

## 1. Irish Ferries

**Leading 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

**Capital  
Employed**

**63%**

## 2. Ship Chartering Division

**Diversified ship charter business**

**26%**

## 3. Container Division

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

**11%**



# ICG - Group Performance

	Half Year 2006 €m	Half Year 2005 €m	Full Year 2005 €m
Turnover	141.9	139.6	298.7
EBITDA	18.5	17.1	46.7
Depreciation/Amortisation	<u>(13.0)</u>	<u>(12.8)</u>	<u>(27.7)</u>
Operating Profit	5.5	4.3	19.0
Interest	<u>2.8</u>	<u>(2.6)</u>	<u>(4.7)</u>
PBT	2.7	1.7	14.3
EPS Basic (cent)	10.6c	6.4c	(66.9c)
EPS Adjusted (cent)	10.6c	6.4c	57.9c
Cash EPS (cent)	65.9c	61.3c	177.0c
Dividend (Redemption) per Share (cent)	10.9c	9.9c	29.1c
Net Debt (m)	132.4	115.9	105.9

# Container Division

	Half Year 2006 €m	Half Year 2005 €m	Full Year 2005 €m
Turnover	70.2	67.5	136.4
EBITDA	2.7	3.4	7.9
Depreciation/Amortisation	<u>(1.5)</u>	<u>(1.4)</u>	<u>(3.7)</u>
Operating Profit	<u>1.2</u>	<u>2.0</u>	<u>4.2</u>



# Operations & Key Issues

## ■ Container Routes

- Ireland / Continent - Door to Door plus Quay to Quay
- UK / Continent - Quay to Quay container movement

## ■ Port Ownership

- Container Terminal in Dublin
- Development in Belfast late 2006

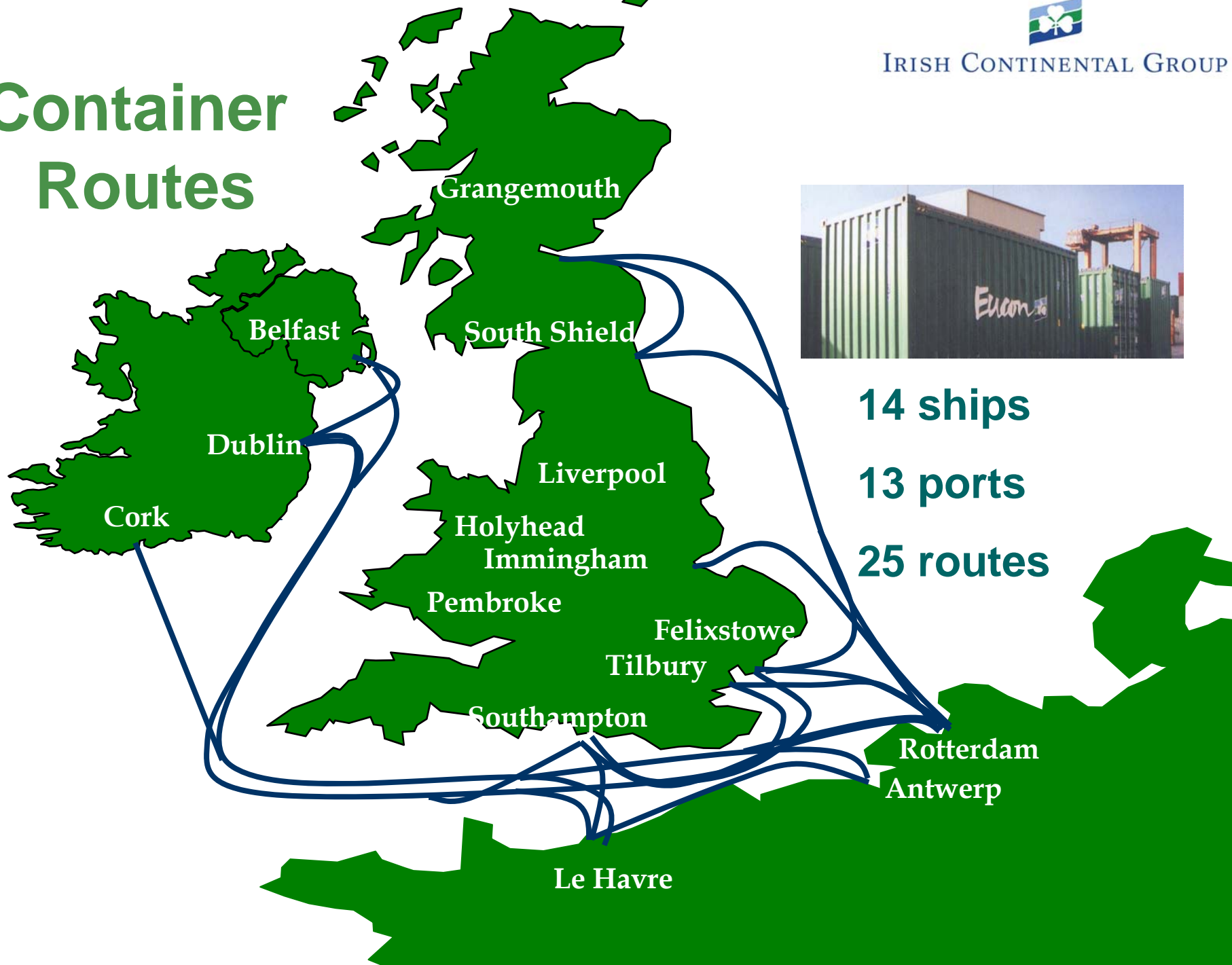
## ■ Key Issues

- High fuel costs (up 45% in H1)
- Higher charter costs (up 12% in H1)
- Consolidation in “Deep Sea” shipping resulting in changes to feeder contracts
- Dublin Port Tunnel delayed to end 2006



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# Container Routes



14 ships

13 ports

25 routes

# Market Share – LoLo 2005 (est.)



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	All Ireland (UK & Continent)
	%
Peel Holdings	33
ICG	24
Samskip	16
Norfolk Line (Maersk)*	9
C2C	8
Others	10
Total	100

\* Now DFDS

# Container Terminal Market

1.3 Million Teu in 2005

- 150 year lease of 33 acres from 1971
- 500 metres of berths (9 - 11 metres depth)



