independent Board and other than the information contained in this document relating to Aella and/or Adonia Aella and to the participation of the MBO Team (or any members thereof) in, or their arrangements with, Aella and/or Adonia Aella. The Independent Board, whose members are identified by * beside their name in paragraph 2 of this Part X, accepts responsibility for the recommendation and the related opinions of the Independent Board contained in this document. To the best of the knowledge and belief of the directors of ICG and the Independent Board (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. DIRECTORS AND REGISTERED OFFICE

The names of the directors of ICG and their respective functions are as follows:

John B. McGuckian*	Chairman
Eamonn Rothwell	Chief Executive Officer
Peter Crowley*	Senior Independent Director
Anthony Kelly	Marketing Director
Garry O'Dea	Finance Director
Bernard Somers*	Independent Director

* *Members of the Independent Board*

The registered office of ICG is Ferryport, Alexandra Road, Dublin 1.

3. MARKET QUOTATIONS

The following table shows the Closing Price of an ICG Unit as derived from the Official Lists in each case on the first dealing day in each month from October 2006 to March 2007 inclusive, on 7 March 2007 (the last Business Day prior to the commencement of the Offer Period) and at the close of business on the Latest Practicable Date:

Date	Closing Price of ICG Unit	
	Irish Stock Exchange(€)	London Stock Exchange(€)
2 October 2006	11.00	11.02
1 November 2006	12.80	12.81
1 December 2006	12.90	13.05
2 January 2007	15.00	14.82
1 February 2007	15.79	15.83
1 March 2007	15.85	15.88
7 March 2007	15.60	15.51
7 September 2007	25.00	25.74

As the Redeemable Preference Shares and Loan Notes are not yet in issue and are not intended to become quoted, no market price quotations arise in relation to them.

4. INTERESTS IN RELEVANT SECURITIES OF ICG

4.1 At the close of business on the Latest Practicable Date, Aella and Adonia Aella did not own or control any relevant securities of ICG.

4.2 Excluding ICG Options outstanding at the close of business on the Latest Practicable Date, the directors of Aella and persons connected to them (within the meaning of Section 26 of the Companies Act, 1990 (“connected’’) held the following interests (for the purposes of Part IV of the Companies Act, 1990) in ICG Units at the close of business on the Latest Practicable Date:

<u>Name</u>	<u>Number of ICG Units</u>
Eamonn Rothwell	3,788,771*
Garry O’Dea	179,377
Anthony Kelly	39,588
John Reilly	48,608

* of which 736,000 ICG Units are held via contracts for difference

At the close of business on the Latest Practicable Date, the directors of Aella held the following interests (for the purposes of Part IV of the Companies Act, 1990) in ICG Options:

<u>Name</u>	<u>Date of Grant</u>	<u>Price</u>	<u>From</u>	<u>To</u>	<u>Number of Units</u>	
Eamonn Rothwell	January 1997	5.30	January 2000	March 2007*	75,000	
	January 1997	5.30	January 2002	March 2007*	75,000	
	January 2000	10.75	January 2003	March 2010	25,000	
	January 2000	10.75	January 2005	March 2010	25,000	
	January 2002	7.35	January 2005	March 2012	100,000	
	January 2002	7.35	January 2007	March 2012	100,000	
	September 2002	5.30	September 2005	September 2012	50,000	
	September 2002	5.30	September 2007	September 2012	50,000	
	April 2005	10.00	April 2008	April 2015	25,000	
	April 2005	10.00	April 2010	April 2015	25,000	
	September 2006	10.67	September 2009	September 2016	50,000	
	September 2006	10.67	September 2011	September 2016	50,000	
	Garry O’Dea	January 1997	5.30	January 2002	March 2007*	37,500
		January 2000	10.75	January 2003	March 2010	12,500
January 2000		10.75	January 2005	March 2010	12,500	
January 2002		7.35	January 2007	March 2012	50,000	
September 2002		5.30	September 2005	September 2012	15,000	
September 2002		5.30	September 2007	September 2012	15,000	
April 2005		10.00	April 2008	April 2015	12,500	
April 2005		10.00	April 2010	April 2015	12,500	
September 2006		10.67	September 2009	September 2016	25,000	
September 2006		10.67	September 2011	September 2016	25,000	
Anthony Kelly		January 1997	5.30	January 2002	March 2007*	25,000
		January 2000	10.75	January 2003	March 2010	12,500
		January 2000	10.75	January 2005	March 2010	12,500
		January 2002	7.35	January 2005	March 2012	25,000
	January 2002	7.35	January 2007	March 2012	25,000	
	September 2002	5.30	September 2005	September 2012	12,500	
	September 2002	5.30	September 2007	September 2012	12,500	
	April 2005	10.00	April 2008	April 2015	12,500	
	April 2005	10.00	April 2010	September 2015	12,500	
	September 2006	10.67	September 2009	September 2016	25,000	
	September 2006	10.67	September 2011	September 2016	25,000	

<u>Name</u>	<u>Date of Grant</u>	<u>Price</u>	<u>From</u>	<u>To</u>	<u>Number of Units</u>
John Reilly	January 1997	5.30	January 2002	March 2007*	5,000
	January 1997	5.30	January 2002	March 2007*	5,000
	January 1999	11.50	January 2002	March 2009	15,000
	January 1999	11.50	January 2005	March 2009	15,000
	January 2000	10.75	January 2003	March 2010	5,000
	January 2000	10.75	January 2005	March 2010	5,000
	January 2002	7.35	January 2005	March 2012	10,000
	January 2002	7.35	January 2007	March 2012	10,000
	April 2005	10.00	April 2008	April 2015	12,500
	April 2005	10.00	April 2010	April 2015	12,500
	September 2006	10.67	September 2009	September 2016	25,000
	September 2006	10.67	September 2011	September 2016	25,000

* *The extension of these options was the subject of an ICG Board resolution dated 7 March 2007 which provided that, to the extent that the 1997 Options were not already exercisable, they would be deemed exercisable under the rules of the 1988 Share Option Scheme on the announcement of any offer prior to 18 March 2007 and remain exercisable until:*

- *60 days after the court sanction of any scheme of arrangement or, if later, completion;*
- *60 days after any offer or competing offer becomes unconditional or, if later, completion; or*
- *60 days following the withdrawal/lapsing of all offers, if any.*

4.3 Other than the interests disclosed in paragraphs 4.1 and 4.2, at the close of business on the Latest Practicable Date, the directors of Aella did not hold any interests (for the purposes of Part IV of the Companies Act, 1990) in relevant securities of ICG.

4.4 At the close of business on 6 September 2007, persons controlling, controlled by or under the same control as Goodbody Corporate Finance owned or controlled the following relevant securities of ICG:

<u>Name</u>	<u>Number of ICG Units</u>
Discretionary clients	708,554
Discretionary clients (via contracts for difference)	10,000
Principal holding account	448,040
	1,166,594

4.5 At the close of business on the Latest Practicable Date, no partner or member of the professional staff of Arthur Cox (legal advisers to Aella) professionally engaged in relation to the Revised Acquisition or engaged in the affairs of Aella since incorporation owned or controlled any ICG Units.

4.6 At the close of business on the Latest Practicable Date, no partner or member of the professional staff of A&L Goodbody (legal advisers to ICG) professionally engaged in relation to the Revised Acquisition or engaged in the affairs of ICG in the last two years owned or controlled any ICG Units.

4.7 Save as disclosed in this document, at the close of business on the Latest Practicable Date, persons deemed or presumed to be acting in concert with Aella did not own or control any relevant securities of ICG.

- 4.8 At the close of business on the Latest Practicable Date, persons who have irrevocably committed themselves to or to procure any party connected with them to vote in favour of the Scheme owned or controlled the following relevant securities of ICG:

<u>Name</u>	<u>Number of ICG Units</u>
Eamonn Rothwell	3,052,771
Garry O'Dea	179,377
Anthony Kelly	39,588
Tom Corcoran	8,736
John Reilly	48,608
John B. McGuckian	32,354
Peter Crowley	15,000

- 4.9 As at the Latest Practicable Date, no person with whom Aella or any associate (within the meaning of any of the paragraphs (a) to (g) of the definition of 'associate' in the Takeover Rules) of Aella has any Arrangement owned or controlled any ICG Units.

- 4.10 Excluding ICG Options outstanding at the close of business on the Latest Practicable Date, the directors of ICG held the following interests (for the purposes of Part IV of the Companies Act 1990) in ICG Units at the close of business on the Latest Practicable Date:

<u>Name</u>	<u>Number of ICG Units</u>
Eamonn Rothwell	3,052,771
Garry O'Dea	179,377
Anthony Kelly	39,588
John B. McGuckian	32,354
Peter Crowley	15,000
Bernard Somers	NIL

- 4.11 At the close of business on the Latest Practicable Date, the directors of ICG held the following interests (for the purposes of Part IV of the Companies Act 1990) in ICG Options:

<u>Name</u>	<u>Date of Grant</u>	<u>Price</u>	<u>From</u>	<u>To</u>	<u>Number of Units</u>	
Eamonn Rothwell	January 1997	5.30	January 2000	March 2007*	75,000	
	January 1997	5.30	January 2002	March 2007*	75,000	
	January 2000	10.75	January 2003	March 2010	25,000	
	January 2000	10.75	January 2005	March 2010	25,000	
	January 2002	7.35	January 2005	March 2012	100,000	
	January 2002	7.35	January 2007	March 2012	100,000	
	September 2002	5.30	September 2005	September 2012	50,000	
	September 2002	5.30	September 2007	September 2012	50,000	
	April 2005	10.00	April 2008	April 2015	25,000	
	April 2005	10.00	April 2010	April 2015	25,000	
	September 2006	10.67	September 2009	September 2016	50,000	
	September 2006	10.67	September 2011	September 2016	50,000	
	Garry O'Dea	January 1997	5.30	January 2002	March 2007*	37,500
		January 2000	10.75	January 2003	March 2010	12,500
January 2000		10.75	January 2005	March 2010	12,500	
January 2002		7.35	January 2007	March 2012	50,000	
September 2002		5.30	September 2005	September 2012	15,000	
September 2002		5.30	September 2007	September 2012	15,000	
April 2005		10.00	April 2008	April 2015	12,500	
April 2005		10.00	April 2010	April 2015	12,500	
September 2006		10.67	September 2009	September 2016	25,000	
September 2006		10.67	September 2011	September 2016	25,000	

<u>Name</u>	<u>Date of Grant</u>	<u>Price</u>	<u>From</u>	<u>To</u>	<u>Number of Units</u>
Anthony Kelly	January 1997	5.30	January 2002	March 2007*	25,000
	January 2000	10.75	January 2003	March 2010	12,500
	January 2000	10.75	January 2005	March 2010	12,500
	January 2002	7.35	January 2005	March 2012	25,000
	January 2002	7.35	January 2007	March 2012	25,000
	September 2002	5.30	September 2005	September 2012	12,500
	September 2002	5.30	September 2007	September 2012	12,500
	April 2005	10.00	April 2008	April 2015	12,500
	April 2005	10.00	April 2010	April 2015	12,500
	September 2006	10.67	September 2009	September 2016	25,000
	September 2006	10.67	September 2011	September 2016	25,000

* *The extension of these options was the subject of an ICG Board resolution dated 7 March 2007 which provided that, to the extent that the 1997 Options were not already exercisable, they would be deemed exercisable under the rules of the 1988 Share Option Scheme on the announcement of any offer prior to 18 March 2007 and remain exercisable until:*

- *60 days after the court sanction of any scheme of arrangement or, if later, completion;*
- *60 days after any offer or competing offer becomes unconditional or, if later, completion; or*
- *60 days following the withdrawal/lapsing of all offers, if any.*

4.12 As at the Latest Practicable Date, no relevant securities of ICG were owned or controlled by:

- (a) a subsidiary of ICG;
- (b) the trustees of a pension scheme (other than an industry-wide pension scheme) in which ICG or a subsidiary of ICG participates; or
- (c) any associate (within the meaning of any of paragraphs (d) or (e) of the definition of 'associate' in the Takeover Rules but excluding exempt market makers).

4.13 As at the Latest Practicable Date, no person with whom ICG or any associate (within the meaning of any of the paragraphs (a) to (g) of the definition of 'associate' in the Takeover Rules) of ICG has any Arrangement owned or controlled any relevant securities of ICG.

4.14 As at the close of business on the Latest Practicable Date, no fund manager (other than exempt fund managers) connected with ICG or any associate managed any relevant securities of ICG.

4.15 At the close of business on the Latest Practicable Date, persons controlling, controlled by or under the same control as NCB Corporate Finance owned or controlled the following relevant securities of ICG:

<u>Name</u>	<u>Number of ICG Units</u>
Discretionary Clients	5,500

4.16 As at the Latest Practicable Date, other than as set out in this paragraph 4, there were no relevant securities of ICG owned or controlled by persons whose interests are required to be disclosed under the Takeover Rules.

4.17 ICG has not redeemed or purchased any of its own shares during the Disclosure Period.

5. DEALINGS IN RELEVANT SECURITIES OF ICG

5.1 There were no dealings for value by Aella in relevant securities of ICG during the Disclosure Period.

- 5.2 Dealings for value in relevant securities of ICG by the directors of Aella during the Disclosure Period were as follows:

<u>Name</u>	<u>Date of Dealing</u>	<u>Transaction</u>	<u>Number of Securities</u>	<u>Price paid (€)</u>
Garry O'Dea	4 May 2006	Exercise of Options	25,000	€7.35
Garry O'Dea	4 May 2006	Sale of Units	10,000	€11.09
Garry O'Dea	5 May 2006	Sale of Units	15,000	€11.30
Garry O'Dea	11 May 2006	Exercise of Options	18,700	€7.35
Garry O'Dea	12 May 2006	Sale of Units	18,700	€11.4148
Garry O'Dea	23 October 2006	Exercise of Options	6,300	€7.35
Garry O'Dea	23 October 2006	Sale of Units	6,300	€12.40
Anthony Kelly	7 March 2006	Exercise of Options	2,500	€6.03
Anthony Kelly	21 March 2006	Exercise of Options	25,000	€5.30
Anthony Kelly	21 March 2006	Sale of Units	25,000	€12.375
Eamonn Rothwell	20 June 2007	Acquisition of Units	1,750,200*	€22.00

* Of which 736,000 ICG Units are held via contracts for difference

- 5.3 Aggregated dealings for value in relevant securities of ICG by persons controlling, controlled by or under the same control as Goodbody Corporate Finance during the Disclosure Period were as follows:

Aggregated dealings for discretionary funds

<u>Registered Holder</u>	<u>Period</u>	<u>Bought</u>			<u>Sold</u>		
		<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>	<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>
Goodbody Stockbrokers Nominees Limited	09/01/06 - 08/02/06	69,948	11.40	10.78	107,645	11.37	10.72
Goodbody Stockbrokers Nominees Limited	09/02/06 - 08/03/06	18,000	12.00	11.35	6,890	12.05	11.25
Goodbody Stockbrokers Nominees Limited	09/03/06 - 08/04/06	5,400	12.50	12.35	5,580	12.48	12.30
Goodbody Stockbrokers Nominees Limited	09/04/06 - 08/05/06	13,350	12.40	11.25	19,545	12.25	11.30
Goodbody Stockbrokers Nominees Limited	09/05/06 - 08/06/06	13,750	11.50	10.58	24,075	11.40	10.30
Goodbody Stockbrokers Nominees Limited	09/06/06 - 08/07/06	—	—	—	21,600	10.75	10.65
Goodbody Stockbrokers Nominees Limited	09/07/06 - 08/08/06	6,300	10.80	10.60	14,452	10.80	10.55
Goodbody Stockbrokers Nominees Limited	09/08/06 - 08/09/06	—	—	—	4,650	11.10	10.60

<u>Registered Holder</u>	<u>Period</u>	<u>Bought</u>			<u>Sold</u>		
		<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>	<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>
Goodbody Stockbrokers Nominees Limited	09/09/06 - 08/10/06	35,550	11.00	11.00	53,923	11.80	10.67
Goodbody Stockbrokers Nominees Limited	09/10/06 - 08/11/06	331,950	12.70	11.90	12,125	12.90	11.78
Goodbody Stockbrokers Nominees Limited	09/11/06 - 08/12/06	36,935	13.30	12.82	7,363	12.91	12.71
Goodbody Stockbrokers Nominees Limited	09/12/06 - 08/01/07	6,830	14.65	14.30	15,300	14.90	12.80
Goodbody Stockbrokers Nominees Limited	09/01/07 - 08/02/07	19,175	16.20	14.83	33,476	15.95	14.75

<u>Registered Holders</u>	<u>Date</u>	<u>Trade</u>	<u>No. of Ordinary Shares</u>	<u>Price</u>
Goodbody Stockbrokers Nominees Limited	08/02/2007	Buy	440	15.75
Goodbody Stockbrokers Nominees Limited	09/02/2007	Sell	1,500	15.53
Goodbody Stockbrokers Nominees Limited	09/02/2007	Sell	1,550	15.65
Goodbody Stockbrokers Nominees Limited	09/02/2007	Buy	1,550	15.65
Goodbody Stockbrokers Nominees Limited	12/02/2007	Buy	1,500	15.75
Goodbody Stockbrokers Nominees Limited	12/02/2007	Sell	1,000	15.80
Goodbody Stockbrokers Nominees Limited	14/02/2007	Buy	1,100	16.00
Goodbody Stockbrokers Nominees Limited	21/02/2007	Buy	600	16.35
Goodbody Stockbrokers Nominees Limited	01/03/2007	Sell	600	15.75

