IRISH CONTINENTAL GROUP

Statement of Results for the year ended 31 December 2011

FINANCIAL HIGHLIGHTS	**2011**	**2010**	**Change %**
Revenue	€273.3m	€262.2m	+4.2%
EBITDA	€49.1m	€53.6m	-8.4%
Operating Profit (before non-trade credit)	€28.9m	€31.5m	-8.3%
EPS Basic	111.1c	156.8c	-29.1%
EPS Diluted	110.4c	155.7c	-29.1%
EPS Adjusted	109.9c	121.0c	-9.2%
EPS Adjusted Diluted	109.2c	120.2c	-9.2%
Net Debt	€7.8m	€6.3m	+23.8%
Net Pension Deficit	€32.5m	€17.5m	+85.7%

Carryings

	2011	**2010**	
	'000	**'000**	**Change %**
Passengers	1,527	1,538	-0.7%
Cars	353	367	-3.8%
RoRo Freight	194	178	+9.0%
Container Freight (teu*)	407	406	+0.2%
Port Lifts	187	167	+12.0%

*teu = twenty foot equivalent units

Commenting on the results Chairman John B McGuckian said,

''I am pleased to be able to report a solid performance by Irish Continental Group with revenue up over 4%, and EBITDA and operating profit of €49.1 million and €28.9 million respectively, down about 8% despite an increase of 26% in our fuel bill to €52.1 million. The current year will be challenging as fuel costs have further increased but with our disciplined approach to capacity I am confident of the Groups prospects.''

Irish Continental Group (ICG) is a leading Irish based maritime transport group. ICG carries passengers and cars, Roll On Roll Off freight and container Lift On Lift Off freight, on routes between Ireland, the United Kingdom and Continental Europe.

STATEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

Irish Continental Group (ICG) produced a strong performance in 2011 when account is taken of the weak economic environment and increased world oil prices. Revenue grew by 4.2% to €273.3 million while EBITDA was €49.1 million compared with €53.6 million in the previous year, down €4.5 million, a robust performance in the context an increase of €10.7 million in fuel costs in the year. Operating Profit was €28.9 million compared with underlying operating profit (before non-trade credit) in 2010 of €31.5 million while adjusted EPS was 109.9 cent compared with 121.0 cent in 2010.

In June the Group paid a final dividend of 100 cent per ICG unit in respect of 2010 (totalling €25.1 million). The Board also decided to return to the policy of paying an interim and final dividend rather than one single payment and consequently declared an interim dividend in respect of 2011 of 33 cent per ICG unit. This was paid in November 2011 and totalled €8.2 million. During the year the company also purchased 1% of the outstanding equity which was subsequently cancelled. This means that in cash terms a total of €37.3 million was returned to shareholders during the year. The Board is proposing a final dividend for 2011 of 67 cent, to be paid in June of 2012.

During the year the Group's financial position remained strong. At the start of the year the Group's net debt was €6.3 million and, despite having returned €37.3 million to shareholders as I set out above, the Group ended the year with net debt of only €7.8 million.

OPERATING REVIEW

FERRIES DIVISION

The Ferries division employs five owned multipurpose ferries, four of which are operating on routes to and from the Republic of Ireland and one on charter and operating in New Zealand. 4,311 sailings were operated by Irish Ferries in 2011 carrying passengers, passenger vehicles and Roll On Roll Off freight (Ro Ro), a reduction of 3% on the previous year.

Turnover in the division was 1.2% higher than the previous year at €155.5 million while earnings before interest and tax were €22.0 million compared with €24.5 million in 2010. The reduction in profit was due principally to higher fuel costs which were only partially recovered from the market place. Fuel cost in the division was up €6.9 million (24.7%) to €34.8 million. Revenue in the first half of the year was up 0.3% at €68.2 million while in the second half the increase was 1.9%, to €87.3 million.

