Irish Continental Group

REPORT AND FINANCIAL STATEMENTS 2007

IRISH TRAVEL TRADE NEWS
Best Ferry Company
2007

IRISH EXPORTERS ASSOCIATION
Shipping Company
of the year 2007

TRAVEL TRADE GAZETTE
Best Ferry Company
2007

WORLD TRAVEL AWARDS
Best Irish Sea
Ferry Operator 2007

Irish Continental Group

Irish Continental Group (ICG) is a leading shipping, transport and leisure group. We transport 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 to be the most successful business 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

Irish Ferries:
Modern fleet of multi-purpose ferries between Ireland and the UK & France.

Irish Ferries - Passenger services:
1.6 million passengers carried annually on 13 daily sailings.

Irish Ferries - Freight:
Market leader on short sea routes between the Republic of Ireland and Britain.

Irish Ferries - Holidays:
Inclusive package holidays to Ireland, France and Britain.

Chartering:
Charter out of passenger ferries.

Dublin Ferryport Container Depot:
Container repair and storage facilities.

Eucon:
Container services between Ireland and Continental Europe.

Eurofeeders:
Shipping agency services.

Feederlink:
Dedicated feeder services linking Rotterdam and the UK's hub ports on the North Sea.

Dublin Ferryport Terminal:
Stevedoring and storage facilities for container traffic at Dublin Port.

Belfast Container Terminal:
Stevedoring and storage facilities for container traffic in the Port of Belfast.

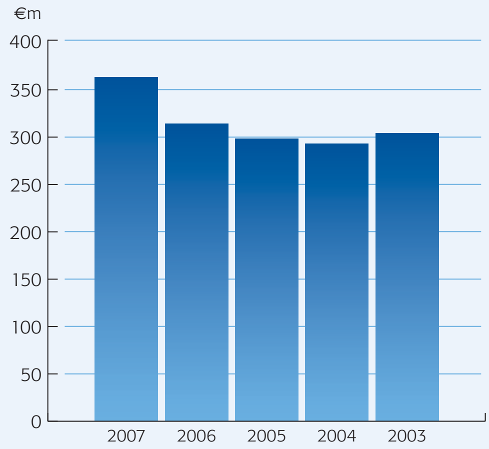

IRISH FERRIES


Fáilte

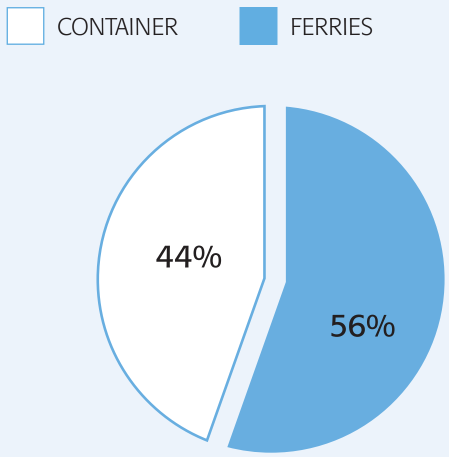

LOCATIONS
IRISH FERRIES
DUBLIN FERRYPORT TERMINALS
EUCON
FEEDERLINK
EUROFEEDERS
BELFAST CONTAINER TERMINALS
PORTS SERVED BY PASSENGER AND FREIGHT SHIPS WITHIN IRISH CONTINENTAL GROUP.
GRANGEMOUTH
BELFAST
SOUTH SHIELDS
TEESPORT
DUBLIN
LIVERPOOL
HOLYHEAD
IMMINGHAM
ROSSLARE
CORK
PEMBROKE
FELIXSTOWE
ROTTERDAM
ANTWERP
ZEEBRUGGE
DUNKIRK
RADICATEL
CHERBOURG
ROSCOFF

FINANCIAL HIGHLIGHTS

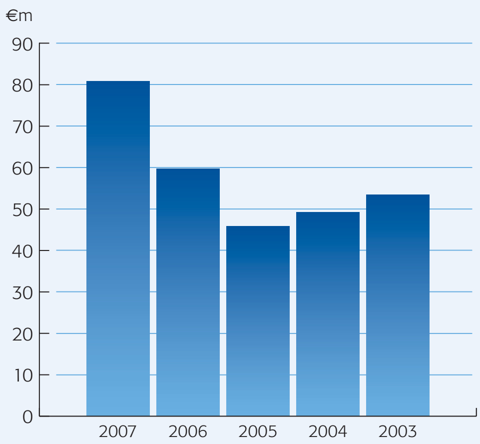
Turnover



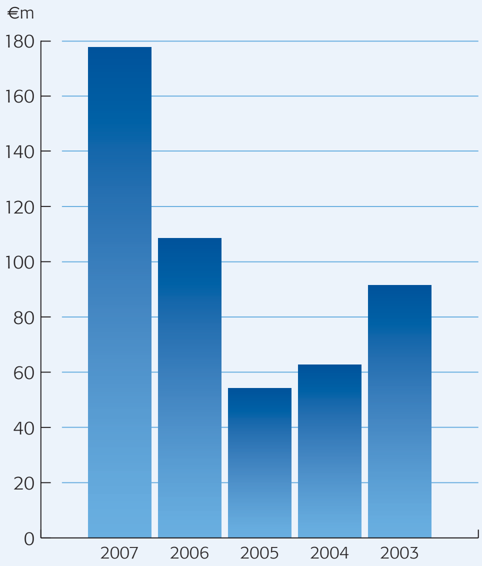
2007 Divisional Breakdown



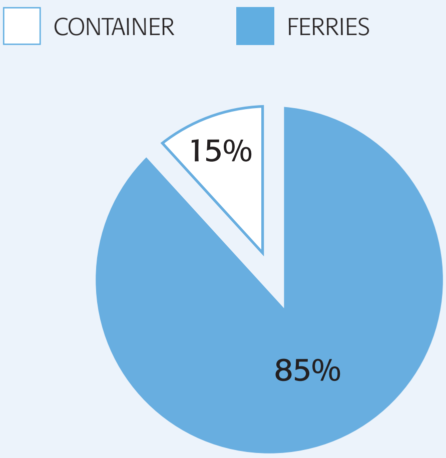
EBITDA



Adjusted Earning per Share



2007 Divisional Breakdown



Information is presented in accordance with IFRS except 2003 which continues to be presented under Irish GAAP without restatement.

FIVE YEAR SUMMARY

Consolidated Income Statement	2007 €m	2006 €m	2005 €m	2004 €m	2003 €m
Turnover	355.8	312.1	298.5	293.1	304.3
Employee benefits expense & other operating expenses	(275.6)	(252.4)	(252.7)	(243.9)	(250.9)
EBITDA	80.2	59.7	45.8	49.2	53.4
Depreciation / amortisation	(30.1)	(27.5)	(27.7)	(26.1)	(24.5)
Trading profit	50.1	32.2	18.1	23.1	28.9
Non trading items	(10.1)	0.7	(31.6)	(12.4)	(4.8)
Interest (net)	0.7	0.4	(1.5)	(5.4)	(6.4)
Profit / (loss) before taxation	40.7	33.3	(15.0)	5.3	17.7
Taxation	(2.4)	(1.0)	(0.8)	-	(0.3)
Profit / (loss) for the financial year	38.3	32.3	(15.8)	5.3	17.4
Dividends	-	-	-	-	-
Profit / (loss) retained	38.3	32.3	(15.8)	5.3	17.4
Per share information (cent):					
Earnings / (loss) per share - cent					
-Basic	160.9	137.4	(67.8)	22.6	71.6
-Adjusted	178.6	108.5	54.1	63.0	91.4
Dividends / redemption premium per share	-	10.9	29.2	25.9	22.5
Shares in issue at year end					
- ICG units	25.4	24.4	24.3	23.3	23.9
- treasury shares	0.9	0.9	0.9	0.9	0.2
Average shares in issue	23.8	23.5	23.3	23.5	24.3
Number of shareholdings	1,259	2,092	2,263	2,326	2,816

Consolidated Balance Sheet	2007 €m	2006 €m	2005 €m	2004 €m	2003 €m
Fixed and intangible assets	279.6	273.8	291.1	297.6	334.5
Retirement benefit surplus	32.5	29.9	8.0	2.8	-
Other assets	74.5	70.1	57.1	55.9	64.5
Total assets	386.6	373.8	356.2	356.3	399.0
Shareholders funds	212.3	178.3	140.4	152.8	183.5
Retirement benefit deficit	6.6	10.1	0.6	4.7	-
Other non-current liabilities	91.3	117.7	115.5	107.7	119.9
Current liabilities	76.4	67.7	99.7	91.1	95.6
	386.6	373.8	356.2	356.3	399.0
Net debt	84.5	113.8	105.9	117.9	125.0
Gearing	39.8%	63.8%	75.4%	77.2%	68.1%

Consolidated Cashflow	2007 €m	2006 €m	2005 €m	2004 €m	2003 €m
Cash generated from operations	85.0	16.4	39.3	39.4	54.4
Cash outflow from:					
Servicing of finance	(6.5)	(6.0)	(5.9)	(6.9)	(9.2)
Taxation	(1.0)	(1.7)	(1.7)	(0.5)	(0.3)
Investing	(57.0)	(11.5)	(11.9)	(12.7)	(8.8)
Financing	(17.8)	0.1	(16.7)	(21.8)	(36.0)
Change in cash balances	2.7	(2.7)	3.1	(2.5)	0.1

CHAIRMAN'S STATEMENT

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.

We continue to see competitive conditions in the passenger market with continued increase in air capacity combined with a greater emphasis among consumers on short breaks which tends to favour airlines over sea travel. Nevertheless we have successfully competed in this environment and in 2007 as a whole we grew our car carryings by a healthy 14% reversing the declines seen in the preceding 4 years. The unitised freight market continued to grow and we have more than held our own in participating in this growth in both RoRo and LoLo modes. On the cost side fuel costs remain a challenge.

Our cash flow from operations remains strong and net debt at year end was down to €84.5 million (versus €113.8 million in 2006) leaving us in a strong position to continue to invest in the business. Our new container terminal in Belfast is meeting expectations and the significant expansion of our port facility in Dublin Port is expected to be completed in 2009. In January 2007 we were delighted to be able to secure the MV Oscar Wilde, for a total investment of €51 million including refurbishment, as a replacement vessel on our route to France. The vessel will substantially enhance the customer experience on this route while also providing additional freight capacity.

The board has decided to redeem one redeemable share per ICG unit for a consideration of 100 cent per redeemable share which will be payable in April 2008.

In conclusion, I look forward to a further year of progress in 2008, in which we hope to continue the progress of the Group over the last number of years and I would like to thank all the people in the organisation and our partners who contributed to the success of Irish Continental Group this past year.

John B. McGuckian,
Chairman

OPERATIONS AND FINANCE

OPERATING AND FINANCIAL REVIEW

This Operating and Financial Review is presented in accordance with the requirements of Section 13(A) of the Companies (Amendment) Act 1986 as amended by Statutory Instrument (S1) 116 of 2005 – European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005. 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
- Results for 2007 Financial Year
- Operations
- Future Outlook
- Risks and Uncertainties
- Resources
- Environmental and Safety Review
- Financial Review

LONG TERM STRATEGY AND BUSINESS OBJECTIVES

Irish Continental Group plc is a focussed 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 11.

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.

We measure our performance 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.
- Earnings per share (EPS).
- Return on average capital employed (ROACE).

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

RESULTS FOR THE 2007 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 under "Operating Review" on page 11.

	Ferries		Container & Terminal		Group	
	€m	€m	€m	€m	€m	€m
	2007	2006	2007	2006	2007	2006
Revenue	197.9	170.0	157.9	142.1	355.8	312.1
EBITDA	68.1	52.8	12.1	6.9	80.2	59.7
EBIT	40.9	28.6	9.2	3.6	50.1	32.2
Non Trading Items	-	-	-	-	(10.1)	0.7
Net Pension Interest Credit					5.9	6.1
Other Finance Charges					(5.2)	(5.7)
Interest (net)					0.7	0.4
PBT					40.7	33.3
EPS Basic					160.9c	137.4c
EPS Adjusted					178.6c	108.5c

EBITDA: EBITDA for the year was up 34.3% at €80.2 million. The improvement is due mainly to improved revenue in both Irish Ferries and the Container & Terminal Division.

EPS: Adjusted EPS (before non trading items and the net interest credit arising in our pension schemes) was 178.6 cent per share compared with 108.5 cent in 2006. Basic EPS was 160.9 cent per share compared with a 137.4 cent per share in 2006. The improvements were for the reasons set out above in relation to EBITDA.

ROACE: We achieved a return on average capital employed of 18.3% (12.6% in 2006) due to the increase in profitability referred to above and a minimal change in capital employed in the business.

Schedule integrity: With regard to schedule integrity we achieved 94% of scheduled sailings compared with 93% the previous year.

OPERATING REVIEW
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. Irish Ferries operates 4 ferries on international routes between Ireland and the UK and between Ireland and France.

