IRISH CONTINENTAL GROUP

HALF YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2010

Financial Highlights	Unaudited Six months to 30th June 2010	Unaudited Six months to 30th June 2009	Change %	Audited Financial Year 2009
Revenue	€122.4m	€119.8m	+2.2%	€260.5m
EBITDA	€20.0m	€18.8m	+6.4%	€50.7m
Operating Profit	€8.8m	€7.1m	+23.9%	€26.5m
EPS Basic	33.1c	19.9c	+66.3%	102.4c
EPS Adjusted	34.3c	22.3c	+53.8%	107.7c
Net Debt	€26.9m	€48.5m	-44.5%	€21.7m

Other Key Points

	30th Jun 2010 000	30th Jun 2009 000	%
Passengers	695.7	621.1	+12.0%
Cars	156.4	158.6	-1.4%
RoRo Freight	86.6	99.1	-12.6%
Container Freight (teu.)	204	187	+9.1%
Port Lifts	82	78	+5.1%

teu = twenty foot equivalent units

Comment

In a comment John B. McGuckian Chairman stated;

"A strong performance on the passenger side of our business has more than offset continued difficult market conditions in the RoRo freight business. EBITDA, operating profit, and EPS are all ahead of 2009 despite the continued difficult economic backdrop. We remain cautious on the economic prospects for the second half of the year but confident that we are well placed to compete successfully in our market place".

27th August 2010

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RESULTS

The Board of Irish Continental Group plc (ICG) reports that, in the seasonally less profitable first half of the year, the Group recorded revenue of €122.4 million compared with €119.8 million in the same period in 2009, an increase of 2.2%. Earnings before interest tax and depreciation (EBITDA) were €20.0 million compared with €18.8 million in the same period in 2009, an increase of 6.4% despite a 48% increase in fuel costs to €20.1 million. Operating profit was up 23.9% to €8.8 million compared with €7.1 million in 2009. There was a net finance charge of €0.5 million which includes a net pension interest charge of €0.3 million and net bank interest of €0.2 million. Profit before tax was €8.3 million compared with €5.8 million in the first half of 2009. The tax charge amounted to €0.1 million (2009: €0.9 million). Basic EPS was 33.1c compared with 19.9c in the first half of 2009. Adjusted EPS (i.e. before the net pension interest charge) amounted to 34.3c (22.3c in 2009).

OPERATIONAL REVIEW

Ferries Division

The division comprises Irish Ferries, a leading provider of passenger and freight ferry services between Ireland and both the UK and Continental Europe, and the bareboat chartering of multipurpose ferries to third parties. Irish Ferries operated 2,187 sailings in the period, up 6% on 2009 (although there were 32 fewer sailings to France after the winter refit offset by 152 additional sailings to and from the UK).

Revenue in the division was €68.0 million (2009: €65.5 million) with an increase in passenger revenue and a decrease in freight revenue. Profit from operations was €6.5 million (2009: €3.9 million).

Irish Ferries' passenger business is focused on passengers travelling with their own cars. Total passengers carried were up 12.0% at 695,700 while total cars carried in the first half of 2010 were 156,400, down 1.4% on the previous year, but at higher yields due partly to a stronger sterling. We were pleased with the passenger performance in the six months which was helped during April and May by the closure of European airspace. Our combination of cruise and fast ferry options on the short sea routes between Ireland and the UK is proving very resilient in the market place as is our high quality cruise ferry service to France.

In RoRo freight Irish Ferries' volumes were down 12.6% to 86,600 units, when compared with the first half of 2009, reflecting continued weakness in the Irish economy as well as a surplus of ship capacity in the market place.

Two vessels within the Group, the MV Pride of Bilbao and MV Kaitaki, remained on charter to P&O during the period, one trading UK – Spain and the second trading in New Zealand.

