



IRISH CONTINENTAL GROUP, plc



Interim Update

8th September 2005



ICG Profile

Capital
Employed

1. Irish Ferries

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

- Modern fleet of large ships
- Major barriers to entry
- Significant operational gearing
- Very strong free cash flow

65%

2. Ship Chartering Division

Diversified ship charter business, offering secure income until second half of 2007

24%

3. Container Division

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

11%

Interim Results

	<i>Half Year 2005 € m</i>	<i>Half Year 2004 € m</i>	<i>Full Year 2004 € m</i>
Turnover	139.6	135.8	293.3
EBITDA	17.1	15.1	49.4
Depreciation / Amortisation	<u>(12.8)</u>	<u>(12.8)</u>	<u>(26.1)</u>
Operating Profit	4.3	2.3	23.3
Exceptional Item	-	-	(12.4)
Interest	<u>(2.6)</u>	<u>(2.8)</u>	<u>(5.4)</u>
PBT	<u>1.7</u>	<u>(0.5)</u>	<u>5.5</u>
EPS Basic	6.4c	(2.5c)	18.7c
EPS Adjusted	6.4c	(2.5c)	71.5c
Cash EPS	82.0c	79.3c	191.5c
Net Debt	115.9	127.0	117.9

Container Division

	<i>Half Year 2005 € m</i>	<i>Half Year 2004 € m</i>	<i>Full Year 2004 € m</i>
Turnover	67.5	64.7	129.8
EBITDA	3.4	1.9	5.5*
Depreciation/ Amortisation	<u>(1.4)</u>	<u>(1.4)</u>	<u>(3.0)</u>
Operating Profit	<u>2.0</u>	<u>0.5</u>	<u>2.5</u>

* After 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

24 routes

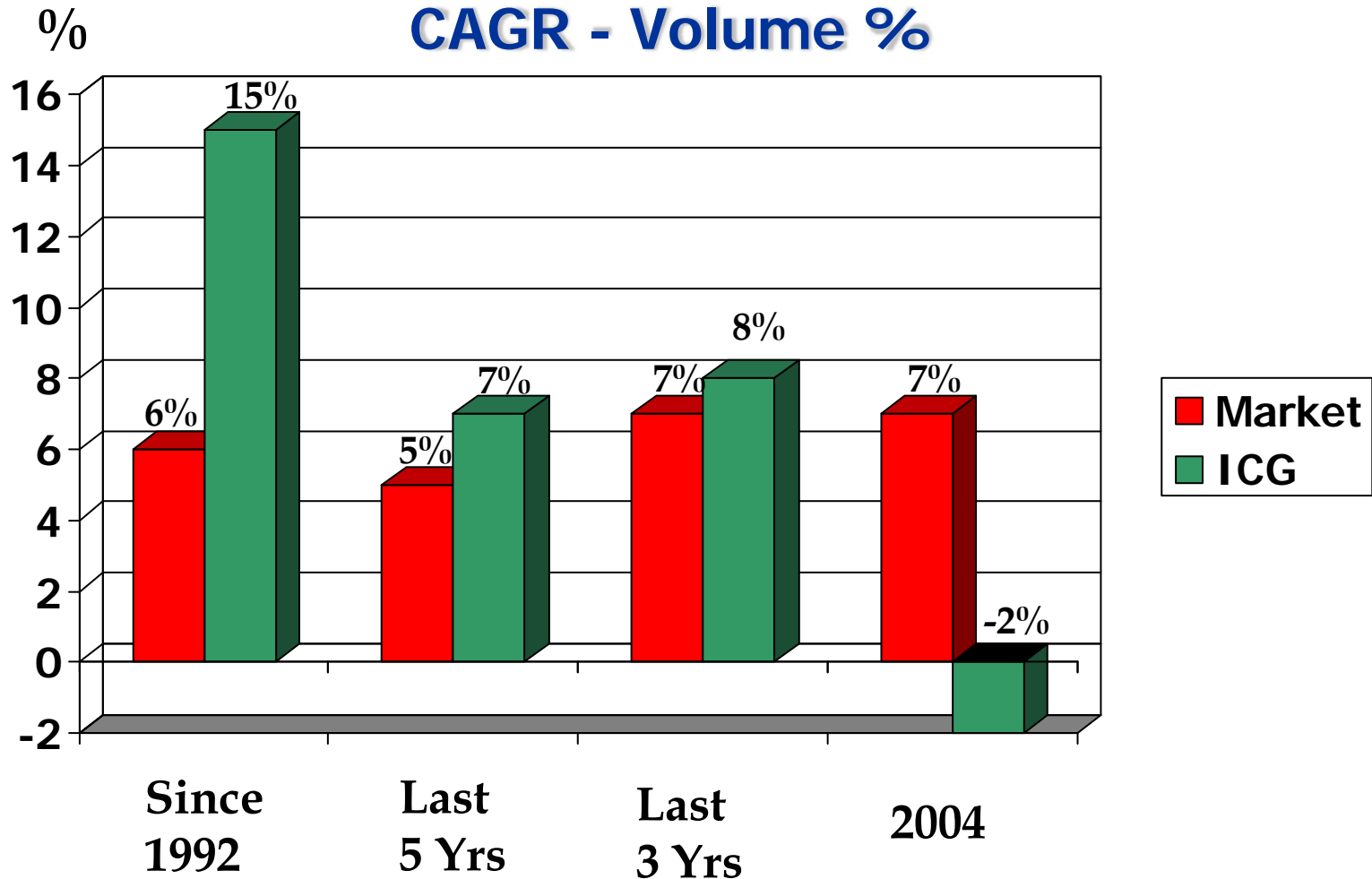
KEY ISSUES

- **Competitive Rate environment in door/door freight**
- **Feeder business strong**
- **DFT terminal in Dublin achieving good growth**
- **Dublin Port Tunnel (July 2006) will significantly enhance access to DFT**

