



IRISH CONTINENTAL GROUP

HALF YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

Financial Highlights	Unaudited		Change %	Audited
	Six months to 30 th June			Financial Year
	2011	2010		2010
Revenue	€126.6m	€122.4m	+3.4%	€262.2m
EBITDA	€16.1m	€20.0m	-19.5%	€53.6m
Operating Profit	€6.5m	€8.8m	-26.1%	€31.5m*
EPS Basic	24.4c	33.1c	-26.3%	156.8c
EPS Adjusted	24.0c	34.3c	-30.0%	121.0c
Net Debt	€14.4m	€26.9m	-46.5%	€6.3m
Dividend	33.0c	-		100.0c

Other Key Points

	30 th Jun 2011	30 th Jun 2010	%
	000	000	
Passengers	670.5	695.7	-3.6%
Cars	151.6	156.4	-3.1%
RoRo Freight	97.0	86.6	+12.0%
Container Freight (teu.)	205.3	210.6	-2.5%
Port Lifts	94.2	82.3	+14.5%

teu = twenty foot equivalent units

* excludes non trading credit

Comment

In a comment John B. McGuckian Chairman stated;

"I am pleased to report EBITDA of €16.1m in the first six months of the year. These are resilient results in the context of a challenging economic environment and high oil prices. The Group fuel bill was €24.4 million compared with €20.1 million in the first half of 2010. Last year we had the benefit of the ash cloud which makes comparison with 2011 even more challenging. On the RoRo freight side there has been good growth in our business, up 12% in volume terms and cash generation remains strong with net debt of only €14.4 million having paid a dividend of €25.1 million during June. We have also declared an interim dividend of 33.0 cent per ICG unit. The economic outlook remains challenging with austerity programmes affecting both consumer demand for travel and freight markets but we are structured to compete and to continue to generate cash notwithstanding this backdrop".

30th August 2011

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INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS TO 30 JUNE 2011

RESULTS

The Board of Irish Continental Group plc (ICG) reports that, in the seasonally less profitable first half of the year, the Group recorded revenue of €126.6 million compared with €122.4 million in the same period in 2010, an increase of 3.4%. Earnings before interest tax and depreciation (EBITDA) were €16.1 million compared with €20.0 million in the same period in 2010. Operating profit was €6.5 million compared with €8.8 million in 2010. Group fuel costs were €24.4 million compared with €20.1 million in the same period in 2010. There was a net finance charge of €0.3 million which includes a net pension credit of €0.1 million and net bank interest payable of €0.4 million. Profit before tax was €6.2 million compared with €8.3 million in the first half of 2010. The tax charge amounted to €0.1 million (2010: €0.1 million). Basic EPS was 24.4c compared with 33.1c in the first half of 2010. Adjusted EPS (i.e. before the net pension interest credit) amounted to 24.0c (34.3c in 2010).

DIVIDEND

The Board has decided to resume payment of an interim dividend and declares a dividend of 33.0 cent per ICG unit payable on 30 September to shareholders on the register at 16 September 2011.

OPERATIONAL REVIEW

Ferries Division

The division comprises Irish Ferries, a leading provider of passenger and freight ferry services between Ireland and both the UK and Continental Europe, and the bareboat chartering of multipurpose ferries to third parties. Irish Ferries operated 2,148 sailings in the period, down 1.8% on 2010.

Revenue in the division was €68.2 million (2010: €68.0 million) with higher passenger car and freight revenue offset by lower foot passenger and charter revenue. Profit from operations was €3.2 million (2010: €6.5 million), after a €3.1 million increase in fuel costs.

Irish Ferries' passenger business is focused on passengers travelling with their own cars. Total passengers carried were down 3.6% at 670,500 while total cars carried in the first half of 2011 were 151,600, down 3.1% on the previous year, but at higher yields. The overall sea passenger market was down 7.5% and the car market was down 6.2%. (The comparative figures for 2010 include the period during which European air space was closed due to volcanic ash, which had a significant positive impact on passenger volumes in that period).

In RoRo freight Irish Ferries' volumes were up 12.0% to 97,000 units, when compared with the first half of 2010. This increase is in excess of the market due to reduced capacity on the Central Corridor of the Irish Sea. On the Island of Ireland as a whole RoRo volumes were flat year-on-year (source: Irish Maritime Development Office - IMDO) indicating that economic recovery is still some way off.

