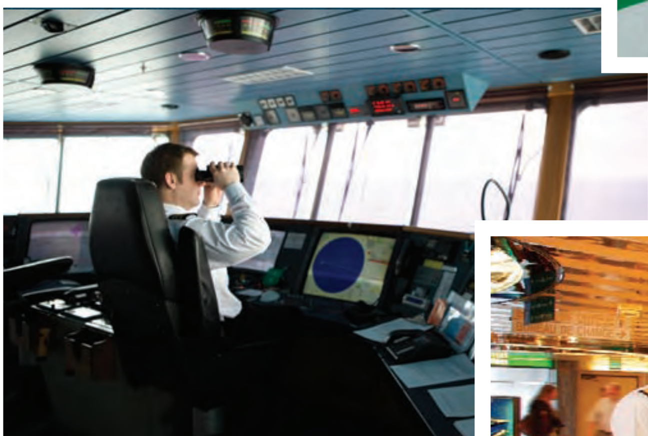
REPORT AND FINANCIAL STATEMENTS

2010

IRISH CONTINENTAL GROUP


IRISH FERRIES
DUBLIN Swift


Eucon
The Cool Experience
Eucon



IRISH CONTINENTAL GROUP

Irish Continental Group (ICG) is a leading Irish based maritime transport group. We carry 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. We also operate container terminals in the ports of Dublin and Belfast.

We aim for success in our chosen markets, focusing on the provision of a reliable, timely and high quality experience for our customers.

We will achieve success by anticipating our customers' needs and matching those with superior services through constant innovation and the rapid application of new proven technology.

We measure our success through the quality of our service, as seen by our customers, which should result in delivering sustained and profitable growth for the benefit of our shareholders and staff.

CONTENTS

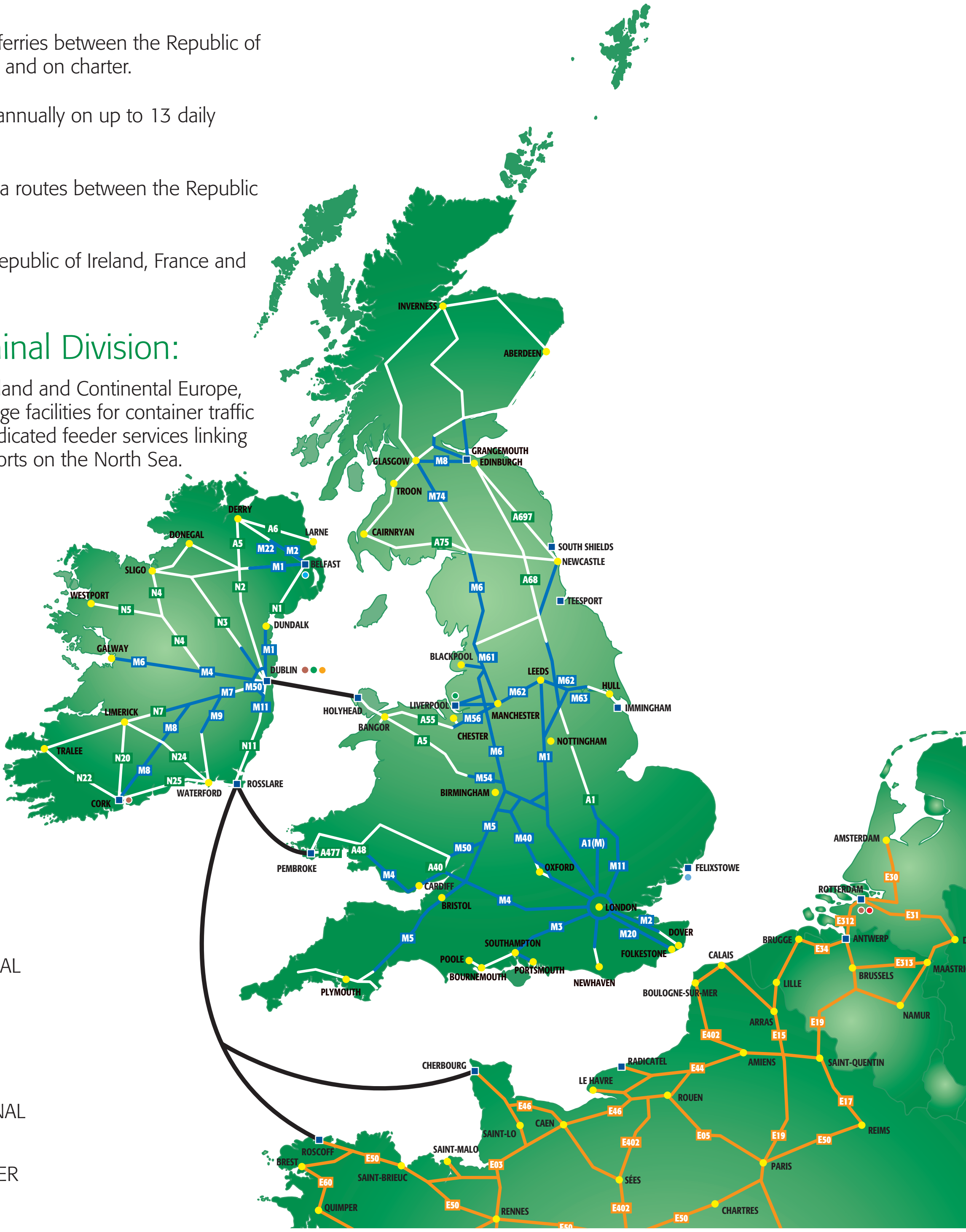
THE GROUP

Ferries division:

- Modern fleet of multi-purpose ferries between the Republic of Ireland and the UK and France, and on charter.
- 1.5 million passengers carried annually on up to 13 daily sailings.
- Key freight position on short sea routes between the Republic of Ireland and the UK.
- Inclusive package holidays to Republic of Ireland, France and the UK.

Container and Terminal Division:

- Container services between Ireland and Continental Europe, including stevedoring and storage facilities for container traffic at Dublin and Belfast Ports. Dedicated feeder services linking Rotterdam and the UK's hub ports on the North Sea.



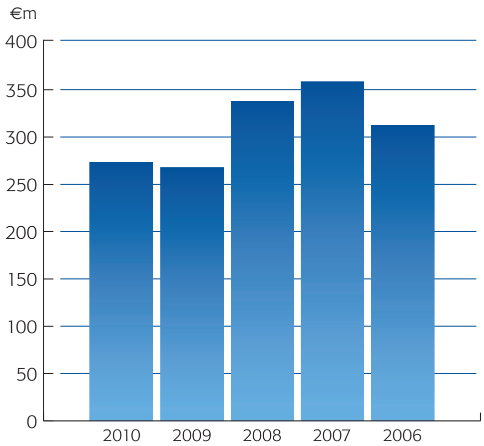
LOCATIONS

- IRISH FERRIES
- DUBLIN FERRYPORT TERMINAL
- EUCON
- FEEDERLINK
- EUROFEEDERS
- BELFAST CONTAINER TERMINAL
- PORTS SERVED BY PASSENGER AND FREIGHT SHIPS WITHIN IRISH CONTINENTAL GROUP.

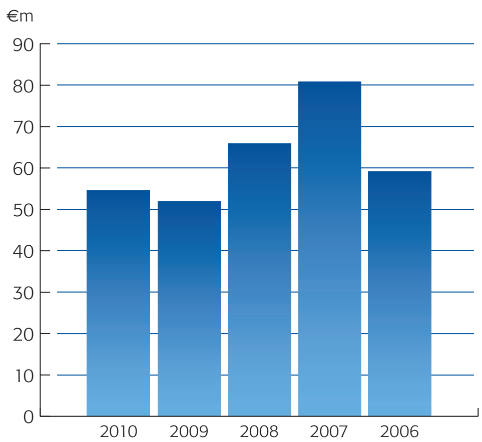
IRISH CONTINENTAL GROUP

FINANCIAL HIGHLIGHTS

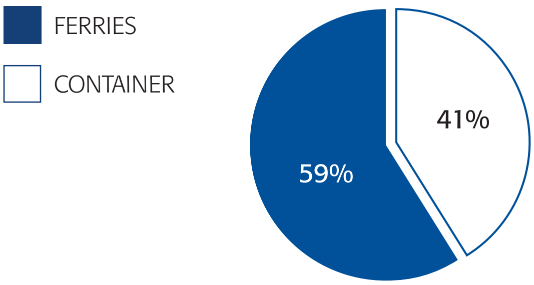
Revenue



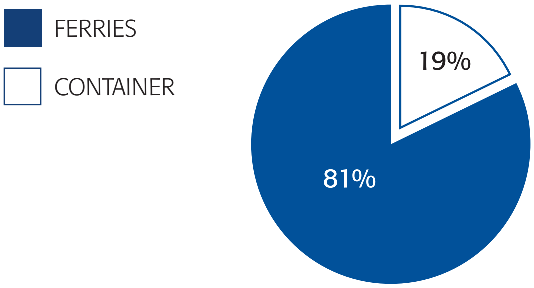
EBITDA *(Earnings before interest, tax, depreciation and amortisation)*



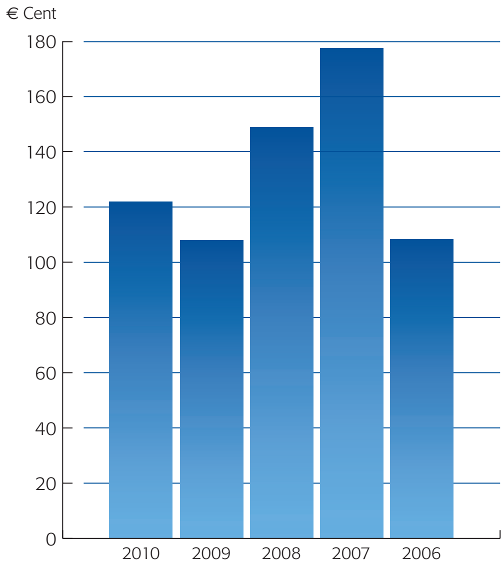
2010 Divisional Breakdown (Revenue)



2010 Divisional Breakdown (EBITDA)



Adjusted Earnings per Share



Adjusted earnings excludes pension interest and non trading charges/credits.

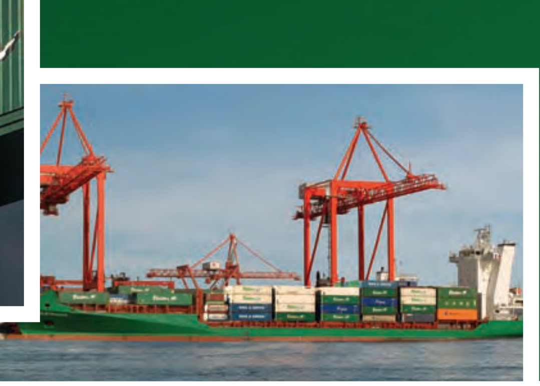


FIVE YEAR SUMMARY

Consolidated Income Statement	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Revenue	262.2	260.5	342.9	355.8	312.1
Employee benefits expense and other operating expenses	(208.6)	(209.8)	(276.9)	(275.6)	(252.4)
EBITDA	53.6	50.7	66.0	80.2	59.7
Depreciation / amortisation	(22.1)	(24.2)	(24.2)	(30.1)	(27.5)
	31.5	26.5	41.8	50.1	32.2
Non trading credit / (charges)*	9.4	-	-	(10.1)	0.7
Interest (net)	(0.8)	(1.6)	1.2	0.7	0.4
Profit before taxation	40.1	24.9	43.0	40.7	33.3
Taxation	(1.1)	0.3	(2.5)	(2.4)	(1.0)
Profit for the financial year	39.0	25.2	40.5	38.3	32.3
Per share information (cent):					
Earnings per share - cent					
- Basic	156.8	102.4	164.7	160.9	137.4
- Adjusted**	121.0	107.7	148.9	178.6	108.5
Dividend / redemption per share	100.0	100.0	100.0	-	10.9
Shares in issue at year end	**m**	**m**	**m**	**m**	**m**
- ICG Units including treasury shares	25.9	25.5	25.5	25.4	24.4
- treasury shares	0.9	0.9	0.9	0.9	0.9
Average shares in issue	24.9	24.6	24.6	23.8	23.5
	Total	**Total**	**Total**	**Total**	**Total**
Number of shareholdings	1,551	1,421	1,177	1,259	2,092

* Non trading charges and credits are material non-recurring items that derive from events or transactions that fall outside the ordinary activities of the Group and which individually or, if of a similar type, in aggregate are separately disclosed by virtue of their size or incidence.

** Adjusted earnings excludes pension interest and non trading charges / credits.



Irish Continental Group

Consolidated Statement of Financial Position	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Property, plant and equipment and intangible assets	194.9	224.3	238.2	279.6	273.8
Retirement benefit surplus	4.0	2.4	2.7	32.5	29.9
Other assets	76.2	47.2	70.4	74.5	70.1
Total assets	275.1	273.9	311.3	386.6	373.8
Equity capital and reserves	178.0	152.3	152.2	212.3	178.3
Retirement benefit obligation	21.5	29.6	27.4	6.6	10.1
Other non-current liabilities	29.4	5.9	71.2	91.3	117.7
Current liabilities	46.2	86.1	60.5	76.4	67.7
	275.1	273.9	311.3	386.6	373.8
Net debt	6.3	21.7	48.7	84.5	113.8
Gearing	3.5%	14.2%	32.0%	39.8%	63.8%

Consolidated Statement of Cash Flows	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Net cash from operating activities	42.8	51.3	51.3	77.5	8.7
Net cash (used in) / from investing activities	(5.0)	-	8.5	(57.0)	(11.5)
Net cash (used in) / from financing activities	(37.6)	(62.7)	(43.5)	(17.8)	0.1
Cash and cash equivalents at the beginning of year	17.0	28.5	12.4	11.0	14.0
Effect of foreign exchange rate changes	-	(0.1)	(0.2)	(1.3)	(0.3)
Closing cash and cash equivalents	17.2	17.0	28.5	12.4	11.0




CHAIRMAN'S STATEMENT

Irish Continental Group plc produced a strong result in 2010, during one of the most difficult periods in Ireland's recent economic history. After two years of decline in turnover, revenue in 2010 grew 0.7% to €262.2 million. Within this there was a marked difference between passenger revenue, which grew 12.3%, and freight revenue, which fell by 5.2%. The rise in passenger revenue reflects growth in passenger numbers and yields while the fall in freight revenue reflects the effects of ship overcapacity in the market place at a time when economic activity has only just stabilised after two years of decline.

In the first half of the year, the Group had reported a 2.2% growth in revenue but a 6.4% growth in EBITDA and a 23.9% growth in operating profit. This highlights the operating leverage in the Group's ferry activities in particular. In the second half of the year, turnover was down 0.6% due principally to the ending of the charter of the vessel Bilbao (formerly "Pride of Bilbao") to P&O and also to a reduction in our vessel capacity in the feeder business on the North Sea due to unsatisfactory rate levels on offer. Nevertheless EBITDA in the second half was up 5.3% at €33.6 million and operating profit (before non trade credit), on the same basis, was up 17.0% at €22.7 million.

For the year as a whole EBITDA was up 5.7% at €53.6 million, operating profit (before non trade credit) was up 18.9% to €31.5 million. Basic EPS was up 53.1% at 156.8 cent while adjusted EPS which excludes the pension interest charge and the profit on sale of the vessel was up 12.3% at 121.0 cent.

In addition to the strong operating performance, the Group completed the sale of the vessel Bilbao in December at a profit of €9.4 million, including a €0.8 million currency translation gain, after redelivery of the ship in October from P&O following its long term charter. The vessel had been a steady contributor to EBITDA since 1993 but the proceeds of sale (to be received over five years and nine months to September 2016) will adequately compensate for the reduction in charter income. Profit before tax, including the non trading credit of €9.4 million arising from the sale of the vessel, amounted to €40.1 million compared with €24.9 million in 2009.

The Board is proposing a final dividend of 100 cent per ICG Unit which compares with 100 cent per ICG Unit in 2009. No interim dividend was paid in 2010 (or in 2009).

The results must be seen in the context of an ever changing competitive backdrop. In the Ferries Division, additional competing capacity in the form of larger vessels introduced on the Dublin to Liverpool route in two stages during 2009, continued to affect the Group's freight volumes during 2010. Also on the ferry side of the business, a new competitor on the Cork to Swansea route clearly had an impact on the Group's revenue, particularly on the Rosslare to Pembroke route, given that there were no capacity constraints prior to the introduction of the new service.

Similarly, on the Ireland to France route there was an intensification of competition into Cherbourg with the introduction of newer tonnage on that route.

However the Group coped well with these challenges as shown by the results above. On the positive side there were reductions in airline capacity into and out of Ireland during the year. There were also indications emerging that the era of widespread public subsidy of regional air routes may be coming to an end. In the Container & Terminal division freight rates remained under pressure and as the year progressed the Group reduced the size of the chartered-in fleet rather than seek volume flows at inadequate rates. A cost reduction programme involving the contracting out of stevedoring in the Group's container terminal in Dublin was implemented in mid year and is yielding both cost reductions and increased flexibility.

The year was marked by a number of events which highlighted the importance of maritime connections to Ireland. In April the volcanic ash cloud closed much of European airspace for days and led to a sharp increase in foot passenger business during that period. At year end the unusually severe winter weather disrupted air travel and again allowed the ferry industry to demonstrate its resilience and reliability in such conditions. Irish Ferries' staff responded extremely positively to the challenges posed by these unprecedented spikes in activity levels.

I am hopeful that 2011 will mark a return to growth in Ireland and that the recovery already under way in many of Ireland's trading partners will result in an upturn in travel and international trade which is the Group's lifeblood. There has been some reduction in ship capacity in the freight sector which may result in some additional freight being carried on the short routes between Ireland and the UK where substantial capacity remains available.

The increase in world fuel prices, which has been exacerbated by political events in North Africa and the Middle East is an unwelcome development and will be a headwind during the coming year.

On behalf my colleagues on the ICG Board I would like to thank the executive team and all of the staff in ICG for their commitment and dedication which has helped bring about this strong set of results for 2010.

John B. McGuckian,
Chairman

OPERATING AND FINANCIAL REVIEW

This Operating and Financial Review is presented in accordance with the requirements of Section 13 (1) (a) of the Companies (Amendment) Act 1986. The purpose of the Review is to provide information to shareholders and the Review should not be relied upon by any other party or for any other purpose.

The Review 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 Operating and Financial Review 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.

This Operating and Financial Review discusses the following:

LONG TERM STRATEGY AND BUSINESS OBJECTIVES

Irish Continental Group plc is a focused provider of maritime passenger and freight services with its principal operations in the area of North West Europe. The Group operates through two divisions: the Ferries Division comprising Irish Ferries and ship chartering activities, and the Container & Terminal Division, comprising two intermodal freight carriers, Eucon and Feederlink, and two container terminals, Dublin Ferryport Terminal (DFT) and Belfast Container Terminal (BCT), within the two main ports on the island of Ireland. Further details on these operations are set out in the Operating Review on page 9.

There are two principal elements to the Group's strategy for delivering value to shareholders:

- Investment in quality assets in order to achieve economies of scale consistent with a superior customer service.
- Benchmarking costs to industry best practice to enable the Group to compete vigorously in its chosen markets.

Divisional performance is measured using the following financial objectives:

- EBITDA (earnings before interest, tax, depreciation and amortisation): a measure of the cash generated by the business from its operations.
- Return on average capital employed (ROACE).

Group performance is measured on the above objectives and also in addition uses the following financial objectives:

- Earnings per share (EPS).
- Free cash flow (operating cash flow less capital expenditure).

These financial objectives are supported by a primary operational objective which is schedule integrity (the number of sailings completed versus scheduled sailings).




RESULTS FOR 2010 FINANCIAL YEAR

A summary of the key financial results is set out in the table below. A detailed review of the divisional operations is set out in the Operating Review on page 9.

	Ferries		Container & Terminal		Inter-segment		Group	
	€m	€m	€m	€m	€m	€m	€m	€m
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenue	153.7	149.0	109.8	112.8	(1.3)	(1.3)	262.2	260.5
EBITDA	43.6	39.1	10.0	11.6			53.6	50.7
EBIT	24.5	18.1	7.0	8.4			31.5	26.5
Non trading credit	9.4	-	-	-			9.4	-
Net pension interest charge							(0.5)	(1.3)
Other finance charges							(0.3)	(0.3)
Net interest							(0.8)	(1.6)
PBT							40.1	24.9
EPS Basic							156.8c	102.4c
EPS Adjusted							121.0c	107.7c
ROACE	14.4%	10.2%	22.4%	23.8%			15.6%	12.4%

- EBITDA: EBITDA for the year was up 5.7% at €53.6 million. The increase in EBITDA was due to the higher passenger revenue, partially offset by reduced freight revenue and higher fuel costs.
- ROACE: We achieved a return on average capital employed of 15.6% (2009: 12.4%). This increase is due to the increase in operating profit before non trading credit from €26.5 million to €31.5 million and by a reduction in average capital employed from €213 million to €202 million.
- EPS: Adjusted EPS (before non trading items and the net interest charge arising in our pension schemes) was 121.0 cent per share compared with 107.7 cent in 2009. Basic EPS was 156.8 cent per share compared with 102.4 cent per share in 2009. The changes were for the reasons set out above in relation to EBITDA, and a lower net interest charge partially offset by a higher taxation charge.
- Free cash flow: The Group's free cash flow was €35.6 million (2009: €46.5 million).
- Schedule integrity: 96% of scheduled sailings were achieved compared with 95% in the previous year.

OPERATING REVIEW
Ferries division

The Ferries division employed six owned multipurpose ferries on routes to and from the Republic of Ireland and on charter. Over 4,000 sailings are operated annually carrying passengers, passenger cars and Roll on Roll off freight (RoRo). Passenger traffic predominates on day sailings while freight is biased towards night sailings, which enhances overall deck utilisation.

The following table illustrates the fleet:

Ferry	Type	Employment
Ulysses	RoPax	Dublin / Holyhead
Jonathan Swift	High Speed Ferry	Dublin / Holyhead
Isle of Inishmore	RoPax	Rosslare / Pembroke
Oscar Wilde	Cruise Ferry	Rosslare - Cherbourg / Roscoff
Kaitaki	RoPax	Charter
Bilbao	Cruise Ferry	Charter (disposed of December 2010)

Turnover in the division was 3.2% higher than the previous year at €153.7 million while underlying earnings before interest and tax were €24.5 million compared with €18.1 million in 2009. The increase in profit was due principally to higher passenger revenue which more than compensated for lower freight revenue and increased fuel costs. Fuel cost in the division was up €7.0 million (33.5%) to €27.9 million. Revenue in the first half of the year was up 3.8% at €68.0 million while in the second half the increase was 2.6%, to €85.7 million.

Irish Ferries' passenger numbers carried were up 7.8% at 1.538 million (2009:1.427 million) while car numbers were down 2.4% at 367,000 (2009: 376,000). This was a strong performance given that total visitors to Ireland (air & sea) were down approximately 15% in 2010 versus 2009.

In the first quarter of the year there was some delay in commencing the service to France following winter drydocking which adversely affected carryings. This was offset by the transfer of passengers from air to sea during the volcanic ash disruption in the second quarter. Overall, in the first half, our passenger volumes were up 12.0% and the car numbers down 1.4%. In the second half of the year the growth in passenger numbers was 4.5% while car numbers fell 3.1%, the principal reason being additional competing capacity. Yields were up compared with 2009.

Continued investment in Irish Ferries' strong technology platform throughout the year allowed us to continue to develop our on-line capabilities whilst improving efficiencies throughout all areas of our operation, particularly in distribution.

For example the divisions' website www.irishferries.com is now also available in French and German, which improves our offering in two of the Company's key markets.

It is estimated that the Roll on Roll off freight market grew by about 3% in 2010 following a fall of 14% in the previous year, and a fall of 4% in 2008.