Ferry	Route	Sailings Per Day
Ulysses	Dublin / Holyhead	4
Jonathan Swift	Dublin / Holyhead	4
Isle of Inishmore	Rosslare / Pembroke	4
Oscar Wilde*	Rosslare / Cherbourg or Roscoff	1

** (Normandy until October 2007)*

Turnover in the division was up 16% at €197.9 million while profit from operations was €40.9 million compared with €28.6 million in 2006. The increase was due mainly to the strong growth in revenue. Fuel costs within the division rose 8% to €22.1 million. Part of the increase in fuel costs is due to the full year effect of the implementation of EU Directive 2005/33/EC, with effect from 22 August 2006, which requires the use of more environmentally friendly, but more expensive, low sulphur fuel on passenger ships.

Passenger Revenue

Our passenger numbers increased by 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 car market grew. The overall increase was 4% and this contrasted against the slight decline in air traffic to and from Britain.

Irish Ferries performance was underlined by the market's response to the excellent value on offer through competitive fare structures and good online booking facilities through irishferries.com. In addition, customer feedback throughout the year continued to welcome the sustained high quality of the on-board experience which is key in delivering our promise of great value combined with superior service.

The closure by a competitor of the Swansea / Cork route for the year was also significant although some uncertainty remains about plans to re-establish the service in the future.

Freight Revenue

In the Roll On Roll Off freight market growth continued and we achieved a record volume of traffic of 264,000 trucks, up 11%. 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 Roll On Roll Off volumes.

There were also changes in the competitive set with new ownership and plans for increased capacity amongst the operators of the Dublin / Liverpool route.

Irish Ferries' position as market leader was sustained by the continued strength of our operational record in punctuality and predictability which are fundamental requirements in the demanding RoRo market. We carried an estimated €10 billion worth of exports from Ireland in 2007, including technical equipment, pharmaceutical products, food and animal produce and the entire range of manufactured goods which are shipped on a daily basis. We also maintained our position as a key player in Ireland's import trade which includes FMCG items for consumers and just-in-time raw materials for the country's manufacturing base.

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 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 November after a substantial upgrading. The vessel which has been renamed "Oscar Wilde", in honour of the renowned Irish writer, carries up to 1,458 passengers in 468 cabins as well as 580 cars or 1,220 lane meters of vehicle deck space. The new vessel will offer significantly higher levels of comfort to our passengers with its spacious cabins and public areas while also providing us with additional freight capacity. The previous vessel was sold, after the year end, to Asian buyers, for delivery in March 2008.

Chartering

In addition to the short term charter of the Kronprins Harald to Color Line 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 options to extend both charters until 2010. P&O retains a further option on each vessel for the period 2010 to 2013.

IRISH FERRIES AWARDS

Whilst recognition is always welcome, we were particularly pleased to receive four major awards during the year. We hope these awards are some vindication of the effort and hard work of all at Irish Ferries along with our contractors, DFM and their staff on board our vessels, who seek to provide the highest standards of service whilst also providing real value to our customers.

- **Ireland's Best Ferry Company 2007 - ITTN Awards, Ireland**
  Irish Ferries was, once again, voted Ireland's Best Ferry Company. The award, decided by a vote of Irish travel agents, was declared at the annual Irish Travel Trade News Awards in January 2008.

  This is the ninth time since 1997 that Irish Ferries has won this coveted award.

- **'Best Irish Sea Ferry Operator 2007' - World Travel Awards, Europe**
  Irish Ferries was also successful when the European categories of the World Travel Awards were announced in October. Irish Ferries was voted 'Best Irish Sea Ferry Operator' by the travel trade across the UK, Ireland and the rest of Europe. The World Travel Awards - dubbed the 'Oscars' of the travel industry - are in their 14th year and recognise excellence in the tourism industry on a global scale.

- **'Best Ferry Operator' 2007 - TTG Awards, UK**
  For the first time, Irish Ferries received a major accolade from the UK travel trade press by winning the 'Best Ferry Operator' category at the TTG Awards in London.

- **Shipping Company of the Year 2007 - Irish Exporters Association**
  Also a first for Irish Ferries was the prestigious Irish Exporters Association 'Shipping Company of the Year' award for 2007. The judges recognised the significant role the company plays in the daily performance of the Irish economy and played tribute to our commitment to low cost, high quality services for Irish exporters.

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). 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.

FUTURE OUTLOOK

The economic environment in 2008 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 world oil price is at record highs.

In the passenger market the competitive threat from air carriers is likely to continue and the imperative is to provide an equally competitive alternative, which Irish Ferries is now achieving through strict cost control.

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.

RISKS & UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's long term performance. The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business. However, it is not possible to eliminate all risk. The more significant risks and uncertainties faced by the Group are as follows:

Safety

The Group operates both passenger and freight vessels. There is a risk that any of our vessels could be involved in an incident which could cause loss of life and cargo and cause significant interruption to our business. Similarly, in the event that critical port installations were to be damaged and placed out of commission for a protracted period of time there is a risk of substantial business interruption. In mitigation, the Group has a major accident response plan for emergency situations and the Group carries insurance in respect of passenger, cargo and third party liabilities, but does not carry insurance for business interruption.

Market Risk

Our passenger market is subject to general economic conditions, the propensity of consumers to travel and more specifically, to competitive threat from airlines, particularly short haul low cost airlines.

Our freight market is subject to general economic conditions and in particular growth in international trade in North West Europe.

Fuel

The Group's vessels consume heavy fuel oil (HFO) and marine diesel oil (MDO) both of which are subject to price fluctuation. It is the Group's policy to purchase these commodities in the spot markets and to remain unhedged. The specification of fuel consumed is regulated by EU Law which may change from time to time.

Business Continuity

The business of the Group is exposed to the risk of interruption from incidents such as labour disputes either within the Group or in key suppliers, for example ports or fuel suppliers.

RESOURCES

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

- A modern owned ferry fleet and container terminals
- Secure port agreements
- Recognised brand names
- Employment of qualified staff

Fleet & Terminals

In its Ferry Division the Group operates 4 ferries. They are the Oscar Wilde (31,914GT), built 1986, Isle of Inishmore (34,031 GT), built 1997, Jonathan Swift (5,992 GT), built 1999 and the Ulysses (50,938 GT), built 2001.

The Group also charters out on bareboat charter the MV Pride of Bilbao (37,583 GT), built 1986 and MV Kaitaki (23,365 GT), built 1995.

The Group's 33 acre terminal in Dublin Port comprises 480 metres of berths for feeder vessels, with a depth of 9 to 11 metres and equipped with 3 modern Liebherr gantry cranes (40 tonne capacity), 7 rubber tyred gantries (each of 40 tonnes capacity) and one 45 tonne reachstacker on a strategically located site within three kilometres of Dublin City Centre and within one kilometre of the Dublin Port Tunnel. In Belfast our terminal comprises an 11.5 acre site on the County Antrim side of the port, equipped with one mobile crane and three straddle carriers.

Secure Port Agreements

The Group has secure port agreements in Ireland, the UK and France in respect of its scheduled ferry services. These port agreements secure 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.

Employment of Qualified Staff

The Group, which has 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 2007 we had 474 employees compared with 479 at the start of the year, located in Ireland, the UK and The Netherlands.

ENVIRONMENT AND SAFETY

Environment

Irish Continental Group recognises that all forms of transport, including ships, have an unavoidable impact on the environment. We are committed to reducing negative impacts through:

- consistent compliance with the International Convention for the Prevention of Pollution from ships (MARPOL 73/78);
- minimising the consumption of non-renewable fossil fuels, including, for example, using electricity to power our cranes;
- using an oil recovery system to collect all waste oil from our ships. This oil is then recycled;
- bulk purchasing to reduce the number of deliveries and packaging, and segregation of all waste cardboard packaging for recycling;
- minimising wave generation, and thus minimising disturbance of coastal habitats;
- painting the hulls of all our ferries with tin-free non-toxic paints to avoid the release of harmful agents into the sea;
- promoting customer awareness of the marine environment;
- recycling paper at our Head Office in Dublin;
- reducing the sulphur content in marine fuels used on all of our vessels in compliance with the requirements of European Directive 2005/33/EC.

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 our employees 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 has developed management systems that instil a safety culture throughout all aspects of our operations, ashore and afloat. In our largest subsidiary, Irish Ferries, the Health and Safety Manager is responsible for ensuring that health and safety issues are identified, monitored and reviewed. He develops the company's internal policy and procedures, sets targets to monitor performance and verifies the implementation of internal codes and procedures. Through a regular programme of quality and safety audits, continued compliance to these high standards is maintained.

We are committed to providing a high level of safety and quality training to all our staff, providing each of our employees with health and safety information, instruction and training, as appropriate, to enable them to work safely and to contribute towards a safer working environment.

In addition to our own internal verification procedures we are subject to inspection by the relevant Health and Safety Authorities. Irish Ferries operates to the International Safety Management Code (ISM), which is the international standard for the safe management and operation of ships and for pollution prevention. Irish Ferries has successfully held the internationally recognised award for quality (ISO 9000) since 1996. Since 2003 Irish Ferries is ISO 9000:2000 accredited.

Irish Continental Group is also in full compliance with the International Ship and Port Facility Security code (ISPS) which became law in 2004.

Eamonn Rothwell,
Chief Executive

FINANCIAL REVIEW
Results

Turnover for the year amounted to €355.8 million (2006: €312.1 million) while trading profit before tax and before non-trading items amounted to €50.1 million (2006: €32.2 million). Group wide fuel costs were substantially higher in the year at €36.1 million (2006: €32.8 million).

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

NON TRADING ITEM

There was an exceptional charge of €10.1 million, comprising the costs incurred in relation to offers received to acquire the company via Scheme of Arrangements. The prior year credit comprises restructuring costs of €3.7 million and a credit of €4.4 million in respect of a non trading PRSI credit.

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, 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).

PENSIONS

Of the Group's principal defined benefit plans four were in surplus at year end (€32.5 million versus €29.9 million in 2006) while one was in deficit (deficit of €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 Officer Pension Fund (MNOPF).

CASH FLOW AND INVESTMENT

EBITDA before restructuring charges for the year was €80.2 million (2006: €59.7 million). Our net interest payments were €5.2 million and tax payments amounted to €1.0 million. Capital expenditure was €58.4 million.

Capital expenditure primarily included the acquisition of the Oscar Wilde (formally Kronprins Harald) and the annual refits of the other vessels as well as progress payments in respect of our terminal expansion in Dublin Port.

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

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 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 finances its operations through a mixture of shareholders' funds, bank borrowings and lease finance. The Group borrows in required currencies at both fixed and floating rates of interest.

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 current target is to fix rates on approximately 60% of debt for between one and seven years. The Group uses interest rate swaps to manage interest rate exposure.

At 31 December 2007, 47% (2006: 41%) of the Group's gross debt was at fixed rates for a weighted average period of 3.5 years (2006: 3.5 years). The weighted average fixed rate of interest is 4.2% (2006: 4.3%).

Interest cover for the year was 7.7 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. A significant proportion of the earnings from the Group's owned vessels are in foreign currencies and therefore the related borrowings are in the same foreign 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 broadly matched, with excess revenues available to offset dollar costs.

Commodity Price Management

The Group chooses not to hedge in respect of fuel costs. The benefit of the short term certainty arising from the use of fuel hedges is considered to be offset in the long term by the premium cost. Cost of fuel in 2007 was 10% higher than in 2006.

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 Groups cash resources had a maturity of less than 30 days.

To match the long term nature of the Group's investment in ships the majority of the Group's debt is also long term. At the year end 86% of the Group's borrowings are due to mature in more than one year (2006: 88%).

Overdraft facilities are in place to secure short term funding.

Gearoid O'Dea,
Finance Director

THE FLEET

Below

Oscar Wilde

Below

Pride of Bilbao

Below

Isle of Inishmore
Ulysses
Jonathan Swift

Below

Eucon Progress
one of 17 chartered container ships employed by the Container Division.

Below

Kaitaki

THE BOARD

NON-EXECUTIVE DIRECTORS

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

John McGuckian, aged 68, has been a director since 1988. He has a wide range of interests, both in Ireland and internationally. He is Chairman of Ulster Television plc and a former Chairman of The Industrial Development Board (of Northern Ireland).

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

Peter Crowley, aged 45, was appointed to the Board in 2003. Peter is a chartered accountant. He is a founder partner of FL Partners, a private equity company. He is a former CEO of IBI Corporate Finance and is a past executive and current non-executive director of Sigma Communications Group.

Bernard Somers,
BComm, FCA.
Independent Director.

Bernard Somers, aged 58, was appointed to the Board in 2004. He is a non-executive director of a number of public companies including, Independent News & Media plc, AIB Group and DCC plc. He founded Somers and Associates, a professional practice which specialises in corporate restructuring.

EXECUTIVE DIRECTORS

Eamonn Rothwell,
BComm, MBS, FCCA, FIIMR.
Chief Executive Officer.

Eamonn Rothwell, aged 52, joined the Board in 1987 as non-executive director and was appointed to the position of Managing Director in 1992. He is a past director of NCB Group. Prior to that, he worked with AIB Group and Bord Failte Eireann (The Irish Tourist Board).

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

Gearoid O'Dea, aged 52, joined the Company and was appointed to the Board in 1988. He previously worked in various financial positions within CRH plc. He qualified as a chartered accountant with KPMG.

Tony Kelly,
FCILT.
Marketing Director - Irish Ferries.

