



IRISH CONTINENTAL GROUP
REPORT AND ACCOUNTS 2005





IRISH CONTINENTAL GROUP

is a shipping, transport and leisure group principally engaged in the transport of passengers and cars, roll-on roll-off freight and container lift-on lift-off freight on routes between Ireland, the United Kingdom and Continental Europe. The Group also offers travel and holiday packages primarily in France, Britain and Ireland.

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EUCON

Provides door to door container services between Ireland and Continental Europe.



IRISH FERRIES

Owens and operates a modern fleet of multi-purpose ferries between Ireland and the UK and France.

1.5 million passengers carried annually on up to 15 daily sailings.

IRISH FERRIES-Freight

Market leader on short-sea routes between the Republic of Ireland and Britain.

IRISH FERRIES-Holidays

Inclusive package holidays to Ireland, Britain and France.



EUROFEEDERS

Dedicated feeder services from the Continent to Ireland and the UK.

CHARTERING

Charter out of passenger ferries.



The Group



IRISH CONTINENTAL GROUP

FEEDERLINK

Dedicated feeder services linking Rotterdam and the UK's hub ports on the North Sea.



DUBLIN FERRYPORT TERMINALS

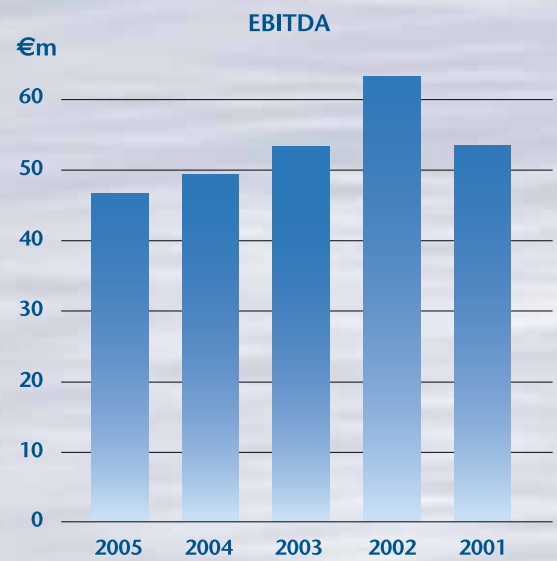
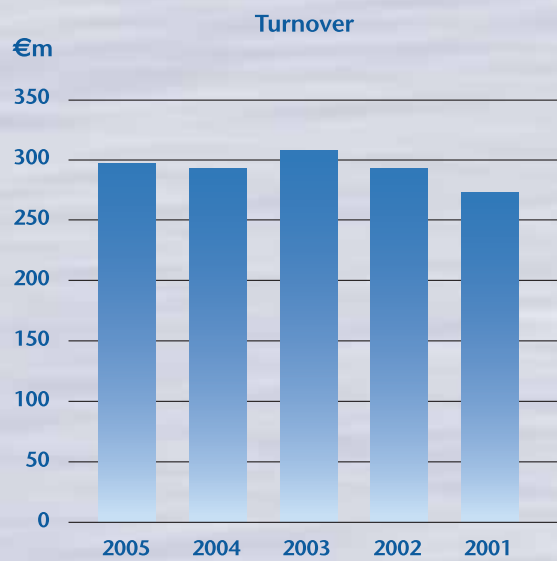
Stevedoring and storage facilities for container traffic at Dublin Port.

HEAD OFFICES

- IRISH FERRIES
- DUBLIN FERRYPORT TERMINALS
- EUCON
- FEEDERLINK
- EUROFEEDERS

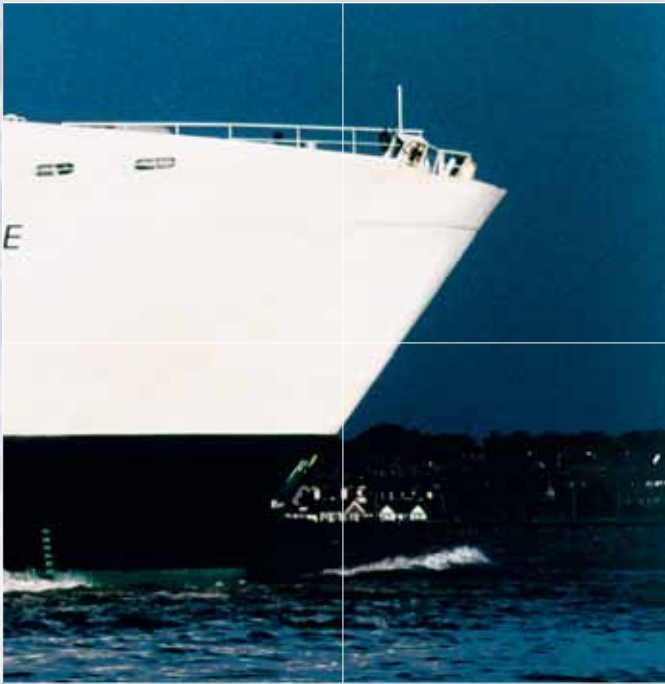
- PORTS SERVED BY PASSENGER & FREIGHT SHIPS WITHIN IRISH CONTINENTAL GROUP





Note: 2005 and 2004 information is presented in accordance with IFRS. Results for other years continue to be presented under GAAP. The impact of transition to IFRS is set out in note 36 to the Consolidated financial statements.

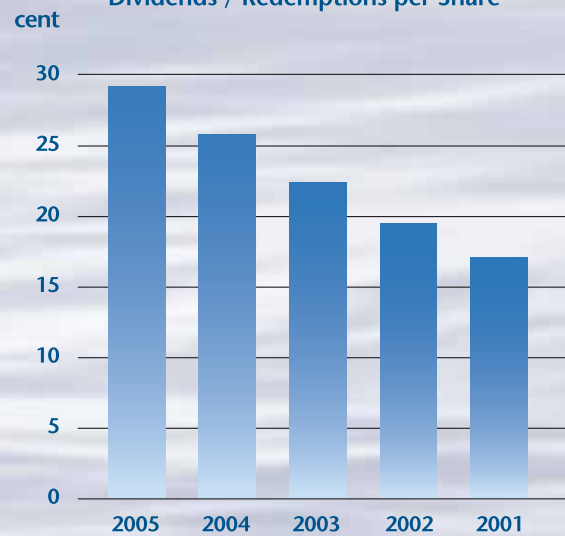
Financial



Adjusted Earnings per Share



Dividends / Redemptions per Share



Highlights

Five Year

Consolidated Income Statement	2005 €m	2004 €m	2003 €m	2002 €m	2001 €m
Turnover	298.7	293.3	304.3	293.6	273.3
Operating expenses	(252.0)	(243.9)	(250.9)	(230.4)	(219.8)
EBITDA	46.7	49.4	53.4	63.2	53.5
Depreciation / amortisation	(27.7)	(26.1)	(24.5)	(28.4)	(28.9)
Trading profit	19.0	23.3	28.9	34.8	24.6
Exceptional items	(29.1)	(12.4)	(4.8)	(1.7)	(3.2)
Net interest	(4.7)	(5.4)	(6.4)	(9.0)	(12.4)
(Loss) / profit before taxation	(14.8)	5.5	17.7	24.1	9.0
Taxation	(0.8)	-	(0.3)	(3.1)	(1.5)
(Loss) / profit for the financial year	(15.6)	5.5	17.4	21.0	7.5
Dividends	-	-	-	(5.1)	(4.6)
Profit Retained	(15.6)	5.5	17.4	15.9	2.9
Per share information (cent):					
Earnings / (Loss) per share					
-Basic	(66.9)	23.4	71.6	78.3	28.3
-Adjusted	57.9	76.2	91.4	85.0	41.5
Dividends / redemption premium per share	29.2	25.9	22.5	19.7	17.1
Shares in issue:					
- ICG units at year-end (m)	23.4	23.3	23.9	25.0	26.5
- Treasury units at year-end (m)	0.9	0.9	0.2	-	-
Average shares in issue (m)	23.3	23.5	24.3	26.8	26.5
Number of shareholdings	2,263	2,326	2,816	2,452	2,298

Note: 2005 and 2004 information is presented in accordance with IFRS. Results of other years continue to be presented under GAAP. The impact of transition to IFRS is set out in Note 36 to the Consolidated Financial Statement.

Summary

	2005	2004	2003	2002	2001
Consolidated Balance Sheet	€m	€m	€m	€m	€m
Fixed and intangible assets	291.1	297.6	334.5	367.9	397.8
Retirement benefit surplus	8.0	2.8	-	-	-
Other Assets	57.1	55.9	64.5	65.6	77.1
Total assets	356.2	356.3	399.0	433.5	474.9
Capital and reserves	138.9	151.1	183.5	185.9	192.6
Retirement benefit deficit	0.6	4.7	-	-	-
Other non-current Liabilities	115.5	107.7	119.9	149.5	179.4
Current Liabilities	101.2	92.8	95.6	98.1	102.9
Total Equity and Liabilities	356.2	356.3	399.0	433.5	474.9
Net debt	105.9	117.9	125.0	157.4	187.0
Gearing	76.2%	78.0%	68.1%	84.7%	97.1%

	2005	2004	2003	2002	2001
Consolidated Cash Flow Statement	€m	€m	€m	€m	€m
Cash inflow from operations	39.3	39.4	54.4	68.5	46.6
Cash outflow from:					
Servicing of finance	(5.9)	(6.9)	(9.2)	(15.1)	(18.1)
Taxation	(1.7)	(0.5)	(0.3)	(0.9)	0.7
Investing	(11.9)	(12.7)	(8.8)	(19.0)	(97.8)
Financing	(16.7)	(21.8)	(36.0)	(36.0)	26.7
Change in cash balances	3.1	(2.5)	0.1	(2.5)	(41.9)

2005 was a landmark year for Irish Continental Group. The challenging and competitive trading conditions required us to address our cost base in order to survive. We took resolute action in the face of considerable opposition and, I am glad to say, we have succeeded in bringing about a fundamental change in the cost structure of our ferries business.

In 2004, we had successfully outsourced crewing on our Ireland - France route, engaging a reputable and experienced ship management agency, to provide us with qualified crew at internationally competitive wage rates. In that instance 90% of the existing staff availed of voluntary severance while the remainder transferred to our Irish Sea vessels.

During 2005, we agreed a process with our two principal Unions for a review process to be undertaken by external consultants to develop recommendations to meet the

requirements of Irish Ferries going forward. Following this process, we offered voluntary severance to our Irish Sea staff and, again, 90% applied to leave the Company voluntarily. This process was finally agreed in December although we did suffer industrial action for a period of 3 weeks prior to agreement being reached. The new crewing arrangements, modelled on what we achieved on the Ireland - France route in 2004, are being implemented in the first quarter of 2006 and the total voluntary severance cost is €29.1 million. We expect to generate payback on this investment in approximately 3 years.

Underlying trading conditions confirmed the trends seen in 2004. We continue to see challenging conditions in the passenger market with a continued increase in air capacity combined with a greater emphasis on short break travel

Chairman's



which is more airline based. Freight continues to grow and provides a counterbalance to the passenger market. Fuel costs remain a challenge and in 2006 we will be reducing some frequency on our ferry routes in recognition of the fuel cost environment. We will keep our schedule under review in the light of market conditions.

Our underlying cash flow remains strong and net debt at year end had reduced to just under €106 million leaving us in a strong position to implement our restructuring plans and continue to invest in the business. We have invested heavily in Information Technology during the year as the channels of distribution in our business continue to evolve.

Our confidence in the future is demonstrated by the proposed redemption of a further redeemable share for a consideration of 19.2 cent per share.

In conclusion, I look forward to a year in which we build on the agreement reached in December 2005. I would like to thank all who helped to facilitate the agreement.

I recognise the high level of interest this dispute has generated. I believe that the outcome reached is one which will enable the company to compete into the future.

I also wish to acknowledge the level of inconvenience which the dispute has caused to our customers. We are now committed to returning to the level of service our customers demand and to winning back the confidence of our passenger and freight clients and delivering value to our shareholders.

John B. McGuckian, Chairman.

Statement



Operations & Finance



OPERATING AND FINANCIAL REVIEW

This Operating and Financial Review is presented in accordance with the requirements of Section 13(A) of the Companies (Amendment) Act 1986 as amended by Statutory Instrument (S1) 116 of 2005 - European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005. The purpose of the review is to provide information to shareholders and the review should not be relied upon by any other party or for any other purpose.

The review contains certain forward-looking statements and these statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and those statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This Operating and Financial Review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group plc and its subsidiaries when viewed as whole.

This Operating and Financial Review discusses the following:

- Long Term Strategy and Business Objectives
- Results for 2005 Financial Year
- Operating Review
- Future Outlook
- Risks and Uncertainties
- Resources
- Environment and Safety
- Financial Review

LONG TERM STRATEGY AND BUSINESS OBJECTIVES

Irish Continental Group plc 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 and ship chartering activities, and the Container & Terminal Division, comprising 3 intermodal freight carriers, Eucon, Eurofeeders and Feederlink, and a container terminal, DFT, within the Port of Dublin. Further details on these operations are set out in the Operations Section below.

There are two principal elements to the Group's strategy for delivering value to shareholders:

- Investment in quality assets in order to achieve economies of scale consistent with a superior customer service.
- Benchmarking costs to industry best practice to enable the Group to compete vigorously in its chosen markets.

We measure our performance using the following financial objectives:

- EBITDA (earnings before interest, tax, depreciation and amortisation): a measure of the cash generated by the business from its operations.
- Earnings per share (EPS).
- Return on average capital employed (ROACE).

These financial objectives are supported by one primary operational objective which is schedule integrity (the number of sailings completed versus sailings scheduled).

RESULTS FOR THE 2005 FINANCIAL YEAR

A summary of the key financial results is set out in the table below. A detailed review of the divisional operations is set out under "Operating Review" on page 12.

	Ferries		Container & Terminal		Group	
	€m	€m	€m	€m	€m	€m
	2005	2004	2005	2004	2005	2004
Turnover	162.7	164.3	136.0	129.0	298.7	293.3
EBITDA	38.8	44.1	7.9	5.3	46.7	49.4
EBIT	14.8	20.8	4.2	2.5	19.0	23.3
Restructuring Charge	(29.1)	(10.9)	-	(1.5)	(29.1)	(12.4)
Interest (net)					(4.7)	(5.4)
PBT					(14.8)	5.5
EPS					(66.9c)	23.4c

EBITDA: Earnings before interest, tax, depreciation and amortisation for the year were down 5.5% at €46.7 million. The reduction is due mainly to the industrial action at Irish Ferries and additional costs under the Merchant Navy Officers Pension Fund (MNOFF).

EPS: Underlying EPS (before restructuring charges) was 57.9 cent per share compared with 76.2 cent in 2004. Basic EPS was a loss of 66.9 cent per share compared with a profit of 23.4 cent in 2004.

ROACE: We achieved a return on average capital employed of 7.4% (8.2% in 2004). The reduction is due mainly to industrial action in December 2005 and additional costs under the MNOFF pension scheme.

Schedule integrity: With regard to schedule integrity we achieved 88% of scheduled ferry sailings compared with 89% the previous year. The shortfall was due mainly to the industrial action in December 2005.

OPERATING REVIEW

FERRIES DIVISION

The Ferries division comprises Irish Ferries, the leading ferry operator to the Republic of Ireland, the Group's ship chartering activities, and our holiday business. The Group operates 4 ferries on international routes between Ireland and the UK and between Ireland and France.

Ferry	Route	Sailings per day
Ulysses	Dublin/Holyhead	4
Jonathan Swift	Dublin/Holyhead	4 - 6
Isle of Inishmore	Rosslare/Pembroke	4
Normandy	Rosslare/Cherbourg or Roscoff	1
TOTAL		13 - 15

Turnover in the division was down 1% while profit from operations, before restructuring charges, was down 29%. The decline was due principally to the industrial action in December 2005 and additional pension costs under the MNOPF pension scheme. Exceptional charges relating to the outsourcing of crewing at Irish Ferries amounted to €29.1 million. Fuel costs within the division rose 44% to €18.7 million.

Passenger Revenue

Overall passenger numbers were affected by difficult market conditions and by the effects of the industrial dispute in December. Market conditions reflected significant additional airline

competition, including low cost carriers. We estimate the overall car market into the Republic of Ireland declined by around 9%.

Our passenger numbers fell 6.6% to 1.49 million while car numbers fell by 4.5% to 366,000. However, our market share in cars increased slightly from 43% in 2004 to 44% in 2005. The total number of sailings operated fell by 1.6% to 4,588.