Ireland - Continent/UK

Market Share 27%

2004



Market Share – LoLo 2004

*All Ireland
(UK & Continent)*

	<i>%</i>
ICG	27
BGF	24
Geest/Norfolk	19
Seawheel	16
ECS	9
Others	5
Total	100

Container Terminal Market

1.2 Million Teu in 2004

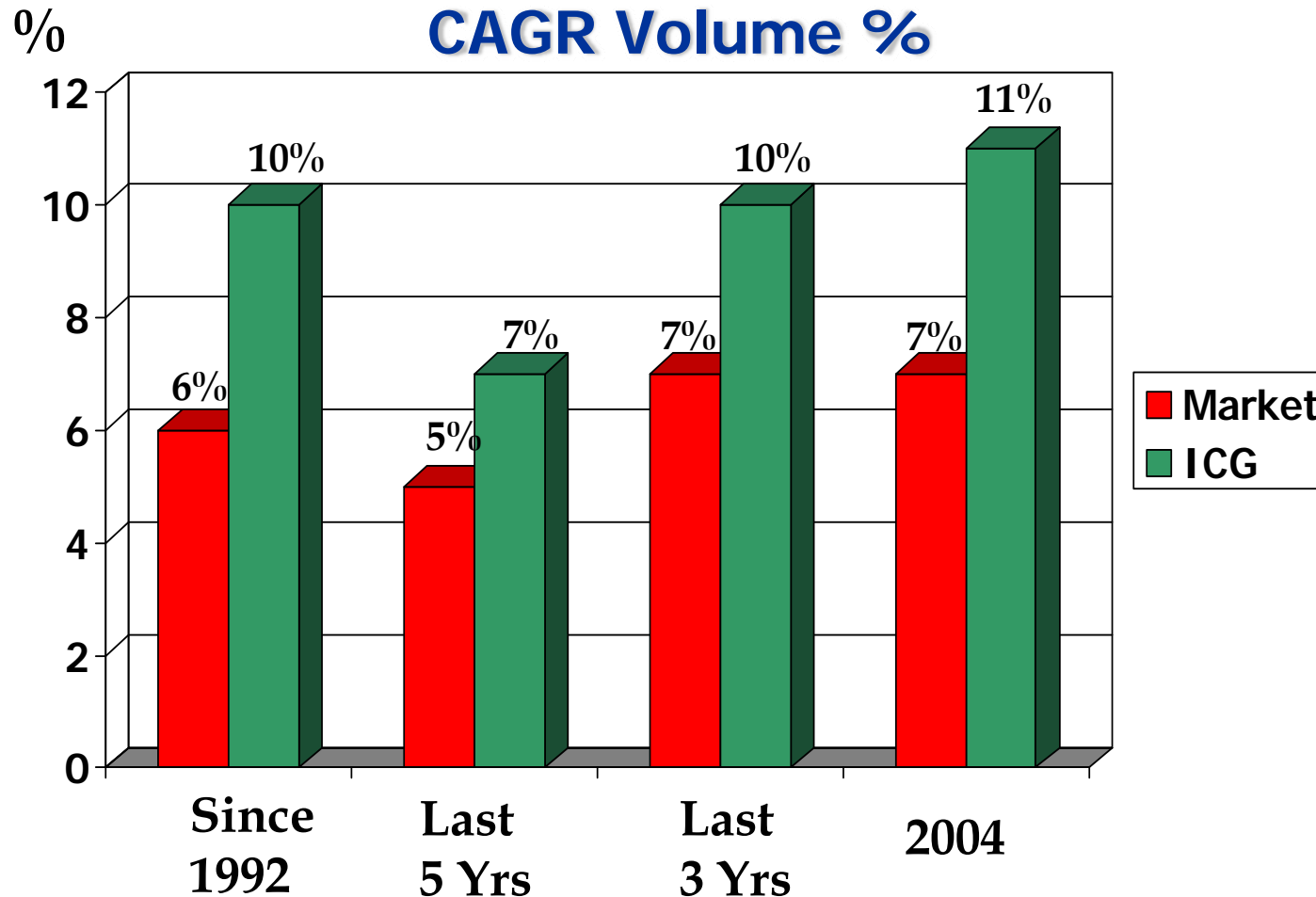
- 150 year lease of 33 acres from 1971
- Capacity of terminal increased by 50% (July 2004)



Container Handling in Ireland

Market Share 22%

2004



Interim Results

Ferries & Ship Chartering

	<i>Half Year 2005 € m</i>	<i>Half Year 2004 € m</i>	<i>Full Year 2004 € m</i>
Turnover	72.5	71.5	164.3
EBITDA	13.7	13.2	43.9*
Depreciation/ Amortisation	<u>(11.4)</u>	<u>(11.4)</u>	<u>(23.1)</u>
Operating Profit	<u>2.3</u>	<u>1.8</u>	<u>20.8</u>

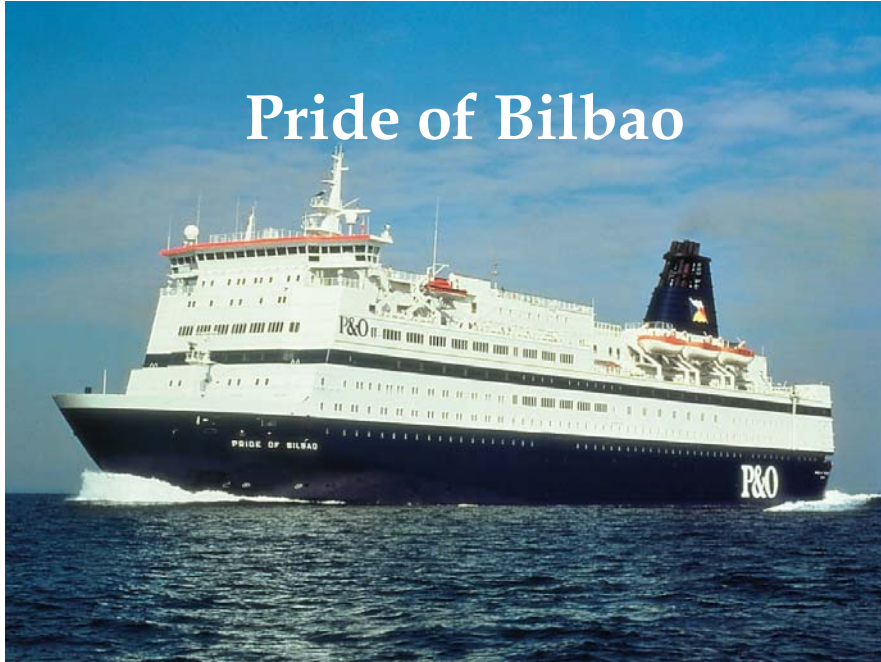
* After exceptional item of €10.9m

Operations

- **Irish Ferries**
- **Ship chartering**

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 been subchartered to Toll Shipping pty, for service in New Zealand up to 2010.
- €54 million (at average ‘04 exchange rates) over 5 years for 2 ships, giving cash returns of 14.5% p.a. on average book value over period.