Tony Kelly, aged 52, joined B&I Line (now Irish Ferries) in 1973 and worked in a number of operational and marketing roles within the company. 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 43, joined the company in 1989 from 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 2007.

RESULTS AND BUSINESS DEVELOPMENTS

Details of the results for the year are set out in the consolidated income statement on page 41 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 Review and the Financial Review on pages 9 to 16. 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.

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 2007 an ICG unit consisted of one ordinary share and three 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.

Pursuant to resolutions passed at the Annual General Meeting held on 23 July 2007 the directors currently have the power to allocate new shares up to the authorised amounts and may allot an amount of up to 5% of the then issued share capital without application of pre-emption rights.

At the Annual General Meeting held on 23 July 2007 the directors were given authority to make market purchases of up to 10% of the then issued share capital. In addition, under the Company's Memorandum and Articles of Association the directors have the power to redeem redeemable shares from time to time. No market purchases or redemptions were made during the year ended 31 December 2007, or after the year end, to the date of this report.

The structure of the Group and Company's capital and movement during the year are set out in note 21 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.

REDEMPTION OF REDEEMABLE SHARES

No redeemable shares were redeemed during the year.

BOARD OF DIRECTORS

The Board members are listed on pages 18 and 19 of this report. There were no changes in the composition of the Board in 2007.

REPORT OF THE DIRECTORS

In accordance with the Articles of Association and The Combined Code on Corporate Governance (the "Combined Code") John B. McGuckian and Gearoid O'Dea retire by rotation, and being eligible, offer themselves for re-election. Biographical details of both Directors are set out on pages 18 and 19 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.

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

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The latest notifications of substantial interests in the Share Capital of the Company received by the Company on or before 7 March 2008 were as follows;

Beneficial Holder as Notified	Number of Units	% of Issued Units
South Morston Investment Company Limited	7,174,827	29.2%
Eamonn Rothwell (note 1)	3,938,771	16.1%
One51 Capital Limited (note 2)	3,010,443	12.3%
Doyle Group Limited (note 2)	2,177,217	8.9%
Deutsche Bank AG (note 3)	1,473,782	6.0%
Buchanan Holdings Limited	1,268,189	5.2%
Moonduster Limited (note 4)	946,510	3.9%

Note 1: Eamonn Rothwell's disclosed holding includes 736,000 ICG Units held through a contract for difference with Cantor Fitzgerald Europe and he has an option, in certain circumstances, to purchase the underlying ICG units.

Note 2: Cantor Fitzgerald Europe disclosed that it held 5,239,160 ICG Units of which 4,134,406 ICG Units are subject to a written agreement entered into on 13 April 2007 between One51 Capital Limited and Doyle Group Limited and Cantor Fitzgerald Europe under which One51 Capital Limited and Doyle Group Limited control Cantor Fitzgerald's voting rights and have an option, in certain circumstances, to purchase the underlying ICG units. The One51 Capital Limited and Doyle Group Limited disclosed holdings include 3,010,443 and 1,492,217 ICG Units respectively pertaining to this agreement.

Note 3: The Company has been advised that Sandell Asset Management through Castlerigg Master Investments Limited has an interest in 1,400,000 of these ICG Units in the form of a contract for difference entered into with Deutsche Bank.

Note 4: The Company understands that the issued share capital of Moonduster Limited is owned by One51 Capital Limited and Doyle Group Limited.

REPORT OF THE DIRECTORS - CONTINUED

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 2007 and 1 January 2007, all of which were beneficial, were as follows:

	31/12/2007 number	1/1/2007 number
John McGuckian	32,354	32,354
Eamonn Rothwell	3,938,771	2,038,571
Gearoid O'Dea	179,377	179,377
Tony Kelly	39,588	39,588
Peter Crowley	-	15,000
Bernard Somers	-	-
Thomas Corcoran	8,736	8,736

There were no changes in directors' shareholdings between 31 December 2007 and the date of this report.

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 2007 and that have been adopted by the European Union.

AUDITORS

The Auditors, Deloitte & Touche, Chartered Accountants 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 23 to 26.

ANNUAL GENERAL MEETING

The Annual General is scheduled to take place in the Clarion Hotel, IFSC, North Wall Quay, Dublin 1 on 1 May 2008 at 11.00am.

A separate document setting out the special business to be considered at the Annual General Meeting together with the Notice of Annual General Meeting will be mailed to shareholders with the Annual Report.

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

7 March 2008
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. The Board believes that it is in compliance with the Combined Code. The Group has complied with the Code's provisions, with the only exception being that the Chairman of the Group was also a member of the Remuneration Committee during the year.

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 Act.

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 pages 18 and 19. 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 nine 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 directors 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 2007, 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. In addition, following an approach to acquire the Group on 8 February 2007, received from the Chief Executive and other senior members of management, the Company constituted an Independent Committee of the Board of Directors comprising John McGuckian, Bernard Somers and Peter Crowley (the "Independent Board") who were advised by NCB Corporate Finance. The Executive Directors of the Company (namely Eamonn Rothwell, Gearoid

BOARD COMMITTEES - CONTINUED

O'Dea and Tony Kelly) were conflicted from considering the offer because of their involvement with the proposed offeror Aella plc.

On 8 March 2007 the Independent Board agreed the terms of a recommended offer by Aella plc for a cash consideration of €18.50 per ICG Unit of the entire issued, and to be issued, share capital of the Group by means of a Scheme of Arrangement under Section 201 of the Companies Act 1963.

On 14 June 2007 the Independent Board agreed the terms of a recommended offer by Moonduster Limited for a cash consideration of €22 per ICG Unit of the entire issued, and to be issued, share capital of the Group by means of a Scheme of Arrangement under Section 201 of the Companies Act 1963.

On 20 August 2007 the Independent Board agreed the terms of a recommended revised offer by Aella plc (the "Revised Aella Scheme") for a cash consideration of €24 per ICG Unit of the entire issued, and to be issued, share capital of the Group by means of a Scheme of Arrangement under Section 201 of the Companies Act 1963.

On 26 September 2007 the Revised Aella Scheme was voted on by shareholders and was not approved.

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 audit firm, including the provision of non-audit services. The committee does not consider that those relationships impair the auditors' judgement or independence.

THE NOMINATION COMMITTEE

The Nomination Committee comprises the non-executive directors John 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 John McGuckian (chairman) and Peter Crowley.

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 McGuckian, as Chairman of the Board, is deemed not to be independent under the terms of the Combined Code.

THE REMUNERATION COMMITTEE - CONTINUED

Attendance at scheduled board meetings and board committee meetings during the year.

Director	Board	Audit *	Nomination **	Remuneration
Scheduled Meetings	10	3	-	1
J. McGuckian (note 1)	10	-	-	1
P. Crowley (note 2)	9	2	-	1
B. Somers (note 3)	10	3	-	-
E. Rothwell (note 4)	10	-	-	-
G. O'Dea (note 5)	10	-	-	-
T. Kelly (note 5)	10	-	-	-

Note 1: Member of Board, Nomination and Remuneration Committee

Note 2: Member of Board, Audit, Nomination and Remuneration Committee

Note 3: Member of the Board and Audit Committee

Note 4: Member of the Board and Nomination Committee

Note 5: Member of the Board

* Where a quorum was not present at an audit committee meeting, John McGuckian was co-opted to the committee for that committee meeting.

** There were no nomination committee meetings held during the year.

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 Finance Director have a regular dialogue with institutional 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.

We encourage communications with private shareholders and welcome their participation at shareholder meetings.

We provide regular formal updates to our shareholders in a variety of ways, including a trading update on the day of our Annual General Meeting and Annual and Interim Reports and Accounts, sent to all shareholders by post or electronically, and available on our 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 2007 annual report and 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 2008.

Further investor relations information is available on pages 86 to 87 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 and internal control procedures, which are supported by detailed controls and processes, include:

- the Group Risk Management function;
- an organisational structure with clearly defined lines of authority and accountability;
- skilled and experienced Group and divisional management;
- a comprehensive system of financial reporting involving budgeting, monthly reporting and variance analysis;
- a formally constituted Audit Committee which reviews the operation of the Group Risk, Management function, the Internal Audit function, liaises with the external auditors and reviews the Group's internal control systems.

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 27 to 29.

REPORT OF THE REMUNERATION COMMITTEE

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 24.

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 given full consideration to Section B of the Best Practice Rules annexed to the Listing Rules. Throughout the period the Group had procedures in place which met with the Best Practice Provisions as set out in Section A of the Irish Stock Exchange requirements on directors' remuneration.

Annual performance pay for executive directors are determined by the Remuneration Committee based on the achievement of the Group's profitability objectives.

Details of directors' remuneration for the year ended 31 December 2007 are set out below:

	Salary €'000	Performance pay €'000	Benefits €'000	Fees €'000	Total 2007 €'000	Total 2006 €'000
Executive directors						
E. Rothwell	424	953	45	-	**1,422**	1,001
G. O'Dea	257	246	23	-	**526**	400
T. Kelly	186	130	22	-	**338**	298
Non-executive directors						
J. McGuckian	-	-	-	240	**240**	90
P. Crowley	-	-	-	135	**135**	40
B. Somers	-	-	-	135	**135**	40
	867	1,329	90	510	**2,796**	1,869
Pension contributions					**158**	158
					2,954	2,027

The company releases the executive directors Eamonn Rothwell and Tony Kelly to serve as non-executive directors on other boards. Eamonn Rothwell is a non-executive director of The United Kingdom Mutual War Risks Association Limited and does not retain his fee for this position.

Tony Kelly served as a non-executive director on the Board of Tourism Ireland Limited up until 18 December 2007, at which point he resigned his position. Tony retained his annual fee of €6,349.

Eamonn Rothwell, Gearoid O'Dea and Tony Kelly are directors of Aella plc which entered into an Expenses Reimbursement Agreement and an Implementation Agreement with the Company, on 8 March 2007, in connection with the then recommended acquisition of the Group by Aella plc. A new Implementation Agreement was entered into on 20 August 2007 in connection with the revised recommended acquisition of the Group by Aella plc.

The non-executive directors, who comprised the Independent Board, received remuneration for additional work performed by them in connection with the offer for the Group. The remuneration, which is included in the fees above was paid as follows; John B. McGuckian €150,000, Peter Crowley €95,000 and Bernard Somers €95,000. This remuneration is included in the non-trading charge (note 6).

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. No element of remuneration, other than basic salary, is pensionable. The aggregate pension benefits attributable to the executive directors at 31 December 2007 are as follows:

	E. Rothwell €'000	G. O'Dea €'000	T. Kelly €'000	Total 2007 €'000	Total 2006 €'000
Increase in accumulated accrued annual benefits excluding inflation in the period	9	7	4	**20**	16
Transfer value of the increase in accumulated accrued benefits (excluding inflation) at year end*	112	94	53	**259**	184
Accumulated accrued annual benefits on leaving service at year end	238	128	107	**473**	435

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

There are no long term incentive plans in place other than the Group's 1998 share option plan which was introduced to encourage identification with shareholders' longer term interests. Since that date, options have been granted both to directors and to employees of the Group. Options are granted by the Remuneration Committee on a discretionary basis, based on the employees' expected contribution to the Group in the future.

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

REPORT OF THE REMUNERATION COMMITTEE - CONTINUED

Exercise Price	Exercise Period	Exercise Conditions	Director E. Rothwell	Director G. O'Dea	Director T. Kelly	Secretary T. Corcoran
€5.30	Jan 2000 - Dec 2007	Note 1	75,000	-	-	-
€5.30	Jan 2000 - Dec 2007	Note 2	75,000	37,500	25,000	5,000
€10.75	Jan 2003 - Mar 2010	Note 3	25,000	12,500	12,500	2,500
€10.75	Jan 2005 - Mar 2010	Note 4	25,000	12,500	12,500	2,500
€6.60	Jan 2004 - Mar 2011	Note 3	-	-	-	5,000
€6.60	Jan 2006 - Mar 2011	Note 4	-	-	-	5,000
€7.35	Jan 2005 - Mar 2012	Note 3	100,000	-	25,000	5,000
€7.35	Jan 2007 - Mar 2012	Note 4	100,000	50,000	25,000	5,000
€5.30	Sep 2005 - Sep 2012	Note 3	50,000	15,000	12,500	-
€5.30	Sep 2007 - Sep 2012	Note 4	50,000	15,000	12,500	-
€10.00	Apr 2008 - Apr 2015	Note 3	25,000	12,500	12,500	5,000
€10.00	Apr 2010 - Apr 2015	Note 4	25,000	12,500	12,500	5,000
€10.67	Sep 2009 - Apr 2016	Note 3	50,000	25,000	25,000	7,500
€10.67	Sep 2011- Sep 2016	Note 4	50,000	25,000	25,000	7,500
At 31 December 2006			**650,000**	**217,500**	**200,000**	**55,000**
Exercised during the year						
€5.30			(75,000)	-	-	-
€5.30			(75,000)	(37,500)	(25,000)	(5,000)
€10.75			-	(12,500)	(12,500)	(2,500)
€10.75			-	(12,500)	(12,500)	(2,500)
€6.60			-	-	-	(5,000)
€6.60			-	-	-	(5,000)
€7.35			-	-	(25,000)	(5,000)
€7.35			-	(25,000)	-	(5,000)
Granted during the year						
€21.32	Dec 2010 - Dec 2017		75,000	37,500	37,500	10,000
€21.32	Dec 2012 - Dec 2017		75,000	37,500	37,500	10,000
At 31 December 2007			**650,000**	**205,000**	**200,000**	**45,000**

Note 1: These options are exercisable only if growth in the Group's EPS is higher than the increase in the Consumer Price Index.

