IRISH CONTINENTAL GROUP

PRELIMINARY STATEMENT OF RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2007

HIGHLIGHTS

	2007	2006
Turnover	€355.8m	€312.1m
EBITDA*	€80.2m	€59.7m
Profit from operations*	€50.1m	€32.2m
Non trading items (net)	(€10.1m)	€0.7m
Basic EPS	160.9c	137.4c
Capital expenditure	€58.4m	€12.0m
Equity	€212.3m	€178.3m
Net Debt	€84.5m	€113.8m

* Before non trading items

COMMENT

In a comment, Chairman, John B. McGuckian stated,

"I am pleased to report that 2007 was a very successful year for the Group, with strong growth in EBITDA and operating profit. Most of this strong performance was achieved in the first half of 2007 when EBITDA was €17 million higher than in the first half of 2006 (as reported in our interim statement in September 2007).

The latter half of 2007 was more challenging with higher oil prices and slowing economic growth. With the benefit of capital investment of €58.4 million in 2007, coming on stream in the current year, we are well placed to compete vigorously in the more challenging international environment which now prevails."

10th March 2008

PRELIMINARY STATEMENT OF RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2007

RESULTS

Irish Continental Group plc ("ICG" or the "Group" or the "Company") today reports its results for the year to 31 December 2007.

Turnover for the year grew 14% to €355.8 million (2006: €312.1 million). EBITDA, before non trading items, was up 34% to €80.2 million (2006: €59.7 million) while trading profit before non trading items amounted to €50.1 million (2006: €32.2 million). The improvement in EBITDA and operating profit was due to the increase in revenue across the Group partially offset by higher port charges and fuel costs (up 10% to €36.1 million). Adjusted EPS amounted to 178.6 cent (2006: 108.5 cent).

The net interest charge was €5.2 million (2006: €5.7 million) before a net interest credit from our defined benefit pension schemes of €5.9 million (2006: €6.1 million).

SECOND HALF YEAR

In the seasonally more significant second half of the year turnover was up 13% at €192.6 million, while profit before non trading items was €33.7 million compared with €29.6 million in the second half of 2006. Second half operating profit in the Ferries Division was up 6% at €28.7 million, compared with 2006, while in the Container & Terminal Division operating profit in the second six months rose to €5.0 million, compared with €2.4 million in the comparable period in 2006.

REDEMPTION OF REEDEMABLE SHARES

The Board has decided to redeem one redeemable share per ICG unit for a consideration of 100 cent per redeemable share. This will be paid on 8 April to shareholders on the register at 25 March 2008.

NON TRADING ITEMS

In the statement of interim results dated 10 September 2007, we reported a non trading exceptional charge of €16.5 million, which represented the estimated potential costs incurred by the Group in relation to the recommended offers for the Group via a Scheme of Arrangement. Subsequently, on 26 September 2007, the revised recommended acquisition of the Group, by Aella plc, which had been announced on 20 August 2007, was voted on and not approved by the shareholders in general meeting. The exceptional charge has now reduced to €10.1 million. Certain other expenses have been claimed but not provided for (see note 4).

TAXATION

Our taxation charge is a composite of Irish tonnage tax (which is an EU approved special tax rate for qualifying shipping activities, comparable with similar schemes in other EU countries), Irish corporation tax and UK and Netherlands corporation tax.

EARNINGS PER SHARE

Adjusted EPS (i.e. before non trading items and the net pension interest credit) amounted to 178.6 cent (2006: 108.5 cent). Basic EPS was 160.9 cent (2006: 137.4 cent). Details of EPS calculations are set out in note 5.

FERRIES DIVISION

The Ferries division comprises Irish Ferries, the leading ferry operator to and from the Republic of Ireland and the Group's ship chartering activities.

