IRISH CONTINENTAL GROUP

HALF YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Unaudited			**Audited**
Financial Highlights	**Six months to 30 June**		**Change %**	**Financial Year**
	2012	**2011**		**2011**
Revenue	€127.1m	€126.6m	+0.4%	€273.3m
EBITDA	€14.3m	€16.1m	-11.2%	€49.1m
Operating Profit	€5.1m	€6.5m	-21.5%	€28.9m
EPS Basic	14.5c	24.4c	-40.6%	111.1c
EPS Adjusted	17.7c	24.0c	-26.3%	109.9c
Net Debt	€20.8m	€14.4m	+44.4%	€7.8m
Dividend	33.0c	33.0c	-%	100.0c

	Unaudited		
Volumes	**Six months to 30 June**		
	2012	**2011**	**Change %**
	000	**000**	
Passengers	676.7	670.5	+0.9%
Cars	148.7	151.6	-1.9%
RoRo Freight	92.4	97.0	-4.7%
Container Freight (teu.)	190.9	205.3	-7.0%
Port Lifts	89.5	94.2	-5.0%

teu = twenty foot equivalent units

- Continued strong cash flow
- Dividend of 33 cent per ICG Unit
- Sale of Feederlink Shipping and Trading b.v.
- Tender offer buy-back of ICG Units of up to €111.5 million

Comment

In a comment John B. McGuckian Chairman stated;

“I am pleased to report a robust performance in the first six months of the financial year. Turnover grew, albeit moderately while EBITDA was €14.3 million in the first six months of the year, down only €1.8 million despite an increase of €4.5 million in our fuel bill in the period. With regard to current trading, while freight remains weak due to the economic background our tourism and car business has benefited from reduced competitor capacity although fuel costs remain a headwind. With our strong cash flow and balance sheet we propose an unchanged interim dividend of 33 cent per ICG Unit and due to the strength of our capital position propose a return to shareholders of up to €111.5 million via a tender offer buy-back, which is subject to shareholder approval.’’

30 August 2012

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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 €127.1 million compared with €126.6 million in the same period in 2011 an increase of 0.4%. Earnings before interest tax and depreciation (EBITDA) were €14.3 million compared with €16.1 million in the same period in 2011. Operating profit was €5.1 million compared with €6.5 million in 2011. Group fuel costs were €28.9 million compared with €24.4 million in the same period in 2011. There was a net finance charge of €1.2 million (2011: €0.3 million) which includes a net pension expense of €0.8 million (2011: credit of €0.1 million) and net bank interest payable of €0.4 million (2011: €0.4 million). Profit before tax was €3.9 million compared with €6.2 million in the first half of 2011. The tax charge amounted to €0.3 million (2011: €0.1 million). Basic EPS was 14.5c compared with 24.4c in the first half of 2011. Adjusted EPS (i.e. before the net pension interest expense) amounted to 17.7c (2011: 24.0c).

DIVIDEND

The Board declares an interim dividend of 33 cent per ICG Unit payable on 5 October to shareholders on the register at 21 September 2012.

DISPOSAL OF SUBSIDIARY

On 29 August 2012 the Group entered into an agreement for the sale, subject to regulatory approval, of its subsidiary Feederlink Shipping and Trading b.v. for a consideration of up to €29 million.

TENDER OFFER

The Board is proposing to effect a return of up to €111.5 million of cash to its shareholders, by means of a tender offer buy-back of ICG Units (the “Tender Offer”).

Background to and reasons for the proposed Tender Offer

As set out above, in the six months to 30 June 2012, the Group reported a robust financial performance, in the seasonally weaker half of the year, with revenue up 0.4%, EBITDA of €14.3m and cash flow, before dividends and share buybacks of €13.6 million. In line with the policy in recent years an interim dividend of 33 cent per ICG Unit has been declared.

Throughout 2012, the Board considered a range of strategic and financial options to enhance shareholder value. The Board reviewed a number of factors including:

- The Group’s current and expected capital expenditure requirements relative to the strength of its balance sheet and its on-going cash flow generation;
- Potential acquisition opportunities;
- Potential route expansion; and
- Potential asset disposals.