The MV Kaitaki remained on charter to P&O during the period, trading in New Zealand.

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS TO 30 JUNE 2011

OPERATIONAL REVIEW - continued

Container and Terminal Division

The Container and Terminal Division includes the shipping lines Eucon and Feederlink as well as the division's strategically located container terminals in Dublin (DFT) and Belfast (BCT).

Turnover in the division was up 7.3% to €59.1 million (2010: €55.1 million), while profit from operations was €3.3 million (2010: €2.3 million).

Total containers shipped were down 2.5% at 205,300 teu. There was an increase in carryings to and from Ireland offset by a reduction in carryings on the North Sea due to business foregone due to inadequate rates. There was strong growth in the number of units lifted at the division's port facilities in Dublin and Belfast which were up 14.5% at 94,200 lifts. The overall LoLo market on the island of Ireland was down 1% in the first six months of the year (source: IMDO).

FINANCE / DEBT

EBITDA for the period was €16.1 million compared with €20.0 million in the same period in 2010. Operating cash flow was €14.2 million versus €16.8 million in 2010. Capital expenditure in the period was €3.7 million (2010: €4.6 million) while pension payments in excess of current service costs amounted to €2.2 million. Free cash flow was €19.4 million compared with €18.8 million in the previous half year. During the period we returned €29.1m to shareholders comprising, a dividend of 100 cent per ICG Unit totalling €25.1 million (2010 €25.0 million) and €4.0 million through a share buyback.

Net debt at the end of the period amounted to €14.4 million. This compares with €6.3 million at 31 December 2010 and reflects the payment of the dividend of €25.1 million and the €4.0 million share buyback offset to a large degree by the strong operating cash flow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business. The key risks facing the Group in the six months to 31 December 2011 include operational risks such as risks to safety and business continuity, commercial and market risks due to reduced demand for passenger and freight services combined with the risk of increased supply of shipping capacity due to the mobility of assets, and financial and commodity risks arising from the current financial and economic environment.

- **Safety and Business Continuity**

The Group is dependent on the safe operation of its vessels. There is a risk that any of the Group's vessels could be involved in an incident which could cause loss of life and cargo and cause significant interruption to the Group's business. In mitigation, the Group carries insurance in respect of passenger, cargo and third party liabilities, but does not carry insurance for business interruption due to the cost involved relative to the insurable benefits. The operation of vessels of the type listed by the Group is subject to significant regulatory oversight by flag state, port state and other regulatory authorities whose requirements can change from time to time. The business of the Group is also exposed to the risk of interruption from incidents such as mechanical failure or other loss of critical port installations or vessels or from labour disputes either within the Group or in key suppliers, for example ports or fuel suppliers, or from a loss of significant IT systems.

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS TO 30 JUNE 2011

PRINCIPAL RISKS AND UNCERTAINTIES – continued

- **Commercial and Market Risk**

The passenger market is subject to the current challenging economic conditions, the propensity of consumers to spend and travel and to the competitive threat from short-haul and regional airlines.

The freight market is subject to general economic conditions and in particular the changes in the level of international trade in North West Europe. Given the mobile nature of ships there is also the risk of additional capacity arising in any of the Group's trading areas at relatively short notice. The Group has commercial arrangements with freight customers and the Group is exposed to the risk of loss of such customers.

- **Financial and Commodity Risks**

In the light of the challenges arising in financial markets there is a higher degree of financial risk in the business. Specific risks include higher risk of default by debtors, reduced availability of credit insurance and potentially reduced availability, and higher cost, of financing. Other financial risks include the risks to the Group's defined benefit pension schemes from changes in interest and inflation rates, longevity, and changes in the market value of investments. In addition to normal risks attributable to the Group's defined benefit pension schemes, the Group is exposed to risk attributable to its membership of the multi-employer scheme, the Merchant Navy Officer Pension Fund (MNOFF). The rules of the scheme provide for joint and several liability for employers for the obligations of the scheme which had a deficit of approximately £361 million sterling at 31 March 2010. This means the Group is exposed, with other performing employers, to a pro rata share of the obligations of any employers who default on their obligations. The Group is also exposed to the risk of a discontinuance basis debt arising (a "S 75 debt") if it ceases participation in the MNOFF. This would be a larger sum than the ongoing deficit share and represents a contingent liability. In terms of commodity price risk the Group's vessels consume heavy fuel oil (HFO), marine diesel gas oil (MDO/MGO) and lubricating oils, all of which continue to be subject to price volatility. It is the Group's policy to purchase these commodities in the spot markets and to remain unhedged.