Irish Ferries

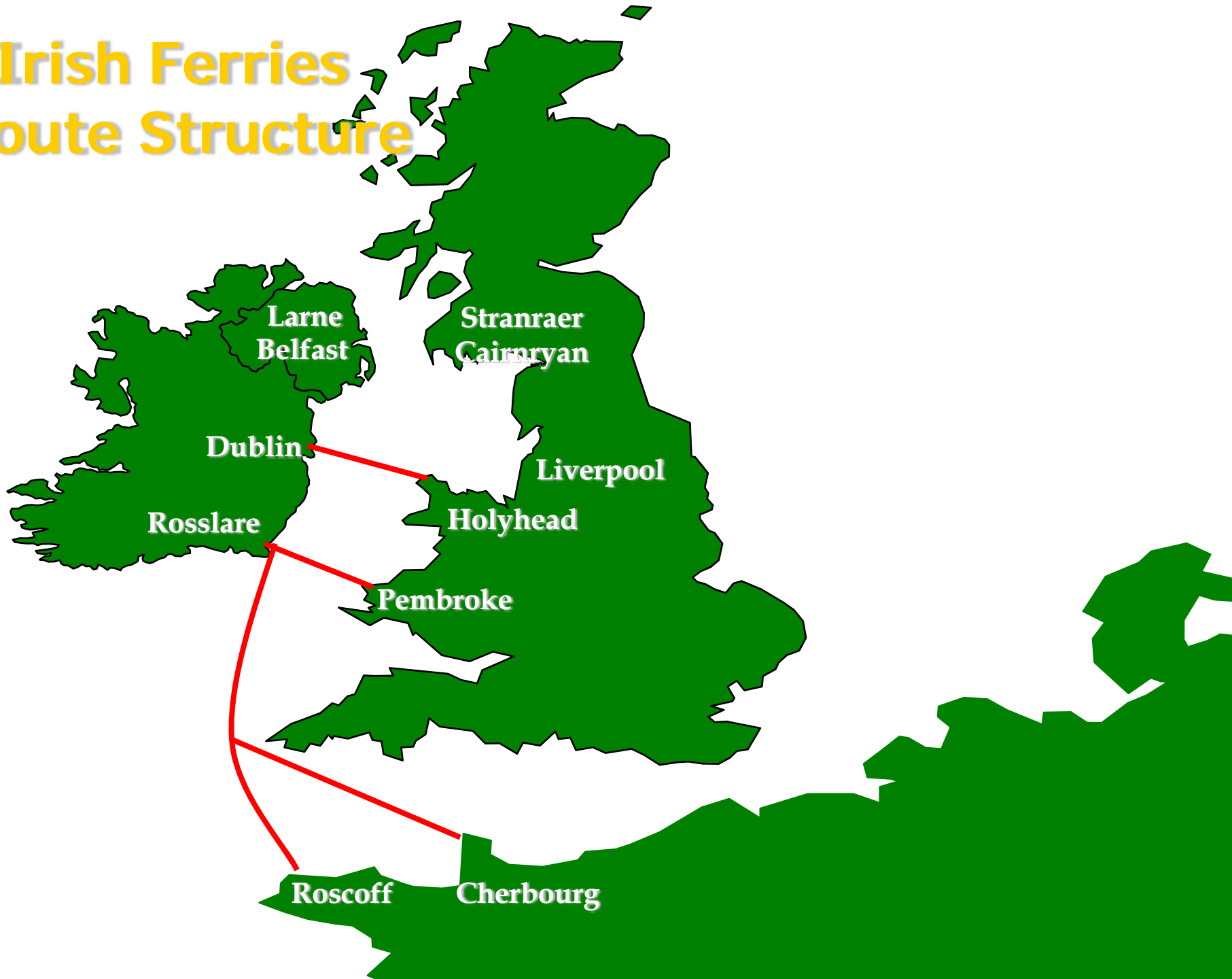




Ulysses



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 89% of cars travel on short routes into Dublin and Rosslare**
 - **Over 53% of RoRo units travel on short routes into Dublin and Rosslare**

Passenger Car Market

UK ↔ Ireland Market

Volumes (Cars)	REPUBLIC OF IRELAND		
	Market	Irish Ferries	Irish Ferries Share
HI : Jan - June 2005	- 7%	- 2%	44%
July - Aug. 2005	- 10%	- 7%	42%
Jan – Aug 2005	- 9%	- 4%	43%

- Weak car market due to low fare airlines (particularly ex. UK to Continent) and relatively high cost of Ireland as a holiday destination.
- Average yield slightly up on last year.

Market Share – Cars

2005 v 2004 (H1)