Following this review, the Board unanimously determined that a return of surplus capital is in the best interests of shareholders as a whole. The Board believes that a return of capital represents the most effective use of shareholder funds and that the continued strength of ICG’s balance sheet post the tender offer buyback, and its cash flow generation, are sufficient to capitalise on the Group’s stated growth objectives.

TENDER OFFER - continued

The Board concluded that a return of up to €111.5 million of capital by way of the Tender Offer is in the best interests of the Group and shareholders as a whole as it provides shareholders with both choice (that is, the discretion to participate) and certainty of value. Those shareholders who do not wish to participate in the Tender Offer can retain their full existing investment in the Company. As all shares bought back by the Group will be cancelled, the Tender Offer is expected to have a positive effect on the Group's earnings per share.

The Tender Offer will be made to shareholders at a proposed price per ICG Unit of €18.50 (the "Tender Price"). The Tender Price represents a premium of 15.6 per cent to the Closing Price of €16.00 on 29 August 2012 (being the latest practicable date prior to this announcement) and represents a premium of 17.1 per cent to the volume weighted average price over the 1 month to 29 August 2012 (being the latest practicable date prior to this announcement).

It is intended that, in aggregate, up to 6,027,019 ICG Units will be purchased from shareholders at the Tender Price. It is the Company's intention to cancel any ICG Units bought back. Each shareholder will have a guaranteed entitlement to participate in the Tender Offer in respect of approximately 24.911% per cent of his shareholding, rounded down to the nearest whole number, subject to no options being exercised before completion of the Tender Offer.

The Board reserves the right, at any time prior to the anticipated completion of the Tender Offer and having regard to prevailing market conditions, to (i) vary the Tender Price; and/or (ii) change the maximum number of ICG Units that can be tendered pursuant to the Tender Offer; and/or (iii) not proceed with or postpone the Tender Offer; if they conclude that the implementation of the Tender Offer at the Tender Price is no longer in the best interests of the Group and/or its shareholders as a whole.

Shareholder Approval and Financing

The Tender Offer will be subject to approval by ICG's shareholders at an Extraordinary General Meeting ("EGM"). A notice of EGM together with additional explanatory documentation setting out further details with regard to the structure of, the background to and reasons for, the terms and conditions of and instructions on how to participate in, the Tender Offer will be sent to shareholders in due course.

The Tender Offer is expected to be funded by the Group from proceeds of a new €110 million term loan for which the Group's lenders have provided binding commitment letters. The commitment letter also provides for a new €40 million revolving credit facility to replace the Group's existing facility. The commitment to provide the term loan and the revolving credit facility is subject to satisfaction of customary conditions.

TENDER OFFER - continued

Benefits of a Tender Offer

The benefits of a Tender Offer, compared to other available options for a return of capital to ICG's shareholders, are that a Tender Offer:

a) provides Qualifying Shareholders who wish to sell ICG Units the opportunity to do so;

b) enables those Qualifying Shareholders who do not wish to receive capital at this time to maintain their full investment in the Company;

c) is available to all Shareholders (other than Shareholders who may be resident in a Prohibited Territory) regardless of the size of their shareholdings;

d) Shareholders will receive a premium of 15.6 per cent to the closing price of €16.00 per ICG Unit on 29 August 2012 (being the last practicable date before the publication of this announcement);

e) Shareholders will receive their full entitlement to interim dividend announced on 30 August 2012 on any shares tendered;

f) ensures an equal opportunity to all Qualifying Shareholders to participate in the return of capital by offering a Guaranteed Entitlement; and

g) will have a positive impact on the both the Group's earnings per share as all ICG Units acquired under the Tender Offer will be cancelled.

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 2,087 sailings in the period, down 2.8% on 2011.

Revenue in the division was €69.5 million (2011: €68.2 million). Profit from operations was unchanged at €3.2 million (2011: €3.2 million), after a €2.5 million increase in fuel costs.

Irish Ferries' passenger business is focused on passengers travelling with their own cars. In the half year we outperformed the market with an increase in total passengers carried of 0.9% at 676,700 while total cars carried in the first half of 2012 were 148,700, down 1.9% on the previous year, but at higher yields. The overall sea passenger market was down 3.3% and the car market was down 7.5%.