RELATED PARTY TRANSACTIONS

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period. In addition, there were no changes in related party transactions from the last annual report that could have a material effect on the financial position or performance of the Group in the first six months.

GOING CONCERN

After making enquiries and taking into account the Group's committed banking facilities which extend to August 2013, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. In forming this view the Directors have considered the future cash requirements of the Group's business in the context of the economic environment over the next 12 months, the principal risks and uncertainties facing the Group, the Group's budget plan and the medium term strategy of the Group, including capital investment plans. The future cash requirements have been compared to bank facilities which the Directors have negotiated. For this reason, they continue to adopt the going concern basis in preparing this half yearly financial report.

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS TO 30 JUNE 2011

AUDITOR REVIEW

This half yearly financial report has not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

CURRENT TRADING

The economic backdrop remains weak with subdued consumer demand in both Ireland and the UK. The Irish Government's initiative to stimulate the hospitality industry through lower V.A.T took effect from 1 July and is a welcome development but has yet to show a demonstrable improvement in incoming tourists by sea. In July and August car volumes were down 7%, total passenger numbers were in line with 2010 and RoRo freight was up 3%. The RoRo freight market is somewhat weaker than we had expected, although in the Container and Terminal division our container volumes have increased by 9% in the last two months while port lifts are up 12% continuing the strong trend from the first half. Oil prices continue to remain at historically high levels.

As we stated in our interim management statement on 17 May 2011, the greatest threat to our financial performance this year is the very significant increase in our fuel cost, following on from the €10 million increase in our fuel bill in 2010. We were successful last year in passing on that increase in that financial year. However given the scale of the back-to-back increase in 2011, it will be a significant challenge to pass on all of this increase in the remainder of the current financial year, if oil remains at current price levels. Notwithstanding the current difficult economic backdrop we are confident of passing on fuel cost increases through the cycle, as has been successfully proven by our business model in the past.

FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements and these statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and those statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group plc and its subsidiaries when viewed as a whole.

WEBSITE

This half yearly financial report and Interim Management Report are available on the Group's website www.icg.ie.

John B. McGuckian
Chairman
30th August 2011

INVESTOR PRESENTATION

The Company will make a presentation of the results to investors. The presentation will be held at the offices of NCB Stockbrokers at 3 George's Dock, IFSC, Dublin 1 at 8.00 a.m. on 30th August 2011. In addition, a dial-in facility will be available. Attendance at the presentation and dial-in will be strictly limited to investors who register in advance to attend. To register to attend the presentation, either in person or via the dial-in facility, investors should contact NCB Stockbrokers at +353 (0)1 611 5942. A copy of the presentation will also be posted on the Company's web-site, www.icg.ie

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and IAS 34, Interim Financial Reporting as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- the Group Condensed Financial Statements for the half year ended 30 June 2011 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34 Interim Financial Reporting) adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year, their impact on the Group Condensed Financial Statements for the half year ended 30 June 2011, and a description of the principal risks and uncertainties for the remaining six months; and
- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Eamonn Rothwell Chief Executive Officer
Garry O'Dea Finance Director
30th August 2011

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Notes	Unaudited 30 Jun 2011 €m	Unaudited 30 Jun 2010 €m	Audited 31 Dec 2010 €m
Continuing operations				
Revenue		126.6	122.4	262.2
Depreciation and amortisation		(9.6)	(11.2)	(22.1)
Employee benefits expense		(8.2)	(11.2)	(24.0)
Other operating expenses		(102.3)	(91.2)	(184.6)
		6.5	8.8	31.5
Non trading credit		-	-	9.4
Operating profit		6.5	8.8	40.9
Investment revenue		6.1	6.7	11.6
Finance costs		(6.4)	(7.2)	(12.4)
Profit before taxation		6.2	8.3	40.1
Income tax expense		(0.1)	(0.1)	(1.1)
Profit for the period: all attributable to equity holders of the parent		6.1	8.2	39.0
Earnings per ordinary share (cent)				
All from continuing operations				
-basic	5	24.4c	33.1c	156.8c
-diluted	5	24.3c	32.9c	155.7c