Turnover in the division was up 16.4% at €197.9 million (2006: €170.0 million) while total costs rose 11% from €141.4 million to €157.0 million resulting in profit from operations of €40.9 million (2006: €28.6 million). Fuel costs in the division rose 8% to €22.1 million (2006: €20.4 million). Part of this was due to the full year impact of the implementation of EU Directive 2005/33/EC, (effective August 2006), which requires the use of environmentally friendly, but more expensive, low sulphur fuel on passenger ships. Costs excluding fuel rose 11.5% from €121.0 million to €134.9 million the largest individual cost being port charges. There has been recent inaccurate rumour and speculation about seafaring pay rates in Irish Ferries. The current spread of pay rates paid by the Fleet Management Contractor, DFM Limited, to their employees on all of our ships range from €8.77 per hour to in excess of €35 per hour.

Passenger Revenue

Our passenger numbers rose 12% to 1.57 million while our car numbers rose by 14% to 405,000. The total number of sailings operated rose by 1.6% to 4,289. Significantly for the first time in four years the Republic of Ireland cars market grew. The overall increase was 4% and this contrasted against the slight decline in air traffic to and from Britain.

Freight Revenue

In the Roll on Roll off (RoRo) freight market there was continued growth in the overall market and we achieved a record volume of traffic, up 11% to 264,000 trucks carried. The market grew by 6% maintaining the pattern of previous years. Again the performance of the Irish economy was key to the continued growth of the market and the relative slowdown in the second half did lead to some softening in overall RoRo volumes.

New Vessel for Ireland France Route

In January 2007 we acquired a replacement vessel (the "Kronprins Harald") for our Ireland France route for a total investment of €51 million approximately, including modification and delivery. The vessel was chartered back to the vendors, Color Line of Norway until September 2007 and entered service with Irish Ferries in December after a substantial refurbishment. The new vessel, which has been renamed "Oscar Wilde" will offer significantly higher levels of comfort to our passengers while also providing us with additional freight capacity direct to Continental Europe. The previous vessel "Normandy" was sold, to Asian buyers, for delivery in March 2008.

Chartering

As stated above we had the benefit of a charter of the "Kronprins Harald" to Color Line from February to September of this year. Also, both the "Pride of Bilbao" and "Kaitaki" remained on long term charter to P&O during the period. As previously reported P&O has exercised its option to extend both charters until 2010. P&O retains a further option on each vessel for the period 2010 to 2013.

Irish Ferries Awards

We were pleased to receive four major awards during the year which recognise our commitment to customer service.

- Ireland's 'Best Ferry Company' 2007 by a vote of Irish Travel Agents
- 'Best Irish Sea Ferry Company 2007' at the World Travel Awards in Newcastle
- 'Best Ferry Operator 2007' at Travel Trade Gazette Awards in London
- Irish Ferries – Shipping Company of the Year 2007 by the Irish Exporters Association

CONTAINER AND TERMINAL DIVISION

The division includes our intermodal freight services Eucon and Feederlink as well as our strategically located container terminals in Dublin (DFT) and in Belfast (BCT). Within the division, we operate up to 17 container vessels ranging in size from 350 – 850 teu capacity (teu = twenty foot equivalent unit, the standard measure in the container industry).

In 2007, turnover in the division grew by 11% to €157.9 million, while operating profit was €9.2 million (2006: €3.6 million). The previous year's result had included start-up costs of €0.8 million in relation to our new Belfast terminal. Fuel costs within the division increased by 13% to €14 million. Overall container volumes shipped rose by 17% to 541,000 teu.

Our shipping services were expanded during the course of the year through the introduction of the ports of Dunkerque, Teesport and Zeebrugge to our network. In addition, Eucon made a successful entrance to the refrigerated transport market, by introducing specialised refrigerated containers, with further expansion planned in this area.