In RoRo freight Irish Ferries' volumes were down 4.7% to 92,400 units, when compared with the first half of 2011 reflecting the weak economic backdrop. The total RoRo market is estimated to be down about 3% in the six months.

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

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 down 1.4% to €58.3 million (2011: €59.1 million), while profit from operations was €1.9 million (2011: €3.3 million) reflecting weaker volumes and higher operating costs, particularly fuel, which was €2.0 million higher at €10.4 million. There was good recovery of the fuel cost increase via surcharges but this was offset by the lower volumes of business.

Total containers shipped were down 7.0% at 190,900 teu (2011: 205,300 teu). Units lifted at the division's port facilities in Dublin and Belfast were down 5.0% at 89,500 lifts (2011: 94,200 lifts).

FINANCIAL POSITION

EBITDA for the period was €14.3 million compared with €16.1 million in the same period in 2011. Cash flow generated from operations was €17.6 million versus €21.5 million in 2011. Capital expenditure in the period was €5.1 million (2011: €3.7 million) while pension payments in excess of current service costs amounted to €2.5 million (2011: €2.2 million). Free cash flow (net cash from operating activities after capital expenditure and asset sales) was €13.6 million compared with €19.4 million in the previous half year. During the period we returned €26.9 million to shareholders comprising a final dividend of 67 cent per ICG Unit totalling €16.7 million (2011 €25.1 million) and €10.2 million (2011: €4.0 million) through a share buyback.

Net debt at the end of the period amounted to €20.8 million. This compares with €7.8 million at 31 December 2011 and reflects the payment of the dividend of €16.7 million and the €10.2 million share buyback offset to a large degree by the strong operating cash flow.

Shareholders equity decreased to €100.6 million from €151.6 million at 31 December 2011. The main reasons for the decrease were due to the increase in the retirement benefit deficit to €61.0 million (31 December 2011: €32.5 million) resulting in a €30.5 million actuarial loss being charged to the Consolidated Statement of Comprehensive Income, the dividend paid of €16.7 million and the share buyback of €10.2 million. There was a profit for the period of €3.6 million combined with other positive reserve movements of €2.8 million.

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 2012 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.

PRINCIPAL RISKS AND UNCERTAINTIES - continued

Safety and Business Continuity - continued

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.

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 (MNOPF). 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 £331 million sterling at 31 March 2011. 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 MNOPF. This would be a larger sum than the on-going 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.

POST BALANCE SHEET EVENTS

On 29 August 2012 the Group entered into an agreement for the sale, subject to regulatory approval, of its subsidiary Feederlink Shipping and Trading b.v. for a consideration of up to €29 million.

At a hearing on 17 July 2012, the High Court confirmed the cancellation of €46.7 million of the Company's share premium account, with the resulting reserve to be treated as profits available for distribution.

There have been no other material subsequent events, outside the ordinary course of business, to report since the period ended 30 June 2012.

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.

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. In July and August while passenger numbers have been down slightly (-2%) on 2011, more importantly, car numbers are in line with 2011 and yields, helped by a stronger £ Sterling, are higher resulting in tourism revenue growth in the period. RoRo freight remained subdued with unit volumes down 7% during the two months. In the Container and Terminal division our container volumes and port lifts also reflect subdued international trade and are down 9% and 2% in the two months. Oil prices continue to remain at historically high levels.

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
29 August 2012

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the related Transparency Rules of the Central Bank of Ireland 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 2012 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 2012, 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
29 August 2012

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Notes	Unaudited 30 Jun 2012 €m	Unaudited 30 Jun 2011 €m	Audited 31 Dec 2011 €m
Revenue		127.1	126.6	273.3
Depreciation and amortisation		(9.2)	(9.6)	(20.2)
Employee benefits expense		(8.5)	(8.2)	(19.5)
Other operating expenses		(104.3)	(102.3)	(204.7)
Operating profit		**5.1**	**6.5**	**28.9**
Investment revenue		5.1	6.1	12.0
Finance costs		(6.3)	(6.4)	(12.7)
Profit before taxation		**3.9**	**6.2**	**28.2**
Income tax expense		(0.3)	(0.1)	(0.5)
Profit for the period: all attributable to equity holders of the parent		**3.6**	**6.1**	**27.7**
Earnings per ordinary share (cent)				
All from continuing operations				
-basic	5	14.5c	24.4c	111.1c
-diluted	5	14.4c	24.3c	110.4c