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Notes	Unaudited 30 Jun 2011 €m	Unaudited 30 Jun 2010 €m	Audited 31 Dec 2010 €m
Profit for the period		6.1	8.2	39.0
Cash flow hedges:				
Fair value (losses) / gains arising during the period		(0.3)	-	0.1
Transfer to Consolidated Income Statement - net settlement of cash flow hedge		0.1	-	-
Foreign exchange (losses) / gains on translation of foreign operations		(3.1)	8.2	3.7
Actuarial (loss) / gain on retirement benefit obligations	10	(3.5)	(21.9)	5.9
Deferred tax credit / (expense)		0.7	(0.4)	(0.5)
Foreign exchange gain / (loss) on defined benefit schemes		0.4	-	(0.3)
Currency translation differences recycled to Consolidated Income Statement on disposal of vessel		-	-	(0.8)
Other comprehensive (expense) / income for the period		(5.7)	(14.1)	8.1
Total comprehensive income / (expense) for the period: all attributable to equity holders of the parent		0.4	(5.9)	47.1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

		Unaudited 30 Jun 2011 €m	Unaudited 30 Jun 2010 €m	Audited 31 Dec 2010 €m
Assets				
Non-current assets				
Property, plant and equipment	6	184.3	226.8	194.0
Intangible assets	7	0.9	1.0	0.9
Long term receivable		22.0	-	23.4
Retirement benefit surplus	10	3.4	1.4	4.0
		210.6	229.2	222.3
Current assets				
Inventories		3.2	2.7	1.9
Trade and other receivables		39.9	32.1	33.6
Derivative financial instruments		-	-	0.1
Cash and cash equivalents		13.1	17.5	17.2
		56.2	52.3	52.8
Total assets		266.8	281.5	275.1
Equity and liabilities				
Equity				
Share capital		16.7	16.8	16.8
Share premium		52.7	51.8	51.8
Other reserves		(24.3)	(15.6)	(21.3)
Retained earnings		105.3	71.8	130.7
Equity attributable to equity holders		150.4	124.8	178.0
Non-current liabilities				
Borrowings		26.9	2.7	22.8
Trade and other payables		1.0	-	1.1
Deferred tax liabilities		3.5	4.1	4.2
Provisions		0.4	0.5	0.3
Deferred grant		0.9	1.0	1.0
Retirement benefit obligation	10	21.7	47.2	21.5
		54.4	55.5	50.9
Current liabilities				
Borrowings		0.6	41.7	0.7
Derivative financial instruments		0.1	-	-
Trade and other payables		58.0	56.5	41.6
Current tax liabilities		2.8	2.4	3.5
Provisions		0.4	0.5	0.3
Deferred grant		0.1	0.1	0.1
		62.0	101.2	46.2
Total liabilities		116.4	156.7	97.1
Total equity and liabilities		266.8	281.5	275.1

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2011	16.8	51.8	(21.3)	130.7	178.0
Profit for the period	-	-	-	6.1	6.1
Other comprehensive expense	-	-	(3.3)	(2.4)	(5.7)
Total comprehensive (expense) / income for the period	-	-	(3.3)	3.7	0.4
Share issue	0.1	-	-	-	0.1
Exercise of share options - shares issued at premium	-	0.9	-	-	0.9
Share buyback	(0.2)	-	0.2	(4.0)	(4.0)
Employee share options expense	-	-	0.1	-	0.1
Dividend payment (note 4)	-	-	-	(25.1)	(25.1)
	(0.1)	0.9	(3.0)	(25.4)	(27.6)
Balance at 30 June 2011	16.7	52.7	(24.3)	105.3	150.4
Analysed as follows:					
Share capital					16.7
Share premium					52.7
Other reserves					(24.3)
Retained earnings					105.3
					150.4