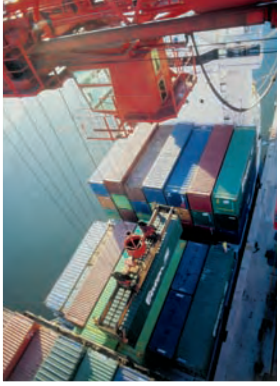
Over 99.8% of all Ireland's trade is carried by sea, an increasing part of which is unitised (i.e. Roll on Roll off and Lift on Lift off containers).

Irish Ferries Roll on Roll off carryings for the year were down 9.2% to 178,000 freight vehicles. There was some reduction in the rate of decline in the second half of the year where Irish Ferries' freight volumes were down 5.7% on the same period in 2009, compared with a decline of 12.6% in the first six months. In fact volumes in the second half were 5.5% higher than the first half. During the year, Irish Ferries faced additional competing freight capacity on both the Holyhead route and on the neighbouring Dublin to Liverpool route. After the year end there were a number of adjustments to competing capacity which partially offset the increased capacity put in place in 2009.

Throughout the year, Irish Ferries remained focused on providing strong commercially attractive services to the Roll on Roll off freight market with particular emphasis on value for money. In the changed environment where pressure on costs has intensified in all areas of activity, we have continued to deliver efficiencies to all of our customers, large and small.

Much of this derived from the continued strength of Irish Ferries schedule integrity where the benefits of investment in state of the art tonnage have been so apparent.

Both the Bilbao and Kaitaki remained on bareboat charter to P&O during the period although, as previously announced, the charter of the Bilbao came to an end in October 2010 after a period of almost 18 years. In December an agreement was concluded for the disposal of the vessel to St. Peter Line of St. Petersburg in Russia for operation on a new route between Stockholm and St. Petersburg. The proceeds are receivable under a bareboat hire purchase agreement over five years and nine months. This resulted in a profit of €9.4 million which has been reported as a non trading credit. This profit includes a currency translation gain of €0.8 million recycled to the Consolidated Income Statement from the translation reserve.

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 2,800 owned containers (equivalent to 5,250 teu) and our strategically located container terminals in Dublin and in Belfast.

Turnover in the division fell by 2.7% to €109.8 million. Turnover had been flat in the first half of the year but in the second half of the year we chose to forego some traffic flows because of inadequate rates on offer. With our flexible chartered fleet we were able to adjust capacity to the volume of trade we accepted. Operating profit in the division was down 16.7% at €7.0 million due mainly to higher fuel costs (up 27.0% to €13.5 million) and higher restructuring costs (up €0.9 million). Overall container volumes shipped rose by 2.3% to 406,000 teu (2009: 397,000 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 broadly unchanged at 167,000 lifts (2009: 165,000 lifts). During the year the expansion of DFT's Dublin terminal was completed which involved the lengthening of the quay wall, which enables the terminal to handle more and larger vessels calling at Dublin Port. We also took delivery of a new 400 tonne harbour mobile crane for our terminal in Belfast which will allow BCT to service bigger vessels. The outlook for the division is dependent on world trade and also exports and imports to and from Ireland. An increase in input costs, e.g. ship charter costs and fuel costs is already apparent. This will require Eucon and Feederlink to pass on these cost increases to their own customers.

OUTLOOK

The economic environment in 2011 remains challenging. Austerity programmes are in place in Ireland and the UK. These will have an impact on the levels of both tourism and trade. However the tourist industry in Ireland is targeting renewed growth following a number of years of decline. With improvements in the competitiveness of the Irish economy, there has been a substantial increase in value for money in the Irish tourist product. This combined with evidence of renewed growth in world tourism and improvements in transport infrastructure suggests that a return to growth is possible. New attractions in Dublin, including the National Convention Centre, the Grand Canal Theatre and Aviva Stadium, enhance the attractiveness of Dublin as a destination. In the freight market, it is reassuring that the market has grown during 2010 albeit at a low rate. Further recovery will depend on a continued growth in world trade as well as a return to economic growth in Ireland. In the RoRo freight market there has been an increase in shipping capacity generally over the past number of years in a period where demand has fallen. This has proven unsustainable and recent route closures have been the result.

The recent increase in the world price of fuel, which has been exacerbated by concerns over supply due to events in North Africa will be a headwind in the current year. With continuing focus on cost containment, our substantial investment in modern tonnage and terminal facilities and our strong financial position, we are well placed to compete vigorously in this tougher environment.

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 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. The fire which occurred in the generator room of the Oscar Wilde while departing from drydock in early February 2010 is an example of such a risk. The success of the vessel's crew in dealing with the fire is to be lauded and demonstrates the quality and training of the crew of the vessel.

Commercial and market risk

The passenger market is subject to the current challenging economic conditions, the weakness of sterling relative to the euro which impacts on incoming demand to Ireland and to the competitive threat from short-haul and regional airlines.

The freight market is subject to general economic conditions and in particular the reduced 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. An example is the return of the route between Cork and Swansea for Season 2010 after an absence of three years, although naturally the converse also applies and vessel capacity can be removed to other trading areas relatively easily. 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 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 £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 MNOPF. This would be a larger sum than the ongoing deficit share and represents a contingent liability.

The Group's current committed bank facilities amount to €66 million comprising a multi-currency revolving credit facility of €60 million and an overdraft and trade guarantee facility of €6 million. Total amounts utilised at 31 December 2010 amounted to €20.8 million.

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. The Group's policy has been to purchase these commodities in the spot markets and to remain unhedged. The Group must also manage the risks inherent in changes to the specification of fuel oil which are introduced under international and EU law from time to time. The permissible sulphur content of fuel consumed was reduced in recent years to a maximum of 1.5% compared with 3.5% previously.

Since 2010, in certain circumstances, only fuel with a maximum sulphur content of 0.1% will be consumed whilst passenger vessels are in port. In 2015 this limit of 0.1% will apply to all vessels whilst operating within Sulphur Emission Control Areas (SECA's). In practice this means while vessels are at sea in the North Sea and the English Channel.

RESOURCES

The Group has the following key resources with which to pursue its key objectives:

- A modern owned ferry fleet and container terminals
- Access to strategically located ports
- Recognised brand names
- Experienced, qualified staff.

Fleet and terminals

In the Ferries Division the Group employed 6 owned ferries during the year. Four ferries were operated by the Group, the Oscar Wilde (31,914 GT), delivered 1987, the Isle of Inishmore (34,031 GT), delivered 1997, the Jonathan Swift (5,992 GT), delivered 1999 and the Ulysses (50,938 GT), delivered 2001. In addition two ferries the Bilbao (37,583 GT), delivered 1986 and Kaitaki (23,365 GT), delivered 1995 were both chartered out on bareboat charter. The charter of the Bilbao ceased in October 2010. The vessel was subsequently sold (via bareboat hire purchase) in December 2010.

The Group's leased 33 acre terminal in Dublin Port comprises 480 metres of berths for container ships, with a depth of 9 to 11 metres and equipped with 3 modern Liebherr gantry cranes (40 tonne capacity), 8 rubber tyred gantries (40 tonne capacity) and one reachstacker (45 tonne capacity) on a strategically located site within three kilometres of Dublin City Centre and within one kilometre of the Dublin Port Tunnel which provides direct access to Ireland's developing motorway network. In Belfast our terminal comprises an 11.5 acre site on the County Antrim side of the port, equipped with 1 mobile crane (100 tonne capacity) and 3 straddle carriers.

Port access

The Group has access to strategically located ports in Ireland, the UK and France in respect of its scheduled ferry services. A key aspect of such access is appropriate slot times, which are critical for the operation of such services.

Recognised brand names

The Group has invested substantially in its brands: Irish Ferries in the passenger and RoRo market place and Eucon and Feederlink in the container freight market.

Experienced, qualified staff

The Group, which has a rich history and origins dating back to 1837, has a highly experienced and competent staff. The Group has a decentralised structure giving divisional management substantial autonomy in the management of their own divisions.

At the end of 2010 the Group had 327 employees compared with 394 at the start of the year, located in Ireland (Dublin, Rosslare and Cork), the UK (Liverpool, Holyhead, Pembroke, Felixstowe and Belfast) and The Netherlands (Rotterdam).

ENVIRONMENTAL AND SAFETY REVIEW

Environment

Irish Continental Group recognises that all forms of transport, including ships, have an unavoidable impact on the environment and, in particular, ships generate CO_2 emissions, sulphur emissions and the requirement for waste disposal as well as other impacts. The Group is committed to minimising such negative impacts in the following ways:

CO_2 emissions

The volume of CO_2 emitted is directly proportional to fuel consumption. Therefore the Group seeks to minimise such emissions by reducing fuel consumption as much as possible consistent with the safe and efficient operation of the fleet. This is done through technical and operational initiatives.

Sulphur emissions

The quantity of sulphur emitted by the Group's vessels depends on the volume and type of fuel consumed. The permissible sulphur content of fuel consumed was reduced in recent years to a maximum of 1.5% compared with 3.5% previously. Since 2010, in certain circumstances, only fuel with a maximum sulphur content of 0.1% will be consumed whilst passenger vessels are in port. In 2015 this limit of 0.1% will apply to all vessels whilst operating within Sulphur Emission Control Areas (SECA's). In practice this means while vessels are at sea in the North Sea and the English Channel.

Waste disposal / other

We try to minimise the impact of waste disposal through consistent compliance with the International Convention for the Prevention of Pollution from ships (MARPOL 73/78). We use an oil recovery system to recycle all waste oil from our ships. Our bulk purchasing reduces the number of deliveries and packaging, and we segregate all waste cardboard packaging for recycling.

The painting of the underwater hulls of all our ferries is with tin-free non-toxic paints to avoid the release of harmful agents into the sea. We also minimise to the best of our ability wave generation to minimise disturbance of coastal habitats while we strive to be at the forefront in promoting customer awareness of the marine environment.

Community

Irish Continental Group continues to take an active interest in the communities within which it operates. Each separate business unit assists in local initiatives through sponsorship and organised events. We recognise the important role played by charities and community organisations within our communities and we are happy to help these organisations achieve their goals.

Safety

The wellbeing of all those who work within the Group's structure is guarded through the adherence to statutory health and safety standards and international maritime regulations.

The Safety, Health and Welfare at Work Act, 2005, imposes certain requirements on employers and the Group has taken the necessary action to comply with the Act, including the adoption of a safety statement.

Irish Continental Group ensures that management systems within its compass instil a safety culture throughout all aspects of required operations both ashore and afloat. Management is responsible for ensuring that health and safety issues are identified, monitored, reviewed and developed. The Group ensures that there are appropriate policies and procedures in place with targets and monitoring of performances and records indicating the various verifications to the required regulations, standards and codes. Regular audits ensure continued compliance to these high standards is maintained.

Irish Continental Group ensures that all its ships are operated to and compliant with the International Safety Management Code (ISM Code), which is the international standard for the safe management and operation of ships and for pollution prevention. Irish Continental Group is also in full compliance with the International Ship and Port Facility Security code requirements (ISPS Code).

The Group ensures that all those who work within its structures are provided with a high level of safety and quality training. Information for the promotion of a Health and Safety culture and its attendant responsibilities is made available. Instruction and training in the appropriate and relevant matters is followed so that all are enabled to work safely and to also contribute towards a safer working environment.

In addition to the Group's own internal verification procedures, we are subject to inspection by the relevant National and International Statutory bodies, which are charged with the responsibility to monitor all regulated operations to ensure that all the specific requirements are compliant.

Irish Ferries ships are operated and technically managed by Dobson Fleet Management, Cyprus, on behalf of Irish Continental Group plc. There is an ongoing monitoring and reporting system in place to ensure that all relevant statutory legislation is adhered to on an ongoing basis.

Eamonn Rothwell,

Chief Executive

FINANCIAL REVIEW

Results

Turnover for the year amounted to €262.2 million (2009: €260.5 million) while operating profit amounted to €40.9 million (2009: €26.5 million). Principal variations on the prior year include group wide fuel costs which were substantially higher in the year at €41.4 million (2009: €31.5 million). There was a non trading credit relating to the profit on the sale of the vessel Bilbao of €9.4 million. The net interest charge was €0.3 million (2009: €0.3 million) before a net interest charge from defined benefit pension schemes of €0.5 million (2009: €1.3 million). Because of the volatility of the net interest charge/credit from the pension scheme, it is excluded from the calculation of adjusted earnings per share (see below) as is the non trading credit of €9.4 million.

Taxation

The tax charge of €1.1 million compared with a credit of €0.3 million in 2009. The taxation charge is a composite of Irish and Netherlands tonnage tax (which is an EU approved special tax rate for qualifying shipping activities) and Irish, UK and Netherlands corporation tax.

Earnings per share

Adjusted EPS (i.e. before non trading items and the net pension interest charge) amounted to 121.0 cent (2009: 107.7 cent). Basic EPS was 156.8 cent (2009: 102.4 cent).

Cash flow and investment

EBITDA for the year was €53.6 million (2009: €50.7 million). There was a net outflow of working capital of €4.7 million, due mainly to a decrease in payables of €3.5 million and an increase in receivables of €1.3 million. The Group made payments to the Group's pension funds in excess of current service costs of €2.8 million. There was also a non cash curtailment gain of €1.8 million arising from restructuring and with other cash outflows of €0.5 million, this resulted in cash generated from operations amounting to €43.8 million (2009: €53.4 million).

Net interest paid was €0.3 million (2009: €0.3 million) while taxation paid was €0.6 million (2009: €0.1 million).

Capital expenditure was €7.2 million (2009: €4.8 million) which primarily included the annual refits of the vessels as well as payment for the new 400 tonne harbour mobile crane in Belfast.

Arising from all of the cash flows set out above and a dividend payment of €25.0 million, net debt at year end was €6.3 million (2009: €21.7 million). This is the lowest level of net debt in the Group since 1993.

Dividend

During the year a final dividend of 100 cent per ICG Unit was paid for the year ended 31 December 2009. The Board is proposing a final dividend of 100 cent per ICG Unit (no interim dividend had been declared).

Pensions

The Group has five, separately funded, company sponsored defined benefit pension schemes covering employees in Ireland, the UK and the Netherlands. The Group also participates in the UK based industry-wide scheme, the Merchant Navy Officers Pension Fund (MNOPF) in which employers share joint and several liability. Aggregate pension assets in the five company sponsored schemes at year end were €200.3 million (2009: €191.9 million), while combined pension liabilities were €206.5 million (2009: €207.6 million). Of the Group's five schemes, three were in surplus at year end (€4.0 million versus €2.4 million in 2009), while two were in deficit (a combined deficit of €10.2 million, compared with deficit of €18.1 million in 2009). In addition, the Group's estimated share of the deficit in the industry wide scheme, the MNOPF, is €11.3 million (2009: €11.5 million).

The Group is in discussions with the Trustees of the company sponsored schemes which are in deficit with the objective of agreeing a recovery plan to be agreed with the Pensions Board. This will involve an increase in payments to the fund over and above the current service cost. In relation to the MNOPF, the Group is making deficit payments over a fifteen year period from 2005 to 2020, current payments being approximately £1.4m per annum up to 2014, reducing to £1.1m thereafter.



FINANCIAL RISK MANAGEMENT

The funding of the Group's activities is managed centrally. In funding its operations the Group uses a mixture of financial instruments: bank borrowings, finance leases and cash resources.

The Group's current committed bank facilities amount to €66 million comprising a multi-currency revolving credit facility of €60 million and overdraft and a trade guarantee facility of €6 million. Total amounts utilised at 31 December 2010 amounted to €20.8 million.

The Group had finance lease liabilities of €3.0 million at 31 December 2010 (2009: €1.5 million).

The principal objective of the Group's treasury policy is the minimisation of financial risk at reasonable cost. To minimise risk the Group uses interest rate swaps and forward foreign currency contracts. The Group does not trade in financial instruments.

Interest rate management

The Group borrows in required currencies at both fixed and floating rates of interest, exposing it to interest rate risk.

The Group's policy is to fix interest rates on a proportion of the Group's medium to long term debt exposure in individual currencies, having regard to current market rates and future trends. The Group uses interest rate swaps to hedge interest rate exposure. At 31 December 2010, there were no outstanding interest rate swaps as the interest rate risk exposure was considered low given the Group's current level of gearing. The Group also leases certain items of plant & equipment under finance leases where the interest rates are fixed at the contract date.

At 31 December 2010, 13% (2009: 4%) of the Group's gross debt was at fixed rates with a weighted average repricing period of 2.7 years (2009: 1.4 years). The weighted average fixed rate of interest is 5.1% (2009: 4.4%). Interest cover for the year was 125 times (2009: 13.3 times).

Currency management

The Group's primary operating currency is the Euro. The Group also has significant sterling and US dollar cash flows. The Group's principal policy to minimise currency risk is to match foreign currency assets and liabilities and to match cash flows of like currencies.

The Group also reduces transactional currency risk in US dollars through the use of forward exchange contracts. This minimises exposure in relation to fuel and insurance costs and in container leasing. Sterling revenues and expenses are netted, with excess revenues available to offset dollar costs.

Commodity price management

Bunker oil costs constitute a separate and significant operational risk, partly as a result of historically significant price fluctuations. Bunker costs of the Container and Terminal division are offset to a large extent by the application of prearranged price-adjustments with our customers. Similar arrangements are in place with freight customers in the Ferries division. In the passenger sector, changes in bunker costs are included in the ticket price to the extent that market conditions will allow. Bunker consumption was 101,000 tonnes in 2010 (2009: 106,000 tonnes). The cost of MFO fuel in 2010 was 36% higher than in 2009.

Credit risk

The Group's credit risk arising on its financial assets is principally attributable to its trade receivables. The concentration of credit risk is limited due to the exposure being spread over a large number of counterparties and customers.

Liquidity

It is Group policy to invest surplus cash balances on a short term basis. At year end 100% of the Group's cash resources had a maturity of less than 30 days.

Net debt at 31 December 2010 was €6.3 million (2009: €21.7 million) made up of borrowings of €23.5 million (2009: €38.7 million) which is offset by cash and cash equivalents of €17.2 million (2009: €17.0 million).

At the year end, all of the Group's bank borrowings are due to mature after one year (2009: 100% maturing within one year). In August 2010 the Group agreed a €60 million syndicated revolving credit facility with a core group of four banks. The facility extends to 2013.

Overdraft facilities are in place to secure short term funding.

Garry O'Dea,
Finance Director

THE FLEET

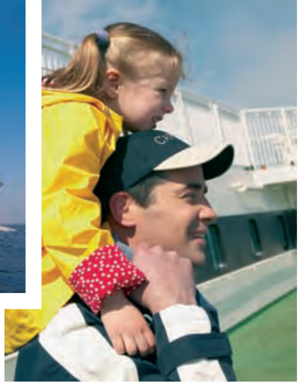
Isle of Inishmore
Ulysses
Jonathan Swift

Oscar Wilde

Bilbao

Elbtrader
one of 8 chartered container ships employed by the Container & Terminal Division.

Kaitaki



THE BOARD

NON-EXECUTIVE DIRECTORS

John B. McGuckian,
BSc (Econ).
Chairman.

John B. McGuckian, aged 71, has been a director since 1988 and Chairman since 2004. He has a wide range of interests, both in Ireland and internationally.
He is Chairman of UTV Media plc and a director of Cooneen Textiles Limited and TVC Holdings plc. He has previously acted as the Chairman of the International Fund for Ireland, the Chairman of the Industrial Development Board for Northern Ireland and as Senior Pro-Chancellor and Chairman of the Senate of the Queen's University of Belfast.

Peter Crowley,
BA, BAI, FCA.
Senior Independent Director.

Peter Crowley, aged 48, was appointed to the Board in 2003. Peter qualified as a chartered accountant with KPMG and was subsequently a Director of KPMG Corporate Finance.
He is a founder partner of FL Partners, the private equity firm and is a former CEO of IBI Corporate Finance.

Bernard Somers,
BComm, FCA.
Independent Director.

Bernard Somers, aged 61, was appointed to the Board in 2004. He is a non-executive director of DCC plc.

He is the founder of Somers and Associates, a professional practice which specialises in corporate restructuring.

EXECUTIVE DIRECTORS

Eamonn Rothwell,
BComm, MBS, FCCA, CFA UK.
Chief Executive Officer.

Eamonn Rothwell, aged 55, joined the Board in 1987 as non-executive director and was appointed to the position of Managing Director in 1992. He is a past executive director of stockbrokers NCB Group. Prior to that, he worked with Allied Irish Banks plc and Bord Fáilte Eireann (The Irish Tourist Board).

Garry O'Dea,
BComm, FCA.
Finance Director.

Garry O'Dea, aged 55, joined the Group in 1988 and was appointed to the Board in the same year. He qualified as a chartered accountant with KPMG, the international professional services firm, following which, in 1981, he joined the international building materials group CRH plc, where he worked in a number of financial positions until 1988.

Tony Kelly,
FCIT.
Marketing Director - Irish Ferries.

Tony Kelly, aged 55, joined the Group in 1973 and worked in a variety of operational and marketing roles within the Group. He was appointed to the Board in 2002. He is a former director of the all-Ireland tourism body Tourism Ireland and a council member and former Chairman of the Irish Tourism Industry Confederation.

COMPANY SECRETARY

Thomas Corcoran,
BComm, FCA.
Company Secretary.

Thomas Corcoran, aged 46, joined the Company in 1989 from the international professional services firm PwC, where he qualified as a chartered accountant. He was appointed Company Secretary in 2001.

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements of the Group for the year ended 31 December 2010.

RESULTS AND BUSINESS DEVELOPMENTS

Details of the results for the year are set out in the consolidated income statement on page 45 and in the related notes forming part of the financial statements. The fair review of the development of the business of the Company and its subsidiaries is set out in the Operating and Financial Review on pages 7 to 14. This includes a description of the principal risks and uncertainties and the key performance indicators.

RESEARCH AND DEVELOPMENT

The Group actively monitors developments in ship design and ship availability with an emphasis on product improvement and achievement of economies of scale.

DIVIDEND

On 16 June 2010 a final dividend of 100 cent per ICG Unit was paid in respect of the year ended 31 December 2009.

The Board is proposing a final dividend of 100 cent per ICG Unit (no interim dividend had been declared).

BOARD OF DIRECTORS

The Board members are listed on page 16 of this report. There were no changes in the composition of the Board in 2010.

In accordance with the Articles of Association on Corporate Governance (the "Combined Code") Peter Crowley and Bernard Somers retire by rotation, and being eligible, offer themselves for re-election. As John B. McGuckian has served three terms, he also offers himself for annual re-election. Biographical details of the three Directors are set out on page 16 of this report.

John B. McGuckian is a non-executive director and Chairman of the Board. The Board proposes that John B. McGuckian be re-elected as he makes a significant contribution to the direction of the Company, due to his range of interests and depth of experience. The Board confirms, following its formal evaluation performed during the period, that the Chairman's performance continues to be effective and that he continues to demonstrate commitment to the role.

Peter Crowley, Senior Independent Director and Bernard Somers, Non-Executive Director have both served two terms of three years. Based on their significant contributions and broad range of experience, the Board is happy to propose them for re-election.

PROPER BOOKS OF ACCOUNT

The Directors are responsible for ensuring that proper books of account are kept by the Company in accordance with Section 202 of the Companies Act, 1990. To ensure proper books of account are kept the Directors have employed qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are maintained at the Company's registered office.

GOING CONCERN

The Financial Statements have been prepared on the going concern basis and, as required by the Combined Code, the Directors report that they have satisfied themselves at the time of approving the financial statements that the Group and Company are going concerns, having adequate financial 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 of 2011 (page 10), the principal risks and uncertainties facing the Group (page 10), the Group's 2011 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 are available to the Group and Company.

The Group's current committed bank facilities amount to €66 million comprising a multi-currency revolving credit facility of €60 million and an overdraft and trade guarantee facility of €6 million. Total amounts utilised at 31 December 2010 amounted to €20.8 million.

SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

In accordance with Section 158 of the Companies Act, 1963 a list of the principal companies in which the Company is beneficially entitled to more than 20% in nominal value of the shares carrying voting rights is set out in note 16 to the financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Irish Continental Group presents its financial statements and annual reports in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRS as adopted by the European Union. The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2010 and that have been adopted by the European Union.

SUBSTANTIAL SHAREHOLDINGS

The latest notifications of substantial interests in the share capital of the Company received by the Company on or before 11 March 2011 were as follows:

Beneficial Holder as Notified	Number of Units	% of Issued Units
Moonduster Limited	6,134,170	24.5%
Eamonn Rothwell	3,938,971	15.8%
Threadneedle Asset Management Holding Ltd	1,733,374	6.9%
Franklin Templeton Institutional, LLC	969,142	3.9%

DIRECTORS' AND SECRETARY'S SHAREHOLDINGS

The interests of the Directors and secretary of the Company and their spouses and minor children in the share capital of the Company at 31 December 2010 and 1 January 2010, all of which were beneficial, were as follows:

	31/12/2010 ICG Units	1/1/2010 ICG Units
John B. McGuckian	32,354	32,354
Eamonn Rothwell	3,938,971	3,938,771
Garry O'Dea	179,376	179,377
Tony Kelly	39,588	39,588
Peter Crowley	-	-
Bernard Somers	-	-
Thomas Corcoran	-	-

There were no changes in directors' shareholdings between 31 December 2010 and the date of this report. ICG Units are explained on page 104 of this report.

AUDITORS

The Auditors, Deloitte & Touche, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

CORPORATE GOVERNANCE

The Group applies the principles and provisions of The Combined Code on Corporate Governance (the "Combined Code") as adopted by the Irish Stock Exchange and the UK Financial Services Authority. A corporate governance statement is set out on pages 22 to 28.

KEY PERFORMANCE INDICATORS

The Group uses a set of headline key performance indicators to measure the performance of its operations. In addition, other performance indicators are measured at individual business unit level.

Return on average capital employed

Capital employed is taken as consolidated net assets, excluding net debt and pension assets/liabilities. Earnings before interest and tax (excluding the non trading credit) of €31.5 million (2009: €26.5 million) expressed as a percentage of capital employed results in a return on the average of opening and closing capital employed of 15.6% in the current year (2009: 12.4%).

Free cash flow

The Group's free cash flow measure is net cash flow from operating activities adjusted for replacement capital expenditure. Group free cash flow was €35.6 million in 2010 (2009: €46.5 million) or 113% (2009: 175%) of Group operating profit before non trading credit of €31.5 million (2009: €26.5 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA for the year was up 5.7% at €53.6 million. The increase is due mainly to higher passenger revenue, partially offset by reduced freight revenue and higher fuel costs.

Earnings per share (EPS)

Adjusted EPS (before non trading items and the net interest charge arising in our pension schemes) was 121.0 cent per share compared with 107.7 cent in 2009. The changes were for the reasons set out in relation to EBITDA, and a lower net interest charge partially offset by a higher taxation charge. Basic EPS was 156.8 cent per share compared with 102.4 cent per share in 2009. Basic EPS is higher also because of the profit on sale of the vessel Bilbao.

Schedule integrity

With regard to schedule integrity we achieved 96% of scheduled sailings compared with 95% in the previous year.

FUTURE DEVELOPMENTS

The economic environment in 2011 remains challenging. This will have an impact on the levels of both tourism and trade. The tourist industry in Ireland is targeting renewed growth following a number of years of decline. With improvements in the competitiveness of the Irish economy, there has been an increase in value for money in the Irish tourist product. New attractions in Dublin, including the National Convention Centre, the Grand Canal Theatre and Aviva Stadium, enhance the attractiveness of Dublin as a destination. In the freight market, it is reassuring that the market has grown during 2010 albeit at a low rate. Further recovery will depend on a continued growth in world trade as well as a return to economic growth in Ireland. In the RoRo freight market there has been an increase in shipping capacity generally over the past number of years in a period where demand has fallen. This has proven unsustainable and recent route closures have been the result.

With our restructured cost base, our substantial investment in modern tonnage and terminal facilities and our strong financial position, we are well placed to compete vigorously in this tougher environment and with the operational leverage in the business a resumption of trade growth will be of significant benefit.

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 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. A fire which occurred in the generator room of the Oscar Wilde while departing from drydock in early February 2010 is an example of such a risk. The success of the vessel's crew in dealing with the fire is to be lauded and demonstrates the quality and training of the crew of the vessel.

Commercial and market risk

The passenger market is subject to the current challenging economic conditions, the weakness of sterling relative to the euro which impacts on incoming demand to Ireland and to the competitive threat from short-haul and regional airlines.

The freight market is subject to general economic conditions and in particular the reduced 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. An example is the return of the route between Cork and Swansea for Season 2010 after an absence of three years, although naturally the converse also applies and vessel capacity can be removed to other trading areas relatively easily. 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 £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 MNOPF. This would be a larger sum than the ongoing deficit share and represents a contingent liability.

The Group's current committed bank facilities amount to €66 million comprising a multi-currency revolving credit facility of €60 million and an overdraft and trade guarantee facility of €6 million. Total amounts utilised at 31 December 2010 amounted to €20.8 million.

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. The Group must also manage the risks inherent in changes to the specification of fuel oil which are introduced under international and EU law from time to time. The permissible sulphur content of fuel is being reduced gradually over time with the next milestone in the Group's trading area being a ban on sulphur content of greater than 0.1% from 2015 onwards in sulphur emission control areas which for the purposes of the Group means the North Sea and the English Channel. The Group will have to actively manage the transition to this low sulphur environment.

ANNUAL GENERAL MEETING

Notice of the Annual General Meeting, which will be held on Wednesday 01 June 2011 will be notified to shareholders in April 2011.

On behalf of the Board
Eamonn Rothwell, *Director*
Garry O'Dea, *Director*

11 March 2011
REGISTERED OFFICE:
Ferryport, Alexandra Road, Dublin 1.

CORPORATE GOVERNANCE STATEMENT

The Group applies the principles and provisions of The Combined Code on Corporate Governance (the "Combined Code") as adopted by the Irish Stock Exchange and the UK Financial Services Authority. This Combined Code can be viewed on the Financial Reporting Council's website (www.frc.org.uk). The Group is also subject to the requirements of Company law, comprising the Companies Acts, 1963 to 2009 and the listing rules of the Irish Stock Exchange (ISE) together with the Company's Memorandum and Articles of Association. The Board believes that it is in compliance with the Combined Code except as noted below.

The Group was previously a constituent of the ISEQ Small Cap Index, which deemed the Company to be a small Company under the Combined Code as interpreted under the Listing Rules of the Irish Stock Exchange. Arising from its removal from the ISEQ Small Cap Index during 2009 and no longer qualifying as a small Company, the Group has not complied with Combined Code provisions A.3.2, B.2.1 and C.3.1 since then in that

- At least half the Board, excluding the Chairman, did not comprise non-executive Directors determined by the Board to be independent
- The Remuneration Committee did not comprise of at least three independent non-executive Directors
- The Audit Committee did not comprise of at least three independent non-executive Directors.

The Group has a dual listing on the London Stock Exchange but would not be of a size to qualify as a constituent of the FTSE 350 Index. Under the Combined Code as interpreted by the UK Financial Services Authority, the Company would be in compliance with the above Code provisions A.3.2, B.2.1 and C.3.1 during 2010.

Following a review of the Combined Code (2008), the Financial Reporting Council issued updated guidance on corporate governance in the form of the UK Corporate Governance Code. This has been adopted by the Irish Stock Exchange together with the additional requirements of the Irish Annex to the UK Code. Compliance with these by the Company is required under the Listing Rules of the ISE for accounting periods beginning on 1 January 2011. Under the revised code the Company is deemed not to be small and the non compliance noted above continues at the date of this report. Consequently the Company will now seek to achieve compliance under the revised code.

BOARD OF DIRECTORS

The Board consists of three executive and three non-executive Directors. Pursuant to the Articles of Association, the Directors of the Company are empowered to exercise all such powers as are necessary to manage and run the Company, subject to the provisions of the Companies Acts, 1963 to 2009.

Non-executive Directors are appointed by the Board for an initial term not exceeding three years. The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company. The roles of Chairman and Chief Executive are separate, set out in writing and approved by the Board. The Board has appointed Peter Crowley as the Senior Independent Director. Biographies of the Directors and secretary are set out on page 16. Each director brings independent judgement to bear on issues of strategy, risk and performance. Each director is subject to re-election at least every three years.

BOARD PROCEDURES

The Board holds regular meetings (normally at least eight per annum) and there is contact between meetings as required in order to progress the Group's business. The Directors receive regular and timely information in a form and quality appropriate to enable the Board to discharge its duties. The Board has a formal schedule of matters specifically reserved to it for decision, which covers key areas of the Group's business including approval of financial statements, budgets (including capital expenditure), acquisitions or disposals, dividends and share redemptions. Certain additional matters are delegated to Board Committees. The Board has also delegated the management of the Group to the Executive Management through the control of the Chief Executive.

The Chairman holds meetings with the non-executive Directors without the executive present and the non-executives also meet once a year without the Chairman present to appraise the Chairman's performance.

There is a procedure for Directors in the furtherance of their duties to take independent professional advice if they consider this necessary. All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Board recognises the need for Directors to be aware of their legal responsibilities as Directors and it ensures that Directors are kept up to date on the latest corporate governance guidance and best practice. New Directors are given the opportunity to familiarise themselves with the operation of the Group, to meet with executive management, and to access any information they require.

BOARD COMMITTEES

During the year ended 31 December 2010, there were three standing Board Committees with formal terms of reference: the Audit Committee, the Nomination Committee and the Remuneration Committee. The terms of reference of each committee are available, on request, from the Company Secretary and on the Group's website.

THE AUDIT COMMITTEE

The Audit Committee comprises the non-executive Directors Peter Crowley (Chairman) and Bernard Somers.

Its duties are to oversee the relationship with the external auditor, including consideration of the appointment of the external auditor, audit fees, and any questions of independence, resignation or dismissal. The committee discusses with the external auditor the nature and scope of the audit and the findings and results. The committee also monitors the integrity of financial statements prepared by the Company.

The committee keeps under review the effectiveness of the Company's internal controls and risk management systems, including the internal audit function. It reviews the internal audit programme, ensures that the internal audit function is adequately resourced, and considers the major findings of investigations and management's responsiveness to these findings and recommendations.

The Audit Committee has considered all relationships between the Company and the external audit firm, including the provision of non-audit services. The committee does not consider that those relationships impair the auditor's judgement or independence.

THE NOMINATION COMMITTEE

The Nomination Committee comprises the non-executive Directors John B. McGuckian (Chairman) and Peter Crowley, and executive Director Eamonn Rothwell.

Its duties are to regularly review the skills, knowledge and experience required of the Board, now and in the future, compared to its current position and to make recommendations to the Board with regard to any necessary changes. It is also charged with searching out, identifying and proposing to the Board new appointments of executive or non-executive Directors.

THE REMUNERATION COMMITTEE

The Remuneration Committee comprises the non-executive Directors Peter Crowley (Chairman) and John B. McGuckian.

The committee's duties are to approve the remuneration structures and levels of the executive Directors and senior management. It ensures a remuneration policy framework such that individuals are appropriately rewarded and motivated to perform in the best interest of the shareholders.

All of the non-executive Directors are considered by the Board to be independent of management and free of any relationships which could interfere with the exercise of their independent judgement. In considering their independence, the Board has taken into account a number of factors including their length of service on the Board, cross-directorships and material business interests. John B. McGuckian, as Chairman of the Board, is deemed not to be independent under the terms of the Combined Code.

ATTENDANCE AT SCHEDULED BOARD MEETINGS AND BOARD COMMITTEE MEETINGS DURING THE YEAR

Director	Board	Audit	Nomination	Remuneration
Scheduled Meetings	8	3	1	2
J.B. McGuckian (2 & 3)	8	-	1	2
P. Crowley (1, 2 & 3)	7	3	1	2
B. Somers (1)	6	3	-	-
E. Rothwell (2)	8	-	1	-
G. O'Dea	8	-	-	-
T. Kelly	8	-	-	-

1: Member of the Audit Committee

2: Member of the Nomination Committee

3: Member of the Remuneration Committee

COMMUNICATIONS WITH SHAREHOLDERS

The Board promotes good communications with shareholders and the Group commits resources to shareholder communication commensurate with its size. Other than during close periods and subject to the requirements of the Takeover Code, when applicable, the Chief Executive and the Finance Director have a regular dialogue with shareholders throughout the year and report on these meetings to the Board. The Senior Independent Director is available on request to meet with major shareholders.

The Board encourages communications with shareholders and welcomes their participation at shareholder meetings.

Regular formal updates are provided to shareholders in a variety of ways, including a trading update on the day of the Annual General Meeting, Interim Management Statements, Annual and Interim Reports and Financial Statements, sent to all shareholders by post or electronically, and available on the Group's website.

Irish Continental Group's website, www.icg.ie, also provides access to other corporate and financial information, including regulatory announcements and a link to the current ICG Unit price.

Arrangements will be made for the 2010 Annual Report and 2011 Annual General Meeting Notice to be sent to shareholders 20 working days before the meeting and for the level of proxy votes cast on each resolution, and the numbers for and against, to be announced at the meeting. In compliance with the Transparency Directive, quarterly Interim Management Statements will be issued during 2011.

Further investor relations information is available on pages 104 to 105 of this report.

INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

In accordance with the Turnbull Guidance for Directors on internal control, Internal Control: Guidance for Directors on the Combined Code, the Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements, and that this process is regularly reviewed by the Board.

The nature of the Group's business, which is primarily the operation of ships and provision of related services, is such that operational safety is paramount. Significant risks include risks to operational safety as well as financial risks. Our Group Risk Management function therefore comprises an Operations Risk Manager, Safety Security and Quality Systems Manager in the Ferries Division, in addition to the Internal Audit function.

INTERNAL CONTROL - CONTINUED

The key risk management systems and internal control procedures, which are supported by detailed controls and processes, include:

- The Group Risk Management function which reviews key business processes and controls;
- An organisational structure with clearly defined lines of authority and accountability;
- A skilled and experienced Group and divisional management;
- A formally constituted Audit Committee which reviews the operation of the Group Risk Management function, the Internal Audit function, liaises with the external auditor and reviews the Group's internal control systems;
- The Board of Directors which reviews and approves the annual budget each year which is used for comparison with monthly management accounts throughout the year;
- A centralised treasury function which manages the financial risks of the Group;
- A standardised consolidation system for the preparation of the Group's monthly management accounts, interim and annual consolidated financial statements;
- The Board of Directors which reviews and monitors the capital expenditure programme on an on going basis.

Financial control

The Group has a comprehensive system of financial reporting involving budgeting, monthly reporting and variance analysis. The annual budget is reviewed and approved by the Board. Financial results with comparisons against budget are reported to the executive Directors on a monthly basis and are reported to the Board at each Board meeting, usually at least eight times a year. Forecasts are updated regularly to reflect changes in circumstances. Reports to the Board include compliance with banking covenants. At executive Director level, there is daily reporting of liquidity, commodity price and foreign exchange movements while advance passenger bookings and earned revenue reports are reviewed weekly. There is a monthly review of aged trade debtors and receivables to identify risk of non payment arising from which corrective action can be taken.

Internal audit

An annual internal audit plan is formulated by the Internal Auditor and submitted for review and approval by the Audit Committee of the Board. Following this the Internal Auditor submits a written report to the Board at each Board meeting on a summarised basis. The Internal Auditor meets the Audit Committee on request but at least once a year, without the executive Directors present.

The Board has reviewed the effectiveness of the Group's system of internal control. The review covered all controls including financial, operational, and compliance controls and risk management. No material weaknesses were noted by the Board during the year.

PERFORMANCE EVALUATION

The Chairman of the Board carried out a performance evaluation of the Board, its committees and Directors, following the guidelines appended to the Combined Code. The non-executive Directors carried out a similar evaluation of the Chairman.

DIRECTORS' REMUNERATION

The report of the Remuneration Committee is set out on pages 29 to 32.

MATTER PERTAINING TO SHARE CAPITAL

The information set out below is required to be contained in the Report of the Directors under Regulation 21 of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (SI 255/2006). The information represents the position at 31 December 2010.

For the purposes of Regulation 21(2)(c),(e) and (k) of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (SI 255/2006), the information given under the following headings: (i) Substantial Shareholdings page 18; (ii) Share Option Plans page 30; (iii) Long Term Incentive Plan page 30; (iv) Service Contracts page 30; and (v) Share- Based Payments page 43, is deemed to be incorporated in to this statement.

Share capital

Ordinary shares and redeemable shares are inextricably linked as an ICG Unit. An ICG Unit consists of one ordinary share and ten redeemable shares (or such lesser number thereof, if any, resulting from the redemption of one or more redeemable share).

At 31 December 2010 an ICG Unit consisted of one ordinary share and 10 redeemable shares. No ordinary or redeemable share may be transferred unless they are transferred in connection with a simultaneous transfer of the other shares with which they are linked as an ICG Unit.

The rights and obligations attaching to the ordinary shares and redeemable shares are as contained in the Articles of Association of the Company. Under the Company's Memorandum and Articles of Association the Directors have the power to redeem redeemable shares from time to time.

The structure of the Group and Company's capital and movement during the year are set out in note 20 to the financial statements. It is an event of default under the Group's bank facilities agreement if any person or group of persons acting together becomes the owner of more than fifty per cent of the voting share capital of the Company without the consent of the lenders.

Restrictions on the transfer of shares

Save as set out below there are no limitations in Irish law on the holding of ICG Units and there is no requirement to obtain the approval of the Company, or of other holders of ICG Units, for a transfer of ICG Units.

All transfers of ordinary shares and redeemable shares can only be effected when they are transferred in connection with a simultaneous transfer of the other shares that they are linked as an ICG Unit.

ICG Units are, in general, freely transferable but the Directors may decline to register a transfer of ICG Units upon notice to the transferee, within two months after the lodgement of a transfer with the Company, in the following cases: -

(i) a lien held by the Company; or

(ii) in the case of a purported transfer to an infant or a person lawfully declared to be incapable for the time being of dealing with their affairs.

ICG Units held in certificated form are transferable upon production to the Company's Registrars of the Original Share certificate and the usual form of stock transfer duly executed by the holder of the shares.

ICG Units held in uncertificated form are transferable in accordance with the rules or conditions imposed by the operator of the relevant system which enables title to the ICG Units to be evidenced and transferred without a written instrument and in accordance with the Companies Act, 1990 (Uncertificated Securities) Regulations 1996.

The rights attaching to Ordinary Share and Redeemable Shares comprised in each ICG Unit remain with the transferor until the name of the transferee has been entered on the Register of Members of the Company.

No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions in the transfer of securities or voting rights.

The powers of the directors including in relation to the issuing or buying back by the Company of its shares

Under the Articles of Association of the Company, the business of the Company is to be managed by the Directors who may exercise all the powers of the Company subject to the provisions of the Companies Acts, 1963 to 2009, the Memorandum and Articles of Association of the Company and to any directions given by special resolution of a general meeting. The Articles further provide that the Directors may make such arrangement as may be thought fit for the management of the Company's affairs including the appointment of such attorneys or agents as they consider appropriate and delegate to such persons such powers as the Directors may deem requisite or expedient.

Pursuant to resolutions of the shareholders at the Company's 2010 Annual General Meeting, and in accordance with the provisions of the Companies Acts, 1963 to 2009: (i) the Directors are authorised until the conclusion of the next Annual General Meeting to allot shares up to an aggregate nominal value of 33.33% of the present issued ordinary share capital and the present issued redeemable share capital of the Company equivalent to 8,328,902 ICG Units, and (ii) the Company and its subsidiaries are authorised to make market purchases of shares of any class of the Company comprising up to 3,748,006 ICG Units, such authority to expire at the conclusion of the next annual general meeting or 9 December 2011 if earlier.

Pursuant to a resolution passed at the 2009 Annual General Meeting, the Company may from time to time and at any time, at the discretion of the Directors, redeem the redeemable shares (up to a maximum of two redeemable shares). Any further redemptions of redeemable shares recommended by the Directors will require approval by an ordinary resolution of shareholders of the company in a General Meeting.

General meetings and shareholder voting rights

Under the Articles of Association, the power to manage the business of the Company is generally delegated to the Directors. However, the shareholders retain the power to pass resolutions at a General Meeting of the Company which may give directions to the Directors as to the management of the Company.

The Company must hold a General Meeting in each year as its Annual General Meeting in addition to any other meetings in that year and no more than fifteen months may elapse between the date of one Annual General Meeting and that of the next. The Annual General Meeting will be held at such time and place as the Directors determine. All General Meetings, other than Annual General Meetings, are called Extraordinary General Meetings. The Directors may at any time call an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened by the Directors on the requisition of members holding, at the date of the requisition, not less than one-tenth of the paid up capital carrying the right to vote at General Meetings and in default of the Directors, within twenty one days, convening such a meeting to be held within two months, requisitionists (or more than half of them) may, but only within three months, themselves convene a meeting.

No business may be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote at such meeting constitutes a quorum.

The holders of ICG Units have the right to receive notice of a General Meeting. In the case of an Annual General Meeting or of a meeting for the passing of a Special Resolution or the appointment of a Director, twenty-one clear days' notice at the least, and any other case fourteen clear days' notice at the least (assuming that the shareholders have passed a resolution to this effect at the previous year's Annual General Meeting), needs to be given in writing in the manner provided for in the Articles to all the members (other than those who, under the provisions of the Articles or the conditions of issue of the shares held by them, are not entitled to receive the notice) and to the Auditor for the time being of the Company.

All business is deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting is also deemed special with the exception of declaring a dividend, receiving the accounts, statements of financial position and reports of the Directors and Auditor, electing Directors in the place of those retiring, voting additional remuneration for the Directors, appointing Auditor and fixing of the remuneration of the Auditor.

Voting at any General Meeting is by a show of hands unless a poll is properly demanded. On a show of hands, every member who is present in person or by proxy has one vote regardless of the number of shares held by him. On a poll, every member who is present in person or by proxy has one vote for each share of which he is the holder. A poll may be demanded by the Chairman of the meeting or by at least five members having the right to vote at the meeting or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Deadlines for exercising voting rights

Voting rights at General Meetings of the Company are exercised when the Chairman puts the resolution at issue to the vote of the meeting. A vote decided under show of hands is taken forthwith. A vote taken on a poll for the election of the Chairman or on a question of adjournment is also taken forthwith and a poll on any other question is taken either immediately, or at such time (not being more than thirty days from the date of the meeting at which the poll was demanded or directed) as the Chairman of the meeting directs. Where a person is appointed to vote for a shareholder as proxy, the instrument of appointment must be received by the Company not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the appointed proxy proposes to vote, or, in the case of a poll, not less than forty-eight hours before the time appointed for taking the poll.

Shareholders Rights (Directive 2007/36/EC) Regulations 2009 (S.I. 316/2009)

Every shareholder, irrespective of how many ICG Units they hold, have the right to attend, speak, ask questions and vote at General Meetings of the Company. The Company, pursuant to Section 134A of the Companies Act 1963 and pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996, specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at the time.

Pursuant to Section 133(B)(1)(a) of the Companies Act 1963, a shareholder, or a group of shareholders who holds at least 3% of the issued share capital of the Company has the right to put an item on the agenda of an AGM. In order to exercise this right, written details of the item to be included in the AGM agenda must be accompanied by stated grounds justifying its inclusion or a draft resolution to be adopted at the general meeting together with evidence of the shareholder or group of shareholders shareholding must be received, by the Company, 42 days in advance of the meeting to which it relates.

Pursuant to Section 133(B)(1)(b) of the Companies Act 1963, a shareholder, or a group of shareholders who holds at least 3% of the issued share capital of the Company has the right to table a draft resolution for inclusion in the agenda of an AGM. In order to exercise this right, the text of the draft resolution and evidence of the shareholder or group of shareholders shareholding must be received, by the Company, 30 days in advance of the meeting to which it relates.