Passenger

Following on from a very challenging previous year, when total passenger movements to and from Ireland (air & sea) declined by 9%, 2011 provided some relief with a 1% increase in the total travel market (a 2% increase in the air market and a 6% drop in the sea market). The benefits for surface carriers which arose from air traffic disruption events (Ash Cloud and weather related airport closures) in 2010 did not reoccur and the continued poor consumer sentiment in our key markets of the UK and Ireland did not assist performance. Austerity programmes in both markets affected discretionary spend which led to further downward pressure on passenger volumes.

The car market to and from the Republic of Ireland fell by 7% in the year. Within this, trips to and from Britain were down about 8%, while the number of cars carried between Ireland and France grew 2.5%. Irish Ferries outperformed the market with a 4% reduction in cars carried to 353,000 cars (2010: 367,000).

Irish Ferries' passenger numbers carried were down 0.7% at 1.527 million (2010:1.538 million). Overall, in the first half, our passenger volumes were down 3.6% and the car numbers down 3.1%. In the second half of the year the growth in passenger numbers was 1.7% while cars carried were down 4.4% compared with the same period last year. Increase in yields over 2010 partially compensated for the effects of the decrease in volumes.

By continuing our focus on enhancing the experience of our passengers from the point of enquiry / booking to the ports and on-board experience, we have managed to provide good value in an environment where discretionary travel spend is even more carefully considered by most consumers. We rely heavily on customer feedback when determining the nature and extent of new investment in all areas of our product offering.

Clearly, the sustained increase in our fuel costs once again provided real challenges in determining ticket prices. Our objective is to provide maximum value to our markets whilst maintaining some equilibrium in the returns we make from this key area of revenue earnings.

We are conscious of our need to assist in Ireland's efforts in the recovery of the island's tourism markets, particularly its largest being Britain. We continue to work closely with all of the state agencies concerned which includes close cooperation with Tourism Ireland in their promotional campaigns. Our estimate of the current annual value of Irish Ferries tourist traffic into the Republic of Ireland exceeds €400 million and we are confident that we can increase that level as recovery of our tourism industry gains ground in the coming years.

Freight

The growth trend of the Republic of Ireland's Roll On Roll Off market remains challenging as the gains recorded in 2010 (+11%) slowed to a flat overall market in 2011.

There were some significant capacity changes during the year as one competitor opted to close its long sea routes into Dublin from Liverpool and Heysham whilst another decided to replace some of that capacity virtually immediately whilst adding to it in the later part of the year. Another competitor opted to increase driver accompanied capacity on the Dublin / Liverpool route.

There were also changes on the Northern Corridor primarily around vessel replacement along with some acquisition activity. Development of new terminal capacity at Cairnryan, which occurred very late in the year, did result in some transfer of traffic from the Central Corridor to the Northern Corridor with the Island of Ireland market flat during 2011. Once again, Irish Ferries outperformed the market with growth of 9%, carrying over 194,000 units during the year.

The extremely challenging economic circumstances in the Republic of Ireland contributed to the lack of growth in the market and the pressure on operating costs for our freight customers remained intense. Irish Ferries remained focused on delivering high quality service combined with real value for regular users of our services. The backdrop of increased fuel costs made life very difficult for ourselves and our customers.

Irish Ferries' performance during the year was driven by the consistency of its service as the benefits of our investment in state of the art tonnage continued to be apparent in our sailing schedule integrity for Ro Ro customers. In addition, we made further progress in the rolling out of our superior web based booking system. This has been met with a very positive response from customers, particularly in respect of the mobile handset facilities which appeal to operations and driving staff alike.

Charter
The *Kaitaki* remained on bareboat charter to P&O during the period and operated between the North and South Islands of New Zealand on a sub-charter. The current charter runs until 30 June 2013.