Aggregated dealings in principal trading account

<u>Registered Holder</u>	<u>Period</u>	<u>Bought</u>			<u>Sold</u>		
		<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>	<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>
Goodbody Stockbrokers Nominees Limited	09/01/06 - 08/02/06	297,206	11.44	10.70	272,306	11.43	10.65
Goodbody Stockbrokers Nominees Limited	09/02/06 - 08/03/06	148,687	12.15	11.25	55,055	12.14	11.35
Goodbody Stockbrokers Nominees Limited	09/03/06 - 08/04/06	155,714	12.50	11.99	59,980	12.50	12.00
Goodbody Stockbrokers Nominees Limited	09/04/06 - 08/05/06	87,450	12.30	11.09	31,857	12.00	11.25
Goodbody Stockbrokers Nominees Limited	09/05/06 - 08/06/06	244,375	11.51	10.10	140,119	11.77	10.29
Goodbody Stockbrokers Nominees Limited	09/06/06 - 08/07/06	60,324	10.79	10.50	89,488	10.95	10.60
Goodbody Stockbrokers Nominees Limited	09/07/06 - 08/08/06	78,921	10.80	10.50	96,038	10.80	10.58
Goodbody Stockbrokers Nominees Limited	09/08/06 - 08/09/06	104,134	11.31	10.50	118,191	11.23	10.65
Goodbody Stockbrokers Nominees Limited	09/09/06 - 08/10/06	604,099	11.80	10.67	539,872	11.50	10.70
Goodbody Stockbrokers Nominees Limited	09/10/06 - 08/11/06	723,396	13.30	11.75	1,115,116	13.35	11.80

<u>Registered Holder</u>	<u>Period</u>	<u>Bought</u>			<u>Sold</u>		
		<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>	<u>No. of Ordinary Shares</u>	<u>Max Price (€)</u>	<u>Min Price (€)</u>
Goodbody Stockbrokers Nominees Limited	09/11/06 - 08/12/06	180,587	13.31	12.71	146,540	13.30	12.60
Goodbody Stockbrokers Nominees Limited	09/12/06 - 08/01/07	365,174	15.25	12.80	316,182	15.00	12.95
Goodbody Stockbrokers Nominees Limited	09/01/07 - 08/02/07	476,593	16.50	14.70	280,554	16.20	14.56

<u>Registered Holders</u>	<u>Date</u>	<u>Trade</u>	<u>No. of Ordinary Shares</u>	<u>Price</u>
Goodbody Stockbrokers Nominees Limited	08/02/2007	Sell	2,400	15.75
Goodbody Stockbrokers Nominees Limited	08/02/2007	Sell	6,250	15.75
Goodbody Stockbrokers Nominees Limited	08/02/2007	Sell	511	15.51
Goodbody Stockbrokers Nominees Limited	08/02/2007	Sell	440	15.75
Goodbody Stockbrokers Nominees Limited	08/02/2007	Sell	25,000	15.65
Goodbody Stockbrokers Nominees Limited	09/02/2007	Buy	1,300	15.53
Goodbody Stockbrokers Nominees Limited	09/02/2007	Buy	1,500	15.53
Goodbody Stockbrokers Nominees Limited	09/02/2007	Sell	1,657	15.7
Goodbody Stockbrokers Nominees Limited	12/02/2007	Sell	1,500	15.75
Goodbody Stockbrokers Nominees Limited	12/02/2007	Buy	1,000	15.80
Goodbody Stockbrokers Nominees Limited	13/02/2007	Buy	1	15.64
Goodbody Stockbrokers Nominees Limited	13/02/2007	Sell	2,988	16
Goodbody Stockbrokers Nominees Limited	13/02/2007	Sell	5,000	16.05
Goodbody Stockbrokers Nominees Limited	15/02/2007	Buy	125	16.16
Goodbody Stockbrokers Nominees Limited	14/02/2007	Buy	681	16.01
Goodbody Stockbrokers Nominees Limited	14/02/2007	Sell	125	16.14
Goodbody Stockbrokers Nominees Limited	14/02/2007	Buy	200	16
Goodbody Stockbrokers Nominees Limited	14/02/2007	Sell	1,100	16.00
Goodbody Stockbrokers Nominees Limited	14/02/2007	Sell	200	16
Goodbody Stockbrokers Nominees Limited	15/02/2007	Sell	2,500	16.2
Goodbody Stockbrokers Nominees Limited	15/02/2007	Buy	2,500	16.25
Goodbody Stockbrokers Nominees Limited	15/02/2007	Sell	2,500	16.25
Goodbody Stockbrokers Nominees Limited	16/02/2007	Sell	30	16.25
Goodbody Stockbrokers Nominees Limited	16/02/2007	Buy	30	16.25
Goodbody Stockbrokers Nominees Limited	20/02/2007	Sell	550	16.3
Goodbody Stockbrokers Nominees Limited	21/02/2007	Sell	125	16.5
Goodbody Stockbrokers Nominees Limited	21/02/2007	Sell	600	16.35
Goodbody Stockbrokers Nominees Limited	21/02/2007	Sell	50	16.5
Goodbody Stockbrokers Nominees Limited	21/02/2007	Sell	1,675	16.45
Goodbody Stockbrokers Nominees Limited	21/02/2007	Sell	1,300	16.45
Goodbody Stockbrokers Nominees Limited	21/02/2007	Sell	1,570	16.3
Goodbody Stockbrokers Nominees Limited	22/02/2007	Buy	3,000	16.15
Goodbody Stockbrokers Nominees Limited	22/02/2007	Buy	125	16
Goodbody Stockbrokers Nominees Limited	22/02/2007	Buy	3,522	16.1
Goodbody Stockbrokers Nominees Limited	22/02/2007	Buy	3,522	16.1
Goodbody Stockbrokers Nominees Limited	22/02/2007	Buy	1,478	16.1
Goodbody Stockbrokers Nominees Limited	23/02/2007	Sell	1,000	16.1
Goodbody Stockbrokers Nominees Limited	26/02/2007	Sell	125	16.45
Goodbody Stockbrokers Nominees Limited	26/02/2007	Buy	700	16
Goodbody Stockbrokers Nominees Limited	26/02/2007	Sell	125	16.45
Goodbody Stockbrokers Nominees Limited	26/02/2007	Sell	125	16.5
Goodbody Stockbrokers Nominees Limited	26/02/2007	Sell	125	16.5
Goodbody Stockbrokers Nominees Limited	26/02/2007	Sell	148	16.5
Goodbody Stockbrokers Nominees Limited	26/02/2007	Buy	625	15.88
Goodbody Stockbrokers Nominees Limited	26/02/2007	Buy	470	15.88
Goodbody Stockbrokers Nominees Limited	26/02/2007	Buy	1,630	15.88
Goodbody Stockbrokers Nominees Limited	26/02/2007	Sell	281	15.88
Goodbody Stockbrokers Nominees Limited	27/02/2007	Buy	125	16.05
Goodbody Stockbrokers Nominees Limited	27/02/2007	Buy	125	16
Goodbody Stockbrokers Nominees Limited	27/02/2007	Buy	375	15.88
Goodbody Stockbrokers Nominees Limited	27/02/2007	Buy	170	15.95
Goodbody Stockbrokers Nominees Limited	27/02/2007	Buy	125	15.9

<u>Registered Holders</u>	<u>Date</u>	<u>Trade</u>	<u>No. of Ordinary Shares</u>	<u>Price</u>
Goodbody Stockbrokers Nominees Limited	27/02/2007	Sell	5,000	15.95
Goodbody Stockbrokers Nominees Limited	27/02/2007	Sell	10	15.95
Goodbody Stockbrokers Nominees Limited	27/02/2007	Buy	5,010	15.95
Goodbody Stockbrokers Nominees Limited	28/02/2007	Buy	125	15.86
Goodbody Stockbrokers Nominees Limited	28/02/2007	Buy	3,000	15.69
Goodbody Stockbrokers Nominees Limited	28/02/2007	Buy	1,250	15.7
Goodbody Stockbrokers Nominees Limited	28/02/2007	Buy	141	15.8
Goodbody Stockbrokers Nominees Limited	28/02/2007	Buy	359	15.7
Goodbody Stockbrokers Nominees Limited	01/03/2007	Buy	350	15.75
Goodbody Stockbrokers Nominees Limited	01/03/2007	Buy	125	15.6
Goodbody Stockbrokers Nominees Limited	01/03/2007	Sell	125	16.1
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	3,000	15.53
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	125	15.6
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	3,000	15.4
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	125	15.55
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	125	15.31
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	400	15.25
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	125	15.29
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	13	15.29
Goodbody Stockbrokers Nominees Limited	05/03/2007	Buy	5,000	15.25
Goodbody Stockbrokers Nominees Limited	06/03/2007	Sell	3,200	15.55
Goodbody Stockbrokers Nominees Limited	06/03/2007	Buy	3,200	15.55
Goodbody Stockbrokers Nominees Limited	07/03/2007	Sell	3,469	15.7

A full list of the dealings by Goodbody Stockbrokers on behalf of discretionary clients and its principal trading account will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Effective Date at the offices of Arthur Cox Solicitors, Earlsfort Terrace, Dublin 2 and at the offices of A&L Goodbody Solicitors, International Financial Services Centre, North Wall Quay, Dublin 1.

- 5.4 There were no dealings for value in relevant securities of ICG by any partner or member of the professional staff of Arthur Cox (legal advisers to Aella) professionally engaged in relation to the Revised Acquisition or engaged in the affairs of Aella since incorporation during the Disclosure Period.
- 5.5 There were no dealings for value in relevant securities of ICG by any partner or member of the professional staff of A&L Goodbody (legal advisers to ICG), professionally engaged in relation to the Revised Acquisition or engaged in the affairs of ICG in the last two years, during the Disclosure Period.
- 5.6 There were no dealings for value in relevant securities of ICG by any persons deemed or presumed to be acting in concert with Aella during the Disclosure Period.
- 5.7 Except as disclosed in this paragraph 5, there were no dealings for value in relevant securities of ICG by any persons who have irrevocably committed themselves to vote in favour of the Scheme during the Disclosure Period.

5.8 Other than as set out below, there were no dealings for value in relevant securities of ICG by the directors of ICG during the Disclosure Period:

<u>Name</u>	<u>Date of Dealing</u>	<u>Transaction</u>	<u>Number of Securities</u>	<u>Price paid (€)</u>
Garry O'Dea	4 May 2006	Exercise of Options	25,000	€ 7.35
Garry O'Dea	4 May 2006	Sale of Units	10,000	€ 11.09
Garry O'Dea	5 May 2006	Sale of Units	15,000	€ 11.30
Garry O'Dea	11 May 2006	Exercise of Options	18,700	€ 7.35
Garry O'Dea	12 May 2006	Sale of Units	18,700	€11.4148
Garry O'Dea	23 October 2006	Exercise of Options	6,300	€ 7.35
Garry O'Dea	23 October 2006	Sale of Units	6,300	€ 12.40
Anthony Kelly	7 March 2006	Exercise of Options	2,500	€ 6.03
Anthony Kelly	21 March 2006	Exercise of Options	25,000	€ 5.30
Anthony Kelly	21 March 2006	Sale of Units	25,000	€ 12.375
Eamonn Rothwell	20 June 2007	Acquisition of Units	1,750,200*	€ 22.00

* *Of which 736,000 ICG Units are held via contracts for difference*

Save as disclosed in this paragraph 5.9, there have been no dealings for value in relevant securities of ICG by the directors of ICG during the Disclosure Period.

5.9 There were no dealings for value in relevant securities of ICG during the Offer Period by:

- (a) a subsidiary of ICG;
- (b) the trustees of a pension scheme (other than an industry-wide pension scheme) in which ICG or a subsidiary of ICG participates; or
- (c) any associate (within the meaning of any of paragraphs (d) or (e) of the definition of 'associate' in the Takeover Rules but excluding exempt market makers).

5.10 During the Offer Period, no person with whom ICG or any associate of ICG has any Arrangement dealt for value in any relevant securities of ICG.

5.11 As at the close of business on the Latest Practicable Date, no fund manager (other than exempt fund managers) connected with ICG or any associate managed any relevant securities of ICG.

6. INTERESTS IN RELEVANT SECURITIES OF AELLA

6.1 The directors of Aella held the following interests (for the purposes of Part IV of the Companies Act 1990) in relevant securities of Aella at the close of business on the Latest Practicable Date:

<u>Name</u>	<u>Number of Aella Shares</u>
Eamonn Rothwell (as nominee of Adonia Aella)	1
Garry O'Dea (as nominee of Adonia Aella)	1
Anthony Kelly (as nominee of Adonia Aella)	1
John Reilly (as nominee of Adonia Aella)	1
	<hr/>
	4

6.2 Save as disclosed in this document, at the close of business on the Latest Practicable Date, persons deemed or presumed to be acting in concert with Aella did not own or control any relevant securities of Aella.

6.3 As at the Latest Practicable Date, no relevant securities of Aella were owned or controlled by:

- (a) ICG;
- (b) a subsidiary of ICG;
- (c) the trustees of a pension scheme (other than an industry-wide pension scheme) in which ICG or a subsidiary of ICG participates; or
- (d) any associate (within the meaning of any of paragraphs (d) or (e) of the definition of 'associate' in the Takeover Rules but excluding exempt market makers).

6.4 The directors of ICG held the following interests in relevant securities of Aella at the close of business on the Latest Practicable Date:

<u>Name</u>	<u>Number of Aella Shares</u>
Eamonn Rothwell (as nominee of Adonia Aella)	1
Garry O'Dea (as nominee of Adonia Aella)	1
Anthony Kelly (as nominee of Adonia Aella)	1
	<hr/>
	3

6.5 As at the Latest Practicable Date and save as disclosed elsewhere in this document, no person with whom ICG or any associate (within the meaning of any of the paragraphs (a) to (g) of the definition of 'associate' in the Takeover Rules) of ICG has any Arrangement owned or controlled any relevant securities of Aella.

7. DEALINGS IN RELEVANT SECURITIES OF AELLA

7.1 There were no dealings for value in relevant securities of Aella by the directors of Aella during the Disclosure Period.

7.2 There were no dealings for value in relevant securities of Aella by persons deemed or presumed to be acting in concert with Aella during the Disclosure Period.

7.3 There were no dealings for value in relevant securities of Aella by ICG during the Disclosure Period.

7.4 There were no dealings for value in relevant securities of Aella by the directors of ICG during the Disclosure Period.

7.5 There were no dealings for value in relevant securities of ICG during the Offer Period by:

- (a) a subsidiary of ICG;
- (b) the trustees of a pension scheme (other than an industry-wide pension scheme) in which ICG or a subsidiary of ICG participates; or
- (c) any associate (within the meaning of any paragraphs (d) or (e) of the definition of 'associate' in the Takeover Rules but excluding exempt market makers).

- 7.6 During the Offer Period, no person with whom ICG or any associate (within the meaning of any of the paragraphs (a) to (g) of the definition of ‘associate’ in the Takeover Rules) of ICG has any Arrangement dealt for value in any relevant securities of Aella.

8. INTERESTS IN RELEVANT SECURITIES OF ADONIA AELLA

- 8.1 The directors of Aella held the following interests (for the purposes of Part IV of the Companies Act 1990) in relevant securities of Adonia Aella at the close of business on the Latest Practicable Date:

<u>Name</u>	<u>Number of Adonia Aella Shares</u>
Eamonn Rothwell (A Ordinary Shares)	81,629
Garry O’Dea (A Ordinary Shares)	9,572
Anthony Kelly (A Ordinary Shares)	4,166
John Reilly (A Ordinary Shares)	3,535
	<hr/> 98,902 <hr/>

- 8.2 At the close of business on the Latest Practicable Date, persons deemed or presumed to be acting in concert with Aella did not own or control any relevant securities of Adonia Aella.
- 8.3 At the close of business on the Latest Practicable Date, persons who have irrevocably committed themselves to vote in favour of the Scheme did not own or control any relevant securities of Adonia Aella.

9. DEALINGS IN RELEVANT SECURITIES OF ADONIA AELLA

- 9.1 There were no dealings for value in relevant securities of Adonia Aella by the directors of Aella during the Disclosure Period.
- 9.2 There were no dealings for value in relevant securities of Adonia Aella by persons deemed or presumed to be acting in concert with Aella during the Disclosure Period.

10. MATERIAL CONTRACTS

10.1 ICG

Save as disclosed in this paragraph, none of the companies in the ICG Group has entered into any contracts (other than contracts entered into in the ordinary course of business) that are, or may be, material within the two years prior to the commencement of the Offer Period.

(a) *Acquisition Agreement in respect of Kronprins Harald*

Irish Continental Line Limited (a subsidiary of ICG) entered into an agreement for the purchase of the passenger ro-ro cruise ferry Kronprins Harald from its current owners and operators, M/V Color Harald A/S (a subsidiary of the Norwegian company Color Line A/S) dated 30 January 2007. The total consideration payable was €43.6 million. Under the terms of the purchase agreement, title passed to ICG on 8 February 2007 and the purchase consideration was paid in cash on completion. The vessel was chartered back to Color Line for service on the Oslo to Kiel route until the autumn of 2007.

(b) *Expenses Reimbursement Agreement*

ICG has entered into the Expenses Reimbursement Agreement dated 8 March 2007 with Aella as described in Paragraph 8 of the Letter of Recommendation from the Independent Board of ICG in Part I of this document.

(c) *Implementation Agreement*

ICG has entered into the New Implementation Agreement dated 20 August 2007 with Aella as described in Paragraph 9 of the Letter of Recommendation from the Independent Board of ICG in Part I of this document.

(d) *Moonduster expenses reimbursement agreement*

ICG has entered into an expenses reimbursement and non-solicitation agreement, dated 14 June 2007, with Moonduster, the terms of which have been approved by the Panel.