Details of the postal and e-mail address for shareholders to communicate the information pursuant to Sections 133(B)(1)(a) and 133(B)(1)(b) are set out in the notes to the Notice of the AGM.

Rules concerning amendment of the Company's Articles of Association

As provided in the Companies Acts, 1963 to 2009, the Company may, by special resolution, alter or add to its Articles of Association. A resolution is a special resolution when it has been passed by not less than 75% of the votes cast by shareholders entitled to vote and voting in person or by proxy, at a General Meeting at which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution, has been duly given.

Rules concerning the appointment and replacement of directors of the Company

Other than in the case of a casual vacancy, Directors of the Company are appointed on a resolution of the shareholders at a general meeting, usually the Annual General Meeting. No person, other than a Director retiring at a General Meeting is eligible for appointment as a Director without a recommendation by the Directors for that person's appointment unless, not less than six nor more than forty clear days before the date of the General Meeting, written notice by a shareholder, duly qualified to be present and vote at the meeting, of the intention to propose the person for appointment and notice in writing signed by the person to be proposed of willingness to act, if so appointed, shall have been given to the Company.

The Directors have power to fill a casual vacancy or to appoint an additional Director (within the maximum number of Directors fixed by the Articles (as may be amended by the Company in a General Meeting)) and any Director so appointed holds office only until the conclusion of the next Annual General Meeting following his appointment, when the Director concerned shall retire, but shall be eligible for reappointment at that meeting. Each Director must retire from office not later than the third Annual General Meeting following his last appointment or reappointment. In addition, one third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to one third), are obliged to retire from office at each Annual General Meeting on the basis of the Directors who have been longest in office since their last appointment.

A person is disqualified from being a Director, and their office as a Director ipso facto vacated, in any of the following circumstances:

(i) if a receiving order is made against him, or he makes any arrangement or composition with his creditors generally;

(ii) if he becomes of unsound mind;

(iii) if he ceases to be a Director, or is prohibited from being a Director under the Companies Acts, 1963 to 2009;

(iiv) if he resigns by notice in writing to the Company;

(v) if he is absent (without leave and without his alternative attending in his absence) for more than 12 consecutive months and the Directors resolve that his office be vacated;

(vi) if he is convicted of an indictable offence not being an offence under the Road Traffic Act, 1961 (or any statutory provision or modification thereof).

Notwithstanding anything in the Articles of Association or in any agreement between the Company and a Director, the Company may, by Ordinary Resolution of which extended notice has been given in accordance with the Companies Acts, 1963 to 2009, remove any Director before the expiry of his or her period of office.

REPORT OF THE REMUNERATION COMMITTEE

Remuneration policy

The remuneration of executive Directors and senior management is determined by the Remuneration Committee. The Remuneration Committee is composed exclusively of non-executive Directors and its composition and duties are shown on page 16. The Group recognises that its remuneration policy must properly reward the Group's senior executives and motivate them to perform in the best interests of shareholders. In framing remuneration policy the Remuneration Committee has regard to comparable companies in both size and complexity. Remuneration policy is also designed to align remuneration with the financial results of the Group. Total Directors' remuneration for the year was €2,506,000 compared with €2,063,000 in 2009 and €2,540,000 in 2008. The components of Directors' remuneration are set out below.

Salary

Basic salaries of executive Directors and other senior management are reviewed annually by the Remuneration Committee having regard to the job specification, level of responsibility, individual performance and market practice. There was no increase in basic salaries for executive Directors in 2010, the levels of salary remaining at 2008 levels.

Performance pay

Annual performance pay for executive Directors is determined by the Remuneration Committee based on the achievement of the Group's profitability objectives. The principal performance indicator is earnings per share. Performance pay for the year was €948,000 compared with €477,000 in 2009 and €1,010,000 in 2008.

Benefits

Benefits comprise the taxable value of Company cars and car expenses incurred by the Company.

Pensions

In 2010 the executive Directors participated in, and contributed to, the Group's contributory defined benefit pension plans under which benefits are accrued annually to provide up to a maximum of two thirds of final pensionable salary at retirement. Executive Directors contributed to the plan at a rate of 7.5% of pensionable salary. The plans also provide for death-in-service life insurance cover and also provides for spouse and dependents' pensions in the event of death-in-service or death-in-retirement. No element of remuneration, other than basic salary, is pensionable. Non-executive Directors do not participate in the Group's pension plans.

Fees

Directors' fees are payable only to non-executive Directors. The level of Directors' fees is determined by the Board and is reviewed from time to time. Directors' fees were last increased in 2004. Eamonn Rothwell is released to serve as a non-executive Director on the board of The United Kingdom Mutual War Risks Association Limited and does not retain his fee for this position.

Service contracts

There are no Directors' service contracts, except that there is an agreement between the Company and Eamonn Rothwell that, for management retention reasons, in the event of a change in control of the Company (where over 50% of the Company is acquired by a party or parties acting in concert, excluding Eamonn Rothwell) he will have the right to extend his notice period to two years or to receive remuneration in lieu thereof.

Long term incentive plans

There are no long term incentive plans in place other than the Group's 1998 and 2009 share option plans.

Share option plans

The Group has two share option plans, the 1998 plan (which expired as regards new grants in 2008) and subsequently the 2009 plan. The purpose of the share option plans is to encourage identification of option holders with shareholders' longer term interests. Under the plans, options have been granted both to Directors and to employees of the Group. The options were granted by the Remuneration Committee on a discretionary basis, based on the employees' expected contribution to the Group in the future. All unexercised options at 31 December 2010 had been granted under the 1998 plan. No share options have been granted under the 2009 share option plan. Non-executive Directors are not eligible to participate in the plan.

Share option expense

A charge is recognised in the Consolidated Income Statement in respect of share options issued to executive Directors. The charge in respect of executive Directors for the year ended 31 December 2010 is €230,000 (2009: €330,000) and is included in Employee Benefit Expense (note 5) and Related Party Transactions (note 33).

Details of Directors' remuneration for the year ended 31 December 2010 are set out below:

	Salary €'000	Performance Pay €'000	Benefits €'000	Pension Contributions €'000	Fees €'000	Total 2010 €'000	Total 2009 €'000
Executive directors							
E. Rothwell	500	679	38	185	-	**1,402**	**1,068**
G. O'Dea	283	179	15	103	-	**580**	**497**
T. Kelly	206	90	22	36	-	**354**	**328**
Total for Executives	**989**	**948**	**75**	**324**	**-**	**2,336**	**1,893**
Non-executive Directors							
J.B. McGuckian	-	-	-	-	90	**90**	**90**
P. Crowley	-	-	-	-	40	**40**	**40**
B. Somers	-	-	-	-	40	**40**	**40**
Total for Non-Executives	**-**	**-**	**-**	**-**	**170**	**170**	**170**
Total	**989**	**948**	**75**	**324**	**170**	**2,506**	**2,063**

SHARE OPTION EXPENSE - CONTINUED

Directors' and Secretary's share options are set out below:

Exercise Price	Exercise Period	Exercise Conditions	Director E. Rothwell	Director G. O'Dea	Director T. Kelly	Secretary T. Corcoran
€10.75	Jan 2003 - Mar 2010	Note 1	25,000	-	-	-
€10.75	Jan 2005 - Mar 2010	Note 2	25,000	-	-	-
€7.35	Jan 2005 - Mar 2012	Note 1	100,000	-	-	-
€7.35	Jan 2007 - Mar 2012	Note 2	100,000	25,000	-	-
€5.30	Sep 2005 - Sep 2012	Note 1	50,000	15,000	-	-
€5.30	Sep 2007 - Sep 2012	Note 2	50,000	15,000	-	-
€10.00	Apr 2008 - Apr 2015	Note 1	25,000	12,500	-	5,000
€10.00	Apr 2010 - Apr 2015	Note 2	25,000	12,500	12,500	5,000
€10.67	Sep 2009 - Sep 2016	Note 1	50,000	25,000	25,000	7,500
€10.67	Sep 2011- Sep 2016	Note 2	50,000	25,000	25,000	7,500
€21.32	Dec 2010 - Dec 2017	Note 1	75,000	37,500	37,500	10,000
€21.32	Dec 2012 -Dec 2017	Note 2	75,000	37,500	37,500	10,000
At 31 December 2009			**650,000**	**205,000**	**137,500**	**45,000**
Exercised during the year	**Date of Exercise**	**Market Price**				
€10.75	23 March 2010	€15.00	(50,000)	-	-	-
€7.35	25 March 2010	€15.55	-	(25,000)	-	-
€5.30	25 March 2010	€15.55	-	(15,000)	-	-
€10.00	30 April 2010	€16.95	-	-	-	(2,881)
€10.00	04 May 2010	€16.85	-	-	-	(2,119)
€5.30	06 May 2010	€16.88	-	(15,000)	-	-
€10.00	06 May 2010	€16.88	-	(12,500)	(12,500)	-
€10.67	06 May 2010	€16.88	-	-	(25,000)	-
€10.00	10 May 2010	€16.80	-	-	-	(5,000)
€7.35	11 May 2010	€16.60	(100,000)	-	-	-
At 31 December 2010			**500,000**	**137,500**	**100,000**	**35,000**

SHARE OPTION EXPENSE - CONTINUED

Exercise Conditions

Note 1: These options may only be exercised if Earnings Per Share growth between the financial year immediately preceding the financial year in which an option is granted and the financial year immediately preceding the financial year in which the option is exercised is at least 2% above the increase in the Consumer Price Index compounded per annum over such period.

Note 2: These options may only be exercised if the Earnings Per Share growth over any period of five financial years since the financial year immediately preceding the financial year in which the option was granted is such as to place the Company in the top quartile of companies in the Irish Stock Exchange Index ("ISEQ Index") by reference to Earnings Per Share growth over the same period and during that period the annual Earnings Per Share growth is at least 10% above the increase in the Consumer Price Index compounded per annum over such period.

Market Price of Shares

The market price of the shares at 31 December 2010 was €15.30 and the range during the year was €14.00 to €17.05.

Pension benefits

The aggregate pension benefits attributable to the executive Directors at 31 December 2010 are as follows:

2010	E. Rothwell €'000	G. O'Dea €'000	T. Kelly €'000	Total 2010 €'000	Total 2009 €'000
Increase in accumulated accrued annual benefits excluding inflation in the period	8	7	3	**18**	**17**
Transfer value of the increase in accumulated accrued benefits (excluding inflation) at year end*	123	110	52	**285**	**260**
Accumulated accrued annual benefits on leaving service at year end	306	161	128	**595**	**577**

* Note: Calculated in accordance with actuarial Guidance note GNII.

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 2010 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 2010 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 2010 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.

On behalf of the Board

Eamonn Rothwell, *Director*
Garry O'Dea, *Director*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH CONTINENTAL GROUP PLC

We have audited the financial statements of Irish Continental Group plc for the year ended 31 December 2010 which comprise the Group Financial Statements including the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Company Financial Statements including the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows, the Statement of Significant Accounting Policies and the related notes 1 to 38. These financial statements have been prepared under the accounting policies set out in the Statement of Significant Accounting Policies.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible, as set out in the Statement of Directors' Responsibilities, for preparing the Annual Report, including the preparation of the Group Financial Statements and the Parent Company Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group Financial Statements and the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009, and Article 4 of the IAS Regulation. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the statement of financial position date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Report of the Directors is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purpose of our audit and whether the parent company statement of financial position is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We are required by law to report to you our opinion as to whether the description in the Annual Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group Financial Statements is consistent with the Group Financial Statements. In addition, we review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2008 FRC Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its internal controls.

We read the other information contained in the Annual Report and consider whether it is consistent with the financial statements. The other information comprises only the Chairman's Statement, the Operating and Financial Review, the Report of the Directors including the Corporate Governance Statement and the Report of the Remuneration Committee. Our responsibilities do not extend to other information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH CONTINENTAL GROUP PLC - CONTINUED

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the affairs of the group as at 31 December 2010 and of its profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and Article 4 of the IAS Regulations;
- the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs, as adopted by the European Union as applied in accordance with the provisions of the Companies Acts, 1963 to 2009, of the state of the parent company affairs as at 31 December 2010; and
- the Parent Company Financial Statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the parent company. The parent company statement of financial position is in agreement with the books of account.

In our opinion the information given in the Report of the Directors is consistent with the financial statements and the description in the Annual Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group Financial Statements is consistent with the Group Financial Statements.

The net assets of the parent company, as stated in the parent company statement of financial position are more than half the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2010 a financial situation which, under Section 40 (1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the parent company.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin
11 March 2011

STATEMENT OF SIGNIFICANT 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.

Refer to note 2 to the Financial Statements for further details on the adoption of new and revised International Financial Reporting Standards (IFRS).

The significant accounting polices adopted by the Group and applied by the Group and Company are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS. The 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 financial statements have also been prepared in accordance with the Companies Acts, 1963 to 2009, and the Listing Rules of the Irish and London Stock Exchanges.

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

All figures presented in the financial statements are in Euro millions rounded to one decimal place except where otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable from passenger and freight services supplied to third parties, exclusive of discounts and value added tax in accordance with standard terms and conditions.

Passenger ticket revenue is recognised at the date of travel. Unused tickets are treated as revenue in accordance with the Group's terms and conditions of sale. Freight revenue is recognised at the date of transportation. Revenue from passenger tickets sold before the year end for a travel date after the year end is included in the statement of financial position in current liabilities under the caption "trade and other payables". Sale of passenger tickets which result in future discounts for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received is allocated between the original tickets supplied and the discount granted. The consideration allocated to the future travel discount is measured by reference to its fair value, the amount for which the reduction being the future sales value could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction but is deferred and recognised as revenue when the discount is granted and the Group's obligations have been fulfilled.

Cash & credit card revenue from on-board sales is recognised immediately.

Revenue received under vessel charter agreements is recognised on a daily basis at the applicable daily rate under the terms of the charter agreement.

LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The capital element of future lease rentals is treated as a liability and is included in the Consolidated Statement of Financial Position as a finance lease obligation.

The interest element of lease payments is charged to the Consolidated Income Statement over the period of the lease in proportion to the balance outstanding.

Rentals payable under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the term of the lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Under IAS 17 Leases the Group treats long term bareboat hire purchase agreements in relation to disposal of vessels as finance leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the lease asset and recognised on a straight-line basis over the lease term.

FOREIGN CURRENCIES

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each entity are expressed in Euro, which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items, are included in the Income Statement for the year.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group foreign operations are expressed in Euro using exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising on the translation of foreign currency subsidiaries, if any, are recognised in the Consolidated Statement of Comprehensive Income and accumulated in equity in the translation reserve. On disposal of a foreign subsidiary the cumulative translation difference for that foreign subsidiary is transferred to the Consolidated Income Statement as part of the gain or loss on disposal.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and on borrowings and other currency instruments of such investments, are recognised in other comprehensive income and accumulated in equity.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

GOVERNMENT GRANTS

Grants of a capital nature are treated as deferred income and are released to the Consolidated Income Statement at the same rates as the related assets are depreciated. Grants of a revenue nature are credited to the Consolidated Income Statement in the same periods as the related expenditure is charged. Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

RETIREMENT BENEFIT SCHEMES

Defined benefit schemes

For defined benefit schemes, the cost of providing benefits and the liabilities of the schemes are determined using the projected unit credit method with assets valued at bid price and actuarial valuations being carried out by independent and professionally qualified actuaries at each statement of financial position date. Current service cost, interest cost and return on scheme assets are recognised in the Consolidated Income Statement. Actuarial gains and losses are recognised in full in the period in which they occur in the Consolidated Statement of Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. When a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the curtailment occurs.

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund (MNOPF). As the Group has no control over the calls for contributions made from the MNOPF, it has determined that the fund should be accounted for as a defined benefit scheme and its liability recognised accordingly. The Group's share of the MNOPF deficit as advised by the trustees is included with the other Group schemes.

The expected return on scheme assets has been recorded under Investment revenue and the interest on scheme liabilities has been recorded in the Consolidated Income Statement under Finance costs.

The surplus or deficit on the Group's defined benefit pension schemes is recognised in full in the Consolidated Statement of Financial Position. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

The retirement benefit obligation recognised in the Consolidated Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution schemes

Payments to defined contribution retirement benefit plans are recognised as an expense as they fall due. Any contributions outstanding at the period end are included as an accrual in the Consolidated Statement of Financial Position.

FINANCE COSTS

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, gains and losses on hedging instruments that are recognised in the Consolidated Income Statement and the unwinding of discounts on provisions. The interest expense component of finance lease payments is recognised in the Consolidated Income Statement using the effective interest rate method. The finance cost on defined benefit pension scheme liabilities is recognised in the Consolidated Income Statement in accordance with IAS 19.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

INVESTMENT REVENUE

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

A proportion of the Group's profits fall within the charge to Tonnage Tax, under which regime taxable profits are relieved to an amount based on the tonnage of vessels employed during the year. The tonnage tax charge is included within the income tax expense in the Consolidated Income Statement.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, via the Consolidated Statement of Comprehensive Income in which case the deferred tax is also dealt with in equity.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

PROPERTY, PLANT AND EQUIPMENT

Passenger ships

Passenger ships are stated at cost, with the exception of the fast ferry Jonathan Swift which is stated at deemed cost upon transition to IFRS, less accumulated depreciation and any accumulated impairment losses.

The amount initially recognised in respect of passenger ships less estimated residual value, is allocated between hull and machinery and hotel and catering areas for depreciation purposes.

In considering residual values of passenger ships, the Directors have taken into account the valuation of the scrap value of the ships per light displacement tonne. Residual values are reviewed annually and updated if required. Estimations of economic life and residual values of ships are a key judgemental estimate in the financial statements.

For passenger ships, hotel and catering components are depreciated on a straight line basis over 10 years. Hull and machinery components are depreciated over the useful lives of the ships of 15 years for fast ferries and 30 years to residual value for conventional ferries.

The carrying values of passenger ships are reviewed for impairment when there is any indication that the carrying values may not be recoverable in which case the assets are written down to their recoverable amount.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Drydocking

Costs incurred in renewing the vessel passenger certificate are capitalised as a separate component within passenger ships and depreciated over the period to certifiable expiry.

Other assets

Property, plant and equipment, other than passenger ships and freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost and is not depreciated. The carrying values of other assets are reviewed for impairment when there is any indication that the carrying values may not be recoverable in which case the assets are written down to their recoverable amount. Cost comprises purchase price and directly attributable costs.

The amount initially recognised in respect of an item of other assets is allocated to its significant parts and each such part is depreciated separately. In respect of stevedoring equipment cost is allocated between structural frame and machinery.

Depreciation on the property, plant and equipment other than passenger ships but including leased assets is charged so as to write off the cost or deemed cost of assets, other than freehold land and assets under construction, over the estimated useful lives, using the straight-line method, on the following bases:

Buildings	0.7% -10%
Plant and Equipment	4% - 25%
Vehicles	20%

Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term, taking into account the time period over which benefits from the leased assets are expected to accrue to the Group.

Assets under construction, the construction of which takes a substantial period of time are recorded at the cost incurred to date less any impairment loss and no depreciation is charged on these amounts. Depreciation commences when the assets are ready for their intended use. Cost includes borrowing costs capitalised in accordance with the Group's accounting policies.

Gains or losses on the disposal of property, plant and equipment represent the difference between the net proceeds and the carrying value at the date of sale. Income is accounted for when there is an unconditional exchange of contracts, or when all necessary terms and conditions have been fulfilled.

INTANGIBLE ASSETS

Computer software

Costs incurred on the acquisition of computer software are capitalised, as are costs directly associated with developing computer software programmes, if it is probable that the expected future economic benefits that are attributable to these assets will flow to the Group and the cost of these assets can be measured reliably. Computer software costs recognised as assets are written off on a straight line basis over their estimated useful lives, which is normally 5 years.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries held by the Company are carried at cost less any accumulated impairment losses.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At each statement of financial position date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the assets (cash generating units) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost represents suppliers' invoiced cost net of any related discounts etc. determined on a first in, first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at invoice value, which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Consolidated Income Statement when there is objective evidence that the carrying value of the asset exceeds the recoverable amount.

Trade receivables are classified as loans and receivables which are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

FINANCIAL INSTRUMENTS - CONTINUED

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs which approximates to fair value. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Bank borrowings are classified as financial liabilities and are measured subsequently at amortised cost using the effective interest rate method.

Trade payables

Trade payables are classified as financial liabilities, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group use foreign exchange forward contracts and interest rate swaps to hedge these exposures.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are held in the Consolidated Statement of Financial Position at their fair value. Changes in the fair value of derivative financial instruments that are designated, and are effective, as hedges of changes in future cash flows are recognised directly in the Consolidated Statement of Comprehensive Income. Any ineffective portion of the hedge is recognised in the Consolidated Income Statement. When the cash flow hedge of a firm commitment or forecasted transaction subsequently results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that was previously recognised in Other Comprehensive Income and accumulated in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts accumulated in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects profit or loss.

Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Income Statement as they arise.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument accumulated in equity is retained in equity until the forecasted transactions occur. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in equity is transferred to the Consolidated Income Statement in the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value, with gains or losses reported in the Consolidated Income Statement.

CONTINGENT LIABILITY

A contingent liability is recognised when there is a possible obligation to be confirmed by a future event that is outside the control of the Group or a present obligation may, but probably will not, require an outflow of resources.

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2 Share-Based Payment. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2004.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares expected to vest as a result of the effect of non market-based vesting conditions.

Fair value is measured using the Binomial pricing model. The Binomial pricing model has been used as in the opinion of the Directors this is more appropriate given the nature of the scheme.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

EMPLOYEE BENEFIT EXPENSE

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by the employees of the Group. Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

DISTRIBUTIONS / PREMIUM ON SHARES REDEEMED

Distributions are accounted for when they are approved, through retained earnings. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Dividends received from fellow subsidiaries are eliminated on consolidation.

OPERATING PROFIT

Operating profit is stated after non trading charge or credit items, which is a material non-recurring item that derives from an event or transaction that falls outside the ordinary activities of the Group and which individually or, if of a similar type, in aggregate are separately disclosed by virtue of their size or incidence but before investment income and finance costs.

ADJUSTED EARNINGS PER SHARE

Adjusted earnings per share is earnings per share, adjusted to exclude expected return on defined benefit pension scheme assets, the interest on defined benefit pension scheme liabilities and non trading charges or credits.

TREASURY SHARES

Consideration paid to purchase the Company's equity share capital is deducted from the total shareholders' equity and classified as treasury shares until such shares are cancelled. No gain or loss is recognised on the purchase, sale, issue or cancellation of the treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders' equity.

The Capital Redemption reserve represents the nominal value of share capital repurchased.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these amounts. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty and critical accounting judgements are as follows:

POST-RETIREMENT BENEFITS

The Group's and Company's total obligation in respect of defined benefit schemes is calculated by independent, qualified actuaries, updated at least annually. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the scheme asset is also sensitive to asset return levels and the level of contributions from the Group and Company. Further details are set out in note 32.

DEFERRED TAX

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into consideration applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

USEFUL LIVES FOR PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Long-lived assets comprising primarily of property, plant and equipment and intangible assets represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly reviews these lives and changes them if necessary to reflect current conditions. In determining these useful lives management considers technological change, patterns of consumption, physical condition and expected economic utilisation of the asset. Changes in the useful lives may have a significant impact on the annual depreciation and amortisation charge. Details of the useful lives are included in the accounting policy headed property, plant and equipment. Further details are set out in note 13.

GOING CONCERN

The Directors have satisfied themselves that the Group and Company are going concerns having adequate financial resources to continue in operational existence for the foreseeable future. In forming their view the Directors have taken into consideration the future financial requirements of the Group and Company and the existing bank facilities which have an expiry date in August 2013.