Units handled at our terminals exceeded 216,000 lifts, which includes the first full year of operation of our Belfast terminal. During the year we progressed the expansion of our Dublin terminal. New standage area has been added and the lifting capacity of the terminal has been increased through the introduction of a new ship to shore gantry crane and other ancillary equipment. With these changes, the terminal is now capable of handling more than 270,000 lifts annually. The final phase of the terminal's development involves the lengthening of the quay wall, which will position DFT to handle the next generation of vessels calling at Dublin Port. Construction, which is subject to regulatory approval, is expected to commence in Spring 2008, with the project scheduled to complete in mid 2009.

FINANCE

EBITDA before non trading items for the year was €80.2 million (2006: €59.7 million). Our net interest payments were €5.7 million and tax payments amounted to €1.0 million. Capital expenditure was €58.4 million (2006: €12.0 million).

Net debt at year end was €84.5 million (2006: €113.8 million).

PENSIONS

Of the Group's defined benefit plans, three were in surplus at year end (€32.5 million versus €29.9 million in 2006), while one was in deficit, (€6.6 million versus €10.1 million in 2006). The deficit represents our estimated share of the deficit in the industry-wide scheme, the Merchant Navy Officers Pension Fund (MNOPF).

CURRENT TRADING

As we enter 2008 the economic environment is more challenging than it has been for some time. This is likely to influence the levels of both tourism and trade. In addition, the oil price is at record highs. In the year to date, car volumes carried at Irish Ferries are down 11% on the preceding year, while RoRo freight volumes are down 1%. Part of the declines are due to competitors' lost sailings in the comparative period and as such are broadly in line with our expectations. In the container market, LoLo volumes are up 8% compared with the same period in 2007.

With our recent restructuring of our cost base in line with our international competitors and our substantial investment in modern tonnage and terminal facilities we are, fortunately, well placed to compete vigorously in this tougher environment.

John B. McGuckian,
Chairman,
10th March 2008

Media Enquiries:

Eamonn Rothwell	Chief Executive Officer	+353 1 607 5628 (14:00 – 17:30)
Garry O'Dea	Finance Director	+353 1 607 5628 (14:00 – 17:30)

As previously announced on the 4th March, the Company will make a presentation of the results to investors at the offices of NCB Corporate Finance at 3 George's Dock, IFSC, Dublin 1, at 11.00 a.m. on 10 March 2008. In addition, a dial-in facility will be available for overseas investors. Attendance at the presentation will be strictly limited to investors who register in advance to attend. To register to attend the presentation, either in person or via the dial-in facility, investors should contact Triona O'Reilly at +353 1 607 5628. A copy of the presentation material will also be posted on the Company's web-site, www.icg.ie

Consolidated Income Statement for the year ended 31 December 2007			
	Notes	Year ended 31 December 2007	Year ended 31 December 2006
Continuing operations		**€m**	**€m**
Revenue		355.8	312.1
Depreciation and amortisation		(30.1)	(27.5)
Employee benefit expense		(32.8)	(32.9)
Other operating expenses		(242.8)	(219.5)
		50.1	**32.2**
Non trading (charge) / credit	4	(10.1)	0.7
Profit from operations		**40.0**	**32.9**
Investment revenue		20.6	18.3
Finance costs		(19.9)	(17.9)
Profit before tax		**40.7**	**33.3**
Income tax expense	3	(2.4)	(1.0)
Profit for the year: all attributable to equity holders of the parent		**38.3**	**32.3**
Earnings per share: all from continuing operations	5		
Basic		160.9 cents	137.4 cents
Diluted		158.9 cents	136.9 cents

