

# ICG Profile

Capital  
Employed  
2005

## 1. Irish Ferries

Biggest ferry company operating between UK /  
Continent and Republic of Ireland.

- Modern fleet of large ships
- Key slots - barriers to entry
- Significant operational gearing
- Significant restructuring of crew costs complete
- Strong free cash flow

63%

## 2. Ship Chartering Division

Diversified ship charter business.

26%

## 3. Container Division

- Largest container stevedoring terminal in Ireland
- Biggest container operator between Ireland and the Continent

11%

# ICG - Financial Performance

	2005 €m	2004 €m
Turnover	298.7	293.3
EBITDA*	46.7	49.4
EBIT*	19.0	23.3
PBT*	14.3	17.9
Exceptional Restructuring Charges	29.1	12.4
<i>Adjusted EPS (cent)**</i>	<i>57.9</i>	<i>76.2</i>
<i>Dividend (Redemption) per Share (cent)</i>	<i>29.1</i>	<i>25.9</i>
Net Debt	105.9	117.9
Net Equity	138.6	150.5

\* Pre exceptional

\*\* Adjusted EPS is EPS before exceptional charges

# Container Division

	2005 €m	2004 €m	
Turnover	136.4	129.8	+5.1%
EBITDA	7.9	5.5*	+43.6%
Depreciation/ Amortisation	<u>(3.7)</u>	<u>(3.0)</u>	+23.3%
Operating Profit	<u>4.2</u>	<u>2.5</u>	+68.0%

■ Before exceptional item of €1.5m

# Operations

- **Container Routes**

- **Ireland / Continent**

- Door to Door plus Quay to Quay**

- **UK / Continent**

- Quay to Quay container movement**

- **Port Ownership**

- **Container Terminal in Dublin (“DFT”)**

# Container Routes



14 ships

13 ports

19 routes

# Market Share – LoLo 2005 (est.)

*All Ireland  
(UK & Continent)*

*%*

Peel Holdings	33
ICG	24
Samskip	16
Norfolk Line (Maersk)	9
C2C	8
Others	10
<b>Total</b>	<b>100</b>



# Container Terminal Market

## 1.3 Million Teu in 2005

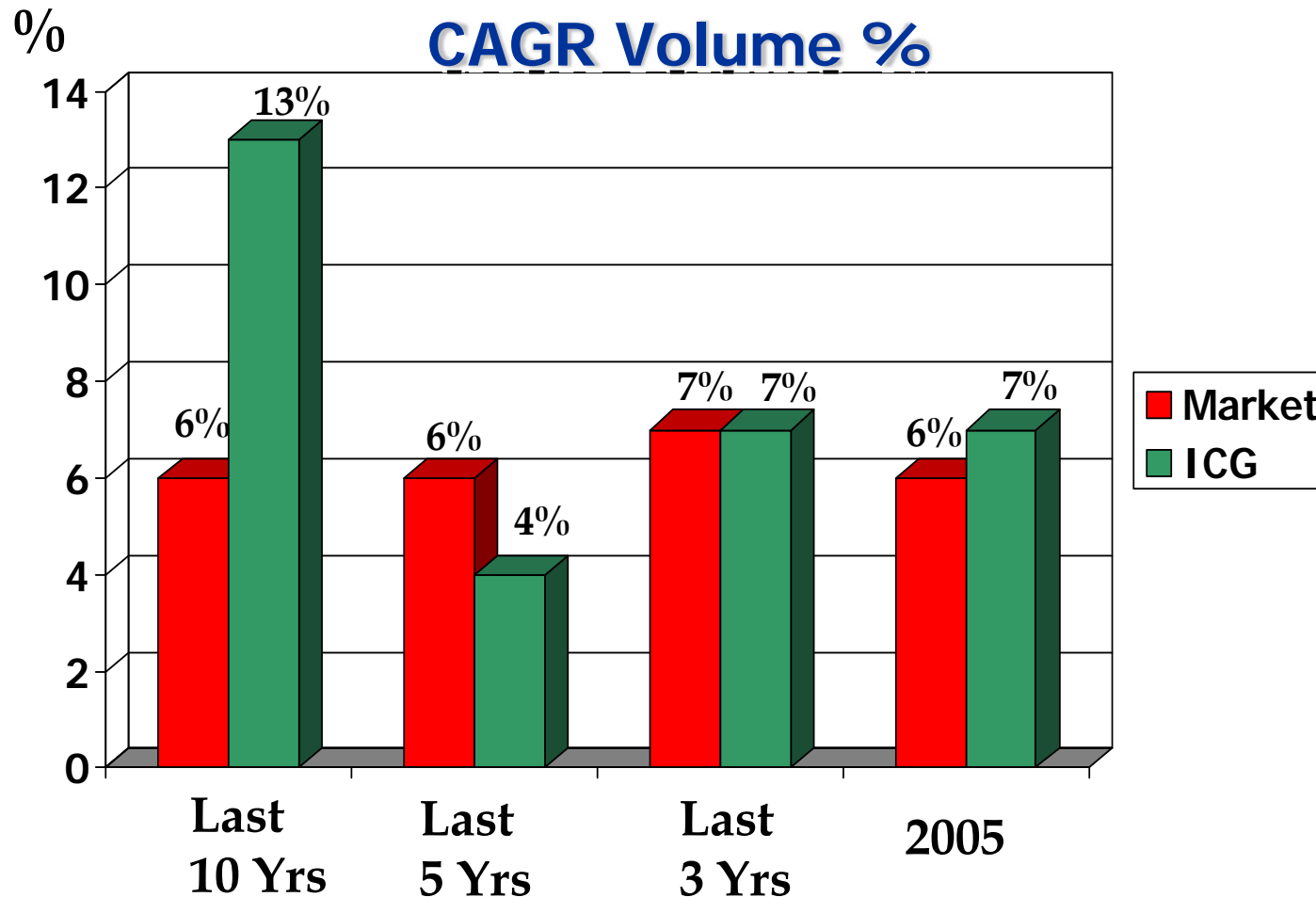
- 150 year lease of 33 acres from 1971
- Capacity of terminal increased by 50% (July 2004)
- Direct access to new Port Tunnel (2<sup>nd</sup> half 2006)
- 480 metres of berths 9 – 11 metres depth.



# Container Handling in Ireland

## Market Share 22%

2005





# Ferries Division

	2005 €m	2004 €m	
Turnover	162.7	164.3	-1.0%
EBITDA	38.8*	43.9*	-11.6%
Depreciation/ Amortisation	<u>(24.0)</u>	<u>(23.1)</u>	+3.9%
Operating Profit	<u>14.8</u>	<u>20.8</u>	-28.8%

\* Before restructuring charges

# Operations

- **Irish Ferries**
  - **Ireland – UK**
    - 4,500 sailings per annum
  - **Ireland – France**
    - 300 sailings per annum
  