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2011	2.2	1.5	0.1	(25.1)	(21.3)
Other comprehensive expense	-	-	(0.2)	(3.1)	(3.3)
Total comprehensive expense for the period	-	-	(0.2)	(3.1)	(3.3)
Employee share options expense	-	0.1	-	-	0.1
Share buyback	0.2	-	-	-	0.2
	0.2	0.1	(0.2)	(3.1)	(3.0)
Balance at 30 June 2011	2.4	1.6	(0.1)	(28.2)	(24.3)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2010	16.6	48.7	(23.9)	110.9	152.3
Profit for the period	-	-	-	8.2	8.2
Other comprehensive income / (expense)	-	-	8.2	(22.3)	(14.1)
Total comprehensive income / (expense) for the period	-	-	8.2	(14.1)	(5.9)
Share issue	0.2	-	-	-	0.2
Exercise of share options - Shares issued at premium	-	3.1	-	-	3.1
Employee share options expense	-	-	0.1	-	0.1
Dividend payment (note 4)	-	-	-	(25.0)	(25.0)
	0.2	3.1	8.3	(39.1)	(27.5)
Balance at 30 June 2010	16.8	51.8	(15.6)	71.8	124.8
Analysed as follows:					
Share capital					16.8
Share premium					51.8
Other reserves					(15.6)
Retained earnings					71.8
					<u>124.8</u>

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2010	2.2	1.9	(28.0)	(23.9)
Other comprehensive income	-	-	8.2	8.2
Total comprehensive income for the period	-	-	8.2	8.2
Employee share options expense	-	0.1	-	0.1
	-	0.1	8.2	8.3
Balance at 30 June 2010	2.2	2.0	(19.8)	(15.6)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2010	16.6	48.7	(23.9)	110.9	152.3
Profit for the year	-	-	-	39.0	39.0
Other comprehensive income	-	-	3.0	5.1	8.1
Total comprehensive income for the year	-	-	3.0	44.1	47.1
Employee share options expense	-	-	0.3	-	0.3
Share Issue	0.2	-	-	-	0.2
Exercise of share options- shares issued at premium	-	3.1	-	-	3.1
Dividends	-	-	-	(25.0)	(25.0)
Transferred to retained earnings on exercise of share options	-	-	(0.7)	0.7	-
	0.2	3.1	2.6	19.8	25.7
Balance at 31 December 2010	16.8	51.8	(21.3)	130.7	178.0
Analysed as follows:					
Share capital					16.8
Share premium					51.8
Other reserves					(21.3)
Retained earnings					130.7
					178.0

Other Reserves comprise the following:

	Share Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2010	2.2	1.9	-	(28.0)	(23.9)
Other comprehensive income	-	-	0.1	2.9	3.0
Total comprehensive income for the year	-	-	0.1	2.9	3.0
Employee share options expense	-	0.3	-	-	0.3
Transferred to retained earnings on exercise of share options	-	(0.7)	-	-	(0.7)
	-	(0.4)	0.1	2.9	2.6
Balance at 31 December 2010	2.2	1.5	0.1	(25.1)	(21.3)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Notes	Unaudited 30 Jun 2011 €m	Unaudited 30 Jun 2010 €m	Audited 31 Dec 2010 €m
Net cash from operating activities	11	23.1	23.3	42.8
Cash flow from investing activities				
Interest received		-	0.1	0.1
Proceeds on disposal of property, plant and equipment		-	-	0.5
Net proceeds received on disposal of vessel		-	-	1.6
Purchases of property, plant and equipment		(3.6)	(4.5)	(6.9)
Purchase of intangible assets		(0.1)	(0.1)	(0.3)
Net cash used in investing activities		(3.7)	(4.5)	(5.0)
Cash flow from financing activities				
Dividend paid to equity holders of the Company		(25.1)	(25.0)	(25.0)
Repayments of borrowings		(10.3)	-	(17.4)
Repayments of obligations under finance leases		(0.5)	(0.5)	(0.8)
Proceeds on issue of ordinary share capital		1.0	3.3	3.3
Repurchase of ordinary share capital		(4.0)	-	-
New bank loans raised		15.0	-	-
Increase in bank overdrafts		-	1.7	-
New finance leases raised		-	2.5	2.3
Net cash used in financing activities		(23.9)	(18.0)	(37.6)
Net (decrease) / increase in cash and cash equivalents		(4.5)	0.8	0.2
Cash and cash equivalents at the beginning of the period		17.2	17.0	17.0
Effect of foreign exchange rate changes		0.4	(0.3)	-
Cash and cash equivalents at the end of the period				
Cash and cash equivalents		13.1	17.5	17.2

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2011

1. General Information

These condensed financial statements do not comprise the statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The summary financial statements for the year ended 31 December 2010, as presented in this Interim Report, represent an abbreviated version of the Group's full financial statements for that year. Those financial statements contained an unqualified audit report without reference to any matters of emphasis and have been filed with the Companies Registration Office in Ireland.