Note 2: These options are exercisable only if the Group's EPS growth places it in the top quartile of ISEQ companies.

Note 3: These options are exercisable only if growth in the Groups EPS is at least 2% p.a. above the increase in the Consumer Price Index.

Note 4: These options are exercisable only if growth in the Group's EPS places it in the top quarter of ISEQ companies and also only if the growth in the Group's EPS is at least 10% p.a. above the increase in the Consumer Price Index.

The market price of the shares at 31 December 2007 was €22.05 and the range during the year was €14.45 to €26.46. The market price of the shares on the date of exercise by Eamonn Rothwell was €21.32 and €25.75 in all other cases.

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;
- 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 to enable them to ensure that the financial statements are prepared in accordance with IFRS's as adopted by the European Union and comply with Irish statute comprising the Companies Acts, 1963 to 2006 and 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.

INDEPENDENT AUDITORS' 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 2007 which comprise the Group Financial Statements including the Statement of Accounting Policies, the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the Parent Company Financial Statements including the Company Balance Sheet, the Cash Flow Statement, the Company Statement of Recognised Income and Expense and the related notes 1 to 40. These financial statements have been prepared under the accounting policies set out in the Statement of 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 (IFRS) as adopted by the European Union.

Our responsibility, as independent auditors, 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 IFRS as adopted by the European Union, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006, and Article 4 of the IAS Regulations. We also report to you whether in our opinion: proper books of account have been kept by the Company; whether, at the balance sheet 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 Directors is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company's balance sheet 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 review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 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 Boards 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 Directors, the Corporate Governance Statement and the Report of the Remuneration Committee. Our responsibilities do not extend to other information.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRISH CONTINENTAL GROUP PLC. - CONTINUED

BASIS OF AUDIT OPINION - CONTINUED

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 IFRS as adopted by the European Union, of the state of the affairs of the Group as at 31 December 2007 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 2006, and Article 4 of the IAS Regulations;
- the Parent Company Financial Statements give a true and fair view, in accordance with IFRS, as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2006, of the state of the Parent Company affairs as at 31 December 2007; and
- the Parent Company Financial Statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulations.

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 Company. The Company's balance sheet is in agreement with the books of account.

In our opinion the information given in the Report of Directors is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet 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 2007 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 company.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin
7 March 2008

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 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 significant accounting policies adopted by the Group and Company are set out below.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in the present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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 balance sheet in current liabilities under the caption "trade and other payables".

Cash revenue from on-board sales is recognised immediately.

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.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

NON TRADING (CHARGE) / CREDIT

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 Company and which individually or, if of a similar type, in aggregate are separately disclosed by virtue of their size or incidence. Judgement is used by the Group and Company in assessing the particular items which should be disclosed in the Income Statement and related notes as non trading items.

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.

The capital element of future lease rentals is treated as a liability and is included in the Consolidated Balance Sheet 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

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 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 presented 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 balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement 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 euros using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rate 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 classified as equity and transferred to the Group's 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).

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.

RETIREMENT BENEFIT COSTS

Defined benefit plans

For defined benefit plans, the cost of providing benefits and the liabilities of the plans are determined using the projected unit credit method, with actuarial valuations being carried out by independent and professionally qualified actuaries at each balance sheet date.

Current service cost, interest cost and return on plan 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 Statement of Recognised Income and Expense. 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.

In addition to the pension schemes operated by the Group, certain employees are included in the Merchant Navy Officers Pension Fund. This scheme is treated as a defined benefit scheme 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 Income Statement under Finance costs.

The surplus or deficit on the Group's defined benefit pension plans is recognised in full in the Consolidated Balance Sheet. 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.

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.

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 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 balance sheet 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 charge 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 balance sheet 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 balance sheet 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.

TAXATION - CONTINUED

Deferred tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity, 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 based the valuation on the current scrap value of the ships per light displacement ton. 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 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.

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

OTHER ASSETS

Other tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment 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. Freehold land is not depreciated.

The amount initially recognised in respect of an item of property, plant and equipment 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 tangible fixed assets is charged so as to write off the cost or deemed cost of assets, other than land and properties under construction, over the estimated useful lives, using the straight-line method, on the following bases:

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

Assets under construction, the construction of which falls into two or more accounting periods are recorded at the cost incurred to date 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.

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 they meet the recognition criteria of IAS 38. Computer software costs recognised as assets are written off 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 TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

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 recognises 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 unit) 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 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 balance sheet 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 measured at amortised cost.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in the Consolidated Income Statement when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Investments are classified as either held for trading or available-for-sale, and are measured at subsequent reporting dates at fair value.

Investments - continued

Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in Consolidated Income Statement for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly into equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the Consolidated Income Statement for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

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.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. 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 at amortised cost.

Trade payables

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

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 Balance Sheet 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 equity. 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 had previously been recognised 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 deferred in equity are recognised in the Income Statements in the same period in which the hedged item affects net profit or loss.

Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the 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 recognised in equity is retained in equity until the forecasted transactions occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss in the period.

Derivative Financial Instruments and Hedge Accounting - continued

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 Income Statement.

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 balance sheet date, and are discounted to present value where the effect is material.

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 that will eventually vest and adjusted for 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.

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.

SEGMENTAL ANALYSIS

The Group's primary format for segmental reporting is business segments. The risks and returns of the Group's operations are primarily determined by the different services that the Group offers. The Group has two business segments, Ferries and Container and Terminal. Corporate activities, such as the cost of corporate stewardship, are reported along with the elimination of inter-group activities under the heading "Unallocated Liabilities".

Segment assets and liabilities consist of property, plant and equipment and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated segment assets and liabilities mainly include current and deferred income tax balances together with financial assets and liabilities.

The Group's secondary format for segmental reporting is geographical segments. 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 only in relation to where revenues are earned.

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 operates a number of defined benefit retirement plans. The Group's total obligation in respect of defined benefit plans is calculated by independent, qualified actuaries, updated at least annually and totals €258.1 million at 31 December 2007 (Company €17.6 million). At 31 December 2007 the Group also has plan assets totalling €284.0 million (Company €15.4 million), giving a net pension asset of €25.9 million (Company liability of €2.2 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 plan asset is also sensitive to asset return levels and the level of contributions from the Group.

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 review these lives and change them if necessary to reflect current conditions. In determining these useful lives management consider 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.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2007

	Notes	2007 €m	2006 €m
Continuing operations			
Revenue	3	355.8	312.1
Depreciation and amortisation	10	(30.1)	(27.5)
Employee benefits expense	5	(32.8)	(32.9)
Other operating expenses		(242.8)	(219.5)
		50.1	**32.2**
Non trading (charge) / credit	6	(10.1)	0.7
Operating profit		**40.0**	**32.9**
Investment revenue	7	20.6	18.3
Finance costs	8	(19.9)	(17.9)
Profit before tax		**40.7**	**33.3**
Income tax expense	9	(2.4)	(1.0)
Profit for the year: all attributable to equity holders of the parent	**10**	**38.3**	**32.3**
Earnings per share – expressed in € cent per share			
From continuing operations:			
Basic	12	160.9c	137.4c
Diluted	12	158.9c	136.9c

The financial statements were approved by the Board of Directors on 7 March 2008 and signed on its behalf by:

Eamonn Rothwell, *Director*

Gearoid O'Dea, *Director*

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 31 December 2007

	Notes	2007 €m	2006 €m
Gains on cash flow hedges	22 / 24	0.1	0.6
Exchange differences on translation of foreign operations	22	(12.2)	(0.9)
Actuarial (loss) / gain on retirement benefit obligations	33 viii	(0.4)	12.1
Deferred Tax on Group defined benefit plan	25	(0.7)	(0.5)
Exchange difference on defined benefit plan	33 v/vi	0.3	-
Net amount directly recognised in equity		(12.9)	11.3
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 BALANCE SHEET
as at 31 December 2007

	Notes	2007 €m	2006 €m
Assets			
Non-current assets			
Property, plant and equipment	13	277.4	271.0
Intangible assets	14	2.2	2.8
Long term receivable	15	4.6	4.5
Retirement benefit surplus	33 iv	32.5	29.9
		316.7	**308.2**
Current assets			
Inventories	17	1.3	0.6
Trade and other receivables	18	46.6	53.5
Derivative financial instruments	24	0.6	0.5
Cash and cash equivalents	19	12.4	11.0
		60.9	65.6
Asset classified as held for sale	20	9.0	-
		69.9	**65.6**
Total assets		**386.6**	**373.8**
Equity and liabilities			
Equity			
Share capital	21	16.5	15.9
Share premium	22	48.1	40.6
Other reserves	22	(5.7)	5.9
Retained earnings	22	153.4	115.9
Equity attributable to equity holders of the parent		**212.3**	**178.3**
Non-current liabilities			
Borrowings	23	83.5	110.3
Deferred tax liabilities	25	6.2	5.6
Provisions	27	0.3	0.4
Deferred grant	28	1.3	1.4
Retirement benefit obligation	33 iv	6.6	10.1
		97.9	**127.8**
Current liabilities			
Borrowings	23	13.4	14.5
Trade and other payables	26	57.2	47.1
Current tax liabilities	26	5.3	4.3
Provisions	27	0.4	1.7
Deferred grant	28	0.1	0.1
		76.4	**67.7**
Total liabilities		**174.3**	**195.5**
Total equity and liabilities		**386.6**	**373.8**

The financial statements were approved by the Board of Directors on 7 March 2008 and signed on its behalf by:

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

COMPANY BALANCE SHEET
as at 31 December 2007

	Notes	2007 €m	2006 €m
Assets			
Non-current assets			
Property, plant and equipment	13	1.3	1.8
Intangible assets	14	2.2	2.8
Investments in subsidiaries	16	11.0	11.0
Retirement benefit surplus	33 iv	0.1	-
		14.6	**15.6**
Current assets			
Inventories	17	0.5	0.2
Trade and other receivables	18	104.1	117.7
Derivative financial instruments	24	0.1	0.1
Cash and cash equivalents	19	1.2	0.1
		105.9	**118.1**
Total assets		**120.5**	**133.7**
Equity and liabilities			
Equity			
Share capital	21	16.5	15.9
Share premium	22	48.1	40.6
Other reserves	22	2.9	2.5
Retained earnings	22	(7.9)	8.9
Equity attributable to equity holders		**59.6**	**67.9**
Non-current liabilities			
Borrowings	23	-	10.0
Retirement benefit obligation	33 iv	2.3	3.6
		2.3	**13.6**
Current liabilities			
Borrowings	23	0.1	0.3
Trade and other payables	26	57.7	51.4
Current tax liabilities	26	0.8	0.4
Provisions	27	-	0.1
		58.6	**52.2**
Total Liabilities		**60.9**	**65.8**
Total equity and liabilities		**120.5**	**133.7**

The financial statements were approved by the Board of Directors on 7 March 2008 and signed on its behalf by:

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

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2007

	Notes	2007 €m	2006 €m
Net cash from operating activities	35	**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			
Redemption of redeemable shares		-	(7.2)
Repayments of borrowings		(85.6)	(11.8)
Repayments of obligations under finance leases		(2.9)	(4.0)
Proceeds on issue of ordinary share capital		8.1	1.1
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**

COMPANY STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 31 December 2007

	Notes	2007 €m	2006 €m
Gain on cash flow hedges	22	-	0.1
Actuarial gain / (loss) on retirement benefit obligations	33 viii	0.3	(1.9)
Exchange difference on defined benefit pension schemes	33 v/vi	0.2	-
Net amount directly recognised in equity		0.5	(1.8)
(Loss) / profit for the year		(17.3)	5.8
Total recognised income and expense for the year: all attributable to equity holders		**(16.8)**	**4.0**

COMPANY CASHFLOW STATEMENT
for the year ended 31 December 2007

	Notes	2007 €m	2006 €m
Net cash from operating activities	35	**5.3**	**2.6**
Investing activities			
Interest received		0.8	0.2
Dividend received from subsidiary		-	8.0
Purchases of property, plant and equipment		(2.4)	(4.5)
Purchases of intangible assets		(0.4)	(0.5)
Net cash (used in) / from investing activities		**(2.0)**	**3.2**
Financing activities			
Redemption of redeemable shares		-	(7.2)
Repayments of borrowings		(10.0)	-
Repayments of obligations under finance leases		(0.2)	(0.3)
Proceeds on issue of ordinary share capital		8.1	1.1
New finance leases raised		-	0.1
Net cash used in financing activities		**(2.1)**	**(6.3)**
Net increase / (decrease) in cash and cash equivalents		1.2	(0.5)
Cash and cash equivalents at the beginning of the year		**0.1**	**0.6**
Effect of foreign exchange rate changes		(0.1)	-
Cash and cash equivalents at the end of the year			
Bank balances and cash		**1.2**	**0.1**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1. General information

Irish Continental Group plc (ICG) is a public limited company incorporated in Ireland under the Companies Acts 1963 to 2006. 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

In the current year, the Group and Company have adopted IFRS 7 Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007 and the consequential amendments to IAS 1 Presentation of Financial Statements.

