
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser (being, in the case of Shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act, 1995 of Ireland or the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and, in the case of Shareholders in the United Kingdom, an adviser authorised pursuant to the Financial Services and Markets Act, 2000) immediately.

If you have sold or transferred all of your Ordinary Shares in FBD Holdings plc, please forward this document together with the accompanying form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Bloxham, which is regulated in Ireland by the Financial Regulator is acting for FBD Holdings plc and has been appointed by it to advise the Independent Shareholders and no one else in connection with this circular and Bloxham will not be responsible to anyone other than FBD Holdings plc and the Independent Shareholders for providing the protections afforded to customers of Bloxham or for providing advice in relation to this circular or any matter referred to herein.

FBD HOLDINGS PLC

(Incorporated and registered in Ireland with registered number 135882)

APPROVAL OF WAIVER OF OFFER OBLIGATIONS UNDER RULE 37 OF THE IRISH TAKEOVER RULES

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Your attention is drawn to the letter from the Independent Directors of FBD set out on pages 6 to 8 of this document and to the letter from Bloxham set out on page 9 of this document.

Ordinary Shares in FBD Holdings plc are listed on the official lists of the Irish Stock Exchange and of the UK Listing Authority and are admitted to trading on the Irish Stock Exchange's market for listed securities and the London Stock Exchange's market for listed securities.

Notice of an Extraordinary General Meeting of FBD Holdings plc to be held on 29 April 2009 is set out on page 27 of this document. Shareholders will find enclosed with this document a form of proxy for use at the EGM. To be valid forms of proxy must be completed and signed in accordance with the instructions printed thereon and returned to Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, so as to arrive no later than 1.00 p.m. on 27 April 2009.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of forms of proxy
for the Extraordinary General Meeting

1 p.m. on 27 April 2009

Time and date of Extraordinary General Meeting

1 p.m. on 29 April 2009*

*or as soon as the Annual General Meeting of the Company which is convened on the same day is concluded

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise or unless it is otherwise specifically provided:

"Board" or "Directors"	the Directors of FBD whose names are set out on page 6 of this document
"Bloxham"	Bloxham, 2/3 Exchange Place, IFSC, Dublin 1, member of the Irish Stock Exchange and the London Stock Exchange and regulated by the Financial Regulator
"Circular"	this document
"Concert Party"	for the purposes of the Waiver, Farmer Business Developments plc and persons presumed to be acting in concert with it under Rule 3.3 of Part A of the Irish Takeover Rules
"Concert Party Shareholding"	Farmer Business Developments plc's holding of Voting Shares and the holdings of Voting Shares of other members of the Concert Party comprising, in aggregate, 11,445,843 Voting Shares representing 30.01% of the issued Voting Share Capital of FBD
"Connected Adviser"	a bank, financial or other professional adviser (including a stockbroker) which is acting for FBD or any associate of FBD (not being a bank which is engaged only in the provision of normal commercial banking services or such activities in connection with the as handling acceptances and registration work) and, in the case of an adviser which is a partnership, including only those partners and professional staff who are actively engaged in relation to FBD or who are customarily engaged in the affairs of FBD
"EGM"	the Extraordinary General Meeting of the Company to be held on 29 April 2009 at 1.00 p.m. or as soon thereafter as the AGM, which is convened on the same day, is concluded
"FBD" or "the Company"	FBD Holdings plc
"FBD Directors"	the Directors of FBD whose names are set out on page 6 of this document
"Financial Regulator"	Irish Financial Services Regulatory Authority
"Group"	FBD and its subsidiaries
"Independent Directors"	FBD Directors, excluding those Directors who are also directors of Farmer Business Developments plc or who are deemed not to be independent of the Concert Party
"Independent Shareholders"	Shareholders, excluding members of the Concert Party and FBD Trust Company Limited
"Irish Stock Exchange"	The Irish Stock Exchange Limited
"Irish Takeover Panel" or "Panel"	the Irish Takeover Panel established under the Irish Takeover Panel Act, 1997