Container and Terminal Division

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

Turnover in the division was unchanged at €54.4 million (2009: €54.3 million), while profit from operations was €2.3 million (2009: €3.2 million). The reduction in operating profit is due to restructuring costs in our terminal in Dublin (DFT).

Total containers shipped were up 9% at 204,000 teu., while the number of units lifted at the division's port facilities in Dublin and Belfast were up 5% at 82,000 lifts. The market is characterised by a weak rate environment as a result of which we have decided to forego some traffic flows because of the inadequate rates on offer. This will result in weaker volume trends in the second half of the year. With our flexible chartered fleet we will be able to adjust capacity to the volume of trade we accept. We have also reduced shore side costs in DFT to reflect the market realities by reducing staffing numbers and contracting out certain functions.

FINANCE / DEBT

EBITDA for the period was €20.0 million compared with €18.8 million in the same period in 2009. Operating cash flow was €16.8 million versus €18.1 million in 2009. Capital expenditure in the period was €4.6 million (2009: €4.3 million). During the period we paid a dividend of €1.00 per share, a total of €25.0 million (In 2009 €24.6 million redeemable shares were redeemed for a consideration of €1.00 a share. No dividend was paid).

Net debt at the end of the period amounted to €26.9 million. This compares with €21.7 million at 31 December 2009 and reflects the payment of the dividend offset to a large degree by the strong operating cash flow.

There was an increase in the net retirement benefit obligation to €45.8 million from €27.2 million due mainly to a reduction in corporate bond yields (which are used to value pension liabilities) to a range of 5.2%/5.3% compared with 5.6%/5.7% in December 2009. In common with most employers with defined benefit schemes discussions are ongoing with the Trustees of the schemes regarding the filing of recovery plans with the relevant regulatory authorities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business. The key risks facing the Group in the six months to 31 December 2010 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.

- **Commercial and Market Risk**

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

The freight market is subject to general economic conditions and in particular the 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. 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 has a deficit of approximately £700 million sterling. 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 entered into a Revolving Credit Facility Agreement in August 2010 which provides committed bank facilities amounting to €60.0 million, with an expiry date of August 2013. The Group also has an overdraft facility amounting to €6.0 million, subject to annual review.

In terms of commodity price risk the Group's vessels consume heavy fuel oil (HFO), marine diesel gas oil (MDO/MGO) and lubricating oils, all of which continue to be subject to price volatility. It is the Group's policy to purchase these commodities in the spot markets and to remain unhedged.

RELATED PARTY TRANSACTIONS

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

GOING CONCERN

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

AUDITOR REVIEW

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

CURRENT TRADING

July and August trading in the Ferries Division follows the pattern of the first half with increased passenger and car carryings (up 9% and 4% respectively) and positive yields offset by reduced RoRo freight (down 7%). In the Container and Terminal division our volumes have increased by 3% but with continued rate pressures.

FORWARD LOOKING STATEMENTS

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

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

WEBSITE

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

John B. McGuckian
Chairman
27th August 2010

INVESTOR PRESENTATION

The Company will make a presentation of the results to investors. The presentation will be held at the offices of NCB Stockbrokers at 3 George's Dock, IFSC, Dublin 1 at 8.00 a.m. on 27th August 2010. In addition, a dial-in facility will be available. Attendance at the presentation and dial-in will be strictly limited to investors who register in advance to attend. To register to attend the presentation, either in person or via the dial-in facility, investors should contact NCB Stockbrokers at +353 (0)1 611 5943. A copy of the presentation will also be posted on the Company's web-site, www.icg.ie

RESPONSIBILITY STATEMENT

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

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

- the Group Condensed Financial Statements for the half year ended 30 June 2010 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34 Interim Financial Reporting) adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year, their impact on the Group Condensed Financial Statements for the half year ended 30 June 2010, and a description of the principal risks and uncertainties for the remaining six months;
- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Eamonn Rothwell Chief Executive Officer
Garry O'Dea Finance Director
27th August 2010