Under the Moonduster expenses reimbursement agreement, ICG has agreed to pay specific quantifiable third party costs and expenses incurred by Moonduster in connection with the Moonduster Acquisition in the circumstances outlined below. The liability of ICG to pay these amounts is limited to a maximum amount equal to 1 per cent. of the aggregate value of the number of ICG Units which are the subject of the Moonduster Acquisition multiplied by cash consideration of €22.00 per ICG Unit. The circumstances in which such payment will be made include:

- (a) if, prior to the Moonduster Acquisition lapsing or being withdrawn (or, in certain circumstances, not being made), a competing offer or offers or scheme or schemes is/are recommended by the Independent Board or any such offer becomes or is declared unconditional in all respects or scheme becomes effective;
- (b) if the Independent Board no longer recommends (or no longer intends to recommend) ICG Shareholders to accept or vote in favour of the Moonduster Acquisition or the Independent Board adversely modifies or withdraws its recommendation and the Moonduster Acquisition lapses or is withdrawn (or, in certain circumstances, is not made);
- (c) if, as a result of an act or omission of ICG or any ICG Group company or any of their respective directors, employees, agents or advisers, the Moonduster Scheme Document is not posted by ICG to ICG Shareholders within such timeframe as is required by the High Court; or
- (d) if the Moonduster Acquisition is withdrawn or does not become effective in which case the amount payable by ICG shall be limited to one-third of all third party costs and expenses incurred by Moonduster Limited or by or on behalf of One51Capital Limited or Doyle Group in connection with the Moonduster Acquisition up to maximum amount of €500,000.

ICG will not be liable to make any payment to Moonduster in circumstances where:

- (a) a recommended higher competing offer or scheme is announced and either of One51Capital Limited or Doyle Group Limited do not accept such offer in respect of ICG Units actually held by them, or, in the case of a scheme, do not vote, or do not procure that voting instructions are given to vote, in favour of such scheme; or
 - (b) other than as a result of any act or omission of the ICG Group, the Moonduster Acquisition does not succeed due to non-satisfaction of condition 2(a) of the Moonduster Acquisition by 31 October 2007 or such later date as may be agreed between ICG and Moonduster.
- (e) *Moonduster implementation agreement*

ICG and Moonduster have entered into an implementation agreement dated 14 June 2007 in relation to the implementation of the Moonduster Scheme. In this agreement the parties agree to assist each other with the implementation of the Moonduster Scheme. The parties agree, *inter alia*;

- (a) to consult together as to the terms of, the timing of and the manner of publication of any other formal announcements;
- (b) that the terms of the Moonduster Acquisition will be set out in the Moonduster Scheme Document and that they will use all reasonable endeavours (subject to the fiduciary duties of their respective directors) to achieve satisfaction of the conditions to the Moonduster Scheme and the Moonduster Acquisition as soon as reasonably practicable;
- (c) to assist each other as required for the purposes of preparing documents for the Moonduster Acquisition;
- (d) to assist each other with the implementation of the Moonduster Scheme;
- (e) that subject to certain conditions, ICG shall procure that no member of the ICG Group will, without consulting Moonduster, operate its business and operations otherwise than in the ordinary and usual course and in a manner consistent with past practice;
- (f) certain provisions relating to ICG Optionholders; and

- (g) provide such assistance and information as may reasonably be required for the purposes of, or in connection with, any correspondence or discussion with the Panel in connection with the Moonduster Acquisition and/or the Moonduster Scheme.

If (1) the conditions to the Moonduster Scheme are not satisfied or waived by 11.59 p.m. on 31 October, 2007 or such later date as the parties may agree; or (2) the High Court declines or refuses to sanction the Moonduster Scheme, and unless both parties agree that the decision of the High Court shall be appealed or, if the decision of the High Court has already been appealed, shall be further appealed; or (3) any of the circumstances set out in the Moonduster expenses reimbursement agreement occur, either party shall be entitled by notice in writing to the other party to terminate the Moonduster implementation agreement.

10.2 **Aella**

Save as disclosed in this paragraph, Aella has not entered into any contracts (other than contracts entered into in the ordinary course of business) which are, or may be, material since incorporation:

- (a) the Expenses Reimbursement Agreement described in paragraph 8 of Part I (Letter of Recommendation from the Independent Board) of this document. Since 8 March 2007, the Independent Board and Aella had agreed to amend the Expenses Reimbursement Agreement such that the maximum amount payable in the event that the Aella Acquisition is withdrawn as a result of not becoming unconditional as to acceptances or, where conducted by way of a scheme of arrangement, does not become effective, and no other payment is made pursuant to the agreement, was increased from €500,000 to €750,000. This payment is no longer applicable and cannot become payable. This amendment was approved by the Panel;
- (b) the New Implementation Agreement described in paragraph 9 of Part I (Letter of Recommendation from the Independent Board) of this document;
- (c) the Loan Note Instrument, the principal terms of which are set out in Part VI (Particulars of the Loan Notes) of this document;
- (d) the Senior Facility Agreement, the principal terms of which are set out in paragraph 5.1 of Part VIII (Information on Aella and Adonia Aella) of this document;
- (e) the PIK Facility Agreement, the principal terms of which are set out in paragraph 5.2 of Part VIII (Information on Aella and Adonia Aella) of this document;
- (f) the Intercreditor Agreement, the principal terms of which are set out in paragraph 5.4 of Part VIII (Information on Aella and Adonia Aella) of this document; and
- (g) the Debenture, the principal terms of which are set out in paragraph 5.5 of Part VIII (Information on Aella and Adonia Aella) of this document; and

10.3 **Adonia Aella**

Save as disclosed in this paragraph, Adonia Aella has not entered into any contracts (other than contracts entered into in the ordinary course of business) which are, or may be, material since incorporation:

- (a) the Senior Facility Agreement, the principal terms of which are set out in paragraph 5.1 of Part VIII (Information on Aella and Adonia Aella) of this document;
- (b) the PIK Facility Agreement, the principal terms of which are set out in paragraph 5.2 of Part VIII (Information on Aella and Adonia Aella) of this document; and
- (c) the Intercreditor Agreement, the principal terms of which are set out in paragraph 5.4 of Part VIII (Information on Aella and Adonia Aella) of this document.

11. **DIRECTORS AND DIRECTORS' SERVICE CONTRACTS**

- 11.1 None of the directors of ICG has a service contract with ICG or its subsidiaries or associated companies with more than twelve months to run.
- 11.2 ICG has agreed to remunerate the members of the Independent Board for additional work performed by them in connection with the original Aella offer, the Moonduster offer and the

revised Aella offer. The remuneration, which will be paid whether or not the Revised Acquisition proceeds, is payable as follows:

<u>Name</u>	<u>€</u>
John B. McGuckian	150,000
Peter Crowley	95,000
Bernard Somers	95,000

- 11.3 No proposal exists in connection with the Revised Acquisition that any payment or other benefit shall be made or given by Aella to any director of ICG as compensation for loss of office or as consideration for or in connection with his retirement from office.
- 11.4 The total emoluments receivable by the current directors of Aella and Adonia Aella will not be affected as a result of the Revised Acquisition.

12. IRISH TAXATION

The following is a general summary of the significant Irish tax considerations applicable to certain Irish holders in respect of the disposition of ICG Units under the Revised Acquisition. The comments are intended only as a general guide and do not constitute tax advice.

This summary is based on Irish taxation laws currently in force, regulations promulgated thereunder, proposals to amend any of the foregoing publicly announced prior to the date hereof, and the currently published administrative practices of the Irish Revenue Commissioners. Taxation laws are subject to change, from time to time, and no representation is or can be made as to whether such laws will change, or what impact, if any, such changes will have on the statements contained in this summary. No assurance is or can be given that legislative or judicial changes, or changes in administrative practice, will not modify or change the statements expressed herein. This summary is of a general nature only. It does not constitute tax or legal advice and does not discuss all aspects of Irish taxation that may be relevant to a particular Irish holder of ICG Units. **Holders of ICG Units are advised to consult their own tax advisers with respect to the application of Irish taxation laws to their own particular circumstances in relation to the Scheme.**

This summary applies only to ICG Shareholders who hold their ICG Units as investments (and not as securities to be realised in the course of a trade) and does not address special classes of holders of ICG Units, including, but not limited to, dealers in securities, insurance companies, pension schemes, employee share ownership trusts, collective investment undertakings, charities, tax-exempt organisations, financial institutions and employees of ICG (or a connected company), each of which may be subject to special rules not discussed below. Social welfare taxes and levies are not addressed in this document but may apply to the receipt of income by Individual Irish Holders depending on their circumstances.

This section applies to holders of ICG Units (“**Irish Holders**”) that (i) legally and beneficially own the ICG Units; (ii) in the case of individual holders, are resident, ordinarily resident and domiciled in Ireland under Irish taxation laws; (iii) in the case of holders that are companies, are resident in Ireland under Irish taxation laws; and (iv) are not considered resident in any country other than Ireland for the purposes of any double taxation agreement entered into by Ireland.

12.1 Acceptance of Cash or Partial Loan Note Alternative

Irish Holders who elect, under the Scheme, to dispose of their ICG Units for cash or the Partial Loan Note Alternative may depending on the particular circumstances of such Irish Holder (including the availability of exemptions, reliefs and allowable losses) be subject to Irish capital gains tax (“**CGT**”) (in the case of individuals) or Irish corporation tax on chargeable gains (in the case of companies) to the extent that the proceeds realised from such disposition exceed the indexed base cost (indexation may apply to increase the base cost of acquisitions of shares made prior to 1 January 2003) of the ICG Units plus incidental acquisition and selling expenses. The current rate of tax applicable to such chargeable gains is 20 per cent. Irish Holders and who are companies may qualify for the holding company exemption from Irish corporation tax on chargeable gains provided certain conditions are met.

Irish Holders who are individuals are entitled to an annual exemption of €1,270, which may have the effect of reducing their CGT liability.

Irish Holders that realise a loss on the disposition of ICG Units should generally be entitled to offset such capital losses against chargeable gains realised from other sources in determining their CGT or corporation tax on chargeable gains in a year. Capital gains tax losses are restricted to the actual monetary loss suffered and would not be increased by any indexation allowances on the base cost of the shares. Capital losses that remain unrelieved in a year may generally be carried forward and applied against chargeable gains realised in future years.

12.2 Sale of Loan Notes

A subsequent disposal or part disposal of the Loan Notes (if such a disposal were permitted) may, depending on particular circumstances of such Irish Holder be liable to CGT (in the case of an individual) or Irish corporation tax on chargeable gains (in the case of companies) to the extent that the proceeds realised from such disposition exceed the base cost of the Loan Notes and the Irish Holder has held the Loan Notes for a continuous period of at least two years before the date of the contract for sale or transfer of the Loan Notes or the date of payment of the consideration for the Loan Notes whichever is the later (the “**Relevant Period**”). See paragraph 12.1 above for further details on how gains/losses on the disposal or part disposal of the Loan Notes will be calculated. If an Irish Holder has not held the Loan Notes for the Relevant Period and sells or transfers or causes to be sold or transferred the Loan Notes so that interest payable on the Loan Notes will be receivable by a person other than the Irish Holder, the Irish Holder will be deemed to have received the interest that accrued in the Relevant Period on the Loan Notes. Individual Irish Holders should be subject to income tax under the self-assessment system on the gross amount of the interest that is deemed to be received on the Loan Notes at their marginal rate of income tax (currently 20 per cent. or 41 per cent. depending on the individual’s circumstances plus) applicable income levies. Corporate Irish Holders should generally be subject to corporation tax at the rate of 25 per cent. on the gross amount of interest deemed to be received on the Loan Notes.

12.3 Interest on the Loan Notes

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Loan Notes unless one of the domestic exemptions from withholding tax on interest payments applies. Where withholding tax applies, Aella will be responsible for withholding such tax at source.

Individual Irish Holders should be subject to income tax under the self-assessment system on the gross amount of interest received on the Loan Notes (i.e. the net amount of the interest received plus any withholding tax withheld) at their marginal rate of income tax (currently 20 per cent. or 41 per cent. depending on the individual’s circumstances plus applicable income levies). Individual Irish Holders should be able to claim a credit against their resulting income tax liability in respect of any withholding tax withheld.

Corporate Irish Holders should generally be subject to corporation tax at the rate of 25 per cent. on the gross amount of interest received on the Loan Notes (i.e. the net amount of the interest received plus any withholding tax withheld). Corporate Irish Holders should be able to claim a credit against their resulting corporation tax liability in respect of any withholding tax withheld. If a Corporate Irish Holder is a close company, it may in certain circumstances be liable to a 20 per cent. investment income surcharge on interest received on the Loan Notes.

12.4 Election for the Redeemable Preference Share Alternative

Irish Holders who, under the Scheme, dispose of their ICG Units in exchange for Redeemable Preference Shares as part of an exchange that is effected for bona fide commercial reasons should not be subject to Irish CGT (in the case of individuals) or Irish corporation tax on chargeable gains (in the case of companies). The Redeemable Preference Shares received on the exchange should be deemed, for Irish taxation purposes, to be the same asset as the original ICG Units with the same base cost and date of acquisition of the original ICG Units.

12.5 Acceptance of a combination of cash and/or the Partial Loan Note Alternative and the Redeemable Preference Share Alternative

Irish Holders who elect, under the Scheme, to dispose of the ICG Units in exchange for a combination of cash and/or the Partial Loan Note Alternative and the Redeemable Preference Share Alternative will be deemed, for Irish tax purposes, to have made a disposition of part of

their ICG Units for cash and/or the Partial Loan Note Alternative, and a disposition of part of their ICG Units for Redeemable Preference Shares. The tax implications of the partial disposition for cash and/or the Partial Loan Note Alternative are discussed at paragraph 12.1 above. The tax implications of the partial disposition for Redeemable Preference Shares are discussed at paragraph 12.4 above.

12.6 Dividends on Redeemable Preference Shares

Any dividend paid on the Redeemable Preference Shares to Individual Irish Holders will generally be subject to dividend withholding tax (“DWT”) in Ireland at the standard rate of income tax (currently 20 per cent.). Where DWT applies, Aella will be responsible for withholding such tax at source.

Individual Irish Holders should be subject to income tax on the gross amount of dividend received on the Redeemable Preference Shares (i.e. the net amount of the dividend received plus any DWT withheld) at their marginal rate of income tax (currently 20 per cent. or 41 per cent. depending on the individual’s circumstances plus applicable income levies). Individual Irish Holders should be able to claim a credit against their resulting income tax liability in respect of DWT withheld.

A dividend paid on the Redeemable Preference Shares to Corporate Irish Holders should generally be subject to DWT at the standard rate of income tax (currently 20 per cent.). However, an Irish resident company may receive the dividend without DWT being applied where they have made an appropriate declaration to Aella in a form prescribed by the Irish Revenue authorities. Where DWT applies Aella will be responsible for withholding such tax at source. A Corporate Irish Holder may be subject to corporation tax at 25 per cent. on the dividend unless the Redeemable Preference Shares carry rights in respect of dividends and capital comparable with those for fixed dividend shares quoted on a stock exchange in Ireland in which case such Corporate Irish Holder should not be subject to any corporation tax on the dividend received. In certain circumstances a closely held Corporate Irish Holder may be subject to a surcharge tax on certain undistributed income received by it, including the dividend.

12.7 Sale of Redeemable Preference Shares

Upon a sale or transfer of the Redeemable Preference Shares for bona fide commercial reasons (if such sale or transfer were permitted), Irish Holders may depending on the particular circumstances of the Irish Holder (including the availability of exemptions, reliefs and allowance losses) be subject to CGT (in the case of individuals) or Irish corporation tax on chargeable gains (in the case of companies) to the extent that the proceeds realised from such disposition exceed the indexed base cost (indexation may apply to increase the base cost of acquisitions of shares (including the Redeemable Preference Shares) for periods of ownership prior to 1 January 2003) of the Redeemable Preference Shares plus incidental acquisition and selling expenses. See paragraph 12.1 above for further details as to how gains/losses on the disposal of the Redeemable Preference Shares should be calculated.

12.8 Redemption of Redeemable Preference Shares

Upon a redemption of the Redeemable Preference Shares, Irish Holders may be subject to Irish tax under two heads of charge. The redemption of the Redeemable Preference Shares should effectively crystallise the gain/or loss that would otherwise have arisen on the disposal of the Irish Holders ICG Units but for the availability of rollover relief (see paragraph 12.4 above) or partial rollover relief (see paragraph 12.5 above). On a redemption of the Redeemable Preference Shares Irish Holders may be subject to CGT (in the case of individuals) or Irish corporation tax on chargeable gains (in the case of companies) to the extent that the market value of the Redeemable Preference Shares on the date (as apportioned if the Irish Holder elects for a combination of cash, the Partial Loan Note Alternative and the Redeemable Preference Share Alternative) they were exchanged for ICG Units (i.e. in effect the Cash Consideration price for the ICG Units) exceeds the indexed base cost plus incidental acquisition and selling expenses of the relevant ICG Units. See paragraph 12.1 for further details as to how a gain/loss on the redemption of the Redeemable Preference Shares should be calculated.

If the Redeemable Preference Shares are redeemed at a price in excess of the Cash Consideration price then the amount of the excess over the Cash Consideration price should be treated as a distribution. See paragraph 12.5 above for the Irish tax treatment that should apply to distributions.

12.9 Capital Acquisitions Tax

A gift or inheritance of the Loan Notes or the Redeemable Preference Shares should fall within the charge to Irish capital acquisition tax (“CAT”). CAT is currently chargeable at the rate of 20 per cent. on the value of gifts or inheritances above specified tax-free thresholds. Different classes of tax-free thresholds apply depending upon the relationship between the donor and the recipient. These tax-free thresholds are also affected by the value of previous gifts or inheritances received from persons in the same group threshold since 5 December, 1991. Gifts or inheritances between spouses are not subject to CAT.

12.10 Stamp Duty

No Irish stamp duty should be payable by a holder of ICG Units on either the disposal of ICG Units for cash or under the Partial Loan Note Alternative, or on the issue to them of Redeemable Preference Shares in return for their existing ICG Units.

No Irish stamp duty should be payable by a vendor of shares on their sale or disposal.