- **Ship chartering**
  - 2 vessels chartered to P&O

# Ship Chartering Division

Pride of Bilbao



Night Ferry; 2400  
beds, 580 cars,  
built 1986

Day Ferry; 600  
cars or 108 trucks  
built 1995

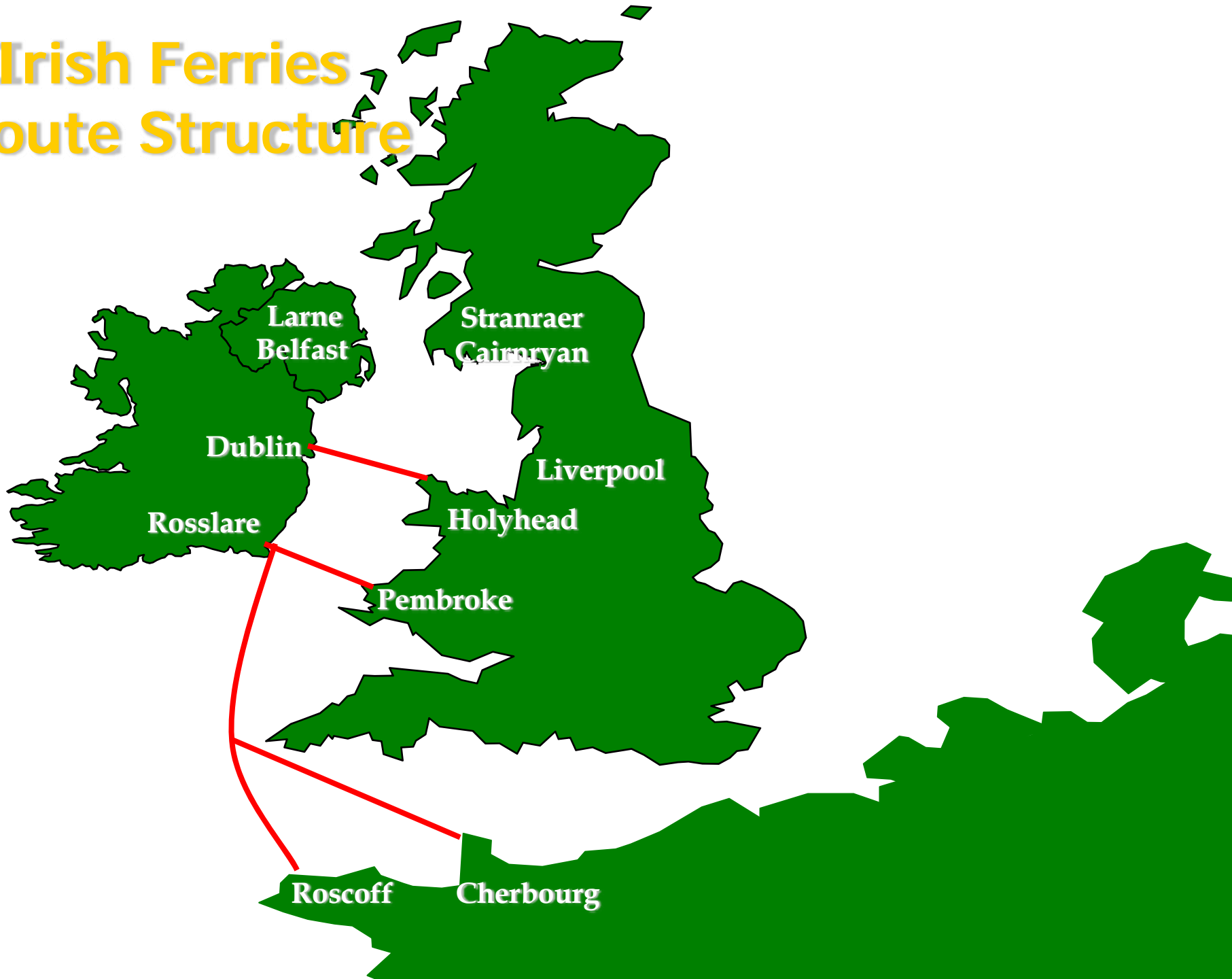


Challenger

# Ship Chartering Division

- Use of ship market knowledge and balance sheet strength to avail of potential charter opportunities in ferry and container shipping markets.
- “Pride of Bilbao” on charter to P&O since 1992. Next optional renewal date October 2007. “Challenger” on charter to P&O, has ultimately been subchartered to Toll Shipping pty, for service in New Zealand. Renewal date July 2007. Option declarations by January 2007.
- €54 million (at average ‘05 exchange rates) over 5 years for 2 ships, giving cash returns of 14.5% p.a. on average book value over period.

# Irish Ferries Route Structure



# **Irish Ferries Route Structure**

- **Focus on short routes with high utilisation of ships.**
- **Major barriers to entry in Holyhead & Pembroke for key slots**
- **UK / Rep. Ireland Routes**
  - **Over 91% of cars travel on short routes into Dublin and Rosslare**
  - **Over 54% of RoRo units travel on short routes into Dublin and Rosslare**