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Group's and Company's financial instruments and management of capital (see note 38).

Four interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies; IFRIC 8 Scope of IFRS 2; IFRIC 9 Reassessment of embedded derivatives; and IFRIC 10 Interim reporting and impairments. The adoption of these interpretations has not led to any changes in the Group's accounting policies.

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:

- IAS 1 (Revised) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2008);
- IAS 23 (Revised) Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009);
- IAS 27 (Revised) Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2009);
- IFRS 2 (Revised) Share Based Payment (effective for accounting periods beginning on or after 1 January 2009);
- IFRS 3 (Revised) Business Combinations (effective for accounting periods beginning on or after 1 July 2009);
- IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2009);
- IFRIC 11 IFRS 2: Group and Treasury Share Transactions (effective for accounting periods beginning on or after 1 January 2008);
- IFRIC 12 Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2009);
- IFRIC 13 Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008) and
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for accounting periods beginning on or after 1 January 2008).

The directors are currently assessing the impact in relation to the adoption of these Standards and Interpretations for future periods of the Group.

3. Revenue

An analysis of the Group's revenue for the year is as follows:

	2007 €m	2006 €m
Continuing operations		
Ferries	197.9	170.0
Containers & Terminal	158.4	142.6
Intersegment	(0.5)	(0.5)
	355.8	312.1

4. Business and geographical segments

Business segments

For management purposes, the Group is currently organised into two operating divisions – Ferries and Container & Terminal. These divisions are the basis on which the Group reports its primary segment information.

The principal activities of the Ferries division are the operation and external charter of combined RoRo passenger ferries. The principal activities of the Container & Terminal division are 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.

2007	Ferries €m	Container & Terminal €m	Total (all continuing operations) €m
Revenue			
External sales	197.9	158.4	356.3
Inter-segment sales	-	(0.5)	(0.5)
Total revenue from continuing operations	197.9	157.9	355.8
Inter-segment sales are charged at prevailing market prices.			
Result			
Operating profit from continuing operations	40.9	9.2	50.1
Non trading charge			(10.1)
Investment income			20.6
Finance costs			(19.9)
Profit before tax			40.7
Income tax expense			(2.4)
Profit for the year from continuing operations			38.3
Other Information			
Capital additions	49.7	8.7	58.4
Depreciation and amortisation	27.1	3.0	30.1
Balance sheet			
Assets			
Segment assets	301.1	68.5	369.6
Cash and cash equivalents			12.4
Unallocated assets			4.6
Consolidated total assets			386.6
Liabilities			
Segment liabilities	43.9	23.2	67.1
Debt			96.9
Unallocated liabilities			10.3
Consolidated total liabilities			174.3

4. Business and geographical segments - continued

2006	Ferries €m	Container & Terminal €m	Total (all continuing operations) €m
Revenue			
External sales	170.0	142.6	312.6
Inter-segment sales	-	(0.5)	(0.5)
Total revenue from continuing operations	170.0	142.1	312.1

Inter-segment sales are charged at prevailing market prices.

Result			
Operating profit from continuing operations	28.6	3.6	32.2
Non trading credit			0.7
Investment income			18.3
Finance costs			(17.9)
Profit before tax			33.3
Income tax expense			(1.0)
Profit for the year from continuing operations			32.3
Other Information			
Capital additions	8.7	3.3	12.0
Depreciation and amortisation	24.2	3.3	27.5
Balance sheet			
Assets			
Segment assets	299.3	59.0	358.3
Cash and cash equivalents			11.0
Unallocated assets			4.5
Consolidated total assets			373.8
Liabilities			
Segment liabilities	37.6	23.5	61.1
Debt			124.8
Unallocated liabilities			9.6
Consolidated total liabilities			195.5

As noted in the Statement of Significant Accounting Policies the Group's secondary format for segmental reporting is geographical segments. 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.

4. Business and geographical segments - continued

	2007 €m	2006 €m
Ireland	150.5	129.5
United Kingdom	75.7	78.8
Continental Europe	129.6	103.8
	355.8	312.1

5. Employee benefits expense

	2007 €m	2006 €m
The average number of employees during the year was as follows:		
Ferries	304	363
Container & Terminal	176	167
	480	530
The number of employees at year end was	474	479
	€m	€m
Aggregate costs of employee benefits were as follows:		
Wages and salaries	27.3	27.1
Social welfare charge	2.2	2.2
Retirement benefit costs (note 33 vii)	2.8	3.2
Share options expense	0.5	0.4
Non trading credit (note 6)	-	(0.7)
	32.8	32.2
Non trading credit included above	-	0.7
	32.8	32.9

6. Non trading (charge) / credit

	2007 €m	2006 €m
Takeover costs	(10.1)	-
PRSI rebate credit	-	4.4
Restructuring costs	-	(3.7)
	(10.1)	0.7

6. Non trading (charge) / credit - continued

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 Moonduster Limited. 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 Limited are not included in the above figure (note 37).

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 redundancy costs in respect of applicants for the severance package announced in 2006, in addition to those that were provided for in 2005.

7. Investment revenue

	2007 €m	2006 €m
Interest on bank deposits	0.7	0.3
Expected return on defined benefit pension scheme assets (note 33 vii)	19.3	17.8
Other financial income	0.6	0.2
	20.6	18.3

8. Finance costs

	2007 €m	2006 €m
Interest on bank overdrafts and loans	6.0	5.7
Interest on obligations under finance leases	0.3	0.3
Interest on defined benefit pension scheme liabilities (note 33 vii)	13.4	11.7
Interest on other balances	0.2	0.2
	19.9	17.9

9. Income tax expense

	2007 €m	2006 €m
Current tax	2.1	0.9
Deferred tax (note 25)	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%).

9. 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

10. Profit for the year

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

	2007 €m	2006 €m
Amortisation of intangible assets (note 14)	1.0	1.1
Depreciation of property, plant and equipment (note 13)	29.2	26.5
	30.2	27.6
Amortisation of deferred grant (note 28)	(0.1)	(0.1)
Net depreciation and amortisation expense	30.1	27.5
Auditors' remuneration		
for audit services	0.3	0.2
for audit related services	0.2	-
for tax compliance services	0.1	0.1

Disclosure of directors emoluments as required by S191 CA63 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 loss for the financial year determined in accordance with IFRS was €17.3 million.

11. Redemption of redeemable shares

	2007 €m	2006 €m
Redemption of one redeemable share for 19.2c	-	4.6
Redemption of one redeemable share for 10.92c	-	2.6
	-	7.2

The Board did not resolve to redeem any of the outstanding redeemable shares during the year. In the prior year, the Board resolved to redeem two redeemable shares per ICG unit (note 21) for a cash consideration of 19.2 cent and 10.92 cent respectively. No dividends were declared in the year.

12. 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:

	2007 €m	2006 €m
Earnings		
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

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

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the year (note 21).

The earnings 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 (note 33).

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 2006	-	384.8	58.6	2.3	24.5	470.2
Additions	0.7	6.1	3.9	0.7	-	11.4
Exchange differences	-	(4.1)	-	-	-	(4.1)
Disposals	-	(6.4)	-	(0.5)	-	(6.9)
At 1 January 2007	0.7	380.4	62.5	2.5	24.5	470.6
Additions	0.5	48.8	8.1	0.6	-	58.0
Reclassification	(0.7)	-	0.7	-	-	-
Classified as held for sale	-	(22.8)	-	-	-	(22.8)
Exchange differences	-	(23.2)	(0.1)	-	-	(23.3)
Disposals	-	(5.2)	(4.3)	(0.3)	-	(9.8)
At 31 December 2007	**0.5**	**378.0**	**66.9**	**2.8**	**24.5**	**472.7**
Accumulated depreciation						
At 1 January 2006	-	136.6	37.5	1.4	6.9	182.4
Depreciation charge for the year	-	21.7	3.9	0.4	0.5	26.5
Exchange differences	-	(2.4)	-	-	-	(2.4)
Eliminated on disposals	-	(6.4)	-	(0.5)	-	(6.9)
At 1 January 2007	-	149.5	41.4	1.3	7.4	199.6
Depreciation charge for the year	-	25.0	3.5	0.4	0.3	29.2
Classified as held for sale	-	(13.8)	-	-	-	(13.8)
Exchange differences	-	(9.8)	(0.1)	-	-	(9.9)
Eliminated on disposals	-	(5.2)	(4.3)	(0.3)	-	(9.8)
At 31 December 2007	**-**	**145.7**	**40.5**	**1.4**	**7.7**	**195.3**
Carrying amount						
At 31 December 2007	**0.5**	**232.3**	**26.4**	**1.4**	**16.8**	**277.4**
At 31 December 2006	0.7	230.9	21.1	1.2	17.1	271.0

13. Property, plant and equipment - continued

The carrying amount of the Group's plant and equipment and vehicles includes an amount of €14.2 million (2006: €14.1 million) in respect of assets held under finance leases.

Certain of the Group's borrowings are secured on ships which have a carrying amount of €93.5million (2006: €108.0 million).

Company	Plant, and equipment €m	Vehicles €m	Land and buildings €m	Total €m
Cost				
At 1 January 2006	7.1	0.6	0.6	8.3
Additions	4.4	0.1	-	4.5
Disposals	(2.9)	-	-	(2.9)
At 1 January 2007	8.6	0.7	0.6	9.9
Additions	2.4	-	-	2.4
Disposals	(5.2)	(0.1)	-	(5.3)
At 31 December 2007	**5.8**	**0.6**	**0.6**	**7.0**
Accumulated depreciation				
At 1 January 2006	5.9	0.3	0.6	6.8
Depreciation charge for the year	4.1	0.1	-	4.2
Eliminated on disposals	(2.9)	-	-	(2.9)
At 1 January 2007	7.1	0.4	0.6	8.1
Depreciation charge for the year	2.8	0.1	-	2.9
Eliminated on disposals	(5.2)	(0.1)	-	(5.3)
At 31 December 2007	**4.7**	**0.4**	**0.6**	**5.7**
Carrying amount				
At 31 December 2007	**1.1**	**0.2**	**-**	**1.3**
At 31 December 2006	1.5	0.3	-	1.8

The carrying amount of the Company's plant and equipment includes an amount of €0.5 million (2006: €0.6 million) in respect of assets held under finance leases.

In accordance with IAS 16 Property, Plant and Equipment of the Group and Company have 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 based the valuation on the current scrap value of the ships per light displacement ton. 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 floating charge has been given over all of the Group's and Company's property, plant and equipment to secure certain contingent liabilities (note 37) of the Group and Company.

14. Intangible assets

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Cost				
At beginning of year	6.6	6.0	6.2	5.7
Additions	0.4	0.6	0.4	0.5
At end of year	**7.0**	**6.6**	**6.6**	**6.2**
Amortisation				
At beginning of year	3.8	2.7	3.4	2.4
Charge for the year	1.0	1.1	1.0	1.0
At end of year	**4.8**	**3.8**	**4.4**	**3.4**
Carrying amount				
At end of year	**2.2**	**2.8**	**2.2**	**2.8**
At beginning of year	2.8	3.3	2.8	3.3

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

The Long term receivable represents 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.

The amounts due will be repaid on or before the lease expires in 2018.

16. Investment in Subsidiaries

	2007 €m	2006 €m
Investment in subsidiaries at beginning and end of year	11.0	11.0

The Company's principal subsidiaries at 31 December 2007 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest	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
Zatarga Limited	Isle of Man	100%	100%	Ship owner
Irish Continental Line Limited	Ireland	100%	100%	Ship owner
Belfast Container Terminal Limited	Northern Ireland	100%	100%	Container handling & storage

17. Inventories

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Fuel and lubricating oil	1.1	0.4	0.4	-
Catering and other stocks	0.2	0.2	0.1	0.2
	1.3	0.6	0.5	0.2

18. Trade and other receivables

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Trade receivables	39.8	42.3	0.5	0.8
Allowance for doubtful debts	(1.5)	(1.7)	-	-
	38.3	40.6	0.5	0.8
Prepayments	4.8	5.4	-	-
Amounts due from subsidiary companies	-	-	103.0	115.6
Other receivables	3.5	7.5	0.6	1.3
	46.6	53.5	104.1	117.7

The directors consider that the carrying amount of trade and other receivables approximates their fair value. The Group and Company reviews all receivables that are past their agreed credit terms and assess whether any amounts are irrecoverable, determined by reference to past default experience, together with any particular risk factor applicable to an individual customer.

The Group and Company extends 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 receivable represents 41 days sales at 31 December 2007 (2006: 49 days).

The Group's trade receivables are analysed as follows;

	2007 €m	2006 €m
Within terms	35.6	35.9
Outside terms - within 3 months	3.1	5.1
- after 3 months	1.1	1.3
	39.8	42.3

Credit risk

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

The Group's and Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful 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.

Movement in the allowance for doubtful debts

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Balance at beginning of the year	1.7	1.8	-	-
Amounts written off during the year	(0.1)	(0.2)	-	-
(Decrease) / increase in provision in the year	(0.1)	0.2	-	-
Amounts recovered during the year	-	(0.1)	-	-
Balance at end of year	1.5	1.7	-	

18. Trade and other receivables - continued

In determining the recoverability of a trade receivable the Group and Company considers 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 doubtful debts.