12.11 ICG Optionholders

The taxation implications for persons holding ICG Options will be advised in a separate letter addressed to ICG Optionholders which should be referred to where applicable.

IRISH TAX CONSIDERATIONS FOR UK HOLDERS OF ICG UNITS

This section applies to holders of ICG Units (“UK Holders”) that (i) legally and beneficially own ICG Units; (ii) in the case of individual holders, are resident, ordinarily resident and domiciled in the United Kingdom for UK tax purposes, and not also resident, ordinarily resident or domiciled in Ireland for Irish tax purposes; (iii) in the case of corporate holders, are resident in the United Kingdom for UK tax purposes, and not also resident in Ireland for Irish tax purposes or under the control of persons who are resident in Ireland; (iv) are considered resident in the United Kingdom for the purposes of the Ireland/UK Tax Treaty; and (v) do not hold their ICG Units, and will not hold any Loan Notes or Redeemable Preference Shares, in connection with any business carried on through a permanent established in Ireland.

12.12 Acceptance of cash or Partial Loan Note Alternative

UK Holders who elect, under the Scheme, to dispose of their ICG Units for cash or the Partial Loan Note Alternative should not be subject to Irish tax on the disposal of their ICG Units.

12.13 Sale of Loan Notes

UK Holders who elect to take Loan Notes under the Scheme should not be subject to Irish tax on the disposal of their Loan Notes (if such sale or transfer were permitted).

12.14 Interest on the Loan Notes

Interest paid on the Loan Notes to UK Holders will generally be subject to withholding tax at the standard rate of income tax (currently 20 per cent.). However, UK Holders may receive the interest free from withholding tax if the UK Holder is resident in the United Kingdom for the purposes of the Ireland/UK Tax Treaty and has provided Aella with a clearance in a prescribed form so that Aella is able to pay the interest free from withholding tax under the terms of the Ireland/UK tax treaty. Where withholding tax applies, Aella will be responsible for withholding such tax at source and the UK Holder may apply to the Irish Revenue Commissioners for repayment of the tax withheld.

12.15 Acceptances of the Redeemable Preference Share Alternative

UK Holders who, under the Scheme, dispose of their ICG Units in exchange for Redeemable Preference Shares as part of an exchange that is effected for bona fide commercial reasons, should not be subject to Irish CGT (in the case of individuals) or Irish corporation tax on chargeable gains (in the case of companies). The Redeemable Preference Shares received on the exchange should be deemed, for Irish taxation purposes to be the same asset as the original ICG Units with the same base cost and date of acquisition as the original ICG Units.

12.16 Acceptance of a combination of cash and/or the Partial Loan Note Alternative and the Redeemable Preference Share Alternative

UK Holders who elect, under the Scheme, to dispose of the ICG Units in exchange for a combination of cash and/or the Partial Loan Note Alternative and the Redeemable Preference Share Alternative will be deemed, for Irish tax purposes, to have made a disposition of part of their ICG Units for cash and/or the Partial Loan Note Alternative, and a disposition of part of their ICG Units for Redeemable Preference Shares. The tax implications of the partial disposition for cash and/or the Partial Loan Note Alternative are discussed at paragraph 12.12 above. The tax implications of the partial disposition for Redeemable Preference Shares are discussed at paragraph 12.15 above.

12.17 Dividends on Redeemable Preference Shares

A dividend paid on the Redeemable Preference Shares to UK Holders will generally be subject to DWT at the standard rate of income tax (currently 20 per cent.). However, UK Holders may receive the dividend without DWT being applied where they have made an appropriate declaration to Aella, in a form prescribed by the Irish Revenue authorities. Where DWT applies, Aella will be responsible for withholding such tax at source and the UK Holder may be able to apply to the Irish Revenue Commissioners for repayment of the tax withheld.

12.18 Sale of Redeemable Preference Shares

UK holders may, subject to the terms of the Ireland/UK Tax Treaty, be subject to tax in Ireland on chargeable gains realised on a sale (if such a sale or transfer were permitted) of the Redeemable Preference Shares if, at the time the sale takes place, such shares derive the greater part of their value directly or indirectly from land in Ireland or Irish mineral rights.

12.19 Redemption of Redeemable Preference Shares

Upon a redemption of the Redeemable Preference Shares, UK Holders may be subject to Irish tax under two heads of charge. On a redemption of the Redeemable Preference Shares, UK Holders may, if the Redeemable Preference Shares derive the greater part of their value directly or indirectly from land in Ireland or Irish mineral rights, be subject to CGT (in the case of individuals) or Irish corporation tax on chargeable gains (in the case of companies) to the extent that the market value of the Redeemable Preference Shares on the date that they were exchanged for ICG Units (i.e. in effect the Cash Consideration Price for the ICG Units) exceeds the relevant part of the base cost plus incidental acquisition and selling expenses of the ICG Units.

If the Redeemable Preference Shares are redeemed at a price in excess of the Cash Consideration price then the amount of the excess over the Cash Consideration price should be treated as distribution for Irish tax purposes. See paragraph 12.16 above for the Irish tax treatment that generally applies to distributions from an Irish resident company.

12.20 Capital Acquisitions Tax

A gift or inheritance of Loan Notes or Redeemable Preference Shares held by a UK Holder will be subject to CAT. CAT is currently chargeable at a rate of 20 per cent. on the value of gifts or inheritances above specified tax-free thresholds. Different classes of tax-free thresholds apply depending upon the relationship between the donor and the recipient. These tax-free thresholds are also affected by the value of previous gifts or inheritances received from persons in the same group threshold since 5 December, 1991. Gifts or inheritances between spouses are not subject to CAT.

Depending upon the personal circumstances of the UK Holder, the Inheritance Tax Convention between Ireland and the UK may allow for the crediting, in whole or in part, of either the CAT against UK inheritance tax payable, or of UK inheritance tax payable against CAT payable.

12.21 Stamp Duty

No Irish stamp duty should be payable by a UK Holder of ICG Units on either the disposal of ICG Units for cash or under the Partial Loan Note Alternative, or on the issue to them of Redeemable Preference Shares in return for their existing ICG Units.

No Irish stamp duty should be payable by a vendor of shares on their sale or disposal.

13. UK TAXATION

The following is a general summary of the significant United Kingdom (“UK”) tax considerations applicable to certain UK holders of ICG Units in respect of the disposition of ICG Units under the Revised Acquisition.

This summary is based on current UK taxation laws, regulations promulgated thereunder, proposals to amend any of the foregoing publicly announced prior to the date hereof, and the current administrative practices of HM Revenue & Customs (“HMRC”). Taxation laws are subject to change, from time to time, and no representation is or can be made as to whether such laws will change, or what impact, if any, such changes will have on the statements contained in this summary. No assurance is or can be given that legislative or judicial changes, or changes in administrative practice, will not modify or change the statements expressed herein.

This summary is of a general nature only. It is not intended to be, and should not be construed to be, legal or taxation advice to any particular UK holder of ICG Units. It does not discuss all aspects of UK taxation that may be relevant to a particular UK holder of ICG Units. **Holders of ICG Units are advised to consult their own independent professional tax advisers with respect to the application of UK taxation laws to their own particular circumstances in relation to the Scheme.**

This summary applies only to ICG Shareholders who hold their ICG Units as investments (and not as securities to be realised in the course of a trade) and does not address special classes of holders of ICG Units, including, but not limited to, market makers, brokers, intermediaries, dealers in securities, insurance companies, pension funds, employee share ownership trusts, collective investment schemes, charities, tax-exempt organisations, financial institutions and employees of ICG (or a connected company), each of which may be subject to special rules not discussed below.

This section applies to holders of ICG Units (“UK Holders”) that (i) beneficially own the ICG Units registered in their name; (ii) in the case of individual holders, are resident, ordinarily resident and domiciled in the UK under UK taxation laws; (iii) in the case of holders that are companies, are resident in the UK under UK taxation laws; and (iv) are not considered resident in any country other than the UK for the purposes of any double taxation agreement entered into by the UK.

13.1 **Acceptance of cash or Partial Loan Note Alternative in circumstances where ICG Units are cancelled**

UK Holders who elect, under the Scheme, to dispose of their ICG Units for cash or the Partial Loan Note Alternative may depending on the particular circumstances of such UK Holder (including the availability of exemptions, reliefs and allowable losses) be subject to UK capital gains tax (“CGT”) (in the case of individuals) or UK corporation tax on chargeable gains (in the case of companies) to the extent that the proceeds realised from such disposition exceed the indexed base cost of the ICG Units plus incidental acquisition and selling expenses.

13.2 **Acceptance of cash or Partial Loan Note Alternative in circumstances where ICG Units are transferred**

UK Holders who elect, under the Scheme, to dispose of their ICG Units for cash or the Partial Loan Note Alternative may depending on the particular circumstances of such UK Holder (including the availability of exemptions, reliefs and allowable losses) be subject to UK capital gains tax (“CGT”) (in the case of individuals) or UK corporation tax on chargeable gains (in the case of companies) to the extent that the proceeds realised from such disposition exceed the indexed base cost of the ICG Units plus incidental acquisition and selling expenses.

UK Holders who (alone or together with persons connected with them) do not hold more than 5 per cent. of, or of any class of, shares in or debentures of the Company, should be treated as not having made a disposal of ICG Units for CGT purposes to the extent that Loan Notes are received in exchange for a transfer of their ICG Units. Instead, to the extent that an individual Holder receives such Loan Notes, any gain or loss which would otherwise have arisen on a disposal of those ICG Units which are exchanged for Loan Notes should be “rolled over” into the Loan Notes and the Loan Notes received on the exchange should be deemed, for UK taxation purposes, to be the same asset as the original ICG Units with the same base cost and date of acquisition of the original ICG Units. To the extent that a corporate holder of ICG Units receives such Loan

Notes, any gain or loss which would otherwise have arisen on a disposal of those ICG Units which are exchanged for Loan Notes should be “held over” and deemed to accrue on a subsequent disposal of the Loan Notes.

Any UK Holder who (either alone or together with persons connected with him) holds more than 5 per cent. of, or of any class of, shares in or debentures of the Company should be treated in the same manner provided that the exchange of ICG Units for Loan Notes is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is the avoidance of liability to capital gains tax or corporation tax.

You should note that no application has been made for clearance from HMRC under the provisions of section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the exchange for Loan Notes.

13.3 Sale of Loan Notes received in circumstances where ICG Units are cancelled

For individual UK Holders, the Loan Notes should not be qualifying corporate bonds. A subsequent disposal (including redemption) of all or any of the Loan Notes (if such a disposal were permitted) may, depending on the particular circumstances of such UK Holder, give rise to a liability to CGT to the extent that the proceeds realised from such disposition exceed the base cost of the Loan Notes. A charge may also arise under the “accrued income scheme” in respect of any interest on the Loan Notes which has accrued since the preceding interest payment date.

For corporate UK Holders, the Loan Notes should be qualifying corporate bonds. A corporate UK Holder will generally be charged to (or, as the case may be, obtain relief from) UK corporation tax on income in respect of all profits, gains and losses arising from its holding or disposal of Loan Notes, broadly in accordance with its authorised accounting method.

13.4 Sale of Loan Notes received in circumstances where ICG Units are transferred

For individual UK Holders, the Loan Notes should not be qualifying corporate bonds. Upon a sale or transfer of such Loan Notes (if such sale or transfer were permitted), UK Holders may depending on the particular circumstances of the UK Holder (including the availability of exemptions, reliefs and allowance losses) be subject to CGT to the extent that the proceeds realised from such disposition exceed the indexed base cost.

Any chargeable gain or allowable loss which arises on any such subsequent disposal of the Loan Notes should be calculated taking into account all or a proportion (as appropriate) of the allowable original cost to the UK Holders of acquiring their ICG Units for which the Loan Notes were received in exchange. Indexation allowance will be applied until April 1998 with taper relief applying thereafter until disposal.

A charge may also arise under the “accrued income scheme” in respect of any interest on the Loan Notes which has accrued since the preceding interest payment date.

For corporate UK Holders, the Loan Notes should be qualifying corporate bonds and so indexation allowance will not accrue in respect of them. Accordingly, for such shareholders any “held over” chargeable gain or loss which is deemed to accrue on the disposal of the Loan Notes should be calculated taking into account all or a proportion (as appropriate) of the allowable original cost to the UK Holders of acquiring their ICG Units for which the Loan Notes were received in exchange and (when calculating a chargeable gain but not an allowable loss) indexation allowance on all or that proportion (as appropriate) of the allowable original cost accrued up to the time of the exchange of ICG Units for Loan Notes.

A corporate UK Holder will generally be charged to (or, as the case may be, obtain relief from) UK corporation tax on income in respect of all profits, gains and losses (other than the “held over” gain which will be dealt with as referred to above) arising from its holding or disposal of Loan Notes, broadly in accordance with its authorised accounting method.

13.5 Interest on the Loan Notes

Individual UK Holders should be subject to income tax on the gross amount of interest received on the Loan Notes (i.e. the net amount of the interest received plus any withholding tax withheld) at their marginal rate of income tax. A credit for Irish withholding tax, in circumstances where

exemption from such withholding tax is not available, may be available against any UK income tax liability in respect of the interest.

Corporate UK Holders should generally be subject to UK corporation tax on the gross amount of interest received on the Loan Notes (i.e. the net amount of the interest received plus any withholding tax withheld). A credit for Irish withholding tax, in circumstances where exemption from such withholding tax is not available, may also be available against any UK corporation tax liability in respect of such interest.

13.6 Election for the Redeemable Preference Share Alternative

UK Holders who (alone or together with persons connected with them) do not hold more than 5 per cent. of, or of any class of, shares in or debentures of the Company, should be treated as not having made a disposal of ICG Units for CGT purposes to the extent that Redeemable Preference Shares are received in exchange for their ICG Units under the Redeemable Preference Share Alternative. Instead, the Redeemable Preference Shares received on the exchange should be deemed, for UK taxation purposes, to be the same asset as the original ICG Units with the same base cost and date of acquisition of the original ICG Units.

Any UK Holder who (either alone or together with persons connected with him) holds more than 5 per cent. of, or of any class of, shares in or debentures of the Company should be treated in the same manner provided that the exchange of ICG Units for Redeemable Preference Shares is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is the avoidance of liability to capital gains tax or corporation tax.

You should note that no application has been made for clearance from HMRC under the provisions of section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Redeemable Preference Share Alternative.

13.7 Acceptance of a combination of cash and/or the Partial Loan Note Alternative and the Redeemable Preference Share Alternative

UK holders who elect, under the Scheme, to dispose of the ICG Units in exchange for a combination of cash and/or the Partial Loan Note Alternative and the Redeemable Preference Share Alternative may be deemed, for UK tax purposes, to have made a disposition of part of their ICG Units for cash and/or the Partial Loan Note Alternative, and an exchange of part of the ICG Units for Redeemable Preference Shares. The tax implications of any partial disposition for cash and/or the Partial Loan Note Alternative are discussed at paragraphs 13.1 and 13.2 above. The tax implications of the exchange for Redeemable Preference Shares are discussed at paragraph 13.6 above.

13.8 Dividends on Redeemable Preference Shares

Individual UK Holders should be subject to income tax on the gross amount of any dividends received on the Redeemable Preference Shares (i.e. the net amount of the dividend received plus any withholding tax withheld) at their marginal rate of income tax. A credit for Irish withholding tax, in circumstances where exemption from such withholding tax is not available, may be available against any UK tax liability in respect of the dividend.

Dividends received by UK Holders who are within the charge to UK corporation tax will generally be taxed at the prevailing UK corporation tax rate. A credit for Irish withholding tax, in circumstances where exemption from such withholding tax is not available, may be available against any UK tax liability in respect of the dividend.

13.9 Sale of Redeemable Preference Shares

Upon a sale or transfer of the Redeemable Preference Shares (if such sale or transfer were permitted), UK Holders may depending on the particular circumstances of the UK Holder (including the availability of exemptions, reliefs and allowance losses) be subject to CGT (in the case of individuals) or UK corporation tax on chargeable gains (in the case of companies) to the extent that the proceeds realised from such disposition exceed the indexed base cost.

Any chargeable gain or allowable loss which arises on any such subsequent disposal of the Redeemable Preference Shares should be calculated taking into account the original cost to

UK Holders of acquiring their ICG Units for which the Redeemable Preference Shares were received in exchange.

13.10 Redemption of Redeemable Preference Shares

Upon a redemption of the Redeemable Preference Shares, UK Holders may be subject to UK tax under two heads of charge. The redemption of the Redeemable Preference Shares should effectively crystallise the gain/or loss that would otherwise have arisen on the disposal of the UK Holders ICG Units but for the availability of rollover relief (see paragraph 13.6 above) or partial rollover relief (see paragraph 13.7 above). On a redemption of the Redeemable Preference Shares UK Holders may be subject to CGT (in the case of individuals) or UK corporation tax on chargeable gains (in the case of companies) to the extent that the market value of the Redeemable Preference Shares on the date (as apportioned if the UK Holder elects for a combination of cash, the Partial Loan Note Alternative and the Redeemable Preference Share Alternative) they were exchanged for ICG Units (i.e. in effect the Cash Consideration price for the ICG Units) exceeds the indexed base cost plus incidental acquisition and selling expenses of the ICG Units.

If the Redeemable Preference Shares are redeemed at a price in excess of the Cash Consideration price then the amount of the excess over the Cash Consideration price may be treated as a distribution and subject to UK income tax.

13.11 Inheritance Tax

The Redeemable Preference Shares and Loan Notes should be assets situated outside the UK for UK inheritance tax purposes. Accordingly, they should not form part of the estate of an individual UK Holder who is not domiciled in the UK.

UK domiciled Holders should take their own advice as to the inheritance tax consequences of lifetime gifts or transfers of Redeemable Preference Shares and/or Loan Notes at less than market value as they are likely to form part of their estate for the purposes of UK inheritance tax (subject to the provisions of any applicable tax treaty).