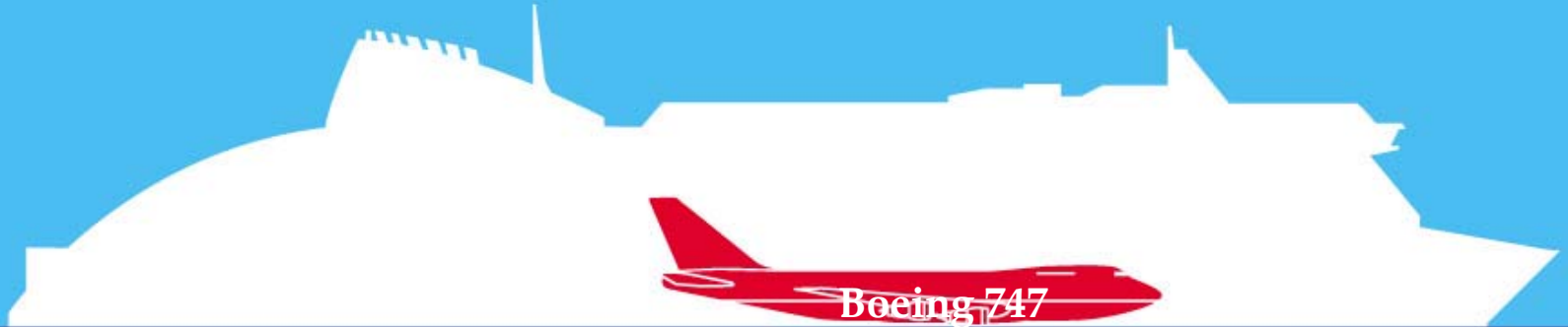


# Irish Ferries - Ships





# Ulysses



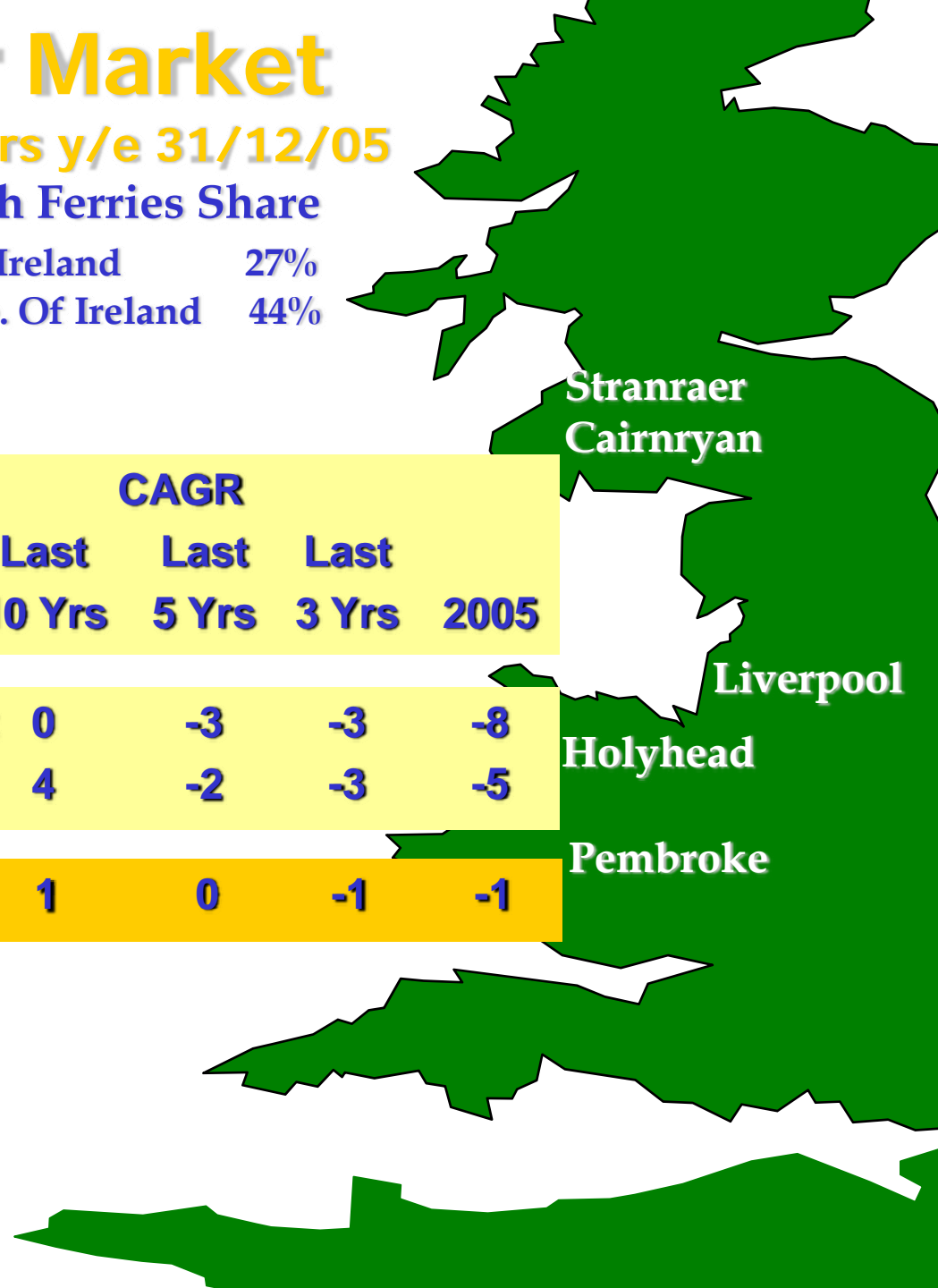
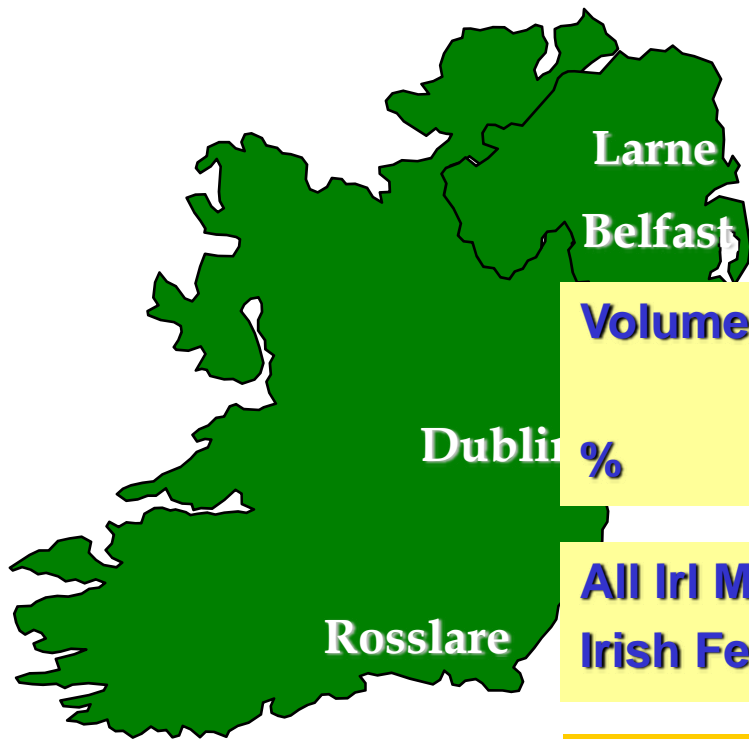
Boeing 747

# Car Market

1.4m Cars y/e 31/12/05

## Irish Ferries Share

- All Ireland 27%
- Rep. Of Ireland 44%



Volume	CAGR			
	Last 10 Yrs	Last 5 Yrs	Last 3 Yrs	2005
%				

All Irl Market	0	-3	-3	-8
Irish Ferries	4	-2	-3	-5

Car Yield	1	0	-1	-1
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# Market Share – Cars 2005

	<i>Rep. of Ireland (UK &amp; Continent)</i>	<i>All Ireland (UK &amp; Continent)</i>
	<i>%</i>	<i>%</i>
<b>Irish Ferries</b>	<b>44</b>	<b>27</b>
<b>Stena Line</b>	<b>45</b>	<b>47</b>
<b>P&amp;O Irish Sea</b>	<b>2</b>	<b>16</b>
<b>Irish Sea Express*</b>	<b>2</b>	<b>1</b>
<b>Swansea Cork</b>	<b>4</b>	<b>3</b>
<b>Norfolk Line (Maersk)</b>	<b>1</b>	<b>5</b>
<b>Brittany Ferries</b>	<b>2</b>	<b>1</b>
<b>Total</b>	<b>100</b>	<b>100</b>

\* Now ceased operations

# Irish Ferries - Distribution

## Car Booking Report Calendar Year 2005

### All Markets

Share  
2005  
%

Call Centres	24
At our Ports	9
Internet	<u>43</u>
Direct	<u>76</u>
Travel Trade	<u>24</u>
Total	100





**Even if the airlines could take  
your car, they'd probably lose it!**



One-Way  
From

**69**

**IRELAND**  
with your car, taxes included

**For real low cost travel, take your car with Irish Ferries.**



Book 48 hrs. in  
advance – see  
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Call 08705 17 17 17.

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# RoRo Freight Market

1.6m Freight Units y/e 31/12/05

## Irish Ferries Share

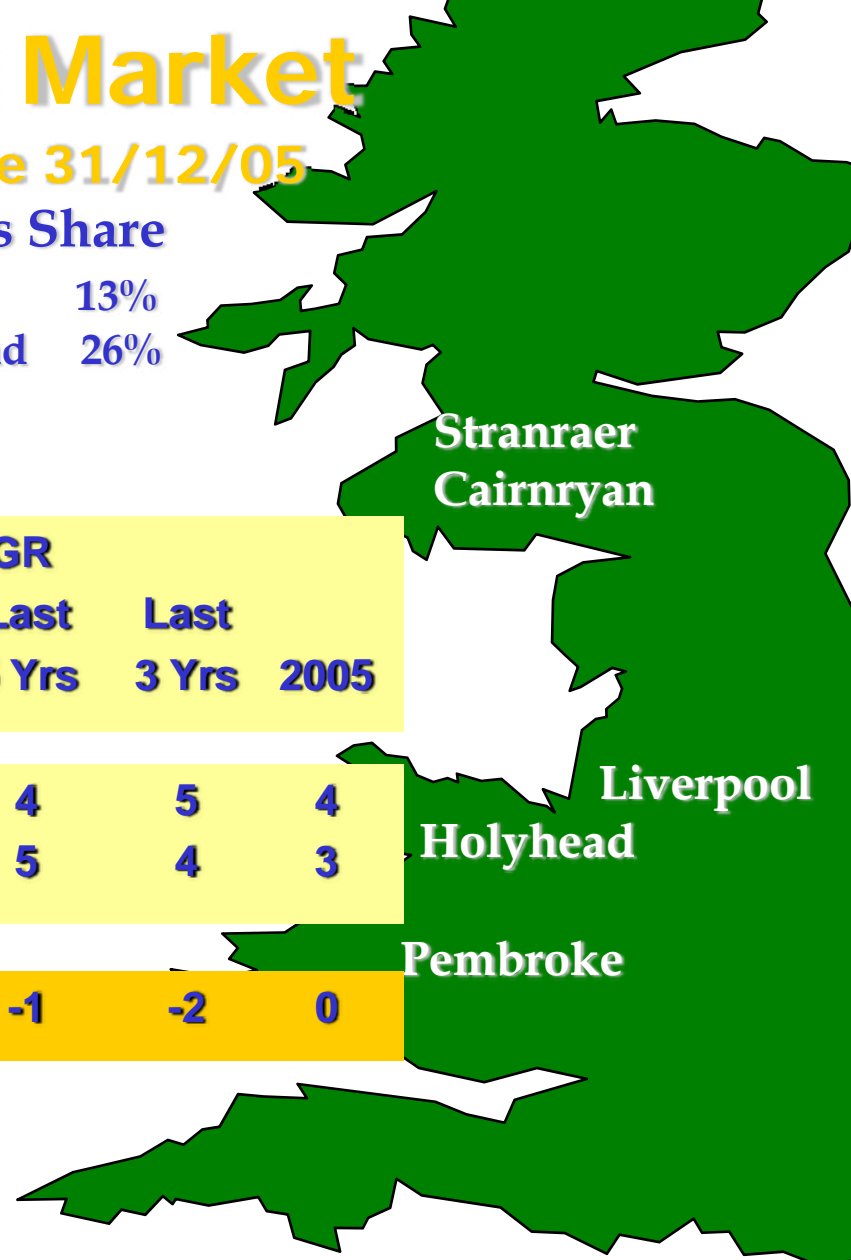
- All Ireland 13%
- Rep. Of Ireland 26%



Volume %	CAGR			
	Since 1992	Last 5 Yrs	Last 3 Yrs	2005

All Irl Market	6	4	5	4
Irish Ferries	12	5	4	3

Freight Yield	-1	-1	-2	0
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# Market Share – RoRo 2005