IMPAIRMENT

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

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Continuing operations			
Revenue	3	262.2	260.5
Depreciation and amortisation	10	(22.1)	(24.2)
Employee benefits expense	5	(24.0)	(28.0)
Other operating expenses		(184.6)	(181.8)
		31.5	26.5
Non trading credit	6	9.4	-
Operating profit		**40.9**	**26.5**
Investment revenue	7	11.6	13.4
Finance costs	8	(12.4)	(15.0)
Profit before tax		**40.1**	**24.9**
Income tax (expense) / credit	9	(1.1)	0.3
Profit for the year: all attributable to equity holders of the parent	**10**	**39.0**	**25.2**
Earnings per share - expressed in € cent per share			
From continuing operations:			
Basic	12	156.8c	102.4c
Diluted	12	155.7c	101.5c

The financial statements were approved by the Board of Directors on 11 March 2011 and signed on its behalf by:

Eamonn Rothwell, *Director*
Garry O'Dea, *Director*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Profit for the year		**39.0**	**25.2**
Cash flow hedges:			
Fair value gains / (losses) arising during the year	23	0.1	(0.2)
Transfer to Consolidated Income Statement - net settlement of cashflow hedge	23	-	0.9
Exchange differences on translation of foreign operations		3.7	5.6
Actuarial gain / (loss) on retirement benefit obligation	32a viii	5.9	(6.0)
Deferred tax movements	24	(0.5)	(0.3)
Exchange difference on defined benefit schemes	32a viii	(0.3)	(0.9)
Currency translation differences recycled to Consolidated Income Statement on disposal of vessel	6	(0.8)	-
Other comprehensive income / (expense) for the year		8.1	(0.9)
Total comprehensive income for the year: all attributable to equity holders of the parent		**47.1**	**24.3**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2010

	Notes	2010 €m	2009 €m
Assets			
Non-current assets			
Property, plant and equipment	13	194.0	223.2
Intangible assets	14	0.9	1.1
Long term receivable	15	23.4	-
Retirement benefit surplus	32a iv	4.0	2.4
		222.3	**226.7**
Current assets			
Inventories	17	1.9	2.0
Trade and other receivables	18	33.6	28.2
Derivative financial instruments	23	0.1	-
Cash and cash equivalents	19	17.2	17.0
		52.8	**47.2**
Total assets		**275.1**	**273.9**
Equity and liabilities			
Equity			
Share capital	20	16.8	16.6
Share premium	21	51.8	48.7
Other reserves	21	(21.3)	(23.9)
Retained earnings		130.7	110.9
Equity attributable to equity holders of the parent		**178.0**	**152.3**
Non-current liabilities			
Borrowings	22	22.8	0.9
Trade and other payables	25	1.1	-
Deferred tax liabilities	24	4.2	3.4
Provisions	26	0.3	0.5
Deferred grant	27	1.0	1.1
Retirement benefit obligation	32a iv	21.5	29.6
		50.9	**35.5**
Current liabilities			
Borrowings	22	0.7	37.8
Trade and other payables	25	41.6	44.1
Current tax liabilities	25	3.5	3.6
Provisions	26	0.3	0.5
Deferred grant	27	0.1	0.1
		46.2	**86.1**
Total liabilities		**97.1**	**121.6**
Total equity and liabilities		**275.1**	**273.9**

The financial statements were approved by the Board of Directors on 11 March 2011 and signed on its behalf by:

Eamonn Rothwell, *Director*
Garry O'Dea, *Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2010	**16.6**	**48.7**	**2.2**	**1.9**	**-**	**(28.0)**	**110.9**	**152.3**
Profit for the year	-	-	-	-	-	-	39.0	39.0
Other comprehensive income	-	-	-	-	0.1	2.9	5.1	8.1
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**0.1**	**2.9**	**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**	**-**	**(0.4)**	**0.1**	**2.9**	**19.8**	**25.7**
Balance at 31 December 2010	**16.8**	**51.8**	**2.2**	**1.5**	**0.1**	**(25.1)**	**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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2009

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2009	**16.6**	**48.7**	**2.2**	**1.5**	**(0.7)**	**(33.6)**	**117.5**	**152.2**
Profit for the year	-	-	-	-	-	-	25.2	25.2
Other comprehensive income	-	-	-	-	0.7	5.6	(7.2)	(0.9)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**0.7**	**5.6**	**18.0**	**24.3**
Employee share options expense	-	-	-	0.4	-	-	-	0.4
Redemption of redeemable share capital	-	-	-	-	-	-	(24.6)	(24.6)
	-	**-**	**-**	**0.4**	**0.7**	**5.6**	**(6.6)**	**0.1**
Balance at 31 December 2009	**16.6**	**48.7**	**2.2**	**1.9**	**-**	**(28.0)**	**110.9**	**152.3**

Analysed as follows:	
Share capital	16.6
Share premium	48.7
Other reserves	(23.9)
Retained earnings	110.9
	152.3

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2010

	Notes	2010 €m	2009 €m
Assets			
Non-current assets			
Property, plant and equipment	13	0.2	0.5
Intangible assets	14	0.9	1.1
Investments in subsidiaries	16	11.0	11.0
Retirement benefit surplus	32b iv	0.7	-
		12.8	**12.6**
Current assets			
Inventories	17	0.6	0.5
Trade and other receivables	18	138.8	172.9
Cash and cash equivalents	19	0.7	1.3
		140.1	**174.7**
Total assets		**152.9**	**187.3**
Equity and liabilities			
Equity			
Share capital	20	16.8	16.6
Share premium	21	51.8	48.7
Other reserves	21	3.3	3.4
Retained earnings		4.9	22.5
Equity attributable to equity holders		**76.8**	**91.2**
Non-current liabilities			
Provisions	26	0.1	0.2
Retirement benefit obligation	32b iv	3.9	4.2
		4.0	**4.4**
Current liabilities			
Borrowings	22	-	0.1
Trade and other payables	25	71.1	90.5
Current tax liabilities	25	0.9	0.9
Provisions	26	0.1	0.2
		72.1	**91.7**
Total liabilities		**76.1**	**96.1**
Total equity and liabilities		**152.9**	**187.3**

The financial statements were approved by the Board of Directors on 11 March 2011 and signed on its behalf by:

Eamonn Rothwell, *Director*
Garry O'Dea, *Director*

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2010	**16.6**	**48.7**	**2.1**	**1.3**	**-**	**22.5**	**91.2**
Profit for the year	-	-	-	-	-	7.1	7.1
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7.1**	**7.1**
Employee share options expense	-	-	-	0.2	-	-	0.2
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	-	-	-	(0.3)	-	0.3	-
	0.2	**3.1**	**-**	**(0.1)**	**-**	**(17.6)**	**(14.4)**
Balance at 31 December 2010	**16.8**	**51.8**	**2.1**	**1.2**	**-**	**4.9**	**76.8**

Analysed as follows:	
Share capital	16.8
Share premium	51.8
Other reserves	3.3
Retained earnings	4.9
	76.8

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2009

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2009	**16.6**	**48.7**	**2.1**	**1.0**	**(0.2)**	**(0.2)**	**68.0**
Profit for the year	-	-	-	-	-	48.8	48.8
Other comprehensive income	-	-	-	-	0.2	(1.5)	(1.3)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**0.2**	**47.3**	**47.5**
Employee share options expense	-	-	-	0.3	-	-	0.3
Redemption of redeemable share capital	-	-	-	-	-	(24.6)	(24.6)
	-	**-**	**-**	**0.3**	**0.2**	**22.7**	**23.2**
Balance at 31 December 2009	**16.6**	**48.7**	**2.1**	**1.3**	**-**	**22.5**	**91.2**

Analysed as follows:	
Share capital	16.6
Share premium	48.7
Other reserves	3.4
Retained earnings	22.5
	91.2

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Net cash from operating activities	34	**42.8**	**51.3**
Cash flow from investing activities			
Interest received		0.1	0.4
Proceeds on disposal of property, plant and equipment		0.5	0.1
Net proceeds received on disposal of vessel		1.6	-
Payment received on long term receivable		-	4.3
Purchases of property, plant and equipment		(6.9)	(4.6)
Purchases of intangible assets		(0.3)	(0.2)
Net cash utilised by investing activities		**(5.0)**	**-**
Cash flow from financing activities			
Redemption of redeemable shares		-	(24.6)
Dividends paid to equity holders of the Company		(25.0)	-
Repayments of borrowings		(17.4)	(64.7)
Repayments of obligations under finance leases		(0.8)	(1.4)
Proceeds on issue of ordinary share capital		3.3	-
New bank loans raised		-	28.0
Inception of new finance leases		2.3	-
Net cash used in financing activities		**(37.6)**	**(62.7)**
Net increase / (decrease) in cash and cash equivalents		0.2	(11.4)
Cash and cash equivalents at the beginning of the year		**17.0**	**28.5**
Effect of foreign exchange rate changes		-	(0.1)
Cash and cash equivalents at the end of the year			
Cash and cash equivalents		**17.2**	**17.0**

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 December 2010

	Notes	2010 €m	2009 €m
Net cash from / (utilised by) operating activities	34	**3.3**	**(35.2)**
Cash flow from investing activities			
Interest received		-	0.1
Dividend received from subsidiary		19.5	55.3
Purchases of property, plant and equipment		(1.3)	(2.0)
Purchases of intangible assets		(0.3)	(0.2)
Net cash from investing activities		**17.9**	**53.2**
Cash flow from financing activities			
Redemption of redeemable shares		-	(24.6)
Dividends paid to equity holders of the Company		(25.0)	-
Proceeds on issue of ordinary share capital		3.3	-
Repayments of obligations under finance leases		(0.1)	-
Net cash used in financing activities		**(21.8)**	**(24.6)**
Net decrease in cash and cash equivalents		(0.6)	(6.6)
Cash and cash equivalents at the beginning of the year		**1.3**	**7.9**
Cash and cash equivalents at the end of the year			
Cash and cash equivalents		**0.7**	**1.3**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

1. General information

Irish Continental Group plc (ICG) is a public limited company incorporated in Ireland under the Companies Acts, 1963 to 2009. The addresses of its registered office and principal place of business are disclosed on the cover of the annual report. The principal activities of the Group are described in note 4.

The Company operates a passenger and freight shipping service between Ireland and France. It is also the holding Company of a number of subsidiary companies.

2. Adoption of new and revised International Financial Reporting Standards

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.

The following IFRS became effective since the last Annual Report but had no material impact on the Financial Statements:

- IFRS 1 (Amendment) First-time Adoption of International Financial Reporting Standards (effective for accounting periods beginning on or after 1 January 2010);
- IFRS 1 (Revised) First-time Adoption of International Financial Reporting Standards (effective for accounting periods beginning on or after 1 July 2009);
- IFRS 2 (Amendment) Share Based Payments (effective for accounting periods beginning on or after 1 July 2009 and 1 January 2010);
- IFRS 3 (Revised) Business Combinations (effective for accounting periods beginning on or after 1 July 2009);
- IFRS 5 (Amendment) Non-Current Assets Held for Sale and Discontinued Operations (effective for accounting period beginning on or after 1 July 2009 and 1 January 2010);
- IFRS 8 (Amendment) Operating Segments (effective for accounting periods beginning on or after 1 January 2010);
- IAS 1 (Amendment) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2010);
- IAS 7 (Amendment) Statement of Cash Flows (effective for accounting periods beginning on or after 1 January 2010);
- IAS 17 (Amendment) Leases (effective for accounting periods beginning on or after 1 January 2010);
- IAS 27 (Amendment) Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2009);
- IAS 28 (Amendment) Investments in Associates (effective for accounting periods beginning on or after 1 July 2009);
- IAS 31 (Amendment) Interests in Joint Ventures (effective for accounting periods beginning on or after 1 July 2009);
- IAS 36 (Amendment) Impairment of Assets (effective for accounting periods beginning on or after 1 January 2010);
- IAS 38 (Amendment) Intangible Assets (effective for accounting periods beginning on or after 1 July 2009);
- IAS 39 (Amendment) Financial Instruments: Recognition and Measurement (effective for accounting period beginning on or after 1 July 2009 and 1 January 2010);
- IFRIC 9 (Amendment) Reassessment of Embedded Derivatives (effective for accounting periods beginning on or after 1 July 2009);
- IFRIC 16 (Amendment) Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July 2009);
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective for accounting periods beginning on or after 1 July 2009); and
- IFRIC 18 Transfers of Assets from Customers (effective for accounting periods beginning on or after 1 July 2009).

2. Adoption of new and revised International Financial Reporting Standards - continued

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 1 (Amendment) First-time Adoption of International Financial Reporting Standards (effective for accounting periods beginning on or after 1 July 2010, 1 January 2011 and 1 July 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 and 1 July 2011);
- IFRS 9 Financial Instruments: Classification and Measurement (effective for accounting periods beginning on or after 1 January 2013);
- IAS 1 (Amendment) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2011);
- IAS 12 (Amendment) Income Taxes (effective for accounting periods beginning on or after 1 January 2012);
- 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).

The Directors are currently assessing the impact in relation to the adoption of these Standards and Interpretations for future periods of the Group, however, at this point they do not believe they will have a significant impact on the financial statements of the Group in future periods.

3. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2010 €m	2009 €m
Ferries	153.7	149.0
Containers & Terminal	109.8	112.8
Inter-segment	(1.3)	(1.3)
	262.2	260.5

4. Segmental information

Business segments

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. These segments are the basis on which the Group reports internally and are the only two revenue generating segments of the Group.

The principal activities of the Ferries segment are the operation and external charter of combined RoRo passenger ferries. The principal activities of the Container & Terminal segment is the provision of door-to-door and feeder LoLo freight services, stevedoring and container storage. Segment information about the Group's continuing operations is presented below.

2010	**Ferries €m**	**Container & Terminal €m**	**Inter-segment €m**	**Total (all continuing operations) €m**
Revenue				
External sales	153.7	108.5	-	262.2
Inter-segment sales	-	1.3	(1.3)	-
Total revenue from continuing operations	153.7	109.8	(1.3)	262.2
Inter-segment sales are charged at prevailing market prices.				
Result				
Operating profit from continuing operations before non trading credit	24.5	7.0	-	31.5
Non trading credit	9.4	-	-	9.4
Investment income	11.4	0.2	-	11.6
Finance costs	(12.1)	(0.3)	-	(12.4)
Profit before tax	33.2	6.9	-	40.1
Income tax expense	(1.1)	-	-	(1.1)
Profit for the year from continuing operations	32.1	6.9	-	39.0
Other Information				
Capital additions	4.1	3.1	-	7.2
Depreciation and amortisation	19.1	3.0	-	22.1
Statement of Financial Position				
Assets				
Segment assets	207.2	50.7	-	257.9
Cash and cash equivalents	10.5	6.7	-	17.2
Other assets	-	-	-	-
Consolidated total assets	217.7	57.4	-	275.1
Liabilities				
Segment liabilities	49.6	19.1	-	68.7
Debt	20.5	3.0	-	23.5
Other liabilities	4.3	0.6	-	4.9
Consolidated total liabilities	74.4	22.7	-	97.1

4. Segmental information - continued

2009	Ferries €m	Container & Terminal €m	Inter-segment €m	Total (all continuing operations) €m
Revenue				
External sales	149.0	111.5	-	260.5
Inter-segment sales	-	1.3	(1.3)	-
Total revenue from continuing operations	149.0	112.8	(1.3)	260.5
Inter-segment sales are charged at prevailing market prices.				
Result				
Operating profit from continuing operations	18.1	8.4	-	26.5
Investment income	13.2	0.2	-	13.4
Finance costs	(14.7)	(0.3)	-	(15.0)
Profit before tax	16.6	8.3	-	24.9
Income tax credit	0.3	-	-	0.3
Profit for the year from continuing operations	16.9	8.3	-	25.2
Other Information				
Capital additions	3.9	0.9	-	4.8
Depreciation and amortisation	21.0	3.2	-	24.2
Statement of financial position				
Assets				
Segment assets	205.6	51.3	-	256.9
Cash and cash equivalents	12.8	4.2	-	17.0
Other assets	-	-	-	-
Consolidated total assets	218.4	55.5	-	273.9
Liabilities				
Segment liabilities	58.3	20.6	-	78.9
Debt	37.4	1.3	-	38.7
Other liabilities	3.5	0.5	-	4.0
Consolidated total liabilities	99.2	22.4	-	121.6

4. Segmental information - continued

There is no significant difference in risk profile between the routes the Group operates i.e. between geographical areas. Given that the Group is primarily an operator of ships there is no reasonable basis upon which to assign its main assets, ships, to any geographical area. Therefore, the Group presents geographical information relating only to where revenues are earned.

	2010 €m	**2009 €m**
Ireland	118.7	113.2
United Kingdom	60.7	60.7
Netherlands	54.8	55.9
Belgium	14.8	15.5
France	9.2	10.0
Other	4.0	5.2
	262.2	260.5

No single external customer revenue in the current or prior year amounted to 10 per cent or more of the Group's revenues.

The revenue by principal customer Group is as follows:

	2010 €m	**2009 €m**
Passenger	98.3	87.5
Freight	157.2	165.8
Other	6.7	7.2
	262.2	260.5

Information regarding the divisional performance measures is set out on pages 7 to 8.

5. Employee benefits expense

	2010	2009
The average number of employees during the year was as follows:		
Ferries	226	242
Container & Terminal	136	171
	362	413
The number of employees at year end was	327	394

	€m	€m
Aggregate costs of employee benefits were as follows:		
Wages and salaries	19.3	21.3
Social welfare charge	1.5	2.1
Current service costs (note 32a vii)	1.7	1.5
Curtailment gain (note 32a vii)	(1.8)	-
Restructuring charge	3.0	2.7
Share options expense	0.3	0.4
	24.0	28.0

Comparatives have been adjusted to reclassify amounts relating to the restructuring charge previously disclosed under other operating expenses. There is no effect on previously disclosed operating profit.

6. 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.

	2010 €m	2009 €m
Consideration		
Consideration received in cash & cash equivalents	3.0	-
Finance lease receivable (note 15)	27.5	-
Total consideration	30.5	-

6. Non trading credit - continued

	2010 €m	2009 €m
Gain on disposal of vessel		
Consideration	30.5	-
Disposal costs	(3.1)	-
Net proceeds	27.4	-
NBV 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	-

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.

7. Investment revenue

	2010 €m	2009 €m
Interest on bank deposits	0.1	0.4
Expected return on defined benefit pension scheme assets (note 32a vii)	11.5	11.7
Net lease benefit recognised in the period (note 15)	-	1.3
	11.6	13.4

8. Finance costs

	2010 €m	2009 €m
Interest on bank overdrafts and loans	0.3	1.4
Net settlement on interest rate swaps (note 23)	-	0.5
Interest on obligations under finance leases	0.1	0.1
Interest on defined benefit pension scheme liabilities (note 32a vii)	12.0	13.0
	12.4	15.0

9. Income tax expense / (credit)

	2010 €m	2009 €m
Current tax	0.8	(0.1)
Deferred tax (note 24)	0.3	(0.2)
Income tax expense / (credit) for the year	1.1	(0.3)

The Company and its Irish tax resident subsidiaries have elected to be taxed under the Irish tonnage tax method. The Group's Dutch subsidiary elected to be taxed under the Dutch tonnage tax system, effective from 1 January 2009. 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. 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 28% (2009: 25.5% and 28%).

The total expense / (credit) for the year is reconciled to the accounting profit as follows:

	2010 €m	2009 €m
Profit before tax from continuing operations	40.1	24.9
Tax at the domestic income tax rate of 12.5% (2009: 12.5%)	5.0	3.1
Tax exempted earnings	(1.2)	-
Net utilisation of tax losses	(0.4)	(0.9)
Unrealised foreign exchange (gain) / loss	(0.2)	0.8
Difference in effective tax rates	0.3	0.4
Effect of tonnage relief	(2.7)	(3.2)
Other items	0.3	(0.5)
Income tax expense / (credit) recognised in the Consolidated Income Statement	1.1	(0.3)

10. Profit for the year

Profit for the year has been arrived at after charging / (crediting):

	2010 €m	2009 €m
Profit on disposal of property, plant and equipment	(0.4)	(0.1)
Profit on disposal of vessel	(9.4)	-
Foreign exchange (gains) / losses	(1.2)	0.7
Amortisation of intangible assets (note 14)	0.5	0.9
Depreciation of property, plant and equipment (note 13)	21.7	23.4
	22.2	24.3
Amortisation of deferred grant (note 27)	(0.1)	(0.1)
Net depreciation and amortisation expense	22.1	24.2
Auditor's remuneration:		
Audit of the Parent Company	0.1	0.1
Other assurance services (subsidiaries audit)	0.1	0.1
Tax advisory services	0.1	0.1
Other non-audit services	-	-

Disclosure of Directors' emoluments as required by Section 191 Companies Act, 1963 is given in the Report of the Remuneration Committee.

In accordance with section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies. The Company's profit for the financial year determined in accordance with IFRS was €7.1m (2009: €48.8m).

11. Dividends and redemptions

	2010 €m	2009 €m
Redemption of one redeemable share for 100c per share	-	24.6
Final dividend of 100c per ICG Unit for year ended 31 December 2009	25.0	-

During the year a final dividend of 100 cent per ICG Unit was paid for the year ended 31 December 2009.

In the prior year the Board redeemed one redeemable share per ICG Unit (note 20) for a cash premium of 100 cent per share.

12. Earnings per share - all from continuing operations

	2010 Cent	2009 Cent
Basic earnings per share	156.8	102.4
Diluted earnings per share	155.7	101.5
Adjusted basic earnings per share	121.0	107.7
Adjusted diluted earnings per share	120.2	106.7

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:

	2010 €m	2009 €m
Earnings		
Earnings for the purposes of basic earnings per share - Profit for the year attributable to equity holders of the parent	39.0	25.2
Earnings for the purposes of diluted earnings per share	39.0	25.2
Earnings for the purposes of basic earnings per share - Profit for the year attributable to equity holders of the parent	39.0	25.2
Effect of non trading credit	(9.4)	-
Effect of expected return on defined benefit pension scheme assets	(11.5)	(11.7)
Effect of interest on defined benefit pension scheme liabilities	12.0	13.0
Earnings for the purposes of adjusted earnings per share	30.1	26.5
Number of shares	**'000**	**'000**
Weighted average number of ordinary shares for the purposes of basic earnings per share	24,874	24,617
Effect of dilutive potential ordinary shares: Share options	170	222
Weighted average number of ordinary shares for the purposes of diluted earnings per share	25,044	24,839

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 excludes treasury shares (note 20).

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 (note 32a).

Management consider the adjusted earnings per share calculation to be a better indication of the continuing underlying performance of the Group.

13. Property, plant and equipment

Group	Assets under construction €m	Passenger ships €m	Plant and equipment €m	Vehicles €m	Land and buildings €m	Total €m
Cost						
At 1 January 2009	-	340.2	70.0	2.6	23.9	436.7
Additions	0.1	3.4	1.0	-	0.1	4.6
Reclassification	-	-	(2.5)	-	2.5	-
Exchange differences	-	8.6	0.1	-	-	8.7
Disposals	-	(13.4)	(13.1)	(0.2)	(1.0)	(27.7)
At 1 January 2010	0.1	338.8	55.5	2.4	25.5	422.3
Additions	0.6	3.4	2.6	0.2	0.1	6.9
Reclassification	(0.7)	-	0.7	-	-	-
Exchange differences	-	10.4	-	-	-	10.4
Disposals	-	(65.9)	(2.6)	(0.5)	-	(69.0)
At 31 December 2010	**-**	**286.7**	**56.2**	**2.1**	**25.6**	**370.6**
Accumulated depreciation						
At 1 January 2009	-	149.9	41.6	1.3	7.5	200.3
Depreciation charge for the year	-	18.8	3.7	0.4	0.5	23.4
Exchange differences	-	2.9	0.1	-	-	3.0
Eliminated on disposals	-	(13.4)	(13.1)	(0.1)	(1.0)	(27.6)
At 1 January 2010	-	158.2	32.3	1.6	7.0	199.1
Depreciation charge for the year	-	17.8	3.2	0.3	0.4	21.7
Exchange differences	-	5.9	-	-	-	5.9
Eliminated on disposals	-	(47.1)	(2.6)	(0.4)	-	(50.1)
At 31 December 2010	**-**	**134.8**	**32.9**	**1.5**	**7.4**	**176.6**
Carrying amount						
At 31 December 2009	0.1	180.6	23.2	0.8	18.5	223.2
At 31 December 2010	**-**	**151.9**	**23.3**	**0.6**	**18.2**	**194.0**

The carrying amount of the Group's plant and equipment and vehicles includes an amount of €3.3 million (2009: €3.0 million) in respect of assets held under finance leases.