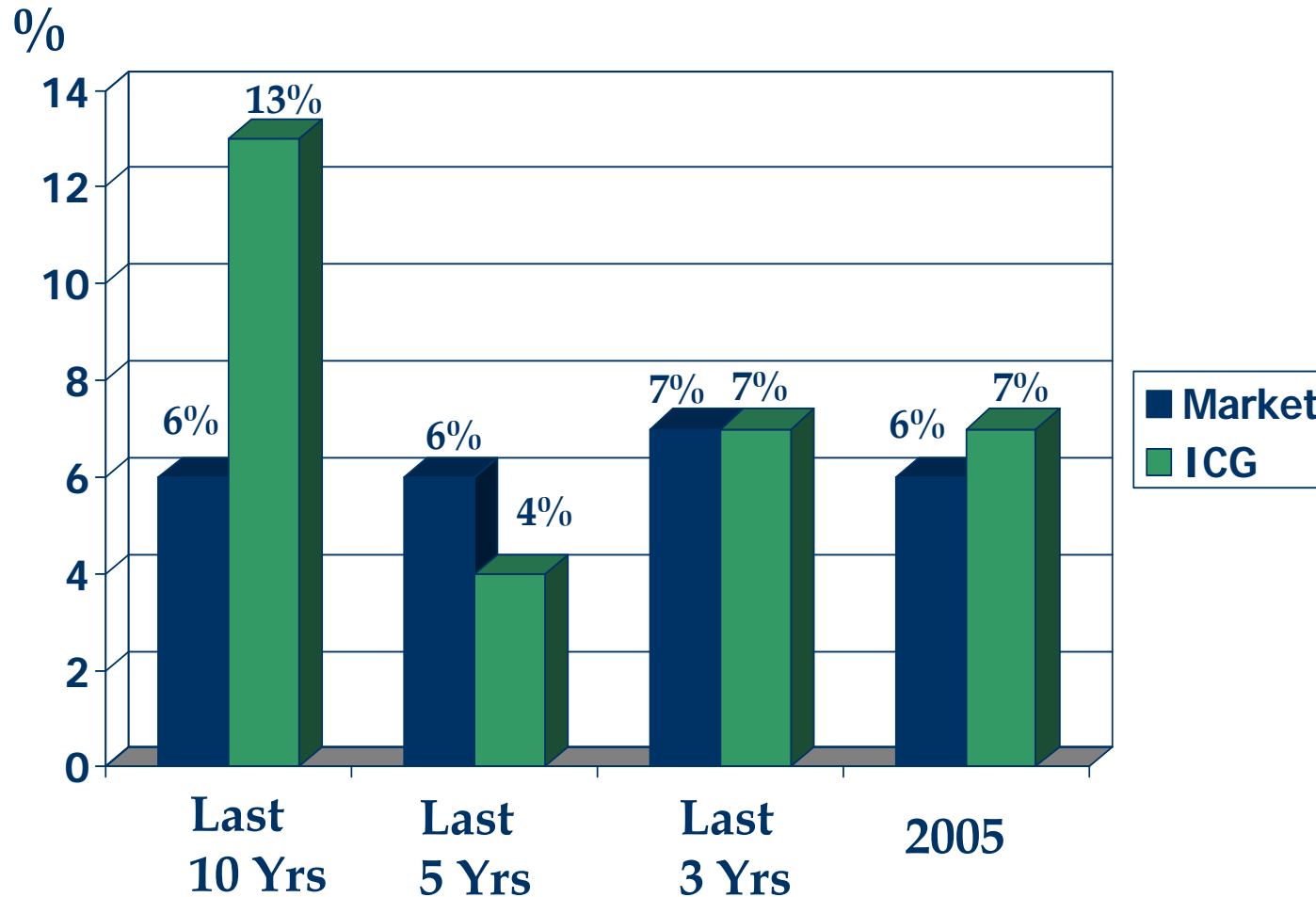
# Container handling in Ireland

## Market Share 22% 2005



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### CAGR Volume %







# Ferries & Ship Chartering

	Half Year 2006 €m	Half Year 2005 €m	Full Year 2005 €m
Turnover	72.3	72.5	162.7
EBITDA	14.8	13.7	38.8
Depreciation/Amortisation	<u>(11.5)</u>	<u>(11.4)</u>	<u>(24.0)</u>
Operating Profit	<u>4.3</u>	<u>2.3</u>	<u>14.8</u>

- **Ship Chartering**

- 2 ferries on charter to P&O

- **Irish Ferries**

- 4000 departures to and from UK
- 250 departures to and from France

# Ship Chartering Division



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## Pride of Bilbao



Night Ferry; 2400  
beds, 580 cars,  
built 1986

Day Ferry; 600 cars  
or 108 trucks built  
1995



## Challenger



# Ship Chartering Division



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- **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. Pride of Cherbourg on charter to P&O until July 2007. Options on both ships to be declared by end January 2007.**