Consolidated Balance Sheet at 31 December 2007		
	31 December 2007	**31 December 2006**
	€m	**€m**
Assets		
Non-current assets		
Property, plant and equipment	277.4	271.0
Intangible assets	2.2	2.8
Long term receivable	4.6	4.5
Retirement benefit surplus	32.5	29.9
	316.7	**308.2**
Current assets		
Inventories	1.3	0.6
Trade and other receivables	46.6	53.5
Derivative financial instruments	0.6	0.5
Cash and cash equivalents	12.4	11.0
	60.9	**65.6**
Asset classified as held for sale	9.0	-
	69.9	**65.6**
Total assets	**386.6**	**373.8**
Equity and liabilities		
Capital and reserves		
Share capital	16.5	15.9
Share premium	48.1	40.6
Other reserves	(5.7)	5.9
Retained earnings	153.4	115.9
Equity attributable to equity holders of the parent	**212.3**	**178.3**
Non-current liabilities		
Borrowings	83.5	110.3
Deferred grant	1.3	1.4
Retirement benefit obligation	6.6	10.1
Deferred tax liabilities	6.2	5.6
Long term provisions	0.3	0.4
	97.9	**127.8**
Current liabilities		
Borrowings	13.4	14.5
Deferred grant	0.1	0.1
Trade and other payables	57.2	47.1
Current tax liabilities	5.3	4.3
Short term provisions	0.4	1.7
	76.4	**67.7**
Total liabilities	**174.3**	**195.5**
Total equity and liabilities	**386.6**	**373.8**

Consolidated Statement of Recognised Income and Expense for the year ended 31 December 2007

	Year ended 31 December 2007	Year ended 31 December 2006
	€m	€m
Gain on cash flow hedges	0.1	0.6
Exchange differences on translation of foreign operations	(12.2)	(0.9)
Actuarial (loss) / gain on retirement benefit obligations	(0.4)	12.1
Deferred Tax on Group defined benefit plan	(0.7)	(0.5)
Exchange difference on defined benefit plan	0.3	-
Profit for the year	38.3	32.3
Total recognised income and expense for the year: all attributable to equity holders of the parent	**25.4**	**43.6**

Consolidated Cashflow Statement for the year ended 31 December 2007		
	Year ended	Year ended
	31 December 2007	31 December 2006
	€m	€m
Operating activities		
Profit for the year	38.3	32.3
Adjustments for:		
Finance costs (net)	(0.7)	(0.4)
Income tax expense	2.4	1.0
Retirement benefit obligations - service cost	2.8	3.2
Retirement benefit obligations - payments	(3.0)	(1.7)
Depreciation of property, plant and equipment	29.2	26.5
Amortisation of intangible assets	1.0	1.1
Amortisation of deferred income	(0.1)	(0.1)
Share-based payment expense	0.5	0.4
Gain on disposal of property, plant and equipment	(0.1)	(0.2)
Restructuring programme – payments	-	(35.4)
Restructuring programme – (decrease) / increase in provision	(1.3)	3.7
Decrease in other provisions	(0.2)	(0.5)
Operating cash flows before movements in working capital	**68.8**	**29.9**
Increase in inventories	(0.7)	-
Decrease / (increase) in receivables	6.8	(15.9)
Increase in payables	10.1	2.4
Cash generated from operations	**85.0**	**16.4**
Income taxes paid	(1.0)	(1.7)
Interest paid	(6.5)	(6.0)
Net cash from operating activities	**77.5**	**8.7**
Investing activities		
Interest received	1.3	0.3
Proceeds on disposal of property, plant and equipment	0.1	0.2
Purchases of property, plant and equipment	(58.0)	(11.4)
Purchases of intangible assets	(0.4)	(0.6)
Net cash used in investing activities	**(57.0)**	**(11.5)**
Financing activities		
Proceeds on issue of ordinary share capital	8.1	1.1
Redemption of redeemable shares	-	(7.2)
Repayments of borrowings	(85.6)	(11.8)
Repayments of obligations under finance leases	(2.9)	(4.0)
New bank loans raised	62.5	19.6
New finance leases raised	0.1	2.4
Net cash (used in) / from financing activities	**(17.8)**	**0.1**
Net increase / (decrease) in cash and cash equivalents	**2.7**	**(2.7)**
Cash and cash equivalents at the beginning of the year	11.0	14.0
Effect of foreign exchange rate changes	(1.3)	(0.3)
Cash and cash equivalents at the end of the year Bank balances and cash	**12.4**	**11.0**

Notes to the consolidated financial statements for the year ended 31 December 2007

1. Accounting policies

There were no changes in accounting policies during the year. IFRS 7 Financial Instruments: Disclosures has been adopted during the year.