At 31 December 2010 no charges or mortgages involving third parties were secured on any of the Group's property, plant and equipment assets (2009: nil).

13. Property, plant and equipment - continued

Company	Plant and equipment €m	Vehicles €m	Land and buildings €m	Total €m
Cost				
At 1 January 2009	5.5	0.4	0.1	6.0
Additions	2.0	-	-	2.0
Disposals	(4.7)	-	-	(4.7)
At 1 January 2010	2.8	0.4	0.1	3.3
Additions	1.2	0.1	-	1.3
Disposals	(1.6)	(0.2)	-	(1.8)
At 31 December 2010	**2.4**	**0.3**	**0.1**	**2.8**
Accumulated depreciation				
At 1 January 2009	4.6	0.3	0.1	5.0
Depreciation charge for the year	2.4	0.1	-	2.5
Eliminated on disposals	(4.7)	-	-	(4.7)
At 1 January 2010	2.3	0.4	0.1	2.8
Depreciation charge for the year	1.5	0.1	-	1.6
Eliminated on disposals	(1.6)	(0.2)	-	(1.8)
At 31 December 2010	**2.2**	**0.3**	**0.1**	**2.6**
Carrying amount				
At 31 December 2009	0.5	-	-	0.5
At 31 December 2010	**0.2**	**-**	**-**	**0.2**

The carrying amount of the Company's plant and equipment includes an amount of €0.1 million (2009: €0.1 million) in respect of assets held under finance leases.

In accordance with IAS 16 Property, Plant and Equipment of the Group and Company has been reviewed in relation to the residual values used for the purpose of depreciation calculations. In considering residual values of passenger ships, the Directors have taken into consideration the valuation of the scrap value of the ships per light displacement tonne. Residual values are reviewed annually and updated if required.

Estimations of economic life and residual values of ships are a key judgemental estimate in the financial statements. A 10% increase / decrease in residual values of ships would have a €0.1 million decrease / increase on depreciation in the Consolidated Income Statement and a €0.1 million increase / decrease on the carrying value of property, plant and equipment in the Statement of Financial Position. In relation to the remaining estimated economic life of the ships, a one year increase / decrease in this would have a €1.9 million decrease / €3.2 million increase in depreciation in the Income Statement and a €1.9 million increase / €3.2 million decrease on the carrying value of property, plant and equipment in the Statement of Financial Position.

14. Intangible assets

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Cost				
At 1 January	8.1	7.9	7.7	7.5
Additions	0.3	0.2	0.3	0.2
At 31 December	8.4	8.1	8.0	7.7
Amortisation				
At 1 January	7.0	6.1	6.6	5.7
Charge for the year	0.5	0.9	0.5	0.9
At 31 December	7.5	7.0	7.1	6.6
Carrying amount				
At 31 December	0.9	1.1	0.9	1.1
At 1 January	1.1	1.8	1.1	1.8

The intangible assets included above, all software, have finite useful lives of 5 years, over which the assets are amortised. Amortisation is on a straight-line basis.

15. Long term receivable

Group	2010 €m	2009 €m
Current finance lease receivables	4.1	-
Non-current finance lease receivables	23.4	-
	27.5	-
Opening balance	-	3.0
Additions	30.5	-
Amounts received	(3.0)	(4.3)
Net lease benefit recognised in the period (note 7)	-	1.3
	27.5	-

During the year the Group entered into a bareboat hire purchase sale agreement with St Peter Line for the sale of the vessel Bilbao, as outlined in note 6. The payments are to be received in instalments over a 5.75 year term and in accordance with IAS 17 Leases the deferred consideration has been treated as a finance lease receivable at an amount equal to the net investment in the lease.

The transactions in the prior year relate to a long term receivable which represented the amortised amount of the net benefit due to the Group arising from a leasing transaction in respect of two of the Group's vessels. This leasing transaction was voluntarily terminated without penalty on 23 December 2009, in advance of its scheduled maturity of 2018, and all amounts amortised and outstanding at termination were received.

15. Long term receivable - continued

Amounts receivable under finance leases	Minimum Lease payments 2010 €m	2009 €m	Present value of minimum lease payments 2010 €m	2009 €m
Within 1 year	5.8	-	4.1	-
In the second to fifth years inclusive	17.0	-	12.0	-
After five years	11.9	-	11.4	-
	34.7	-	27.5	-
Less: unearned finance income	(7.2)	-	-	-
Present value of minimum lease payments receivable	27.5	-	27.5	-

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at €nil (31 December 2009: €nil).

The interest rate inherent in the lease is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 7.0% (31 December 2009: nil %) per annum.

The finance lease receivables at the end of the reporting period are neither past due nor impaired. The Group is entitled to withdraw the vessel from the service of the lessee and terminate the Agreement where the lessee fails to perform certain of its obligations under the Agreement, including a failure to make scheduled payments within stated time limits.

16. Investment in subsidiaries

Company	2010 €m	2009 €m
Investment in subsidiaries at beginning and end of year	11.0	11.0

The Company's principal subsidiaries at 31 December 2010 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership in Ordinary Share Capital	Proportion of voting power held	Principal activity
Irish Ferries Limited	Ireland	100%	100%	Ferry Operator
Irish Ferries (UK) Limited	United Kingdom	100%	100%	Shipping & forwarding agents
Eucon Shipping & Transport Limited	Ireland	100%	100%	Container shipping services
Eurofeeders Limited	United Kingdom	100%	100%	Shipping & forwarding agents
Feederlink Shipping & Trading b.v.	Netherlands	100%	100%	Container shipping services

16. Investment in Subsidiaries - continued

Name of subsidiary	Country of incorporation and operation	Proportion of ownership in Ordinary Share Capital	Proportion of voting power held	Principal activity
Zatarga Limited	Isle of Man	100%	100%	Ship leasing
Irish Continental Line Limited	Ireland	100%	100%	Ship leasing
Belfast Container Terminal Limited	Northern Ireland	100%	100%	Container handling & storage
Irish Ferries Services Limited	Ireland	100%	100%	Administration services

The registered office for Irish Ferries Limited, Eucon Shipping & Transport Limited, Irish Continental Line Limited and Irish Ferries Services Limited is Ferryport, Alexandra Road, Dublin 1.

The registered office for Irish Ferries (UK) Limited is Corn Exchange Building, Fenwick Street, Liverpool L2 7TP, England.

The registered office for Eurofeeders Limited is 249 West George Street, Glasgow G2 4RB, Scotland.

The registered office for Feederlink Shipping & Trading b.v. is Seattleweg 15, ND Rotterdam, Netherlands.

The registered office for Zatarga Limited is Top Floor, 14 Athol Street, Douglas, IM1 1JA, Isle of Man.

The functional currency of Zatarga Limited changed from US dollars to Euro during the year in accordance with IAS 21, reflecting change in the primary economic environment in which the Company operates.

The registered office for Belfast Container Terminal Limited is, Arnott House, 12/16 Bridge Street, Belfast BT1 1LS, Northern Ireland.

17. Inventories

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Fuel and lubricating oil	1.7	1.8	0.5	0.4
Catering and other stocks	0.2	0.2	0.1	0.1
	1.9	2.0	0.6	0.5

The Directors consider that the carrying amount of inventories approximates their replacement value.

Write-downs of inventories recognised as an expense within other operating expenses amounted to €45.9 million during the year (2009: €36.2 million).

18. Trade and other receivables

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Trade receivables	26.1	25.7	1.2	1.1
Allowance for impaired debts	(1.5)	(2.4)	-	-
	24.6	23.3	1.2	1.1
Prepayments	2.3	2.4	-	-
Amounts due from subsidiary companies	-	-	136.4	171.1
Other receivables	2.6	2.5	1.2	0.7
Finance lease receivable (note 15)	4.1	-	-	-
	33.6	28.2	138.8	172.9

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. The Group and Company review all receivables that are past their agreed credit terms and assesses whether any amounts are irrecoverable, determined by reference to past default experience, together with any particular risk factor applicable to an individual customer. The amounts for prepayments, amounts due from subsidiary companies and other receivables are neither past due nor impaired at 31 December 2010.

The Group and Company extend credit to certain trade customers after conducting a credit risk assessment. The average credit terms applied range from seven days to sixty days. Year end trade receivables represent 36 days sales at 31 December 2010 (2009: 36 days).

The Group's trade receivables are analysed as follows:

	2010 €m	2009 €m
Neither past due nor impaired:		
Within terms	21.7	20.3
Past due but not impaired:		
Outside terms - within 3 months	1.7	2.3
- after 3 months	1.2	0.7
	24.6	23.3

Credit risk

The Group's and Company's principal financial assets are cash and cash equivalents, and trade and other receivables.

The Group's and Company's credit risk is primarily attributable to its trade receivables. Credit risk in relation to the finance lease receivable has been discussed in note 15. The amounts presented in the statement of financial position are net of allowances for impaired receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

18. Trade and other receivables - continued

Movement in the allowance for impaired debts

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Balance at beginning of the year	2.4	1.9	-	-
Amounts written off during the year	(0.2)	(0.1)	-	-
(Decrease) / increase in provision in the year	(0.7)	0.6	-	-
Balance at end of year	1.5	2.4	-	-

In determining the recoverability of a trade receivable the Group and Company consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the exposure being spread over a large number of counterparties and customers. Accordingly, the Directors believe that there is no further provision required in excess of the allowance for impaired debts.

This allowance has been determined by reference to past default experience.

19. Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

60% of the Group's and Company's cash and cash equivalents are held with banks which are covered by the Irish Government Bank Guarantee Scheme, which provides a State guarantee on the total amount of deposits held with relevant banks within the scheme. The remainder is held by non-Irish banks with a credit rating of A or higher from Standard and Poor's, Aa3 or higher from Moody's and A+ or higher from Fitch. The Directors consider the credit risk of these counterparties to be compatible with the Group's credit policy.

20. Share capital

Group and Company	Number	2010 €m	2009 €m
Authorised			
Ordinary shares of par value €0.65 each	45,000,000	29.3	29.3
Redeemable shares of par value €0.00001 each	4,500,000,000	0.0	0.0
		29.3	29.3

Allotted, called up and fully paid	2010 Number	2010 €m	2009 Number	2009 €m
Ordinary shares				
At beginning of year	25,516,208	16.6	25,516,208	16.6
Share issue	370,000	0.2	-	-
At end of year	25,886,208	16.8	25,516,208	16.6

20. Share capital - continued

Allotted, called up and fully paid	Number	2010 €m	Number	2009 €m
Redeemable shares				
At beginning of year	255,162,080	-	51,032,416	-
Share issue	3,700,000	-	-	-
Redemption of redeemable shares - transfer to Capital Redemption Reserve	-	-	(25,516,208)	-
Sub-division of redeemable share	-	-	229,645,872	-
At end of year	258,862,080	-	255,162,080	-

The number of ICG units issued during the year was 370,000 and total consideration received amounted to €3.3 million.

Holders of ordinary shares are entitled to such dividend that may be declared from time to time on such shares and are entitled to attend, speak and vote at the Annual General Meeting of the Company. On return of capital on a winding up, the holder of ordinary shares is entitled to participate in a distribution of surplus assets of the Company.

Redeemable shares do not entitle holders to any dividend or any right to participate in the profit or assets of the Company other than to the repayment of a sum equal to the nominal value of 0.001 cent per share on a winding up of the Company. Redeemable shares do not entitle the holder to attend, speak or vote at the Annual General Meeting.

The Company has one class of share unit, comprising one ordinary share and ten redeemable shares, or such number of redeemable shares as remains after any redemption of such shares. At 31 December 2010 the number of such redeemable shares is 10 (2009: 10). The share unit carries no right to fixed income.

Included in the share capital above are 899,500 (2009: 899,500) ICG share units which are held as treasury shares. In prior years, retained earnings have been reduced by €10.0 million in relation to these treasury shares.

21. Analysis of Equity

Group and Company

Share premium

The share premium account comprises the excess of monies received in respect of share capital over the nominal value of shares issued.

Capital reserves

This consists of reserves arising on consolidation and the capital redemption reserve. Reserves arising on consolidation relate to the acquisition of a subsidiary. At 31 December 2010 the reserve balance stands at €0.1 million. The balance is unchanged from 1 January 2009 and 1 January 2010.

The capital redemption reserve represents the nominal value of share capital repurchased. At 31 December 2010 the reserve balance stands at €2.1 million.

The balance is unchanged from 1 January 2009 and 1 January 2010.

Share options reserve

The share options reserve represents the cumulative charge to the Consolidated Income Statement of share options issued which are not yet exercised and issued as shares.

Hedging reserve

The hedging reserve represents the fair value of derivative financial instruments.

Translation reserve

The translation reserve represents the value of retranslation of the reserves of subsidiary companies.

22. Borrowings

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Bank loans	20.5	37.2	-	-
Finance lease liabilities	3.0	1.5	-	0.1
	23.5	38.7	-	0.1
The borrowings are repayable as follows:				
On demand or within one year	0.7	37.8	-	0.1
In the second year	0.6	0.5	-	-
In the third year	20.9	0.3	-	-
In the fourth year	0.4	0.1	-	-
Fifth year and after	0.9	-	-	-
	23.5	38.7	-	0.1
Less: Amount due for settlement within 12 months - (shown under current liabilities)	(0.7)	(37.8)	-	(0.1)
Amount due for settlement after 12 months	22.8	0.9	-	-

Obligations under finance leases are secured by the lessor on the assets being financed. Bank borrowings are unsecured.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Euro €m	Sterling €m	US Dollar €m	Total €m
2010				
Bank loans	10.0	-	10.5	20.5
Finance leases	0.8	2.2	-	3.0
	10.8	2.2	10.5	23.5
2009				
Bank loans	25.7	-	11.5	37.2
Finance leases	1.5	-	-	1.5
	27.2	-	11.5	38.7

All of the Company's borrowings are denominated in Euro.

22. Borrowings - continued

Group finance leases	Minimum lease payments 2010 €m	Minimum lease payments 2009 €m	Present value of minimum lease payments 2010 €m	Present value of minimum lease payments 2009 €m
Amounts payable under finance leases:				
Within one year	0.9	0.7	0.7	0.6
In the second to fifth years inclusive	2.0	0.9	1.8	0.9
After five years	0.5	-	0.5	-
	3.4	1.6	3.0	1.5
Less: future finance charges	(0.4)	(0.1)	-	-
Present value of lease obligations	3.0	1.5	3.0	1.5
Less: amount due for settlement within 12 months	(0.7)	(0.6)	(0.7)	(0.6)
Amount due for settlement after 12 months	2.3	0.9	2.3	0.9
Company finance leases				
Amounts payable under finance leases:				
Within one year	-	0.1	-	0.1
In the second to fifth years inclusive	-	-	-	-
After five years	-	-	-	-
	-	0.1	-	0.1
Less: future finance charges	-	-	-	-
Present value of lease obligations	-	0.1	-	0.1
Less: amount due for settlement within 12 months	-	(0.1)	-	(0.1)
Amount due for settlement after 12 months	-	-	-	-

It is the Group's and Company's policy to lease certain of its plant and equipment under finance leases. Lease terms vary from 3 to 7 years for the Group and all leases for the Company are for 3 years. For the year ended 31 December 2010, the average effective borrowing rate was 4.9% (2009: 4.2%) in the Group and 4.9% (2009: 6.2%) in the Company. Interest rates are fixed at the contract date, and thus expose the Group and Company to fair value interest rate risk. All leases are on a fixed repayment basis.

Company lease obligations at 31 December 2010 of €48,000 and 31 December 2009 of €93,000 are denominated in Euro.

The fair value of the Group's and Company's lease obligations approximates their carrying amount.

The Group's and Company's obligations under finance leases are secured by the lessors' title to the leased assets.

22. Borrowings - continued

Financing facilities	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Unsecured bank overdraft and guarantee facility - reviewed annually and payable on call:				
Amount used	0.3	0.5	-	-
Amount unused	5.7	5.5	5.7	5.5
	6.0	6.0	5.7	5.5
Unsecured bank loan facilities with various maturity dates through to 2013:				
Amount used	20.5	37.2	-	-
Amount unused	39.5	68.5	39.5	68.5
	60.0	105.7	39.5	68.5

The weighted average interest rates paid were as follows:

	Group 2010	Group 2009	Company 2010	Company 2009
Bank overdrafts	1.1%	1.5%	1.1%	1.5%
Bank loans	1.2%	2.0%	-	-

All bank borrowings are arranged at floating rates, thus exposing the Group and Company to cash flow interest rate risk.

Bank overdrafts are repayable on demand and are unsecured. The average effective interest rate on bank overdrafts is calculated by reference to the lender's prime rate which approximated 1.1% (2009: 1.5%) for the Group and Company in the year.

In the opinion of the Directors the Group and Company are in compliance with the covenants contained in its banking agreements. The Directors consider the fair value of the Group's and Company's bank borrowings approximated their carrying value.

In August 2010 the Group and Company entered into an agreement with its bankers for a new €60.0 million Revolving Credit Facility to replace the then existing facility. This facility is for a term of three years expiring in August 2013. Interest on all drawings under this facility is calculated by reference to inter bank interest rates (EURIBOR and LIBOR). At 31 December 2010 the Group had drawings under its bank facilities of €20.5 million (2009: €37.2 million).

At 31 December 2010 and 2009 the Company had no drawings under the revolving facility.

23. Financial instruments and risk management

Derivative financial instruments	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Opening balance	-	(0.7)	-	(0.2)
Fair value movements included in equity	0.1	(0.2)	-	-
Net settlements	-	0.9	-	0.2
Closing balance	0.1	-	-	-

23. Financial instruments and risk management - continued

Interest rate swaps

The Group and Company uses interest rate swaps to manage its exposure to interest rate movements on its long term bank borrowing by swapping a proportion of those borrowings from floating rates to fixed rates.

There were no open interest rate swap positions during the year or at 31 December 2010.

Payments totalling €nil (2009: €0.5 million) have been included in the Group interest payments made in the period.

Currency derivatives

The Group and Company utilises currency derivatives to hedge future cash flows in the management of its exchange rate exposures. At 31 December 2010 there were outstanding forward foreign exchange contracts with a notional amount of €3.3 million (2009: €nil). The estimated fair value of these at 31 December 2010 was an asset of €0.1 million for the Group. These amounts were based on quoted market prices for equivalent instruments at the Statement of Financial Position date. All of these were designated and effective as cashflow hedges. The fair value thereof has been accumulated in equity and subsequently recognised in the Consolidated Income Statement in the same period as the hedged expense. Payments totalling €nil (2009: €0.4 million) have been included in other operating expenses.

Interest rate risk profile of financial assets and liabilities

In respect of income-earning financial assets and interest bearing financial liabilities, the following tables indicate their average effective interest rates at the reporting date and the periods in which they reprice:

2010	Average effective interest rate	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Fixed rate instruments		**€m**	**€m**	**€m**	**€m**	**€m**
Assets						
Finance lease receivable (note 15)	7.0%	(4.1)	(2.7)	(9.3)	(11.4)	(27.5)
Total		(4.1)	(2.7)	(9.3)	(11.4)	(27.5)
Liabilities						
Finance leases	5.1%	0.7	0.6	1.2	0.5	3.0
Total		0.7	0.6	1.2	0.5	3.0
Total fixed rate (assets) / liabilities		**(3.4)**	**(2.1)**	**(8.1)**	**(10.9)**	**(24.5)**

23. Financial instruments and risk management - continued

2010	Average effective interest rate	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Floating rate instruments		**€m**	**€m**	**€m**	**€m**	**€m**
Assets						
Cash and cash equivalents	0.2%	(17.2)	-	-	-	(17.2)
Total		(17.2)	-	-	-	(17.2)
Liabilities						
Bank loans	2.4%	-	-	20.5	-	20.5
Total		-	-	20.5	-	20.5
Total floating rate (assets) / liabilities		**(17.2)**	**-**	**20.5**	**-**	**3.3**
Total net (assets) / liabilities		**(20.6)**	**(2.1)**	**12.4**	**(10.9)**	**(21.2)**
2009						
Fixed rate instruments						
Liabilities						
Finance leases	4.2%	0.6	0.5	0.4	-	1.5
Total fixed rate liabilities		**0.6**	**0.5**	**0.4**	**-**	**1.5**
Floating rate instruments						
Assets						
Cash and cash equivalents	0.6%	(17.0)	-	-	-	(17.0)
Total		(17.0)	-	-	-	(17.0)
Liabilities						
Bank loans	0.9%	37.2	-	-	-	37.2
Total		37.2	-	-	-	37.2
Total floating rate liabilities		**20.2**	**-**	**-**	**-**	**20.2**
Total net liabilities		**20.8**	**0.5**	**0.4**	**-**	**21.7**

The Group's funding, liquidity and exposure to interest and foreign exchange rate risks are managed by the Group's treasury and accounting departments. A combination of derivative and conventional financial instruments are used to manage these underlying risks. In addition to the disclosures below please refer to the Financial Review on page 13 for further disclosures.

23. Financial instruments and risk management - continued

The accounting policies for financial instruments have been applied to the line items below:

2010	Loans and Receivables	Fair value through income statement	Cash flow hedges	Financial liabilities at amortised cost	Financial liabilities at fair value hedges	Carrying value	Fair value
		€m	€m	€m	€m	€m	€m
Long term receivable	23.4	-	-	-	-	23.4	23.4
Trade and other receivables	33.6	-	-	-	-	33.6	33.6
Cash and cash equivalents	17.2	-	-	-	-	17.2	17.2
Borrowings	-	-	-	23.5	-	23.5	23.5
Derivative financial instruments	-	-	0.1	-	-	0.1	0.1
Trade and other payables	-	-	-	42.7	-	42.7	42.7
2009							
Trade and other receivables	28.2	-	-	-	-	28.2	28.2
Cash and cash equivalents	17.0	-	-	-	-	17.0	17.0
Borrowings	-	-	-	38.7	-	38.7	38.7
Derivative financial instruments	-	-	-	-	-	-	-
Trade and other payables	-	-	-	44.1	-	44.1	44.1

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates; and
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

23. Financial instruments and risk management - continued

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not observable market data (unobservable inputs).

	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Assets carried at fair value				
Forward foreign exchange contracts	0.1	-	-	0.1
Liabilities carried at fair value				
Forward foreign exchange contracts	-	-	-	-

During the period there were no transfers between the different levels.

Currency risk

The Group publishes its consolidated financial statements in Euro and conducts business in different foreign currencies. As a result, it is subject to foreign exchange risk due to exchange rate movements which will affect the Group's transaction costs and the translation of the results and underlying net assets of its foreign operations.

Interest rate risk

The Group has an exposure to interest rate risk, arising on changes in Euro, Sterling and US Dollar interest rates. To manage interest rate risk, the Group manages its proportion of fixed to variable rate borrowing within predetermined limits.

Liquidity risk

The Group is exposed to liquidity risk which arises primarily from the maturing of short-term and long-term debt obligations and derivative transactions. The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or undrawn committed bank facilities, to ensure all obligations can be met as they fall due. To achieve this objective, the Group:

- maintains cash balances with counterparties either highly rated or state guaranteed;
- limits maturity of cash balances; and
- borrows the bulk of its debt needs under committed bank lines or other term financing and by policy maintains a minimum level of undrawn committed facilities.