13.12 Stamp Duty

No ad valorem UK stamp duty should be payable by a holder of ICG Units on either the disposal of ICG Units for cash or under the Partial Loan Note Alternative, or on the issue to them of Redeemable Preference Shares in return for their existing ICG Units.

14. MATERIAL CHANGES

- 14.1 Save as disclosed in this document, the directors of Aella are not aware of any material change in the financial or trading position of Aella since incorporation.
- 14.2 Save as disclosed in this document, the directors of Adonia Aella are not aware of any material change in the financial or trading position of Adonia Aella since incorporation.
- 14.3 Save for the additional debt of €30.5 million incurred by the Company to part fund the acquisition of the Kronprins Harald cruise ferry in January 2007 and for any matters referred to in the published unaudited accounts of ICG for the six months ended 30 June 2007, the directors of ICG are not aware of any material change in the financial or trading position of ICG since 31 December 2006 (the date to which the last published audited accounts of ICG were prepared).
- 14.4 Save as disclosed in this document there has been no material change in information previously published by ICG or Aella in connection with the Revised Acquisition since the commencement of the Offer Period.

15. CONSENTS

- 15.1 Goodbody Corporate Finance has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.
- 15.2 NCB Corporate Finance has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

16. OTHER INFORMATION

- 16.1 Save for the irrevocable undertakings described in paragraph 8 of Part II (Letter from Aella) of this document, the Facility Agreement, PIK Facility Agreement, Intercreditor Agreement, the PIK Amendment Letter or underwriting arrangement between Eamonn Rothwell and AIB, no agreement, arrangement or understanding (including any compensation arrangement) having any connection with or dependence upon the Revised Acquisition exists between Aella or any person acting in concert with Aella or any of its associates and any of the directors or recent directors, shareholders or recent shareholders of ICG. In this 16.1, “**recent**” means within the Disclosure Period.
- 16.2 No agreement, arrangement or understanding exists whereby ownership of any ICG Units acquired in pursuance of the Revised Acquisition will be transferred to any other person, but Aella reserves the right to transfer any ICG Units to any other member of the Aella Group, and the right to assign any such ICG Units by way of security, or grant any other security interest over such ICG Units in favour of any or all of the parties to any of the financial facilities described in paragraph 5 of Part A of Part VIII (Information on Aella and Adonia Aella) of this document.
- 16.3 No Arrangement exists between Aella, or any person acting in concert with Aella, and any other person. So far as the directors of Aella and Goodbody Corporate Finance are aware, there are no Arrangements between other associates of Aella and any other person.
- 16.4 No Arrangement exists between ICG, or any person who is an associate of ICG (within the meaning of any of the paragraphs (a) to (g) of the definition of ‘associate’ in the Takeover Rules), and any other person. So far as the directors of ICG and NCB Corporate Finance are aware, there are no Arrangements between other associates of ICG and any other person.
- 16.5 Subject to the terms of the Expenses Reimbursement Agreement, each of ICG and Aella will pay its own expenses in connection with the Revised Acquisition.
- 16.6 References in this Part X to an “associate” are to:
- (1) subsidiaries and associated companies of ICG or, as the case may be Aella and companies of which any such subsidiaries or associated companies are associated companies;
 - (2) banks, financial and other professional advisers (including stockbrokers) to ICG or, as the case may be, Aella or a company covered in (1) above, including persons controlling, controlled by or under the same control as such banks, financial or other professional advisers;
 - (3) the directors of ICG, the directors of Aella, the directors of Adonia Aella and the directors of any company covered in (1) above (together in each case with their close relatives and related trusts);
 - (4) the pension funds of ICG or a company covered in (1) above; and
 - (5) an investment company, unit trust or other person whose investments an associate (as otherwise defined in this paragraph 16.6 manages on a discretionary basis, in respect of the relevant investments accounts; In 16.6(2), “bank” does not mean a bank whose sole relationship with Aella or ICG or a company covered in paragraph 16.6(1) above is the provision of normal commercial banking services or such activities in connection with the Revised Acquisition as handling acceptances and other registration work.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Effective Date at the offices of Arthur Cox Solicitors, Earlsfort Terrace, Dublin 2 and A & L Goodbody Solicitors, International Financial Services Centre, North Wall Quay, Dublin 1:

- 17.1 the Original Announcement made on 8 March 2007 initiating the Offer Period;
- 17.2 the Original Scheme Document dated 20 March 2007, the Original Forms of Proxy and Original Form of Election;
- 17.3 the Revised Announcement made on 20 August 2007;
- 17.4 this document dated 10 September 2007, the Forms of Proxy and the Form of Election;

- 17.5 the memorandum and articles of association of Aella;
- 17.6 the memorandum and articles of association of Adonia Aella;
- 17.7 the memorandum and articles of association of ICG;
- 17.8 the annual report and audited group financial statements of ICG for the three financial years ended 31 December 2004, 31 December 2005 and 31 December 2006, and the published unaudited interim accounts for the six months to 30 June 2007;
- 17.9 the letters of consent referred to in paragraph 15 of this Part X;
- 17.10 the material contracts referred to in paragraph 10 of this Part X;
- 17.11 the irrevocable commitments described in paragraph 8 of Part II of this document;
- 17.12 a full list of each individual's holding and dealings in respect of which the Panel has consented to aggregation;
- 17.13 documents relating to the financing arrangements for the Revised Acquisition;
- 17.14 the Expenses Reimbursement Agreement together with correspondence from NCB Corporate Finance and the Takeover Panel related thereto;
- 17.15 the New Implementation Agreement;
- 17.16 the Loan Note Instrument;
- 17.17 a list of the dealings referred in paragraph 5 of this Part X;
- 17.18 the 1988 Share Option Scheme (as amended to reflect the effect of the resolution proposed at the Second EGM if approved); and
- 17.19 extracts from relevant parts of the Dublin Port Leases.

PART XI — FORM OF ELECTION

1. Deadline for Completion of a Form of Election

- 1.1 If you hold Scheme Shares or if you are an ICG Optionholder and you wish to elect for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative you must complete and sign (in the presence of a witness) a GREEN Form of Election in accordance with the instructions printed thereon and return it to Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, so as to be received by no later than 2.30 pm on 24 September 2007 or such later time (if any) to which the right to make an election may be extended.

ICG Optionholders should refer to the optionholder communication to be sent to them in connection with the Revised Acquisition for details of how to elect for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative (which communication may provide for the appointment of an attorney to make the election on their behalf).

- 1.2 If any Form of Election is either received after 2.30 pm on 24 September 2007 or received after such later time (if any) to which the right to make an election may be extended, or is received before such time and date but is not valid or complete in all respects at such time and date, such election shall, for all purposes, be void and the holder of Scheme Shares or ICG Optionholder purporting to make such election shall receive the Cash Consideration upon the Scheme becoming effective and shall not, for any purpose, be entitled to receive any consideration under the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.
- 1.3 Without prejudice to any other provision of this Part XI or the Form of Election or otherwise, ICG and Aella reserve the right in their absolute discretion to treat as valid in whole or in part any Form of Election which is not entirely in order.

2. To Make a Loan Note Election

- 2.1 Loan Note Elections will only be accepted in respect of whole numbers of Scheme Shares.
- 2.2 A Loan Note Election will be irrevocable once it has been made, except with the consent of Aella.
- 2.3 The number of Scheme Shares in respect of which a Loan Note Election is made represents the number of Scheme Shares in respect of which the holder wishes to receive as many Loan Notes as are available for allocation as consideration under the Scheme. ICG Shareholders should be aware that, if they buy or sell ICG Units after having made a Loan Note Election, then the number of ICG Units to which their Loan Note Election applies may be affected as set out below:
- (a) If a Scheme Shareholder makes a Loan Note Election in respect of all of their ICG Units by writing "ALL" in the appropriate box on the GREEN Form of Election and, prior to the Scheme Record Time, they acquire additional ICG Units or sell or otherwise transfer some of their ICG Units, then their election will be treated as applying to all of the ICG Units which they hold immediately prior to the Scheme Record Time (other than ICG Units issued on or after 6.00 pm on the day before the date on which the order of the High Court sanctioning the Scheme is made), notwithstanding that such number of ICG Units may be greater or less than the number of ICG Units they held at the time they submitted their Form of Election. If a Scheme Shareholder makes a Loan Note Election in respect of all of their ICG Units by writing "ALL" in the appropriate box, then any subsequent Form of Election that they submit will be invalid.
- (b) If a Scheme Shareholder makes a Loan Note Election in respect of a specified number of their ICG Units by writing the relevant number in the appropriate box on the Form of Election and, prior to the Scheme Record Time, they acquire more ICG Units, then (subject to the following paragraph) their initial election will not apply in relation to the ICG Units so acquired. If they wish to make an election in relation to those newly acquired ICG Units, then they must submit a separate Form of Election in respect of such shares.
- (c) If a Scheme Shareholder makes a Loan Note Election in respect of a specified number of their ICG Units by writing the relevant number in the appropriate box on the Form of Election and if, immediately prior to the Scheme Record Time, the number of ICG Units that they hold is less than the number of ICG Units in respect of which they made a Loan

Note Election (for example, because they have sold some of their ICG Units), then their election shall apply in relation to all of the ICG Units they hold immediately prior to the Scheme Record Time (other than ICG Units issued on or after 6.00 pm on the day before the date on which the order of the High Court sanctioning the Scheme is made).

2.4 *For ICG Units in certificated form*

- (a) Scheme Shareholders who hold Scheme Shares in certificated form and wish to make a Loan Note Election must complete the GREEN Form of Election, in accordance with the instructions set out thereon and return it along with their share certificates representing their accepted shares to Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, so as to be received by no later than 2.30 pm on 24 September 2007 or such later time (if any) to which the right to make an election may be extended.
- (b) Scheme Shareholders must check that the details in Section A of the Form of Election are correct (and, if their details have changed, update them where indicated).
- (c) If Scheme Shareholders wish to receive Loan Notes in respect of ALL of their registered holding of ICG Units, they must write “ALL” in either Box B1 or Box B2 in Section B of the Form of Election (The attention of any Scheme Shareholder intending to complete Box B2 of the Form of Election is drawn to the tax section set out in paragraph 13.2 of Part X of the Revised Scheme Document. Scheme Shareholders should only consider completing Box B2 after having obtained appropriate financial and tax advice as filling in Box B2 will result in the Scheme Shares in respect of which they make a Loan Note Election becoming Transfer Shares as opposed to Cancellation Shares.). If Scheme Shareholders only wish to elect to receive Loan Notes in respect of some (but not all) of their registered holding of ICG Units, they must insert the number of ICG Units in respect of which they wish to make a Loan Note Election in the Box in Section B. If the number inserted in the Box in Section B exceeds the number of ICG Units registered in the relevant ICG Shareholder’s name (but the Loan Note Election is otherwise valid) that Scheme Shareholder will be deemed to have made an election for Loan Notes in respect of all of their registered holding of ICG Units (other than ICG Units issued on or after 6.00 pm on the day before the date on which the order of the High Court sanctioning the Scheme is made).
- (d) Scheme Shareholders must then (if they are an individual) sign Section E of the Form of Election in the presence of a witness who should also sign in accordance with the instructions printed on it. A company may affix its common seal in Section E, which should be affixed and witnessed in accordance with its articles of association or other regulations.

2.5 *For ICG Units in uncertificated form*

- (a) ICG Shareholders who hold Scheme Shares in uncertificated form through CREST and wish to elect for the Partial Loan Note Alternative must return their completed Form of Election and send (or, if they are a CREST personal member, procure that their CREST sponsor sends) a transfer to escrow instruction (a “**TTE Instruction**”) to CRESTCo.
- (b) The TTE Instruction must specify Computershare Investor Services (Ireland) Limited (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent, and must be sent as soon as possible and in event so as to be settled in CREST by no later than 2.30 pm on 24 September 2007 or such later time (if any) to which the right to make an election may be extended.
- (c) CREST personal members should refer to their CREST sponsor before taking any action. Their CREST sponsor will be able to confirm details of their participant ID and the member account ID under which their ICG Units are held. In addition, only their CREST sponsor will be able to send the TTE Instruction to CRESTCo in relation to their ICG Units.

- (d) The TTE Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:
 - (i) The number of ICG Units to be transferred to an escrow balance. This is the number of Scheme Shares in respect of which you wish to elect for the Partial Loan Note Alternative.
 - (ii) Your member account ID.
 - (iii) Your participant ID.
 - (iv) The participant ID of the escrow agent, which is RA88.
 - (v) The member account ID of the escrow agent, which is ICGROUP.
 - (vi) The intended settlement date, which should be as soon as possible and in any event not later than 2.30 pm on 24 September 2007.
 - (vii) The corporate action ISIN number for the Revised Acquisition, which is IE0033336516.
 - (viii) The TTE Instruction should be inputted with CREST standard delivery instruction priority of 80.
 - (ix) A contact name and telephone number should be inserted in the shared note field.
- (e) After settlement of the TTE Instruction, Scheme Shareholders will not be able to access the ICG Units concerned in CREST for any transaction or for charging purposes. If the Scheme becomes effective in accordance with its terms, the entitlements of the Scheme Shareholders who have given a TTE Instruction will be disabled in CREST. Scheme Shareholders are recommended to refer to the CREST Manual published by CRESTCo for further information on the CREST procedures outlined above.
- (f) Scheme Shareholders should note that CRESTCo does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Scheme Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE Instruction relating to their ICG Units to settle prior to 2.30 pm on 24 September 2007. In this connection Scheme Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (g) Please note that, if Scheme Shareholders make a Loan Note Election in respect of ICG Units which are held in CREST and fail to give the TTE Instruction to settle prior to 2.30 pm on 24 September 2007 in accordance with the instruction set out above, the Loan Note Election will to that extent be invalid and the relevant Scheme Shareholders will receive the Cash Consideration as if they had not made a Loan Note Election.
- (h) If any Loan Note Election is received or where applicable, a TTE Instruction settles after 2.30 pm on 24 September 2007 or is received or settles before such time and date but is not valid or complete in all respects (save as described in paragraph 1.3 above) as at such time and date, such election shall, for all purposes, be void and the person purporting to make such election shall not be entitled to receive any Loan Notes under the Partial Loan Note Alternative but will instead receive the Cash Consideration pursuant to the Scheme.

3. To Make a Redeemable Preference Share Election

- 3.1 RPS Elections will only be accepted in respect of whole numbers of Scheme Shares.
- 3.2 A RPS Election will be irrevocable once it has been made, except with the consent of Aella.
- 3.3 The number of Scheme Shares in respect of which a RPS Election is made represents the number of Scheme Shares in respect of which the holder wishes to receive Redeemable Preference Shares in exchange. ICG Shareholders should be aware that, if they buy or sell ICG Units after having

made a RPS Election, then the number of ICG Units to which their RPS Election applies may be affected as set out below:

- (a) If a Scheme Shareholder makes a RPS Election in respect of some of their ICG Units by writing “ALL” in the appropriate box on the GREEN Form of Election and, prior to the Scheme Record Time, they acquire additional ICG Units or sell or otherwise transfer some of their ICG Units, then their election will be treated as applying to all of the ICG Units which they hold immediately prior to the Scheme Record Time (other than ICG Units issued on or after 6.00 pm on the day before the date on which the order of the High Court sanctioning the Scheme is made), notwithstanding that such number of ICG Units may be greater or less than the number of ICG Units they held at the time they submitted their Form of Election. If a Scheme Shareholder makes a RPS Election in respect of all of their ICG Units by writing “ALL” in the appropriate box, then any subsequent Form of Election that they submit will be invalid.
- (b) If a Scheme Shareholder makes a RPS Election in respect of a specified number of their ICG Units by writing the relevant number in the appropriate box on the Form of Election and, prior to the Scheme Record Time, they acquire more ICG Units, then (subject to the following paragraph and paragraph 5.14) their initial election will not apply in relation to the ICG Units so acquired. If they wish to make an election in relation to those newly acquired ICG Units, then they must submit a separate Form of Election in respect of such shares.
- (c) If a Scheme Shareholder makes a RPS Election in respect of a specified number of their ICG Units by writing the relevant number in the appropriate box on the Form of Election and if, immediately prior to the Scheme Record Time, the number of ICG Units that they hold is less than the number of ICG Units in respect of which they made a RPS Election (for example, because they have sold some of their ICG Units), then, provided that they have not also made an election in respect of the Partial Loan Note Alternative, their election shall apply in relation to all of the ICG Units they hold immediately prior to the Scheme Record Time (other than ICG Units issued on or after 6.00 pm on the day before the date on which the order of the High Court sanctioning the Scheme is made).

3.4 *For ICG Units in certificated form*

- (a) Scheme Shareholders who hold Scheme Shares in certificated form and wish to make a RPS Election must complete the Form of Election, in accordance with the instructions set out thereon and return it along with their share certificates representing their accepted shares to Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, so as to be received by no later than 2.30 pm on 24 September 2007 or such later time (if any) to which the right to make an election may be extended.
- (b) Scheme Shareholders must check that the details in Section A of the Form of Election are correct (and, if their details have changed, update them where indicated).
- (c) If Scheme Shareholders wish to receive Redeemable Preference Shares in respect of ALL of their registered holding of ICG Units, they must write “ALL” in Box C in Section C of the Form of Election. If Scheme Shareholders only wish to elect to receive Redeemable Preference Shares in respect of some (but not all) of their registered holding of ICG Units, they must insert the number of ICG Units in respect of which they wish to make a RPS Election in the Box in Section C. If the number inserted in the Box in Section C exceeds the number of ICG Units registered in the relevant ICG Shareholder’s name (but the RPS Election is otherwise valid and no election has been in respect of the Partial Loan Note Alternative) that Scheme Shareholder will be deemed to have made an election for Redeemable Preference Shares in respect of all of their registered holding of ICG Units (other than ICG Units issued on or after 6.00 pm on the day before the date on which the order of the High Court sanctioning the Scheme is made).
- (d) Scheme Shareholders must then (if they are an individual) sign Section E of the Form of Election in the presence of a witness who should also sign in accordance with the instructions printed on it. A company may affix its common seal in Section E, which

should be affixed and witnessed in accordance with its articles of association or other regulations.