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Notes	Unaudited 30 Jun 2012 €m	Unaudited 30 Jun 2011 €m	Audited 31 Dec 2011 €m
Profit for the period		**3.6**	**6.1**	**27.7**
Cash flow hedges:				
-Fair value losses arising during the period		-	(0.3)	-
-Transfer to Consolidated Income Statement net settlement of cash flow hedge		-	0.1	(0.1)
Exchange differences on translation of foreign operations		2.6	(3.1)	2.3
Actuarial loss on retirement benefit obligations	10	(30.5)	(3.5)	(19.7)
Deferred tax movements		-	0.7	(0.1)
Exchange difference on defined benefit schemes		(0.2)	0.4	(0.3)
Other comprehensive expense for the period		**(28.1)**	**(5.7)**	**(17.9)**
Total comprehensive (expense) / income for the period: all attributable to equity holders of the parent		**(24.5)**	**0.4**	**9.8**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	Unaudited 30 Jun 2012 €m	Unaudited 30 Jun 2011 €m	Audited 31 Dec 2011 €m
Assets				
Non-current assets				
Property, plant and equipment	6	180.6	184.3	182.1
Intangible assets	7	0.8	0.9	0.8
Finance lease receivable		19.3	22.0	20.7
Retirement benefit surplus	10	4.5	3.4	4.4
		205.2	**210.6**	**208.0**
Current assets				
Inventories		3.4	3.2	2.7
Trade and other receivables		39.6	39.9	34.1
Cash and bank balances	8	13.7	13.1	9.8
		56.7	**56.2**	**46.6**
Total assets		**261.9**	**266.8**	**254.6**
Equity and liabilities				
Equity				
Share capital		16.3	16.7	16.7
Share premium		53.0	52.7	52.7
Other reserves		(15.8)	(24.3)	(18.9)
Retained earnings		47.1	105.3	101.1
Equity attributable to equity holders		**100.6**	**150.4**	**151.6**
Non-current liabilities				
Borrowings	8	29.2	26.9	16.7
Trade and other payables		0.8	1.0	0.9
Deferred tax liabilities		4.4	3.5	4.4
Provisions		0.4	0.4	0.3
Deferred grant		0.7	0.9	0.8
Retirement benefit obligation	10	65.5	21.7	36.9
		101.0	**54.4**	**60.0**
Current liabilities				
Borrowings	8	5.3	0.6	0.9
Derivative financial instruments		-	0.1	-
Trade and other payables		52.2	58.0	38.9
Current tax liabilities		2.3	2.8	2.8
Provisions		0.4	0.4	0.3
Deferred grant		0.1	0.1	0.1
		60.3	**62.0**	**43.0**
Total liabilities		**161.3**	**116.4**	**103.0**
Total equity and liabilities		**261.9**	**266.8**	**254.6**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2012	**16.7**	**52.7**	**(18.9)**	**101.1**	**151.6**
Profit for the period	-	-	-	3.6	3.6
Other comprehensive income / (expense)	-	-	2.6	(30.7)	(28.1)
Total comprehensive income / (expense) for the period	**-**	**-**	**2.6**	**(27.1)**	**(24.5)**
Share issue	0.1	0.3	-	-	0.4
Share buyback	(0.5)	-	0.5	(10.2)	(10.2)
Dividend payment (note 4)	-	-	-	(16.7)	(16.7)
	(0.4)	**0.3**	**3.1**	**(54.0)**	**(51.0)**
Balance at 30 June 2012	**16.3**	**53.0**	**(15.8)**	**47.1**	**100.6**

Analysed as follows:	
Share capital	16.3
Share premium	53.0
Other reserves	(15.8)
Retained earnings	47.1
	100.6

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2012	**2.4**	**1.5**	**(22.8)**	**(18.9)**
Other comprehensive income	-	-	2.6	2.6
Share buyback	0.5	-	-	0.5
	0.5	**-**	**2.6**	**3.1**
Balance at 30 June 2012	**2.9**	**1.5**	**(20.2)**	**(15.8)**