Freight Revenue

In the Roll on Roll off freight market there was continued growth in the overall market and we achieved a record volume of traffic, up 3% to 210,000 trucks carried. Our market share in RoRo freight was unchanged at 26%. The economic backdrop remains favourable to growth in freight although weakness in export volumes is partially offsetting strong import growth.

Restructuring of Crew Costs

During the year we incurred significantly higher fuel charges in the Ferries Division, up €5.7 million. This, combined with prevailing competitive market conditions, required us to focus our attentions on cost reductions, with the principal controllable item being crew costs.

Historically the company had directly employed its seafaring staff in line with traditional practice. Given the changes in the marketplace, which has seen the advent of low fare air travel and greenfield ferry competition using agency crew, we decided that in order to survive the Group would have to restructure its crewing to prevailing international levels. A voluntary severance package was offered to existing staff, on extremely generous terms, resulting in 90% of those staff electing to leave the Company. The remaining staff are being accommodated within the new agency structure. The



total severance cost is €29.1 million, which has been taken as a charge in the 2005 financial year. Staff have left on a phased basis during the first quarter of this year, as and when replacement crew have been trained. There was some disruption to services in November and December 2005 as industrial action took place.

A total of 500 staff have applied for the severance programme from a total Group employment of 1,055 at the end of 2005. We expect to reduce aggregate payroll costs within the group by approximately 20% from the current €57 million p.a. on a full year basis. Separately, in early 2006 we announced a reduction in the schedule of our fast craft Jonathan Swift from 3 round trips to 2 round trips a day on the Dublin-Holyhead route. This represents a reduction in passenger capacity on our UK route but will lead to savings in fuel and other operational costs. This reduction in frequency will be kept under review in the light of market conditions.

Chartering

Both the Pride of Bilbao and Pride of Cherbourg remained on charter to P&O during the period. P&O has sub-chartered the former Pride of Cherbourg and the vessel is now named "Challenger" and trading in New Zealand. Both charters to P&O are firm until 2007, with charterer's options to extend.

CONTAINER AND TERMINAL DIVISION

The division includes our intermodal freight services Eucon, Feederlink and Eurofeeders as well as our strategically located container port in Dublin (DFT). Within the division we operate a fleet of approximately 14 time chartered

feeder vessels with capacity ranging from 250 to 700 teu ("teu" = twenty foot equivalent unit).

Turnover in the division grew 5% to €136.0 million while operating profit before restructuring charges was up 68% at €4.2 million. Fuel costs within the division were up 44% at €10.5 million.

Overall container volumes shipped fell by 8.2% to 460,000 teu while units handled at our terminal in Dublin, DFT, rose 7.1% to 155,000 lifts.

FUTURE OUTLOOK

The outlook for the business in 2006 is mixed. In the passenger market there is evidence that the competitive threat of low fare short haul airlines is having a dampening effect on demand for ferry travel.

In the freight market a favourable economic backdrop in Ireland is leading to expectations of continued growth in trade and consequently in unitised freight both roll-on roll-off (RoRo) and lift-on lift-off (LoLo).

The opening of the Port Tunnel in Dublin later in 2006 will substantially enhance access to and from our strategically located terminal in Dublin Port.

We have substantially reduced our crew cost base and we have also achieved greater flexibility in crewing through the use of agency manning.

Overall therefore we remain optimistic, notwithstanding the weakness in the passenger market, that growth in freight and control of costs will allow us to make significant progress during 2006.



RISKS & UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance. The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business. However, it is not possible to eliminate all risk. The more significant risks and uncertainties faced by the Group are as follows:

Safety

The Group operates both passenger and freight vessels. There is a risk that any of our vessels could be involved in an incident which could cause loss of life and cargo and cause significant interruption to our business. Similarly, in the event that critical port installations were to be damaged and placed out of commission for a protracted period of time there is a risk of substantial business interruption. In mitigation, the Group has a major accident response plan for emergency situations and the Group carries insurance in respect of passenger, cargo and third party liabilities but does not carry insurance for business interruption.

Market Risk

Our passenger market is subject to general economic conditions, the propensity of consumers to travel and more specifically, to competitive threat from airlines, particularly short haul low cost airlines.

Our freight market is subject to general economic conditions and in particular growth in international trade in North West Europe.

Fuel

The Group's vessels consume heavy fuel oil (HFO) and marine diesel oil (MDO) both of which are subject to price fluctuation. It is the Group's policy to purchase these commodities in the spot markets and to remain unhedged.

Business Continuity

The business of the Group is exposed to the risk of interruption from incidents such as labour disputes either within the Group or in key suppliers, for example ports or fuel suppliers.

RESOURCES

The Group has the following key resources within which to pursue its primary objectives:

- A modern owned ferry fleet and container terminal
- Secure port agreements
- Recognised brand names
- Employment of qualified staff

Fleet & Terminal

In its Ferry Division the Group operates 4 ferries, 3 of which are less than 10 years old. They are the Isle of Inishmore 34,031 Gross Tonnes (GT), built 1997, the Jonathan Swift (5,992 GT), built 1999 and the Ulysses (50,938 GT), built 2001. The Group operates one older ferry, the Normandy (25,475 GT), built in 1982.

The Group's 33 acre terminal in Dublin Port, strategically located on a site within 2 miles of Dublin City Centre, comprises 480 metres of berths for container vessels, with a depth of 9 to 11 metres, and is equipped with 2 modern Liebherr gantry cranes (40 tonne capacity), 7 rubber tyred gantries (each of 40 tonnes capacity) and one 45 tonne reachstacker.

Secure Port Agreements

The Group has secure port agreements in Ireland, the UK and France in respect of its scheduled ferry services. These port agreements secure slot times, which are critical for the operation of such services.

Recognised Brand Names

The Group has invested substantially in its brands, Irish Ferries in the passenger and RoRo market place and Eucon, Eurofeeders and Feederlink in the container freight market.

Employment of Qualified Staff

The Group, which has origins dating back to 1836, has a highly experienced and competent staff. The Group is organised in a decentralised way giving divisional management substantial autonomy in the management of their own divisions. In 2005 employment numbers have contracted reflecting the competitive pressures faced by the Group. At the end of 2004 we had 1,219 employees, 639 seagoing and 580 shore based. This was a reduction of 17% on the number at the start of 2004, mainly due to the outsourcing of crewing on the French route in 2004 and the downsizing of our travel agency business in the UK.

At the end of 2005 our total employment was down a further 13% at 1,055 as competitive forces dictated further efficiencies in our operations. This number will decline further in 2006 as we outsource our Ireland - UK crewing. We will remain a substantial employer with over 500 jobs remaining in Ireland, the UK and Holland.

ENVIRONMENT AND SAFETY

Environment

Irish Continental Group recognises that all forms of transport, including ships, have an unavoidable impact on the environment. We are committed to reducing negative impacts through:

- environmental awareness training for all our sea going staff;
- consistent strict compliance with the International Convention for the Prevention of Pollution from ships (MARPOL 73/78);
- minimising the consumption of non-renewable fossil fuels, including, for example, using electricity to power our cranes;
- using an oil recovery system to collect all waste oil from our ships. This oil is then recycled.
- bulk purchasing to reduce number of deliveries and packaging, and segregation of all waste cardboard packaging for recycling;
- designing the hull of the Fast Ferry Jonathan Swift to minimise wave generation, and thus minimise disturbance of coastal habitats;
- painting the hulls of all our ferries with tin-free non-toxic paints to avoid the release of harmful agents into the sea;
- keeping abreast of and meeting the latest national and international legislative developments;
- promoting customer awareness of the marine environment;
- recycling consumables at our Head Office in Dublin.

In August 2006, we will further reduce the sulphur content in marine fuels used on all of our passenger vessels trading in European waters and fully comply with the requirements of European Directive 2005/33/EC.

A recently introduced trial of a fuel treatment facility on board our largest vessel Ulysses continues to show promising results. This facility improves fuel combustion, thereby reducing exhaust gas pollutants and we will continue with the trial during 2006.

ICG continues to take an active interest in the communities within which it operates. Each separate business unit assists in local initiatives through sponsorship and organised events. We recognise the important role played by charities and community organisations within our communities and we are happy to help these organisations achieve their goals.

Safety

The wellbeing of our employees is guarded through the strict adherence to statutory health and safety standards and international maritime regulations.

The Safety, Health and Welfare at Work Act, 2005, imposes certain requirements on employers and the Group has taken the necessary action to comply with the Act, including the adoption of a safety statement.

ICG has developed management systems that instil a safety culture throughout all aspects of our operations, ashore and afloat. In our largest subsidiary, Irish Ferries, the Health and Safety Manager is responsible for ensuring that health and safety issues are identified, monitored and reviewed. He develops the company's internal policy and procedures, sets targets to monitor performance and verifies the implementation of internal codes and procedures. Through a regular programme of quality and safety audits, continued compliance to these high standards is maintained.

We are committed to providing a high level of safety and quality training to all our staff, providing each of our employees with health and safety information, instruction and training, as appropriate, to enable them to work safely and to contribute towards a safer working environment.

In addition to our own internal verification procedures we are subject to inspection by the relevant Health and Safety Authorities. Irish Ferries operates to the International Safety Management Code (ISM), which is the international standard for the safe management and operation of ships and for pollution prevention. Irish Ferries has successfully held the internationally recognised award for quality (ISO 9000) since 1996. Since 2003 Irish Ferries is ISO 9000:2000 accredited.

A tangible measure of the commitment to safety is a reduction in injury claims from employees from 27 at the start of 2004 to 23 at the end of 2005.

A new international safety code, the International Ship and Port Facility Security code (ISPS), became law in 2004 and Irish Continental Group is in full compliance with this code.

*Eamonn Rothwell,
Chief Executive Officer, Director.*

FINANCIAL REVIEW

RESULTS

These are the first full year's results to be reported under International Financial Reporting Standards ("IFRS"). The results are significantly influenced by the costs of implementing our restructuring programme and the loss of revenue arising from the resultant industrial dispute in December 2005.

Turnover for the year amounted to €298.7 million (2004: €293.3 million) while profit from operations before tax and before restructuring charges amounted to €19.0 million (2004: €23.3 million). Group wide fuel costs were substantially higher in the year at €29.2 million (2004: €20.3 million).

The interest charge was €4.7 million (2005: €5.4 million).

There were exceptional restructuring charges of €29.1 million (2004: €12.4 million) comprising the redundancy cost in respect of the crews of the Irish Sea vessels who elected to leave under the voluntary severance and outsourcing programme. The Group's vessels are now primarily crewed by a third party manning agency at significantly lower cost.

TAXATION

Our taxation charge is a composite of Irish tonnage tax (which is an EU approved special tax rate for shipping, comparable with similar schemes in other EU countries), Irish corporation tax and UK and Netherlands corporation tax.

EARNINGS PER SHARE

Adjusted EPS (i.e. before restructuring charges and amortisation) amounted to 57.9 cent (2004: 76.2 cent). Basic EPS, after taking account of such exceptional charges, was a loss of 66.9 cent (2004: profit of 23.4 cent).

REDEMPTION

The board has decided to redeem one Redeemable Share per ICG unit for a cash consideration of 19.2 cent per Redeemable Share. Accordingly no financial dividend will be paid. In November 2005 the Board redeemed one Redeemable Share per ICG unit for a consideration of 9.91875 cent per Redeemable Share. This represents a total payment to shareholders of 29.11875 cent, an increase of 12.5% on the total comparative redemption premium of 25.875 cent.

Payment will be made on 26 May 2006 to Shareholders on the Company's register on 28 April 2006.

PENSIONS

The Group's defined benefit schemes remain strongly funded with a year end net surplus across all schemes of €7.4 million compared with a deficit of €1.9 million at the end of 2004.

With regard to our participation within the industry wide pension scheme, the MNOPF, the trustees of that scheme have now confirmed that the portion of the actuarial deficit in that scheme attributable to ICG, as at September 2005, is calculated at €4.9 million. This is being accounted for as a defined contribution scheme. Additional contributions to this scheme of €0.6 million were made in 2005 and the balance of the deficit, €4.3 million, has been charged in these results.

CASH FLOW AND INVESTMENT

EBITDA before restructuring charges for the year was €46.7 million (2004: €49.4 million). Our interest payments were €5.9 million and tax payments amounted to €1.7 million. Capital expenditure was €13.5 million while restructuring payments (including those provided for in 2004) totalled €5.9 million.

Capital expenditure primarily included annual refits of the vessels as well as investment in IT systems in both the passenger and freight areas.

We returned €6.3 million to shareholders via redemption of Redeemable Shares (2004: €5.5 million).

Net debt at year end was down to €105.9 million (2004: €117.9 million).

IFRS

As required by the EU these results are reported in accordance with International Financial Reporting Standards (IFRS) rather than GAAP. Information on the transition to IFRS is included in note 36 to the consolidated financial statements.

FINANCIAL RISK MANAGEMENT

The funding of the Group's activities is managed centrally. In funding its operations the Group uses a mixture of financial instruments: bank borrowings, finance leases and cash resources.

The principal objective of the Group's treasury policy is the minimisation of financial risk at reasonable cost. To minimise risk the Group uses interest rate swaps and forward foreign currency contracts. The Group does not trade in financial instruments.

Interest Rate Management

The Group finances its operations through a mixture of shareholders' funds, bank borrowings and lease finance.

The Group borrows in required currencies at both fixed and floating rates of interest.

The Group's policy is to fix interest rates on a proportion of the Group's medium to long term debt exposure in individual currencies, having regard to current market rates and future trends. The current target is to fix rates on approximately 60% of debt with an expected maturity of greater than one year. The Group uses interest rate swaps to manage interest rate exposure.

At 31 December 2005, 45.3% of the Group's gross debt was at fixed rates for a weighted average period of 3.55 years. The weighted average fixed rate of interest is 4.3% (2004: 4.6%).

Interest cover before restructuring costs for the year was 4 times.

Currency Management

The Group's primary operating currency is the euro. The Group also has significant Sterling and US dollar cash flows. The Group's principal policy to minimise currency risk to match foreign currency assets and liabilities and to match cash flows of like currencies. A significant proportion of the earnings from the Group's owned vessels are in foreign currencies and therefore the related borrowings are in the same foreign currencies.

The Group also reduces transactional currency risk in US dollars through the use of forward exchange contracts. This minimises exposure in relation to fuel and insurance costs and in container leasing. Sterling revenues and expenses are broadly matched, with excess revenues available to offset dollar costs.

Commodity Price Management

The Group chooses not to hedge in respect of fuel costs. The cost of the short term certainty arising from the use of fuel hedges is considered to be offset in the long term by the premium cost. Cost of fuel in 2005 was 44% higher than in 2004.

Liquidity

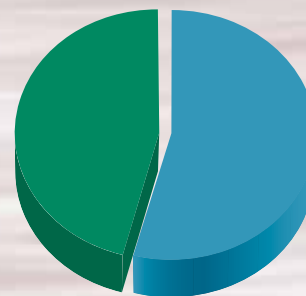
It is Group policy to invest surplus cash balances on a short term basis. At year end, 100% of the Groups cash resources had a maturity of less than 30 days.

To match the long term nature of the Group's investment in ships the majority of the Group's debt is also long term. At the year end 90% of the Group's borrowings are due to mature in more than one year (2004: 81%).

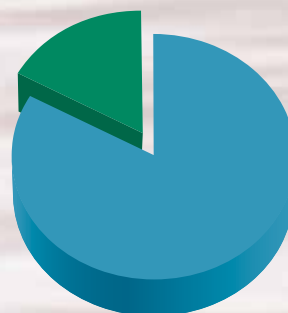
Overdraft facilities are in place to secure short term funding.

Gearoid O'Dea, Finance Director.

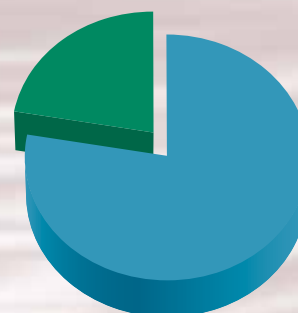
Results by Operating Division



Turnover



EBITDA



Earnings before interest & Tax



Capital employed

■ Container ■ Ferries



The Fleet



Left
Isle of Inishmore
Ulysses
Jonathan Swift

Right
Normandy

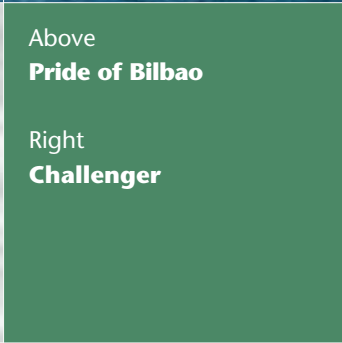


Above
Eucon Progress
one of 14 chartered
container ships employed
by the Container Division.



