



# IRISH CONTINENTAL GROUP

## TRADING UPDATE

### Volumes (Year to date, 8 May 2018)

|                         | 2018    | 2017    | Change |
|-------------------------|---------|---------|--------|
| Cars                    | 100,400 | 98,000  | +2.4%  |
| RoRo Freight            | 99,500  | 95,800  | +3.9%  |
| Container Freight (teu) | 116,400 | 115,100 | +1.1%  |
| Terminal Lifts          | 109,000 | 104,000 | +4.8%  |

Irish Continental Group (ICG) issues this trading update which covers carryings for the year to date to 8 May 2018 and financial information for the first four months of 2018, i.e. 1 January to 30 April with comparisons against the corresponding period in 2017. All figures are unaudited.

Consolidated Group revenue in the period was €96.4 million, an increase of 1.4% compared with last year. Net cash at the end of April was €69.3 million compared with €39.6 million at 31 December 2017 which includes the proceeds from the sale of the “Jonathan Swift”.

It should be noted that ICG’s business is significantly weighted towards the Summer period when a higher proportion of the Group’s operating profit is normally generated. Fuel costs continue to be impacted by higher global fuel prices compared to the previous year.

### Ferries Division

Total revenues recorded in the period to 30 April amounted to €52.3 million (including intra-division charter income), a 2.4% decrease on the prior year. The decrease was attributable to lower external charter income following the sale of the “Kaitaki” in June 2017 and the redeployment of the “Westpac Express” from November 2017.

For the year to 8 May, in this seasonally less significant period for tourism, Irish Ferries carried 100,400 cars, an increase of 2.4% on the previous year, while freight carryings were 99,500 RoRo units, an increase of 3.9% compared with 2017.

## **Container and Terminal Division**

Total revenues recorded in the period to 30 April amounted to €46.8 million, a 6.1% increase on the prior year.

For the year to 8 May container freight volumes shipped were up 1.1% on the previous year at 116,400 teu (twenty foot equivalent units), while units handled at our terminals in Dublin and Belfast increased 4.8% year on year to 109,000 lifts.

## **Fleet Update**

### **W.B. Yeats**

On 19 January 2018, the cruise ferry “W.B. Yeats” was formally named and launched into the water. The “W.B. Yeats”, which is undergoing completion works following the launch was scheduled to commence sailing with Irish Ferries between Ireland and France on the Dublin-Cherbourg route on 12 July 2018.

On 18 April 2018 Flensburger Schiffbau-Gesellschaft & Co.KG ("FSG") notified Irish Ferries that the delivery of the ship would be delayed to “on or about 13 July 2018”. As it takes a number of weeks to prepare a ship for its first commercial sailing Irish Ferries searched the market to find a replacement ship to cover the July scheduled sailings, but no suitable ship was available. In the interests of minimising the level of disruption to passengers, a decision was taken on 20 April to immediately notify affected customers that Irish Ferries had to cancel a number of sailings and the company activated its contingency plan of releasing capacity on the “Oscar Wilde” sailings to France which had been held back in case there was any delay in the arrival of the “W.B. Yeats”.

This precaution in holding back peak Summer capacity on the “Oscar Wilde” has cost Irish Ferries approximately €2.5 million in lost revenue. However, this action facilitated disrupted customers by offering them an opportunity to sail the day before or the day after their planned sailing, while giving customers 3 months’ notice of the change. Customers were also offered the option of a full refund. All affected customers received a voucher for €150 towards a sailing to the Continent in 2019.

Irish Ferries deeply regrets this inconvenience to our passengers which is due to an extraordinary event beyond its control.

At this stage 94% of customers have chosen the option to reroute on alternative Irish Ferries routes, 5% have sought a refund with 1% yet to decide.

## Sale of Jonathan Swift

On 30 January 2018, the Company announced the sale of the vessel "Jonathan Swift" to buyers Balearia Eurolineas Maritimas S.A. for an agreed consideration of €15.5 million less brokers commission. The vessel was delivered to the buyer on 26 April 2018 and the cash consideration will be utilised for general corporate purposes. The disposal has generated a book profit for ICG of approximately €14.0 million.

The vessel "Dublin Swift" (formerly Westpac Express) replaced the "Jonathan Swift" on the Irish Ferries fastcraft service on the Dublin – Holyhead route on 27 April 2018. The "Dublin Swift" completed a significant upgrade in passenger on board facilities prior to entering service to bring it up to Irish Ferries service standards. The "Dublin Swift" was acquired in June 2016 and had been on charter outside of the Group up to the end of November 2017.

## New ferry for the Dublin Holyhead Route

On 2 January 2018, ICG announced that it had entered into an agreement with the German company Flensburger Schiffbau-Gesellschaft & Co.KG ("FSG") whereby FSG has agreed to build a cruise ferry for ICG at a contract price of €165.2 million which is scheduled for delivery mid 2020. The cruise ferry is being built specifically for Irish Ferries Dublin - Holyhead services. The investment provides Irish Ferries with a significant increase in both its freight and tourism carrying capacity on this fast-growing route. ICG intend to utilise credit facilities to finance this investment. When completed, the vessel will be the largest cruise ferry in the world in terms of vehicle capacity.

Dublin

10 May 2018

## **Enquiries**

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