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	0.9	-	-	1.0
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)
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 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 / (expense)	-	-	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)**
Other 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)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Notes	Unaudited 30 Jun 2012 €m	Unaudited 30 Jun 2011 €m	Audited 31 Dec 2011 €m
Net cash from operating activities	11	**17.0**	**20.7**	**36.5**
Cash flow from investing activities				
Proceeds on disposal of property, plant and equipment		0.4	-	0.4
Payment received on finance lease receivable		1.3	2.4	4.1
Purchases of property, plant and equipment		(4.9)	(3.6)	(5.9)
Purchase of intangible assets		(0.2)	(0.1)	(0.4)
Net cash used in investing activities		**(3.4)**	**(1.3)**	**(1.8)**
Cash flow from financing activities				
Dividend paid to equity holders of the Company		(16.7)	(25.1)	(33.3)
Repayments of borrowings		(2.5)	(10.3)	(27.8)
Repayments of obligations under finance leases		(0.3)	(0.5)	(0.7)
Proceeds on issue of ordinary share capital		0.4	1.0	1.0
Repurchase of ordinary share capital		(10.2)	(4.0)	(4.0)
New bank loans raised		15.0	15.0	22.5
Net cash used in financing activities		**(14.3)**	**(23.9)**	**(42.3)**
Net decrease in cash and cash equivalents		(0.7)	(4.5)	(7.6)
Cash and cash equivalents at the beginning of the period		**9.5**	**17.2**	**17.2**
Effect of foreign exchange rate changes		-	0.4	(0.1)
Cash and cash equivalents at the end of the period				
Cash and cash equivalents	8	**8.8**	**13.1**	**9.5**

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 2011, 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 2012 and the comparative amounts for the six months ended 30 June 2011 are unaudited.

2. Accounting policies

The Group Condensed Financial Statements for the six months ended 30 June 2012 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the related Transparency Rules of the Central Bank of Ireland 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 2011, 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 2012, 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 2011);
IFRS 7	(Amendment) Financial Instruments: Disclosures (effective for accounting periods beginning on or after 1 July 2011);
IAS 12	(Amendment) Income Taxes (effective for accounting periods beginning on or after 1 January 2012);

There have been no material changes in estimates in these interim accounts based on the estimates that have previously been made in the prior year interim accounts to 30 June 2011 and the prior year financial statements to 31 December 2011.

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 2012		30 Jun 2011		31 Dec 2011	
	Revenue €m	Profit €m	Revenue €m	Profit €m	Revenue €m	Profit €m
Ferries	69.5	3.2	68.2	3.2	155.5	22.0
Container and Terminal	58.3	1.9	59.1	3.3	119.1	6.9
Internal Revenue	(0.7)	-	(0.7)	-	(1.3)	-
Operating Profit	**-**	**5.1**	**-**	**6.5**	**-**	**28.9**
Net Interest - Ferries	-	(1.1)	-	(0.3)	-	(0.5)
Net interest - Container and Terminal	-	(0.1)	-	-	-	(0.2)
External Revenue / Profit	**127.1**	**3.9**	**126.6**	**6.2**	**273.3**	**28.2**

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 2011.

4. Dividend

	Unaudited 6 months ended 30 Jun 2012 €m	Unaudited 6 months ended 30 Jun 2011 €m	Audited 12 months ended 31 Dec 2011 €m
Final dividend of 100c per ICG Unit	-	25.1	25.1
Interim dividend of 33c per ICG Unit	-	-	8.2
Final dividend of 67c per ICG Unit	16.7	-	-
	16.7	**25.1**	**33.3**

In June 2012 a final dividend of 67 cent per ICG unit was paid for the year ended 31 December 2011. In June 2011 a final dividend of 100 cent per ICG unit was paid for the year ended 31 December 2010. In September 2011 an interim dividend of 33 cent per ICG unit was paid for the year ended 31 December 2011.