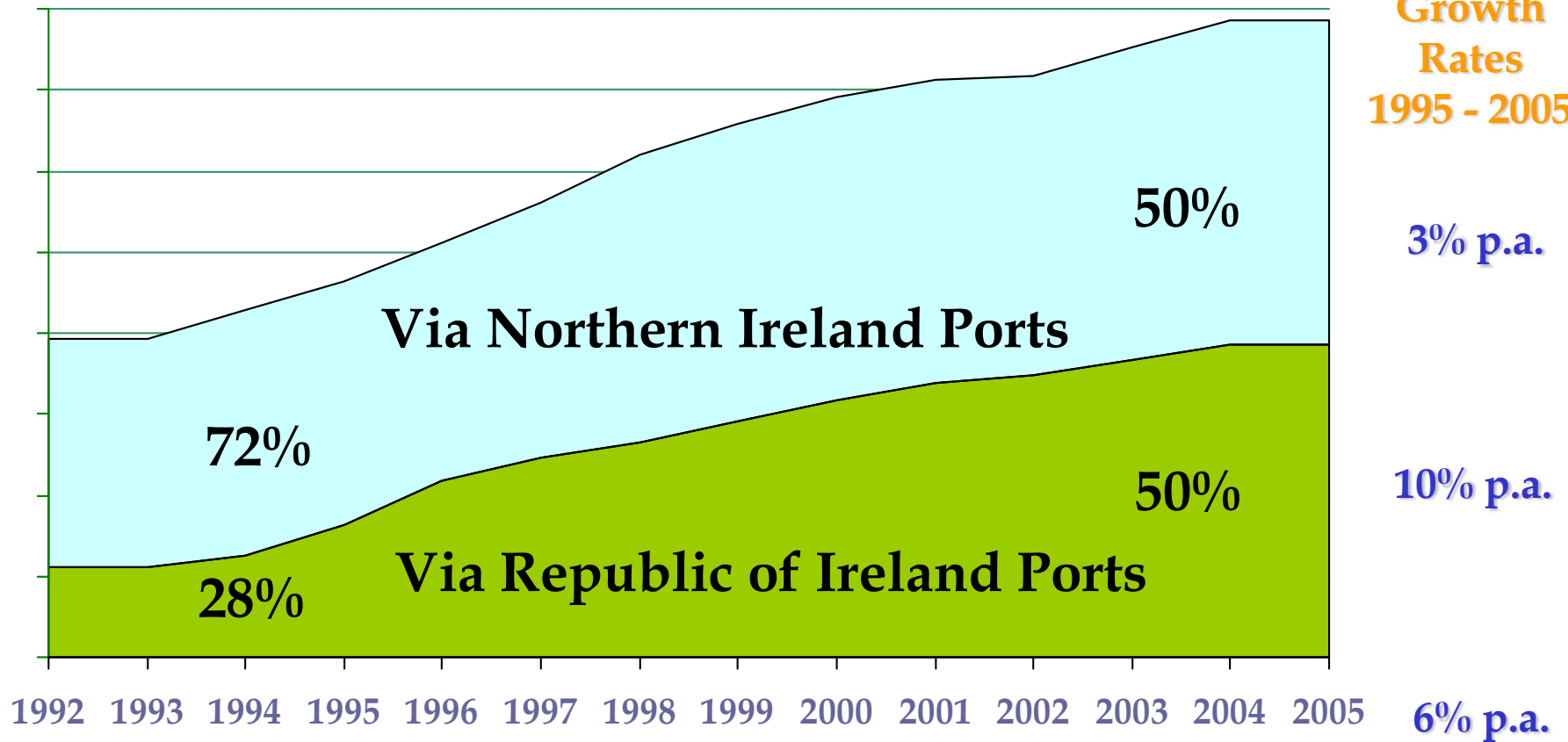
	<i>Rep. of Ireland (UK &amp; Continent)</i>	<i>All Ireland (UK &amp; Continent)</i>
	<i>%</i>	<i>%</i>
Irish Ferries	26	13
Stena Line	28	30
P&O Irish Sea	21	27
Norfolk Line (Maersk)	25	26
Swansea Cork	1	0
Seatruck	0	4
<b>Total</b>	<b>100</b>	<b>100</b>



# RoRo Freight Traffic (1.6m)

000s Units


Compound  
Average  
Growth  
Rates  
1995 - 2005



# RoRo Freight Traffic

## Key Slots

DUBLIN/HOLYHEAD		ROSSLARE/PEMBROKE	
DEPART	ARRIVE	DEPART	ARRIVE
09.05	12.20	08.45	12.30
21.05	00.20	21.00	00.45
HOLYHEAD/DUBLIN		PEMBROKE/ROSSLARE	
DEPART	ARRIVE	DEPART	ARRIVE
02.50	06.05	14.30	18.15
15.00	18.15	02.45	06.30