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

19. Cash and cash equivalents

Bank balances and cash 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.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

20. Assets classified as held for sale

Group	2007 €m	2006 €m
Ship held for sale	9.0	-

On 30 November 2007 the Oscar Wilde commenced service on the Ireland France route, in place of the MV Normandy which became surplus to the Group's operational requirements and was offered for sale (note 39). No impairment loss arose on reclassification of the MV Normandy as held for sale or as at 31 December 2007.

21. Share capital

Group and Company	Number	2007 €m	2006 €m
Authorised			
Ordinary shares of par value €0.65 each	45,000,000	29.3	29.3
Redeemable shares of par value €0.0001 each	450,000,000	-	-
		29.3	29.3

Allotted, called up and fully paid	2007 Number	2007 €m	2006 Number	2006 €m
Ordinary shares				
At beginning of year	24,406,208	15.9	24,250,958	15.8
Share issue	1,027,500	0.6	155,250	0.1
At end of year	25,433,708	16.5	24,406,208	15.9
Redeemable shares				
At beginning of year	73,218,624	-	121,254,790	-
Share issue	3,082,500	-	702,450	-
Redemption of redeemable shares – transfer to Capital Redemption Reserve	-	-	(48,738,616)	-
At end of year	76,301,124	-	73,218,624	-

21. Share capital - continued

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 should be 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 0.01 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 2007 the number of such redeemable shares is three (2006: three). The share unit carries no right to fixed income.

Included in the share capital above are 899,500 (2006: 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.

22. Reconciliation of shareholders funds

Group 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 - shares issued at 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

22. Reconciliation of shareholders funds - continued

Group 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

22. Reconciliation of shareholders funds - continued

Company 2007	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 2007	**15.9**	**40.6**	**2.1**	**0.3**	**0.1**	**8.9**	**67.9**
Total recognised income and expense for the year	**-**	**-**	**-**	**-**	**-**	**(16.8)**	**(16.8)**
Share issue	0.6	-	-	-	-	-	0.6
Exercise of share options - shares issued at premium	-	7.5	-	-	-	-	7.5
Employee share options expense	-	-	-	0.4	-	-	0.4
	0.6	**7.5**	**-**	**0.4**	**-**	**(16.8)**	**(8.3)**
Balance at 31 December 2007	**16.5**	**48.1**	**2.1**	**0.7**	**0.1**	**(7.9)**	**59.6**

Analysed as follows:	
Share capital	16.5
Share premium	48.1
Other reserves	2.9
Retained earnings	(7.9)
	59.6

22. Reconciliation of shareholders funds - continued

Company 2006

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Hedging Reserve €m	Retained Earnings €m	Total €m
Balance at 1January 2006	**15.8**	**39.6**	**2.1**	**-**	**-**	**12.2**	**69.7**
Total recognised income and expense for the year	**-**	**-**	**-**	**-**	**0.1**	**3.9**	**4.0**
Share issue	0.1	-	-	-	-	-	0.1
Exercise of share options - shares issued at premium	-	1.0	-	-	-	-	1.0
Employee share options expense	-	-	-	0.3	-	-	0.3
Redemption of redeemable share capital	-	-	-	-	-	(7.2)	(7.2)
	0.1	**1.0**	**-**	**0.3**	**0.1**	**(3.3)**	**(1.8)**
Balance at 31 December 2006	**15.9**	**40.6**	**2.1**	**0.3**	**0.1**	**8.9**	**67.9**

Analysed as follows:	
Share capital	15.9
Share premium	40.6
Other reserves	2.5
Retained earnings	8.9
	67.9

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 2007 the reserve balance stands at €0.1 million. The balance is unchanged from 1 January 2006 and 1 January 2007.

The Capital Redemption reserve represents the nominal value of share capital repurchased. At 31 December 2007 the reserve balance stands at €2.1 million. The balance is unchanged from 1 January 2006 and 1 January 2007.

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.

23. Borrowings

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Bank overdrafts	0.1	0.1	0.1	0.1
Bank loans	91.7	117.1	-	10.0
Finance lease liabilities	5.1	7.6	-	0.2
	96.9	124.8	0.1	10.3
The borrowings are repayable as follows:				
On demand or within one year	13.4	14.5	0.1	0.3
In the second year	10.7	14.0	-	-
In the third year	72.0	10.5	-	-
In the fourth year	0.4	85.0	-	-
Fifth year and after	0.4	0.8	-	10.0
	96.9	124.8	0.1	10.3
Less: Amount due for settlement within 12 months (shown under current liabilities)	(13.4)	(14.5)	(0.1)	(0.3)
Amount due for settlement after 12 months	83.5	110.3	-	10.0

All of the Company's borrowings are denominated in euro and 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
2007				
Bank overdrafts	0.1	-	-	0.1
Bank loans	72.8	7.7	11.2	91.7
Finance leases	5.1	-	-	5.1
	78.0	7.7	11.2	96.9

	Euro €m	Sterling €m	US Dollar €m	Total €m
2006				
Bank overdrafts	0.1	-	-	0.1
Bank loans	85.8	16.7	14.6	117.1
Finance leases	7.6	-	-	7.6
	93.5	16.7	14.6	124.8

23. Borrowings - continued

Group finance leases	Minimum lease payments 2007 €m	Minimum lease payments 2006 €m	Present value of minimum lease payments 2007 €m	Present value of minimum lease payments 2006 €m
Amounts payable under finance leases:				
Within one year	2.4	2.8	2.2	2.6
In the second to fifth years inclusive	3.0	5.0	2.8	4.6
After five years	0.1	0.4	0.1	0.4
	5.5	8.2	5.1	7.6
Less: future finance charges	(0.4)	(0.6)	-	-
Present value of lease obligations	5.1	7.6	5.1	7.6
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2.2)	(2.6)	(2.2)	(2.6)
Amount due for settlement after 12 months	2.9	5.0	2.9	5.0

Company finance leases	Minimum lease payments 2007 €m	Minimum lease payments 2006 €m	Present value of minimum lease payments 2007 €m	Present value of minimum lease payments 2006 €m
Amounts payable under finance leases:				
Within one year	-	0.2	-	0.2
In the second to fifth years inclusive	-	-	-	-
Present value of lease obligations	-	0.2	-	0.2
Less: Amount due for settlement within 12 months (shown under current liabilities)	-	(0.2)	-	(0.2)
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 12 years for the Group and vary from 3 to 4 years for the Company depending on the type of asset. For the year ended 31 December 2007, the average effective borrowing rate was 4.1% (2006: 4.3%) in the Group and 3.4% (2006: 3.7%) 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 2007 and 31 December 2006 are denominated in euro.

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

23. Borrowings - continued

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

Financing facilities	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Unsecured bank overdraft and guarantee facility - reviewed annually and payable at call:				
amount used	0.6	1.2	0.5	0.1
amount unused	6.0	5.4	6.0	5.4
	6.6	6.6	6.5	5.5
Unsecured bank loan facilities with various maturity dates through to 2010:				
amount used	84.0	100.3	-	10.0
amount unused	34.3	21.4	34.3	21.4
	118.3	121.7	34.3	31.4
Secured bank loan facilities with various maturity dates through to 2008:				
amount used	7.7	16.7	-	-
amount unused	-	-	-	-
	7.7	16.7	-	-

The weighted average interest rates paid were as follows:

Financing facilities	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Bank overdrafts	5.6%	4.5%	5.6%	4.5%
Bank loans	5.1%	4.4%	4.7%	3.7%

All 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 lenders prime rate and approximated 5.6% (2006: 4.5%) for the Group and Company in the year.

The bank loans have been drawn under a Multicurrency and Revolving Facilities agreement dated 4 October 2005. At 31 December 2007 €7.7 million (2006: €16.7 million) of the amounts drawn were secured by statutory marine mortgages on two of the Group's vessels. The balance of the drawings in the Group were unsecured.

The Group and Company are in compliance with the covenants contained in its banking agreements.

Interest on all debt is calculated by reference to inter bank interest rates (EURIBOR and LIBOR). At 31 December 2007 the Group had two principal drawings under the Group loan facility:

a) Amortising Debt of €26.0 million repayable in three annual instalments.

b) Revolving Debt of €65.7 million repayable by 4 October 2010.

At 31 December 2007 the Company had no drawings (2006: €10.0 million) under the revolving facility which is repayable by 4 October 2010.

At 31 December 2007, the Group and Company had available €40.3 million (2006: €26.8 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

24. Derivative financial instruments

	2007 Assets €m	2007 Liabilities €m	2006 Assets €m	2006 Liabilities €m
Group				
Interest rate swaps - current assets	0.6	-	0.5	-
Company				
Interest rate swaps - current assets	0.1	-	0.1	-

Interest rate swaps

The Group and Company uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowing by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with nominal values of €40.5 million have fixed interest payments at an average rate of 3.5% for periods up until 2009 and have floating interest receipts calculated by reference to EURIBOR at each interest fixing date.

The fair value of swaps entered into at 31 December 2007 is estimated at €0.6 million (2006: €0.5 million) for the Group and nil (2006: €0.1 million) for the Company. These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. All of these interest rate swaps are designated and effective as cashflow hedges and the fair value thereof has been deferred in equity. Cashflows under these contracts are expected to arise over the life of the contract which range from 4 to 9 months from the balance sheet date.

Receipts totalling €0.3 million (2006: receipts of €0.1 million) have been included in 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 2007 and 31 December 2006 the Group and Company had no unsettled foreign currency forward contracts.

Interest rate risk profile of financial assets and liabilities

The interest rate and currency profile of the Group's borrowings as at 31 December was as follows:

	Euro €m	Sterling €m	US Dollar €m	Total €m
2007				
Fixed rate debt	(45.6)	-	-	(45.6)
Variable rate debt	(32.4)	(7.7)	(11.2)	(51.3)
Gross debt	(78.0)	(7.7)	(11.2)	(96.9)
Cash deposits	8.4	2.9	1.1	12.4
Net debt	(69.6)	(4.8)	(10.1)	(84.5)
Weighted average fixed rate	4.2%	-	-	4.2%
Weighted average period of fixed interest (years)	3.5	-	-	3.5

24. Derivative financial instruments - continued

	Euro €m	Sterling €m	US Dollar €m	Total €m
2006				
Fixed rate debt	(51.2)	-	-	(51.2)
Variable rate debt	(42.3)	(16.7)	(14.6)	(73.6)
Gross debt	(93.5)	(16.7)	(14.6)	(124.8)
Cash deposits	5.8	4.5	0.7	11.0
Net debt	(87.7)	(12.2)	(13.9)	(113.8)
Weighted average fixed rate	4.3%	-	8.1%	4.3%
Weighted average period of fixed interest (years)	3.5	-	9.1	3.5

25. Deferred tax liabilities

The Company and its subsidiaries, where appropriate, have elected to be taxed under the Irish 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 within the next financial year.

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.

Group

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.

	Accelerated tax depreciation €m	Tax losses €m	Retirement benefit obligation €m	2007 Total €m	2006 Total €m
At beginning of year	6.1	(1.7)	1.2	5.6	4.9
(Credit) / charge to the Income Statement for the year	(0.1)	0.3	0.1	0.3	0.1
Charge to the Statement of Recognised Income and Expenses	-	-	0.7	0.7	0.5
Exchange differences	(0.4)	0.1	(0.1)	(0.4)	0.1
At end of year	5.6	(1.3)	1.9	6.2	5.6

25. Deferred tax liabilities - continued

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	2007 Total €m	2006 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)	-	-

Unrecognised deferred tax assets - Group and Company

The estimated value of the deferred tax asset not recognised is €0.9 million (2006: €0.6 million) in the Group and €0.2 million (2006: €0.2 million) in the Company. These amounts are analysed as follows:

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Accelerated capital allowances	-	(0.1)	-	-
ACT not immediately recoverable	0.1	0.1	0.1	0.1
Tax losses carried forward	0.8	0.6	0.1	0.1
Deferred tax asset not recognised	0.9	0.6	0.2	0.2

26. Trade and other payables

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Trade creditors and accruals	57.2	47.1	10.6	3.2
Amounts due to subsidiary companies	-	-	47.1	48.2
	57.2	47.1	57.7	51.4
- payable within one year	57.2	47.1	57.7	51.4
- payable after one year	-	-	-	-
	57.2	47.1	57.7	51.4

Trade creditors and accruals principally 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 63 days at 31 December 2007 (2006: 61 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.

26. Trade and other payables - continued

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

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Corporation tax	2.6	1.4	-	-
Payroll taxes	1.3	1.0	0.1	0.3
Pay related social insurance	0.4	0.5	0.6	0.1
Value added tax	1.0	1.4	0.1	-
	5.3	4.3	0.8	0.4

27. Provisions

Group	Claims provision €m	Restructuring provision €m	2007 Total €m	2006 Total €m
At beginning of year	0.8	1.3	2.1	34.2
Additional provision in the year	-	-	-	3.7
Utilisation of provision	(0.1)	(1.3)	(1.4)	(35.8)
At end of year	0.7	-	0.7	2.1
Analysed as:				
Current liabilities	0.4	-	0.4	1.7
Non-current liabilities	0.3	-	0.3	0.4
	0.7	-	0.7	2.1

The claims provision comprises the insurance excess payable by the Group in a number of potential compensation claims, principally from passengers. It is estimated that 50% of these claims will be settled within one year.