The interim figures included in the condensed financial statements for the six months ended 30 June 2011 and the comparative amounts for the six months ended 30 June 2010 are unaudited.

2. Accounting policies

The Group Condensed Financial Statements for the six months ended 30 June 2011 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The accounting policies and methods of computation applied in preparing these condensed financial statements are consistent with those set out in the Group Annual Report for the financial year ended 31 December 2010, which is available at www.icg.ie.

The Group did not adopt any new International Financial Reporting Standards (IFRS) or Interpretations in the period that had a material impact on the Group Condensed Financial Statements for the half year.

At 30 June 2011, the following Standards and Interpretations have become effective since our last Annual Report:

IFRS 1	(Amendment) First-time Adoption of International Financial Reporting Standards (effective for accounting periods beginning on or after 1 July 2010 and 1 January 2011);
IFRS 3	(Amendment) Business Combinations (effective for accounting periods beginning on or after 1 July 2010);
IFRS 7	(Amendment) Financial Instruments: Disclosures (effective for accounting periods beginning on or after 1 January 2011);
IAS 1	(Amendment) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2011);
IAS 24	(Revised) Related Party Disclosures (effective for accounting periods beginning on or after 1 January 2011);
IAS 27	(Amendment) Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2010);
IAS 32	(Amendment) Financial Instruments: Presentation (effective for accounting periods beginning on or after 1 February 2010);
IAS 34	(Amendment) Interim Financial Reporting (effective for accounting periods beginning on or after 1 January 2011);
IFRIC 13	(Amendment) Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 January 2011);
IFRIC 14	(Amendment) Prepayments of a Minimum Funding Requirement (effective for accounting periods beginning on or after 1 January 2011); and
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments (effective for accounting periods beginning on or after 1 July 2010).

There have been no material change in estimates in these interim accounts based on the estimates that have previously been made in the prior year interim accounts to 30 June 2010 and the prior year financial statements to 31 December 2010.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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3. Segmental information: Analysis by class of business

Under IFRS 8: Operating Segments, the Group has determined that the operating segments are (i) Ferries and (ii) Container and Terminal.

	Unaudited 6 months ended				Audited 12 months ended	
	30 Jun 2011		30 Jun 2010		31 Dec 2010	
	Revenue	Profit	Revenue	Profit	Revenue	Profit
	€m	€m	€m	€m	€m	€m
Ferries	68.2	3.2	68.0	6.5	153.7	24.5
Container and Terminal	59.1	3.3	55.1	2.3	109.8	7.0
Internal Revenue	(0.7)	-	(0.7)	-	(1.3)	-
Non trading credit	-	-	-	-	-	9.4
Operating Profit	-	6.5	-	8.8	-	40.9
Net Interest - Ferries	-	(0.3)	-	(0.4)	-	(0.7)
Net interest - Container and Terminal	-	-	-	(0.1)	-	(0.1)
External Revenue / Profit	126.6	6.2	122.4	8.3	262.2	40.1

Revenue in the Group's Ferries Division is weighted towards the second half of the year due to patterns of passenger demand.

There has been no material change in the share of total assets / liabilities between segments from the share disclosed in the prior year financial statements to 31 December 2010.

4. Dividend

	Unaudited 6 months ended 30 Jun 2011 €m	Unaudited 6 months ended 30 Jun 2010 €m	Audited 12 months ended 31 Dec 2010 €m
Dividend paid of 100c per ICG Unit	25.1	25.0	25.0

In June 2011 and June 2010 the Company paid a dividend of 100 cent per ICG unit.

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5. Earnings per share – all from continuing operations

	Unaudited 6 months ended 30 Jun 2011 Cent	Unaudited 6 months ended 30 Jun 2010 Cent	Audited 12 months ended 31 Dec 2010 Cent
Basic earnings per share	24.4	33.1	156.8
Diluted earnings per share	24.3	32.9	155.7
Adjusted basic earnings per share	24.0	34.3	121.0
Adjusted diluted earnings per share	23.9	34.1	120.2