CONTAINER AND TERMINAL DIVISION

The division includes Eucon and Feederlink's intermodal freight services which offer both door-to-door and feeder services. Within the division we operate a fleet of container vessels ranging in size from 400 – 1,000 teu capacity (teu = twenty foot equivalent unit, the standard measure in the container industry), employing 3,000 owned and leased containers (equivalent to 5,800 teu) and our strategically located container terminals in Dublin and in Belfast.

Turnover in the division rose by 8.5% to €119.1 million with an increase on our routes between Ireland and Continental Europe and in our port terminals more than compensating for a decline in North Sea revenue where we had elected, in the second half of 2010, to forego certain flows of business due to the uneconomic rates on offer. With our flexible chartered fleet we were able to adjust capacity to the volume of trade. Operating profit in the division was down 1.4% at €6.9 million due mainly to higher fuel costs (up 28.1% to €17.3 million). Overall container volumes shipped were in line with the previous year at 407,000 teu (2010: 406,000 teu) with a rise in volumes to and from Ireland offsetting a fall on the North Sea.

Containers handled at the Group's terminals in Dublin (DFT) and Belfast (BCT) were up 12.0% at 187,000 lifts (2010: 167,000 lifts). The outlook for the division is dependent on world trade and also exports and imports to and from Ireland.

FINANCIAL REVIEW

RESULTS

Turnover for the year amounted to €273.3 million (2010: €262.2 million) while operating profit amounted to €28.9 million compared with underlying operating profit (before non-trade credit) in 2010 of €31.5 million. Principal variations on the prior year include group wide fuel costs which were substantially higher in the year at €52.1 million (2010: €41.4 million). The net interest charge was €1.0 million (2010: €0.3 million) before a net interest credit from defined benefit pension schemes of €0.3 million (2010: charge €0.5 million).

DIVIDEND

During the year a final dividend of 100 cent per ICG Unit was paid for the year ended 31 December 2010 and also an interim dividend of 33 cent per ICG Unit was paid for the year ended 31 December 2011. The Board is proposing a final dividend of 67 cent per ICG Unit. Subject to shareholder approval at the Annual General Meeting, the dividend will be paid on 22nd June 2012 to shareholders on the register at close of business on 8th June 2012. Irish dividend withholding tax will be deducted where appropriate.

OUTLOOK

Ireland is a very open economy and trade flows in 2012 will be negatively affected by the slowdown in the UK and the Euro area and positively impacted by the growth in the USA and the emerging economies. The Irish consumer faces another difficult year as austerity programmes continue and this is likely to affect import volumes. However there continues to be significant growth in export driven companies opening new factories in Ireland. The integration story of Ireland becoming more intertwined with the UK and Euro area economies continues and should drive trade growth even in the absence of economic growth. Irish agricultural exports remain very strong.

Turning more specifically to the prospects for the Group, as we stated in the past fuel costs have been a significant headwind for the past number of years and this continues to be the case. Our fuel bill rose €10 million approximately in 2010, which we fully recovered, while fuel rose a further €10.7 million in 2011, of which we effectively recovered half. Based on current prices our fuel bill for 2012 is likely to be 17% (or approximately €8 million) higher again, which when combined with the €20.7 million already incurred will be a challenge to recover in the near term.

In the year to date Irish Ferries has carried 31,100 cars, down 8.5% on 2011 and 138,600 passengers, up 0.8% on 2011. The reduction in car carryings partially reflects an 11% reduction in our sailings in the year to date but also a quieter than expected start to the year. The increase in total passenger movements reflects a 17.2% increase in foot passengers. In the RORO freight market carryings are down 3.8% on the previous year, at 30,200 units.

In the Container and Terminal Division there has been a weak start to the year with container volumes shipped down 6.6% at 69,000 teu while units handled at our port terminals are down 7.6%.

With respect to the peak carrying period later in the year there will be less tourism capacity with the termination of the Cork – Swansea route and the withdrawal of a competitor's fastcraft on the Rosslare route. There are a number of other marginal operators on the Irish Sea who continue to lose money and are likely to address their capacity. We continue to focus on reducing costs and improving our cost leadership in the industry. We continue to have a strong balance sheet with strong cash flow which is unique in our sector.

