IRISH CONTINENTAL GROUP

INTERIM RESULTS

FOR THE PERIOD ENDED 30 JUNE 2007

Highlights		**Six months to 30th June**		**Financial Year**
		2007	**2006***	**2006**
Revenue		€163.2m	€141.8m	€312.1m
Trading Profit		€16.4m	€2.6m	€32.2m
Non Recurring (Charge) / Credit		€(16.5m)	-	€0.7m
Operating (Loss) / Profit		€(0.1)m	€2.6m	€32.9m
EPS	Basic	(6.8)c	10.2c	137.4c
	Diluted	-	10.2c	136.9c
EPS	Adjusted	50.8c	(1.7)c	108.5c
	Adjusted Diluted	49.4c	-	108.1c

*2006 results have been restated to reflect changes in accounting policies adopted for the financial year 2006.

John B. McGuckian
Chairman
10 September 2007

Enquiries: Eamonn Rothwell Tel: +353-1-6075628
Garry O'Dea Tel: +353-1-6075628
Email: info@icg.ie
Website: www.icg.ie

PRELIMINARY STATEMENT OF RESULTS
FOR THE SIX MONTHS TO 30TH JUNE 2007

RESULTS

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

NON RECURRING ITEM

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

REDEMPTION OF REDEEMABLE SHARES

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

OPERATIONAL REVIEW

Ferries Division

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

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

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

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

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

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

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

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

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

Container and Terminal Division

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

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

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

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

FINANCE

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

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007

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

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

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

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

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

Analysed as follows:

Share capital	16.0
Share premium	41.5
Other reserves	5.2
Retained earnings	113.2
	175.9

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

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

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

	30 June 2007 €m	As restated 30 June 2006 €m	31 Dec 2006 €m
Operating activities			
(Loss) / profit for the period	(1.6)	2.4	32.3
Adjustments for:			
Finance costs (net)	0.9	-	(0.4)
Income tax expense	0.6	0.2	1.0
Retirement benefit obligation – service cost	1.2	1.5	3.2
Retirement benefit obligation – payments	(1.1)	(0.5)	(1.7)
Depreciation of property, plant and equipment	15.7	12.6	26.5
Amortisation of intangible assets	0.5	0.5	1.1
Amortisation of deferred income	-	(0.1)	(0.1)
Share based payment expense	0.3	-	0.4
Gain on disposal of property, plant and equipment	-	-	(0.2)
Restructuring programme payments	-	(36.3)	(35.4)
Increase in restructuring provisions	-	-	3.7
Increase / (decrease) in other provisions	0.7	-	(0.5)
Operating cash flow before movements in working capital	**17.2**	**(19.7)**	**29.9**
Increase in inventories	(0.2)	(0.2)	-
Decrease / (increase) in receivables	7.4	(7.7)	(15.9)
Increase in payables	22.9	15.8	2.4
Cash generated from operations	**47.3**	**(11.8)**	**16.4**
Income taxes paid	(0.2)	(1.0)	(1.7)
Interest paid	(4.4)	(3.0)	(6.0)
Net cash from operating activities	**42.7**	**(15.8)**	**8.7**
Investing activities			
Interest received	0.6	0.4	0.3
Proceeds on disposal of property, plant and equipment	-	-	0.2
Purchases of property, plant and equipment	(51.0)	(8.1)	(11.4)
Purchase of intangible assets	(0.3)	(0.3)	(0.6)
Net cash used in investing activities	**(50.7)**	**(8.0)**	**(11.5)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2007

Financing activities

Redemption of redeemable shares	-	(4.5)	(7.2)
Repayments of borrowings	(50.0)	(18.6)	(11.8)
Repayments of obligations under finance leases	(1.3)	(1.8)	(4.0)
Proceeds on issue of share capital	1.0	0.9	1.1
New bank loans raised	62.5	44.7	19.6
New finance leases raised	0.1	2.2	2.4
Increase / (decrease) in bank overdrafts	4.4	(0.1)	-
Net cash from financing activities	**16.7**	**22.8**	**0.1**
Net increase / (decrease) in cash and cash equivalents	8.7	(1.0)	(2.7)
Cash and cash equivalents at the beginning of the year	**11.0**	**14.0**	**14.0**
Effect of foreign exchange rate changes	(0.7)	(0.5)	(0.3)
Cash and cash equivalents at the end of the year			
Bank balances and cash	19.0	12.5	11.0

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2007

1. Accounting policies

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

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

2. Segmental information: Analysis by class of business

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

3. Change in accounting policy

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

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

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

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

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

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

4. Earnings per share

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

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

Earnings	**€m**	**€m**	**€m**
Earnings for the purpose of basic earnings per share - (Loss) / profit for the year attributable to equity holders of the parent	(1.6)	2.4	32.3
Earnings for the purpose of diluted earnings per share	(1.6)	2.4	32.3
Earnings for the purpose of basic earnings per share - (Loss) / profit for the year attributable to equity holders of the parent	(1.6)	2.4	32.3
Effect of non recurring charge / (credit)	16.5	-	(0.7)
Effect of expected return on defined benefit pension scheme assets	(9.6)	(7.8)	(17.8)
Effect of interest on defined benefit pension scheme liabilities	6.7	5.0	11.7
Earnings for the purpose of adjusted earnings per share	12.0	(0.4)	25.5

Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	23.6	23.5	23.5
Effect of dilutive potential ordinary shares: Share options	0.7	0.1	0.1
Weighted average number of ordinary shares for the purpose of diluted adjusted earnings per share	24.3	23.6	23.6

5. Property, plant and equipment

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

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

6. Intangible Assets

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

7. Net debt

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

8. Tax

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

9. Retirement benefit schemes

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

10. Related party transactions

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

11. Board Approval

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