Above
Pride of Bilbao

Right
Challenger



The Board



Executive Directors

Gearoid O'Dea, BComm, FCA Finance Director.

Garry O'Dea, aged 50, joined the Company in April 1988 and was appointed to the Board in November 1988. He previously worked in various financial positions within CRH plc. He qualified as a chartered accountant with KPMG.



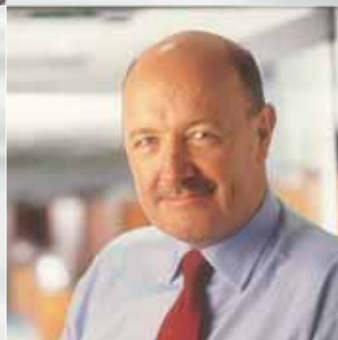
Tony Kelly, FCILT Marketing Director - Irish Ferries.

Tony Kelly, aged 50, joined B&I Line (now Irish Ferries) in 1973 and worked in a number of operational and marketing roles within the company. He was appointed to the Board in 2002. He is a Director of the all-Ireland tourism body, Tourism Ireland and former Chairman of the Irish Tourism Industry Confederation.



Eamonn Rothwell, BComm, MBS, FCCA, FIIMR Chief Executive Officer.

Eamonn Rothwell, aged 50, joined the board in 1987 as non-executive Director and was appointed to the position of Managing Director in 1992. He is a past Director of NCB Group. Prior to that, he worked with AIB Group and Bord Fáilte Éireann (The Irish Tourist Board).



Non-Executive Directors

John B. McGuckian, BSc (Econ) Chairman.

John McGuckian, aged 66, has been a director since 1988. He has a wide range of interests, both in Ireland and internationally. He is Chairman of Ulster Television plc and a former Chairman of the Industrial Development Board (of Northern Ireland). His other directorships include AIB Group and Unidare plc.



Peter Crowley, BA, BAI, FCA. Senior Independent Director.

Peter Crowley, aged 43, was appointed to the Board in 2003. Peter is a chartered accountant. He is chief executive of IBI Corporate Finance and is a past executive and current non-executive Director of Sigma Communications Group.



Bernard Somers, BComm, FCA. Independent Director.

Bernard Somers, aged 56, was appointed to the Board in 2004. He is a non-executive director of a number of public companies; Independent News & Media plc, South Wharf plc and DCC plc. He founded Somers and Associates, a professional practice which specialises in corporate restructuring.



Company Secretary

Thomas Corcoran, BComm, FCA Company Secretary.

Thomas Corcoran, aged 41, joined the Company in 1989 from PwC, where he qualified as a chartered accountant. He was appointed Company Secretary in May 2001.



REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements of the Group for the year ended 31 December 2005.

RESULTS AND BUSINESS DEVELOPMENTS

Details of the results for the year are set out in the Consolidated Income Statement on page 36 and in the related notes forming part of the financial statements. The fair review of the development of the business of the Company and its subsidiaries is set out in the Operating Review and the Financial Review on pages 10 to 17.

RESEARCH AND DEVELOPMENT

The Group actively monitors developments in ship design and ship availability with an emphasis on product improvement and achievement of economies of scale.

REDEMPTION OF REDEEMABLE SHARES

The Board has decided to redeem one Redeemable Share per ICG unit for a cash consideration of 19.2 cent per Redeemable Share and accordingly no dividend will be paid. The consideration per redeemable share represents a 11% increase over the final redemption payment made in respect of 2004 of 17.25 cent per share.

In November 2005 the Board redeemed one Redeemable Share per ICG Unit for a consideration of 9.91875 cent per share (2004: 8.625 cent per share). This represents a total payment to shareholders of 29.11875 cent, an increase of 12.5% over redemption premiums paid in respect of 2004.

BOARD OF DIRECTORS

The Board members are listed on page 20 of this report. There were no changes in the composition of the Board in 2005.

In accordance with the Articles of Association and the Combined Code, Eamonn Rothwell and Tony Kelly retire by rotation, and being eligible, offer themselves for re-election.

PROPER BOOKS OF ACCOUNT

The Directors are responsible for ensuring that proper books of account are kept by the Company in accordance with section 202 of the Companies Act, 1990. To ensure proper books of account are kept the Directors have employed qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are maintained at the Company's registered office.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The Company has been notified of the following substantial interests in the Share Capital of the Company at 3 March 2006.

	Number of Units	% of Capital
Allied Irish Banks plc	2,482,316	10.6%
Schroder Investment Management Limited	2,378,654	10.1%
Zurich Financial Services Group	754,454	3.2%

DIRECTORS' AND SECRETARY'S SHAREHOLDINGS

The interests of the Directors and Secretary of the Company and their spouses and minor children in the Share Capital of the Company at 31 December 2005 and 31 December 2004, all of which were beneficial, were as follows:

	2005 number	2004 number
John McGuckian	32,354	32,354
Eamonn Rothwell	2,038,571	2,038,571
Gearoid O'Dea	179,377	179,377
Tony Kelly	37,088	37,088
Peter Crowley	15,000	15,000
Bernard Somers	-	-
Thomas Corcoran	8,736	9,736

There were no changes in Directors' shareholdings between 31 December 2005 and the date of this report.

CLOSE COMPANY PROVISIONS

So far as the Directors are aware Irish Continental Group, plc, is not a close company within the meaning of the Taxes Consolidation Act, 1997 and there has been no change in that respect since the year-end.

REPORT OF THE DIRECTORS - CONTINUED

SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

In accordance with section 158 of the Companies Act, 1963 a list of the principal companies in which the Company is beneficially entitled to more than 20% in nominal value of the shares carrying voting rights is set out in Note 7 to the Company financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

As a publicly quoted company Irish Continental Group presents its financial statements and annual reports in line with International Financial Reporting Standards (IFRS). The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB), and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted for use in the European Union that are relevant to its operations and effective for accounting periods beginning on 1 January 2005. The significant effects of the transition to IFRS are set out in note 36 to the consolidated financial statements.

AUDITORS

The Auditors, Deloitte & Touche, Chartered Accountants continue in office in accordance with Section 160(2) of the Companies Act 1963.

CORPORATE GOVERNANCE

The Group applies the principles and provisions of The Combined Code on Corporate Governance (the "Combined Code") as adopted by the Irish Stock Exchange and the UK Financial Services Authority. A corporate governance statement is set out on pages 24 to 26.

ANNUAL GENERAL MEETING

Your attention is drawn to the notice of meeting on pages 102 to 103 which sets out the special business to be considered at the annual general meeting.

Under ordinary business shareholders are being asked to re-elect Eamonn Rothwell and Tony Kelly who retire in accordance with the articles of association, and who, being eligible, offers themselves for re-election. Biographical details of both Directors are set out on page 20 of this report;

Under special business shareholders are being asked to renew;

- Until the next annual general meeting, the Directors' power to allot relevant securities under section 20 of the Companies (Amendment) Act 1983 up to an amount not exceeding the authorised but unissued share capital of the Company for the time being. The Directors do not have any current intention to exercise this power except for issues of shares under the Company's share option scheme. Resolution 4 is proposed as an ordinary resolution;

- Until the next annual general meeting or, if earlier, 3 August 2007, the authority to disapply the strict statutory pre-emption provision in the event of a rights issue, an issue of shares pursuant to the Company's share option scheme or any other issue for cash up to an aggregate nominal value of 5% of the issued share capital. The Directors do not have any current intention to exercise this power. Resolution 5 is proposed as a special resolution;

- Until the next annual general meeting, or, if earlier, 3 November 2007, the power to give the Company or any of its subsidiaries, the authority to purchase up to 10% of the Company's shares on the market and permitting their reissue in accordance with the restrictions contained within the resolution. The Directors have previously exercised this power and may do so in the future but only where they consider it to be in the best interests of shareholders generally. Resolution 6 is proposed as a special resolution.

On behalf of the Board.

Eamonn Rothwell, Director
Gearoid O'Dea, Director

3 March 2006

REGISTERED OFFICE:
Ferryport, Alexandra Road, Dublin 1.

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

The Group applies the principles and provisions of The Combined Code on Corporate Governance (the "Combined Code") as adopted by the Irish Stock Exchange and the UK Financial Services Authority. The Board believes that it is in compliance with the revised Combined Code. In accordance with the code, any instances of departure from the code provisions during the year are explained throughout this report.

BOARD OF DIRECTORS

The Board consists of three executive and three non-executive Directors. The roles of Chairman and Managing Director are separate, set out in writing and approved by the Board. The Board has appointed Peter Crowley as the senior independent Director. Brief biographies of the Directors and Secretary are set out on page 20. Each Director brings independent judgement to bear on issues of strategy, risk and performance. Each Director is subject to re-election every 3 years.

BOARD PROCEDURES

The Board holds regular meetings (normally at least ten per annum) and there is contact between meetings as required in order to progress the Group's business. The Directors receive regular and timely information in a form and quality appropriate to enable the Board to discharge its duties. The Board has a formal schedule of matters specifically reserved to it for decision, which covers key areas of the Group's business including approval of financial statements, budgets (including capital expenditure), acquisitions or disposals and dividends. Certain additional matters are delegated to Board Committees. The Board has also delegated certain management responsibilities within the Group to the Executive Management through the control of the Managing Director.

There is a procedure for Directors in the furtherance of their duties to take independent professional advice if they consider this necessary. All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Board recognises the need for Directors to be aware of their legal responsibilities as Directors and it ensures that Directors are kept up to date on the latest corporate governance guidance and best practice. New Directors are given the opportunity to

familiarise themselves with the operation of the Group, to meet with executive management, and to access any information they require.

BOARD COMMITTEES

During the year ended 31 December 2005, there were three Board Committees with formal terms of reference. The terms of reference of each committee are available, on request, from the Company Secretary.

THE AUDIT COMMITTEE

The Audit Committee comprises the non-executive Directors Peter Crowley (chairman) and Bernard Somers.

Its duties are to oversee the relationship with the external auditor, including consideration of the appointment of the external auditor, audit fees, and any questions of independence, resignation or dismissal. The Committee discusses with the external auditor the nature and scope of the audit and the findings and results. The Committee also monitors the integrity of financial statements made by the Company.

The Committee keeps under review the effectiveness of the Company's internal controls and risk management systems, including the internal audit function. It reviews the internal audit programme, ensures that the internal audit function is adequately resourced, and considers the major findings of investigations and management's responsiveness to these findings and recommendations.

The Audit Committee has considered all relationships between the Company and the audit firm, including the provision of non-audit services. The Committee does not consider that those relationships impair the auditor's judgement or independence.

THE NOMINATION COMMITTEE

The Nomination Committee comprises the non-executive Director John McGuckian (chairman), the senior independent director Peter Crowley and executive Director Eamonn Rothwell.

Its duties are to regularly review the skills, knowledge and experience required of the board, now and in the future, compared to its current position and make recommendations to the board with regard to any necessary changes. It is also charged with searching out, identifying and proposing to the board new appointments of executive or non-executive Directors.



CORPORATE GOVERNANCE STATEMENT - CONTINUED

ATTENDANCE AT BOARD MEETINGS AND BOARD COMMITTEE MEETINGS DURING THE YEAR

Director	Board	Audit	Nomination	Remuneration
Scheduled Meetings	14	4	1	1
J. McGuckian	14	-	1	1
P. Crowley	14	4	1	1
B. Somers	14	4	-	-
E. Rothwell	14	-	1	-
G. O'Dea	14	-	-	-
T. Kelly	14	-	-	-

THE REMUNERATION COMMITTEE

The Remuneration Committee comprises the non-executive directors John McGuckian (chairman) and Peter Crowley.

The Committee's duties are to approve the remuneration structures and levels of the executive Directors and senior management. It ensures a remuneration policy framework such that individuals are appropriately rewarded and motivated to perform in the best interest of the shareholders.

All of the non-executive Directors are considered by the Board to be independent of management and free of any relationships which could interfere with the exercise of their independent judgement. In considering their independence, the Board has taken into account a number of factors including their length of service on the Board, cross-directorships and material business interests. John McGuckian, as Chairman of the Board, is deemed not to be independent under the terms of the Combined Code.

COMMUNICATIONS WITH SHAREHOLDERS

The Board promotes good communications with shareholders and the Group commits resources to shareholder communication commensurate with its size. Other than during close periods, the Group Managing Director and Group Finance Director have a regular dialogue with institutional shareholders throughout the year and report on these meetings to the Board. The Senior Independent Director is available on request to meet with major shareholders, however he did not meet with any major shareholders during the period.

We encourage communications with private shareholders and welcome their participation at shareholder meetings.

We provide regular formal updates to our

shareholders in a variety of ways, including a trading update on the day of our Annual General Meeting and Annual and Interim Reports and Accounts, sent to all shareholders by post or electronically, and available on our website.

Irish Continental Group's website, www.icg.ie, also provides access to other corporate and financial information, including regulatory announcements and a link to the current ICG share unit price.

Arrangements have been made for the 2005 annual report and Annual General Meeting notice to be sent to shareholders 20 working days before the meeting and for the level of proxy votes cast on each resolution, and the numbers for and against, to be announced at the meeting. The 2006 Annual General Meeting will be held at 11am on 3 May 2006 in the Davenport Hotel, Merrion Square, Dublin 2.

Further investor relations information is available on pages 100 to 101 of this report.

INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In accordance with the Turnbull Guidance for directors on internal control, *Internal Control: Guidance for Directors on the Combined Code*, the Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements, and that this process is regularly reviewed by the Board.

CORPORATE GOVERNANCE STATEMENT - CONTINUED

The nature of the Group's business, which is primarily the operation of ships and provision of related services, is such that operational safety is paramount. Significant risks include risks to operational safety as well as financial risks. Our Group Risk Management function therefore comprises an Operations Risk Manager, Safety Security and Quality Systems Manager in the Ferries Division in addition to the Internal Audit function.

The key risk management and internal control procedures, which are supported by detailed controls and processes, include:

- the Group Risk Management function;
- an organisational structure with clearly defined lines of authority and accountability;
- skilled and experienced Group and divisional management;
- a comprehensive system of financial reporting involving budgeting, monthly reporting and variance analysis;

- a formally constituted Audit Committee which reviews the operation of the Group Risk Management function, the Internal Audit function, liaises with the external auditors and reviews the Group's internal control systems.

The Board has reviewed the effectiveness of the Group's system of internal control. The review covered all controls including financial, operational, compliance controls and risk management.

PERFORMANCE EVALUATION

The Chairman of the Board carried out a performance evaluation of the Board, its Committees and Directors, following the guidelines appended to the Combined Code. The non-executive Directors carried out a similar evaluation of the Chairman.

DIRECTORS' REMUNERATION

The report of the Remuneration Committee is set out on pages 26 to 28.

REPORT OF THE REMUNERATION COMMITTEE

The remuneration of executive Directors and senior management is determined by the Remuneration Committee. The Remuneration Committee is composed exclusively of non-executive Directors and its composition and duties are shown on page 25.

The Group recognises that its remuneration policy must properly reward the Group's senior executives and motivate them to perform in the best interests of shareholders.

In framing remuneration policy the Remuneration Committee has given full consideration to Section B of the Best Practice Rules annexed to the listing rules. Throughout the period the Group had procedures in place which met with the Best Practice Provisions as set out in Section A of the Irish Stock Exchange requirements on Directors' remuneration.

Annual bonuses for executive Directors are determined by the Remuneration Committee based on the achievement of the Group's profitability objectives.

REPORT OF THE REMUNERATION COMMITTEE - CONTINUED

Details of directors' remuneration for the year ended 31 December 2005 are set out below:

	Salary €'000	Performance pay €'000	Benefits and other €'000	Fees €'000	Total 2005 €'000	Total 2004 €'000
Executive Directors						
E. Rothwell	377	242	45	-	664	664
G. O'Dea	233	62	23	-	318	307
T. Kelly	171	60	19	-	250	244
Non-Executive Directors						
J. McGuckian	-	-	-	90	90	73
P. Crowley	-	-	-	40	40	40
B. Somers	-	-	-	40	40	33
T. Toner	-	-	-	-	-	30
A. Mullin	-	-	-	-	-	20
L. Booth	-	-	-	-	-	13
	781	364	87	170	1,402	1,424
Pension contributions					144	37
					1,546	1,461

The company releases the executive Directors Mr E. Rothwell and Mr T. Kelly to serve as non-executive Directors on other boards. Mr E. Rothwell is a non-executive Director of The United Kingdom Mutual War Risks Association Limited and does not retain his fee for this position. Mr T. Kelly serves as a non-executive Director on the Board of Tourism Ireland Limited for which he retains his annual fee of €6,349.