John B. McGuckian,
Chairman,

Enquiries:

Eamonn Rothwell	Chief Executive Officer	+353 1 607 5628
Garry O'Dea	Finance Director	+353 1 607 5628

As previously announced on 10 February 2012, the Company will make a presentation of the results to investors at the offices of NCB Stockbrokers at 3 George's Dock, IFSC, Dublin 1, at 08.00 a.m. on 08 March 2012. In addition, a dial-in facility will be available for overseas investors. Attendance at the presentation 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 Triona Conway at +353 1 607 5628. A copy of the presentation material will also be posted on the Company's website, www.icg.ie

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company, and the Group as a whole, will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements are prepared in accordance with IFRS as adopted by the European Union and comply with Irish statute comprising the Companies Acts, 1963 to 2009 and as regards the Group financial statements Article 4 of the IAS Regulations, and the Listing Rules of the Irish Stock Exchange. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Company website.

The Directors of ICG plc acknowledge these responsibilities and accordingly have prepared this consolidated Annual Report for the year ended 31 December 2011 in compliance with the provisions of Regulation (EC) No. 1606/2002, regulations 4 and 5 of Statutory Instrument 277 of 2007 of Ireland, the Transparency Rules of the Irish Financial Services Regulatory Authority and the applicable International Financial Reporting Standards as adopted by the European Union.

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

- the Group consolidated financial statements for the year ended 31 December 2011 have been prepared in accordance with the applicable International Financial Reporting Standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole as at that date;
- the Business Review includes a fair review of the development and performance of the business for the year ended 31 December 2011 and the position of the Group and the undertakings included in the consolidation taken as a whole at the year-end; and
- the Report of the Directors provides a description of the principal risks and uncertainties which may impact on future performance of the Group and the undertakings included in the consolidation taken as a whole.

Consolidated Income Statement
for the year ended 31 December 2011

	Notes	2011	2010
		€m	**€m**
Continuing operations			
Revenue		273.3	262.2
Depreciation and amortisation		(20.2)	(22.1)
Employee benefits expense		(19.5)	(24.0)
Other operating expenses		(204.7)	(184.6)
		28.9	31.5
Non-trading credit	4	-	9.4
Operating profit		**28.9**	**40.9**
Investment revenue		12.0	11.6
Finance costs		(12.7)	(12.4)
Profit before tax		**28.2**	**40.1**
Income tax expense	3	(0.5)	(1.1)
Profit for the year: all attributable to equity holders of the parent		**27.7**	**39.0**
Earnings per share – expressed in € cent per share			
From continuing operations:			
Basic	5	111.1c	156.8c
Diluted	5	110.4c	155.7c

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2011

	2011	**2010**
	€m	**€m**
Profit for the year	27.7	39.0
Cash flow hedges:		
Fair value gains arising during the year	-	0.1
Transfer to Consolidated Income Statement – net settlement of cash flow hedged	(0.1)	-
Exchange differences on translation of foreign operations	2.3	3.7
Actuarial (loss) / gain on retirement benefit obligations	(19.7)	5.9
Deferred tax movements	(0.1)	(0.5)
Exchange difference on defined benefit schemes	(0.3)	(0.3)
Currency translation differences recycled to Consolidated Income Statement on disposal of vessel	-	(0.8)
Other comprehensive (expense) / income for the year	(17.9)	8.1
Total comprehensive income and expense for the year:		
all attributable to equity holders of the parent	**9.8**	**47.1**