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2010

		Unaudited	Unaudited	Audited
		30 Jun	30 Jun	31 Dec
		2010	2009	2009
	Notes	€m	€m	€m
Continuing operations				
Revenue		122.4	119.8	260.5
Depreciation and amortisation		(11.2)	(11.7)	(24.2)
Employee benefits expense		(11.2)	(12.2)	(25.3)
Other operating expenses		(91.2)	(88.8)	(184.5)
Operating profit		**8.8**	**7.1**	**26.5**
Investment revenue		6.7	6.2	13.4
Finance costs		(7.2)	(7.5)	(15.0)
Profit before taxation		**8.3**	**5.8**	**24.9**
Income tax (expense) / credit		(0.1)	(0.9)	0.3
Profit for the period: all attributable to equity holders of the parent		**8.2**	**4.9**	**25.2**
Earnings per ordinary share (cent)				
All from continuing operations				
-basic	5	33.1	19.9	102.4
-diluted	5	32.9	19.7	101.5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Notes	Unaudited 30 Jun 2010 €m	Unaudited 30 Jun 2009 €m	Audited 31 Dec 2009 €m
Profit for the period		**8.2**	**4.9**	**25.2**
Cash flow hedges:				
Fair value profit / (loss) arising during the period		-	0.2	(0.2)
Transfer to Consolidated Income Statement - net settlement of cash flow hedged		-	-	0.9
Exchange differences on translation of foreign operations		8.2	9.6	5.6
Actuarial loss on retirement benefit obligations	10	(21.9)	(4.8)	(6.0)
Deferred Tax movements		(0.4)	(0.2)	(0.3)
Exchange difference on defined benefit schemes		-	(0.3)	(0.9)
Other comprehensive (expense) / income for the period		**(14.1)**	**4.5**	**(0.9)**
Total comprehensive (expense) / income for the period: all attributable to equity holders of the parent		**(5.9)**	**9.4**	**24.3**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Notes	Unaudited 30 Jun 2010 €m	Unaudited 30 Jun 2009 €m	Audited 31 Dec 2009 €m
Assets				
Non-current assets				
Property, plant and equipment	6	226.8	239.0	223.2
Intangible assets	7	1.0	1.5	1.1
Long term receivable		-	3.2	-
Retirement benefit surplus	10	1.4	3.2	2.4
		229.2	**246.9**	**226.7**
Current assets				
Inventories		2.7	0.9	2.0
Trade and other receivables		32.1	34.3	28.2
Cash and cash equivalents		17.5	35.4	17.0
		52.3	**70.6**	**47.2**
Total assets		**281.5**	**317.5**	**273.9**
Equity and liabilities				
Equity				
Share capital		16.8	16.6	16.6
Share premium		51.8	48.7	48.7
Other reserves		(15.6)	(20.6)	(23.9)
Retained earnings		71.8	92.5	110.9
Equity attributable to equity holders		**124.8**	**137.2**	**152.3**
Non-current liabilities				
Borrowings		2.7	66.5	0.9
Deferred tax liabilities		4.1	3.4	3.4
Provisions		0.5	0.3	0.5
Deferred grant		1.0	1.1	1.1
Retirement benefit obligation	10	47.2	32.6	29.6
		55.5	**103.9**	**35.5**
Current liabilities				
Borrowings		41.7	17.4	37.8
Derivative financial instruments		-	0.5	-
Trade and other payables		56.5	55.2	44.1
Current tax liabilities		2.4	2.9	3.6
Provisions		0.5	0.3	0.5
Deferred grant		0.1	0.1	0.1
		101.2	**76.4**	**86.1**
Total liabilities		**156.7**	**180.3**	**121.6**
Total equity and liabilities		**281.5**	**317.5**	**273.9**

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

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

Other Reserves comprise the following:

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2009	**16.6**	**48.7**	**(30.6)**	**117.5**	**152.2**
Profit for the period	-	-	-	4.9	4.9
Other comprehensive income	-	-	9.8	(5.3)	4.5
Total comprehensive income for the period	**-**	**-**	**9.8**	**(0.4)**	**9.4**
Redemption of redeemable share capital (note 4)	-	-	-	(24.6)	(24.6)
Employee share options expense	-	-	0.2	-	0.2
	-	**-**	**10.0**	**(25.0)**	**(15.0)**
Balance at 30 June 2009	**16.6**	**48.7**	**(20.6)**	**92.5**	**137.2**
Analysed as follows:					
Share capital					16.6
Share premium					48.7
Other reserves					(20.6)
Retained earnings					92.5
					137.2

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2009	**2.2**	**1.5**	**(0.7)**	**(33.6)**	**(30.6)**
Other comprehensive income	-	-	0.2	9.6	9.8
Total comprehensive income for the period	**-**	**-**	**0.2**	**9.6**	**9.8**
Employee share options expense	-	0.2	-	-	0.2
	-	**0.2**	**0.2**	**9.6**	**10.0**
Balance at 30 June 2010	**2.2**	**1.7**	**(0.5)**	**(24.0)**	**(20.6)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
Balance at 1 January 2009	16.6	48.7	(30.6)	117.5	152.2
Profit for the year	-	-	-	25.2	25.2
Other comprehensive income	-	-	6.3	(7.2)	(0.9)
Total comprehensive income for the year	-	-	6.3	18.0	24.3
Employee share options expense	-	-	0.4	-	0.4
Redemption of redeemable share capital (note 4)	-	-	-	(24.6)	(24.6)
	-	-	6.7	(6.6)	0.1
Balance at 31 December 2009	16.6	48.7	(23.9)	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

Other Reserves comprise the following:

	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Translation Reserve €m	Total €m
Balance at 1 January 2009	2.2	1.5	(0.7)	(33.6)	(30.6)
Other comprehensive income	-	-	0.7	5.6	6.3
Total comprehensive income for the year	-	-	0.7	5.6	6.3
Employee share options expense	-	0.4	-	-	0.4
	-	0.4	0.7	5.6	6.7
Balance at 31 December 2009	2.2	1.9	-	(28.0)	(23.9)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Notes	Unaudited 30 Jun 2010 €m	Unaudited 30 Jun 2009 €m	Audited 31 Dec 2009 €m
Net cash from operating activities	11	**23.3**	**28.9**	**51.3**
Cash flow from investing activities				
Interest received		0.1	0.3	0.4
Proceeds on disposal of property, plant and equipment		-	0.1	0.1
Payment received on long term receivable		-	-	4.3
Purchases of property, plant and equipment		(4.5)	(4.1)	(4.6)
Purchase of intangible assets		(0.1)	(0.2)	(0.2)
Net cash used in investing activities		**(4.5)**	**(3.9)**	**-**
Cash flow from financing activities				
Redemption of redeemable shares		-	(24.6)	(24.6)
Dividend paid		(25.0)	-	-
Repayments of borrowings		-	(17.5)	(64.7)
Repayments of obligations under finance leases		(0.5)	(0.9)	(1.4)
Proceeds on issue of ordinary share capital		3.3	-	-
New bank loans raised		-	18.0	28.0
Increase in bank overdrafts		1.7	7.2	-
New finance leases raised		2.5	0.1	-
Net cash used in financing activities		**(18.0)**	**(17.7)**	**(62.7)**
Net increase / (decrease) in cash and cash equivalents		0.8	7.3	(11.4)
Cash and cash equivalents at the beginning of the period		**17.0**	**28.5**	**28.5**
Effect of foreign exchange rate changes		(0.3)	(0.4)	(0.1)
Cash and cash equivalents at the end of the period				
Bank balances and cash		**17.5**	**35.4**	**17.0**

1. General Information

These condensed financial statements do not comprise the statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The summary financial statements for the year ended 31 December 2009, as presented in this Interim Report, represent an abbreviated version of the Group's full financial statements for that year. Those financial statements contained an unqualified audit report without reference to any matters of emphasis and have been filed with the Companies Registration Office in Ireland.