3.5 *For ICG Units in uncertificated form*

- (a) Scheme Shareholders who hold Scheme Shares in uncertificated form through CREST and wish to elect for the RPS Alternative must return their completed Form of Election and send (or, if they are a CREST personal member, procure that their CREST sponsor sends) a transfer to escrow instruction (a “**TTE Instruction**”) to CRESTCo.
- (b) The TTE Instruction must specify Computershare Investor Services (Ireland) Limited (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent, and must be sent as soon as possible and in event so as to be settled in CREST by no later than 2.30 pm on 24 September 2007 or such later time (if any) to which the right to make an election may be extended.
- (c) CREST personal members should refer to their CREST sponsor before taking any action. Their CREST sponsor will be able to confirm details of their participant ID and the member account ID under which their ICG Units are held. In addition, only their CREST sponsor will be able to send the TTE Instruction to CRESTCo in relation to their ICG Units.
- (d) The TTE Instruction must be properly authenticated in accordance with CRESTCo’s specifications and must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:
 - (i) The number of ICG Units to be transferred to an escrow balance. This is the number of Scheme Shares in respect of which you wish to elect for the Redeemable Preference Share Alternative.
 - (ii) Your member account ID.
 - (iii) Your participant ID.
 - (iv) The participant ID of the escrow agent, which is RA88.
 - (v) The member account ID of the escrow agent, which is ICGROUP.
 - (vi) The intended settlement date, which should be as soon as possible and in any event not later than 2.30 pm on 24 September 2007.
 - (vii) The corporate action ISIN number for the Revised Acquisition, which is IE0033336516.
 - (viii) The TTE Instruction should be inputted with CREST standard delivery instruction priority of 80.
 - (ix) A contact name and telephone number should be inserted in the shared note field.
- (e) After settlement of the TTE Instruction, Scheme Shareholders will not be able to access the ICG Units concerned in CREST for any transaction or for charging purposes. If the Scheme becomes effective in accordance with its terms, the escrow agent will transfer the ICG Units concerned to Aella. Scheme Shareholders are recommended to refer to the CREST Manual published by CRESTCo for further information on the CREST procedures outlined above.
- (f) Scheme Shareholders should note that CRESTCo does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Scheme Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE Instruction relating to your ICG Units to settle prior to 2.30 pm on 24 September 2007. In this connection ICG Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (g) Please note that, if Scheme Shareholders make a RPS Election in respect of ICG Units which are held in CREST and fail to give the TTE Instruction to settle prior to 2.30 pm on

24 September 2007 in accordance with the instruction set out above, the RPS Election will to that extent be invalid and the relevant Scheme Shareholders will receive the Cash Consideration as if they had not made a RPS Election.

- (h) If any RPS Election is received or where applicable, a TTE Instruction settles after 2.30 pm on 24 September 2007 or is received or settles before such time and date but is not valid or complete in all respects (save as described in paragraph 1.3 above) as at such time and date, such election shall, for all purposes, be void and the person purporting to make such election shall not be entitled to receive any Redeemable Preference Shares under the Redeemable Preference Share Alternative but will instead receive the Cash Consideration pursuant to the Scheme.

4. Overseas Shareholders

- 4.1 The availability of the Partial Loan Note Alternative or the Redeemable Preference Share Alternative to Overseas Shareholders may be affected by the laws of jurisdictions other than Ireland. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.
- 4.2 Neither the Loan Note Alternative nor Redeemable Preference Share Alternative will be available in the Restricted Jurisdictions and Scheme Shareholders will not be permitted to make an election for the Partial Loan Note Alternative or Redeemable Preference Share Alternative from any of the Restricted Jurisdictions. No Scheme Shareholder will be entitled to require Loan Notes or Redeemable Preference Shares to be posted to an address in any Restricted Jurisdiction and no Scheme Shareholder will be entitled to require Loan Notes or Redeemable Preference Shares to be registered in his/her name with an address in any Restricted Jurisdiction. In order to avoid a breach of foreign securities laws, the Form of Election will not be posted into any country other than an EEA country or the United States of America, although copies of the Form of Election can be obtained from Computershare's offices as set out on page 4 of this document.
- 4.3 If the issue of Loan Notes or Redeemable Preference Shares to any Scheme Shareholder would or may infringe the laws of any jurisdiction outside of Ireland or necessitate compliance with any registration or other special requirement, the Scheme provides that such Loan Notes or Redeemable Preference Shares will not be issued to the relevant Scheme Shareholder unless Aella otherwise agrees.
- 4.4 The Loan Notes and Redeemable Preference Shares that may be issued pursuant to the Scheme will be issued pursuant to the exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), provided by Section 3(a)(10) thereof, and have not been and will not be registered under the Securities Act or the securities laws of any state of the United States. In order to qualify for the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10), there must be a hearing on the fairness of the Scheme's terms and conditions to the ICG Shareholders, which all the Scheme Shareholders are entitled to attend in person or through representatives to oppose the sanctioning of the Scheme by the High Court, and with respect to which notification will be given to all the Scheme Shareholders. The High Court's attention is being drawn to the fact that, for the purpose of qualifying for the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10), Aella intends to rely on the High Court's hearing to sanction the Scheme.
- 4.5 Any Loan Notes or Redeemable Preference Shares that may be issued pursuant to the Revised Acquisition have not been and will not be registered under the relevant securities laws of any jurisdiction and any relevant clearances and registrations have not been, and will not be, obtained from the securities commission or regulator of any jurisdiction. No prospectus in relation to the Loan Notes or Redeemable Preference Shares has been, or will be, published, approved by or lodged with, or registered with any securities commission or regulator of any jurisdiction. Accordingly, unless otherwise determined by Aella and permitted by applicable law and regulation, the Loan Notes and Redeemable Preference Shares may not be, offered, sold, resold, transferred, delivered or distributed, directly or indirectly in or into any Restricted Jurisdiction.

- 4.6 A Form of Election contained in an envelope postmarked in any Restricted Jurisdiction appearing to Aella or any of its agents to have been sent from any Restricted Jurisdiction or on behalf of a Restricted Overseas Person will not constitute a valid election for the Partial Loan Note Alternative or Redeemable Preference Share Alternative.
- 4.8 Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

5. General

- 5.1 The instructions printed on or deemed incorporated in the Form of Election will be deemed to form part of the terms of the Scheme.
- 5.2 Scheme Shareholders who hold ICG Units in both certificated and uncertificated form and who wish to make an election in respect of both such holdings must complete a separate Form of Election for each holding.
- 5.3 Scheme Shareholders should complete a separate Form of Election for ICG Units held under different member account references within CREST and for ICG Units held in certificated form but under different designations, if they wish to make an election in respect of such shares.
- 5.4 Scheme Shareholders who wish to make different elections for different portions of their holding of ICG Units, where such portions are not recorded in the register of members by reference to separate designations or under different member account Ids, will need to request that their shareholding is split, at the discretion of the Company's registrar. In such circumstances, you should contact the Company's registrar, Computershare Investor Services (Ireland) Limited, immediately at the above address.
- 5.5 By completing the Form of Election, or making a TTE Instruction electing for the Partial Loan Note Alternative in Box B2 of Section B of the Form of Election and/or the Redeemable Preference Share Alternative, ICG Shareholders thereby represent and warrant that their ICG Units will be free from all Encumbrances at the time Scheme becomes effective and at all times thereafter. Any person electing for the Partial Loan Note Alternative in Box 2 and/or the Redeemable Preference Share Alternative who is unable to give the representation and warranty contained in Note 2 on page 4 of the Form of Election may be deemed not to have made a valid election under the Partial Loan Note Alternative and/or Redeemable Preference Share Alternative as applicable. Aella and its agents reserve the right in their sole discretion to reject any Form of Election they believe violates the laws of any jurisdiction.
- 5.6 Subject to the Scheme becoming effective and Aella paying the consideration to which any holder of a Transfer Share would be entitled under the Scheme, any Scheme Shareholder who elects for the Partial Loan Note Alternative and/or for the Redeemable Preference Share Alternative by completing Box B2 or Box C of the Form of Election, as applicable, will confer an irrevocable power of attorney on Aella and/or its nominees to exercise all and any rights relating to those Scheme Shares (including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date), which for the purposes of the Scheme shall be Transfer Shares. Such power of attorney is granted under section 20 of the Powers of Attorney Act, 1996 to secure the performance of all the obligations of the Scheme Shareholders arising from the election for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative, as applicable, under the Scheme, including the power to have the Transfer Shares transferred to Aella and/or its nominees.
- 5.7 No acknowledgements of receipt of any Form of Election or other documents will be given. All communications, notices other documents and remittances to be delivered by or to or sent to or from Scheme Shareholders (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such Scheme Shareholders (or their designated agents(s)) at their risk.
- 5.8 The Form of Election and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with the laws of Ireland and subject to the exclusive jurisdiction of the courts of Ireland, which exclusivity shall not limit the right to seek provisional or protective relief in the courts of another State during or after any substantive

proceedings have been instituted in Ireland, nor shall it limit the right to bring enforcement proceedings in another State on foot of an Irish judgment. Execution by or on behalf of a Scheme Shareholder of a Form of Election will constitute his submission, in relation to all matters arising out of or in connection with the Scheme and the Form of Election, to the jurisdiction of the courts of Ireland and his agreement that nothing shall limit the rights of ICG to bring any action, suit or proceeding arising out of or in connection with the Scheme and the Form of Election in any other manner permitted by law or in any court of competent jurisdiction.

- 5.9 If the Scheme does not become effective in accordance with its terms, any Election made shall cease to be valid.
- 5.10 All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this document or in the Form of Election are given by way of security for the performance of the obligations of the Shareholder concerned and are irrevocable except as required by law or as determined by the Panel in accordance with the Takeover Rules.
- 5.11 Neither ICG nor Aella nor any of their respective advisers nor any person acting on their behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of elections under the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative on any of the bases set out in this Part XI or otherwise in connection therewith.
- 5.12 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Shareholders (or their designated agents) in respect of the Partial Loan Note Alternative or Redeemable Preference Share Alternative will be delivered by or sent to or from them (or their designated agents) at their own risk. No such document shall be sent to an address in any Restricted Jurisdiction.
- 5.13 If the Scheme does not become effective by 31 October 2007, the Registrars will (in relation to the Scheme Shares in respect of which Elections have been made) as soon as possible following that date: (i) return share certificates and/or other documents of title relating to such Scheme Shares by post (or such other method as may be approved by the Panel); and (ii) give transfer from escrow instructions to CRESTCo to transfer all such Scheme Shares which are held in escrow balances and in relation to which it is the escrow agent for the purposes of the Scheme to the original stock accounts of the holders of Scheme Shares concerned. All documents sent to holders of Scheme Shares or their appointed agents in these circumstances will be sent at their own risk.
- 5.14 Where a Scheme Shareholder makes a Loan Note Election and a RPS Election they should be aware that:
 - (a) If a Scheme Shareholder makes a Loan Note Election in respect of some of their ICG Units by writing "ALL" in Box B1 or Box B2, and a RPS Election by writing "ALL" in Box C on the GREEN Form of Election, such elections shall, for all purposes, be void and the holder of Scheme Shares or ICG Optionholder purporting to make such elections shall receive the Cash Consideration upon the Scheme becoming effective and shall not, for any purpose, be entitled to receive any consideration under the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.
 - (b) If a Scheme Shareholder makes a Loan Note Election in respect of any of their ICG Units in Box B1 or Box B2, and a RPS Election in Box C on the GREEN Form of Election, and the sum of the ICG Units covered by those elections is, immediately prior to the Scheme Record Time, greater than the number of ICG Units that they hold, such elections shall, for all purposes, be void and the holder of Scheme Shares or ICG Optionholder purporting to make such elections shall receive the Cash Consideration upon the Scheme becoming effective and shall not, for any purpose, be entitled to receive any consideration under the Partial Loan Note Alternative or the Redeemable Preference Share Alternative.
 - (c) If a Scheme Shareholder makes a Loan Note Election in respect of some of their ICG Units by writing a whole number in Box B1 or Box B2, and a RPS Election by writing a whole number in Box C on the GREEN Form of Election, and the sum of those numbers is, immediately prior to the Scheme Record Time, less than the number of ICG Units that they hold, the holder of Scheme Shares or ICG Optionholder making such elections shall

receive the Cash Consideration for that number of ICG Units for which no election has been made.

6. Helpline

If you have any questions relating to this document or the completion and return of the Forms of Proxy or the Form of Election or you require further copies of the Form of Election, please call Computershare Investor Services (Ireland) Limited, on 01 447 5483 (if calling within Ireland) or on + 353 1 447 5483 (if calling from outside Ireland) between 9.00 am and 5.00 pm on any Business Day. Please note that calls to this number may be monitored or recorded and that Computershare Investor Services (Ireland) Limited cannot provide advice on the merits of the Scheme or the Revised Acquisition or give any financial or tax advice.

PART XII — SOURCES AND BASES OF INFORMATION

Unless otherwise stated, the financial information relating to the ICG Group is extracted from the audited consolidated financial statements of the ICG Group for the relevant financial year.

At Pages 9,11,17 and 18

1. Reference to the value of the entire issued and to be issued share capital of ICG is based upon 23,695,958 ICG Units in issue, and 1,794,500 ICG Units issuable to ICG's Optionholders under ICG's Share Option Schemes as at 7 September 2007.

At Page 11

2. References to the offer price history and actions of the Independent Directors between 20 June 2007 and 3 August 2007 are sourced from the RNS Company Announcement 4882B to the ISE dated 3 August 2007.

At Pages 11 and 18

3. Reference to the number of ICG Units acquired by Eamonn Rothwell on 20 June 2007 is sourced from the RNS Announcements under Rule 8.1 of the Takeover Rules to the Irish Stock Exchange dated 21 June 2007 and 25 June 2007. Announcement from GCF to the Irish Stock Exchange regarding Section 91 Notification dated 22 June 2007. RNS Announcement to the Irish Stock Exchange regarding Director/PDMR Shareholding dated 26 June 2007. RNS Announcement to the Irish Stock Exchange regarding interests and shares pursuant to the Companies Act 1990, Part IV, Chapter 3, and the Transparency (Directive 2001/109/EC) Regulations 2007 dated 26 June 2007.

At Page 12

4. Reference to the ISEQ Overall Index decline by 15.5 per cent. In the period from 20 June 2007 to 20 August 2007 is calculated from the ISE website as (8106.47 /9596.26)-1.

At Pages 12 and 18

5. Reference to 9.1 per cent. premium over the acquisition price of €22.00 per ICG Unit announced by Moonduster on 14 June 2007 is based on Premia spreadsheet prepared by GCF.
6. Reference to 29.7 per cent. premium over the offer proposed by Aella in the Original Announcement is based on Premia spreadsheet prepared by GCF and Bloomberg Screens.
7. Reference to the Closing Price of ICG Units, 7 March 2007, is based on the Official List of the Irish Stock Exchange, Premia spreadsheet prepared by GCF and Bloomberg Screens.
8. Reference to the Closing Price of ICG Units, 1 January 2007, is based on the Official List of the Irish Stock Exchange.
9. Reference to ISEQ Overall Index decline of 13.8% is calculated from the Irish Stock Exchange website as (8106.47/9408.12)-1, Premia spreadsheet prepared by GCF and Bloomberg Screens.
10. Reference to the FTSE 350 Index decline of 2.8% is calculated from Bloomberg as (3181.3/3272.7)-1.
11. Reference to the average closing share price over the six months preceding 8 March 2007 is based on the Official List of the Irish Stock Exchange.
12. Reference to the Closing Price of ICG Units, 8 September 2006, is based on the Official List of the Irish Stock Exchange.

At Pages 13 and 22

13. Reference to the irrevocable undertakings to vote in favour of the Scheme is sourced from the signed Irrevocable Undertakings of the MBO Team and Independent Directors.

At Pages 13 and 14

14. Reference to the arrangements in place between ICG and Aella regarding an expenses reimbursement agreement is sourced from the terms of the signed agreement, approved by the Panel.

At Page 18

15. Reference to the historical trading range of the share price is taken from the Official List of the Irish Stock Exchange.

16. Reference to the considerable challenges facing the business are sourced from 2006 Annual Report for ICG.
17. Reference to the uncertainty in relation to the trading environment are sourced from ICG's Preliminary Statement of Results for 2006.
18. Reference to the lack of acquisition growth targets is sourced from internal management information.
19. Reference to the limited scope for further cost savings is sourced from internal management information.
20. Reference that there has been some share trading activity above €24.00 is sourced from Bloomberg.

At Page 23

21. Reference to the purchase of the cruise ferry, Kronprins Harald, is sourced from ICG's regulatory announcement dated 22 January 2007.
22. Reference to financing of the acquisition is sourced from the terms of the Revised Acquisition and debt facilities made available to Aella by Allied Irish Banks, p.l.c.

At Page 63

23. References to the financial information in Part IX — Financial Information Relating to ICG is sourced from the published audited consolidated accounts for the years ended 31 December 2004, 2005 and 2006 and the published unaudited interim accounts for the six months ended 30 June 2007.

At Page 111

24. Reference to the Closing Prices of an ICG Unit from 2 October 2006 to 7 September 2007 (inclusive) are sourced from Official Lists of the Irish Stock Exchange and London Stock Exchange in each case.

At Pages 115 to 120

25. Reference to dealings for value in relevant securities of ICG in relation to the MBO Team are sourced from the signed Irrevocable Undertakings of the MBO Team.