Consolidated Statement of Financial Position
as at 31 December 2011

	Notes	2011	2010
		€m	**€m**
Assets			
Non-current assets			
Property, plant and equipment		182.1	194.0
Intangible assets		0.8	0.9
Finance lease receivable		20.7	23.4
Retirement benefit surplus	8	4.4	4.0
		208.0	**222.3**
Current assets			
Inventories		2.7	1.9
Trade and other receivables		34.1	33.6
Derivative financial instruments		-	0.1
Cash and bank balances	6	9.8	17.2
		46.6	**52.8**
Total assets		**254.6**	**275.1**
Equity and liabilities			
Equity			
Share capital		16.7	16.8
Share premium		52.7	51.8
Other reserves		(18.9)	(21.3)
Retained earnings		101.1	130.7
Equity attributable to equity			
holders of the parent		**151.6**	**178.0**
Non-current liabilities			
Borrowings	6	16.7	22.8
Trade and other payables		0.9	1.1
Deferred tax liabilities		4.4	4.2
Provisions		0.3	0.3
Deferred grant		0.8	1.0
Retirement benefit obligation	8	36.9	21.5
		60.0	**50.9**
Current liabilities			
Borrowings	6	0.9	0.7
Trade and other payables		38.9	41.6
Current tax liabilities		2.8	3.5
Provisions		0.3	0.3
Deferred grant		0.1	0.1
		43.0	**46.2**
Total liabilities		**103.0**	**97.1**
Total equity and liabilities		**254.6**	**275.1**

Consolidated Statement of Changes in Equity
for the year ended 31 December 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 year	-	-	-	27.7	27.7
Other comprehensive income	-	-	2.2	(20.1)	(17.9)
Total comprehensive income for the year	**-**	**-**	**2.2**	**7.6**	**9.8**
Employee share options expense	-	-	0.1	-	0.1
Share Issue	0.1	0.9	-	-	1.0
Share buyback	(0.2)	-	0.2	(4.0)	(4.0)
Dividends	-	-	-	(33.3)	(33.3)
Transferred to retained earnings on exercise of share options	-	-	(0.1)	0.1	-
	(0.1)	**0.9**	**2.4**	**(29.6)**	**(26.4)**
Balance at 31 December 2011	**16.7**	**52.7**	**(18.9)**	**101.1**	**151.6**
Analysed as follows:					
Share capital					16.7
Share premium					52.7
Other reserves					(18.9)
Retained earnings					101.1
					151.6

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)**
Total comprehensive (expense) / income	**-**	**-**	**(0.1)**	**2.3**	**2.2**
Employee share options expense	-	0.1	-	-	0.1
Share buyback	0.2	-	-	-	0.2
Transferred to retained earnings on exercise of share options	-	(0.1)	-	-	(0.1)
	0.2	**-**	**(0.1)**	**2.3**	**2.4**
Balance at 31 December 2011	**2.4**	**1.5**	**-**	**(22.8)**	**(18.9)**

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	3.1	-	-	3.3
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:

	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)**
Total comprehensive income	**-**	**-**	**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)**

Consolidated Statement of Cash Flows
for the year ended 31 December 2011

	Notes	2011 €m	2010 €m
Net cash from operating activities	7	**36.5**	**42.8**
Cash flow from investing activities			
Interest received		-	0.1
Proceeds on disposal of property, plant and equipment		0.4	0.5
Net proceeds on disposal of vessel		-	1.6
Payment received on finance lease receivable		4.1	-
Purchases of property, plant and equipment		(5.9)	(6.9)
Purchases of intangible assets		(0.4)	(0.3)
Net cash utilised by investing activities		**(1.8)**	**(5.0)**
Cash flow from financing activities			
Dividends paid to equity holders of the Company		(33.3)	(25.0)
Repayments of borrowings		(27.8)	(17.4)
Repayments of obligations under finance leases		(0.7)	(0.8)
Proceeds on issue of ordinary share capital		1.0	3.3
Share buyback		(4.0)	-
New bank loans raised		22.5	-
Inception of new finance lease		-	2.3
Net cash used in financing activities		**(42.3)**	**(37.6)**
Net (decrease) / increase in cash and cash equivalents		**(7.6)**	**0.2**
Cash and cash equivalents at the beginning of the year		17.2	17.0
Effect of foreign exchange rate changes		(0.1)	-
Cash and cash equivalents at the end of the year	**6**	**9.5**	**17.2**

Notes to the Preliminary Statement for the year ended 31 December 2011

1. Accounting policies

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

2. Segmental information

The Board is deemed the chief operating decision maker within the Group. For management purposes, the Group is currently organised into two operating segments – Ferries and Container & Terminal.