No Director had an interest in any material contract to which the Company or any subsidiary was a party during the financial year. There are no Directors' service contracts. No element of remuneration, other than basic salary is pensionable. The pension benefits attributable to the executive Directors at 31 December 2005 are as follows:

	E. Rothwell €'000	G. O'Dea €'000	T. Kelly €'000	Total €'000
Increase in accumulated accrued annual benefits excluding inflation in the period	9	6	4	19
Transfer value of the increase in accumulated accrued benefits (excluding inflation) at year end*	97	71	41	209
Accumulated accrued annual benefits on leaving service at year end	205	106	92	403

*Note: Calculated in accordance with actuarial guidance note GNII.

There are no long term incentive plans in place other than the Group's share option scheme. The Group introduced a share option scheme in 1988 to encourage identification with shareholders' longer term interests. Since that date, options have been granted to directors and employees of the Group. Options were granted in 2005 and are detailed below.

REPORT OF THE REMUNERATION COMMITTEE - CONTINUED

Directors' and Secretary's Share Options

Exercise Price	Exercise Period	Exercise Conditions Note	Director			Secretary
			E. Rothwell	G. O'Dea	T. Kelly	T. Corcoran
603c	Jan.1999-2006	1	-	-	2,500	-
530c	Jan.2000-2007	1	75,000	-	25,000	5,000
530c	Jan.2002-2007	2	75,000	37,500	25,000	5,000
1075c	Jan.2003-2010	3	25,000	12,500	12,500	2,500
1075c	Jan.2005-2010	4	25,000	12,500	12,500	2,500
660c	Jan.2004-2011	3	-	-	-	5,000
660c	Jan.2006-2011	4	-	-	-	5,000
735c	Jan.2005-2012	3	100,000	50,000	25,000	5,000
735c	Jan.2007-2012	4	100,000	50,000	25,000	5,000
530c	Sep.2005-2012	3	50,000	15,000	12,500	-
530c	Sep.2007-2012	4	50,000	15,000	12,500	-
At 31 December 2004			500,000	192,500	152,500	35,000
1000c	Sep.2008-2015	3	25,000	12,500	12,500	5,000
1000c	Sep.2010-2015	4	25,000	12,500	12,500	5,000
At 31 December 2005			550,000	217,500	177,500	45,000

Note 1: These options are exercisable only if growth in the Group's EPS is higher than the increase in the Consumer Price Index.

Note 2: These options are exercisable only if the Group's EPS growth places it in the top quartile of ISEQ companies.

Note 3: These options are exercisable only if growth in the Groups EPS is at least 2% p.a. above the increase in the Consumer Price Index.

Note 4: These options are exercisable only if growth in the Group's EPS places it in the top quartile of ISEQ companies and also only if the growth in the Group's EPS is at least 10% p.a. above the increase in the Consumer Price Index.

The market price of the shares at 31 December 2005 was 1078c and the range during the year was 925c to 1220c. No options were exercised during the year.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Irish Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company, and the Group as a whole, will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2005, the European Communities (Companies: Group Accounts) Regulations, 1992, Article 4 of the IAS Regulations, and the Listing Rules of the Irish Stock Exchange. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRISH CONTINENTAL GROUP PLC

We have audited the financial statements of Irish Continental Group plc for the year ended 31 December 2005 which comprise the Group Financial Statements (the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related notes 1 to 40) and the Parent Company Financial Statements (the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes 1 to 29). These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the company's members, as a body, in accordance with Section 193 the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible, as set out in the Statement of Directors' Responsibilities, for preparing the Annual Report, including the preparation of the Group Financial Statements and the Parent Company Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group Financial Statements and the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2005, the European Communities (Companies: Group Accounts) Regulations, 1992 and Article 4 of the IAS Regulations.

We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the company's balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange and we report if it does not. We are not required to consider whether the boards statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its internal controls.

We read the other information contained in the Annual Report and consider whether it is consistent with the financial statements. The other information comprises only the Report of the Directors, the Chairman's Statement, the Operating Review, the Financial Review and the Corporate Governance Statement. Our responsibilities do not extend to other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRISH CONTINENTAL GROUP PLC - CONTINUED

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion;

- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union, of the state of affairs of the group as at 31 December 2005 and of its loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with the Companies Acts, 1963 to 2005 and the European Communities (Companies: Group Accounts) Regulations, 1992 and Article 4 of the IAS Regulations;
- the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs, as adopted for use in the European Union and as applied in accordance with the provisions of the Companies Acts 1963 to 2005, of the state of affairs of the parent company as at 31 December 2005 and of its loss for the year then ended; and

- the Parent Company Financial Statements have been properly prepared in accordance with the Companies Acts, 1963 to 2005 and Article 4 of the IAS Regulations.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet are more than half the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2005 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Deloitte & Touche

Chartered Accountants
& Registered Auditors
Deloitte & Touche House
Earlsfort Terrace Dublin 2
3 March 2006

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with Irish Statute, comprising the Companies Acts 1963 to 2005, the European Communities (Companies: Group Accounts) Regulations, 1992 and the Listing Rules of the Irish and London Stock Exchanges.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted 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). 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 payables and other accruals". Unused tickets are recognised as revenue on a systematic basis (see note 3).

Cash revenue from on-board sales is recognised immediately.

LEASING

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 an amount representing the outright purchase price of the assets.

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 leases in proportion to the balances outstanding.

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the term of the 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 settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in euro using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period.

From 1 January 2004 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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 consolidated income statement in the period 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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense in the Consolidated Income Statement as they fall due. Any contributions outstanding at the period end are included as an accrual in the Consolidated Balance Sheet.

Payments to multi-employer defined benefit plans which are treated as defined contribution schemes in accordance with IAS 19 are charged to the Consolidated Income Statement as the liability arises.

Defined benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits and the liabilities of the plans are determined using 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.

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 period. 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 Consolidated 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 profit or loss, 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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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 Building	0.7% - 10%
Plant and Equipment	4% - 25%
Vehicles	20%

INTANGIBLE ASSETS

Computer software that is not an integral part of an item of computer hardware is capitalised as an intangible asset.

DRYDOCKING

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

FINANCIAL FIXED ASSETS

Financial fixed assets are shown at cost less amounts charged to the Consolidated 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.

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 fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Consolidated Income Statement when there is objective evidence that the asset is impaired.

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.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 uses foreign exchange forward contracts and interest rate swaps to hedge these exposures.

Derivative financial instruments are held in the Consolidated 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

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

The Group records an expense, based on its estimate of the discount related to shares expected to vest, on a straight-line basis over the vesting period.

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 & 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.

Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2005

	Notes	2005 €m	2004 €m
Continuing operations			
Revenue	3	298.7	293.3
Depreciation and amortisation		(27.8)	(26.3)
Employee benefits expense	5	(57.2)	(58.4)
Other operating expenses		(194.7)	(185.3)
Trading profit		19.0	23.3
Restructuring costs	7	(29.1)	(12.4)
Operating (loss) / profit		(10.1)	10.9
Investment income	8	1.0	0.9
Finance costs	9	(5.7)	(6.3)
(Loss) / profit before tax		(14.8)	5.5
Income tax expense	10	(0.8)	-
(Loss) / profit for the year: all attributable to equity holders of the parent		(15.6)	5.5
(Loss) / earnings per share			
All from continuing operations:			
Basic	13	(66.9)c	23.4c
Diluted	13	-	23.3c

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE for the year ended 31 December 2005

	Notes	2005 €m	2004 €m
Exchange differences on translation of foreign operations	22	5.8	(2.2)
Actuarial gain / (loss) on retirement obligations	34	3.9	(14.3)
(Loss) / profit for the year		(15.6)	5.5
Total recognised expense for the year: all attributable to equity holders of the parent - decrease in retained earnings			
		(5.9)	(11.0)

CONSOLIDATED BALANCE SHEET

at 31 December 2005

	Notes	2005 €m	2004 €m
Assets			
Non-current assets			
Property, plant and equipment	14	287.8	295.1
Intangible assets	15	3.3	2.5
Long term receivable		4.9	3.6
Retirement benefit surplus	34	8.0	2.8
		304.0	304.0
Current assets			
Inventories	16	0.6	0.6
Trade and other receivables	17	37.6	42.5
Cash and cash equivalents		14.0	9.2
		52.2	52.3
Total assets		356.2	356.3
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	18	15.8	15.8
Share premium	19	39.6	39.6
Capital reserves	20	2.2	2.2
Share options reserve	21	0.1	-
Hedging reserve	22	(0.1)	-
Translation reserve	22	3.6	(2.2)
Retained earnings	23	77.7	95.7
Equity attributable to equity holders of the parent		138.9	151.1
<i>Non-current liabilities</i>			
Bank loans	24	99.4	92.3
Obligations under finance leases	27	5.3	8.5
Trade and other payables	28	3.7	-
Provisions	29	2.1	1.8
Deferred tax liabilities	26	4.9	5.1
Derivative financial instruments	25	0.1	-
Retirement benefit obligation	34	0.6	4.7
		116.1	112.4
<i>Current liabilities</i>			
Bank overdrafts and loans	24	11.7	22.0
Obligations under finance leases	27	3.5	4.3
Trade and other payables	28	47.5	54.2
Current tax liabilities	28	4.8	5.5
Provisions	29	33.7	6.8
		101.2	92.8
Total liabilities		217.3	205.2
Total equity and liabilities		356.2	356.3

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2005

	2005 €m	2004 €m
Operating activities		
(Loss) / profit for the year	(15.6)	5.5
Adjustments for:		
Finance costs (net)	4.7	5.4
Income tax expense	0.8	-
Retirement benefit obligation - service cost	2.0	2.5
Retirement benefit obligation - payments	(2.0)	(0.4)
Depreciation of property, plant and equipment	27.0	25.8
Amortisation of other intangible assets	0.8	0.5
Amortisation of deferred income	(0.1)	(0.2)
Share-based payment expense	0.1	-
Gain on disposal of property, plant and equipment	(0.5)	(0.1)
Increase/(decrease) in restructuring provision	33.0	(0.3)
(Decrease) in other provisions	(5.6)	(0.4)
Operating cash flow before movements in working capital	44.6	38.3
Decrease in inventories	-	0.1
(Increase)/decrease in receivables	(2.4)	5.7
(Decrease) in payables	(2.9)	(5.0)
Increase in deferred income	-	0.3
Cash generated from operations	39.3	39.4
Income taxes paid	(1.7)	(0.5)
Interest paid	(5.9)	(6.9)
Net cash from operating activities	31.7	32.0
Investing activities		
Interest received	1.0	0.6
Proceeds on disposal of property, plant and equipment	0.6	0.2
Purchases of property, plant and equipment	(11.9)	(10.8)
Purchases of intangible assets	(1.6)	(2.7)
Net cash used in investing activities	(11.9)	(12.7)

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2005 - continued

	2005 €m	2004 €m
Financing activities		
Redemption of redeemable shares	(6.3)	(5.5)
Repayments of borrowings	(77.9)	(25.0)
Repayments of obligations under finance leases	(4.3)	(3.8)
Repurchase of own shares	-	(7.9)
Proceeds on issue of ordinary share capital	-	0.8
New bank loans raised	71.8	17.0
New finance leases raised	0.2	3.0
Decrease in bank overdrafts	(0.2)	(0.4)
Net cash used in financing activities	(16.7)	(21.8)
Net increase / (decrease) in cash and cash equivalents	3.1	(2.5)
Cash and cash equivalents at the beginning of the year	9.2	12.2
Effect of foreign exchange rate changes	1.7	(0.5)
Cash and cash equivalents at the end of the year		
Bank balances and cash	14.0	9.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005

1. General information

Irish Continental Group plc (ICG or the Company) is a public limited company incorporated in Ireland under the Companies Acts 1963 to 2005. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activities of the Group are described in note 4.

2. Adoption of new and revised International Financial Reporting Standards

In the year, the Group has elected to early adopt the Amendment to International Accounting Standard (IAS) 19 *Employee Benefits* in advance of its effective date of 1 January 2006. The Group has selected the option available within this standard for immediate recognition of all actuarial gains and losses outside of the consolidated income statement.

3. Revenue

Analysis of the Group's revenue for the year is as follows:

	2005 €m	2004 €m
Continuing operations		
Ferries	162.7	164.3
Container & Terminal	136.4	129.8
Intersegment	(0.4)	(0.8)
	<u>298.7</u>	<u>293.3</u>

In applying the accounting policy on revenue recognition, management has made a judgement, based on their knowledge and experience, that it is appropriate to recognise in Ferries revenue, the unused portion of tickets six months after the sailing date has passed.

4. 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 and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

4. Business and geographical segments - continued

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

2005	Ferries €m	Container & Terminal €m	Total (all continuing operations) €m
Revenue			
External sales	162.7	136.4	299.1
Inter-segment sales	-	(0.4)	(0.4)
Total revenue from continuing operations	162.7	136.0	298.7
Inter-segment sales are charged at prevailing market prices			
Result			
Segment result from continuing operations	14.8	4.2	19.0
Restructuring costs	(29.1)	-	(29.1)
Operating (loss) / profit from continuing operations	(14.3)	4.2	(10.1)
Investment income			1.0
Finance costs			(5.7)
Loss before tax			(14.8)
Income tax expense			(0.8)
Loss for the year from continuing operations			(15.6)
Other Information			
Capital additions	10.9	2.6	13.5
Depreciation and amortisation	24.0	3.8	27.8
Balance Sheet			
Assets			
Segment assets	282.3	55.0	337.3
Cash and cash equivalents			14.0
Unallocated assets			4.9
Consolidated total assets			356.2
Liabilities			
Segment liabilities	32.8	22.7	55.5
Debt			119.9
Unallocated liabilities			41.9
Consolidated total liabilities			217.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

4. Business and geographical segments - continued

2004	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	164.3	129.0	293.3

Inter-segment sales are charged at prevailing market prices.

Result

Segment result from continuing operations	20.8	2.5	23.3
Restructuring costs	(10.9)	(1.5)	(12.4)
Operating profit from continuing operations	9.9	1.0	10.9
Investment income			0.9
Finance costs			(6.3)
Profit before tax			5.5
Income tax expense			-
Profit for the year from continuing operations			5.5

Other Information

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			2.3
Consolidated total assets			356.3

Liabilities

Segment liabilities	39.6	25.7	65.3
Debt			127.1
Unallocated liabilities			12.8
Consolidated total liabilities			205.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

4. Business and geographical segments - continued

Revenue split on the basis of geographical origin

As noted in the Statement of 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 being ships, to any geographical area. Therefore, the Group presents geographical information relating only to where revenues are earned.

	2005 €m	2004 €m
Ireland	124.7	123.3
United Kingdom	92.5	93.4
Continental Europe	81.5	76.6
	<u>298.7</u>	<u>293.3</u>

5. Employee numbers and benefit costs

	2005	2004
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The average number of employees during the year was as follows:

At sea	580	745
On shore	515	554
	<u>1,095</u>	<u>1,299</u>
The number of employees at year end was	<u>1,055</u>	<u>1,219</u>

	2005 €m	2004 €m
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Aggregate costs of employee benefits were as follows:

Wages and salaries	43.5	52.5
Social welfare charge	6.6	2.9
Retirement benefit costs (note 6 and 34)	7.0	3.0
Share options expense	0.1	-
	<u>57.2</u>	<u>58.4</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

6. Merchant Navy Officers Pension Fund

The Merchant Navy Officers Pension Fund (MNOFF) 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 last valuation date, 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 31 March 2003.

The New Section relates to benefits accrued for service since April 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 MNOFF applied to the courts for a determination on the apportionment of this deficit among the participating employers. The deficit apportioned to the Group is €4.9 million and this will be recovered by MNOFF 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 during the year and this is included in the employee benefit cost. The remaining liability at 31 December 2005 of €4.3 million has been accrued and this is also charged to the employee benefit cost.

7. Restructuring costs

	2005 €m	2004 €m
Restructuring costs	29.1	12.4

In 2005 a decision was taken to restructure the crewing arrangements on the Irish Sea routes. Consequently a voluntary redundancy package was offered to all relevant staff. The charge to the income statement represents the cost of the severance package (€32.9 million); legal and other professional fees (€1.6 million), and the curtailment benefit effect on the Group sponsored retirement benefit scheme (€5.4 million).