The interim figures included in the condensed financial statements for the six months ended 30 June 2010 and the comparative amounts for the six months ended 30 June 2009 are unaudited.

2. Accounting policies

The Group Condensed Financial Statements for the six months ended 30 June 2010 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The accounting policies and methods of computation applied in preparing these condensed financial statements are consistent with those set out in the Group Annual Report for the financial year ended 31 December 2009, which is available at www.icg.ie.

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

At 30 June 2010, the following Standards and Interpretations have become effective since our last Annual Report:

IFRS 1	(Amendment) First-time Adoption of International Financial Reporting Standards (effective for accounting periods beginning on or after 1 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 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).

There have been no material change in estimates in these interim accounts based on the estimates that have previously been made in the prior year interim accounts to 30 June 2009 and the prior year financial statements to 31 December 2009.

3. Segmental information: Analysis by class of business

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

	Unaudited				Audited	
	6 months ended				12 months ended	
	30 Jun 2010		30 Jun 2009		31 Dec 2009	
	Revenue	Profit	Revenue	Profit	Revenue	Profit
	€m	€m	€m	€m	€m	€m
Ferries	68.0	6.5	65.5	3.9	149.0	18.1
Container and Terminal	55.1	2.3	55.0	3.2	112.8	8.4
Internal Revenue	(0.7)	-	(0.7)	-	(1.3)	-
Operating Profit	-	**8.8**	-	**7.1**	-	**26.5**
Net Interest - Ferries	-	(0.4)	-	(1.3)	-	(1.5)
Net interest - Container and Terminal	-	(0.1)	-	-	-	(0.1)
External Revenue / Profit	**122.4**	**8.3**	**119.8**	**5.8**	**260.5**	**24.9**

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

There has been no material change in the share of total assets / liabilities between segments from the share disclosed in the prior year financial statements to 31 December 2009.

4. Redemption of redeemable shares / Dividend

	Unaudited	Unaudited	Audited
	6 months ended	6 months ended	12 months ended
	30 Jun 2010	30 Jun 2009	31 Dec 2009
	€m	€m	€m
Redemption of one redeemable share for 100c	-	24.6	24.6
Dividend paid of 100c per share	25.0	-	-

The Board redeemed one Redeemable Share per ICG Unit for a cash consideration of 100 cent per Redeemable Share in May 2009 and April 2008.

In June 2010 the Company paid a dividend of 100 cent per share.

5. Earnings per share – all from continuing operations

	Unaudited 6 months ended 30 Jun 2010	Unaudited 6 months ended 30 Jun 2009	Audited 12 months ended 31 Dec 2009
	Cent	Cent	Cent
Basic earnings per share	33.1	19.9	102.4
Diluted earnings per share	32.9	19.7	101.5
Adjusted basic earnings per share	34.3	22.3	107.7
Adjusted diluted earnings per share	34.1	22.1	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:			
Earnings	**€m**	**€m**	**€m**
Earnings for the purpose of basic and diluted earnings per share -			
Profit for the period attributable to equity holders of the parent	**8.2**	**4.9**	**25.2**
Earnings for the purpose of adjusted earnings per share -			
Profit for the period attributable to equity holders of the parent	8.2	4.9	25.2
Effect of expected return on defined benefit pension scheme assets	(6.6)	(5.9)	(11.7)
Effect of interest on defined benefit pension scheme liabilities	6.9	6.5	13.0
Earnings for the purpose of adjusted earnings per share	**8.5**	**5.5**	**26.5**
Number of shares	**'000**	**'000**	**'000**
Weighted average number of ordinary shares for the purpose of basic earnings per share	24,761	24,617	24,617
Effect of dilutive potential ordinary shares: Share options	176	219	222
Weighted average number of ordinary shares for the purpose of diluted adjusted earnings per share	**24,937**	**24,836**	**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 period and excludes treasury shares. The earnings used in both the adjusted basic and diluted earnings per share have been adjusted to take into account the net figure for the expected return on defined benefit pension scheme assets and the interest on defined pension scheme liabilities. Management consider the adjusted earnings per share calculation to be a better indication of the continuing underlying performance of the Group.