	Turnover		Profit Before Tax		Net Assets (equity attributable to equity holders)	
Analysis by class of business	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
Ferries and Travel	155.5	153.7	22.0	24.5	127.9	157.6
Container and Terminal	119.1	109.8	6.9	7.0	31.5	31.6
Intersegment Turnover	(1.3)	(1.3)	-	-	-	-
	273.3	**262.2**	**28.9**	**31.5**	**159.4**	**189.2**
Non-trading credit	-	-	-	9.4	-	-
Net interest / debt	-	-	(0.7)	(0.8)	(7.8)	(6.3)
Other liabilities	-	-	-	-	-	(4.9)
	273.3	**262.2**	**28.2**	**40.1**	**151.6**	**178.0**
Analysis by origin	**2011**	**2010**				
	€m	**€m**				
Ireland	125.0	118.7				
United Kingdom	64.0	60.7				
Netherlands	51.2	54.8				
Belgium	17.2	14.8				
France	7.4	9.2				
Other	8.5	4.0				
	273.3	**262.2**				

3. Income tax expense

	2011	2010
	€m	€m
Current tax	0.4	0.8
Deferred tax	0.1	0.3
Income tax expense for the year	**0.5**	**1.1**

The Company and its Irish tax resident subsidiaries have elected to be taxed under the Irish tonnage tax method. The Group's Dutch subsidiary has also elected to be taxed under the Dutch tonnage tax system. 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.

In accordance with the IFRIC guidance on IAS 12, Income Taxes, the tonnage tax charge is not considered an income tax expense and has been included in other operating expenses in the consolidated Income Statement.

Domestic income tax is calculated at 12.5% of the estimated assessable profit for the year for all activities which do not fall to be taxed under the tonnage tax system. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions and range between 25.5% and 26% (2010: 25.5% and 28%).

The total expense for the year is reconciled to the accounting profit as follows:

	2011	2010
	€m	€m
Profit before tax from continuing operations	28.2	40.1
Tax at the domestic income tax rate of 12.5% (2010: 12.5%)	3.5	5.0
Tax exempted earnings	-	(1.2)
Net utilisation of tax losses	(0.4)	(0.4)
Unrealised foreign exchange loss / (gain)	0.2	(0.2)
Difference in effective tax rates	0.2	0.3
Effect of tonnage relief	(2.8)	(2.7)
Other items	(0.2)	0.3
Income tax expense recognised in		
Consolidated Income Statement	**0.5**	**1.1**

4. Non-trading credit

During 2010 the Group completed the sale of the vessel Bilbao (formerly "Pride of Bilbao") to St Peter Line of St Petersburg in Russia. The transaction is in the form of a bareboat hire purchase agreement under which the vessel is chartered by the Group to St Peter Line and is treated as a finance lease terminating in 2016.

The vessel had been on charter to P&O European Ferries since 1993 and following notification of termination of charter the vessel was redelivered to the Group during 2010.

	2011	2010
	€m	**€m**
Consideration		
Consideration received in cash & cash equivalents	-	3.0
Finance lease receivable	-	27.5
Total consideration	-	30.5
Gain on disposal of vessel		
Consideration	-	30.5
Disposal costs	-	(3.1)
Net proceeds	-	27.4
Carrying value of vessel disposed of	-	(18.8)
Currency translation differences recycled to the Consolidated Income Statement on disposal of vessel	-	0.8
Gain on disposal	-	9.4

In 2010 the gain on disposal of the vessel is included in the profit for the year and is disclosed on a separate line in the Consolidated Income Statement.