Republic of Ireland - UK

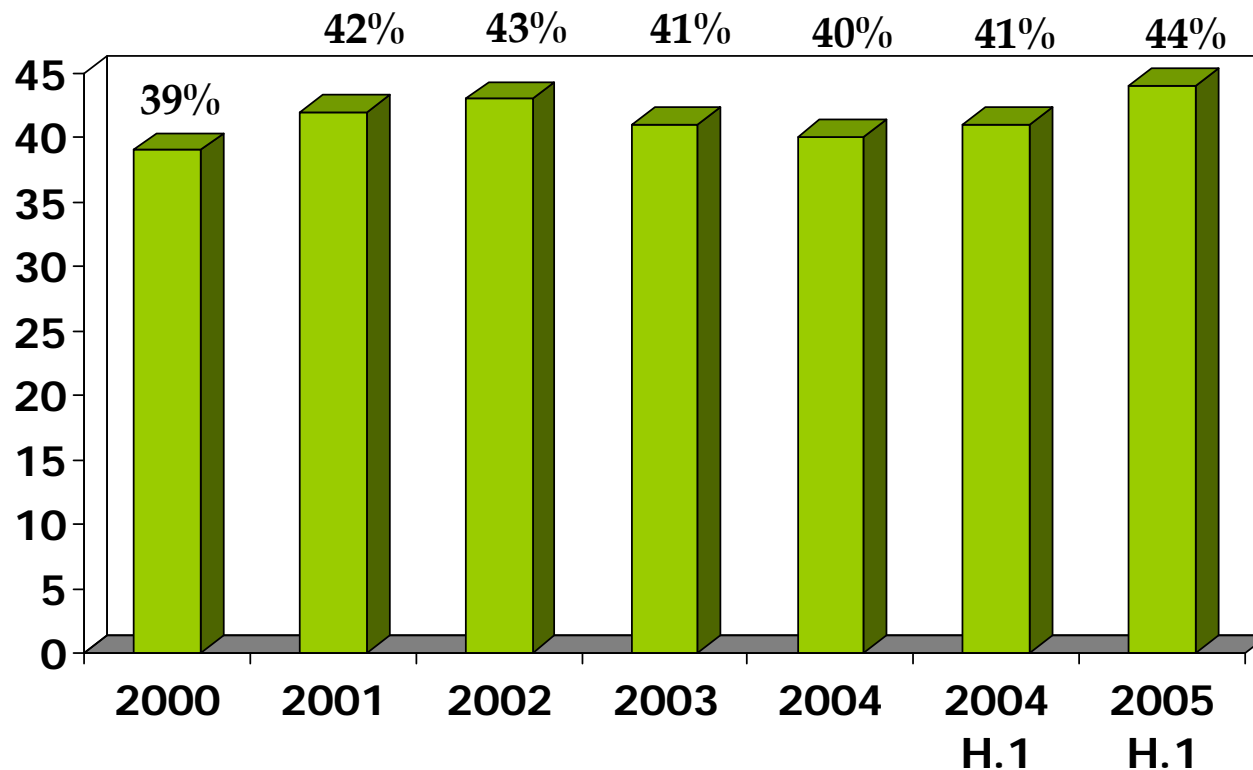
<i>2005</i>	<i>2004</i>
<i>%</i>	<i>%</i>

Irish Ferries	44	41
Stena Line	48	48
P&O Irish Sea	1	2
Irish Sea Express / IOMSPC	2	4
Swansea Cork	4	5
Norse Merchant	1	-
Total	100	100

Car Performance Irish Ferries Market Share

Rep. of Ireland

%



Irish Ferries - Distribution

Car Booking Report 2005

All Markets

Share

	Half Year 2005	Half Year 2004
	%	%
Call Centres	26	30
At our Ports	8	9
Internet	41	36
Direct	75	75
Travel Trade	25	25
Total	100	100

Today's Date: Monday 14 Jan, 2002 12:48

IRISH FERRIES
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RoRo Freight Market UK-Ireland 2005

Volumes (Freight Units)	REPUBLIC OF IRELAND		
	Market	Irish Ferries	Market Share
Jan - June 2005	4%	7%	27%
July - Aug 2005	4%	9%	29%
Jan – Aug 2005	4%	7%	28%

- Strong growth in the market in line with Ireland's economic growth and further integration with the rest of Europe.
- Average yields slightly down on last year.

Market Share – RoRo

2005 V 2004

Rep. of Ireland - UK

<i>2005 H.1</i>	<i>2004 H.1</i>
<i>%</i>	<i>%</i>

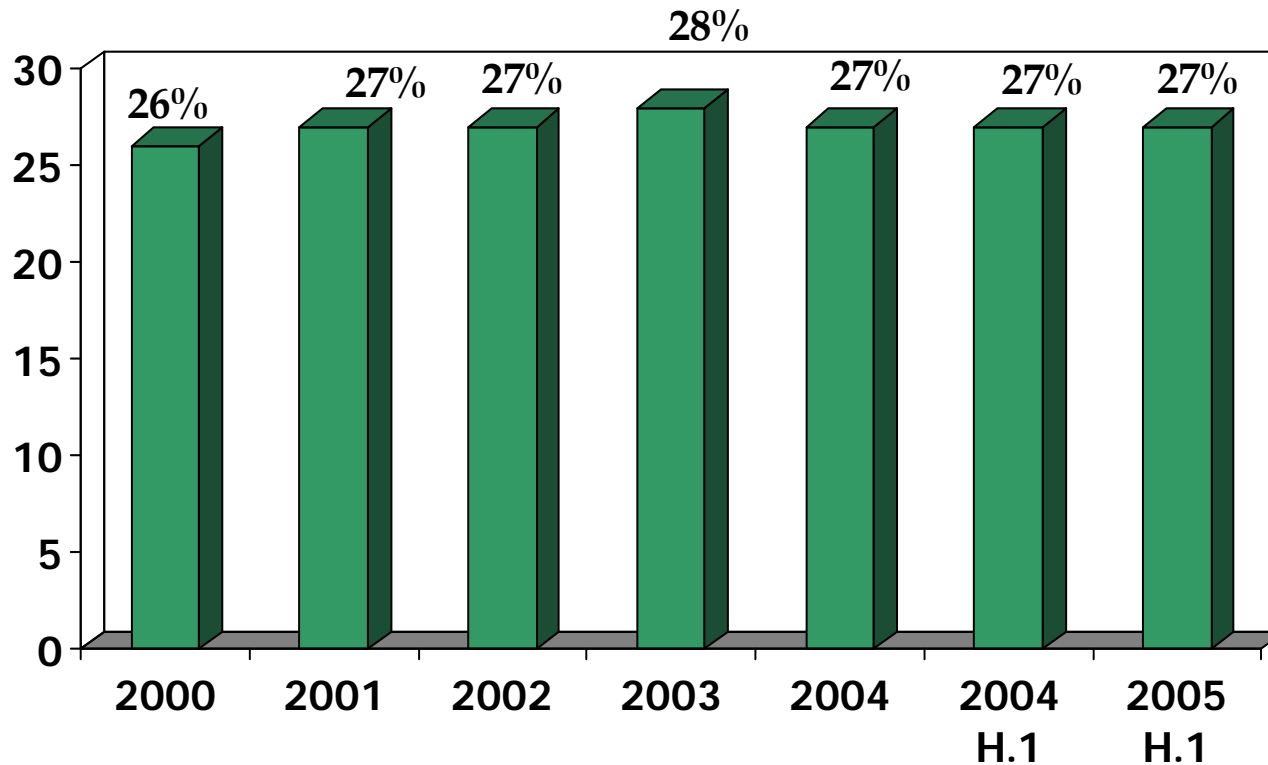
Irish Ferries	27	27
Stena Line	27	24
Norse Merchant	26	24
P&O Irish Sea	19	25
Swansea Cork	1	0
Total	100	100