2. Segmental information

	Turnover		Profit Before Tax		Net Assets (equity attributable to equity holders)	
Analysis by class of business	**2007**	2006	**2007**	2006	**2007**	2006
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
Ferries and Travel	197.9	170.0	40.9	28.6	257.2	261.7
Container and Terminal	158.4	142.6	9.2	3.6	45.3	35.5
Intersegment turnover	(0.5)	(0.5)				
	355.8	**312.1**	**50.1**	**32.2**	**302.5**	**297.2**
Non trading items			(10.1)	0.7		
Net interest/debt			0.7	0.4	(84.5)	(113.8)
Unallocated liabilities					(5.7)	(5.1)
	355.8	**312.1**	**40.7**	**33.3**	**212.3**	**178.3**
Analysis by origin	**2007**	2006				
	€m	**€m**				
Ireland	150.5	129.5				
United Kingdom	75.7	78.8				
Continental Europe	129.6	103.8				
	355.8	**312.1**				

3. Income tax expense

	2007	**2006**
	€m	**€m**
Current tax	2.1	0.9
Deferred tax	0.3	0.1
Income tax expense for the year	**2.4**	**1.0**

The company and its Irish tax resident subsidiaries have elected to be taxed under the Irish tonnage tax method. Under the tonnage tax method, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the ships utilised. 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 30% (2006: 29.6% and 30%).

3. Income tax expense – continued

The total charge for the year can be reconciled to the accounting profit as follows:

	2007 €m	2006 €m
Profit before tax from continuing operations	40.7	33.3
Tax at the domestic income tax rate of 12.5%	5.1	4.2
Effect of depreciation in excess of capital allowances	0.6	0.1
Effect of income, expenses and credits excluded in determining taxable profit	(1.8)	(0.2)
Effect of other timing differences	0.1	(0.1)
Adjustment in respect of previous period	-	0.1
Effect of utilisation of tax losses	(0.2)	(0.4)
Effect of unused tax losses carried forward	(0.4)	0.1
Effect of different tax rates of subsidiaries operating in other jurisdictions	1.2	0.4
Effect of higher rates of tax on other income	0.1	-
Effect of tonnage relief	(2.6)	(3.3)
Income tax expense recognised in Consolidated Income Statement	**2.1**	**0.9**

4. Non trading (charge) / credit

	Year ended	Year ended
	31 December	31 December
	2007	2006
	€m	€m
Takeover costs	(10.1)	
PRSI rebate credit / (charge)	-	4.4
Restructuring costs	-	(3.7)
	(10.1)	**0.7**

Takeover costs

During the year the Company received offers for the entire issued and to be issued share capital of the company from Aella plc and the Moonduster Consortium (Moonduster). Arising from the offers, the Company engaged professional advisors and, by entering into expense reimbursement agreements, agreed to reimburse the offerors' expenses in certain circumstances. Amounts claimed by Moonduster are not included in the above figure (see below).

Contingent liability

On 14 June 2007 the Company agreed with 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. On 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.

4. Non trading (charge) / credit - continued

PRSI rebate
The credit of €4.4 million represents rebates of Seafarers' PRSI under the relevant scheme. No such rebate is receivable in the current year.

Restructuring costs
The restructuring charge in the prior year of €3.7 million comprises of redundancy costs in respect of applicants for the severance package announced in 2006, in addition to those that were provided for in 2005.