In 2004 a charge of €12.4 million 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

8. Investment income

	2005 €m	2004 €m
Interest on bank deposits	0.3	0.3
Other financial income	0.7	0.6
	<u>1.0</u>	<u>0.9</u>

9. Finance costs

	2005 €m	2004 €m
Interest on bank overdrafts and loans	5.1	5.8
Interest on obligations under finance leases	0.5	0.5
Interest on other balances	0.1	-
	<u>5.7</u>	<u>6.3</u>

10. Income tax expense

	2005 €m	2004 €m
Current tax	1.0	1.3
Deferred tax (note 26)	(0.2)	(1.3)
	<u>0.8</u>	<u>-</u>

The Company and its Irish 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

10. Income tax expense - continued

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

	2005 €m	2004 €m
(Loss) / profit before tax from continuing operations	(14.8)	5.5
Tax at the domestic income tax rate of 12.5%	(1.9)	0.7
Depreciation in excess of capital allowances	0.1	0.2
Tax effect of expenses not deductible in determining taxable profit	(0.4)	(0.4)
Other timing differences	0.1	(0.1)
Tax effect of utilisation of tax losses	(0.3)	(0.6)
Unutilised tax losses carried forward	0.9	0.5
Effect of different tax rates of subsidiaries operating in other jurisdictions	0.4	0.9
Shipping profits relief	2.1	0.1
Tax expense for the year	1.0	1.3

11. (Loss) / profit for the year

	2005 €m	2004 €m
(Loss) / profit for the year has been arrived at after charging / (crediting):		
Net foreign exchange losses / (gains)	4.8	(0.3)
Amortisation of intangible assets (note 15)	0.8	0.5
Depreciation of property, plant and equipment (note 14)	27.0	25.8
	27.8	26.3
Amortisation of deferred grant (note 29)	(0.1)	(0.2)
Net depreciation and amortisation expense	27.7	26.1
Auditors' remuneration: for audit services	0.2	0.2
for other services	0.1	0.1

Directors' remuneration is shown in the Report of the Remuneration Committee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

12. Redemption of redeemable shares

	2005 €m	2004 €m
Redemption of one redeemable share for 9.91875c per redeemable share	2.3	-
Redemption of one redeemable share for 17.25c per redeemable share	4.0	-
Redemption of one redeemable share for 8.625c per redeemable share	-	2.0
Redemption of one redeemable share for 15.0c per redeemable share	-	3.5
	6.3	5.5

In respect of the current year, the directors propose that one redeemable share per ICG share unit be redeemed at a premium rate of 19.2c per share. This will be paid to shareholders on 26 May 2006 and has not been included as a liability in these financial statements. The proposed redemption premium is payable to all shareholders on the Register of Members on 28 April 2006. The total estimated premium to be paid is €4.5 million.

13. (Loss) / earnings per share - all from continuing operations

	2005 cent	2004 cent
Basic (loss) / earnings per share	(66.9)	23.4
Diluted earnings per share	-	23.3
Adjusted diluted earnings per share	57.2	75.8

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	€m	€m
Earnings for the purpose of basic earnings per share - (loss) / profit for the year attributable to equity holders of the parent	(15.6)	5.5
Effect of dilutive potential ordinary shares	-	-
Earnings for the purposes of diluted earnings per share	(15.6)	5.5
Earnings for the purposes of basic earnings per share - (loss) / profit for the year attributable to equity holders of the parent	(15.6)	5.5
Effect of restructuring costs	29.1	12.4
Earnings for the purposes of adjusted earnings per share	13.5	17.9
Number of shares	m	m
Weighted average number of ordinary shares for the purposes of basic earnings per share	23.3	23.5
Effect of dilutive potential ordinary shares: Share options	0.3	0.1
Weighted average number of ordinary shares for the purposes of diluted earnings per share	23.6	23.6

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 18).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

14. Property, plant and equipment

	Assets under construction €m	Ships €m	Plant and equipment €m	Vehicles €m	Land and buildings €m	Total €m
Cost or valuation						
At 1 January 2004	-	371.2	52.5	2.3	24.0	450.0
Additions	1.8	5.2	2.2	0.5	1.1	10.8
Disposals	-	(5.2)	-	(0.4)	-	(5.6)
Reclassification	-	-	1.5	-	(1.5)	-
Exchange differences	0.5	(5.3)	-	-	-	(4.8)
At 1 January 2005	2.3	365.9	56.2	2.4	23.6	450.4
Additions	0.5	8.3	2.5	0.4	0.2	11.9
Disposals	-	(5.1)	(0.2)	(0.5)	(0.1)	(5.9)
Reclassifications	(2.9)	2.1	-	-	0.8	-
Exchange differences	0.1	13.6	0.1	-	-	13.8
At 31 December 2005	-	384.8	58.6	2.3	24.5	470.2
Accumulated depreciation						
At 1 January 2004	-	99.6	30.8	1.2	5.9	137.5
Depreciation charge for the year	-	21.9	2.9	0.4	0.6	25.8
Eliminated on disposal	-	(5.2)	-	(0.3)	-	(5.5)
Exchange differences	-	(2.5)	-	-	-	(2.5)
At 1 January 2005	-	113.8	33.7	1.3	6.5	155.3
Depreciation charge for the year	-	22.1	4.0	0.5	0.4	27.0
Eliminated on disposal	-	(5.1)	(0.2)	(0.4)	-	(5.7)
Exchange differences	-	5.8	-	-	-	5.8
At 31 December 2005	-	136.6	37.5	1.4	6.9	182.4
Carrying amount						
At 31 December 2005	-	248.2	21.1	0.9	17.6	287.8
At 31 December 2004	2.3	252.1	22.5	1.1	17.1	295.1

The following rates are used for the depreciation of property, plant and equipment:

Ships	3.33% to 10% to residual value
Land and buildings	0.7% to 10%
Plant and equipment	4% to 25%
Vehicles	25% to residual value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

14. Property, plant and equipment - continued

In accordance with IAS 16 *Property, Plant and Equipment* the Group has reviewed the residual values used for the purposes of depreciation calculations. As a result of this review the residual value of conventional ferries has been calculated as the current scrap value for the metal. Residual values will be reviewed and updated annually in the future. Estimations of economic life and residual values of ships are a key judgemental estimate in the financial statements.

The carrying amount of the Group's property, plant and equipment includes an amount of €16.6 million (2004: €18.2 million) in respect of assets held under finance leases.

Certain of the Group's borrowings are secured on vessels having a carrying amount of approximately €112.9 million (2004: €117.1 million). In addition a floating charge has been given over all of the Group's property, plant and equipment to secure other contingent liabilities of the Group.

15. Intangible assets

	€m
Cost	
At 1 January 2004	1.7
Additions	2.7
At 1 January 2005	4.4
Additions	1.6
At 31 December 2005	6.0
Amortisation	
At 1 January 2004	1.4
Charge for the year	0.5
At 1 January 2005	1.9
Charge for the year	0.8
At 31 December 2005	2.7
Carrying amount	
At 31 December 2005	3.3
At 31 December 2004	2.5

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

16. Inventories

	2005 €m	2004 €m
Fuel and lubricating oil	0.3	0.3
Catering and other	0.3	0.3
	<u>0.6</u>	<u>0.6</u>

17. Other financial assets

	2005 €m	2004 €m
<i>Trade and other receivables</i>		
Amounts receivable from trade customers	30.5	32.1
Prepayments	4.9	4.3
Other receivables	2.2	6.1
	<u>37.6</u>	<u>42.5</u>

The Group has made an allowance for estimated irrecoverable amounts from the sale of services of €1.8 million (2004: €1.8 million). This allowance has been determined by reference to past default experience.

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

Bank balances and cash

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.

Credit risk

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

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.

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.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

18. Share capital

	Number	2005 €m	2004 €m
<i>Authorised</i>			
Ordinary shares of par value €0.65 each	45,000,000	29.3	29.3
Redeemable shares of par value €0.0001 each	450,000,000	-	-
		29.3	29.3

	Number	€m
<i>Allotted, called up and fully paid:</i>		
<i>Ordinary shares</i>		
At 1 January 2004	24,107,034	15.7
Share issue	136,264	0.1
At 1 January 2005	24,243,298	15.8
Share issue	7,660	-
At 31 December 2005	24,250,958	15.8

<i>Redeemable shares</i>		
At 1 January 2004	216,963,306	-
Share issue	1,179,548	-
Redemption of redeemable shares		
- transfer to Capital Redemption Reserve	(48,439,768)	-
At 1 January 2005	169,703,086	-
Share issue	48,460	-
Redemption of redeemable shares		
- transfer to Capital Redemption Reserve	(48,496,756)	-
At 31 December 2005	121,254,790	-

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 2005 the number of such redeemable shares is five. The share unit carries no right to fixed income.

Included in the share capital above are 899,500 (2004: 899,500) ICG share units which are held as treasury shares.

19. Share premium

	€m
Balance at 1 January 2004	38.9
Exercise of share options - shares issued at premium	0.7
Balance at 31 December 2004 and 31 December 2005	39.6

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

20. Capital reserves

	Reserves arising on consolidation €m	Capital redemption reserve €m	Total €m
Balance at 31 December 2005	0.1	2.1	2.2

Reserves arising on consolidation relate to the acquisition of a subsidiary. At 31 December 2005 the reserve balance stands at €0.1 million. The balance is unchanged from 1 January 2004 and 1 January 2005.

The Capital Redemption reserve represents the nominal value of capital repurchased. At 31 December 2005 the reserve balance stands at €2.1 million. The balance is unchanged from 1 January 2004 and 1 January 2005.

21. Share options reserve

	€m
Balance at 1 January 2004 and 1 January 2005	-
Recognition of share based payments (note 36)	0.1
Balance at 31 December 2005	0.1

The share options reserve represents the cost of share options issued during the year, not yet exercised and issued as shares.

22. Hedging and translation reserves

	Hedging reserve €m	Translation reserve €m	Total €m
Balance at 1 January 2004	-	-	-
Exchange differences on translation of foreign operations	-	(2.2)	(2.2)
Balance at 1 January 2005	-	(2.2)	(2.2)
Exchange differences on translation of foreign operations	-	5.8	5.8
Increase in fair value of cash flow hedging derivatives	(0.1)	-	(0.1)
Balance at 31 December 2005	(0.1)	3.6	3.5

The hedging reserve represents the value of derivative financial instruments. The translation reserve represents the value of retranslation of the reserves of subsidiary companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

23. Retained earnings

	€m
Balance at 1 January 2004	117.9
Market purchases of shares	(7.9)
Redemption of redeemable shares	(5.5)
Total recognised expense for the year attributable to equity holders of the parent	(11.0)
Translation adjustment recognised in translation reserve	2.2
Balance at 1 January 2005	95.7
Redemption of redeemable shares	(6.3)
Total recognised expense for the year attributable to equity holders of the parent	(5.9)
Translation adjustment recognised in translation reserve	(5.8)
Balance at 31 December 2005	77.7

Details of the changes in accounting policies in the year are set out in note 2 to the consolidated financial statements.

24. Bank overdrafts and loans

	2005 €m	2004 €m
Bank overdrafts	0.1	0.3
Bank loans	111.0	114.0
	111.1	114.3

The borrowings are repayable as follows:

On demand or within one year	11.7	22.0
In the second year	11.6	38.7
In the third year	11.6	21.7
In the fourth year	9.2	21.7
In the fifth year	67.0	10.2
	111.1	114.3
Less: Amount due for settlement within 12 months (shown under current liabilities)	(11.7)	(22.0)
Amount due for settlement after 12 months	99.4	92.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

24. Bank overdrafts and loans - continued

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

	Euro €m	Sterling €m	US Dollars €m	Total €m
2005				
Bank overdrafts	0.1	-	-	0.1
Bank loans	70.1	24.6	16.3	111.0
	70.2	24.6	16.3	111.1
2004				
Bank overdrafts	0.3	-	-	0.3
Bank loans	68.0	31.9	14.1	114.0
	68.3	31.9	14.1	114.3

The weighted average interest rates paid were as follows:

	2005 %	2004 %
Bank overdrafts	3.7	3.6
Bank loans	4.0	3.8

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 3.7% (2004: 3.6%) in the year.

On 28 October 2005, the Group refinanced its bank debt under a new multicurrency term and revolving facilities agreement. Existing debt was replaced with drawings under the new facility. This facility is secured by statutory marine mortgages on certain of the Group's vessels. Interest on this debt is calculated by reference to inter bank interest rates (EURIBOR and LIBOR). At 31 December 2005 the Group had two principal drawings under the new loan facility:

- (a) Amortising Debt of €49.8 million repayable in five annual instalments commencing 31 October 2006.
- (b) Revolving Debt of €61.2 million repayable by 4 October 2010.

At 31 December 2005, the Group had available €44.3 million (2004: €6.8 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

25. Derivative financial instruments

	2005	
	Assets €m	Liabilities €m
Interest rate swaps - non current liabilities	-	0.1
	-	0.1

Currency derivatives

The Group utilises currency derivatives to hedge future cash flows in the management of its exchange rate exposures. At 31 December 2005 and 31 December 2004 the Group had no unsettled foreign currency forward contracts.

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 €5.9 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 2005 is estimated at (€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.

Amounts totalling €0.8 million (2004: €0.9 million) have been included in Group interest payments made in the period.

Interest rate risk profile of financial assets and liabilities

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

	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

25. Derivative financial instruments - continued

	2004			
	Euro €m	Sterling €m	US Dollars €m	Total €m
Fixed rate debt	(61.0)	(17.2)	(8.0)	(86.2)
Variable rate debt	(19.5)	(14.8)	(6.6)	(40.9)
Gross debt	(80.5)	(32.0)	(14.6)	(127.1)
Cash deposits	4.1	2.9	2.2	9.2
Net debt	(76.4)	(29.1)	(12.4)	(117.9)
Weighted average fixed rate	4.41%	5.55%	3.94%	4.60%
Weighted average period of fixed interest (years)	3.38	2.66	3.0	3.2

26. Deferred tax

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.

	Accelerated tax depreciation €m	Tax losses €m	Retirement benefit obligation €m	Total €m
At 1 January 2004	6.4	(1.9)	1.9	6.4
(Credit) / charge to the income statement for the year	(0.4)	0.3	(1.2)	(1.3)
At 1 January 2005	6.0	(1.6)	0.7	5.1
(Credit) / charge to the income statement for the year	0.5	(0.6)	(0.2)	(0.3)
Exchange differences	0.1	-	-	0.1
At 31 December 2005	6.6	(2.2)	0.5	4.9

Taxable losses, in excess of expected future reversing taxable temporary differences, have been incurred by certain subsidiaries 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 estimated value of the deferred tax asset not recognised is €2.9 million (2004: €2.0 million). These amounts are analysed as follows:

	2005 €m	2004 €m
Accelerated capital allowances	0.2	0.1
ACT not immediately recoverable	0.1	0.1
Tax losses carried forward	2.6	1.8
Deferred tax asset not recognised	2.9	2.0

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 but will continue to be subject to standard rates of corporation tax. These activities give rise to deferred tax assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

27. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2005	2004	2005	2004
	€m	€m	€m	€m
Amounts payable under finance leases:				
Within one year	3.6	4.6	3.5	4.3
In the second to fifth years inclusive	5.7	8.8	5.2	8.0
After five years	0.1	0.5	0.1	0.5
	9.4	13.9	8.8	12.8
Less: future finance charges	(0.6)	(1.1)	-	-
Present value of lease obligations	8.8	12.8	8.8	12.8
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3.5)	(4.3)	(3.5)	(4.3)
Amount due for settlement after 12 months	5.3	8.5	(5.3)	8.5

It is the Group's policy to lease certain of its assets under finance leases. Lease terms vary from 3 to 12 years depending on the type of asset. For the year ended 31 December 2005, the average effective borrowing rate was 4.2% per cent (2004: 4.6%). 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.

Group lease obligations at 31 December are denominated in the following currencies:

	2005	2004
	€m	€m
Euro	8.6	12.3
Sterling	-	0.1
US Dollar	0.2	0.4
	8.8	12.8

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	2004
	€m	€m
Trade creditors and accruals payable within one year	47.5	54.2
Trade creditors and accruals payable after one year	3.7	-
	51.2	54.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

28. Trade and other payables - continued

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs which are non-interest bearing. Derivative financial instruments are stated at their fair value.

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

Included in trade and other payables is an amount of €4.3 million due to the Merchant Navy Officers Pension Fund to eliminate the Group share of an actuarial deficit (see note 6). Of this amount, €0.6 million is due within one year and the balance is payable after one year.