RoRo Freight Performance

Irish Ferries Market Share

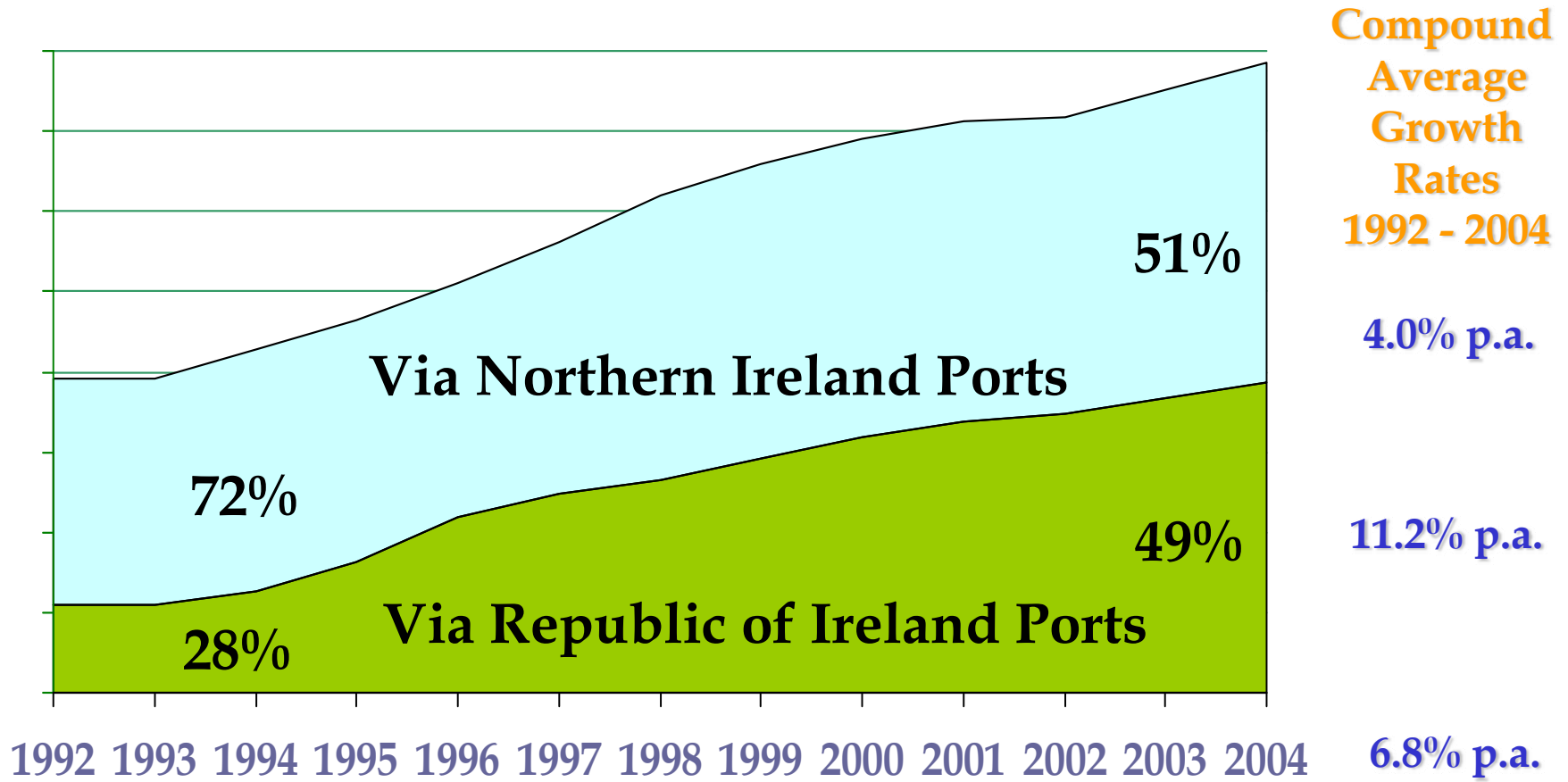
Rep. of Ireland

%



RoRo Freight Traffic (1.6m)

000s Units



RoRo Freight Traffic

Key Slots

ULYSSES			
Dublin - Holyhead		Holyhead - Dublin	
Dep	Arr	Dep	Arr
09.05	12.20	15.00	18.15
21.05	00.20	02.50	06.05
Effective from 03/03/2003			
DAILY			

ISLE OF INISHMORE			
Rosslare - Pembroke		Pembroke - Rosslare	
Dep	Arr	Dep	Arr
08.45	12.30	14.30	18.15
21.00	00.45	02.45	06.30
No sailings on 25th and 26th December			
Journey Time 3hrs 45mins			
Effective from 03/03/2003			
DAILY			