5. Earnings per share – all from continuing operations

	Unaudited 6 months ended 30 Jun 2012 Cent	Unaudited 6 months ended 30 Jun 2011 Cent	Audited 12 months ended 31 Dec 2011 Cent
Basic earnings per share	14.5	24.4	111.1
Diluted earnings per share	14.4	24.3	110.4
Adjusted basic earnings per share	17.7	24.0	109.9
Adjusted diluted earnings per share	17.6	23.9	109.2

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	**3.6**	**6.1**	**27.7**
Earnings for the purpose of adjusted earnings per share - Profit for the period attributable to equity holders of the parent	3.6	6.1	27.7
Effect of expected return on defined benefit pension scheme assets	(5.1)	(6.1)	(12.0)
Effect of interest on defined benefit pension scheme liabilities	5.9	6.0	11.7
Earnings for the purpose of adjusted earnings per share	**4.4**	**6.0**	**27.4**

Number of shares	**'000**	**'000**	**'000**
Weighted average number of ordinary shares for the purpose of basic earnings per share	24,834	25,002	24,932
Effect of dilutive potential ordinary shares: Share options	140	125	156
Weighted average number of ordinary shares for the purpose of diluted adjusted earnings per share	**24,974**	**25,127**	**25,088**

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.

6. Property, plant and equipment

	Passenger ships	Plant and equipment	Vehicles	Land and buildings	Total
	€m	€m	€m	€m	€m
Cost					
At 1 January 2012	292.5	55.9	1.9	25.6	375.9
Additions	4.2	0.3	0.4	-	4.9
Disposals	(4.3)	(1.2)	(0.4)	-	(5.9)
Exchange differences	5.8	0.2	-	-	6.0
At 30 June 2012	**298.2**	**55.2**	**1.9**	**25.6**	**380.9**
Accumulated depreciation					
At 1 January 2012	150.3	34.6	1.2	7.7	193.8
Charge for period	7.3	1.5	0.2	0.1	9.1
Disposals	(4.3)	(1.2)	(0.4)	-	(5.9)
Exchange differences	3.3	-	-	-	3.3
At 30 June 2012	**156.6**	**34.9**	**1.0**	**7.8**	**200.3**
Net book amounts					
At 1 January 2012	142.2	21.3	0.7	17.9	182.1
At 30 June 2012	**141.6**	**20.3**	**0.9**	**17.8**	**180.6**
At 30 June 2011	143.8	21.8	0.7	18.0	184.3

At 30 June 2012 the Group has entered into commitments to the value of €1.5 million (2011: €0.2 million) for the purchase of fixed assets.

7. Intangible Assets

	Software
	€m
Cost	
At 1 January 2012	8.7
Additions	0.2
At 30 June 2012	**8.9**
Amortisation	
At 1 January 2012	7.9
Charge for the period	0.2
At 30 June 2012	**8.1**
Carrying amount	
At 1 January 2012	0.8
At 30 June 2012	**0.8**
At 30 June 2011	0.9

8. Net debt

	Cash €m	Overdrafts €m	Loans €m	Leases €m	Total €m
At 1 January 2012					
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)
	9.8	**(0.3)**	**(15.0)**	**(2.3)**	**(7.8)**
Cash flow	3.9	-	-	-	3.9
Foreign exchange rate changes	-	-	-	(0.1)	(0.1)
Drawdown	-	(4.6)	(15.0)	-	(19.6)
Repayment	-	-	2.5	0.3	2.8
	3.9	**(4.6)**	**(12.5)**	**0.2**	**(13.0)**
At 30 June 2012					
Current assets	13.7	-	-	-	13.7
Creditors due within one year	-	(4.9)	-	(0.4)	(5.3)
Creditors due after one year	-	-	(27.5)	(1.7)	(29.2)
	13.7	**(4.9)**	**(27.5)**	**(2.1)**	**(20.8)**
At 30 June 2011					
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)**

The loan drawdown and 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:

	Unaudited 30 Jun 2012 €m	Unaudited 30 Jun 2011 €m	Audited 31 Dec 2011 €m
Cash and bank balances	13.7	13.1	9.8
Bank overdraft	(4.9)	-	(0.3)
Cash and cash equivalents	**8.8**	**13.1**	**9.5**

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.

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 2012. 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 4.2% for Euro liabilities (31 December 2011: 5.3%) and to 5.0% for Sterling liabilities (31 December 2011: 4.9%).