PART XIII — DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“1988 Share Option Scheme”	the Irish Continental Group plc Irish Share Option Scheme;
“1998 Share Option Plan”	the Irish Continental Group plc 1998 Share Option Plan;
“1997 Options”	the ICG Options granted in 1997 under the 1988 Share Option Scheme;
“Act”	the Companies Act 1963 of Ireland;
“Adjourned Court Meetings”	the Adjourned First Court Meeting, the Adjourned Second Court Meeting and “Adjourned Court Meeting” shall mean any of them, as the context requires;
“Adjourned Extraordinary General Meeting” or “Adjourned EGM”	the adjourned extraordinary general meeting of the ICG Shareholders to be reconvened in connection with the Scheme, expected to be held as soon as the preceding Adjourned Court Meeting shall have been concluded or adjourned (and any adjournment thereof);
“Adjourned First Court Meeting”	the meeting of the ICG Shareholders other than the Aella Class Shareholders (and any adjournment thereof) reconvened by order of the High Court pursuant to Section 201 of the Act to consider and, if thought fit, approve the Scheme (with or without amendment);
“Adjourned Meetings”	the Adjourned Court Meetings and the Adjourned Extraordinary General Meeting;
“Adjourned Second Court Meeting”	the meeting of the Aella Class Shareholders (and any adjournment thereof) reconvened by order of the High Court pursuant to Section 201 of the Act to consider and, if thought fit, approve the Scheme (with or without amendment);
“Adonia Aella”	Adonia Aella Limited, a private limited company incorporated in Ireland with registered number 435192;
“Aella”	Aella plc, a public limited company incorporated in Ireland with registered number 434571;
“Aella Articles”	the articles of association of Aella;
“Aella Class Shareholders”	the holders of Aella Class Shares;
“Aella Class Shares”	ICG Units of which any member of the MBO Team or any member of AIB Group is a beneficial owner;
“Aella Group”	Aella and its parent undertaking and its subsidiaries and subsidiary undertakings and any other subsidiary or subsidiary undertaking of its parent undertaking;
“Aella Ordinary Shares”	the ordinary shares of €1.00 each of Aella;
“AIB”	Allied Irish Banks p.l.c.;
“AIB Group”	AIB and its subsidiaries excluding trustees and pension funds;
“Arrangement”	any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature between two or more persons, relating to relevant securities of Aella or ICG which is or may be an inducement to one or more such persons to deal or refrain from dealing in such securities;
“Bank Facilities”	the Senior Facilities and the PIK Facility;
“Board”	the board of directors of ICG or Aella, as the context requires;

“Business Day”	any day, other than a Saturday, Sunday or public or bank holiday, on which banks are generally open for business in Dublin and the Irish Stock Exchange is open for transaction of business;
“Cancellation Shares”	Scheme Shares, excluding the Transfer Shares and the Designated Shares;
“Cash Consideration”	the cash consideration of €24.00 per ICG Unit payable to ICG Shareholders who do not elect for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative;
“Cash Equivalent”	a loan note or any other financial instrument which is guaranteed by a reputable bank or financial institution;
“CAT”	capital acquisitions tax;
“CGT”	capital gains tax;
“certificated” or “in certificated form”	where a share or other security is not in uncertificated form (that is, not in CREST);
“Closing Price”	the closing price of a ICG Unit as derived from the Daily Official List of the Irish Stock Exchange;
“Companies Acts”	the Companies Acts 1963 to 2005 and Parts 2 and 3 of the Investment Funds, Companies and Miscellaneous Provisions Act 2006;
“Court Hearing”	the hearing or hearings by the High Court of the petition to sanction the Scheme, confirm the associated reduction of capital of ICG and grant the Court Order;
“Court Order”	the order or orders of the High Court sanctioning the Scheme under Section 201 of the Act and confirming the reduction of share capital which forms part of it under Sections 72 and 74 of the Act;
“CREST”	the relevant system (as defined in the Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations);
“CRESTCo”	CRESTCo Limited;
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations, 1996 (SI No 68 of 1996) and the Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (SI No 63 of 2005), as from time to time amended;
“Deferred Shares”	the non-redeemable, non-voting deferred shares with a nominal value of €0.0001 each in the capital of Aella;
“Designated Shares”	means one ICG Unit to be held by Aella and six other ICG Units to be held on trust for Aella, in each case from a date prior to the date on which the Adjourned Court Meetings are held;
“directors of ICG” or “ICG Directors”	the board of directors of ICG;
“directors of Aella” or “Aella Directors”	the board of directors of Aella;
“Disclosure Period”	the period commencing on 8 March 2006 and ending on the Latest Practicable Date;
“Dublin Port Leases”	the ICG Group’s property leasehold interests at Dublin Port;
“DWT”	Dividend Withholding Tax;
“EBITDA”	earnings before interest, taxation, depreciation and amortisation;

“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms;
“election”	a Loan Note Election and/or a RPS Election as the context requires;
“EPS”	earnings per ICG Unit;
“Euro” or “€” or “EUR” or “cent” or “c”	the currency unit of participating member states of the European Union as defined in Recital (2) of Council Regulation 974/98/EC on the introduction of the euro;
“Expenses Reimbursement Agreement”	the agreement described in paragraph 8 of Part I (Letter of Recommendation from the Independent Board) of this document;
“Financial Regulator”	the Irish Financial Services Regulatory Authority;
“Form of Election”	the form of election under which ICG Shareholders can elect for the Partial Loan Note Alternative to the Cash Consideration, and/or the Redeemable Preference Share Alternative;
“Forms of Proxy”	the PINK form of proxy for the Adjourned First Court Meeting, the WHITE form of proxy for the Adjourned Second Court Meeting, the BLUE form of proxy for the Adjourned EGM, and the YELLOW Form of Proxy for the Second EGM, as the context may require;
“Goodbody Corporate Finance”	Goodbody Corporate Finance, which is authorised in Ireland by the Financial Regulator under the Investment Intermediaries Act 1995;
“High Court”	the High Court of Ireland;
“Hearing Date”	the date of the Court Hearing;
“ICG” or the “Company”	Irish Continental Group plc, incorporated in Ireland with registered number 41043;
“ICG Articles”	the articles of association of Irish Continental Group;
“ICG Directors”	the directors of ICG;
“ICG Group” or the “Group”	Irish Continental Group plc, its subsidiary and associated undertakings;
“ICG Options”	options to subscribe for ICG Units pursuant to the ICG Share Option Schemes;
“ICG Optionholders”	the holders of options to subscribe for ICG Units under the ICG Share Option Schemes;
“ICG Share Option Schemes”	the Irish Continental Group plc Irish Share Option Scheme (also referred to herein as the 1988 Share Option Scheme) and the Irish Continental Group plc 1998 Share Option Plan (also referred to herein as the 1998 Share Option Plan);
“ICG Shareholders” or “Shareholders”	holders of ICG Units;
“ICG Unit” or “ICG Units”	units in the share capital of ICG (each such unit comprising one ordinary share of €0.65 and three redeemable shares of €0.0001);
“Implementation Agreement”	the implementation agreement described in paragraph 9 of Part I (Letter of Recommendation from the Independent Board) of this document;
“Independent Board” or “Independent Directors”	John B. McGuckian (Chairman), Peter Crowley (Senior Independent Director) and Bernard Somers (Independent Director);
“Intercreditor Agreement”	the agreement defined and described in paragraph 5.4 of Part VIII (Information on Aella and Adonia Aella) of this document;

“Irish Holders”	holders of ICG Units that (i) beneficially own the ICG Units registered in their name; (ii) in the case of individual holders, are resident, ordinarily resident and domiciled in Ireland under Irish taxation laws; (iii) in the case of holders that are companies, are resident in Ireland under Irish taxation laws; and (iv) are not considered resident in any country other than Ireland for the purposes of any double taxation agreement entered into by Ireland;
“High Court”	the High Court of Ireland;
“Irish Stock Exchange”	the Irish Stock Exchange Limited;
“Ireland” or “Republic of Ireland”	Ireland excluding Northern Ireland and the word “Irish” shall be construed accordingly;
“Latest Practicable Date”	7 September 2007;
“Listing Rules”	the listing rules of the Irish Stock Exchange and the UK Listing Authority;
“Loan Notes”	the unsecured subordinated non-transferable notes with an annual coupon of 19 per cent to be issued by Aella pursuant to the Partial Loan Note Alternative;
“Loan Note Election”	an election for the Partial Loan Note Alternative;
“Loan Note Instrument”	the Loan Note Instrument to be entered into between Aella and Goodbody Stockbrokers Nominees Limited to constitute the Loan Notes;
“London Stock Exchange”	London Stock Exchange plc;
“MBO Team”	Eamonn Rothwell, Gearoid O’Dea, Anthony Kelly, John Reilly and Thomas Corcoran;
“Meetings”	the Adjourned Meetings and the Second EGM;
“Moonduster”	Moonduster Limited, a private limited company incorporated in Ireland with registered number 439475;
“Moonduster Acquisition”	the proposed acquisition of ICG by Moonduster at €22.00 per ICG Unit, as announced on 14 June 2007;
“Moonduster Scheme”	the proposed scheme of arrangement to effect the Moonduster Acquisition under section 201 of the Act and the capital reduction under section 72 and 74 of the Act whether subject to any modifications, addition or condition approved or imposed by the High Court and as agreed by Moonduster and ICG;
“Moonduster Scheme Document”	a circular ICG Shareholders to reflect the Moonduster Scheme, which has not to date been posted by the Company to its Shareholders;
“NCB Corporate Finance”	NCB Corporate Finance Limited, which is authorised in Ireland by the Financial Regulator under the Investment Intermediaries Act 1995;
“New Implementation Agreement”	the new implementation agreement entered into between ICG and Aella on 20 August 2007 described in paragraph 9 of Part I (Letter of Recommendation from the Independent Board) of this document;
“New ICG Units”	the ordinary shares of €0.65 each and redeemable shares of €0.0001 each in the capital of ICG to be issued (in the ratio of three redeemable shares for every one ordinary share) credited as fully paid up to Aella pursuant to the Scheme;
“Northern Ireland”	the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone on the island of Ireland;

“Noteholder”	those persons for whose benefit the Loan Notes are issued in the name of the Nominee as provided for in clause 2.1 of the Loan Note Instrument;
“Offer Period”	the period commencing on 8 March 2007, the date of the Original Announcement, and ending on the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);
“Official Lists”	the Official List of the Irish Stock Exchange and the UK Listing Authority;
“Option Season”	the period defined in the rules of the 1988 Share Option Scheme in operation at the date hereof as the period of six weeks beginning on the date of publication of ICG’s interim or final results, which definition is proposed for amendment at the Second EGM;
“Original Acquisition”	the proposed acquisition for cash by Aella of ICG by means of the Scheme as described in the Original Scheme Document;
“Original Announcement”	the announcement of the Original Acquisition dated 8 March 2007;
“Original Form of Election”	the form of election that accompanied the Original Scheme Document;
“Original Forms of Proxy”	the forms of proxy that accompanied the Original Scheme Document;
“Original Scheme Document”	the document, dated 20 March 2007, containing, inter alia, details of the Original Acquisition and Scheme;
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside Ireland;
“Paid-Up Amount”	€24.00 per Redeemable Preference Share;
“Panel”	the Irish Takeover Panel;
“Partial Loan Note Alternative”	the alternative whereby (a) under the Scheme, Shareholders may elect, subject to certain limitations and conditions, to receive Loan Notes up to a maximum of €88 million instead of all or part of the Cash Consideration to which they would otherwise be entitled pursuant to the Scheme, save to the extent that they have validly elected for the Redeemable Preference Share Alternative; and (b), save to the extent that they have validly elected for the Redeemable Preference Share Alternative, holders of options under the ICG Share Option Schemes may elect to receive, subject to certain terms and conditions, Loan Notes instead of all or part of the Cash Consideration to which they would otherwise be entitled in respect of the ICG Units acquired by such holders after 6.00pm on the last day before the date of the Court Order and transferred to Aella and/or its nominee(s) (to hold on bare trust for Aella) under the proposed amendments to the articles of association of ICG;
“Participant ID”	the identification code or membership number used in CREST to identify a particular member of CREST or other participant in CREST;
“PIK Agent”	has the meaning given to it in the PIK Facility Agreement;
“PIK Amendment Letter”	the letter dated 20 July 2007 from Eamonn Rothwell, Aella and Adonia Aella to Allied Irish Banks p.l.c. in its capacity as original Lender under the PIK Facility Agreement;
“PIK Debt”	all money and liabilities now or in the future due, owing or incurred to any PIK Finance Party by any Obligor under any PIK Finance Document in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as

	principal or surety, together with all accruing interest and all related losses and charges;
“PIK Facility Agreement”	the PIK facility agreement dated 8 March 2007 between (1) Adonia Aella as parent (2) Aella as PIK borrower (3) Aella and Adonia Aella as original PIK guarantors (4) AIB as PIK agent (5) AIB as arranger, and (6) AIB as original PIK lender;
“PIK Facility”	the agreement defined in paragraph 5(b) of Part VIII and described more fully in paragraph 5.2 of Part VIII (Information on Aella and Adonia Aella) of this document;
“PIK Finance Documents”	the PIK Finance Documents as defined in the PIK Facility Agreement;
“PIK Finance Party/ies”	PIK Finance Party/ies as defined in the PIK Facility Agreement;
“the PIK Lender”	has the meaning given to it in the PIK Facility Agreement;
“Preference Dividend”	the fixed cumulative dividend that will accrue at the rate of 3 per cent. per annum on the amount of the capital for the time being paid up or credited as paid up on the Redeemable Preference Shares (including the premium paid or credited as paid on issue);
“Redeemable Preference Share Alternative”	the alternative whereby (a) under the Scheme, Shareholders may elect, subject to certain limitations and conditions, to receive Redeemable Preference Shares in exchange for the transfer of their ICG Units instead of all of the Cash Consideration to which they would otherwise be entitled pursuant to the Scheme, save to the extent that they have validly elected for the Partial Loan Note Alternative; and (b) , save to the extent that they have validly elected for the Partial Loan Note Alternative, holders of options under the ICG Share Option Schemes may elect to receive, subject to certain terms and conditions, Redeemable Preference Shares in exchange for the transfer of their ICG Units instead of all of the Cash Consideration to which they would otherwise be entitled in respect of the ICG Units acquired by such holders after 6.00 pm on the last day before the date of the Court Order and transferred to Aella and/or its nominee(s) (to hold on bare trust for Aella) under the proposed amendments to the articles of association of ICG;
“Redeemable Preference Shares”	the redeemable preference shares of €0.0001 each nominal value in the capital of Aella;
“the Register”	the register of the holder of the legal title to the Loan Notes kept by or on behalf of the Company in accordance with Clauses 2.3 and 6 of, and Schedule 3 to, the Loan Note Instrument;
“Registrars”	Computershare Investor Services (Ireland) Limited;
“Registrar of Companies”	the Registrar of Companies in Dublin, Ireland;
“Register of Noteholders”	the register of the Noteholders showing the beneficial interest held by each of them in the Loan Notes as kept by or on behalf of the Nominee in accordance with Clause 2.3 of, and Schedule 3 to, the Loan Note Instrument;
“relevant securities”	has the meaning assigned by Rule 8.9 of the Takeover Rules;
“Restriction Notice”	a notice to the effect that the Board of Aella has determined that a Specified Event has occurred in relation to any share or shares, served by the Board of Aella on the holder or holders of the shares;
“Restricted Jurisdiction”	any jurisdiction in relation to which the Company or Aella (as the case may be) is advised that the release, publication or distribution of this document or the Forms of Proxy or Forms of Election or the

	allotment or issue of Loan Notes and/or Redeemable Preference Shares, or the provision of a right to make an election for the Partial Loan Note Alternative and/or the Redeemable Preference Share Alternative, would or might infringe the laws of that jurisdiction or would or might require compliance with any governmental or other consent or any registration, filing or other formality that the Company or Aella (as the case may be) is unable to comply with or regards as unduly onerous to comply with;
“Restricted Overseas Person”	persons resident in or citizens of, Restricted Jurisdictions;
“Revised Acquisition”	the proposed acquisition for cash by Aella of ICG by means of the Scheme as amended and restated in this document;
“Revised Scheme Document”	this document, dated 10 September 2007, which amends and restates the Original Scheme Document;
“RPS Elected Shares”	Scheme Shares which are the subject of a valid RPS Election;
“RPS Election”	an election for the Redeemable Preference Share Alternative;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Section 201 of the Act and the capital reduction under Sections 72 and 74 of the Act with or subject to any modifications, addition or condition approved or imposed by the High Court and agreed by Aella and ICG;
“Scheme Record Time”	6.00 pm on the last Business Day before the Effective Date;
“Scheme Shares”	(i) the ICG Units in issue at the date of the Revised Scheme Document; (ii) any ICG Units issued after the date of the Revised Scheme Document and before the Voting Record Time; and (iii) any ICG Units issued at or after the Voting Record Time and before 6.00 pm on the day before the date on which the order of the High Court is made sanctioning this Scheme on terms that the holder thereof shall be bound by the Scheme, or in respect of which the original or any subsequent holder thereof agrees in writing to be bound by the Scheme other than to Aella and/or its nominee(s), but excluding the Designated Shares;
“Scheme Shareholders”	the holders of Scheme Shares;
“Second Extraordinary General Meeting” or “Second EGM”	the extraordinary general meeting of the ICG Shareholders to be convened to consider a resolution relating to the 1988 Share Option Scheme;
“the Senior Debt”	all money and liabilities now or in the future due, owing or incurred to any Senior Finance Party by any Obligor under any Senior Finance Document in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all accruing interest and all related losses and charges;
“the Senior Facilities”	the Facilities as defined in the Senior Facility Agreement;
“Senior Facility Agreement”	the agreement defined in paragraph 5(a) of Part VIII and described more fully in paragraph 5.1 of Part VIII (Information on Aella and Adonia Aella) of this document;
“Senior Finance Document(s)”	the Finance Documents as defined in the Senior Facility Agreement;
“Senior Finance Party/ies”	the Finance Party or Parties as defined in the Senior Facility Agreement;
“Senior Lenders”	the providers of the Senior Facility Agreement;

“Specified Event”	has the meaning ascribed to it at paragraph 4.5 of Part A of Part VIII (Information on Aella);
“Specified Shares”	the share or shares referred to in a Restriction Notice;
“Takeover Regulations”	the European Communities (Takeover Bids (Directive 2004/25/EC) Regulations 2006;
“Takeover Rules”	the Irish Takeover Panel Act, 1997, Takeover Rules 2001 to 2006, the rules as applied by the Takeover Regulations and the Substantial Acquisition Rules 2001 and 2005;
“Transfer Shares”	all RPS Elected Shares and all Scheme Shares in respect of which a valid Loan Note Election has been made and accepted (in accordance with Clause 3.7 of the Scheme) on the basis that such Scheme Shares are not to be cancelled but will be, and which Scheme Shares are, exchangeable for Redeemable Preference Shares and/or Loan Notes, as the case may be;
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST manual issued by CRESTCo);
“UK Listing Authority”	the Financial Services Authority of the United Kingdom in its capacity as the competent authority under the Financial Services and Markets Act 2000;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being in uncertificated form in CREST and title to which may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other territory subject to its jurisdiction;
“Voting Record Time”	6.00 pm on the day which is two days before the Adjourned Court Meeting or the Adjourned EGM or, if either the Adjourned Court Meeting or the Adjourned EGM is adjourned, 48 hours before the time set for the adjourned meeting; and
“\$” or “U.S.\$”	the currency unit (dollars) of the United States.