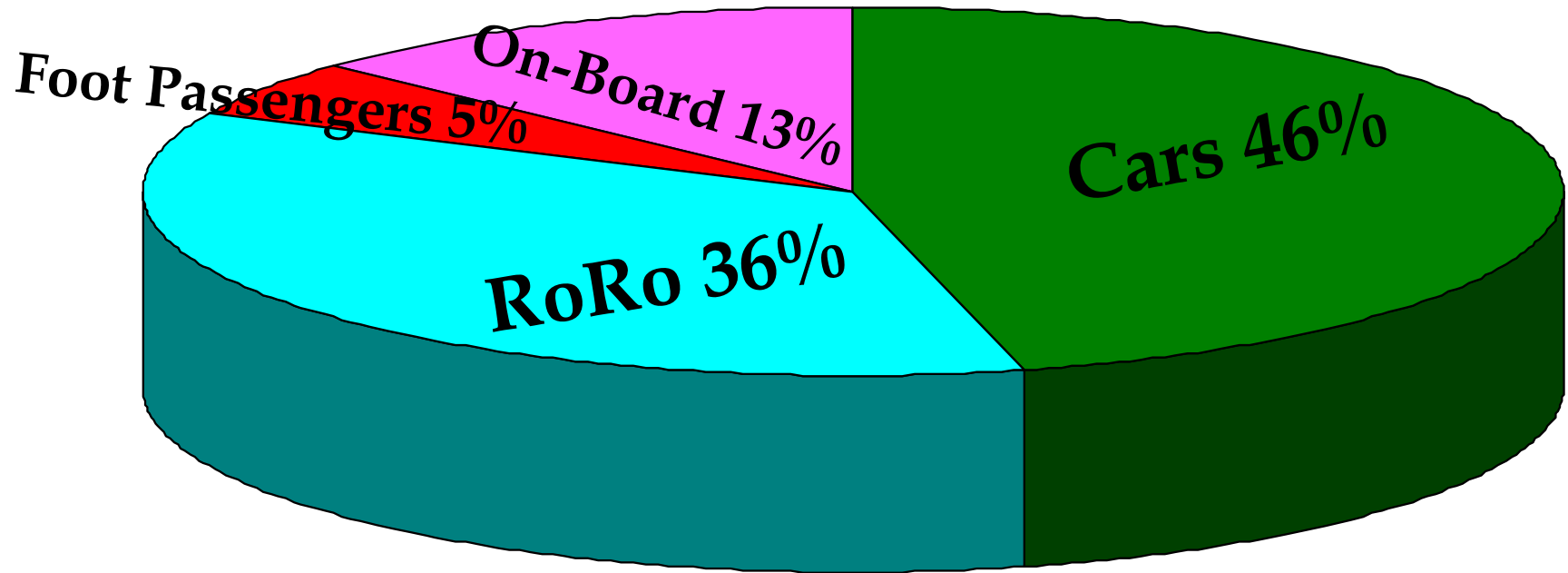
RoRo Market Analysis

Greater Integration between Ireland & UK/Continent

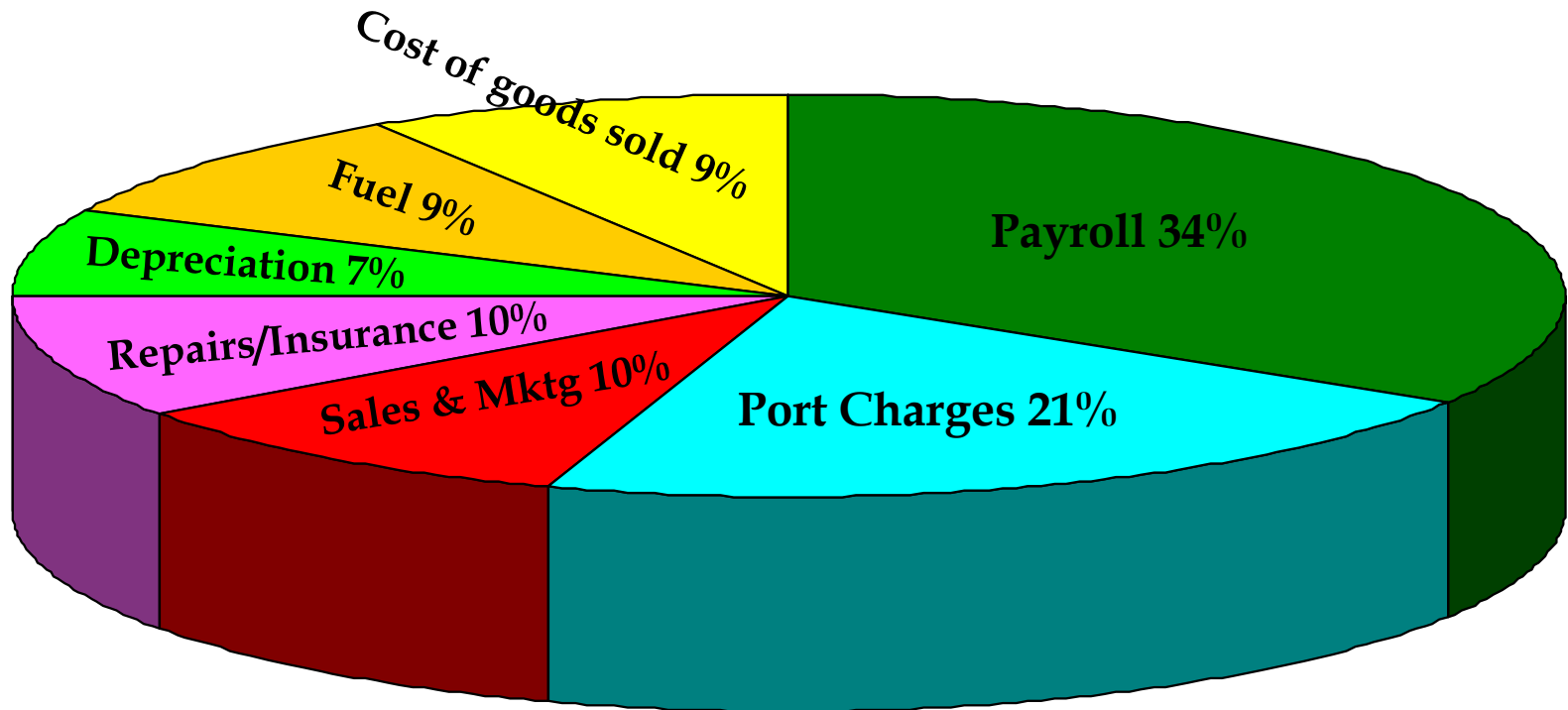
	1992 %	2004* %	CAGR
Value of Imports & Exports	€45.1bn	€224.2bn	14.3%
GDP	€40.0bn	€148.6bn	11.6%
Imports & Exports as % of GDP	113%	151%	