Company	2007 €m	2006 €m
Claims provision		
At beginning of year	0.1	0.1
Utilisation of provision	(0.1)	-
At end of year	-	0.1

The claims provision comprises the insurance excess payable by the Company in a number of routine potential compensation claims, principally from passengers.

28. Deferred grant

Group	2007 €m	2006 €m
At beginning of year	1.5	1.6
Utilisation of provision	(0.1)	(0.1)
At end of year	1.4	1.5
Analysed as:		
Current liabilities	0.1	0.1
Non-current liabilities	1.3	1.4
	1.4	1.5

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

29. Commitments

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Commitments under port operating agreements	3.1	3.4	-	-
Commitments for the acquisition of property, plant and equipment	2.3	7.1	-	-

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

30. Operating lease agreements

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Minimum lease payments under operating leases recognised as an expense in the year	38.1	32.4	-	-

At the balance sheet date outstanding commitments under non-cancellable operating leases fall due as follows:

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Within one year	8.3	15.4	0.1	0.1
In the second to fifth years inclusive	10.4	3.0	-	-
After five years	44.6	45.7	-	-
	63.3	64.1	0.1	0.1

30. 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. The outstanding term of the operating leases of the Group at 31 December 2007 ranges from 2 months to 115 years. Property rentals are fixed for periods ranging from two to five years. All other rentals are fixed for the term of the contract.

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. Property rentals are fixed for an average of three years.

31. Operating lease income

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

	2007 €m	2006 €m
Within one year	7.6	10.2
In the second to fifth years inclusive	12.7	22.4
After five years	-	-
	20.3	32.6

The group charters two ships under operating lease to a third party. The ships are chartered at fixed rates for terms expiring in 2010, with the charterer's option to extend.

32. 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 plans adopted in 1988 and 1998.

Options granted prior to March 1998 are governed by the provisions of the 1988 share option scheme as amended, most recently in 2007 at an Extraordinary General Meeting of the Company held on 26 September 2007. The scheme provides for two forms of share options to be granted as follows:

1. Three year options: These may be exercised between the third and tenth anniversary of grant only if earnings per share growth exceeded the rate of inflation for the period.
2. Five year options: These may be exercised between the fifth and tenth anniversary of grant provided earnings per share growth would place the Group in the top quartile of companies in the ISEQ.

Options granted subsequent to March 1998 are governed by the provisions of the 1998 share option scheme. In the case of this plan the performance criteria are as follows:

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.

32. Share-based payments - continued

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

	2007 Number of share options	2007 Weighted average exercise price €	2006 Number of share options	2006 Weighted average exercise price €
Outstanding at 1 January	1,992,000	8.44	2,164,000	8.41
Granted during the year	565,000	21.32	265,000	10.67
Forfeited during the year	(7,000)	7.89	(282,000)	11.24
Exercised during the year	(1,027,500)	8.15	(155,000)	6.73
Expired during the year	-	-	-	-
Outstanding at 31 December	1,522,500	13.41	1,992,000	8.44
Exercisable at 31 December	455,000	7.03	398,750	6.25
Weighted average share price at date of exercise of options		23.61		11.74
Weighted average remaining contractual life of options outstanding at year end		7.6 years		4.6 years

The options outstanding at 31 December 2007 can be exercised at prices ranging from €5.30 to €21.32.

Options issued after 7 November 2002

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. No other options have been granted since 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.

The inputs into the model were as follows:

	2007	2006
Weighted average share price	€21.32	€10.67
Weighted average exercise price	€21.32	€10.67
Expected volatility	35%	35%
Expected life	10 years	10 years
Risk free rate	4.26%	3.765%
Expected dividend yield	1.64%	1.87%

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

32. Share-based payments - continued

conditions. In 2007 the Group recognised total expenses of €0.5 million (2006: €0.4 million) and the Company €0.4 million (2006: €0.3 million), relating to equity share-based payment transactions. The balance on the share option reserve in the Group Balance Sheet at 31 December 2007 is €1.0 million (2006: €0.5 million) as per note 22. The balance on the share option reserve in the Company Balance Sheet at 31 December 2007 is €0.7 million (2006: €0.3 million) as per note 22.

33. Retirement benefit plans

(a) Group Retirement benefit plans

(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 funds under the control of trustees.

The pension contributions paid in the year ended 31 December 2007 amounted to €3.0 million (2006: €1.7 million) while the current service cost charged to the Income Statement, amounted to €2.8 million (2006: €3.2 million). At 31 December 2007 the number of pensioners in payment from the Group company sponsored funds was 746 (2006: 744).

The pensions charge 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 2004 and 31 December 2006. 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 2007 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 market 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, an industry wide multi-employer scheme. The latest actuarial valuation of the Scheme, which is available for public inspection, is dated 31 March 2006. The valuation employed for disclosure purposes has been based on that valuation adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2007 and to take account of financial conditions at this date.

The share of the overall deficit in the MNOPF apportioned to the Group is €6.6 million at 31 December 2007 (2006: €10.1 million). During the year the Group made payments of €1.9 million (2006: €0.6 million) to the trustees. As at 31 December 2007 the Group had been invoiced a further €7.8 million (2006: €9.5 million) in cash contributions relating to the past deficit which will be paid in annual instalments up to 2014.

(iii) Principal assumptions
The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Euro Liabilities 2007	Euro Liabilities 2006	Sterling Liabilities 2007	Sterling Liabilities 2006
Discount rate	**5.60%**	4.75%	**5.60%**	5.10%
Inflation rate	**2.50%**	2.25%	**3.00%**	2.75%
Rate of increase of pensions in payment	**2.10% - 2.50%**	2.00% - 2.25%	**2.90%**	2.75%
Rate of general salary increases	**4.00% - 4.50%**	3.75%- 4.25%	**4.50%**	4.25%

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

	Euro Assets 2007	Euro Assets 2006	Sterling Assets 2007	Sterling Assets 2006
Equities	**7.50%**	7.25%	**7.40%**	7.50%
Bonds	**4.70%**	4.10%	**4.40%**	4.50%
Property	**6.50%**	6.25%	**6.40%**	6.50%
Other	**3.50%**	3.00%	**4.00%**	3.50%

33. Retirement benefit plans - continued

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

	2007
Current retirees	24.5 years
Future retirees	25.3 years

The directors have taken independent actuarial advice on the discount rate and the expected long term rates of return as these are key judgements used in the estimate of retirement benefit scheme assets and liabilities.

The Group operates a number of defined benefit retirement plans. The Group's total obligation in respect of defined benefit plans is calculated by independent, qualified actuaries, updated at least annually and totals €258.1 million at 31 December 2007. At 31 December 2007 the Group also has plan assets totalling €284.0 million, giving a net pension asset of €25.9 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 plan asset is also sensitive to asset return levels and the level of contributions from the Group.

(iv) Retirement benefit assets and liabilities
The amount recognised in the balance sheet in respect of the Group's defined benefit retirement benefit plan, including an apportionment in respect of the MNOPF is as follows:

	Scheme with Liabilities in Euro		Scheme with Liabilities in Sterling	
	2007 €m	2006 €m	2007 €m	2006 €m
Equities	145.6	184.5	29.8	32.2
Bonds	51.2	28.6	24.6	23.3
Property	19.3	17.6	3.4	3.7
Other	8.1	6.2	2.0	1.0
Market value of scheme assets	224.2	236.9	59.8	60.2
Present value of scheme liabilities	(196.7)	(210.0)	(61.4)	(67.3)
Surplus / (deficit) in schemes	27.5	26.9	(1.6)	(7.1)

Four of the defined benefit schemes accounted for by the Group are in a net surplus position and are shown in non current assets on the consolidated balance sheet.

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

	2007 €m	2006 €m
Non current assets – retirement benefit surplus	32.5	29.9
Non current liabilities – retirement benefit deficit	(6.6)	(10.1)
Net surplus in pension schemes	25.9	19.8

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

33. Retirement benefit plans - 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:

	Scheme in Sterling €m	Scheme in Euro €m	2007 Total €m	2006 Total €m
At beginning of year	60.2	236.9	297.1	239.9
MNOPF reclassification from trade and other payables	-	-	-	34.4
Expected return on scheme assets	3.7	15.6	19.3	17.8
Actuarial (losses) / gains	-	(22.9)	(22.9)	9.3
Exchange difference	(5.6)	-	(5.6)	1.1
Contributions from sponsoring company	2.0	1.0	3.0	1.7
Contributions from scheme members	-	0.7	0.7	0.9
Benefits paid	(0.5)	(7.1)	(7.6)	(8.0)
At end of year	59.8	224.2	284.0	297.1

(vi) Movement in retirement benefit liabilities
Movements in the present value of defined benefit obligations in the year were as follows:

	Scheme in Sterling €m	Scheme in Euro €m	2007 Total €m	2006 Total €m
At beginning of year	67.3	210.0	277.3	232.5
MNOPF reclassification from trade and other payables	-	-	-	38.7
Service cost	0.3	2.5	2.8	3.2
Interest cost	3.5	9.9	13.4	11.7
Contributions from scheme members	-	0.7	0.7	0.9
Actuarial gains	(3.2)	(19.3)	(22.5)	(2.8)
Exchange difference	(5.9)	-	(5.9)	1.1
Benefits paid	(0.6)	(7.1)	(7.7)	(8.0)
At end of year	61.4	196.7	258.1	277.3

33. Retirement benefit plans - continued

(vii) Amounts recognised in consolidated income statement
Amounts recognised in the Consolidated Income Statement in respect of the defined benefit plan are as follows:

	2007 €m	2006 €m
Charged to Employee benefits expense		
Current service cost	2.8	3.2
Past service cost	-	-
	2.8	3.2
Other (credits) / charges to Income statement		
Expected return on scheme assets (note 7)	(19.3)	(17.8)
Interest on scheme liabilities (note 8)	13.4	11.7
	(5.9)	(6.1)

(Credit) / charge to the Income Statement

The Expected return on scheme assets has been recorded under Investment revenue (note 7) and the interest on scheme liabilities has been recorded in the Income Statement under Finance costs (note 8).

The estimated amounts of contributions expected to be paid to the schemes during 2008 is €1.1 million (2007: €1.7 million).

(viii) Amounts recognised in the consolidated statement of recognised income and expense
Amounts recognised in the Consolidated Statement of Recognised Income and Expense (SORIE) in respect of the defined benefit plan are as follows:

	2007 €m	2006 €m
Actual return less expected return on scheme assets	(22.9)	9.3
Experience loss on scheme liabilities	(3.5)	(12.3)
Gain due to change in assumptions used to value liabilities	26.0	15.1
Actuarial (loss) / gain recognised in Group SORIE	(0.4)	12.1

(ix) Experience adjustments
The four-year history of experience adjustments is as follows:

	2007 €m	2006 €m	2005 €m	2004 €m
Present value of defined benefit obligations	(258.1)	(277.3)	(232.5)	(207.8)
Fair value of scheme assets	284.0	297.1	239.9	205.8
Net surplus / (deficit) in pension scheme	25.9	19.8	7.4	(2.0)
Experience adjustments on scheme liabilities	(22.5)	(2.8)	21.5	22.0
Experience adjustments on scheme assets	(22.9)	9.3	25.5	7.7

33. Retirement benefit plans - continued

As transmitted by the transitional provisions of the 'Amendment to International Accounting Standard (IAS) 19 Employee Benefits' issued in December 2004, the disclosures above are determined prospectively from the year ended 31 December 2004.

(b) Company Retirement benefit plans

(i) Company sponsored / Group affiliated schemes
Employees of the Company are members of one of three retirement benefit pension 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, which is 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 funds 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, which is not available for public inspection, is dated 1 July 2004. The valuation employed for disclosure purposes has been based on the most recent funding valuations for the scheme adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2007 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 market 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, an industry wide multi-employer scheme. The latest actuarial valuation of the Scheme, which is available for public inspection, is dated 31 March 2006. The valuation employed for disclosure purpose has been based on that valuation adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2007 and to take account of financial conditions at this date.

The share of the overall deficit in the MNOPF apportioned to the Company is €2.3 million at 31 December 2007 (2006: €3.5 million). During the year the Company made payments of €0.7 million (2006: €0.2 million) to the trustees. As at 31 December 2007 the Company had been invoiced a further €2.7 million (2006: €3.3 million) in cash contributions relating to the past deficit which will be paid in annual instalments up to 2014.