At each year end, the Group's rolling liquidity reserve (which comprises cash and undrawn committed facilities and which represents the amount of available cash headroom in the Group's funding structure) was as follows:

	2010 €m	2009 €m
Cash and cash equivalents	17.2	17.0
Committed undrawn facilities	45.2	74.0
Liquidity reserve	62.4	91.0

23. Financial instruments and risk management - continued

Management monitors rolling cash flow forecasts on an ongoing basis to determine the adequacy of the liquidity position of the Group. This process also incorporates a longer term liquidity review to ensure refinancing risks are adequately catered for as part of the Group's strategic planning.

Liquidity analysis

The following table sets out the maturity and liquidity analysis of the Group's financial liabilities and net settled derivative financial liabilities into the relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date:

Liquidity Table 2010	Weighted average period until maturity	Carrying amount	Contractual amount	No fixed term	Less than 1 year	1-2 years	2-5 years	More than 5 years
	Years	€m	€m	€m	€m	€m	€m	€m
Liabilities								
Trade and other payables		42.7	42.7	-	41.6	1.1	-	-
Bank loans	2.7	20.5	20.5	-	-	-	20.5	-
Finance leases	2.7	3.0	3.0	-	0.7	0.6	1.2	0.5
Derivative liabilities		-	-	-	-	-	-	-
Total liabilities		**66.2**	**66.2**	**-**	**42.3**	**1.7**	**21.7**	**0.5**

Liquidity Table 2009	Weighted average period until maturity	Carrying amount	Contractual amount	No fixed term	Less than 1 year	1-2 years	2-5 years	More than 5 years
	Years	€m	€m	€m	€m	€m	€m	€m
Liabilities								
Trade and other payables		44.1	44.1	-	44.1	-	-	-
Bank loans	0.7	37.2	37.2	-	37.2	-	-	-
Finance leases	1.4	1.5	1.5	-	0.6	0.5	0.4	-
Derivative liabilities		-	-	-	-	-	-	-
Total liabilities		**82.8**	**82.8**	**-**	**81.9**	**0.5**	**0.4**	**-**

Hedging instruments

During the year ended 31 December 2010, all cash flow hedges were effective and gains of €0.1 million (2009: loss of €0.2 million) were recognised in other Comprehensive Income as the changes in fair value. On maturity of these instruments the fair value will be recognised in the Consolidated Income Statement. Total derivative assets outstanding at 31 December 2010 were €0.1 million (2009: €nil). The underlying contracts are all maturing in less than 1 year.

23. Financial instruments and risk management - continued

Credit risk

The Group monitors its credit exposure to its counterparties via their credit ratings (where applicable) and through its policy, thereby limiting its exposure to any one party to ensure that they are within approved limits and that there are no significant concentrations of credit risk. *[The counterparties to the financial instruments transacted by the Group are major financial institutions. Group's current policy is to enter into such transactions with counterparties with an acceptable credit status normally assessed as being a long term credit rating with Standard & Poor's of A or better at the transaction date.]* The notional amounts of financial instruments used in interest rate and foreign exchange management do not represent the credit risk arising through the use of these instruments. The immediate credit risk of these instruments is generally estimated by the fair value of contracts with a positive value. The maximum exposure to credit risk for receivables and other financial assets is represented by the carrying amount. Credit risk in relation to long term receivable, trade and other receivables and cash and cash equivalents has been discussed in notes 15, 18 and 19 respectively. The maximum exposure to credit risk is represented by the carrying amounts in the Statement of Financial Position.

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the overall cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2010 and 31 December 2009.

The capital structure of the Group consists of net debt (borrowings as detailed in note 22 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves & retained earnings as detailed in notes 20 and 21).

The Group is not subject to any externally imposed capital requirements.

In managing its capital structure, the primary focus of the Group is the ratio of consolidated net debt as a multiple of EBITDA. Maximum levels for this ratio are set under board approved policy. These requirements were achieved at 31 December 2010 and 31 December 2009. At 31 December 2010, net debt of €6.3 million was 0.12 times 2010 EBITDA of €53.6 million compared to net debt of €21.7 million in 2009, which was 0.43 times EBITDA of €50.7 million.

Market risk sensitivity analysis

The Group has prepared calculations to measure the estimated change to the Consolidated Income Statement and Equity of either an instantaneous increase or decrease of 100 basis points (1%) in market interest rates or a 10% strengthening or weakening in Euro against all other currencies, from the rates applicable at 31 December 2010, for each class of financial instruments with all other variables remaining constant. The sensitivity analysis excludes the impact of market risks on net post employment benefit obligations and taxation. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

Interest rate risks - The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments;
- Changes in market interest rates affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective; and
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end.

The amounts generated from the sensitivity analysis are estimates of the impact of market risks assuming that specified changes occur. Actual results in the future may differ materially from these results due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed below, which therefore should not be considered a projection of likely future events and losses.

Under these assumptions, a 1% increase or decrease in market interest rates for all currencies in which the Group had borrowings and derivative financial instruments at 31 December 2010 would decrease or increase profit before tax and equity by approximately €0.1 million (2009: €0.4 million).

Currency risks - The currency risk sensitivity analysis is based on the assumption that all cash flow hedges are highly effective.

Under the assumptions, with a 10% strengthening or weakening in Euro against all exchange rates, profit before tax would have increased by €4.1 million (2009: €3.7 million) or decreased by €5.0 million (2009: €4.5 million), respectively, and equity (before tax effects) would have decreased by €3.1 million (2009: €4.8 million) or increased by €3.8 million (2009: €5.8 million), respectively.

Other price risks - As at 31 December 2010 and 31 December 2009, the Group had no exposure under financial instruments other than those discussed above.

23. Financial instruments and risk management - continued

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the statement of financial position date are as follows:

2010	**Euro €m**	**Sterling €m**	**US Dollar €m**	**Total €m**
Long term receivable	23.4	-	-	23.4
Trade and other receivables	29.7	5.4	-	35.1
Cash and cash equivalents	12.0	5.2	-	17.2
Total assets	41.7	10.6	-	52.3
Trade and other payables	27.0	12.4	3.3	42.7
Bank loans	10.0	-	10.5	20.5
Finance leases	0.8	2.2	-	3.0
Total liabilities	37.8	14.6	13.8	66.2
Net (assets) / liabilities	(3.9)	4.0	13.8	13.9
2009				
Trade and other receivables	24.7	5.8	0.1	30.6
Cash and cash equivalents	6.7	7.1	3.2	17.0
Total assets	31.4	12.9	3.3	47.6
Trade and other payables	26.1	14.5	3.5	44.1
Bank loans	25.7	-	11.5	37.2
Finance leases	1.5	-	-	1.5
Total liabilities	53.3	14.5	15.0	82.8
Net liabilities	21.9	1.6	11.7	35.2

24. Deferred tax liabilities

The Company and its subsidiaries, where appropriate, have elected to be taxed under the Tonnage Tax system in respect of all eligible activities. Certain activities will not fall within the tonnage tax regime and will continue therefore to be subject to standard rates of corporation tax. These activities give rise to deferred tax assets and liabilities and the impact of these is shown below.

In both the Group and the Company taxable losses, in excess of expected future reversing taxable temporary differences, have been incurred that are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses where suitable taxable profits are not expected to arise.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in the Group's financial planning process, and taking into consideration applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods.

Group 2010	Accelerated tax depreciation €m	Tax losses €m	Retirement benefit obligation €m	Total €m
At beginning of year	3.4	(0.5)	0.5	3.4
Charge / (credit) to the Consolidated Income Statement for the year	0.1	0.3	(0.1)	0.3
Charge to the Consolidated Statement of Comprehensive Income	-	0.1	0.4	0.5
At end of year	3.5	(0.1)	0.8	4.2

Group 2009	Accelerated tax depreciation €m	Tax losses €m	Retirement benefit obligation €m	Total €m
At beginning of year	3.9	(1.4)	0.7	3.2
(Credit) / charge to the Consolidated Income Statement for the year	(0.7)	0.8	(0.3)	(0.2)
Charge to the Consolidated Statement of Comprehensive Income	-	0.2	0.1	0.3
Exchange differences	0.2	(0.1)	-	0.1
At end of year	3.4	(0.5)	0.5	3.4

Company

The following are the major deferred tax liabilities and assets recognised by the Company, and the movements thereon, during the current and prior reporting periods.

	Accelerated tax depreciation €m	Tax losses €m	2010 Total €m	2009 Total €m
At beginning of year	0.1	(0.1)	-	-
Credit to Income Statement for the year	-	-	-	-
At end of year	0.1	(0.1)	-	-

24. Deferred tax liabilities - continued

Unrecognised deferred tax assets - Group and Company

The estimated value of the deferred tax asset not recognised is €1.0 million (2009: €1.0 million) in the Group and €0.2 million (2009: €0.2 million) in the Company. Deferred tax assets are not recognised as it is not probable that taxable profits will be available against which deductible temporary differences can be utilised. These amounts are analysed as follows:

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Other temporary differences	0.1	0.1	-	-
Advance corporation tax not immediately recoverable	0.1	0.1	0.1	0.1
Tax losses carried forward	0.8	0.8	0.1	0.1
Deferred tax asset not recognised	1.0	1.0	0.2	0.2

25. Trade and other payables

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Trade payables and accruals	42.7	44.1	5.0	4.3
Amounts due to subsidiary companies	-	-	66.1	86.2
	42.7	44.1	71.1	90.5
- payable within one year	41.6	44.1	71.1	90.5
- payable after one year	1.1	-	-	-
	42.7	44.1	71.1	90.5

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing.

The Directors consider that the carrying amount of trade payables approximates their fair value.

The average credit period outstanding was 72 days at 31 December 2010 (2009: 70 days). Certain suppliers reserve the right to charge interest on balances past their due date.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Taxation amounts payable by the Group and Company at 31 December are as follows:

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Corporation tax	0.7	0.5	-	0.1
Payroll taxes	0.8	1.0	0.5	0.3
Pay related social insurance	0.4	0.4	0.2	0.1
Value added tax	1.6	1.7	0.2	0.4
	3.5	3.6	0.9	0.9

26. Provisions

Group	2010 €m	2009 €m
Claims provision		
At beginning of year	1.0	0.6
Utilisation of provision	(0.1)	(0.2)
(Decrease) / increase in provision	(0.3)	0.6
At end of year	0.6	1.0
Dealt with in Consolidated Statement of Financial Position:		
Current liabilities	0.3	0.5
Non-current liabilities	0.3	0.5
	0.6	1.0

The claims provision comprises the insurance excess payable by the Group in a number of potential compensation claims, arising in the normal course of business. No provision has been made for instances that may have occurred prior to the year end, but for which no claim has been received. It is estimated based on prior experience that 50% of these claims will be settled within one year.

Company	2010 €m	2009 €m
Claims provision		
At beginning of year	0.4	-
(Decrease) / increase in provision	(0.2)	0.4
At end of year	0.2	0.4
Dealt with in Consolidated Statement of Financial Position:		
Current liabilities	0.1	0.2
Non-current liabilities	0.1	0.2
	0.2	0.4

The claims provision comprises the insurance excess payable by the Company in a number of potential compensation claims, arising in the normal course of business.

27. Deferred grant

Group	2010 €m	2009 €m
At beginning of year	1.2	1.3
Amortisation	(0.1)	(0.1)
At end of year	1.1	1.2
Dealt with in Consolidated Statement of Financial Position:		
Current liabilities	0.1	0.1
Non-current liabilities	1.0	1.1
	1.1	1.2

The deferred grant is in respect of capital assets and is amortised to the Consolidated Income Statement over the life of the assets.

28. Commitments

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Commitments under port operating agreements - approved and contracted for	1.4	1.4	-	-
Commitments for the acquisition of property, plant and equipment - approved and contracted for	-	3.4	-	-

The Group has given commitments under port operating agreements which give rise to a minimum annual charge as noted above. These agreements are due to expire within one year.

29. Operating lease agreements

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Minimum lease payments under operating leases recognised as an expense in the year	9.8	13.1	-	-

At the statement of financial position date outstanding commitments under non-cancellable operating leases fall due as follows:

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Within one year	3.2	1.5	0.1	0.1
In the second to fifth years inclusive	3.2	2.8	-	-
After five years	42.9	43.3	-	-
	49.3	47.6	0.1	0.1

29. Operating lease agreements - continued

Group

Operating lease payments represent rentals payable by the Group for certain of its properties, for the charter of container ships and for the hire of containers and other equipment. Excluding the lease with Dublin Port, which has an outstanding term of 112 years, the outstanding terms of the operating leases within the Group at 31 December 2010 range from 3 months to 5 years. Property rentals are fixed for periods ranging from 2 to 7 years.

Company

Operating lease payments represent rentals payable by the Company for one of its office properties. This lease can be terminated with six months notice.

30. Operating lease income

The aggregate future minimum lease payments receivable under non-cancellable operating leases for the Group are as follows:

	2010 €m	2009 €m
Within one year	2.8	6.1
In the second to fifth years inclusive	4.2	6.8
After five years	-	-
	7.0	12.9

During the year the operating lease on one vessel was terminated with the subsequent disposal of the vessel (see note 6). The Group continues to charter another vessel under an operating lease to a third party. The vessel is chartered at a fixed rate for terms expiring in 2013, with this being the final option period.

31. Share-based payments

The Group and Company operate equity settled share option schemes. Certain employees of the Group and Company have been issued with share options under the Group's and Company's share option plan.

Options granted under the 1998 share option scheme are subject to the following performance criteria:

1. Basic options may be exercised between the third and tenth anniversary of grant only if earnings per share growth is 2% per annum above inflation for the period.
2. Super options may be exercised between the fifth and tenth anniversary of grant only if earnings per share growth is such as to place the Group in the top quartile of ISEQ companies and the Group's earnings per share growth is at least 10% per annum above inflation for the period.

The number of shares over which options may be granted may not exceed 10% of the shares of the Company in issue.

Options are forfeited when the grantee ceases employment with the Group or Company unless permitted by the Remuneration Committee of the Board.

31. Share-based payments - continued

The number and weighted average exercise price of share options granted under the above plan is as follows:

	2010 Number of share options	2010 Weighted average exercise price €	2009 Number of share options	2009 Weighted average exercise price €
Outstanding at 1 January	1,435,000	13.77	1,435,000	13.77
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	370,000	8.92	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	1,065,000	15.45	1,435,000	13.77
Exercisable at 31 December	367,500	8.15	623,750	8.27
Weighted average share price at date of exercise of options		16.43		N/A
Weighted average remaining contractual life of options outstanding at year end		5.4 years		5.7 years

The options outstanding at 31 December 2010 can be exercised at prices ranging from €5.30 to €21.32. No options had been issued under the 2009 option plan.

Options issued after 7 November 2002

Equity settled share-based payments for share options granted after 7 November 2002 are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Fair value is measured using the Binomial option pricing model. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Since 7 November 2002 options have been granted on 13 April 2005, 18 September 2006 and on 19 December 2007. The estimated fair values of the options are €4.01, €4.43 and €9.22 respectively per share under option.

The inputs into the model in the respective years of grant were as follows:

Year of grant	2010	2009	2008	2007	2006	2005
Weighted average share price	-	-	-	€21.32	€10.67	€10.00
Weighted average exercise price	-	-	-	€21.32	€10.67	€10.00
Expected volatility	-	-	-	35%	35%	36%
Expected life	-	-	-	10 years	10 years	10 years
Risk free rate	-	-	-	4.260%	3.765%	3.293%
Expected dividend yield	-	-	-	1.64%	1.87%	1.69%

31. Share-based payments - continued

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest, and adjusted for the effect of non market-based vesting conditions. In 2010 the Group recognised total expenses of €0.3 million (2009: €0.4 million) and the Company €0.2 million (2009: €0.3 million), relating to equity share-based payment transactions. Of the total expenses of €0.3 million in the Group, €0.2 million related to Directors of the Group (2009: €0.3 million). The balance on the share option reserve in the Consolidated Statement of Financial Position at 31 December 2010 is €1.5 million (2009: €1.9 million). The balance on the share option reserve in the Company Statement of Financial Position at 31 December 2010 is €1.2 million (2009: €1.3 million).

32. Retirement benefit schemes

(a) Group retirement benefit schemes

(i) Group sponsored schemes

The Group operates contributory defined benefit pension schemes, which provide retirement and death benefits for virtually all full-time employees. The assets of these schemes are held separately from those of the Group in schemes under the control of trustees.

The pension contributions paid in the year ended 31 December 2010 amounted to €4.5 million (2009: €7.2 million) while the current service cost charged to the Consolidated Income Statement amounted to €1.7 million (2009: €1.5 million). A curtailment gain of €1.8m is recognised as a credit in the employee benefits expense note. At 31 December 2010 there were 762 pensioners in receipt of pension payments from the Group schemes (2009: 762).

The pension charges and payments in respect of the schemes are in accordance with the advice of professionally qualified actuaries. The latest actuarial valuation reports for these schemes, which are not available for public inspection, are dated between 1 July 2007 and 29 June 2010. The valuations employed for disclosure purposes have been based on the most recent funding valuations for each scheme adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2010 and to take account of financial conditions at this date. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method and assets have been valued at bid value.

(ii) Merchant Navy Officers Pension Fund (MNOPF)

In addition to the pension schemes operated by the Group, certain employees are members of the Merchant Navy Officers Pension Fund (MNOPF), an industry wide multi-employer scheme. The latest actuarial valuation of the Scheme, which is available for public inspection, is dated 31 March 2009. The share of the Group in the MNOPF as advised by the Trustees is 1.57%. Disclosures relating to this scheme are based on these allocations.

In prior years the valuation employed for disclosure purposes has been based on the most recent funding valuations adjusted by the independent actuaries to allow for the accrual of liabilities up to the Statement of Financial Position date. In 2010 the MNOPF was unable to provide the Group with sufficient information to accurately assess the Funds financial position on that basis. The valuation approach has therefore been modified at 31 December 2010 to recognise a net liability equal to the value of the deficit contributions which the Group is contractually committed to and which fall due for payment after this date. No investment assets are recognised.

The most recent deficit contributions included in the 31 December 2010 valuation were issued in September 2010 based on the trustee estimate of the deficit at 31 December 2009.

The share of the overall deficit in the MNOPF apportioned to the Group is €11.3 million at 31 December 2010 (2009: €11.5 million). During the year the Group made payments of €1.3 million (2009: €0.9 million) to the trustees. As at 31 December 2010 the Group is scheduled to pay a further €14.4 million (2009: €4.6 million) in cash contributions relating to the past deficit, in annual instalments up to 2020.

32. Retirement benefit schemes - continued

(iii) Principal assumptions

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

	Sterling liabilities 2010	Sterling liabilities 2009	Euro liabilities 2010	Euro liabilities 2009
Discount rate	**5.50%**	5.70%	**5.50%**	5.60%
Inflation rate	**3.60%**	3.50%	**2.00%**	2.00%
Rate of increase of pensions in payment	**3.35%**	3.25%	**1.80% - 2.00%**	1.80% - 2.00%
Rate of general salary increases	**4.60%**	4.50%	**3.00% - 3.50%**	3.00% - 3.50%

The long term expected rates of return at 31 December 2010 and 31 December 2009, determined in conjunction with the Groups' actuaries and analysed by class of investment, are as follows:

	Sterling assets 2010	Sterling assets 2009	Euro assets 2010	Euro assets 2009
Equities	**7.80%**	7.50%	**7.40%**	7.50%
Bonds	**3.60%**	4.10%	**4.40%**	4.50%
Property	**6.80%**	6.50%	**6.40%**	6.50%
Other	**3.80%**	4.00%	**2.50%**	2.50%

The long term rates of return for each category of schemes' assets are determined based on long term expectations for such rates and input from investment advisors.

The rates of return on equities and property are based on current long term government bond yields (approximating risk free rates) plus an appropriate risk premium. The long term rates of return on bond and cash investments are set in line with market yields currently available at the Statement of Financial Position date.

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

	Male 2010	Female 2010	Male 2009	Female 2009
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

The Directors have taken independent actuarial advice on the key judgements used in the estimate of retirement benefit scheme assets and liabilities.

32. Retirement benefit schemes - continued

Sensitivity of pension liability judgemental assumptions

The Group's total obligation in respect of defined benefit schemes is calculated by independent, qualified actuaries, updated at least annually and totals €217.8 million at 31 December 2010 (2009: €250.6 million). At 31 December 2010 the Group also has scheme assets totalling €200.3 million (2009: €223.4 million), giving a net pension deficit of €17.5 million (2009: deficit of €27.2 million). The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the scheme asset is also sensitive to asset return levels and the level of contributions from the Group.

Assumption	Change in assumption	Impact on liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 8.3%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 6.6%
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by 1.0%
Rate of mortality	Members assumed to live 1 year longer	Increase by 3.0%

(iv) Retirement benefit assets and liabilities

The amount recognised in the Consolidated Statement of Financial Position in respect of the Group's defined benefit schemes, including an apportionment in respect of the MNOPF is as follows:

	Scheme with liabilities in Sterling		Scheme with liabilities in Euro	
	2010 €m	2009 €m	2010 €m	2009 €m
Equities	6.9	23.2	103.2	93.9
Bonds	12.0	23.2	60.9	58.6
Property	0.3	1.7	11.1	11.0
Other	0.2	0.8	5.7	11.0
Market value of scheme assets	19.4	48.9	180.9	174.5
Present value of scheme liabilities	(27.4)	(58.1)	(190.4)	(192.5)
Deficit in schemes	(8.0)	(9.2)	(9.5)	(18.0)

Three of the defined benefit schemes accounted for by the Group are in a net surplus position and are shown in non current assets in the Consolidated Statement of Financial Position.

Three of the defined benefit schemes accounted for by the Group are in a net deficit position and are shown in non current liabilities. The split between the amounts shown in each category is as follows:

	2010 €m	2009 €m
Non current assets - retirement benefit surplus	4.0	2.4
Non current liabilities - retirement benefit obligation	(21.5)	(29.6)
Net deficit in pension schemes	(17.5)	(27.2)

Investment of the scheme assets in the Employer Company did not exceed 5% of the total market value of the Fund.

32. Retirement benefit schemes - continued

(v) Movements in retirement benefit assets

Movements in the present value of fair value of scheme assets in the current year were as follows:

2010	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	48.9	174.5	223.4
Reclassification of MNOPF assets to liabilities	(31.5)	-	(31.5)
At beginning of year as reclassified	17.4	174.5	191.9
Expected return on scheme assets	0.9	10.6	11.5
Actuarial gains	1.2	4.2	5.4
Exchange difference	0.5	-	0.5
Employer contributions	0.2	3.0	3.2
Contributions from scheme members	-	0.6	0.6
Benefits paid	(0.8)	(12.0)	(12.8)
At end of year	19.4	180.9	200.3

2009	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	40.1	155.3	195.4
Expected return on scheme assets	2.3	9.4	11.7
Actuarial gains	2.9	11.3	14.2
Exchange difference	3.1	-	3.1
Employer contributions	1.1	6.1	7.2
Contributions from scheme members	-	0.7	0.7
Benefits paid	(0.6)	(8.3)	(8.9)
At end of year	48.9	174.5	223.4

32. Retirement benefit schemes - continued

(vi) Movement in retirement benefit liabilities

Movements in the present value of defined benefit obligations in the year were as follows:

2010	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	58.1	192.5	250.6
Reclassification of MNOPF assets to liabilities	(31.5)	-	(31.5)
At beginning of year as reclassified	26.6	192.5	219.1
Service cost	0.1	1.6	1.7
Interest cost	1.5	10.5	12.0
MNOPF deficit payments	(1.3)	-	(1.3)
Contributions from scheme members	-	0.6	0.6
Actuarial losses / (gains)	0.5	(1.0)	(0.5)
Exchange difference	0.8	-	0.8
Curtailment gain	-	(1.8)	(1.8)
Benefits paid	(0.8)	(12.0)	(12.8)
At end of year	27.4	190.4	217.8
Present value of schemes liabilities at end of year that relates to:			
Wholly unfunded plans	-	-	-
Wholly or partly funded plans	27.4	190.4	217.8
	27.4	190.4	217.8

2009	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	44.9	175.2	220.1
Service cost	0.2	1.3	1.5
Interest cost	2.9	10.1	13.0
Contributions from scheme members	-	0.7	0.7
Actuarial losses	6.7	13.5	20.2
Exchange difference	4.0	-	4.0
Benefits paid	(0.6)	(8.3)	(8.9)
At end of year	58.1	192.5	250.6
Present value of schemes liabilities at end of year that relates to:			
Wholly unfunded plans	-	-	-
Wholly or partly funded plans	58.1	192.5	250.6
	58.1	192.5	250.6

32. Retirement benefit schemes - continued

(vii) Amounts recognised in Consolidated Income Statement

Amounts recognised in the Consolidated Income Statement in respect of the defined benefit scheme are as follows:

	2010 €m	2009 €m
Charges / (credits) to employee benefits expense		
Current service cost	1.7	1.5
Curtailment gain	(1.8)	-
	(0.1)	1.5
Other (credits) / charges to Consolidated Income Statement		
Expected return on scheme assets (note 7)	(11.5)	(11.7)
Interest on scheme liabilities (note 8)	12.0	13.0
	0.5	1.3

The estimated amounts of contributions expected to be paid to the schemes during 2011 is €3.5 million based on current funding agreements, but may change based on funding agreements to be concluded during 2011.