6. Property, plant and equipment

	Assets under construction	Passenger ships	Plant and equipment	Vehicles	Land and buildings	Total
	€m	€m	€m	€m	€m	€m
Cost						
At 1 January 2010	0.1	338.8	55.5	2.4	25.5	422.3
Additions	-	1.3	3.1	-	0.1	4.5
Disposals	(0.1)	-	(1.3)	(0.4)	-	(1.8)
Exchange differences	-	23.4	0.3	-	-	23.7
At 30 June 2010	**-**	**363.5**	**57.6**	**2.0**	**25.6**	**448.7**
Accumulated depreciation						
At 1 January 2010	-	158.2	32.3	1.6	7.0	199.1
Charge for period	-	9.1	1.6	0.2	0.2	11.1
Disposals	-	-	(1.3)	(0.3)	-	(1.6)
Exchange differences	-	13.3	-	-	-	13.3
At 30 June 2010	**-**	**180.6**	**32.6**	**1.5**	**7.2**	**221.9**
Net book amounts						
At 1 January 2010	0.1	180.6	23.2	0.8	18.5	223.2
At 30 June 2010	**-**	**182.9**	**25.0**	**0.5**	**18.4**	**226.8**
At 30 June 2009	0.1	193.8	27.7	1.2	16.2	239.0

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

7. Intangible Assets

		Software
		€m
Cost		
At 1 January 2010		8.1
Additions		0.1
At 30 June 2010		**8.2**
Amortisation		
At 1 January 2010		7.0
Charge for the period		0.2
At 30 June 2010		**7.2**
Carrying amount		
At 1 January 2010		1.1
At 30 June 2010		**1.0**
At 30 June 2009		1.5

8. Net debt

	Cash	Overdrafts	Loans	Leases	Total
	€m	€m	€m	€m	€m
At 1 January 2010					
Current assets	17.0	-	-	-	17.0
Creditors due within one year	-	-	(37.2)	(0.6)	(37.8)
Creditors due after one year	-	-	-	(0.9)	(0.9)
	17.0	**-**	**(37.2)**	**(1.5)**	**(21.7)**
Cash flow	0.8	(1.7)	-	-	(0.9)
Foreign exchange rate changes	(0.3)	-	(2.0)	-	(2.3)
Drawdown	-	-	-	(2.5)	(2.5)
Repayment	-	-	-	0.5	0.5
	0.5	**(1.7)**	**(2.0)**	**(2.0)**	**(5.2)**
At 30 June 2010					
Current assets	17.5	-	-	-	17.5
Creditors due within one year	-	(1.7)	(39.2)	(0.8)	(41.7)
Creditors due after one year	-	-	-	(2.7)	(2.7)
	17.5	**(1.7)**	**(39.2)**	**(3.5)**	**(26.9)**
At 30 June 2009					
Current assets	35.4	-	-	-	35.4
Creditors due within one year	-	(7.2)	(9.2)	(1.0)	(17.4)
Creditors due after one year	-	-	(65.4)	(1.1)	(66.5)
	35.4	**(7.2)**	**(74.6)**	**(2.1)**	**(48.5)**

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

9. Tax

Corporation tax for the interim period is estimated based on the best estimates of the weighted average annual corporation tax rate expected to apply to each taxable entity for the full financial year. The resultant average Group rate for the current year is expected to be higher from the effective tax rate used for the year ended 31 December 2009 due to the jurisdictions in which the taxable profits arise.

