



IRISH CONTINENTAL GROUP

INTERIM MANAGEMENT STATEMENT

Financial Highlights	Q3	Q3	9 months to the	
	2014	2013	2014	2013
	€m	€m	€m	€m
Revenue	93.4	84.7	224.1	205.6
EBITDA	28.1	26.9	42.1	42.7
Operating Profit	23.8	22.3	29.0	28.7

Current trading

In the seasonally most significant quarter of the year, the three months to the end of September, Group revenue rose 10.3% to €93.4 million (2013: €84.7 million) while EBITDA rose to €28.1 million, compared with €26.9 million in the same quarter in 2013. Operating profit in the quarter was €23.8 million versus €22.3 million in the same period in 2013. Summer trading has been encouraging across most business areas, with volume and revenue growth in the passenger, car and Roll on Roll Off (RoRo) segments, partially offset by weaker container freight volumes. Fuel costs in the quarter were €14.3 million (2013: €12.7 million) due to the additional sailings of the Epsilon, partially offset by lower fuel prices.

Volumes 1 July – 15 November

In the 20 weeks from 1 July 2014 to 15 November 2014 total passengers carried increased by 8%, while cars carried increased by 11%. In the RoRo freight market, Irish Ferries volumes were up 26% in the four and a half months. Container freight volumes for the same period were down 4% at 105,000 teu, due to lower feeder traffic, while units lifted at our ports were up 5% at 73,000 lifts.

Year to Date Volumes

Cumulatively, in the 46 weeks to 15 November 2014, total passengers carried were up 5% at 1,507,500, while cars carried were up 9% at 347,200. RoRo freight volumes in the same period were up 22% on last year at 216,200 units. Container freight volumes were down 1% at 247,700 teu, while units handled at our port terminals in Dublin and Belfast rose by 6% to 165,700 lifts.

Cumulative Financial Results to the end of September (unaudited)

Group revenue for the nine months to the end of September 2014 was €224.1 million (2013: €205.6 million), up 9.0%. Revenue in the Ferries division was up 13.0% compared with the comparable period in 2013, while in the Container & Terminal division cumulative revenue was up 2.5% year on year. EBITDA for the nine months was €42.1 million (2013: €42.7 million), reflecting the additional operational costs of the Epsilon which was introduced in late 2013. Operating profit for the nine months was €29.0 million compared with €28.7 million in the same period in 2013. Net debt at the end of September was €57.6 million compared with €71.9 million at 30 June 2014. Subsequent to the quarter end the interim dividend of €6.4 million was paid.

Pensions

Separately, on 16 October 2014, the company announced that the Pensions Authority had sanctioned the implementation of the deficit funding proposal in respect of the main Irish Ferries Pension Scheme. Under the terms of the proposal, the company will make deficit payments to the scheme of €1.5 million per annum for a projected period of 10 years to 2023, or, until the deficit is eliminated, if earlier, with additional payments of €0.5 million per annum to an escrow account over the same period, the balance of which will also be payable to the Scheme in certain circumstances.

Sulphur Directive

The EU Sulphur Directive will come into force on the North Sea and the English Channel in approximately six weeks (1 January 2015). This will reduce the permissible level of sulphur in fuel consumed in those areas from 1% to 0.1 %. For the Group the main impact will be to require vessels in the Eucon fleet to burn 0.1 % sulphur fuel while in the English Channel. In Irish Ferries (until 2020 at least) the impact will be limited to the section of the Ireland / France route which falls within the English Channel. As 0.1% sulphur fuel is considerably more expensive than fuel with 1% sulphur content, the Group is engaging with its customers on the requirement to recover this additional environmental cost, which must be borne by the end user.

Dublin

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