Taxation amounts payable at 31 December are as follows:

	2005 €m	2004 €m
Corporation tax	1.8	2.5
Payroll taxes	1.1	1.5
Pay related social insurance	1.1	0.7
Value added tax	0.8	0.8
	4.8	5.5

29. Provisions

	Claims provision €m	Restructuring provision €m	Deferred grant €m	Total €m
At 1 January 2005	2.4	4.5	1.7	8.6
Additional provision in the year	-	34.5	-	34.5
Utilisation of provision	-	(5.9)	(0.1)	(6.0)
Release of overprovision	(1.2)	(0.1)	-	(1.3)
At 31 December 2005	1.2	33.0	1.6	35.8

Analysed As:

Current liabilities	0.6	33.0	0.1	33.7
Non-current liabilities	0.6	-	1.5	2.1

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% 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 7.

30. Commitments

	2005 €m	2004 €m
Commitments for the acquisition of property, plant and equipment	2.2	2.5

The Group has given commitments under a number of port operating agreements which give rise to a minimum annual charge of €3.2 million. These agreements are due to expire within three to five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

31. Operating lease payments

	2005 €m	2004 €m
Minimum lease payments under operating leases recognised as expense in the year	32.7	34.1

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

	2005 €m	2004 €m
Within one year	29.0	16.9
In the second to fifth years inclusive	12.1	14.5
After five years	46.4	36.2
	87.5	67.6

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 at 31 December 2005 ranges from two months to 117 years. Property rentals are fixed for periods ranging from three to seven 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 are as follows:

	2005 €m	2004 €m
Within one year	10.8	11.0
In the second to fifth years inclusive	6.3	17.4
After five years	-	-
	17.1	28.4

The group charters two ships under operating leases to a third party. The ships are chartered at fixed rates for terms expiring in 2007, with the charterer's option to extend.

33. Share-based payments

The Company operates equity settled share option schemes. Certain employees of the Group have been issued with share options under the Company'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, most recently in 1994. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

33. Share-based payments - continued

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 were amended 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 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 annum above inflation of the period.

The number of shares over which options may be granted may not exceed 10% 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 plan is as follows:

	2005		2004	
	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	2,112,700	7.97
Granted during the year	252,500	10.00	-	-
Forfeited during the year	(17,500)	5.30	(40,500)	5.94
Exercised during the year	(7,500)	5.54	(135,700)	5.76
Expired during the year	-	-	-	-
Outstanding at 31 December	2,164,000	8.42	1,936,500	8.17
Exercisable at 31 December	550,000	6.44	220,000	5.74
Weighted average share price at date of exercise of options		9.97		11.42
Weighted average remaining contractual life of options outstanding at year end		4.5 yrs		4.9 yrs

The options outstanding at 31 December 2005 can be exercised at prices ranging from 530 cent to 1143 cent.

Options issued after 7 November 2002

In 2005, options were granted on 13 April. The estimated fair values of the options granted at that date is €4.01 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 Black-Scholes option pricing model. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

33. Share-based payments - continued

The inputs into the model were as follows:

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

Expected volatility was determined by calculating the historical volatility of the Company's 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 2005 the Group recognised total expenses of €0.064 million (2004: €nil) relating to equity share-based payment transactions.

34. Retirement benefit plans

The Group operates contributory defined 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 2005 amounted to €2.0 million (2004: €0.4 million) while the current service cost charged to the income statement, net of related interest income, amounted to €2.0 million (2004: €2.5 million). A curtailment credit of €5.4 million (2004: nil) is recognised as a credit to restructuring costs in the income statement. At 31 December 2005 the number of pensioners in payment from the Group company sponsored funds was 732 (2004: 689).

The pensions charge and prepayment 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 1 April 2005. 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 2005 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.

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund (see note 6). Ordinary contributions of €0.1 million were paid to the MNOPF Scheme in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

34. Retirement benefit plans - continued

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

	Euro liabilities		Sterling liabilities	
	2005	2004	2005	2004
	%	%	%	%
Discount rate	4.25	4.75	4.75	5.25
Inflation rate	2.25	2.25	2.75	2.75
Rate of increase of pensions payment	2.0-2.5	2.0-2.5	2.75	2.75
Rate of general salary increases	3.75	3.75	4.25	4.25

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

	Euro assets		Sterling assets	
	2005	2004	2005	2004
	%	%	%	%
Equities	7.25	7.25	8.25	8.0
Bonds	3.6	4.25	4.1	4.5
Property	6.25	6.25	7.25	7.0
Other	2.0	2.0	2.5	2.5

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.

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

	Schemes with liabilities in Euro		Schemes with liabilities in Sterling	
	2005	2004	2005	2004
	€m	€m	€m	€m
Equities	165.6	134.4	8.1	6.1
Bonds	31.3	31.1	12.1	11.6
Property	17.0	15.9	0.3	0.2
Other	5.4	6.0	0.1	0.4
Market value of scheme assets	219.3	187.4	20.6	18.3
Present value of scheme liabilities	(213.6)	(191.6)	(18.9)	(16.0)
Excess / (deficit) in schemes	5.7	(4.2)	1.7	2.3

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

34. Retirement benefit plans - continued

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

	€m
At 1 January 2005	205.8
Expected return on scheme assets	13.1
Actuarial gains	25.5
Exchange difference	0.5
Contributions from sponsoring company	2.1
Contributions from scheme members	1.5
Benefits paid	(8.6)
At 31 December 2005	239.9

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

	€m
At 1 January 2005	207.8
Service cost	4.2
Interest cost	9.9
Contributions from scheme members	1.5
Actuarial gains and losses	21.5
Exchange difference	0.5
Benefits paid	(8.6)
Curtailment gain	(5.4)
Past service cost	1.1
At 31 December 2005	232.5

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

	2005 €m	2004 €m
Charged / (credited) to operating costs		
Current service cost	4.2	4.9
Past service cost	1.0	0.5
Interest on scheme liabilities	9.9	10.1
Expected return on scheme assets	(13.1)	(13.0)
	2.0	2.5
Credited to restructuring costs (note 7)		
Curtailment credit	5.4	-

The consolidated income statement also recognises the MNOPF charges for the current period of €5.0 million.

The estimated amount of contributions expected to be paid to the schemes during 2006 is €1.3 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

34. Retirement benefit plans - continued

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

	2005 €m	2004 €m
Actual return less expected return on scheme assets	25.4	7.7
Experience gain / (loss) on scheme liabilities	3.1	(7.0)
Loss due to change in assumptions used to value liabilities	(24.6)	(15.0)
Actuarial gain / (loss) recognised in Group SORIE	3.9	(14.3)

The movements in the funds during 2005 and 2004 are as follows:

	Schemes in opening net deficit €m	Schemes in closing net deficit €m	Schemes in closing net surplus €m	Total €m
Net surplus / (deficit) in pension schemes at 1 January 2004	9.9	(0.3)	4.7	14.3
Movements in year:				
Current service cost	(4.1)	(0.1)	(0.7)	(4.9)
Contributions paid	-	0.1	0.3	0.4
Past service cost	(0.5)	-	-	(0.5)
Other finance income	2.7	-	0.2	2.9
Exchange differences	-	-	0.2	0.2
Actuarial loss	(12.1)	(0.3)	(1.9)	(14.3)
Net surplus / (deficit) in pension schemes at 1 January 2005	(4.1)	(0.6)	2.8	(1.9)
Movements in year:				
Current service cost	(3.5)	(0.1)	(0.6)	(4.2)
Contributions paid	1.5	0.1	0.4	2.0
Curtailement gain	5.4	-	-	5.4
Past service cost	(1.0)	-	-	(1.0)
Other finance income	3.0	-	0.2	3.2
Actuarial gain / (loss)	4.3	-	(0.4)	3.9
Net surplus / (deficit) in pension schemes at 31 December 2005	5.6	(0.6)	2.4	7.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

34. Retirement benefit plans - continued

Three of the defined benefit schemes accounted for by the Group are in a net surplus position and are shown in non current assets on the consolidated balance sheet. One of the defined benefit schemes accounted for by the Group is in a net deficit position and is shown in non current liabilities. The split between the amounts shown in each category is as follows:

	2005 €m	2004 €m
Non current assets - retirement benefit surplus	8.0	2.8
Non current liabilities - retirement benefit deficit	(0.6)	(4.7)
Net surplus / (deficit) in pension schemes	7.4	(1.9)

35. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, group entities provided administration and accounting services to Irish Ferries Limited Pension Scheme and Irish Ferries UK Limited Pension Scheme, related parties that are not members of the Group. The value of these transactions was €0.1 million (2004: €0.1 million). Amounts owed by the pension schemes to the Group at 31 December 2005 totalled €0.1 million (2004: nil).

Compensation of key management personnel

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

	2005 €m	2004 €m
Short-term benefits	3.5	3.4
Post-employment benefits	1.0	0.3
Share based payments	0.1	-
	4.6	3.7

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

36. Reconciliation of impact of IFRS on the financial statements

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) 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 has resulted in changes to the Group's accounting policies in the following areas that have affected the amounts reported for the current or prior years:

- First time adoption of International Financial Reporting Standards (IFRS 1);
- Share-based payments (IFRS 2);
- Property, Plant & Equipment (IAS 16);
- Employee Benefits (IAS 19);
- Financial Instruments: Recognition and measurement (IAS 39).

The impact of these changes in accounting policies is discussed in detail later in this note.

(a) 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	8.0	(1.4)	(1.1)	5.5
Earnings per ordinary share (cent)				
All from continuing operations				
- adjusted	84.7	(3.8)	(4.7)	76.2
- basic	34.0	(5.9)	(4.7)	23.4
- fully diluted	33.9	(5.9)	(4.7)	23.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

36. Reconciliation of impact of IFRS on the financial statements - continued

**(b) Consolidated statement of recognised income and expense
for the year ended 31 December 2004**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

36. Reconciliation of impact of IFRS on the financial statements - continued

(c) Consolidated balance sheet at 1 January 2004

	Under Irish GAAP €m	Impact of transition to IFRS				Under IFRS €m
		IAS 19 €m	IAS 16 €m	IFRS 1 €m	IAS 38 €m	
Assets						
<i>Non-current assets</i>						
Intangible assets	-	-	-	-	0.3	0.3
Property, plant & equipment	334.5	-	(11.5)	(10.2)	(0.3)	312.5
Retirement benefit asset	-	14.3	-	-	-	14.3
Other long term receivable	3.3	-	-	-	-	3.3
	337.8	14.3	(11.5)	(10.2)	-	330.4
<i>Current assets</i>						
Inventories	0.7	-	-	-	-	0.7
Trade & other receivables	48.3	-	-	-	-	48.3
Cash and cash equivalents	12.2	-	-	-	-	12.2
	61.2	-	-	-	-	61.2
Total assets	399.0	14.3	(11.5)	(10.2)	-	391.6
Equity and liabilities						
<i>Capital and reserves</i>						
Called-up share capital	15.7	-	-	-	-	15.7
Shared premium	38.9	-	-	-	-	38.9
Capital reserves	2.2	-	-	-	-	2.2
Retained earnings	126.7	12.6	(11.3)	(10.1)	-	117.9
Shareholders' funds	183.5	12.6	(11.3)	(10.1)	-	174.7
<i>Non-current liabilities</i>						
Bank loans	98.1	-	-	-	-	98.1
Deferred tax liabilities	5.1	1.9	(0.5)	(0.1)	-	6.4
Obligations under finance leases	10.2	-	-	-	-	10.2
Provisions	1.4	-	0.3	-	-	1.7
	114.8	1.9	(0.2)	(0.1)	-	116.4
<i>Current liabilities</i>						
Trade & other payables	61.2	(0.2)	-	-	-	61.0
Current tax liabilities	5.5	-	-	-	-	5.5
Obligations under finance leases	3.4	-	-	-	-	3.4
Bank loans and overdrafts	25.5	-	-	-	-	25.5
Provisions	5.1	-	-	-	-	5.1
	100.7	(0.2)	-	-	-	100.5
Total liabilities	215.5	1.7	(0.2)	(0.1)	-	216.9
Total equity and liabilities	399.0	14.3	(11.5)	(10.2)	-	391.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

36. Reconciliation of impact of IFRS on the financial statements - continued

(d) Consolidated balance sheet at 31 December 2004

	Impact of transition to IFRS					
	Under Irish GAAP	IAS 19	IAS 16	IFRS 1	IAS 38	Under IFRS
	€m	€m	€m	€m	€m	€m
Assets						
<i>Non-current assets</i>						
Intangible assets		-	-	-	2.5	2.5
Property, plant & equipment	320.4	-	(12.6)	(10.2)	(2.5)	295.1
Retirement benefit asset	-	2.8	-	-	-	2.8
Other long term receivable	3.6	-	-	-	-	3.6
	324.0	2.8	(12.6)	(10.2)	-	304.0
<i>Current assets</i>						
Inventories	0.6	-	-	-	-	0.6
Trade & other receivables	42.9	(0.4)	-	-	-	42.5
Cash and cash equivalents	9.2	-	-	-	-	9.2
	52.7	(0.4)	-	-	-	52.3
Total assets	376.7	2.4	(12.6)	(10.2)	-	356.3
Equity and liabilities						
<i>Capital and reserves</i>						
Called-up share capital	15.8	-	-	-	-	15.8
Share premium	39.6	-	-	-	-	39.6
Capital reserves	2.2	-	-	-	-	2.2
Translation reserves	(2.3)	0.1	-	-	-	(2.2)
Retained earnings	121.3	(3.1)	(12.4)	(10.1)	-	95.7
Shareholders' funds	176.6	(3.0)	(12.4)	(10.1)	-	151.1
<i>Non-current liabilities</i>						
Bank loans	92.3	-	-	-	-	92.3
Deferred tax liabilities	5.0	0.7	(0.5)	(0.1)	-	5.1
Obligations under finance leases	8.5	-	-	-	-	8.5
Retirement benefit obligations		-	-	-	-	4.7
Provisions	1.5	4.7	0.3	-	-	1.8
	107.3	5.4	(0.2)	(0.1)	-	112.4
<i>Current liabilities</i>						
Trade & other payables	54.2	-	-	-	-	54.2
Current tax liabilities	5.5	-	-	-	-	5.5
Obligations under finance leases	4.3	-	-	-	-	4.3
Bank loans and overdrafts	22.0	-	-	-	-	22.0
Provisions	6.8	-	-	-	-	6.8
	92.8	-	-	-	-	92.8
Total liabilities	200.1	5.4	(0.2)	(0.1)	-	205.2
Total equity and liabilities	376.7	2.4	(12.6)	(10.2)	-	356.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

36. Reconciliation of impact of IFRS on the financial statements - continued

IFRS 1 First Time Adoption of International Financial Reporting Standards (IFRS 1)

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.

IFRS 2 Share-based Payment

IFRS 2, *Share-based Payment*, requires the recognition of equity-settled share-based payments at Fair Value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current Fair Value at each balance sheet date. Prior to the adoption of IFRS 2, the Group did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of IFRS 2, the Standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005, and to liabilities for share-based transactions existing at 1 January 2005. The Standard therefore applies to share options granted in 2005.

For 2005 the impact of share-based payments is a net charge to income of €0.1 million (share-based payment expense of €0.1 million net of deferred tax impact of nil). At 31 December 2005, the share options reserve amounted to €0.1 million.

The share-based payments expense has been included in the income statement in the category "employee benefits expense".

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 periods ranging from 12 to 20 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

36. Reconciliation of impact of IFRS on the financial statements - continued

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 Pension Schemes 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.

Accounting for Defined Contribution plans remains unchanged under IFRS. Some ships' officers employed in the Group are members of the Merchant Navy Officers Pension Fund (MNOFP), a defined benefit multi-employer retirement plan. The Group feels that insufficient information is available on an ongoing basis to account for the MNOFP scheme as a defined benefit plan and therefore will continue to account for it as a defined contribution scheme.

IAS 39 Financial Instruments: Recognition and measurement

The Group's activities expose it to risks in relation to changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swaps to hedge these exposures. Under Irish GAAP these financial instruments were not recognised on the balance sheet of the Group.

Under IAS 39 interest rate swaps entered into by the Group are treated as cashflow hedges and all derivative financial instruments are held in the Group Balance Sheet at their Fair Value.

This standard is effective for annual periods beginning on or after 1 January 2005 and was adopted by the Group at that date. At 31 December 2005 this results in an increase in trade and other receivables of €0.1 million, with a corresponding increase in retained earnings.

37. Non-cash transactions

Additions to property, plant and equipment during the year amounting to €0.2 million (2004: €3.0 million) were financed by new finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2005 - continued

38. Contingent liabilities

Pursuant to the provision of Section 17 of the Companies (Amendment) Act, 1986, the 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 €3.0 million.

The company has also provided Letters of Financial Support for certain of its other subsidiaries.

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 €18.0 million in present value terms (2004: €15.7 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. 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 2005 was €0.6 million (2004: €0.6 million).