# Irish Ferries - Ships



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# Irish Ferries - Ships



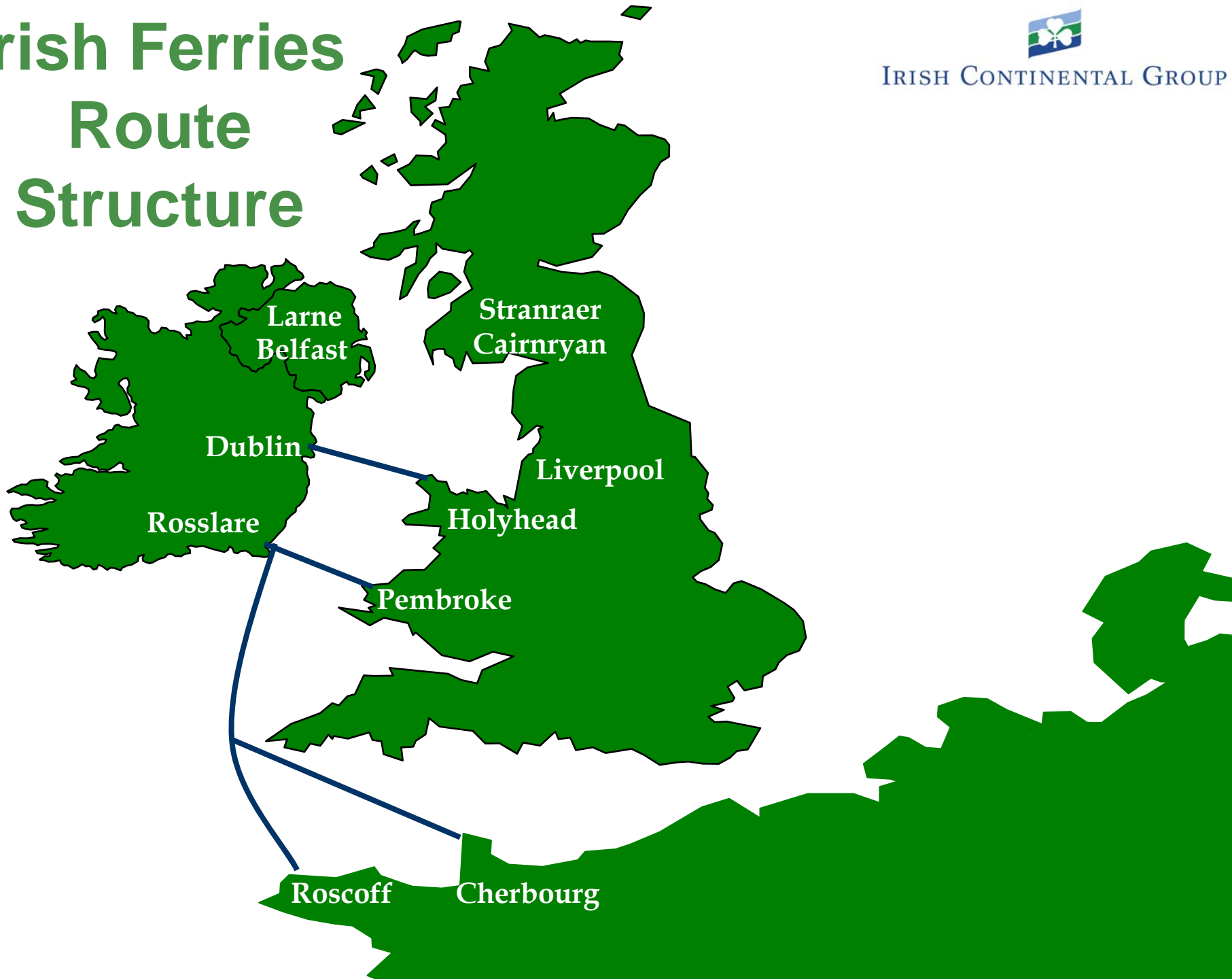
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# Irish Ferries Route Structure



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# Irish Ferries Route Structure



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- **Focus on short routes with high utilisation of ships.**
- **Major barriers to entry in Holyhead & Pembroke for key slots**
- **UK / Rep. Ireland Routes**
  - **Over 92% of cars travel on short routes into Dublin and Rosslare**
  - **Over 54% of RoRo units travel on short routes into Dublin and Rosslare**





# Passenger Car Market UK ↔ Ireland Market

## REPUBLIC OF IRELAND

Volumes (Cars)	Market	Irish Ferries	Irish Ferries Share
H1: Jan - June 2006	- 6%	- 11%	41%
July – Aug* 2006	- 7%	- 13%	39%
Jan – Aug* 2006	- 6%	- 12%	40%

- Weak car market due to low fare airlines and reduced ferry capacity. ISE ceased operation while Stena & IF reduced their craft capacity. Overall tourism capacity on short sea routes was down 11% to July 06
- Average yield slightly up on last year

\*August market figures are estimated



# Market Share – Cars

## 2006 v 2005 (H1)

### Republic of Ireland - UK

**2006****2005****%****%****Irish Ferries****41****44****Stena Line****50****48****P&O Irish Sea****2****1****Irish Sea Express / IOMSPC****0****2****Swansea Cork****4****4****Norfolkline****3****1****Total****100****100**

# Irish Ferries - Advertisements



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**Airlines  
discriminate  
against the  
overweight.**



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

**Don't be a clot!**



**Stretch your legs  
on our ferries.**

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

AIRPORT INFORMATION

OVERPRICED  
PARKING



LONG  
DELAYS



EXCESS  
CHARGES



**It's a sign!**

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

# Irish Ferries - Distribution



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## Car Booking Report 2006

### All Markets

	Half Year 2006 %	Share Half Year 2005 %
Call Centres	19	25
At our Ports	10	8
Internet	<u>48</u>	<u>40</u>
Direct	77	73
Travel Trade	<u>23</u>	<u>27</u>
Total	100	100

**IRISH FERRIES**  
How good are we?  
Ask any of our passengers

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

**£6.50**

Home | Welcome | Book On-Line | Routes & Times | Ships | Fares & Offers | Travel Agents | FAQ's | Holidays | Contact Us | More Info

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**Our Ads**  
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# RoRo Freight Market UK-Ireland 2006

## REPUBLIC OF IRELAND

Volumes (Freight Units)	Market	Irish Ferries	Market Share
Jan - June 2006	6%	3%	27%
July – Aug* 2006	6%	3%	28%
Jan – Aug* 2006	6%	3%	27%

- Strong growth in the market in line with Ireland's economic growth and further integration with the rest of Europe.
- Irish Ferries lower growth in first half of 2006 has benefited from technical disruptions to Stena Lines services in 2005. Competitors adding 4 new ships during 2006 and increasing capacity by 19% in a full year.
- Average yields slightly down on last year.

\*August market figures are estimated



# Market Share – RoRo

## 2006 V 2005

	Rep. of Ireland - UK	
	2006 H.1	2005 H.1
	%	%
<b>Irish Ferries</b>	<b>27</b>	<b>27</b>
<b>Stena Line</b>	<b>28</b>	<b>27</b>
<b>Norfolkline</b>	<b>26</b>	<b>26</b>
<b>P&amp;O Irish Sea</b>	<b>18</b>	<b>19</b>
<b>Celtic Link</b>	<b>1</b>	<b>0</b>
<b>Swansea Cork</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>100</b>	<b>100</b>