(viii) Amounts recognised in the Consolidated Statement of Comprehensive Income

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:

Experience adjustments:

	2010 €m	2009 €m
Actual return on scheme assets	16.9	25.9
Expected return on scheme assets	(11.5)	(11.7)
Actual return less expected return on scheme assets	5.4	14.2
Experience gain on scheme liabilities	4.4	4.1
Loss due to change in assumptions used to value liabilities	(3.9)	(24.3)
Actuarial gain / (loss) recognised in Consolidated Statement of Comprehensive Income	5.9	(6.0)

The cumulative amount of actuarial gains and losses recognised in the other comprehensive income since the date of transition to IFRSs is losses of €54.6 million (2009: losses of €60.5 million).

Exchange movement:

	2010 €m	2009 €m
Exchange difference on scheme assets	0.5	3.1
Exchange difference on scheme liabilities	(0.8)	(4.0)
Consolidated Statement of Comprehensive Income	(0.3)	(0.9)

32. Retirement benefit schemes - continued

(ix) Experience adjustments

The five-year history of experience adjustments is as follows:

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Present value of defined benefit obligations	(217.8)	(250.6)	(220.1)	(258.1)	(277.3)
Fair value of scheme assets	200.3	223.4	195.4	284.0	297.1
Net (deficit) / surplus in pension scheme	(17.5)	(27.2)	(24.7)	25.9	19.8
Experience adjustments on scheme liabilities (Decrease) / increase	(0.5)	20.2	(34.3)	(22.5)	(2.8)
Experience adjustments on scheme assets Increase / (decrease)	5.4	14.2	(90.2)	(22.9)	9.3

(b) Company retirement benefit schemes

(i) Company sponsored / Group affiliated schemes

Certain employees of the Company are members of a defined benefit pension scheme which is sponsored by another Group Company, Irish Ferries Limited. The stated policy between the sponsoring entity and the Company does not require the Company to recognise the net defined benefit in its individual financial statements. Consequently the Company recognises a retirement benefit cost in its Income Statement in respect of this scheme equal to its contribution payable for the year. Detailed information in respect of this scheme is given within part (a) of this note. Other employees are members of the ICG Executive Pension Scheme and the Ex Merchant Navy Officers Pension Scheme (Ex MNOPF), which are sponsored by the Company.

The contributory defined benefit pension schemes sponsored by the Company and the Group companies provide retirement and death benefits for employees. The assets of these schemes are held separately from those of the Company and Group in schemes under the control of trustees. The pensions charge and payments in respect of the schemes are in accordance with the advice of professionally qualified actuaries.

The latest actuarial valuation report for the ICG Executive Pension Scheme and the Ex MNOPF Scheme, which are not available for public inspection, are dated 1 July 2007 and 29 June 2010 respectively. The valuation employed for disclosure purposes has been based on the most recent funding valuations for the schemes adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2010 and to take account of financial conditions at this date. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method and assets have been valued at bid value.

(ii) Merchant Navy Officers Pension Fund (MNOPF)

In addition to the pension schemes operated by the Company, certain employees are members of the Merchant Navy Officers Pension Fund (MNOPF), an industry wide multi-employer scheme. The latest actuarial valuation of the Scheme, which is available for public inspection, is dated 31 March 2009. The share of the Company in the MNOPF as advised by the Trustees is 0.52%. Disclosures relating to this scheme are based on these allocations.

In prior years the valuation employed for disclosure purposes has been based on the most recent funding valuations adjusted by the independent actuaries to allow for the accrual of liabilities up to the Statement of Financial Position date. In 2010 the MNOPF was unable to provide the Company with sufficient information to accurately assess the Funds financial position on that basis. The valuation approach has therefore been modified at 31 December 2010 to recognise a net liability equal to the value of the deficit contributions which the Company is contractually committed to and which fall due for payment after this date. No investment assets are recognised. The most recent deficit contributions included in the 31 December 2010 valuation were issued in September 2010 based on the trustee estimate of the deficit at 31 December 2009.

The share of the overall deficit in the MNOPF apportioned to the Company is €3.9 million at 31 December 2010 (2009: €4.1 million). During the year the Company made payments of €0.5 million (2009: €0.3 million) to the trustees. As at 31 December 2010 the Company is scheduled to pay a further €5.0 million (2009: €1.6 million) in cash contributions relating to the past deficit in equal annual instalments up to 2020.

32. Retirement benefit schemes - continued

(iii) Principal assumptions

The principal assumptions used for the purpose of the actuarial valuations are set out in part (a) of this note.

(iv) Retirement benefit assets and liabilities

The amount recognised in the Statement of Financial Position in respect of the Company's defined benefit schemes, including an apportionment in respect of the MNOPF are as follows:

	Schemes with liabilities in Sterling		Schemes with liabilities in Euro	
	2010 €m	**2009 €m**	**2010 €m**	**2009 €m**
Equities	-	6.1	2.8	1.6
Bonds	-	4.2	0.5	0.4
Property	-	0.5	0.2	0.1
Other	-	0.1	0.2	-
Market value of scheme assets	-	10.9	3.7	2.1
Present value of scheme liabilities	(3.9)	(15.0)	(3.0)	(2.2)
Surplus / (deficit) in schemes	(3.9)	(4.1)	0.7	(0.1)

Two of the defined retirement benefit pension schemes accounted for by the Company are in a net surplus position, while the other scheme is in a net deficit position. The split between the amounts shown in each category is as follows:

	2010 €m	**2009 €m**
Non current assets - retirement benefit surplus	0.7	-
Non current liabilities - retirement benefit obligation	(3.9)	(4.2)
Net deficit in pension schemes	(3.2)	(4.2)

The Company's total obligation in respect of the defined benefit scheme is calculated by independent, qualified actuaries, updated at least annually and totals €6.9 million at 31 December 2010 (2009: €17.2 million). At 31 December 2010 the Company also has scheme assets totalling €3.7 million, (2009: €13.0 million) giving a net pension liability of €3.2 million (2009: liability of €4.2 million). The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the scheme asset is also sensitive to asset return levels and the level of contributions from the Company.

Investment of the scheme assets in the Employer Company did not exceed 5% of the total market value of the Fund.

32. Retirement benefit schemes - continued

(v) Movement in retirement benefit assets

Movements in the present value of fair value of scheme assets in the current year were as follows:

2010	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	10.9	2.1	13.0
Reclassification of MNOPF assets to liabilities	(10.9)	-	(10.9)
At beginning of year as reclassified	-	2.1	2.1
Expected return on scheme assets	-	0.3	0.3
Actuarial gains	-	0.5	0.5
Exchange difference	-	-	-
Employer contributions	-	0.8	0.8
At end of year	-	3.7	3.7

2009	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	8.9	1.6	10.5
Expected return on scheme assets	0.5	0.1	0.6
Actuarial gains	0.5	0.1	0.6
Exchange difference	0.7	-	0.7
Employer contributions	0.3	0.3	0.6
At end of year	10.9	2.1	13.0

32. Retirement benefit schemes - continued

(vi) Movement in retirement benefit liabilities

Movements in the present value of defined benefit obligations in the year were as follows:

2010	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	15.0	2.2	17.2
Reclassification of MNOPF assets to liabilities	(10.9)	-	(10.9)
At beginning of year as reclassified	4.1	2.2	6.3
Service cost	-	0.2	0.2
Interest cost	0.2	0.2	0.4
MNOPF deficit payments	(0.5)	-	(0.5)
Actuarial losses	-	0.4	0.4
Exchange difference	0.1	-	0.1
At end of year	3.9	3.0	6.9
Present value of schemes liabilities at end of year that relates to:			
Wholly unfunded plans	-	-	-
Wholly or partly funded plans	3.9	3.0	6.9
	3.9	3.0	6.9

2009	Schemes in Sterling €m	Schemes in Euro €m	Total €m
At beginning of year	11.5	2.0	13.5
Service cost	-	0.1	0.1
Interest cost	0.7	0.1	0.8
Actuarial gains	1.8	-	1.8
Exchange difference	1.0	-	1.0
At end of year	15.0	2.2	17.2
Present value of schemes liabilities at end of year that relates to:			
Wholly unfunded plans	-	-	-
Wholly or partly funded plans	15.0	2.2	17.2
	15.0	2.2	17.2

32. Retirement benefit schemes - continued

(vii) Amounts recognised in the Company Income Statement

Amounts recognised in the Company Income Statement in respect of the defined benefit scheme are as follows:

	2010 €m	2009 €m
Charged to employee benefits expense		
Current service cost	0.2	0.1
Other (credits) / charges to Income statement		
Expected return on scheme assets	(0.3)	(0.6)
Interest on scheme liabilities	0.4	0.8
	0.1	0.2

The estimated amounts of contributions expected to be paid by the Company to the schemes during 2011 is €0.2 million based on current funding agreements, but may change based on funding agreements to be concluded during 2011.

(viii) Amounts recognised in the Company Statement of Comprehensive Income

Amounts recognised in the Company Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:

Experience adjustments:

	2010 €m	2009 €m
Actual return on scheme assets	0.8	1.2
Expected return on scheme assets	(0.3)	(0.6)
Actual return less expected return on scheme assets	0.5	0.6
Experience loss on scheme liabilities	-	-
Gain due to change in assumptions used to value liabilities	(0.4)	(1.8)
Actuarial gain / (loss) recognised in Statement of Comprehensive Income	0.1	(1.2)

The cumulative amount of actuarial gains and losses recognised in the other comprehensive income since the date of transition to IFRSs is losses of €5.0 million (2009: losses of €5.1 million).

Exchange movement:

	2010 €m	2009 €m
Exchange difference on scheme assets	-	0.7
Exchange difference on scheme liabilities	(0.1)	(1.0)
Company Statement of Comprehensive Income	(0.1)	(0.3)

32. Retirement benefit schemes - continued

(ix) Experience adjustments

The five-year history of experience adjustments is as follows:

	2010 €m	2009 €m	2008 €m	2007 €m	2006 €m
Present value of defined benefit obligations	(6.9)	(17.2)	(13.5)	(17.6)	(18.8)
Fair value of scheme assets	3.7	13.0	10.5	15.4	15.2
Net deficit in pension scheme	(3.2)	(4.2)	(3.0)	(2.2)	(3.6)
Experience adjustments on scheme liabilities Increase / (decrease)	0.4	1.8	(1.8)	(0.7)	2.3
Experience adjustments on scheme assets Increase / (decrease)	0.5	0.6	(3.8)	(0.4)	0.4

33. Related party transactions

Group

During the year, Group entities incurred costs of €0.2 million through provision of administration and accounting services to Irish Ferries Limited Pension Scheme and Irish Ferries (UK) Limited Pension Scheme, related parties that are not members of the Group.

Company

The Company chartered a vessel from a subsidiary Company during the year. It also advanced and received funds to and from certain companies. Net funds received from subsidiaries during the year amounted to €14.6 million (2009: advanced to subsidiaries €32.2 million). The Company has provided Letters of Financial Support for certain of its other subsidiaries as disclosed in note 36.

During the year the Company received dividends of €19.5 million (2009: €55.3 million) from subsidiary companies.

At 31 December the following amounts were due to or from the Company by its subsidiaries:

	2010 €m	2009 €m
Amounts due from subsidiary companies (note 18)	136.4	171.1
Amounts due to subsidiary companies (note 25)	(66.1)	(86.2)
	70.3	84.9

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. There are no set terms and conditions attached to the amounts outstanding.

33. Related party transactions - continued

Compensation of key management personnel

The remuneration of key management, including Directors, during the year was as follows:

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Short-term benefits	4.5	4.1	2.4	1.9
Post-employment benefits	0.5	0.6	0.3	0.4
Share based payments	0.3	0.4	0.2	0.3
	5.3	5.1	2.9	2.6

Post employment benefits comprise the past and current service cost calculated in accordance with IAS 19 Employment Benefits.

The remuneration of Directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals, market trends and the performance of the Group and Company.

Redemption of redeemable shares and dividends

Amounts received by key management, including Directors arising from the redemption of redeemable shares held by them in 2009 and dividends in 2010 are as follows:

	Group 2010 €m	Group 2009 €m	Company 2010 €m	Company 2009 €m
Redemption of redeemable shares	-	4.2	-	4.2
Dividends	4.2	-	4.2	-

Amounts received by Directors of the Company arising from the redemption of redeemable shares held by them in 2009 and dividends in 2010 are as follows:

	2010 €m	2009 €m
Eamonn Rothwell	3.9	3.9
Garry O'Dea	0.2	0.2
Tony Kelly	-	-
John B. McGuckian	-	-
Peter Crowley	-	-
Bernard Somers	-	-
	4.1	4.1

Share options

Share options exercised by the Company's Directors are set out in the Report of the Remuneration Committee on pages 29 to 32.

34. Net cash from operating activities

Group	2010 €m	2009 €m
Operating activities		
Profit for the year	39.0	25.2
Adjustments for:		
Finance costs (net)	0.8	1.6
Income tax expense / (credit)	1.1	(0.3)
Retirement benefit obligations - current service cost	1.7	1.5
Retirement benefit obligations - payments	(4.5)	(7.2)
Retirement benefit obligations - curtailment gain	(1.8)	-
Depreciation of property, plant and equipment	21.7	23.4
Amortisation of intangible assets	0.5	0.9
Amortisation of deferred income	(0.1)	(0.1)
Share-based payment expense	0.3	0.4
Gain on disposal of vessel	(9.4)	-
Gain on disposal property, plant and equipment	(0.4)	(0.1)
(Decrease) / increase in other provisions	(0.4)	0.4
Operating cash flows before movements in working capital	**48.5**	**45.7**
Decrease / (increase) in inventories	0.1	(1.2)
(Increase) / decrease in receivables	(1.3)	9.9
Decrease in payables	(3.5)	(1.0)
Cash generated from operations	**43.8**	**53.4**
Income taxes paid	(0.6)	(0.1)
Interest paid	(0.4)	(2.0)
Net cash generated from operating activities	**42.8**	**51.3**

34. Net cash from operating activities - continued

Company	2010 €m	2009 €m
Operating activities		
Profit for the year	7.1	48.8
Adjustments for:		
Finance costs (net)	0.2	0.1
Retirement benefit obligations - current service cost	0.2	0.1
Retirement benefit obligations - payments	(1.3)	(0.6)
Dividend income	(19.5)	(55.3)
Depreciation of property, plant and equipment	1.6	2.5
Amortisation of intangible assets	0.5	0.9
Share-based payment expense	0.2	0.3
(Decrease) / increase in provisions	(0.2)	0.4
Operating cash flows before movements in working capital	**(11.2)**	**(2.8)**
Decrease in inventories	(0.1)	(0.1)
Decrease / (increase) in receivables	34.1	(55.8)
(Decrease) / increase in payables	(19.4)	23.6
Cash generated from / (utilised by) operations	**3.4**	**(35.1)**
Income taxes paid	(0.1)	-
Interest paid	-	(0.1)
Net cash generated from / (utilised by) operating activities	**3.3**	**(35.2)**

35. Non-cash transactions

Additions to property, plant and equipment during the year amounting to €2.3 million (2009: €0.1 million) in the Group and €nil (2009: €0.1 million) in the Company were financed by new finance leases.

During the year the Group entered into a long term bareboat hire purchase agreement in relation to disposal of the vessel Bilbao which is treated as a finance lease under IAS 17. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Further details are set out in notes 6 and 15 respectively.

36. Contingent liabilities

The Group has issued counter indemnities to Allied Irish Banks plc in relation to bonds required by regulatory authorities and suppliers, amounting to €0.3 million (2009: €0.5 million). The Group regards these financial guarantee contracts as insurance contracts and accordingly the accounting treatment applied is that applicable to insurance contracts. No claims have been notified to the Group in respect of these contracts, therefore no provision has been made in respect of amounts payable.

36. Contingent liabilities - continued

The Group entered into leasing transactions in respect of two of the Group's vessels in September 1998 which were due to expire in 2018. These leases were voluntarily terminated on 23 December 2009 without penalty. Under the terms of the original lease agreements and the termination agreements certain indemnities were given to other parties to the transaction. The Directors consider that these indemnities would only be quantifiable if a claim is made and that no obligation had arisen at the statement of financial position date.

On 14 June 2007 Irish Continental Group plc (Group and Company) entered into a Reimbursement Agreement with the Moonduster Consortium (Moonduster) that, in particular circumstances specified in the agreement, certain expenses incurred by Moonduster associated with their proposed bid for the Company would be reimbursed by the Company. By letter dated 10 October 2007 Moonduster claimed reimbursement of expenses totalling €6.47 million. Having considered the matter with its legal advisors, the Company concluded that on a proper construction of the Reimbursement Agreement the obligation to reimburse Moonduster did not arise in the circumstances and therefore the Company rejected the claim and no provision for payment of such claim has been made in these financial statements.

The Group and Company is a participating employer in the Merchant Navy Officer Pension Fund (MNOPF), a multi-employer defined benefit pension scheme. The MNOPF is in deficit. Under the rules of the fund all employers are liable for the deficit. The deficit included in these accounts for the Group and Company represents an apportionment of the overall scheme deficit based on notification received from the trustees which is currently 1.57%. Should other participating employers default on their obligations, the Group and Company will be required to absorb a larger share of the scheme deficit calculated in the same manner as the current apportionment.

Separately, if the Group (and or Company) ceases to be an employer employing persons in the description of employment to which the MNOPF relates, the Group may incur a statutory debt (otherwise known as "Section 75" debt by reference to Section 75 of the United Kingdom Pensions Act 1995 amended by the Pensions Act 2004).

The calculation of such a statutory debt is prescribed in legislation and is on a different basis from the current deficit calculations. This would be a greater amount than the deficit included in these financial statements and the Directors consider that this amount is not quantifiable unless and until such an event occurs.

Pursuant to the provision of Section 17 of the Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of certain of its subsidiaries and, as a result, such subsidiaries have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986. The Company has fair valued these guarantees at €nil at 31 December 2010 (2009: €nil) based on projected cashflows.

The Company has provided Letters of Financial Support for certain of its other subsidiaries. The Company has fair valued these financial guarantees contract at €nil at 31 December 2010 (2009: €nil) based on projected cashflows.

The Company has provided a guarantee and indemnity in favour of lenders in respect of obligations of certain subsidiaries who are borrowers under the Group's banking facilities.

The Company has provided indemnities in respect of certain leasing transactions arising in a subsidiary Company which were terminated on 23 December 2009. The Directors consider that these indemnities would only be quantifiable if a claim is made and that no obligation had arisen at the statement of financial position date.

37. Post statement of financial position events

The Board is proposing a final dividend of 100 cent per ICG Unit in respect of the results for the year ended 31 December 2010.

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2010.

38. Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2011.

INVESTOR INFORMATION

ICG UNITS

An ICG Unit consists of one Ordinary Share and ten Redeemable Shares (or such lesser number thereof should any of the Redeemable Shares be redeemed). The shares comprising a unit are not separable for sale or transfer purposes.

The number of Redeemable Shares comprised in an ICG Unit at any particular time will be displayed on the Irish Continental Group plc website **(www.icg.ie)**. The redemption of redeemable shares is solely at the discretion of the Directors.

At 11 March 2011 an ICG Unit consisted of one Ordinary share and 10 Redeemable shares.

PAYMENTS TO SHAREHOLDERS

The Board of Directors, at its discretion, may, from time to time, redeem some or all of the Redeemable Shares at a premium over their nominal value. If any such redemption takes place it is unlikely that a dividend would also be paid in the same period, and vice versa.

Shareholders are offered the option of having any distributions paid in Euro or in Sterling and made by way of cheque payment or electronic transfer. Shareholders should contact the Company's Registrar for further information.

The Company is obliged to deduct Dividend Withholding Tax (DWT) at the standard rate of income tax in Ireland (currently 20%) from dividends paid to its shareholders, unless a shareholder is entitled to an exemption from DWT and has returned a declaration form to the Company's Registrar claiming such entitlement.

ICG UNIT PRICE DATA (€)

	High	Low	Year end
Year ended 31 December 2010	17.05	14.00	15.30
Year ended 31 December 2009	18.00	9.50	14.50

SHARE LISTINGS

ICG Units are traded on the Irish Stock Exchange. ICG Units are quoted on the official lists of both the Irish Stock Exchange and the UK Listing Authority.

ICG's ISIN code is IE0033336516.

ICG is a member of the CREST share settlement system. Shareholders may choose to hold paper share certificates or hold their shares in electronic form.

INVESTOR RELATIONS

Please address investor enquiries to:

Irish Continental Group plc
Ferryport
Alexandra Road
Dublin 1

Telephone: +353 1 607 57 00
Fax: +353 1 855 22 68
E-mail: investorrelations@icg.ie

REGISTRAR

The Company's Registrar deals with all administrative queries about the holding of ICG Units.

Shareholders should contact the Registrar in order to:

- Register to receive shareholder information electronically;
- Elect to receive any distributions from the Company by bank transfer; and
- Amalgamate accounts where shareholders have multiple accounts in their name, to avoid duplicate sets of Company mailings being sent to one shareholder.

The registrar also offers a share dealing service to shareholders.

The Company's registrar is
Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18

Telephone: +353 1 216 31 00
Fax: +353 1 216 31 51
E-mail: web.queries@computershare.co.uk

FINANCIAL CALENDAR 2011

Announcement of preliminary Statement of Results to 31 December 2010	14 March 2011
Annual General Meeting	01 June 2011
Proposed final dividend payment date	08 June 2011
Half year results announcement	30 August 2011

TRAVEL DISCOUNTS FOR SHAREHOLDERS

Registered shareholders of 100 or more ICG shares can avail of a discount when travelling with Irish Ferries. The availability of the discount, the conditions applicable and the level of discount are subject to review and are varied from time to time. The principal features of the scheme at 11 March 2011 are:

- 20% discount on passenger and car ferry services between Ireland and Britain;
- 10% discount on passenger and car ferry services between Ireland and France (direct sailings only); and
- 5% discount on Irish Ferries inclusive package holidays (incorporating travel with Irish Ferries).

To qualify for the discount the person travelling must be the registered holder of the shares, book online at www.irishferries.com, and apply for the discount at the time of booking. The discount is not available in conjunction with any other discount scheme.

For further information please contact Irish Ferries Customer Support in Dublin on + 353 1 607 5700 or e-mail shareholders@irishferries.com.

OTHER INFORMATION

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DLA, Liverpool

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Deloitte & Touche
Chartered Accountants and Registered Auditors
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Principal bankers
KBC Bank Ltd, Dublin
AIB Bank, Dublin

Stockbrokers
NCB Stockbrokers Ltd, Dublin

Registrars
Computershare Investor Services (Ireland) Limited
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Sandyford Industrial Estate,
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