5. Earnings per share – all from continuing operations

	2011	2010
	cent	**cent**
Basic earnings per share	111.1	156.8
Diluted earnings per share	110.4	155.7
Adjusted basic earnings per share	109.9	121.0
Adjusted diluted earnings per share	109.2	120.2

5. Earnings per share – all from continuing operations - continued

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:

	2011	2010
Earnings	**€m**	**€m**
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	27.7	39.0
Earnings for the purposes of diluted earnings per share	27.7	39.0
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	27.7	39.0
Effect of non-trading credit	-	(9.4)
Effect of expected return on defined benefit pension scheme assets	(12.0)	(11.5)
Effect of interest on defined benefit pension scheme liabilities	11.7	12.0
Earnings for the purposes of adjusted earnings per share	**27.4**	**30.1**

	2011	2010
Number of shares	**'000**	**'000**
Weighted average number of ordinary shares for the purposes of basic earnings per share	24,932	24,874
Effect of dilutive potential ordinary shares: Share options	156	170
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	25,088	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 year and excluded treasury shares.

The earnings used in both the adjusted basic and diluted earnings per share have been adjusted to take into account the non-trading credit together with 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.

6. Net debt

	Cash	Bank Overdraft	Loans	Leases	Total
	€m	**€m**	**€m**	**€m**	**€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)**
Cash flow	(7.3)	-	-	-	(7.3)
Foreign exchange rate changes	(0.1)	-	0.2	-	0.1
Drawdown	-	(0.3)	(22.5)	-	(22.8)
Repayment	-	-	27.8	0.7	28.5
	(7.4)	**(0.3)**	**5.5**	**0.7**	**(1.5)**
At 31 December 2011					
Current assets	9.8	-	-	-	9.8
Creditors due within one year	-	(0.3)	-	(0.6)	(0.9)
Creditors due after one year	-	-	(15.0)	(1.7)	(16.7)

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

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled as follows:

	2011	2010
	€m	**€m**
Cash and bank balances	9.8	17.2
Bank overdraft	(0.3)	-
Cash and cash equivalents	**9.5**	**17.2**

7. Net cash from operating activities

	2011	2010
	€m	€m
Operating activities		
Profit for the year	27.7	39.0
Adjustments for:		
Finance costs (net)	0.7	0.8
Income tax expense	0.5	1.1
Retirement benefit obligations – current service cost	1.2	1.7
Retirement benefit obligations - payments	(5.9)	(4.5)
Retirement benefit obligations – curtailment gain	-	(1.8)
Depreciation of property, plant and equipment	19.9	21.7
Amortisation of intangible assets	0.5	0.5
Amortisation of deferred income	(0.2)	(0.1)
Share-based payment expense	0.1	0.3
Gain on disposal of vessel	-	(9.4)
Gain on disposal of property, plant and equipment	(0.3)	(0.4)
Decrease in other provisions	-	(0.4)
Operating cash flows before movements in working capital	**44.2**	**48.5**
(Increase) / decrease in inventories	(0.8)	0.1
Increase in receivables	(1.9)	(1.3)
Decrease in payables	(3.0)	(3.5)
Cash generated from operations	**38.5**	**43.8**
Income taxes paid	(1.0)	(0.6)
Interest paid	(1.0)	(0.4)
Net cash from operating activities	**36.5**	**42.8**

8. Retirement benefit schemes

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

	STERLING LIABILITIES		**EURO LIABILITIES**	
	2011	**2010**	**2011**	**2010**
Discount rate	**4.90%**	5.50%	**5.30%**	5.50%
Inflation rate	**2.90%**	3.60%	**2.00%**	2.00%
Rate of increase of pensions in payment	**2.65%**	3.35%	**1.80% - 2.00%**	1.80% - 2.00%
Rate of general salary increases	**3.90%**	4.60%	**3.00%**	3.00% - 3.50%