# RoRo Freight Traffic Key Slots



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## ULYSSES

### Dublin - Holyhead

Dep	Arr
09.05	12.20
21.05	00.20

### Holyhead - Dublin

Dep	Arr
15.00	18.15
02.50	06.05

Effective from 03/03/2003

**DAILY**

## ISLE OF INISHMORE

### Rosslare - Pembroke

Dep	Arr
08.45	12.30
21.00	00.45

### Pembroke - Rosslare

Dep	Arr
14.30	18.15
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

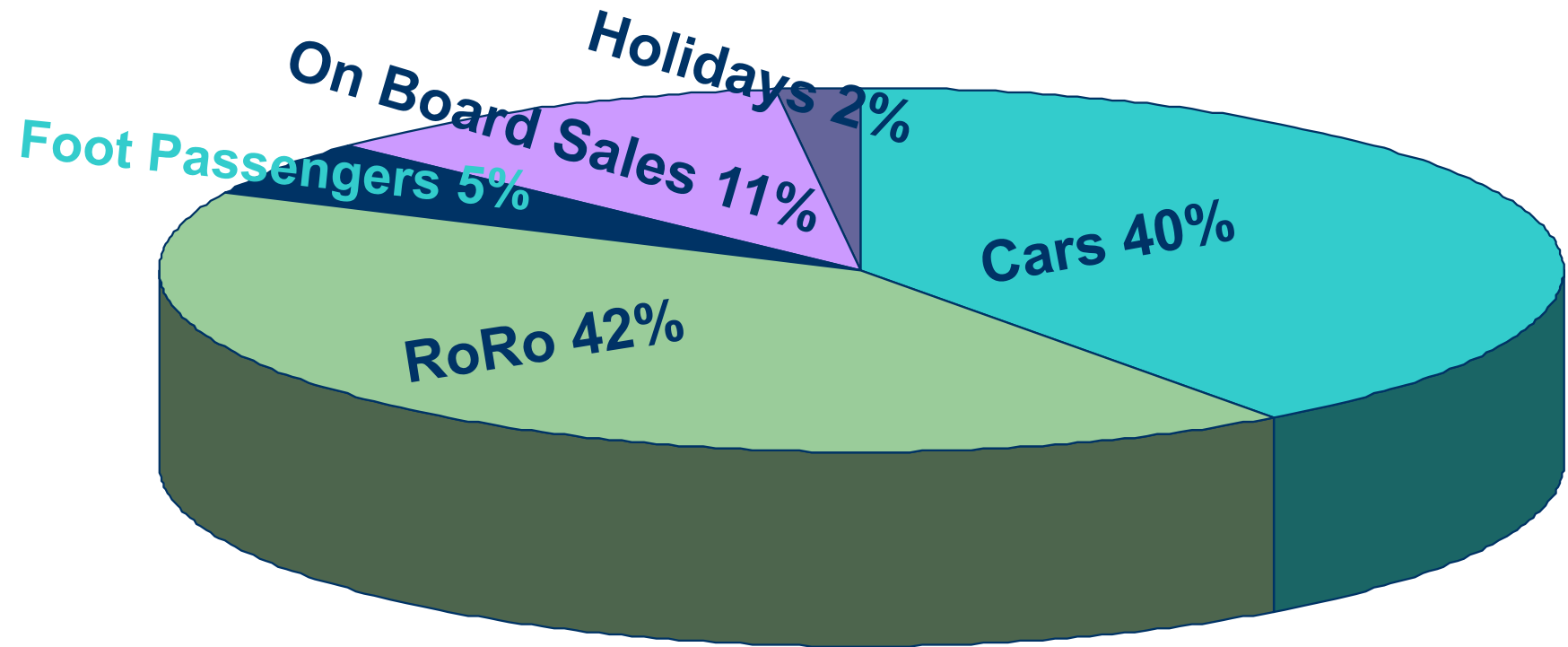
	1992 %	2005*(e) %	CAGR
Value of Imports & Exports	€45.1bn	€241.5bn	13.8%
GDP	€40.0bn	€161.2bn	11.3%
Imports & Exports as % of GDP	113%	150%	



# Irish Ferries Revenue Mix 2006



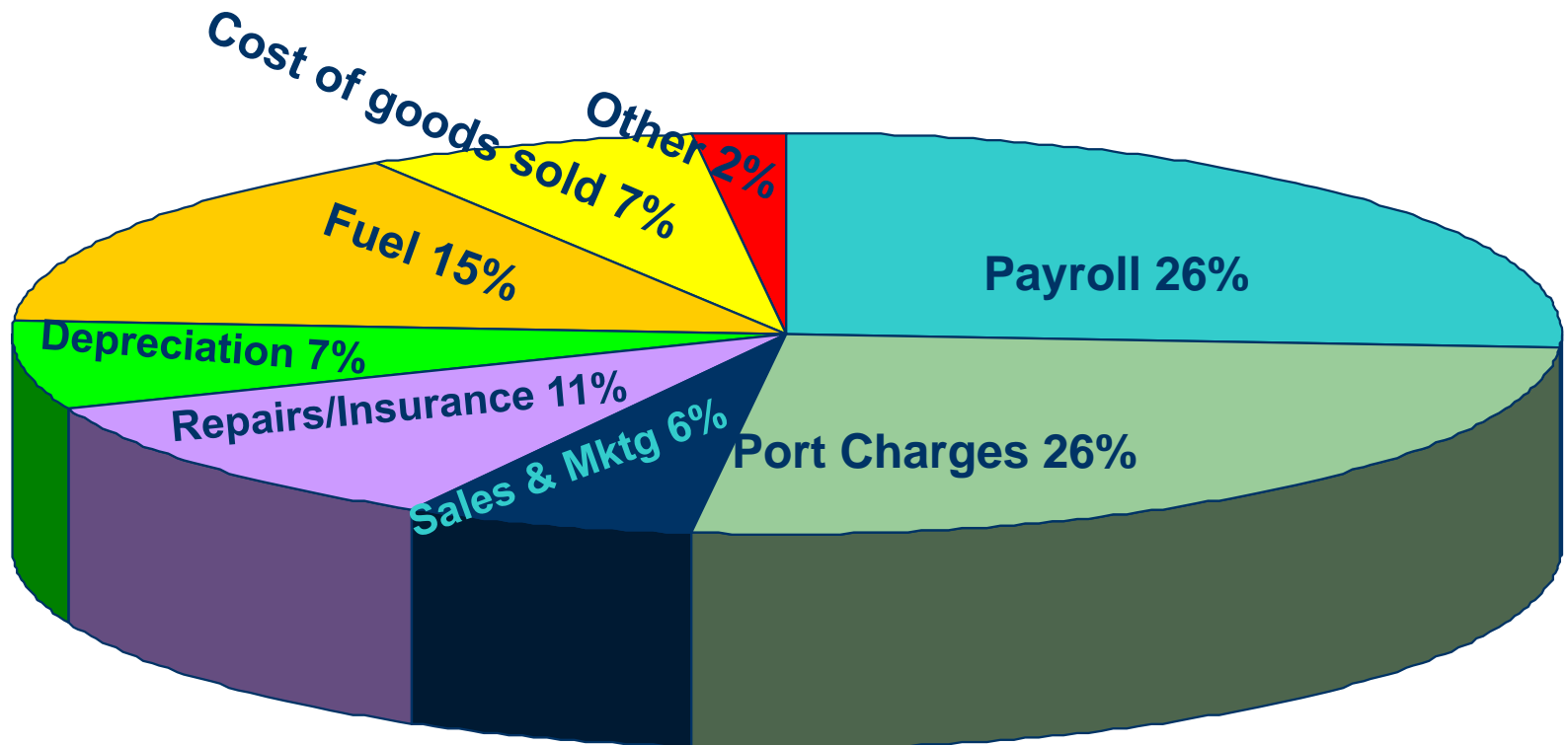
IRISH CONTINENTAL GROUP



# Irish Ferries Cost Analysis 2006



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# Restructuring Provision



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	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	38.5	5.3*
Rebate of statutory redundancy (60%)	(4.1)	
Pension curtailment	<u>(5.3)</u>	<u>-</u>
	<u>41.5</u>	<u>9.4</u>