The Groups total obligation in respect of defined benefit schemes totals €263.6 million (31 December 2011: €226.0 million). At 30 June 2012 the group also has scheme assets of €202.6 million (31 December 2011: €193.5 million), giving a net pension deficit of €61.0 million. The increase in the total obligation was mostly due to a decrease in discount rates in the period.

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

	Unaudited 6 months ended				**Audited 12 months ended**	
	30 Jun 2012		**30 Jun 2011**		**31 Dec 2011**	
	Sterling	**Euro**	**Sterling**	**Euro**	**Sterling**	**Euro**
Discount rate	5.00%	4.20%	5.60%	5.90%	4.90%	5.30%
Inflation rate	3.10%	2.00%	3.80%	2.40%	2.90%	2.00%
Rate of increase of pensions in payment	2.85%	1.80% - 2.00%	3.55%	2.20% - 2.40%	2.65%	1.80% - 2.00%
Rate of general salary increases	4.10%	3.00%	4.80%	3.40% - 3.90%	3.90%	3.00%

The long term expected rates of return are as at 31 December 2011.

	Unaudited 6 months ended 30 Jun 2012 €m	**Unaudited 6 months ended 30 Jun 2011 €m**	**Audited 12 months ended 31 Dec 2011 €m**
Opening deficit	(32.5)	(17.5)	(17.5)
Current service cost	(0.6)	(0.6)	(1.2)
Employer contributions paid	3.1	2.8	5.9
Past service credit	0.5	-	-
Other finance (expense) / income	(0.8)	0.1	0.3
Actuarial loss	(30.5)	(3.5)	(19.7)
Other	(0.2)	0.4	(0.3)
Net deficit	**(61.0)**	**(18.3)**	**(32.5)**
Schemes in surplus	4.5	3.4	4.4
Schemes in deficit	(65.5)	(21.7)	(36.9)
Net deficit	**(61.0)**	**(18.3)**	**(32.5)**

11. Net cash from operating activities

	Unaudited 30 Jun 2012 €m	Unaudited 30 Jun 2011 €m	Audited 31 Dec 2011 €m
Operating activities			
Profit for the period	3.6	6.1	27.7
Adjustments for:			
Finance costs (net)	1.2	0.3	0.7
Income tax expense	0.3	0.1	0.5
Retirement benefit obligation – service cost	0.6	0.6	1.2
Retirement benefit obligation – payments	(3.1)	(2.8)	(5.9)
Retirement benefit obligation – non cash items	(0.5)	-	-
Depreciation of property, plant and equipment	9.1	9.6	19.9
Amortisation of intangible assets	0.2	0.1	0.5
Amortisation of deferred income	(0.1)	(0.1)	(0.2)
Share-based payment expense	-	0.1	0.1
Gain on disposal of property, plant and equipment	(0.4)	-	(0.3)
Increase in other provisions	0.2	0.2	-
Operating cash flow before movements in working capital	**11.1**	**14.2**	44.2
Increase in inventories	(0.7)	(1.3)	(0.8)
Increase in receivables	(5.4)	(7.3)	(1.9)
Increase / (decrease) in payables	12.6	15.9	(3.0)
Cash generated from operations	**17.6**	**21.5**	38.5
Income taxes paid	(0.2)	(0.4)	(1.0)
Interest paid	(0.4)	(0.4)	(1.0)
Net cash from operating activities	**17.0**	**20.7**	36.5

At 30 June 2012 and 2011 the increase in payables is due to the seasonality of the business, giving rise to an increase in deferred revenue, as at 30 June 2012 and 2011.

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 2012 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.

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 2011.

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 2012.

16. Subsequent Events

On 29 August 2012 the Group entered into an agreement for the sale, subject to regulatory approval, of its subsidiary Feederlink Shipping and Trading b.v. for a consideration of up to €29 million.

At a hearing on 17 July 2012, the High Court confirmed the cancellation of €46.7 million of the Company's share premium account, with the resulting reserve to be treated as profits available for distribution.

There have been no other material subsequent events, outside the ordinary course of business, to report since the period ended 30 June 2012.

17. Board Approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 29 August 2012.