"Irish Takeover Rules" or "Rules"	the Irish Takeover Panel Act, 1997, Takeover Rules, 2007 as amended
"London Stock Exchange"	The London Stock Exchange plc
"Market Purchase(s)"	purchase(s) by the Company of Ordinary Shares pursuant to the authority provided under the 2009 Market Purchases Resolution
"2009 Market Purchases Resolution"	a special resolution to be put to Shareholders at the Annual General Meeting to be held on 29 April 2009 authorising the Company to make future market purchases of up to 4,033,348 Ordinary Shares, representing 10% of the existing issued share capital
"Non-Independent Directors"	FBD Directors, who are not Independent Directors; namely Patrick O'Keeffe and Padraig Walshe
"Notice"	the notice of EGM set out at the end of this document
"Ordinary Shares"	ordinary shares of €0.60 each in the capital of FBD
"Preference Shares"	the 3,532,292 8% Non-Cumulative Preference Shares of €0.60 each and the 1,340,000 14% Non-Cumulative Preference Shares of €0.60 each in the capital of FBD
"Rule 37"	Rule 37 of the Irish Takeover Rules which imposes an obligation on any person or persons acting in concert who acquire or consolidate control of a relevant company, by reason of the redemption or purchase by that company of any of its own securities, to extend offers to the holders of each class of equity share capital and to each other class of transferable voting security in the relevant company
"Shareholder(s)"	holder(s) of Ordinary Shares and Preference Shares
"UK Listing Authority"	The United Kingdom Listing Authority, being the Financial Services Authority of the United Kingdom acting in its capacity as the competent authority under the Financial Services and Markets Act 2000 of the United Kingdom
"Voting Shares"	the Ordinary Shares and Preference Shares
"Voting Share Capital"	the Voting Shares in issue at the date of this document comprising 33,269,476 Ordinary Shares, 3,532,292 8% Non-Cumulative Preference Shares and 1,340,000 14% Non-Cumulative Preference Shares
"Waiver"	the waiver of Rule 37 granted by the Panel, further details of which are set out in Part I of this document under paragraph entitled " <i>Summary of waiver letter from the Irish Takeover Panel</i> "
"Waiver Resolution"	The resolution in the Notice, an ordinary resolution which, in compliance with the conditions of the waiver imposed by the Irish Takeover Panel, approves the increase, arising pursuant to Market Purchases, in the percentage of the issued share capital of the Company held by the Concert Party without any member of the Concert Party being obliged under the Irish Takeover Rules to make an offer to Shareholders for the balance of each class of equity share capital and transferable voting security of the Company

Notes:

- (i) Unless otherwise stated in this document, all reference to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.
- (ii) The symbols “€” and “c” refer to euro and euro cent respectively, the lawful currency of Ireland pursuant to the provisions of the Economic & Monetary Union Act, 1998.
- (iii) Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neutral gender.

PART I – Letter from the Independent Directors of FBD Holdings plc

FBD Holdings plc

(Incorporated in Ireland. Registered number 135882)

Registered Office: FBD House, Bluebell, Dublin 12

Directors:

Michael Berkery (Chairman) *
John Donnelly *
Sean Dorgan *
Andrew Langford (Chief Executive)
Philip Lynch *
Cathal O’Caoimh (Finance Director)
Patrick O’Keeffe * †
Vincent Sheridan *
Adrian Taheny
Johan Thijs (Belgian) *
Padraig Walshe * †

30 March 2009

* denotes Non-Executive Director

† denotes Non-Independent Director for purposes of the Waiver Resolution

To Shareholders and, for information only, to all option holders

Dear Shareholder,

Introduction

At the forthcoming Annual General Meeting to be held on 29 April 2009 (“AGM”) the Directors will be asking Shareholders to renew the Company’s approval to buy back up to 10% of its issued share capital. A resolution to this effect has been passed by Shareholders at each annual general meeting of the Company in recent years.

In the event that FBD makes market purchases of its own shares certain obligations may arise for Farmer Business Developments plc and/or other members of the Concert Party under the Irish Takeover Rules. FBD is therefore convening an Extraordinary General Meeting (“EGM”), to be held immediately following the AGM, to seek Independent Shareholders’ approval of a waiver of such obligations.

The purpose of this letter and of this document is to explain to Shareholders the reasons for and background to the Waiver Resolution that is to be considered at the EGM and why the Independent Directors believe the Waiver Resolution is in the best interests of the Independent Shareholders, and to recommend to the Independent Shareholders that they vote in favour of it.

Background

Farmer Business Developments plc is interested in 8,531,948 Ordinary Shares, 1,470,292 8% Non-Cumulative Preference Shares of €0.60 each and 1,340,000 14% Non-Cumulative Preference Shares of €0.60 each which, in aggregate, represent 29.74% of the issued Voting Share Capital of FBD. In addition, certain persons which are presumed, under Part A of the Irish Takeover Rules, to be acting in concert with Farmer Business Developments plc (being the directors of Farmer Business Developments plc, the spouses, parents, brothers, sisters, or children of such directors and any trustee of a trust of which any such person is a beneficiary or potential beneficiary and every company which is controlled by any one or more of such directors, such members of their families and trustees of any such trusts) are interested, in aggregate, in 103,603 Ordinary Shares, representing 0.27% of the issued Voting Share Capital. The total Concert Party shareholding is 11,445,843 Voting Shares representing **30.01%** of the issued Voting Share Capital of FBD (excluding treasury shares).