\* Full year benefit €9.35m

# Headcount Reduction

## ■ Direct Employees

	June 2006	June 2005	June 2004
Irish Ferries			
Seagoing	37	590	960
Shore (incl. ports)	<u>315</u>	<u>309</u>	<u>348</u>
Total	352	899	1308
Container & Terminal & Group			
	<u>193</u>	<u>210</u>	<u>202</u>
	<u>545</u>	<u>1109</u>	<u>1510</u>

# Fuel Costs



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	2006 (f)	2005	2004
<b>Consumption (000 tons)</b>			
Heavy Fuel Oil	98.0	96.6	96.2
Marine Diesel	<u>15.4</u>	<u>20.9</u>	<u>19.4</u>
	113.4	117.5	115.6
<b>Price (€ per ton)</b>			
Heavy Fuel Oil	€281	€216	€144
Marine Diesel	€491	€384	€298
<b>Cost (2006 V's 2005) +21%</b>	€35m	€29m	€20m
<b>(2006 V's 2004) +75%</b>			

# Cash Flow



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	Half Year 2006 €m	Half Year 2005 €m	Full year 2005 €m
Operating Profit before restructuring	5.5	4.3	19.0
Depreciation	<u>13.0</u>	<u>12.8</u>	<u>27.7</u>
EBITDA (before restructuring)	18.5	17.1	46.7
Working Capital Movement	<u>6.0</u>	<u>9.1</u>	<u>(1.1)</u>
Operating Cash Flow	24.5	26.2	45.6
Interest (net)	(2.6)	(1.8)	(4.9)
Tax	(1.0)	(0.9)	(1.7)
Capex	(8.4)	(8.6)	(12.9)
Restructuring	<u>(36.3)</u>	<u>(4.3)</u>	<u>(5.9)</u>
Free Cash Flow	(23.8)	10.6	20.2
Dividends/Redemptions	<u>(4.5)</u>	<u>(4.0)</u>	<u>(6.3)</u>
Net Flow	(28.3)	6.6	13.9
Opening Debt	(105.9)	(117.9)	(117.9)
Translation / Other	<u>1.8</u>	<u>(4.6)</u>	<u>(1.9)</u>
Closing Debt	<u>(132.4)</u>	<u>(115.9)</u>	<u>(105.9)</u>

# Share Buybacks / Dividends



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	Shares	%	Value	AV. Share Price
<b>Buybacks</b>				
2002	2.16m	8.1%	€14.5m	6.7
2003	1.23m	4.9%	<del>€9.8m</del>	8.0
2004	<u>0.69m</u>	<u>2.9%</u>	<u><del>€7.9m</del></u>	<u>11.4</u>
TOTAL	4.08m	15.9%	€32.2m	7.9

Authority to purchase up to an additional 2.3m shares (10%) valid up to 2007 AGM.

## Dividend Growth Since IPO

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

# Summary Balance Sheet



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	June 2006	Dec 2005
	€m	€m
<b>Ships</b>	<b>240</b>	<b>248</b>
<b>Other</b>	<b><u>48</u></b>	<b><u>48</u></b>
	<b>288</b>	<b>296</b>
<b>Retirement benefit asset</b>	<b>14</b>	<b>7</b>
<b>Working Capital</b>	<b><u>(27)</u></b>	<b><u>(22)</u></b>
	<b><u>275</u></b>	<b><u>281</u></b>
<b>Shareholders Equity</b>	<b>140</b>	<b>139</b>
<b>Net Debt</b>	<b>132</b>	<b>106</b>
<b>Provisions</b>	<b><u>3</u></b>	<b><u>36</u></b>
	<b><u>275</u></b>	<b><u>281</u></b>



# Conclusion



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



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# Appendices





# OPERATIONAL GEARING



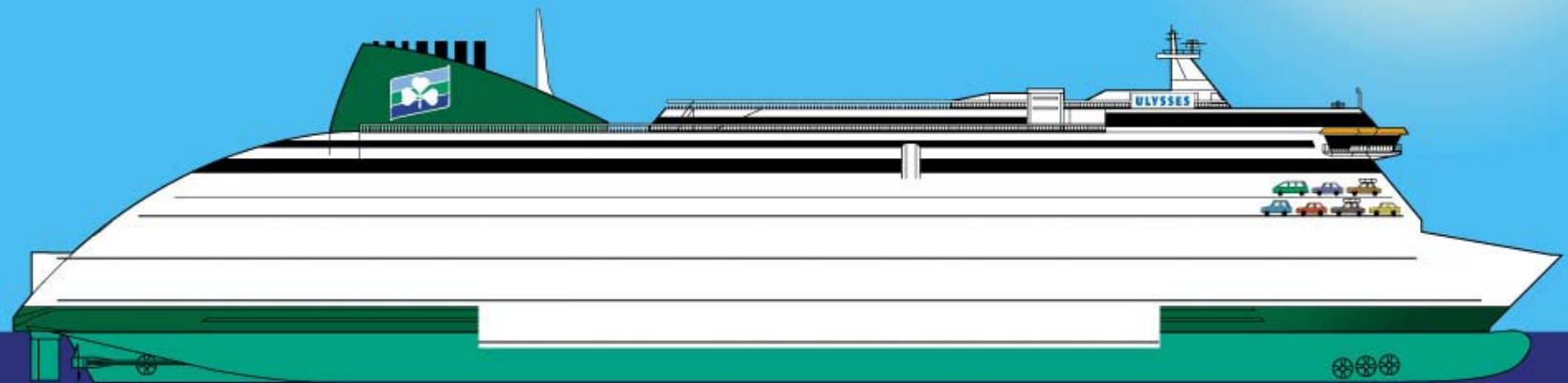
# Ulysses - RoRo Freight



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



# Ulysses - Cars



12% day time utilisation (higher in holiday peaks)