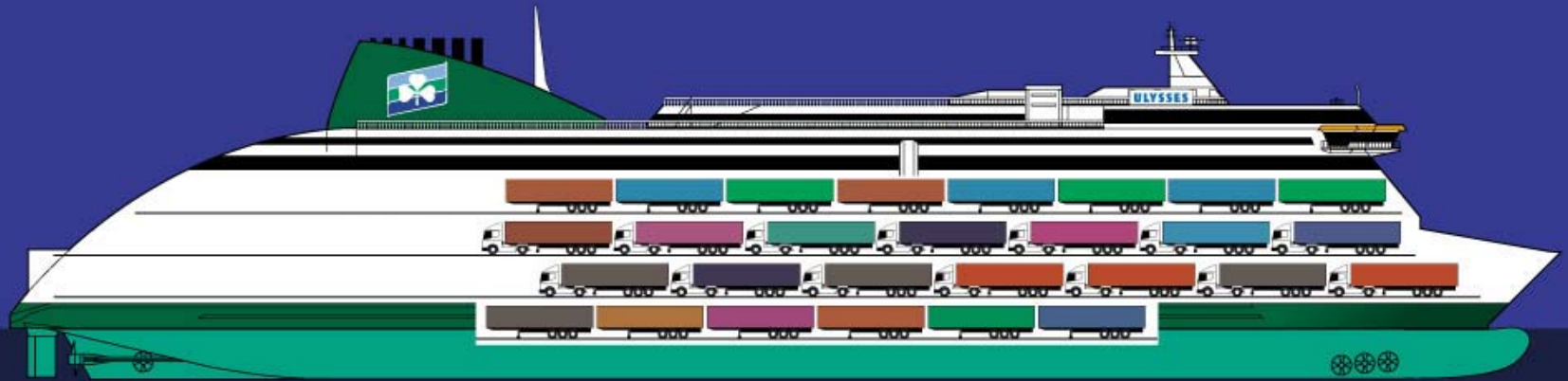
DAILY SERVICE 

# RoRo Market Analysis

## Greater Integration between Ireland & UK/Continent

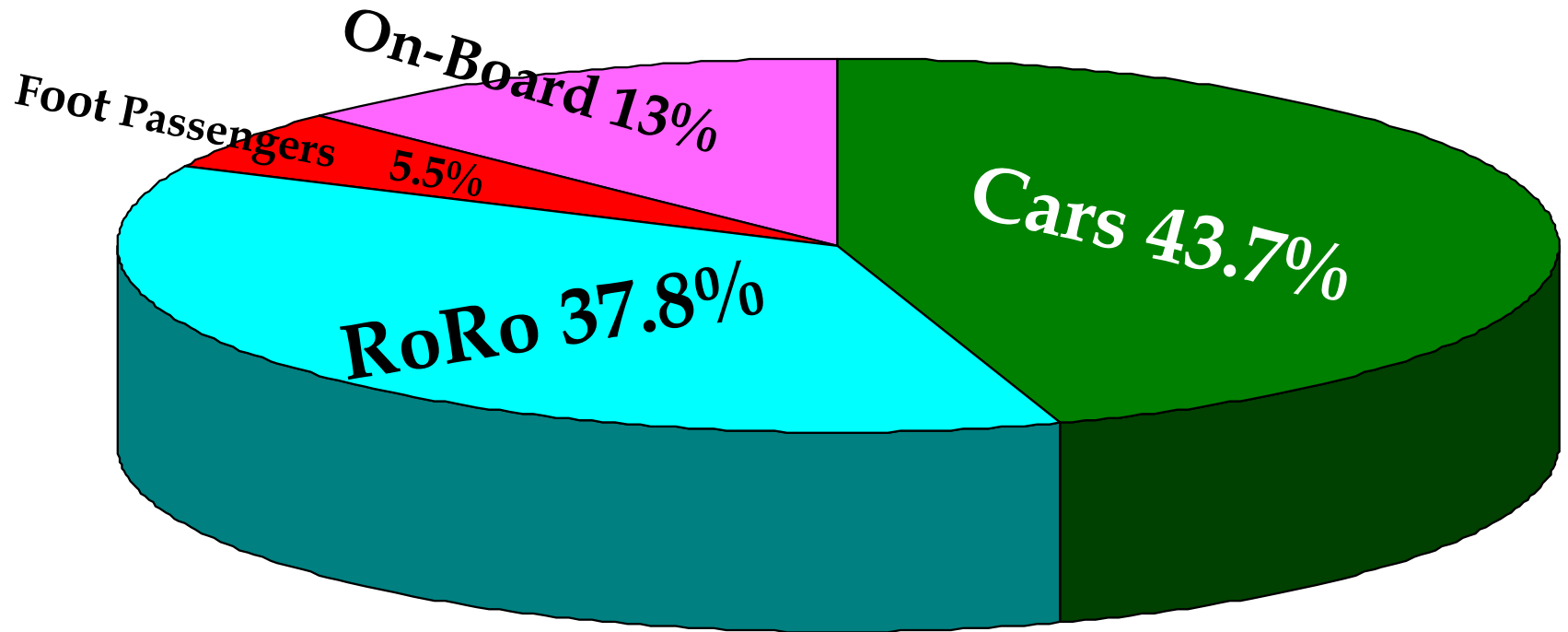
	1992 %	2005 %	CAGR
Value of Imports & Exports	€45.1bn	€233.1bn (e)	13.5%
GDP	€40.0bn	€160.8bn(e)	11.3%
Imports & Exports as % of GDP	113%	145%	

# Ulysses - RoRo Freight

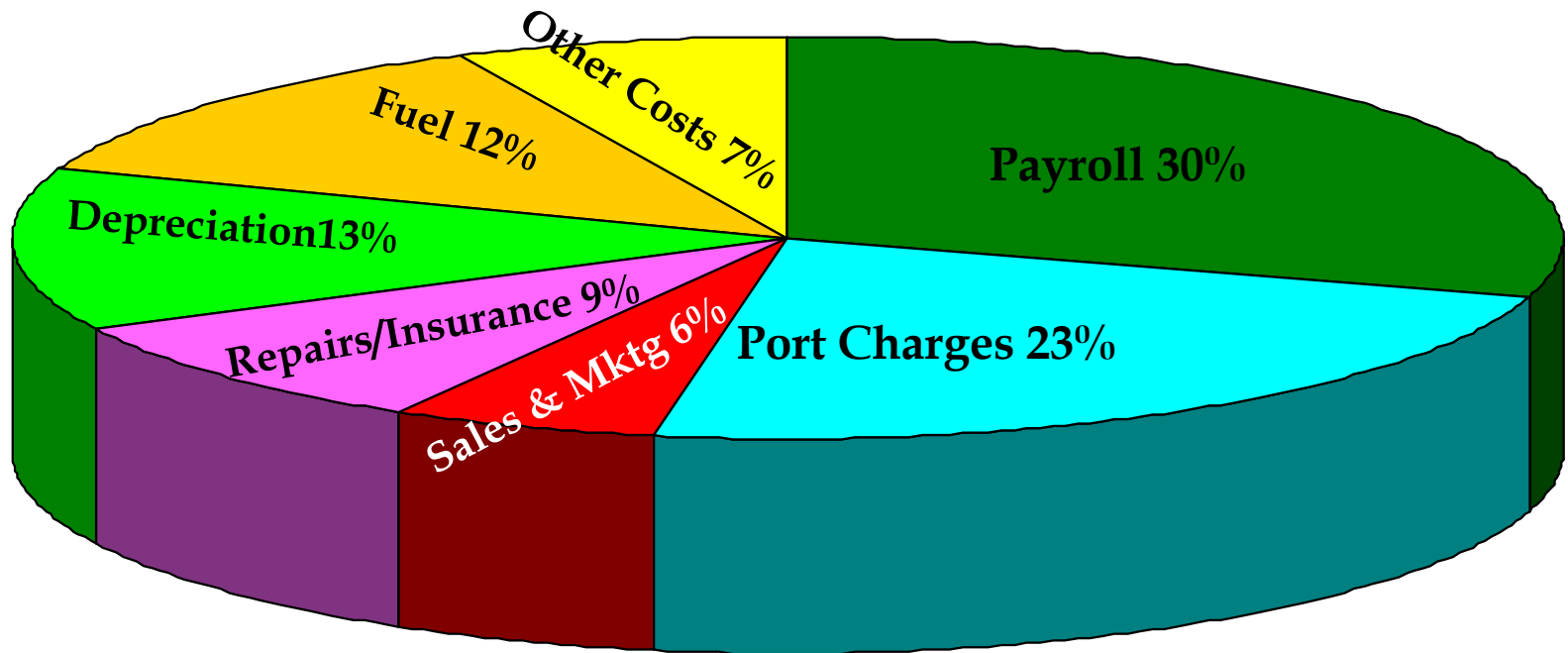


**81% night time utilisation 5 years growth at 5% p.a.  
100% night time utilisation in 2006 would yield  
additional €6.6m operating profit or 28.5 cent per  
share**

# Irish Ferries Revenue Mix 2005



# Irish Ferries Cost Analysis 2005



# Fuel Price Movements

	2005	2004	2003	Variance
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## Crude

Average Brent (US Dollars per barrel)	55.4	38.8	28.7	93%
Average USD Exchange Rate	1.24	1.22	1.13	(10%)
Average Brent (€per barrel)	€44.7	€31.8	€25.4	76%



# Fuel Price Movements

	2005	2004	2003	Variance
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## Product Used by Irish Ferries

Heavy Fuel Oil * (per tonne)	€217	€147	€153	42%
Gas Oil *(per tonne)	€420	€296	€240	75%

\* Including delivery

# Restructuring Provision

	Charge €m	Benefit 2006 €m
<b>2004</b>		
Outsourcing crew on French route	8.1	2.5
Shore side restructuring	2.6	0.7
Dublin Ferryport Terminal	1.7	0.9
<b>2005</b>		
Outsourcing crew on Irish Sea routes	34.4	5.3*
Pension curtailment	<u>(5.3)</u>	<u>-</u>
	<b><u>41.5</u></b>	<b><u>9.4</u></b>

\* Full year benefit €9.5m

# Headcount Reduction

## Direct Employees

Year end	2004	2005	2006 (e)
Seagoing	669	559	50
Shore	<u>550</u>	<u>496</u>	<u>480</u>
	<u>1,219</u>	<u>1,055</u>	<u>530</u>

# Sensitivities for 2006

- Each 1% change in car revenue equals 2.4 cent in EPS.
- Each 1% change in RoRo freight revenue equals 1.9 cent in EPS.
- Each 1% change in fuel equals 1.9 cent in EPS.