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 and diluted earnings per share - Profit for the period attributable to equity holders of the parent	6.1	8.2	39.0
Earnings for the purpose of adjusted earnings per share - Profit for the period attributable to equity holders of the parent	6.1	8.2	39.0
Effect of non trading credit	-	-	(9.4)
Effect of expected return on defined benefit pension scheme assets	(6.1)	(6.6)	(11.5)
Effect of interest on defined benefit pension scheme liabilities	6.0	6.9	12.0
Earnings for the purpose of adjusted earnings per share	6.0	8.5	30.1
Number of shares	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	25,002	24,761	24,874
Effect of dilutive potential ordinary shares: Share options	125	176	170
Weighted average number of ordinary shares for the purpose of diluted adjusted earnings per share	25,127	24,937	25,044

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the period and excludes treasury shares. The earnings used in both the adjusted basic and diluted earnings per share have been adjusted to take into account the net figure for the expected return on defined benefit pension scheme assets and the interest on defined pension scheme liabilities. Management consider the adjusted earnings per share calculation to be a better indication of the continuing underlying performance of the Group.

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6. Property, plant and equipment

	Passenger ships	Plant and equipment	Vehicles	Land and buildings	Total
	€m	€m	€m	€m	€m
Cost					
At 1 January 2011	286.7	56.2	2.1	25.6	370.6
Additions	3.1	0.1	0.4	-	3.6
Disposals	(3.4)	(1.0)	(0.6)	-	(5.0)
Exchange differences	(7.4)	(0.2)	-	-	(7.6)
At 30 June 2011	279.0	55.1	1.9	25.6	361.6
Accumulated depreciation					
At 1 January 2011	134.8	32.9	1.5	7.4	176.6
Charge for period	7.7	1.5	0.2	0.2	9.6
Disposals	(3.4)	(1.1)	(0.5)	-	(5.0)
Exchange differences	(3.9)	-	-	-	(3.9)
At 30 June 2011	135.2	33.3	1.2	7.6	177.3
Net book amounts					
At 1 January 2011	151.9	23.3	0.6	18.2	194.0
At 30 June 2011	143.8	21.8	0.7	18.0	184.3
At 30 June 2010	182.9	25.0	0.5	18.4	226.8

At 30 June 2011 the Group has entered into commitments to the value of €0.2 million (2010: €0.5 million) for the purchase of fixed assets.

7. Intangible Assets

	Software
	€m
Cost	
At 1 January 2011	8.4
Additions	0.1
At 30 June 2011	8.5
Amortisation	
At 1 January 2011	7.5
Charge for the period	0.1
At 30 June 2011	7.6
Carrying amount	
At 1 January 2011	0.9
At 30 June 2011	0.9
At 30 June 2010	1.0

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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8. Net debt

	Cash €m	Overdrafts €m	Loans €m	Leases €m	Total €m
At 1 January 2011					
Current assets	17.2	-	-	-	17.2
Creditors due within one year	-	-	-	(0.7)	(0.7)
Creditors due after one year	-	-	(20.5)	(2.3)	(22.8)
	17.2	-	(20.5)	(3.0)	(6.3)
At 30 June 2011					
Cash flow	(4.1)	-	-	-	(4.1)
Foreign exchange rate changes	-	-	0.2	-	0.2
Drawdown	-	-	(15.0)	-	(15.0)
Repayment	-	-	10.3	0.5	10.8
	(4.1)	-	(4.5)	0.5	(8.1)
At 30 June 2010					
Current assets	13.1	-	-	-	13.1
Creditors due within one year	-	-	-	(0.6)	(0.6)
Creditors due after one year	-	-	(25.0)	(1.9)	(26.9)
	13.1	-	(25.0)	(2.5)	(14.4)
At 30 June 2010					
Current assets	17.5	-	-	-	17.5
Creditors due within one year	-	(1.7)	(39.2)	(0.8)	(41.7)
Creditors due after one year	-	-	-	(2.7)	(2.7)
	17.5	(1.7)	(39.2)	(3.5)	(26.9)

The loan drawdown and repayments have been made under the Group's revolving loan facilities.

9. 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 to each taxable entity for the full financial year.

The Company and subsidiaries that are within the EU approved Tonnage Tax jurisdictions have elected to be taxed under the tonnage tax method. Under the tonnage tax method, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the ships utilised.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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10. Retirement Benefit Schemes

Retirement benefit scheme valuations have been updated at the half year. Scheme assets have been valued as per investment managers valuations at 30 June 2011. In consultation with the actuary to the principal group defined benefit pension schemes, the discount rate used in relation to the pension scheme liabilities has been updated to 5.9% for Euro liabilities (31 December 2010 5.5%) and to 5.6% for Sterling liabilities (31 December 2010 5.5%).