# 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

**Cars:** 420

**Trucks:** 43

**Year Built:** 1982

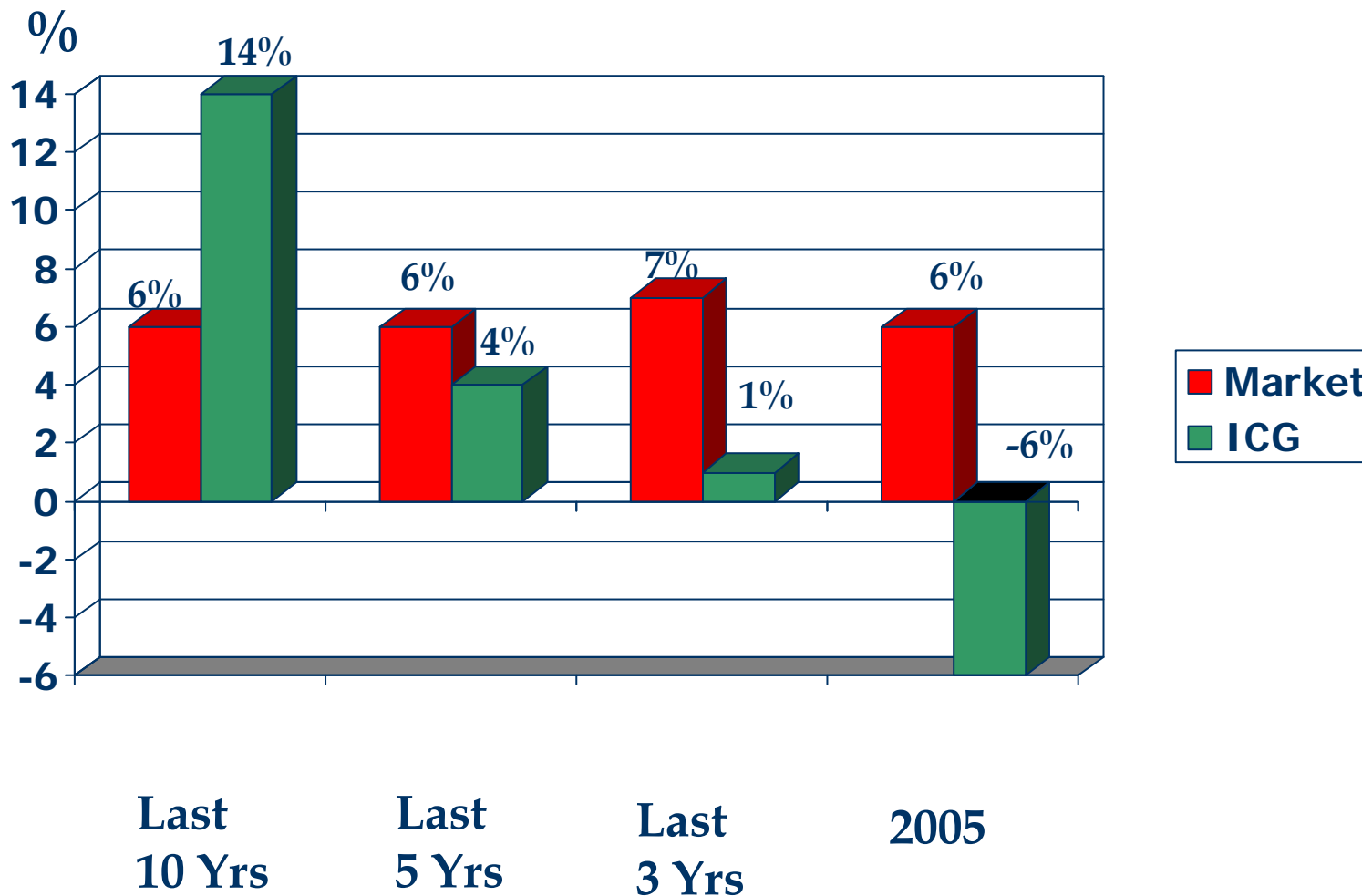
**Passengers:** 1,577

# Irish – Continent/UK Market Share 24% 2005

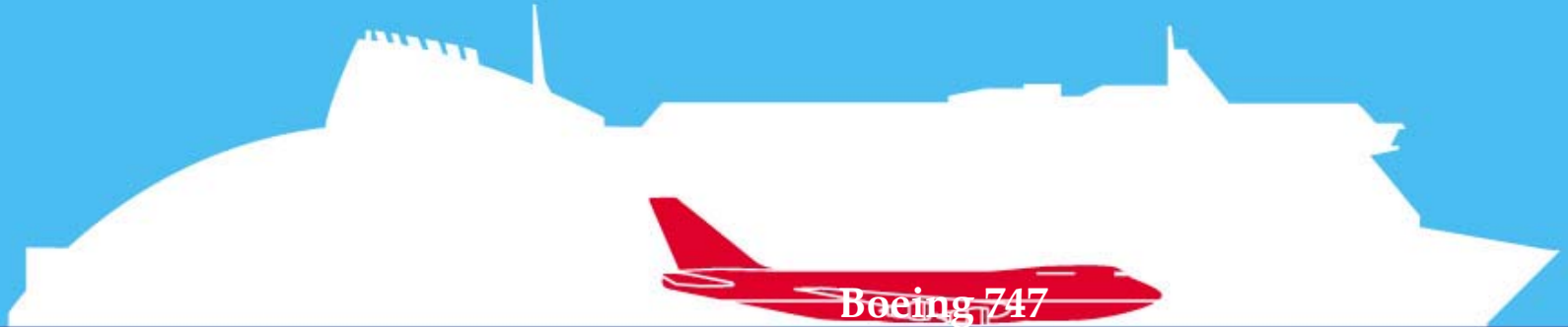


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**CAGR – Volume %**



# Ulysses



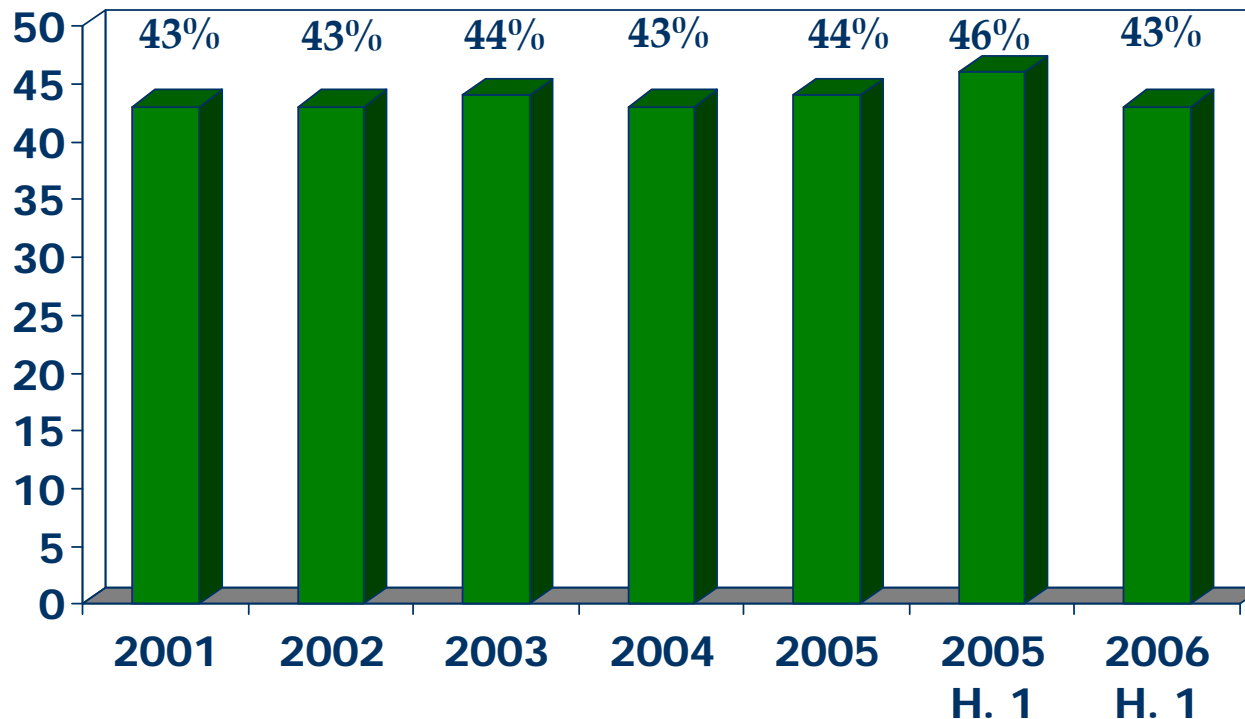
# Car Performance Irish Ferries Market Share