The long term expected rates of return at 31 December were as follows:

	STERLING ASSETS		**EURO ASSETS**	
	2011	**2010**	**2011**	**2010**
Equities	**7.00%**	7.80%	**7.30%**	7.40%
Bonds	**3.00%**	3.60%	**4.30%**	4.40%
Property	**5.50%**	6.80%	**6.30%**	6.40%
Other	**2.60%**	3.80%	**2.50%**	2.50%

The average life expectancy used in all schemes at age 60 is as follows:

	2011		**2010**	
	Male	**Female**	**Male**	**Female**
Current retirees	23.8 years	26.6 years	23.8 years	26.6 years
Future retirees	27.2 years	30.3 years	27.2 years	30.3 years

8. Retirement benefit schemes – continued

The amount recognised in the balance sheet in respect of the Group's defined benefit schemes, is as follows:

	SCHEMES WITH LIABILITIES IN STERLING		SCHEMES WITH LIABILITIES IN EURO	
	2011	**2010**	**2011**	**2010**
	€m	**€m**	**€m**	**€m**
Equities	6.4	6.9	93.0	103.2
Bonds	13.8	12.0	61.8	60.9
Property	0.3	0.3	10.4	11.1
Other	0.5	0.2	7.3	5.7
Market value of scheme assets	21.0	19.4	172.5	180.9
Present value of scheme liabilities	(28.0)	(27.4)	(198.0)	(190.4)
Deficit in schemes	(7.0)	(8.0)	(25.5)	(9.5)

	2011	**2010**
	€m	**€m**
Opening deficit	(17.5)	(27.2)
Current service cost	(1.2)	(1.7)
Employer contributions paid	5.9	4.5
Curtailment gain	-	1.8
Other finance income / (expense)	0.3	(0.5)
Actuarial (loss) / gain	(19.7)	5.9
Other	(0.3)	(0.3)
Net deficit	**(32.5)**	**(17.5)**
Schemes in surplus	4.4	4.0
Schemes in deficit	(36.9)	(21.5)
Net deficit	**(32.5)**	**(17.5)**

9. Related party transactions

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

During the year ended 31 December 2011 there were no material transactions or balances between Irish Continental Group plc and its key management personnel or members of their close family, other than in respect of remuneration.

10. General information

The financial information in this preliminary announcement does not constitute full statutory financial statements, a copy of which is required to be annexed to the annual return to the Companies Registration Office. A copy of the financial statements in respect of the financial year ended 31 December 2011 will be annexed to the annual return for 2012. The auditors have made a report, without any qualification on their audit, of the consolidated financial statements in respect of the financial year ended 31 December 2011 and the Directors approved the consolidated financial statements in respect of the financial year ended 31 December 2011 on 07 March 2012. A copy of the consolidated financial statements in respect of the year ended 31 December 2010 has been annexed to the annual return for 2011 to the Companies Registration Office.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have also been prepared in accordance with IFRS as adopted by the European Union and therefore the Group's financial statements comply with Article 4 of the IAS Regulations. The consolidated financial statements have also been prepared in accordance with the Companies Acts, 1963 to 2009, and the Listing Rules of the Irish Stock Exchange and the UK Listing Authority.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments.

11. Subsequent events

The Board is proposing a final dividend of 67 cent per ICG unit in respect of the results for the year ended 31 December 2011.

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2011.

12. Board Approval

This preliminary announcement was approved by the Board of Directors of Irish Continental Group plc on 07 March 2012.

13. Annual Report and Annual General Meeting

The Group's Annual Report and notice of Annual General Meeting, which will be held on Wednesday 30 May 2012, will be notified to shareholders in April 2012.