# Return on Capital

	Ferries		Container		Group	
	2005 €m	2004 €m	2005 €m	2004 €m	2005 €m	2004 €m
Turnover	162.7	164.3	136.4	129.8	298.7	293.3
EBITDA*	38.8	43.9	7.9	5.5	46.7	49.4
EBIT	14.8	20.8	4.2	2.5	19.0	23.3
Average Capital Employed	227.8	254.4	29.1	29.7	256.9	284.1
EBITDA Return on Average Capital Employed	15.7%	16.6%	25.0%	17.9%	16.7%	16.8%
EBIT Return on Average Capital Employed	6.5%	8.2%	14.4%	8.5%	7.4%	8.2%
EBIT Margin	9.0%	12.6%	3.0%	1.9%	6.4%	7.9%

\* Pre exceptionals

# Cash Flow

	2005	2004
	€m	€m
Trading Profit	19.0	23.3
Depreciation/Amortisation	<u>27.7</u>	<u>26.1</u>
<b>EBITDA</b>	<b>46.7</b>	<b>49.4</b>
Working Capital Movement	<u>(5.3)</u>	<u>2.4</u>
<b>Operating Cash Flow</b>	<b>41.4</b>	<b>51.8</b>
Interest	(4.9)	(6.4)
Tax	(1.7)	(0.4)
Capex	(13.5)	(13.3)
Restructuring	<u>(3.7)</u>	<u>(12.2)</u>
<b>Free Cash Flow</b>	<b>17.6</b>	<b>19.2</b>
Dividends/Redemptions	(6.3)	(5.5)
Share Buyback (Net)	<u>0.0</u>	<u>(7.1)</u>
Net Flow	11.3	6.9
Opening Debt	(117.9)	(125.0)
Translation / Other	<u>0.7</u>	<u>0.2</u>
<b>Closing Debt</b>	<b><u>(105.9)</u></b>	<b><u>(117.9)</u></b>

# COMPOSITION OF NET DEBT

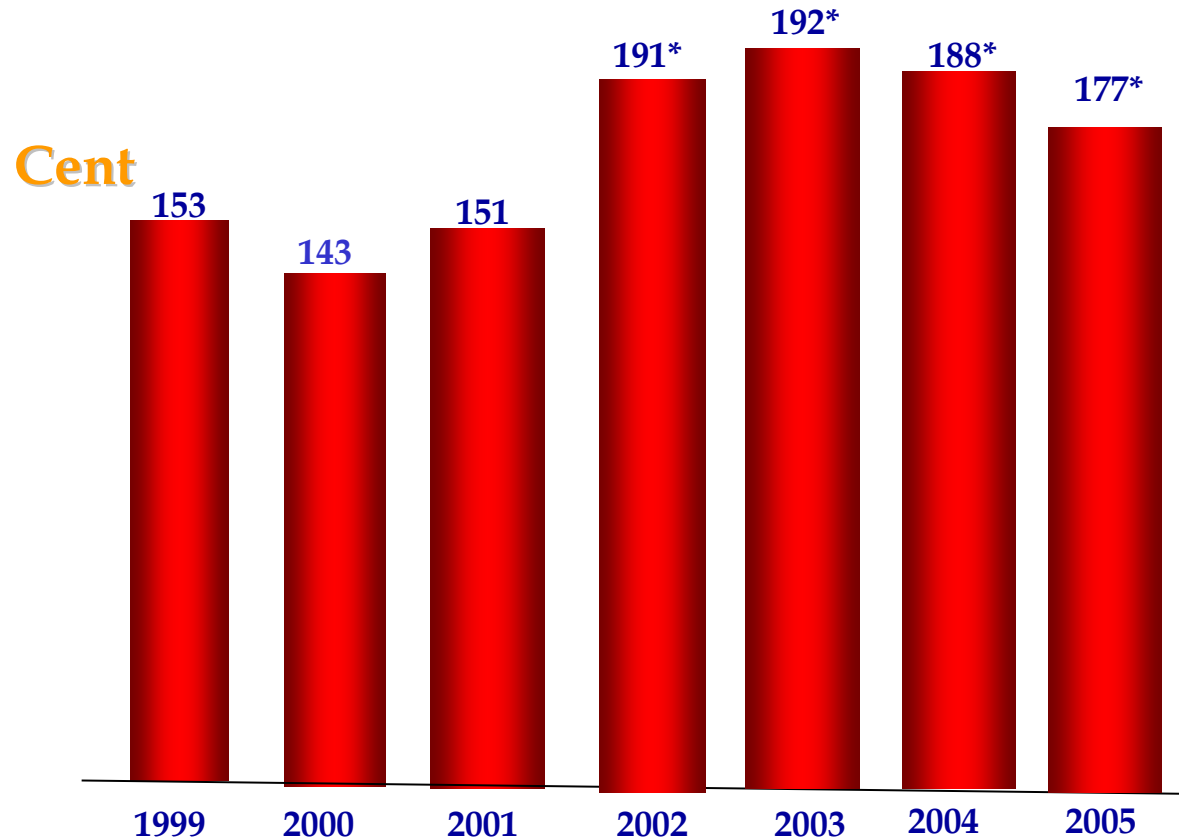
<u>CURRENCY</u>	<u>€m</u>	<u>FIXED*</u>	<u>RATE</u>
\$	16.5	27 %	3.9%
£	24.6	36%	5.0%
€	<u>78.8</u>	<u>48%</u>	<u>4.1%</u>
	119.9	42%	4.2%
Cash	<u>(14.0)</u>		
Net Debt	<u>105.9</u>		

\* More than 2 Years



# 5 Year Performance

## Cash EPS



\* Pre exceptional

# TAX

- **LOW TAX**
  - **“Tonnage tax” for Irish shipping activities (very low).  
Approved / encouraged by EU**
  - **Std Corporation Tax for other activities (12.5%)**
  - **Low corporate rate going forward**

# SHARE BUYBACKS / DIVIDENDS

SHARES	%	VALUE	AV. SHARE PRICE	
BUYBACKS				
2002	2.16m	8.1%	€14.5m	6.7
2003	1.23m	4.9%	€9.8m	8.0
2004	<u>0.69m</u>	<u>2.9%</u>	<u>€7.9m</u>	<u>11.4</u>
TOTAL	<u>4.08m</u>	<u>15.9%</u>	<u>€32.2m</u>	<u>7.9</u>
Currently in issue	<u>23.35m</u>			

Authority to purchase up to an additional 2.3m. Shares (10%) valid up to 2006 AGM.

## DIVIDEND GROWTH SINCE IPO

Dividend (1988 - IPO)	2.06c.
Dividend/Redemption (2005)	29.1c
CAGR (1988 - 2005)	16.9% p.a.

# Conclusion

- **No. 1 position - Republic of Ireland / UK & Continent**
- **Significant capacity for growth in freight although tourism will remain challenging**
- **Restructuring of crew costs, virtually complete (90% outsourced)**
- **No significant capex required, while offering best product/service to customers**
- **Strong free cash flow**