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

10. Retirement Benefit Schemes

Retirement benefit scheme valuations have been updated at the half year. Scheme assets have been valued as per investment managers valuations at 30 June 2010. In consultation with the actuary to the principal group defined benefit pension schemes, the discount rate used in relation to the pension scheme liabilities has been updated to 5.2% for Euro liabilities (31 December 2009 5.6%) and to 5.3% for Sterling liabilities (31 December 2009 5.7%). All other assumptions are as at 31 December 2009.

	Unaudited 6 months ended 30 Jun 2010	Unaudited 6 months ended 30 Jun 2009	Audited 12 months ended 31 Dec 2009
	€m	€m	€m
Opening deficit	(27.2)	(24.7)	(24.7)
Current service cost	(0.8)	(1.0)	(1.5)
Employer contributions paid	1.9	1.8	7.2
Other finance expense	(0.3)	(0.6)	(1.3)
Actuarial loss	(21.9)	(4.8)	(6.0)
Other	2.5	(0.1)	(0.9)
Net deficit	**(45.8)**	**(29.4)**	**(27.2)**
Schemes in surplus	1.4	3.2	2.4
Schemes in deficit	(47.2)	(32.6)	(29.6)
Net deficit	**(45.8)**	**(29.4)**	**(27.2)**

11. Net cash from operating activities

	Notes	Unaudited 30 Jun 2010	Unaudited 30 Jun 2009	Audited 31 Dec 2009
		€m	€m	€m
Operating activities				
Profit for the period		8.2	4.9	25.2
Adjustments for:				
Finance costs (net)		0.5	1.3	1.6
Income tax expense / (credit)		0.1	0.9	(0.3)
Retirement benefit obligation – service cost		0.8	1.0	1.5
Retirement benefit obligation – payments		(1.9)	(1.8)	(7.2)
Retirement benefit obligation – non cash items		(2.2)	-	-
Depreciation of property, plant and equipment		11.1	11.3	23.4
Amortisation of intangible assets		0.2	0.5	0.9
Amortisation of deferred income		(0.1)	(0.1)	(0.1)
Share-based payment expense		0.1	0.2	0.4
Gain on disposal of property, plant and equipment		-	(0.1)	(0.1)
Decrease in other provisions		-	-	0.4
Operating cash flow before movements in working capital		**16.8**	**18.1**	**45.7**
Increase in inventories		(0.7)	(0.1)	(1.2)
(Increase) / decrease in receivables		(3.9)	3.8	9.9
Increase / (decrease) in payables		11.4	8.8	(1.0)
Cash generated from operations		**23.6**	**30.6**	**53.4**
Income taxes paid		(0.1)	(0.7)	(0.1)
Interest paid		(0.2)	(1.0)	(2.0)
Net cash from operating activities		**23.3**	**28.9**	**51.3**

At 30 June 2010 and 2009 the increase in payables is due to the seasonality of the business, giving rise to an increase in deferred revenue, as at 30 June 2010 and 2009.

12. Related party transactions

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

During the six months ended 30 June 2010 there were no material transactions or balances between Irish Continental Group plc and its key management personnel or members of their close family, other than in respect of remuneration.

13. Contingent Assets / Liabilities

There have been no material changes in contingent assets or liabilities as reported in the Group's financial statement for the year ended 31 December 2009.

14. Impairment

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

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

15. Composition of the Entity

There have been no changes in the composition of the entity during the period ended 30 June 2010.

16. Subsequent Events

The Group entered into a Revolving Credit Facility Agreement in August 2010 which provides committed bank facilities amounting to €60.0 million, with an expiry date of August 2013. The Group also entered into an overdraft facility amounting to €6.0 million, subject to annual review.

There were no other material subsequent events to report since the period ended 30 June 2010.

17. Board Approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 26th August 2010.