* Preliminary CSO

Irish Ferries Revenue Mix 2004



Irish Ferries Cost Analysis 2004



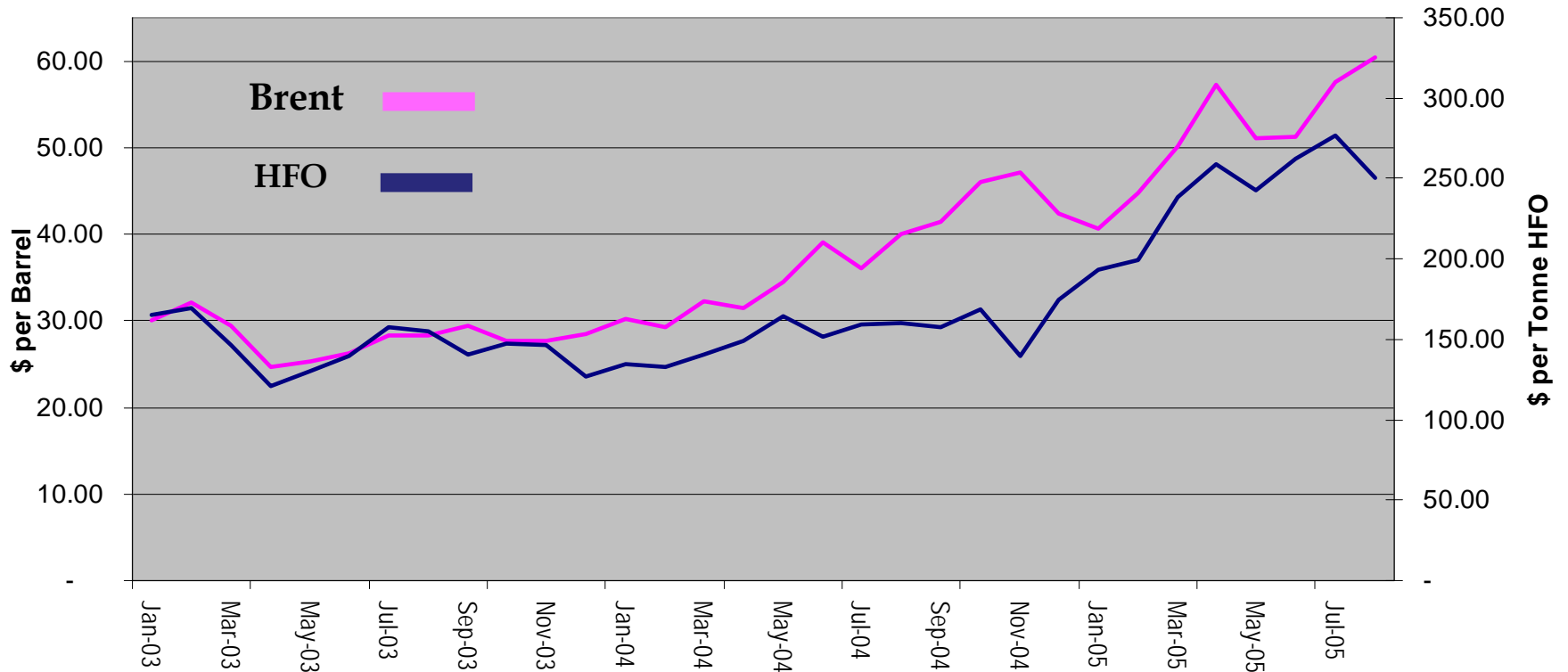
Fuel Price Movements

	2003	2004	2005 Average	2005- 2003
Average Brent (US \$ per barrel)	28.7	38.8	56.7	
Average USD Exchange Rate	1.13	1.22	1.25	
Average Brent (€per barrel)	€25.4	€31.1	€45.1	+78%
ICG Fuel Cost	€20.6m	€20.6m	€31.1m	+51%

* 2005 average based on actual to mid August and mid August prices to remainder of year

Fuel Price History

Brent Crude (brl) vs HFO Dublin (ton)



Industrial Relations

- **Most of our competitors in the RoRo ferry market and all of the operators in the LoLo market have outsourced crewing using East European or Far Eastern crews.**
- **This is both a threat to our business model and an opportunity for us to reduce our cost base.**
- **We have, with some difficulty, outsourced our Continental Corridor service. Savings are in line with expectations, some of which have been “invested” in lower fares.**

Industrial Relations

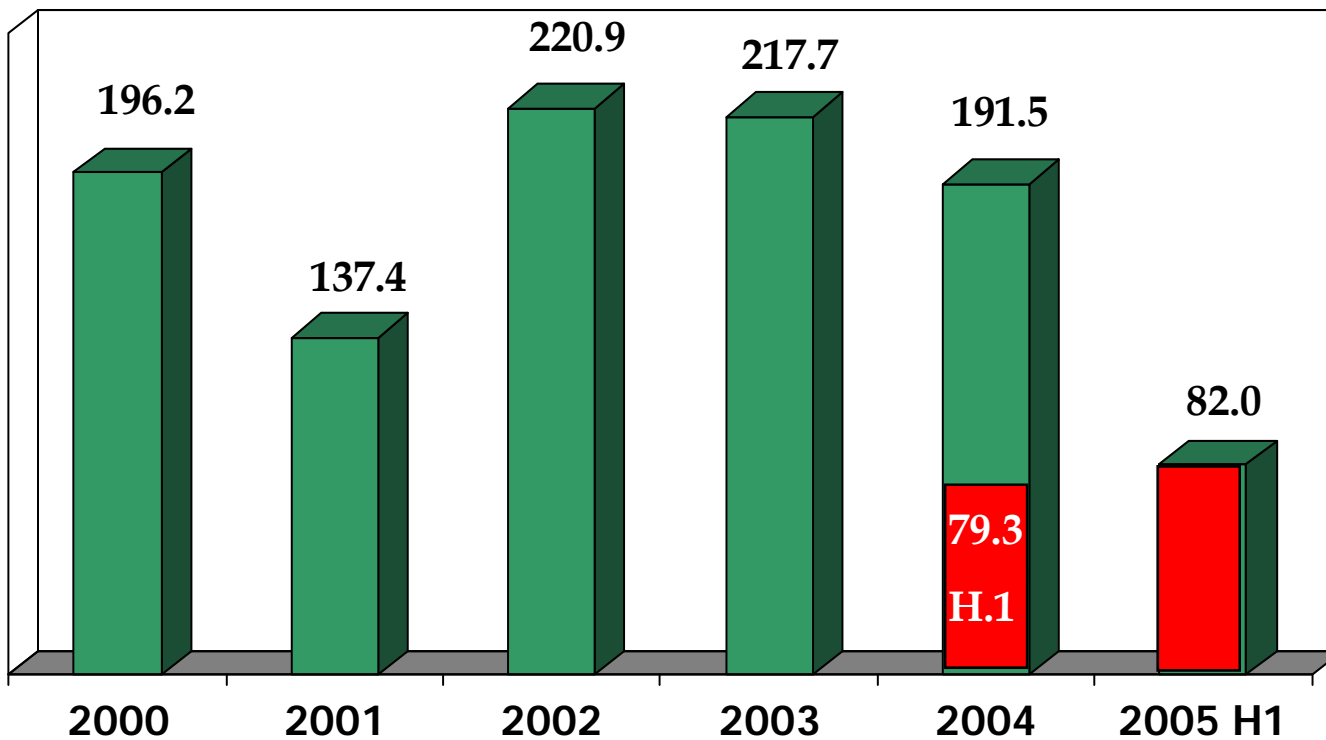
- We are in the middle of a cost review of our Irish Sea routes which is being conducted by two consultants nominated by SIPTU who represent Ships' Officers and some crew.
- If the outcome of this review is unsatisfactory, we have little option but to develop a framework that allows us to migrate our cost base to competitor levels.
- We would expect a 3 to 4 year payback on this investment.