(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 balance sheet in respect of the Company's defined benefit retirement benefit plans, including an apportionment in respect of the MNOPF are as follows:

	Scheme with Liabilities in Euro		Scheme with Liabilities in Sterling	
	2007 €m	2006 €m	2007 €m	2006 €m
Equities	1.6	1.4	7.5	8.4
Bonds	0.2	0.2	4.1	3.5
Property	0.2	0.2	1.1	1.2
Other	0.1	-	0.7	0.4
Market value of scheme assets	2.1	1.8	13.4	13.5
Present value of scheme liabilities	(2.0)	(1.9)	(15.7)	(17.0)
Surplus / (deficit) in schemes	0.1	(0.1)	(2.3)	(3.5)

33. Retirement benefit plans - continued

One of the defined benefit pension schemes accounted for by the Company is 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:

	2007 €m	2006 €m
Non current assets – retirement benefit surplus	0.1	-
Non current liabilities – retirement benefit deficit	(2.3)	(3.6)
Net deficit in pension schemes	(2.2)	(3.6)

The Company operates a defined benefit retirement plan. The Company's total obligation in respect of defined benefit plan is calculated by independent, qualified actuaries, updated at least annually and totals €17.7 million at 31 December 2007. At 31 December 2007 the Company also has plan assets totalling €15.5 million, giving a net pension liability of €2.2 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 plan asset is also sensitive to asset return levels and the level of contributions from the Company.

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

(v) Movement in retirement benefit assets
Movements in the present value of fair value of scheme assets in the current year were as follows:

	Scheme in Sterling €m	Scheme in Euro €m	2007 Total €m	2006 Total €m
At beginning of year	13.4	1.8	15.2	1.3
MNOPF reclassification from trade and other payables	-	-	-	12.0
Expected return on scheme assets	0.9	0.1	1.0	0.9
Actuarial (losses) / gains	(0.4)	-	(0.4)	0.4
Exchange difference	(1.4)	-	(1.4)	0.3
Contributions from sponsoring company	0.8	0.2	1.0	0.3
At end of year	13.3	2.1	15.4	15.2

(vi) Movement in retirement benefit liabilities
Movements in the present value of defined benefit obligations in the year were as follows:

	Scheme in Sterling €m	Scheme in Euro €m	2007 Total €m	2006 Total €m
At beginning of year	16.9	1.9	18.8	1.9
MNOPF reclassification from trade and other payables	-	-	-	13.5
Service cost	-	0.1	0.1	0.1
Interest cost	0.9	0.1	1.0	0.7
Actuarial (gains) / losses	(0.6)	(0.1)	(0.7)	2.3
Exchange difference	(1.6)	-	(1.6)	0.3
At end of year	15.6	2.0	17.6	18.8

33. Retirement benefit plans - continued

(vii) Amounts recognised in the company income statement
Amounts recognised in the Company Income Statement in respect of the defined benefit plan are as follows:

	2007 €m	2006 €m
Charged to Employee benefits expense		
Current service cost	0.1	0.1
Other (credits) / charges to Income statement		
Expected return on scheme assets	(1.0)	(0.9)
Interest on scheme liabilities	1.0	0.7
	-	(0.2)

(Credit) / charge to the Income Statement

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

(viii) Amounts recognised in the company statement of recognised income and expense
Amounts recognised in the company Statement of Recognised Income and Expense (SORIE) in respect of the defined benefit plan are as follows:

	2007 €m	2006 €m
Actual return less expected return on scheme assets	(0.4)	0.2
Experience loss on scheme liabilities	(0.2)	(2.5)
Profit due to change in assumptions used to value liabilities	0.9	0.4
Actuarial gain / (loss) recognised in Company SORIE	0.3	(1.9)

(ix) Experience adjustments
The four-year history of experience adjustments is as follows:

	2007 €m	2006 €m	2005 €m	2004 €m
Present value of defined benefit obligations	(17.6)	(18.8)	(1.9)	(1.6)
Fair value of scheme assets	15.4	15.2	1.3	1.0
Net deficit in pension scheme	(2.2)	(3.6)	(0.6)	(0.6)
Experience adjustments on scheme liabilities	(0.7)	2.3	0.2	0.4
Experience adjustments on scheme assets	(0.4)	0.4	0.2	0.1

34. Related party transactions

Group

During the year, Group entities provided administration and accounting services to Irish Ferries Limited Pension Scheme and Irish Ferries UK Pension Scheme, related parties that are not members of the Group. The value of these transactions was €0.1 million (2006: €0.1 million). Amounts owed by the pension schemes to the Group at 31 December 2007 totalled €0.1 million (2006: €0.1 million).

Company

The Company does not trade with any of its subsidiary companies. During the year it advanced and received funds to and from certain companies. Net funds advanced from subsidiaries during the year amounted to €11.5 million (2006: advanced from subsidiaries €1.2 million).

During the year the Company received dividends of nil (2006: €8.0 million) from subsidiary companies.

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

	2007 €m	2006 €m
Amounts due from subsidiary companies (Note 18)	103.0	115.6
Amounts due to subsidiary companies (Note 26)	(47.1)	(48.2)
	55.9	67.4

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Compensation of key management personnel

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

	Group 2007 €m	Group 2006 €m	Company 2007 €m	Company 2006 €m
Short-term benefits	5.0	4.0	3.0	1.9
Post-employment benefits	0.5	0.5	0.3	0.2
Share based payments	0.4	0.4	0.3	-
	5.9	4.9	3.6	2.1

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.

Expense Reimbursement and Implementation Agreement

On 8 March 2007, Aella plc, a Company controlled by three executive directors and secretary of the Group (Eamonn Rothwell, Gearoid O'Dea, Tony Kelly and Thomas Corcoran) and a senior executive John Reilly made an offer for the entire issued and to be issued share capital of Irish Continental Group plc via a Scheme of Arrangement under Section 201 of the Companies Act. The acquisition was recommended by the Independent Board which had been constituted on 8 February 2007 when the initial approach was made.

The company entered into an Implementation Agreement and an Expense Reimbursement Agreement with Aella plc which provided that, in certain circumstances, the expenses incurred by Aella plc in connection with these offers would be reimbursed by the Company up to €4.7 million, subject to the terms of the agreement. These costs have been accrued as at 31 December 2007.

35. Net cash from operating activities

Group	2007 €m	2006 €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)
(Decrease) / increase in restructuring 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**

35. Net cash from operating activities - continued

Company	2007 €m	2006 €m
Operating activities		
(Loss) / profit for the year	(17.3)	5.8
Adjustments for:		
Finance costs (net)	0.3	0.1
Retirement benefit obligations - service cost	0.1	0.1
Retirement benefit obligations – payments	(1.0)	(0.4)
Dividend income	-	(8.0)
Depreciation of property, plant and equipment	2.9	4.4
Amortisation of intangible assets	1.0	1.0
Share-based payment expense	0.4	0.3
Decrease in provisions	(0.1)	-
Operating cash flows before movements in working capital	**(13.7)**	**3.3**
Increase in inventories	(0.3)	(0.1)
Decrease in receivables	13.6	1.1
Increase / (decrease) in payables	6.8	(1.4)
Cash generated from operations	**6.4**	**2.9**
Interest paid	(1.1)	(0.3)
Net cash from operating activities	**5.3**	**2.6**

36. Non-cash transactions

Additions to property, plant and equipment during the year amounting to €0.1 million (2006: €2.4 million) in the Group and nil (2006: €0.1 million) in the Company were financed by new finance leases.

37. 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 €0.5 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.

The Group has entered into leasing transactions in respect of two of the Group's vessels the early termination of which could, in certain circumstances, require the Group to compensate a counterparty for a benefit foregone to a current value of €15.5 million in present value terms (2006: €13.5 million). These leases are for a twenty year term and expire in 2018. The directors consider that no obligation had arisen at the balance sheet date nor is likely to arise as the likelihood of termination is remote. The Group has fair valued this financial guarantee contract at nil at 31 December 2007 (2006: nil) based on projected cashflows.

37. Contingent liabilities - continued

Arising from the lease transaction, a net benefit accrues to the Group which is being recognised over the term of the lease. The amount included under other financial income in respect of this net benefit for 2007 was €0.6 million (2006: €0.2 million).

On 14 June 2007 Irish Continental Group plc (Group and Company) agreed 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.

The Group and Company is a participating employer in the Merchant Navy Officer Pension Fund (MNOPF) a multi-employer defined benefit pension plan. 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. Should other participating employers default on their obligations, the Group and Company will be required to absorb a larger share of the scheme deficit.

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 know as "Section 75" debt by reference to Section 75 of the Pensions Act 1995 amended by the Pensions Act 2004). The calculation of such a statutory debt is prescribed in legalisation and would be a greater amount than the deficit included in these financial statements.

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 this guarantee at nil at 31 December 2007 (2006: nil) based on projected cashflows.

The Company has provided Letters of Financial Support for certain of its other subsidiaries. The Company has fair valued this financial guarantee contract at nil at 31 December 2007 (2006: nil) based on projected cashflows.

The Company has provided a guarantee in respect of certain leasing obligations arising in a subsidiary company amounting to a current value of €15.5 million in present value terms (2006: €13.5 million). The directors consider that no obligation had arisen at the balance sheet date nor is likely to arise. The Company has fair valued this financial guarantee contract at nil at 31 December 2007 (2006: nil) based on projected cashflows.

38. Financial instruments

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 15 for further disclosures.

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's policy with regard to expected maturity profile of Group financing companies borrowings is to limit the proportion of such borrowings maturing within 12 months to 50% (2006: 50%) of projected earnings before interest, tax, depreciation and amortisation over the same period.

Hedging instruments

For the year ended 31 December 2007, all cash flow hedges were effective and gains of €0.1 million (2006: €0.6 million gain) have been recognised in equity as the changes in fair value.

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.

38. Financial instruments - continued

Group policy is to enter into such transactions with counterparties with a long term credit rating of A or better. 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.

Capital management

The objective of managing capital is to maximise shareholder value. The capital structure of the Group and Company consists of financial liabilities, cash and cash equivalents and equity attributable to equity holders of the parent Company, comprising issued capital, reserves and retained earnings as disclosed in note 22. This policy is managed through managing EBITDA. Details regarding the Group's debt is disclosed in note 23.

Market risk sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to the Consolidated Income Statement and Equity of either an instantaneous increase or decrease of 1% (100 basis points) in market interest rates or a 10% strengthening or weakening in euro against all other currencies, from the rates applicable at 31 December 2007, 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. The sensitivity analysis is based on the following assumptions:

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.
- 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 2007 would increase or decrease profit before tax and equity by approximately €0.5 million (2006: €0.7million).

Currency risks - The currency risk sensitivity analysis is based on the assumption that all cash flow hedges are highly effective. There are none held at the year end.

Under the assumptions, with a 10% strengthening or weakening of euro against all exchange rates, profit before tax would have increased by €0.8 million (2006: €0.6 million) or decreased by €1.0 million (2006: €0.7 million), respectively, and equity (before tax effects) would have decreased by €7.4 million (2006: €2.7 million) or increased by €9.0 million (2006: €3.6 million), respectively.

Other price risks - As at 31 December 2007 and 31 December 2006, the Group had no exposure under financial instruments other than those discussed above.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. 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 balance sheet date are as follows:

	Assets 2007 €m	Assets 2006 €m	Liabilities 2007 €m	Liabilities 2006 €m
Euro	38.1	47.6	29.2	31.2
Sterling	8.9	6.7	22.8	12.5
US Dollar	1.1	0.9	5.2	3.4
	48.1	55.2	57.2	47.1

39. Events after the balance sheet date

On 22 January 2008 the Group entered into a memorandum of agreement for the sale of the MV Normandy to a third party, Equinox Offshore Accommodation Limited (note 20). A deposit of 15% of the agreed selling price was placed in an Escrow deposit account on 31 January 2008.

Delivery of the vessel to the buyer is expected in March 2008.

On 7 March 2008 the Board decided to redeem one redeemable share per ICG unit for a consideration of 100 cent per share payable in April 2008.

40. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 7 March 2008.

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 7 March 2008 an ICG unit consisted of one Ordinary share and three Redeemable shares.

REDEMPTION OF REDEEMABLE SHARES

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 pounds sterling and made by way of cheque payment or electronic transfer. Shareholders should contact the Company's Registrars 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 Registrars claiming such entitlement.

ICG UNIT PRICE DATA (€)

	High	Low	Year end
Year ended 31 December 2007	26.46	14.45	22.05
Year ended 31 December 2006	14.60	10.40	13.90

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:
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Ferryport
Alexandra Road
Dublin 1

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

INVESTOR INFORMATION - CONTINUED

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.
- 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 2008

Announcement of preliminary Statement of Results to 31 December 2007	10 March 2008
Annual General Meeting	1 May 2008

ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders will be held on Thursday 1 May 2008, in the Clarion Hotel, IFSC, North Wall Quay, Dublin 1 at 11am. The Notice of Annual General Meeting is set out in a separate document.

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 7 March 2008 are:

- 20% discount on passenger & car ferry services between Ireland & Britain;
- 10% discount on passenger & car ferry services between Ireland & France (direct sailings only);
- 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 1 855 2222 or e-mail shareholders@irishferries.com.

OTHER INFORMATION

Registered office	Ferryport Alexandra Road Dublin 1
Solicitors	A&L Goodbody, Dublin DLA, Liverpool
Auditors	Deloitte & Touche Chartered Accountants and Registered Auditors Earlsfort Terrace, Dublin 2
Principal bankers	IIB Bank Ltd, Dublin AIB Bank, Dublin
Stockbrokers	NCB Stockbrokers Ltd, Dublin

Registrars	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate Dublin 18
Website	www.icg.ie
Email	info@icg.ie
Reuters	ICG_u.i
Bloomberg	ICGc
Telerate	icg.u
ISE Extra	IR5

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