39. Comparative amounts

Comparative amounts have been regrouped where necessary on the same basis as those for the current year.

40. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 3 March 2006.

Company Financial Statements

COMPANY BALANCE SHEET at 31 December 2005

	Notes	2005 €m	2004 €m
Assets			
Non-current assets			
Property, plant and equipment	5	1.5	14.5
Intangible assets	6	3.3	2.5
Financial assets	7	11.0	11.1
		15.8	28.1
Current assets			
Inventories	8	0.1	0.1
Trade and other receivables	9	118.8	104.6
Cash and cash equivalents		0.6	2.2
		119.5	106.9
Total assets		135.3	135.0
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	10	15.8	15.8
Share premium	11	39.6	39.6
Capital redemption reserve	12	2.1	2.1
Retained earnings	13	12.2	7.0
Equity attributable to equity holders of the parent		69.7	64.5
<i>Non-current liabilities</i>			
Bank loans	14	10.1	17.0
Obligations under finance leases	17	0.2	0.4
Accruals payable after one year	18	1.3	-
Deferred tax liabilities	16	-	0.1
Retirement benefit obligation	24	0.6	0.6
		12.2	18.1
<i>Current liabilities</i>			
Obligations under finance leases	17	0.2	0.3
Trade and other payables	18	53.1	51.5
Provisions	19	0.1	0.6
		53.4	52.4
Total liabilities		65.6	70.5
Total equity and liabilities		135.3	135.0

COMPANY STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 31 December 2005

	Notes	2005 €m	2004 €m
Actuarial losses on retirement benefit obligations	24	-	(0.3)
Profit for the year		11.5	7.7
Total recognised income and expense for the year:			
all attributable to equity holders	13	11.5	7.4

COMPANY CASH FLOW STATEMENT
for the year ended 31 December 2005

	2005 €m	2004 €m
Operating activities		
Profit for the year	11.5	7.7
Adjustments for:		
Finance costs (net)	0.8	0.5
Income tax credit	(0.1)	(0.1)
Dividend income	(15.0)	(15.0)
Depreciation of property, plant and equipment	0.6	4.3
Amortisation of intangible assets	0.8	0.2
Loss on write off of investment	0.1	-
Decrease in provisions	(0.5)	(0.8)
Operating cash flows before movements in working capital	(1.8)	(3.2)
Decrease in inventories	-	0.1
(Increase) / decrease in receivables	(0.1)	4.3
Increase / (decrease) in payables	2.9	(9.3)
Cash inflow / (outflow) from operations	1.0	(8.1)
Interest paid	(0.8)	(0.5)
Net cash from operating activities	0.2	(8.6)

COMPANY CASH FLOW STATEMENT
for the year ended 31 December 2005 - continued

	2005 €m	2004 €m
Investing activities		
Dividends received from subsidiary	15.0	15.0
Purchases of property, plant and equipment	(1.7)	(3.3)
Purchases of intangible assets	(1.6)	(2.4)
Net cash used in investing activities	11.7	9.3
Financing activities		
Redemption of redeemable shares	(6.3)	(5.5)
Repayments of borrowings	(17.0)	(2.8)
Repayments of obligations under finance leases	(0.4)	(0.5)
Purchase of own shares	-	(7.9)
Proceeds on issue of ordinary share capital	-	0.8
New bank loans raised	10.1	17.0
New finance leases raised	0.1	0.6
Decrease in bank overdrafts	-	(0.2)
Net cash (used in) / from financing activities	(13.5)	1.5
Net (decrease) / increase in cash and cash equivalents	(1.6)	2.2
Cash and cash equivalents at the beginning of the year	2.2	-
Cash and cash equivalents at the end of the year		
Bank balances and cash	0.6	2.2

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005

1. General information

Irish Continental Group plc (ICG or the Company) is a public limited company incorporated in Ireland under the Companies Acts 1963 to 2005. It operates a passenger and freight shipping service between Ireland and France. It is also the holding company of a number of subsidiary companies. The address of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Adoption of new and revised International Financial Reporting Standards

In the year, the Company has elected to early adopt the Amendment to International Accounting Standard (IAS) 19 *Employee Benefits* in advance of the effective date of 1 January 2006. The Company has selected the option available in this standard for immediate recognition of all actuarial gains and losses outside the consolidated income statement.

3. Merchant Navy Officers Pension Fund

The Merchant Navy Officers Pension Fund (MNOF) 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 last valuation date, 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 31 March 2003.

The New Section relates to benefits accrued for service since April 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 MNOF applied to the courts for a determination on the apportionment of this deficit among the participating employers. The deficit apportioned to the Company is €1.7 million and this will be recovered by MNOF by way of additional contributions, together with interest, over 9 years until the deficit is eliminated.

The first instalment of €0.2 million was paid during the year and this is charged to the income statement. The remaining liability at 31 December 2005 of €1.5 million has been accrued and this is also charged to the income statement.

4. Redemption of redeemable shares

	2005 €m	2004 €m
Redemption of one redeemable share for 9.91875c per redeemable share	2.3	-
Redemption of one redeemable share for 17.25c per redeemable share	4.0	-
Redemption of one redeemable share for 8.625c per redeemable share	-	2.0
Redemption of one redeemable share for 15.0c per redeemable share	-	3.5
	<u>6.3</u>	<u>5.5</u>

In respect of the current year, the directors propose that one redeemable share per ICG share unit be redeemed at a premium rate of 19.2c per share. This will be paid to shareholders on 26 May 2006 and has not been included as a liability in these financial statements. The proposed redemption premium is payable to all shareholders on the Register of Members on 28 April 2006. The total estimated premium to be paid is €4.5 million.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

5. Property, plant and equipment

	Assets under construction €m	Ships €m	Plant and equipment €m	Vehicles €m	Land and buildings €m	Total €m
Cost or valuation						
At 1 January 2004	-	23.1	5.6	0.5	0.6	29.8
Additions	0.5	1.6	0.9	0.2	-	3.2
Disposals	-	(1.9)	-	(0.1)	-	(2.0)
At 1 January 2005	0.5	22.8	6.5	0.6	0.6	31.0
Additions	-	1.1	0.6	0.1	-	1.8
Reclassifications	(0.5)	0.5	-	-	-	-
Disposals	-	(24.4)	-	(0.1)	-	(24.5)
At 31 December 2005	-	-	7.1	0.6	0.6	8.3
Accumulated depreciation and impairment						
At 1 January 2004	-	8.7	5.1	0.2	0.3	14.3
Depreciation charge for the year	-	3.5	0.4	0.1	0.3	4.3
Eliminated on disposal	-	(2.0)	-	(0.1)	-	(2.1)
At 1 January 2005	-	10.2	5.5	0.2	0.6	16.5
Depreciation charge for the year	-	-	0.4	0.2	-	0.6
Eliminated on disposal	-	(10.2)	-	(0.1)	-	(10.3)
At 31 December 2005	-	-	5.9	0.3	0.6	6.8
Carrying amount						
At 31 December 2005	-	-	1.2	0.3	-	1.5
At 31 December 2004	0.5	12.6	1.0	0.4	-	14.5

The following rates are used for the depreciation of property, plant and equipment:

Ships	3.33% to residual value
Land and buildings	0.7% to 10%
Plant and equipment	4% to 25%
Vehicles	25% to residual value

In accordance with IAS 16 *Property, Plant and Equipment* the Company has reviewed the residual values used for the purposes of depreciation calculations. As a result of this review the residual value of conventional ferries has been calculated as the current scrap value for the metal. Residual values will be reviewed and updated annually in the future. Estimations of economic life and residual values of ships are a key judgemental estimate in the financial statements.

The carrying amount of the Company's plant and equipment includes an amount of €0.7 million (2004: €0.7 million) in respect of assets held under finance leases.

A floating charge has been given over all of the Company's property, plant and equipment to secure other contingent liabilities of the Group.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

6. Intangible assets

	€m
Cost	
At 1 January 2004	1.7
Additions	2.4
At 1 January 2005	4.1
Additions	1.6
At 31 December 2005	5.7
Amortisation	
At 1 January 2004	1.4
Charge for the year	0.2
At 1 January 2005	1.6
Charge for the year	0.8
At 31 December 2005	2.4
Carrying amount	
At 31 December 2005	3.3
At 31 December 2004	2.5

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.

7. Financial assets

	€m
Investment in subsidiaries at 1 January 2005	11.1
Write down to recoverable amount	(0.1)
Investment in subsidiaries at 31 December 2005	11.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

7. Financial assets - continued

The Company's principal subsidiaries at 31 December 2005 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Irish Ferries Limited	Ireland	100%	100%	Ferry Operator
Irish Ferries (U.K.) Limited	United Kingdom	100%	100%	Shipping & forwarding agents
Eucon Shipping & Transport Limited	Ireland	100%	100%	Container shipping services
Eurofeeders Limited	United Kingdom	100%	100%	Container shipping services
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

8. Inventories

	2005 €m	2004 €m
Catering and other stocks	0.1	0.1

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

9. Other financial assets

	2005 €m	2004 €m
<i>Trade and other receivables</i>		
Amounts receivable from trade customers	0.3	-
Amounts receivable from Group companies	117.4	102.4
Other receivables	1.1	2.2
	118.8	104.6

The Company has made an allowance for estimated irrecoverable amounts from the sale of services of €nil (2004: €0.2 million). This allowance has been determined by reference to past default experience.

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

Bank balances and cash

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

Credit risk

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

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.

The Company'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.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

10. Share capital

	Number	2005 €m	2004 €m
<i>Authorised</i>			
Ordinary shares of par value €0.65 each	45,000,000	29.3	29.3
Redeemable shares of par value €0.0001 each	450,000,000	-	-
		29.3	29.3

<i>Allotted, called up and fully paid:</i>	Number	€m
<i>Ordinary shares</i>		
At 1 January 2004	24,107,034	15.7
Share issue	136,264	0.1
At 1 January 2005	24,243,298	15.8
Share issue	7,660	-
At 31 December 2005	24,250,958	15.8

<i>Redeemable shares</i>		
At 1 January 2004	216,963,306	-
Share issue	1,179,548	-
Redemption of redeemable shares transfer to Capital Redemption Reserve	(48,439,768)	-
At 1 January 2005	169,703,086	-
Share issue	48,460	-
Redemption of redeemable shares transfer to Capital Redemption Reserve	(48,496,756)	-
At 31 December 2005	121,254,790	-

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 2005 the number of such redeemable shares is five. The share unit carries no right to fixed income.

Included in the share capital above are 899,500 (2004: 899,500) ICG share units which are held as treasury shares.

11. Share premium

	€m
Balance at 1 January 2004	38.9
Exercise of share options	0.7
Balance at 1 January 2005	39.6
Exercise of share options	-
Balance at 31 December 2005	39.6

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

12. Capital redemption reserve

The capital redemption reserve represents the nominal value of capital repurchased. At 31 December 2005 the reserve balance stands at €2.1 million. The balance is unchanged from 1 January 2004 and 1 January 2005.

13. Retained earnings

	€m
Balance at 1 January 2004	13.0
Market purchase of shares	(7.9)
Redemption of redeemable shares	(5.5)
Total recognised income for the year attributable to equity holders	7.4
Balance at 1 January 2005	7.0
Redemption of redeemable shares	(6.3)
Profit for the year attributable to equity holders	11.5
Balance at 31 December 2005	12.2

Details of changes in accounting policies in the year are set out in note 2 to the Company financial statements.

14. Bank overdrafts and loans

	2005 €m	2004 €m
Bank loans	10.1	17.0

The borrowings are repayable as follows:

On demand or within one year	-	-
In the second year	-	17.0
In the third year	-	-
In the fourth year	-	-
In the fifth year	10.1	-
Amount due for settlement after 12 months	10.1	17.0

All of the Company's borrowings are denominated in euro.

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

14. Bank overdrafts and loans - continued

The weighted average interest rates paid were as follows:

	2005	2004
	%	%
Bank overdrafts	3.7	3.6
Bank loans	3.1	3.0

All borrowings are arranged at floating rates, thus exposing the Company 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 3.7% (2004: 3.6%) in the year.

On 28 October 2005, the Company refinanced its bank debt under a new multicurrency term and revolving facilities agreement. Existing amortising debt of €17.0 million was repaid through drawing down new amortising and revolving debt. Interest on this debt is calculated by reference to inter bank interest rates (EURIBOR and LIBOR). At 31 December 2005 the Company had drawn down €10.1 million under the revolving facility which is repayable by October 2010.

At 31 December 2005, the Company and its subsidiaries had available €44.3 million (2004: €6.8 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

15. Derivative financial instruments

Currency derivatives

The Company utilises currency derivatives to hedge future cash flows in the management of its exchange rate exposures. At 31 December 2005 and 31 December 2004 the Company had no unsettled foreign currency forward contracts.

Interest rate swaps

The Company 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 €5.9 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 2005 is estimated at €0.043 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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

16. Deferred tax

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

	Accelerated tax depreciation €m	Tax losses €m	Total €m
At 1 January 2004	-	-	-
Charge to income statement for the year	0.1	-	0.1
At 1 January 2005	0.1	-	0.1
Credit to income statement for the year	-	(0.1)	(0.1)
At 31 December 2005	0.1	(0.1)	-

Taxable losses, in excess of expected future reversing taxable temporary differences, have been incurred that are available for the 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 estimated value of the deferred tax asset not recognised is €0.2 million (2004: €0.1 million). These amounts are analysed as follows:

	2005 €m	2004 €m
ACT not immediately recoverable	0.1	0.1
Tax losses carried forward	0.1	-
	0.2	0.1

The Company has 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 but will continue to be subject to standard rate of corporation tax. These activities give rise to deferred tax assets and liabilities.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

17. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2005	2004	2005	2004
	€m	€m	€m	€m
Amounts payable under finance leases:				
Within one year	0.2	0.3	0.2	0.3
In the second to fifth years inclusive	0.2	0.4	0.2	0.4
Present value of lease obligations	0.4	0.7	0.4	0.7
Less: Amount due for settlement within				
12 months (shown under current liabilities)	(0.2)	(0.3)	(0.2)	(0.3)
Amount due for settlement after 12 months	0.2	0.4	0.2	0.4

It is the Company's policy to lease certain of its fixtures and equipment under finance leases. Lease terms vary from 3 to 5 years depending on the type of asset. For the year ended 31 December 2005, the average effective borrowing rate was 3.5% (2004: 3.8%). Interest rates are fixed at the contract date, and thus expose the Company to fair value interest rate risk. All leases are on a fixed repayment basis.

Company lease obligations at 31 December 2005 and 31 December 2004 are denominated in Euro.

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

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

18. Trade and other payables

	2005	2004
	€m	€m
Trade creditors	1.9	0.1
Accruals	3.7	5.1
Amounts owned to Group companies	48.8	46.3
	54.4	51.5
Less: amounts due for settlement within		
12 months (shown under current liabilities)	53.1	51.5
Amounts due for settlement after 12 months	1.3	-

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

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

Included in accruals is an amount of €1.5 million due to the Merchant Navy Officers Pension Fund to eliminate the company share of an actuarial deficit (see note 3). Of this amount, €0.2 million is due within 12 months and the balance is payable after 12 months.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

19. Claims provision

	€m
At 1 January 2004 and 1 January 2005	0.6
Release of overprovision	(0.5)
At 31 December 2005	0.1

The claims provision comprises the insurance excess payable by the Company in a number of routine potential compensation claims, principally from passengers. It is estimated that these claims will be settled within one year.

20. Non-cash transactions

Additions to property, plant and equipment during the year amounting to €0.1 million (2004: €0.6 million) were financed by new finance leases.

21. Commitments

	2005 €m	2004 €m
Commitments for the acquisition of property, plant and equipment	1.6	2.1

22. Operating lease arrangements

	2005 €m	2004 €m
Minimum lease payments under operating leases recognised as expense in the year	0.1	0.1

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

	2005 €m	2004 €m
Within one year	0.1	0.1

Operating lease payments represent rentals payable by the Company for one of its office properties. This lease can be terminated with six months notice. Property rentals are fixed for an average of three years.

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

23. Share-based payments

The Group operates equity settled share option schemes. Certain employees of the Company 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, most recently in 1994. 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 were amended 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 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 annum above inflation of the period.

The number of shares over which options may be granted may not exceed 10% of the shares of the Company in issue.