5. Earnings per share – all from continuing operations

	2007 cent		2006 cent
Basic earnings per share	160.9		137.4
Diluted earnings per share	158.9		136.9
Adjusted basic earnings per share	178.6		108.5
Adjusted diluted earnings per share	176.3		108.1

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

Earnings	**€m**	**€m**
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	38.3	32.3
Earnings for the purposes of diluted earnings per share	38.3	32.3
Earnings for the purposes of basic earnings per share -		
Profit for the year attributable to equity holders of the parent	38.3	32.3
Effect of non trading charge / (credit)	10.1	(0.7)
Effect of expected return on defined benefit pension scheme assets	(19.3)	(17.8)
Effect of interest on defined benefit pension scheme liabilities	13.4	11.7
Earnings for the purposes of adjusted earnings per share	**42.5**	**25.5**

Number of shares	**m**	**m**
Weighted average number of ordinary shares for the purposes of basic earnings per share	23.8	23.5
Effect of dilutive potential ordinary shares: Share options	0.3	0.1
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	24.1	23.6

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the year.

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

The figures used in both the adjusted basic and diluted earnings per share have been adjusted to take into account the non trading charge or credit together with the net figure for the expected return on defined benefit pension scheme assets and the interest on defined pension scheme liabilities.

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

6. Statement of changes in equity

2007

	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 2007	**15.9**	**40.6**	**2.2**	**0.5**	**0.5**	**2.7**	**115.9**	**178.3**
Total recognised income and expense for the year	**-**	**-**	**-**	**-**	**0.1**	**(12.2)**	**37.5**	**25.4**
Share issue	0.6	-	-	-	-	-	-	0.6
Exercise of share options - share issued at a premium	-	7.5	-	-	-	-	-	7.5
Employee share options expense	-	-	-	0.5	-	-	-	0.5
	0.6	**7.5**	**-**	**0.5**	**0.1**	**(12.2)**	**37.5**	**34.0**
Balance at 31 December 2007	**16.5**	**48.1**	**2.2**	**1.0**	**0.6**	**(9.5)**	**153.4**	**212.3**
Analysed as follows:								
Share capital								16.5
Share premium								48.1
Other reserves								(5.7)
Retained earnings								153.4
								212.3

6. Statement of changes in equity - continued

2006

	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 2006	**15.8**	**39.6**	**2.2**	**0.1**	**(0.1)**	**3.6**	**79.2**	**140.4**
Total recognised income and expense for the year	**-**	**-**	**-**	**-**	**0.6**	**(0.9)**	**43.9**	**43.6**
Share issue	0.1	-	-	-	-	-	-	0.1
Exercise of share options - shares issued at premium	-	1.0	-	-	-	-	-	1.0
Employee share options expense	-	-	-	0.4	-	-	-	0.4
Redemption of redeemable share capital	-	-	-	-	-	-	(7.2)	(7.2)
	0.1	**1.0**	**-**	**0.4**	**0.6**	**(0.9)**	**36.7**	**37.9**
Balance at 31 December 2006	**15.9**	**40.6**	**2.2**	**0.5**	**0.5**	**2.7**	**115.9**	**178.3**
Analysed as follows:								
Share capital								15.9
Share premium								40.6
Other reserves								5.9
Retained earnings								115.9
								178.3

7. General information

The financial information in this preliminary announcement does not represent full statutory financial statements, a copy of which is required to be annexed to the annual return to the Companies Registration Office. A copy of the financial statements in respect of the financial year ended 31 December 2007 will be annexed to the annual return for 2008. The auditors have made a report, without any qualification on their audit, of the financial statements in respect of the financial year ended 31 December 2007 and the Directors approved the financial statements in respect of the financial year ended 31 December 2007 on 7 March 2008. A copy of the financial statements in respect of the year ended 31 December 2006 has been annexed to the annual return for 2007 to the Companies Registration Office.

The financial statements have been prepared 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 and therefore the Groups 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 2006, 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 financial instruments.

The directors approved the issue of the preliminary announcement on 7 March 2008.