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Unaudited 6 months ended				Audited 12 months ended	
	30 Jun 2011		30 Jun 2010		31 Dec 2010	
	Sterling	Euro	Sterling	Euro	Sterling	Euro
Discount rate	5.60%	5.90%	5.30%	5.20%	5.50%	5.50%
Inflation rate	3.80%	2.40%	3.50%	2.00%	3.60%	2.00%
Rate of increase of pensions in payment	3.55%	2.20% - 2.40%	3.25%	1.80% - 2.00%	3.35%	1.80% - 2.00%
Rate of general salary increases	4.80%	3.40% - 3.90%	4.50%	3.00% - 3.50%	4.60%	3.00% - 3.50%

The long term expected rates of return are as at 31 December 2010.

	Unaudited 6 months ended 30 Jun 2011 €m	Unaudited 6 months ended 30 Jun 2010 €m	Audited 12 months ended 31 Dec 2010 €m
Opening deficit	(17.5)	(27.2)	(27.2)
Current service cost	(0.6)	(0.8)	(1.7)
Employer contributions paid	2.8	1.9	4.5
Curtailement gain	-	-	1.8
Other finance income / (expense)	0.1	(0.3)	(0.5)
Actuarial (loss) / gain	(3.5)	(21.9)	5.9
Other	0.4	2.5	(0.3)
Net deficit	(18.3)	(45.8)	(17.5)
Schemes in surplus	3.4	1.4	4.0
Schemes in deficit	(21.7)	(47.2)	(21.5)
Net deficit	(18.3)	(45.8)	(17.5)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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11. Net cash from operating activities

	Unaudited 30 Jun 2011 €m	Unaudited 30 Jun 2010 €m	Audited 31 Dec 2010 €m
Operating activities			
Profit for the period	6.1	8.2	39.0
Adjustments for:			
Finance costs (net)	0.3	0.5	0.8
Income tax expense	0.1	0.1	1.1
Retirement benefit obligation – service cost	0.6	0.8	1.7
Retirement benefit obligation – payments	(2.8)	(1.9)	(4.5)
Retirement benefit obligation – non cash items	-	(2.2)	(1.8)
Depreciation of property, plant and equipment	9.6	11.1	21.7
Amortisation of intangible assets	0.1	0.2	0.5
Amortisation of deferred income	(0.1)	(0.1)	(0.1)
Share-based payment expense	0.1	0.1	0.3
Gain on disposal of vessel	-	-	(9.4)
Gain on disposal of property, plant and Equipment	-	-	(0.4)
Increase / (decrease) in other provisions	0.2	-	(0.4)
Operating cash flow before movements in working capital	14.2	16.8	48.5
(Increase) / decrease in inventories	(1.3)	(0.7)	0.1
Increase in receivables	(4.9)	(3.9)	(1.3)
Increase / (decrease) in payables	15.9	11.4	(3.5)
Cash generated from operations	23.9	23.6	43.8
Income taxes paid	(0.4)	(0.1)	(0.6)
Interest paid	(0.4)	(0.2)	(0.4)
Net cash from operating activities	23.1	23.3	42.8

At 30 June 2011 and 2010 the increase in payables is due to the seasonality of the business, giving rise to an increase in deferred revenue, as at 30 June 2011 and 2010.

12. Related party transactions

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

During the six months ended 30 June 2011 there were no material changes to, or material transactions between Irish Continental Group plc and its key management personnel or members of their close family, other than in respect of remuneration.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2011

13. Contingent Assets / Liabilities

There have been no material changes in contingent assets or liabilities as reported in the Group's financial statement for the year ended 31 December 2010.

14. Impairment

As the Group does not have assets which are required to be tested annually for impairment, no impairment review is necessitated.

In relation to other assets, the Group assessed those assets to determine if there were any indications of impairment. No internal or external indications of impairment were identified and consequently no impairment review was performed.

15. Composition of the Entity

There have been no changes in the composition of the entity during the period ended 30 June 2011.

16. Subsequent Events

There have been no material subsequent events, outside the ordinary course of business, to report since the period ended 30 June 2011.

17. Board Approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 29th August 2011.