All amounts contained within this document referred to by “€” and “c” refer to the Euro and cent.

Any reference to any provision of any legislation shall include any provision in any legislation that amends, modifies, consolidates, re-enacts, extends or replaces the same.

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neutral gender.

All times referred to are Dublin times unless otherwise stated.

NOTICE OF ADJOURNED FIRST COURT MEETING

IN THE HIGH COURT

2007 No. 115 Cos

IN THE MATTER OF IRISH CONTINENTAL GROUP PLC

- and -

IN THE MATTER OF THE COMPANIES ACTS

NOTICE IS HEREBY GIVEN that by an order dated 5 September 2007 made in the above matters, the High Court has directed a meeting (originally directed to be convened by order dated 16 March 2007 and adjourned *sine die* by order dated 11 April 2007) to be reconvened of the holders of the Scheme Shares other than the Aella Class Shares (both as defined in the proposed scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a revised scheme of arrangement pursuant to Section 201 of the Companies Act 1963 proposed to be made between Irish Continental Group plc (the "Company") and the holders of the Scheme Shares (as defined in the said revised scheme of arrangement) and that such meeting will be held at The Clarion Hotel Dublin IFSC, International Financial Services Centre, Dublin 1 on 26 September 2007, at 2.30 pm which place and time all holders of the said shares are invited to attend.

A copy of the said revised scheme of arrangement is set out in this document of which this notice forms part. The statement required to be furnished pursuant to section 202 of the Companies Act 1963 is also comprised in the document of which this notice forms part. Proxy votes made prior to the date of this notice will not be valid.

Shareholders may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their stead. A PINK Form of Proxy for use at the said meeting is enclosed with this Notice. Completion and return of a Form of Proxy will not preclude a shareholder from attending and voting in person at the said meeting, or any adjournment thereof, if that shareholder wishes to do so.

It is requested that forms appointing proxies be lodged with the Company's Registrars, Computershare Investor Services (Ireland) Limited, at P.O. Box 954 Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not less than 48 hours before the time appointed for the said meeting but if forms are not so lodged they may be handed to the Chairman of the meeting before the start of the meeting and will still be valid.

Shareholders may also submit a proxy or proxies via the internet by accessing the Company's Registrar's website (www.computershare.com/ie/voting/irishcontinental) so as to be received, in accordance with the terms and conditions published by the Company's Registrar for the use of this service, by 2.30 pm on 24 September 2007.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services (Ireland) Limited (ID 3RA50) by 2.30 pm on 24 September 2007. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall

be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the meeting, or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company at 6.00 pm on 24 September 2007 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said order, the High Court has appointed John B. McGuckian or, failing him, Peter Crowley or, failing him, Bernard Somers, to act as Chairman of the said meeting and has directed the Chairman to report the result thereof to the High Court.

The said revised scheme of arrangement will be subject to the subsequent sanction of the High Court.

Dated: 10 September 2007

A&L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland
Solicitors for the Company

NOTICE OF ADJOURNED SECOND COURT MEETING

IN THE HIGH COURT

2007 No. 115 Cos

IN THE MATTER OF IRISH CONTINENTAL GROUP PLC

- and -

IN THE MATTER OF THE COMPANIES ACTS

NOTICE IS HEREBY GIVEN that by an order dated 5 September 2007 made in the above matters, the High Court has directed a meeting (originally directed to be convened by order dated 16 March 2007 and adjourned *sine die* by order dated 11 April 2007) to be reconvened of the holders of the Aella Class Shares (as defined in the proposed scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a revised scheme of arrangement pursuant to Section 201 of the Companies Act 1963 proposed to be made between Irish Continental Group plc (the ‘‘Company’’) and the holders of the Scheme Shares (as defined in the said revised scheme of arrangement) and that such meeting will be held at The Clarion Hotel Dublin IFSC, International Financial Services Centre, Dublin 1 on 26 September 2007, at 2.45 pm or, if later, as soon as the First Court Meeting (as defined in the said revised scheme of arrangement) has concluded or been adjourned at which place and time all holders of the said shares are invited to attend.

A copy of the said revised scheme of arrangement is set out in this document of which this notice forms part. The statement required to be furnished pursuant to section 202 of the Companies Act 1963 is also comprised in the document of which this notice forms part. Proxy votes made prior to the date of this notice will not be valid.

Shareholders may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their stead. A WHITE Form of Proxy for use at the said meeting is enclosed with this Notice. Completion and return of a Form of Proxy will not preclude a shareholder from attending and voting in person at the said meeting, or any adjournment thereof, if that shareholder wishes to do so.

It is requested that forms appointing proxies be lodged with the Company’s Registrars, Computershare Investor Services (Ireland) Limited, at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not less than 48 hours before the time appointed for the said meeting but if forms are not so lodged they may be handed to the Chairman of the meeting before the start of the meeting and will still be valid.

Shareholders may also submit a proxy or proxies via the internet by accessing the Company’s Registrar’s website (www.computershare.com/ie/voting/irishcontinentalgroup) so as to be received, in accordance with the terms and conditions published by the Company’s Registrar for the use of this service, by 2.45 pm on 24 September 2007.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Services (Ireland) Limited (ID 3RA50) by 2.45 pm on 24 September 2007. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages.

Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor

or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the meeting, or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company at 6.00 pm on 24 September 2007 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said order, the High Court has appointed John B. McGuckian or, failing him, Peter Crowley or, failing him, Bernard Somers, to act as Chairman of the said meeting and has directed the Chairman to report the result thereof to the High Court.

The said revised scheme of arrangement will be subject to the subsequent sanction of the High Court.

Dated: 10 September 2007

A&L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1
Ireland
Solicitors for the Company

NOTICE OF ADJOURNED EXTRAORDINARY GENERAL MEETING

OF

IRISH CONTINENTAL GROUP PLC

NOTICE IS HEREBY GIVEN that the EXTRAORDINARY GENERAL MEETING of Irish Continental Group plc (the “**Company**”) having been adjourned *sine die* on 12 April 2007 will be reconvened at The Clarion Hotel Dublin IFSC, International Financial Services Centre, Dublin 1 on 26 September 2007 at 3.00 pm (or as soon thereafter as the Second Court Meeting (as defined in the Scheme referred to in paragraph 1 of the resolution set out below) reconvened for 2.45 pm on the same day and at the same place, by order of the High Court, shall have concluded or been further adjourned) for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 3 will be proposed as ordinary resolutions and resolutions 2 and 4 as special resolutions:

1. **Ordinary Resolution: To approve the Scheme of Arrangement**

The scheme of arrangement dated 20 March 2007, between the Company and the holders of the Scheme Shares (as defined in the said scheme) a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court (the “**Scheme**”) be approved and the directors of the Company be authorised to take all such action as they consider necessary or appropriate for carrying the Scheme into effect.

2. **Special Resolution: Cancellation of Cancellation Shares**

Subject to the confirmation of the High Court, the issued capital of the Company be reduced by cancelling and extinguishing all the Cancellation Shares but not thereby reducing the authorised share capital of the Company.

3. **Ordinary Resolution: Directors’ authority to allot securities and application of reserves**

Subject to and forthwith upon the reduction of capital referred to in resolution number 2 above taking effect:

- (i) the directors of the Company be and are hereby generally authorised pursuant to and in accordance with Section 20 of the Companies (Amendment) Act 1983 to give effect to this resolution and accordingly to effect the allotment of the New ICG Units referred to in paragraph (ii) below provided that (i) this authority shall expire on 12 April 2008 (ii) the maximum aggregate nominal amount of shares which may be allotted hereunder shall be €20,000,000 and (iii) this authority shall be without prejudice to any other authority under the said Section 20 previously granted before the date on which this resolution is passed; and
- (ii) the reserve credit arising in the books of account of the Company as a result of the cancellation of the Cancellation Shares be applied in paying up in full at par such number of ICG Units (being three Redeemable Shares and one Ordinary Share) as shall be equal to the aggregate of the number of Cancellation Shares cancelled pursuant to Resolution 2 above, such new ICG Units to be allotted and issued to Aella plc and/or its nominee(s) credited as fully paid up and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever.

4. **Special Resolution: Amendment to Articles:**

With effect from the passing of this resolution, the Articles of Association of the Company be amended by adding the following new Article 158:

158. SCHEME OF ARRANGEMENT

- (a) In these Articles, the “**Scheme**” means the scheme of arrangement dated 20 March 2007, between the Company and the holders of the Scheme Shares under Section 201 of the Companies Act 1963 in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court and expressions defined in the Scheme and (if not so defined) in the document containing the explanatory statement circulated with the Scheme under Section 202 of the Companies Act 1963 shall have the same meanings in this Article.
- (b) Despite anything else in these Articles, if the Company allots and issues any Ordinary Shares or Redeemable Shares (other than to Aella plc incorporated in Ireland, (company number 434571) (“**Aella**”) or its nominee(s)) on or after the adoption of this Article and prior to 6.00 pm on the last day

before the date on which the order of the High Court is made sanctioning the Scheme, such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of those shares shall be bound by the Scheme accordingly.

- (c) If any new Ordinary Shares or Redeemable Shares are allotted or issued to any person (a “**new member**”) (other than under the Scheme or to Aella or any subsidiary undertaking of Aella or anyone acting on behalf of Aella or any subsidiary undertaking of Aella) on or after 6.00 pm on the day before the date on which the order of the High Court is made sanctioning the Scheme, Aella may, provided the Scheme has become effective, have such shares transferred to Aella and/or its nominee(s) in consideration of and conditional on the payment by Aella to the new member of the amount of cash or other consideration (at the election of Aella save in respect of any new member who has made a valid election for the Partial Loan Note Alternative or the Redeemable Share Alternative (as defined in the Scheme)) to which the new member would have been entitled under the terms of the Scheme had such share transferred to Aella hereunder been a Scheme Share at the Scheme Record Time.
- (d) In order to give effect to any such transfer required by this Article 158, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of Aella and/or its nominee(s). Before the registration of Aella as a holder of any share to be transferred under this Article 158, Aella can appoint a person nominated by the Directors to act as attorney on behalf of any holder of that share in accordance with any directions Aella gives in relation to any dealings with or disposal of that share (or any interest in it), exercising any rights attached to it or receiving any distribution or other benefit accruing or payable in respect of it and any holders of that share must exercise all rights attaching to it in accordance with the directions of Aella.

By order of the Board
Thomas Corcoran
Company Secretary

Irish Continental Group plc
Ferryport
Alexandra Road
Dublin 1

Dated: 10 September 2007

Notes:

1. A shareholder entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote on his or her behalf and may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company. Appointment of a proxy will not preclude a shareholder from attending and voting at the meeting should the shareholder subsequently wish to do so. To be effective, the form of proxy, duly completed and signed together with any power of attorney or other authority under which it is executed or a notarially certified copy thereof, must be deposited at the registered office of the Company or, at the shareholder’s option, with the Registrars of the Company, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, (“Computershare”) no later than 3.00 pm on 24 September 2007.
2. In the case of a corporation the Form of Proxy must be either under its Common Seal or under the hand of an officer or attorney, duly authorised.
3. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
4. The completion and return of the Form of Proxy will not preclude a member from attending and voting at the meeting in person.
5. The Company, pursuant to Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (the “Regulations”), specifies that only those shareholders registered in the Register of Members of the Company as at 6.00 pm on 24 September 2007 (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 name 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.
6. This Form of Proxy is issued only to the addressee(s) and is specific to the unique PIN and Shareholder Reference Number (SRN) printed at the top of this Form of Proxy. This personalised form is not

- transferable between (i) different account holder(s) or (ii) the unique PIN and SRN. The Company and Computershare accept no responsibility for any instruction that does not comply with these conditions.
7. Shareholders may also submit a proxy or proxies via the internet by accessing the company's Registrar's website (www.computershare.com/ie/voting/irishcontinental) so as to be received, in accordance with the terms and conditions published by the Company's Registrar for the use of this service, by 3.00 pm on 24 September 2007.
 8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as describe in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services (Ireland) Limited (ID 3RA50) by 3.00 pm on 24 September 2007. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.
 9. Terms shall have the same meaning in this document as they have under the Scheme and/or the Original Scheme Document and / or the Revised Scheme Document.
 10. Any alteration to this Form of Proxy must be initialled by the person who signs it.

NOTICE OF SECOND EXTRAORDINARY GENERAL MEETING
OF
IRISH CONTINENTAL GROUP PLC

NOTICE IS HEREBY GIVEN that a second EXTRAORDINARY GENERAL MEETING of Irish Continental Group plc (the “**Company**”) will be held at The Clarion Hotel Dublin IFSC, International Financial Services Centre, Dublin 1 on 26 September 2007 at 3.15 pm (or as soon thereafter as the Adjourned Extraordinary General Meeting (as defined in the Circular accompanying this Notice) reconvened for 3.00 pm on the same day and at the same place shall have concluded or been further adjourned) for the purpose of considering and, if thought fit, passing the following ordinary resolution:

Ordinary Resolution:

“That:

- a) With effect from the passing of this resolution the Irish Continental Group plc Irish Share Option Scheme adopted by the Company on 3 March 1988 (consolidated with effect from 29 March 1995) (“**the 1988 Share Option Scheme**”) be amended by the insertion of the following new clause 12(d):-

“In the event that the High Court sanctions a compromise or arrangement under s201 of the Companies Act 1963 in connection with the takeover or acquisition of the Company any Option (notwithstanding that it might not otherwise be exercisable) may be exercised within 60 days of the High Court sanctioning such compromise or arrangement and any Option which is not exercised within such 60 day period shall lapse.”

- b) For the avoidance of doubt and to the extent required, any Board resolutions which had the effect of (i) extending the life of any options granted under the 1988 Share Option Scheme with related amendment of the Option Season (as defined in that Scheme) and/or (ii) authorising the exercise of any options granted under the 1988 Share Option Scheme outside of an Option Season, prior to the date hereof are hereby ratified for all purposes and to the extent required the 1988 Share Option Scheme shall be amended accordingly.

- c) With effect from the passing of this resolution the 1988 Share Option Scheme be amended by the deletion of the existing definition of “Option Season” at rule 2(k) and the substitution of the following therefor:

*“**Option Season**” means the period from and including 7 March 2007 until the lapse date of the Options (including any lapse date specified by Board resolution and ratified by shareholders in general meeting).*

By order of the Board
Thomas Corcoran
Company Secretary

Irish Continental Group plc
Ferryport
Alexandra Road
Dublin 1

Dated: 10 September 2007

Notes:

1. A shareholder entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote on his or her behalf and may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company. Appointment of a proxy will not preclude a shareholder from attending and voting at the meeting should the shareholder subsequently wish to do so. To be effective, the form of proxy, duly completed and signed together with any power of attorney or other authority under which it is executed or a notarially certified copy thereof, must be deposited at the registered office of the Company or, at the shareholder’s option, with the Registrars of the Company, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, (“**Computershare**”) no later than 3.15 pm on 24 September 2007.
2. In the case of a corporation the Form of Proxy must be either under its Common Seal or under the hand of an officer or attorney, duly authorised.
3. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

4. The completion and return of the Form of Proxy will not preclude a member from attending and voting at the meeting in person.
5. The Company, pursuant to Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (the "Regulations"), specifies that only those shareholders registered in the Register of Members of the Company as at 6.00 pm on 24 September 2007 (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 name 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.
6. This Form of Proxy is issued only to the addressee(s) and is specific to the unique PIN and Shareholder Reference Number (SRN) printed at the top of this Form of Proxy. This personalised form is not transferable between (i) different account holder(s) or (ii) the unique PIN and SRN. The Company and Computershare accept no responsibility for any instruction that does not comply with these conditions.
7. Shareholders may also submit a proxy or proxies via the internet by accessing the company's Registrar's website (www.computershare.com/ie/voting/irishcontinental) so as to be received, in accordance with the terms and conditions published by the Company's Registrar for the use of this service, by 3.15 pm on 24 September 2007.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as describe in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services (Ireland) Limited (ID 3RA50) by 3.15 pm on 24 September 2007. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.
9. Terms shall have the same meaning in this document as they have under the Scheme and/or the Original Scheme Document and / or the Revised Scheme Document.
10. Any alteration to this Form of Proxy must be initialled by the person who signs it.