Cash Flow

	<i>Half Year</i> <i>2005</i> €m	<i>Half Year</i> <i>2004</i> €m	<i>Full year</i> <i>2004</i> €m
Operating Profit before restructuring	4.3	2.3	23.3
Depreciation	12.8	12.8	26.1
EBITDA (before restructuring)	17.1	15.1	49.4
Restructuring costs	-	-	(12.4)
	17.1	15.1	37.0
Working Capital Movement	7.0	5.1	0.6
Operating Cash Flow	24.1	20.2	37.6
Interest (net)	(1.8)	(2.8)	(6.3)
Tax	(0.9)	0.1	(0.5)
Capex	(8.6)	(8.2)	(13.3)
Redemptions	(4.0)	(3.5)	(5.5)
Free Cash Flow	8.8	5.8	12.0
Share Buyback	-	(5.9)	(7.1)
Net Flow	8.8	(0.1)	4.9
Opening Debt	(117.9)	(125.0)	(125.0)
Translation / Other	(6.8)	(1.9)	2.2
Closing Debt	(115.9)	(127.0)	(117.9)

5/6 Year Performance

Cash Flow Per Share



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>

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 (2004)	25.875c
CAGR (1988 - 2004)	17.1% p.a.

SUMMARY BALANCE SHEET

	<i>JUNE</i> <i>2005</i> <i>€m</i>	<i>JUNE</i> <i>2004</i> <i>€m</i>	<i>DEC</i> <i>2004</i> <i>€m</i>
Non Current Assets			
Ships	259	272	252
Other	48	47	49
	<u>307</u>	<u>319</u>	<u>301</u>
Retirement benefit asset	0	9	0
Working Capital	<u>(28)</u>	<u>(23)</u>	<u>(18)</u>
	<u>279</u>	<u>305</u>	<u>283</u>
Shareholders Equity	150	166	151
Net Debt	116	127	118
Retirement benefit obligation	6	0	3
Provisions	<u>7</u>	<u>12</u>	<u>11</u>
	<u>279</u>	<u>305</u>	<u>283</u>
Net Assets per Share	€6.44	€7.00	€6.43

COMPOSITION OF NET DEBT

<u>CURRENCY</u>	<u>€m</u>	<u>FIXED*</u>	<u>RATE</u>
\$	16	53%	3.6%
£	33	54%	5.6%
€	<u>78</u>	<u>56%</u>	<u>4.7%</u>
	127	56%	4.8%
Cash	<u>(11)</u>		
Net Debt	<u>116</u>		

* Up to 2 years from 30 June 2005

TAX

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

Conclusion

- No. 1 position - Republic of Ireland / UK & Continent
- Huge capacity for growth
- Significant capex reduction in future years, while offering best product/service to customers
- Threat/opportunity to reduce our cost base
- Strong free cash flow



Appendices



OPERATIONAL GEARING



Ulysses - RoRo Freight

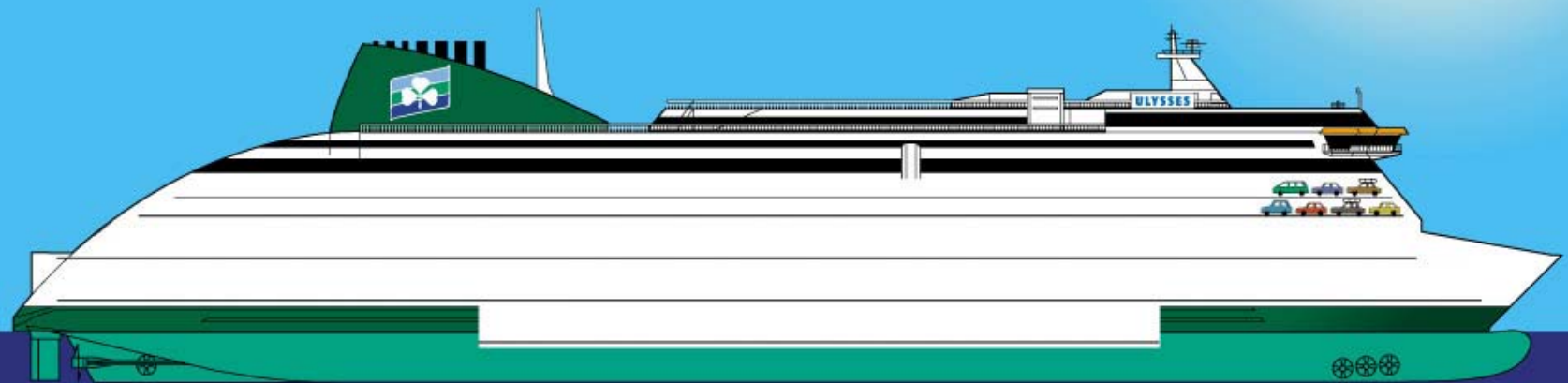


72% night time utilisation

7 years growth at 5% p.a.

**100% night time utilisation in 2004 would yield
additional €9.5m operating profit or 35 cent per share**

Ulysses - Car



12% day time utilisation

45 years growth at 5% p.a.

**25% day time utilisation in 2004 would yield
additional operating profit of €20m or 75 cent per
share.**

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
Cars: 1,342
Trucks: 240

Year Built: 2001
Passengers: 1,900

Normandy 1982



Price: €20.8m

Year Built: 1982

Cars: 420

Passengers: 1,577

Trucks: 43



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