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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

23. Share-based payments - continued

	2005		2004	
	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	2,112,700	7.97
Granted during the year	252,500	10.00	-	-
Forfeited during the year	(17,500)	5.30	(40,500)	5.94
Exercised during the year	(7,500)	5.54	(135,700)	5.76
Expired during the year	-	-	-	-
Outstanding at 31 December	2,164,000	8.42	1,936,500	8.17
Exercisable at 31 December	550,000	6.44	220,000	5.74
Weighted average share price at date of exercise of options		9.97		11.42
Weighted average remaining contractual life of options outstanding at year end		4.5 yrs		4.9 yrs

Options issued after 7 November 2002

In 2005, options were granted on 13 April. The estimated fair values of the options granted at that date is €4.01 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 Black-Scholes option pricing model. 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
Weighted average share price	€10
Weighted average exercise price	€10
Expected volatility	36%
Expected life	10 years
Risk free rate	3.293%
Expected dividend yield	1.69%

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

23. Share-based payments - continued

Expected volatility was determined by calculating the historical volatility of the Company's 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 2005 the Company recognised total expenses of €0.04 million (2004: €nil) relating to equity share-based payment transactions.

24. Retirement benefit plans

Employees of the Company are members of one of three retirement benefit pension schemes. Certain employees of the Company are members of a defined benefit pension scheme which is sponsored by another Group Company, Irish Ferries Limited. The stated policy between the sponsoring entity and the Company does not require the Company to recognise the net defined benefit in its individual financial statements. Consequently the Company recognises a retirement benefit cost in its income statement in respect of this scheme equal to its contribution payable for the year. Detailed information in respect of this scheme is given in note 34 to the Consolidated Financial Statements.

Other employees of the Company are members of the ICG Executive Pension Scheme. Information in respect of this scheme is detailed below.

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund. This is a multi-employer defined benefit scheme. Further information on this scheme is given in note 3 to these accounts.

The contributory defined benefit pension schemes sponsored by Group companies provide retirement and death benefits for employees. The assets of these schemes are held separately from those of the Group in funds under the control of trustees. The pensions charge and payments in respect of the schemes are in accordance with the advice of professionally qualified actuaries.

The latest actuarial valuation report for the ICG Executive Pension Scheme, which is not available for public inspection, is dated 1 July 2004. The valuation employed for disclosure purposes has been based on the most recent funding valuations for the scheme adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2005 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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

24. Retirement benefit plans - continued

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

	2005 %	2004 %
Discount rate	4.25	4.75
Inflation rate	2.25	2.25
Rate of increase of pensions payment	2.25	2.25
Rate of general salary increases	3.75	3.75

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

	2005 %	2004 %
Equities	7.25	7.25
Bonds	3.60	4.25
Property	6.25	6.25
Other	2.00	2.00

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.

The amount recognised in the balance sheet in respect of the ICG Executive Pension defined benefit plan is as follows:

	Schemes with liabilities in Euro	
	2005 €m	2004 €m
Equities	1.1	0.6
Bonds	0.1	0.2
Property	0.2	0.1
Other	-	0.1
Market value of scheme assets	1.4	1.0
Present value of scheme liabilities	(2.0)	(1.6)
Deficit in schemes	(0.6)	(0.6)

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

24. Retirement benefit plans - continued

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

	2005 €m	2004 €m
Charged to operating costs		
Current service cost	0.1	0.1

Amounts recognised in the Company Statement of Recognised Income and Expense in respect of the defined benefit plan are as follows:

	2005 €m	2004 €m
Actual return less expected return on scheme assets	0.2	0.1
Experience loss on scheme liabilities	(0.1)	(0.2)
Loss due to change in assumptions used to value liabilities	(0.1)	(0.2)
Actuarial loss recognised in Company Statement of Recognised Income and Expense	-	(0.3)

The movement in the fund deficit during 2005 and 2004 is as follows:

	€m
Net deficit in pension scheme at 1 January 2004	(0.3)
Movements in year:	
Current service cost	(0.1)
Contributions paid	0.1
Actuarial loss	(0.3)
Net deficit in pension scheme at 1 January 2005	(0.6)
Movements in year:	
Current service cost	(0.1)
Contributions paid	0.1
Net deficit in pension scheme at 31 December 2005	(0.6)

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

25. Contingent liabilities

Pursuant to the provision of Section 17 of the Companies (Amendment) Act, 1986, the 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 €3.0 million.

The company has also provided Letters of Financial Support for certain of its other subsidiaries.

The Company has provided a guarantee in respect of certain leasing obligations arising in a subsidiary company amounting to a current value of €18.0 million in present value terms (2004: €15.7 million). The directors consider that no obligation had arisen at the balance sheet date nor is likely to arise.

26. Related party transactions

Subsidiary companies

The Company does not trade with any of its subsidiary companies. During the year it advanced or received funds to and from these companies. Net funds received from subsidiaries during the year amounted to €19.9 million.

At 31 December the following amounts were due to or from the Company from its subsidiaries:

	2005 €m	2004 €m
Amounts due from subsidiary companies (note 9)	117.4	102.4
Amounts due to subsidiary companies (note 18)	(48.8)	(46.3)
	<u>68.6</u>	<u>56.1</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. €1.4 million has been recognised in the period for bad debts in respect of the amounts owed by related parties.

Compensation of key management personnel

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

	2005 €m	2004 €m
Short-term benefits	1.5	1.5
Post-employment benefits	0.2	0.1
	<u>1.7</u>	<u>1.6</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 Company.

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

27. Reconciliation of impact of IFRS on the financial statements

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) 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 has resulted in changes to the Group's accounting policies in the following areas that have affected the amounts reported for the current or prior years:

- Share-based payments (IFRS 2);
- Property, Plant & Equipment (IAS 16);
- Employee Benefits (IAS 19);
- Financial Instruments: Recognition and measurement (IAS 39).

The impact of these changes in accounting policies is discussed in detail later in this note.

These changes in accounting policies have had no effect on the company income statement or cashflow statement. The impact on the company statement of recognised gains and losses for the year ended 31 December 2004 and the company balance sheet at 1 January 2004 and 31 December 2004 is set out below.

(a) Reconciliation of impact of IFRS on the Company 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	Under IFRS €m
Actuarial loss on retirement obligations	-	(0.3)	(0.3)
Profit for the period	7.7	-	7.7
Net income recognised directly in equity	7.7	(0.3)	7.4

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

27. Reconciliation of impact of IFRS on the financial statements - continued

(b) Company balance sheet at 1 January 2004

	Impact of transition to IFRS			
	Under Irish GAAP €m	IAS 19 €m	IAS 38 €m	Under IFRS €m
Assets				
<i>Non current assets</i>				
Intangible assets	-	-	0.3	0.3
Property, plant & equipment	15.8	-	(0.3)	15.5
Financial assets	11.1	-	-	11.1
	26.9	-	-	26.9
<i>Current assets</i>				
Inventories	0.2	-	-	0.2
Trade & other receivables	108.9	-	-	108.9
	109.1	-	-	109.1
Total assets	136.0	-	-	136.0
Equity and liabilities				
<i>Capital and reserves</i>				
Called-up share capital	15.7	-	-	15.7
Shared premium	38.9	-	-	38.9
Capital redemption reserve	2.1	-	-	2.1
Retained earnings	13.3	(0.3)	-	13.0
Shareholders' funds	70.0	(0.3)	-	69.7
<i>Non current liabilities</i>				
Obligations under finance leases	0.2	-	-	0.2
Retirement benefit obligation	-	0.3	-	0.3
	0.2	0.3	-	0.5
<i>Current liabilities</i>				
Trade & other payables	59.9	-	-	59.9
Current tax liabilities	1.2	-	-	1.2
Obligations under finance leases	0.4	-	-	0.4
Bank loans and overdrafts	3.0	-	-	3.0
Provisions	1.3	-	-	1.3
	65.8	-	-	65.8
Total liabilities	66.0	0.3	-	66.3
Total equity and liabilities	136.0	-	-	136.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS
for the year ended 31 December 2005 - continued

27. Reconciliation of impact of IFRS on the financial statements - continued

(c) Company balance sheet at 31 December 2004

	Impact of transition to IFRS			
	Under Irish GAAP €m	IAS 19 €m	IAS 38 €m	Under IFRS €m
Assets				
<i>Non current assets</i>				
Intangible assets	-	-	2.5	2.5
Property, plant & equipment	17.0	-	(2.5)	14.5
Financial assets	11.1	-	-	11.1
	28.1	-	-	28.1
<i>Current assets</i>				
Inventories	0.1	-	-	0.1
Trade & other receivables	104.6	-	-	104.6
Cash and cash equivalents	2.2	-	-	2.2
	106.9	-	-	106.9
Total assets	135.0	-	-	135.0
Equity and liabilities				
<i>Capital and reserves</i>				
Called-up share capital	15.8	-	-	15.8
Share premium	39.6	-	-	39.6
Capital redemption reserve	2.1	-	-	2.1
Retained earnings	7.6	(0.6)	-	7.0
Shareholders' funds	65.1	(0.6)	-	64.5
<i>Non current liabilities</i>				
Bank loans	17.0	-	-	17.0
Deferred tax liabilities	0.1	-	-	0.1
Obligations under finance leases	0.4	-	-	0.4
Retirement benefit obligations	-	0.6	-	0.6
	17.5	0.6	-	18.1
<i>Current liabilities</i>				
Trade & other payables	51.5	-	-	51.5
Provisions	0.6	-	-	0.6
Obligations under finance leases	0.3	-	-	0.3
	52.4	-	-	52.4
Total liabilities	69.9	0.6	-	70.5
Total equity and liabilities	135.0	-	-	135.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

27. Reconciliation of impact of IFRS on the financial statements - continued

IFRS 2 Share-based Payment

IFRS 2, *Share-based Payment*, requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of IFRS 2, the Company did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of IFRS 2, the Standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005, and to liabilities for share-based transactions existing at 1 January 2005. The Standard therefore applies to share options granted in 2005.

For 2005 the impact of share-based payments is a net charge to income of €0.04 million (share-based payment expense of €0.04 million net of deferred tax impact of €nil). At 31 December 2005, the share options reserve amounted to €0.04 million.

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.

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 31 December 2005 - continued

27. Reconciliation of impact of IFRS on the financial statements - continued

IAS 19 Employee Benefits

IAS 19, *Employee Benefits*, requires post retirement benefits that qualify as Defined Benefit pension schemes to be presented on the Company Balance Sheet. Previously no Retirement Benefit asset or liability was shown in the Company Financial Statements, although the Company 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 Pension Scheme over the estimated average remaining service lives of the employees. Under IFRS the defined benefit pension charge in the Income Statement is based on current service cost and a financing charge or credit.

The Company has opted for full recognition of pension deficits or surpluses on the Balance Sheet under IFRS. The surplus arising on the Company'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 credit method, have been recognised in full resulting in the recognition of a Retirement Benefit obligation of €0.3 million at 1 January 2004 and a corresponding decrease in reserves.

Accounting for Defined Contribution plans remains unchanged under IFRS. Some ships' officers employed in the Company are members of the Merchant Navy Officers Pension Fund (MNOFP), a defined benefit multi-employer retirement plan. The Group feels that insufficient information is available on an ongoing basis to account for the MNOFP scheme as a defined benefit plan and therefore will continue to account for it as a defined contribution scheme.

IAS 39 Financial Instruments: Recognition and measurement

The Company's activities expose it to risks in relation to changes in foreign currency exchange rates and interest rates. The Company uses foreign exchange forward contracts and interest rate swaps to hedge these exposures. Under Irish GAAP these financial instruments were not recognised on the balance sheet of the Company.

Under IAS 39 interest rate swaps entered into by the Company are treated as cashflow hedges and all derivative financial instruments are held in the Company Balance Sheet at their fair value.

This standard is effective for annual periods beginning on or after 1 January 2005 and was adopted by the Company at that date. At 31 December 2005 this results in an increase in trade and other receivables of €0.043 million, with a corresponding increase in retained earnings.

28. Comparative amounts

Comparative amounts have been regrouped where necessary on the same basis as those for the current year.

29. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 3 March 2006.

INVESTOR INFORMATION

ICG units

An ICG unit consists of one Ordinary Share and ten Redeemable Shares (or such lesser number thereof should any of the Redeemable Shares be redeemed). The shares comprising a unit are not separable for sale / transfer purposes.

The number of Redeemable Shares comprised in an ICG Unit at any particular time will be displayed on the Irish Continental Group plc website (www.icg.ie). The redemption of redeemable shares is solely at the discretion of the directors.

At 3 March 2006 an ICG unit consisted of one Ordinary share and five Redeemable shares.

Redemption of redeemable shares

The Board of Directors, at its discretion, may, from time to time, redeem some or all of the Redeemable Shares at a premium over their nominal value. Shareholders are offered the option of having any distributions paid in Euro or in Pounds Sterling and made by way of cheque payment or electronic transfer. Shareholders should contact the Company's Registrars for further information.

The Company is obliged to deduct Dividend Withholding Tax (DWT) at the standard rate of income tax in Ireland (currently 20%) from dividends paid to its shareholders, unless a shareholder is entitled to an exemption from DWT and has returned a declaration form to the Company's Registrars claiming such entitlement.

Shareholder analysis at 3 March 2006

Range of ICG units held	Number of shareholders	%	Number of units	%
Over 100,000	35	1.6	17,776,707	73.3
10,001 - 100,000	114	5.0	3,083,116	12.7
5,001 - 10,000	149	6.6	1,086,444	4.5
1,001 - 5,000	765	33.8	1,793,617	7.4
1 - 1,000	1,200	53.0	511,074	2.1
Total	2,263	100%	24,250,958	100%

ICG unit price data (€)

	High	Low	Year end
Year ended 31 December 2005	12.20	9.25	10.78
Year ended 31 December 2004	12.80	8.90	11.55

Share listings

ICG units are traded on the Irish Stock Exchange. ICG units are quoted on the official lists of both the Irish Stock Exchange and the UK Listing Authority.

ICG's ISIN code is IE0033336516

ICG is a member of the CREST share settlement system. Shareholders may choose to hold paper share certificates or hold their shares in electronic form.

Investor Relations

Please address investor enquiries to:

Irish Continental Group plc, Ferryport, Alexandra Road, Dublin 1

Telephone: +353 1 855 22 22 Fax: +353 1 855 22 68 E-mail: investorrelations@icg.ie

INVESTOR INFORMATION - CONTINUED

Registrar

The company's registrar deals with all administrative queries about the holding of ICG units. Shareholders should contact the Registrar in order to:

- Register to receive shareholder information electronically.
- Elect to receive any distributions from the company by bank transfer.
- Amalgamate accounts where shareholders have multiple accounts in their name, to avoid duplicate sets of Company mailings being sent to one shareholder.

The registrar also offers a share dealing service to shareholders.

The company's registrar is:

Computershare Investor Services (Ireland) Ltd,

Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18

Telephone: +353 1 216 31 00 Fax: +353 1 216 31 51 E-mail: web.queries@computershare.co.uk

Financial calendar 2006

Announcement of preliminary Statement of Results to 31 Dec 2005	6 Mar 2006
Annual General Meeting	3 May 2006
Proposed payment date of premium on redemption of Redeemable Shares	26 May 2006

Annual General Meeting 2006

The Annual General Meeting of shareholders will be held on Wednesday 3 May, in the Davenport Hotel, Merrion Square, Dublin 2, at 11am. The Notice of Annual General Meeting is set out on pages 102 to 103 in the Annual Report.

Travel discounts for Shareholders

Registered shareholders of 100 or more ICG shares can avail of a discount when travelling with Irish Ferries. The availability of the discount, the conditions applicable and the level of discount are subject to review and are varied from time to time. The principal features of the scheme at 3 March 2006 are:

- 20% discount on passenger & car ferry services between Ireland & Britain;
- 10% discount on passenger & car ferry services between Ireland & France (direct sailings only);
- 5% discount on Irish Ferries inclusive package holidays (incorporating travel with Irish Ferries)

To qualify for the discount the person travelling must be the registered holder of the shares, book online at www.irishferries.com, and apply for the discount at the time of booking. The discount is not available in conjunction with any other discount scheme.

For further information please contact Irish Ferries Customer Support in Dublin on +353 1 855 2222 or e-mail shareholders@irishferries.com.

Other information

Registered office	Ferryport, Alexandra Road, Dublin 1
Solicitors	A&L Goodbody, Dublin DLA Piper, Liverpool
Auditors	Deloitte & Touche, Chartered Accountants and Registered Auditors, Dublin
Principal bankers	IIB Bank Ltd, Dublin AIB Bank, Dublin
Stockbrokers	NCB Stockbrokers Ltd, Dublin
Registrars	Computershare Investor Services (Ireland) Ltd, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18

Website: www.icg.ie

Email: info@icg.ie

Reuters: ICG_u.i

Bloomberg: ICGc

Telerate: icg.u

ISE Extra: IRS

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