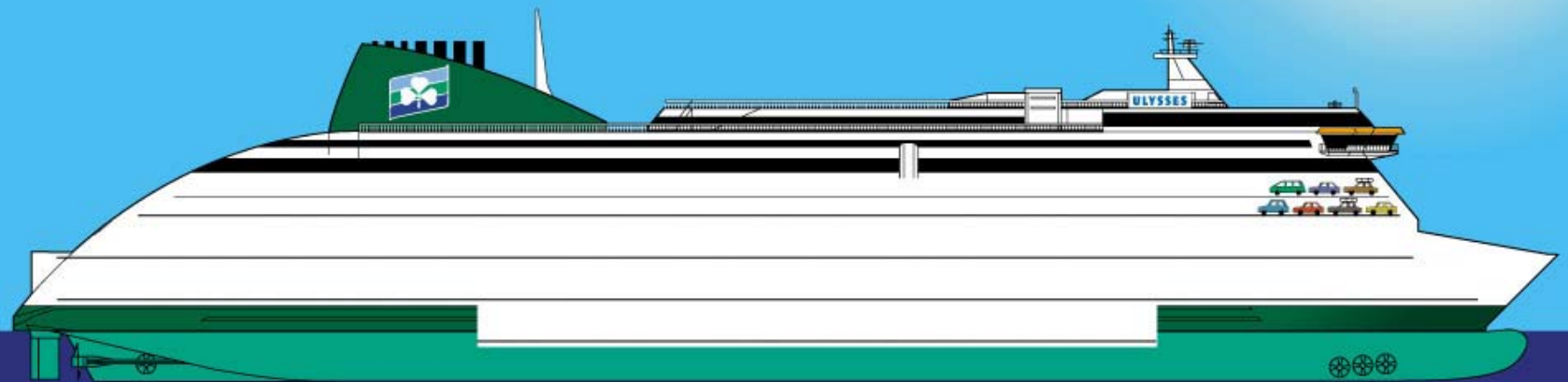
# OPERATIONAL GEARING







# Ulysses - Cars



**11% day time utilisation (higher in holiday peaks)**













# Appendices



# Isle of Inishmore 1997



**Price:** €85m

**Year Built:** 1997

**Cars:** 855

**Trucks:** 122

**Passengers:** 2,200

# Jonathan Swift 1999



**Price:** €38m

**Year Built:** 1999

**Cars:** 200

**Coaches:** 10

**Passengers:** 800

# Ulysses 2001



**Price:** €107m

**Year Built:** 2001

**Cars:** 1,342

**Passengers:** 1,900

**Trucks:** 240



# Normandy 1982



**Price:** €20.8m

**Year Built:** 1982

**Cars:** 420

**Passengers:** 1,577

**Trucks:** 43



**IRISH CONTINENTAL GROUP, plc**



# **Results Presentation**

**March 2006**



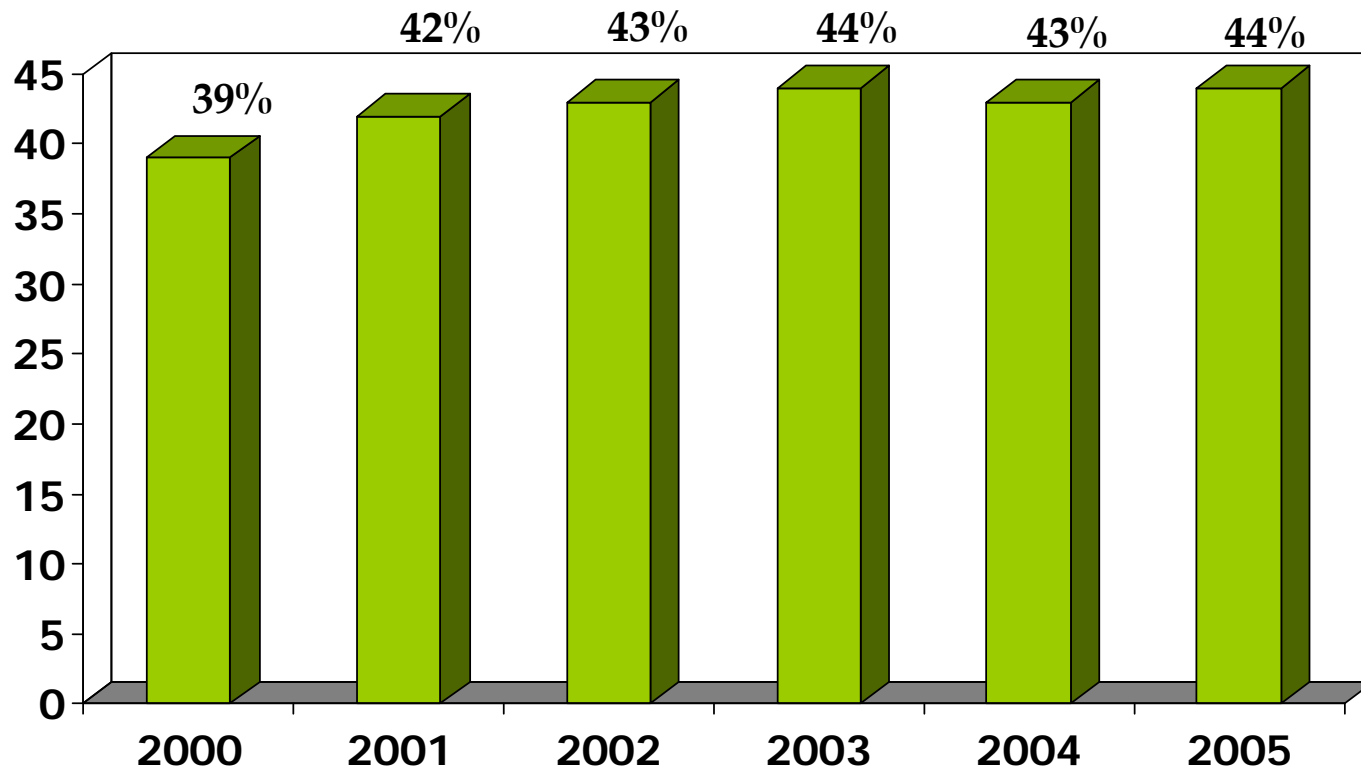
**IRISH CONTINENTAL GROUP**

# OTHER SLIDES

# Car Performance Irish Ferries Market Share

Rep. of Ireland

%



**"We're clear for rip-off"**



**One-Way  
From**

**99** **BRITAIN**  
with your car, taxes included

**Airport taxes. Excess baggage. Parking charges. For  
real low cost travel, take your car with Irish Ferries.**



Travel from 29 August.  
See [irishferries.com](http://irishferries.com)  
for terms & conditions.  
Call 0818 300 400  
NI 00353 818 300 400  
or see your agent.

**Irishferries.com**  
**The Low Fares Ferry Company!**

**If God had meant  
us to fly...**



**...He wouldn't have  
created deals like this!**

**For real low cost travel, take your car with Irish Ferries.**



Travel from the 29th August.  
See [irishferries.com](http://irishferries.com) for  
terms & conditions.  
Call 0818 300 400  
(N.I. 00353 818 300 400)  
or see your agent.

**Irishferries.com**  
**The Low Fares Ferry Company!**



# Don't get stuffed by the airlines this Christmas!



**Ireland – Cheapest Quotes 2 adults + 2 children  
Out 23 Dec - Back 2 Jan '06**

<b>Ryanair</b>	<b>Stansted-Dublin</b>	<b>£755</b>
<b>Aer Lingus</b>	<b>Manchester-Dublin</b>	<b>£408</b>
<b>Irish Ferries</b>	<b>Holyhead-Dublin</b>	<b>£222</b>

**With Christmas fares this low from  
Irish Ferries, flying really is for the birds!**



Irish Ferries fare includes  
car. Quote details as at  
14 Nov. See [irishferries.com](http://irishferries.com)  
for terms & conditions.  
Call 08705 17 17 17.

**IrishFerries.com**  
**The Low Fares Ferry Company!**

**Golfers – Don't let the  
airlines steal your wedge!**



**Take your car to Ireland with Irish Ferries and  
take a swing at excess baggage charges.**



One-way from £69 car  
and driver, taxes included.  
See [irishferries.com](http://irishferries.com) for  
terms & conditions.  
Call 08705 17 17 17.