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Rep. of Ireland

%



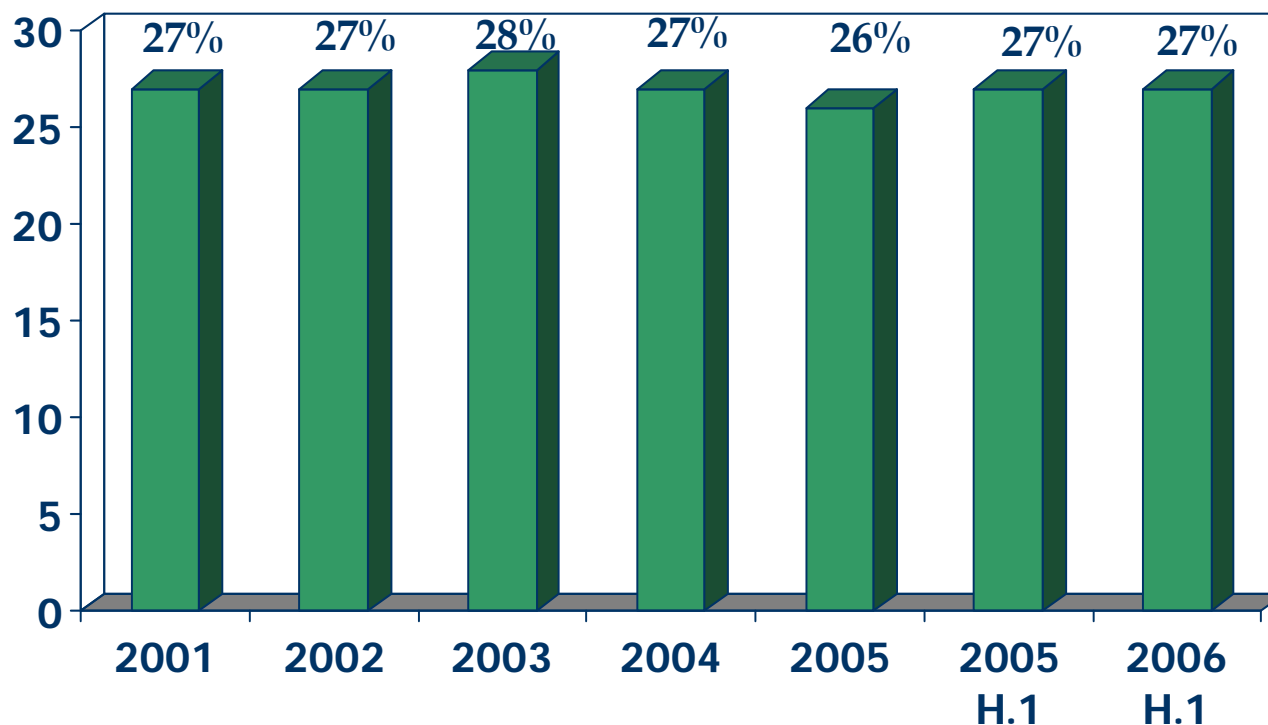


# RoRo Freight Performance

## Irish Ferries Market Share

Rep. of Ireland

%



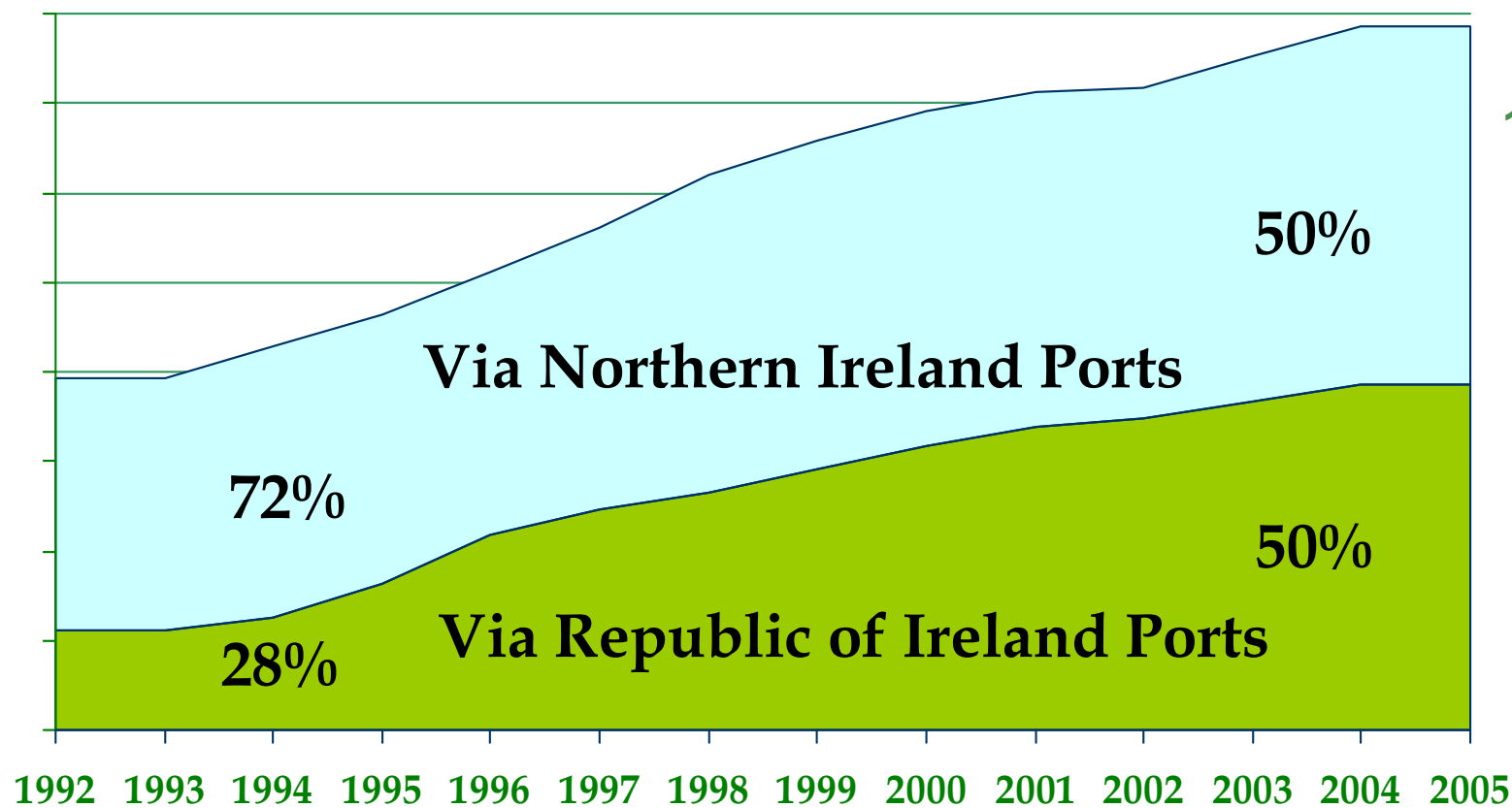


# RoRo Freight Traffic (1.6m)

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000s Units

Compound  
Average  
Growth  
Rates  
1995 - 2005



3% p.a.

10% p.a.

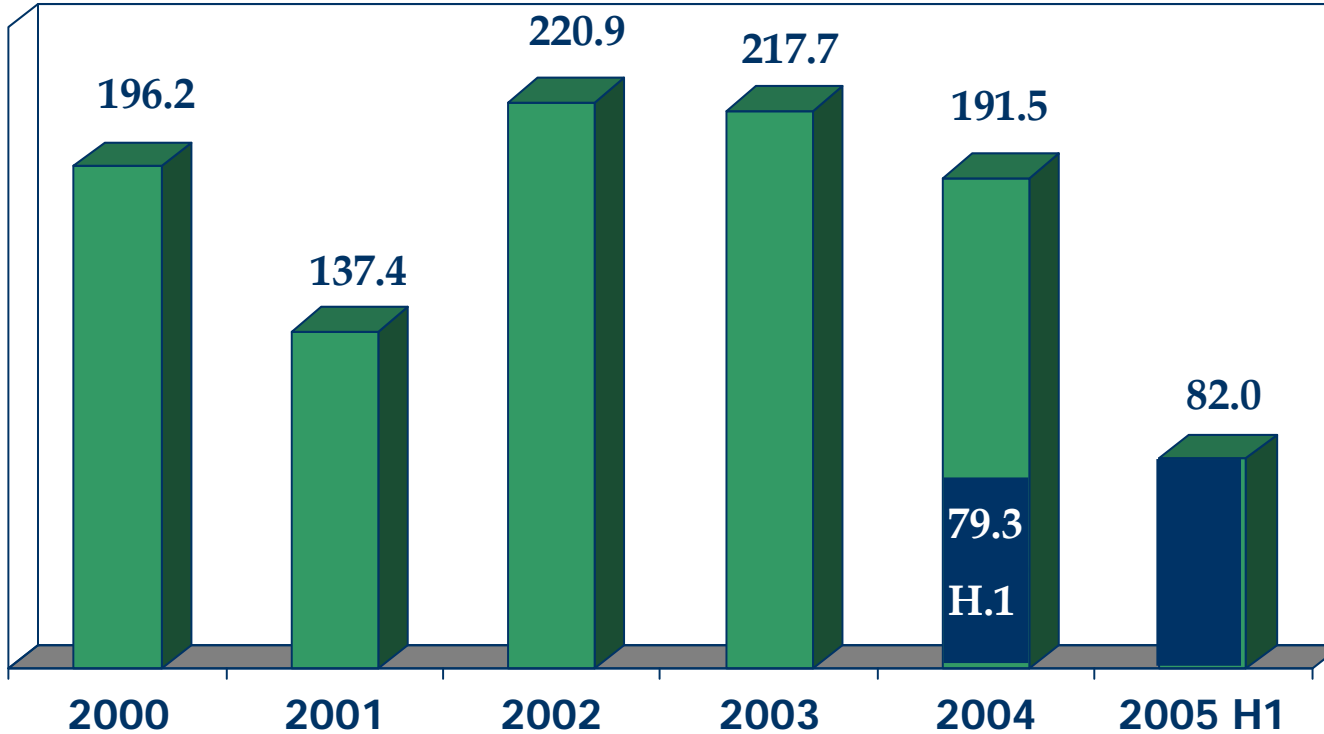
6% p.a.

# 5/6 Year Performance

## Cash Flow Per Share



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# Composition Of Net Debt

Currency	€m	Fixed*	Rate
\$	15	26%	3.8%
£	24	36%	5.4%
€	105	62%	4.0%
	144	54%	4.1%
Cash	(12.0)		
Net Debt	132		

\* Up to 3.5 years from 30 June 2006



- **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**



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# Interim Update 7<sup>th</sup> September 2006