**Irishferries.com**  
**The Low Fares Ferry Company!**



Q. When is a low fares airline  
not a low fares airline?

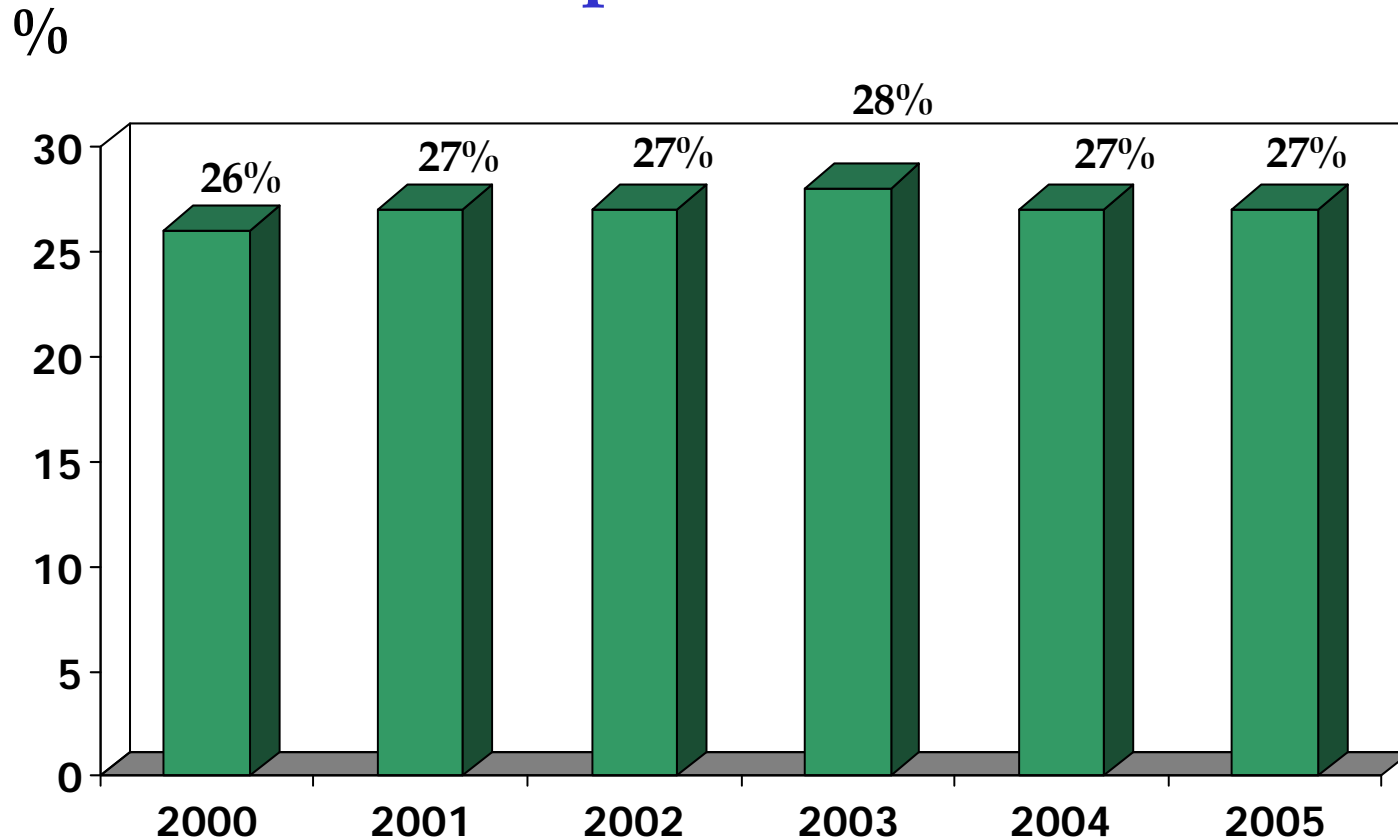
A. When you travel with luggage.

**IrishFerries**  **Com**  
**The Low Fares Ferry Company!**

# RoRo Freight Performance

## Irish Ferries Market Share

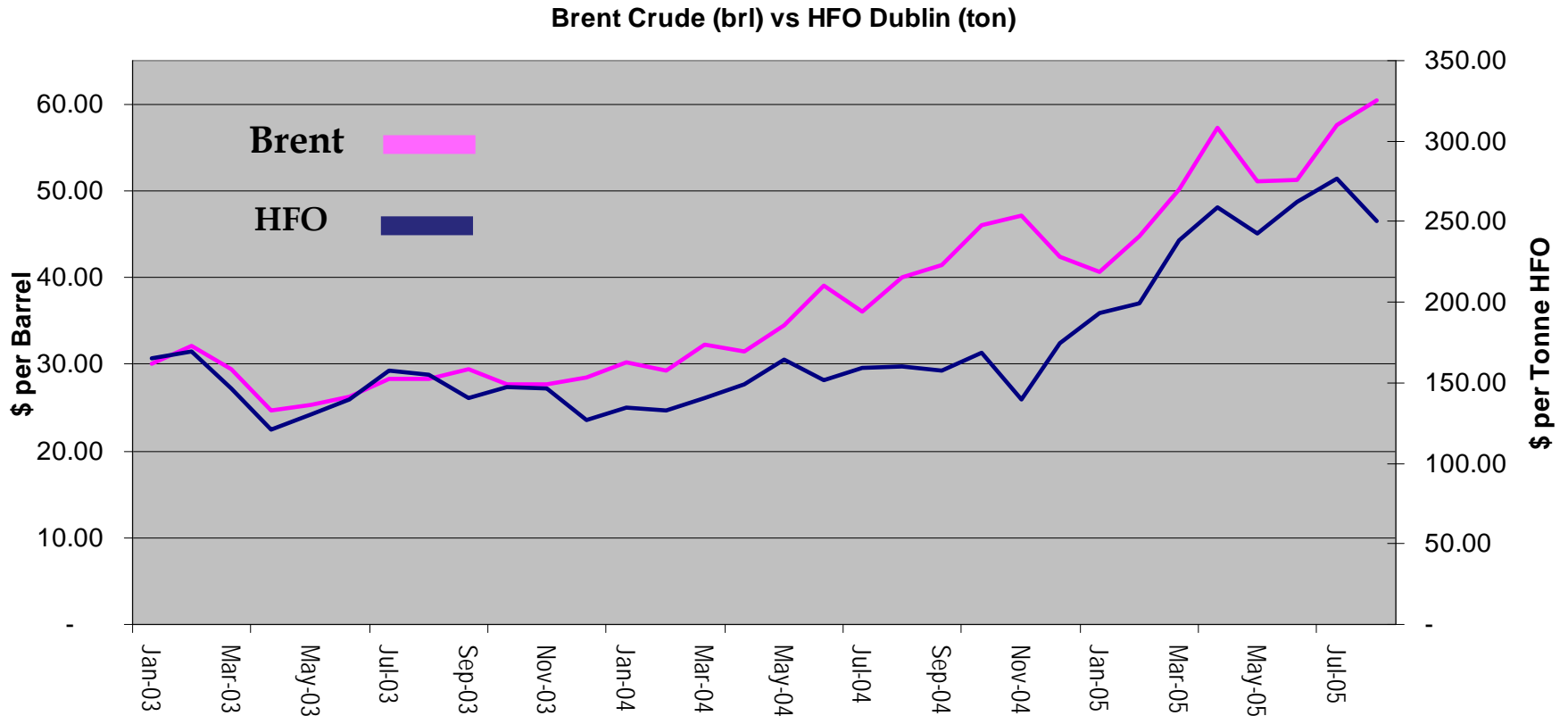
Rep. of Ireland





# Fuel Price History

This slide used last year



# Air v Sea Market Performance 1995 - 2005

%	1 Year	2 Years	3 Years	10 Years
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## TOTAL PASSENGERS

Irish Sea Air	8	6	5	7
Irish Sea Ferry	-8	-5	-4	-1
Continental Air	20	14	13	14
Continental Ferry	-5	-3	1	-2

# Market & Irish Ferries Performance 1995 - 2005

%	1 Year	2 Years	3 Years	10 Years
CARS				
Cross Channel	-8	-4	-3	0
<i>Irish Ferries Cross Channel</i>	-6	-3	-2	4
Continental Sea	2	-2	1	0
<i>Irish Ferries Continental</i>	5	-3	0	1

# Market & Irish Ferries Performance 1995 - 2005

	1 Year	2 Years	3 Years	10 Years
%				
FVs				
Cross Channel	4	5	5	10
<i>Irish Ferries Cross Channel</i>	3	5	5	12
Continental Sea	8	4	4	1
<i>Irish Ferries Continental</i>	20	-8	-5	-8