Under Rule 37(a)(ii) of the Irish Takeover Rules, when any person or persons acting in concert, holds 30% or more of the voting rights exercisable at general meeting of a relevant company, and the percentage represented by the interests of that person or persons acting in concert, increases by more than 0.05% within any period of 12 months by reason of the redemption or purchase by that company of any of its own securities, such person or, in the case of persons acting in concert, such one or more of those persons as the Panel shall direct, would normally be required to extend a general offer to all shareholders to purchase their shares.

At the forthcoming AGM, a resolution will be put to Shareholders to give authority to the Company to purchase up to 10% of its issued share capital or up to 4,033,348 Ordinary Shares (the "2009 Market Purchases Resolution"). In the event that the Company makes purchases of its own Ordinary Shares up to this maximum level and, assuming the Concert Party does not dispose of any of its Ordinary Shares, the Concert Party Shareholding will increase up to a maximum holding of Voting Shares of **33.56%**. As a consequence, Farmer Business Developments plc and/or other members of the Concert Party, as the Panel may direct, would become obliged under Rule 37 to make a general offer for the balance of the Voting Share Capital in the Company unless such obligation was waived by the Panel.

Waiver to make a general offer under Rule 37

The Irish Takeover Panel has agreed to waive the requirement for the Concert Party to make a general offer to all Shareholders which may arise, in the event that FBD makes any such purchases of its Ordinary Shares, on condition that Independent Shareholders give approval for a corresponding increase in the Concert Party Shareholding. Accordingly, your Board is now seeking approval from Independent Shareholders to permit the Concert Party's holding of Voting Shares to increase up to **33.56%**, in the event that FBD makes the maximum permitted purchases (as proposed under the 2009 Market Purchases Resolution) of 4,033,348 Ordinary Shares.

Summary of waiver letter from the Irish Takeover Panel

The Panel issued a waiver letter on 26 February 2009. In the letter, the Panel has granted the Concert Party a waiver under Rule 37 of the Irish Takeover Rules, subject to the conditions described below. A waiver of Rule 37 has been granted in respect of the obligation that may arise as a result of the implementation of the 2009 Market Purchases Resolution.

The Panel has granted the Waiver in relation to the implementation of the 2009 Market Purchases Resolution, subject to the following conditions:

- (i) that the Independent Shareholders approve, on a poll vote, the Waiver Resolution; and
- (ii) that a circular is prepared by FBD in accordance with the Whitewash Guidance Note in the Irish Takeover Rules and such circular is approved by the Panel. This Circular has been so approved.

For the purposes of the Waiver Resolution, the Independent Shareholders comprise all Shareholders excluding Farmer Business Developments plc and any person or any persons acting in concert or presumed by the Irish Takeover Panel to be acting in concert with Farmer Business Developments plc. In addition, FBD Trust Company Limited, because it has what are regarded by the Panel as relatively significant shareholdings in both FBD and Farmer Business Developments plc, is deemed by the Panel not to be independent. Members of the Concert Party and FBD Trust Company Limited have confirmed to FBD Holdings plc that they will abstain from voting on the Waiver Resolution.

The Panel's waiver letter is available for inspection as set out in Part IV, paragraph 9.

Your attention is drawn to the letter from Bloxham set out in Part II of this document which provides independent advice in relation to the Waiver Resolution.

Information on Farmer Business Developments plc

Farmer Business Developments plc is an unquoted public limited company registered in Ireland. It is an investment holding company whose most significant investment is 8,531,948 Ordinary Shares, 1,470,292 8% Non-Cumulative Preference Shares of €0.60 each and 1,340,000 14% Non-Cumulative Preference Shares of €0.60 each, which in aggregate represents 29.74% of the Voting Share Capital, in FBD.

Intention of Farmer Business Developments plc

Neither Farmer Business Developments plc nor any member of the Concert Party is proposing any changes to the Board and have confirmed that it is not their intention, following any percentage increase in the Concert Party Shareholding, as a result of any future Market Purchases by FBD, to seek any changes to the business of FBD or its subsidiaries or in the manner in which the existing business is carried on or to seek any redeployment of the assets of the Company or any of its subsidiaries.

The Concert Party have also confirmed that, following any future percentage increase in the Concert Party Shareholding as a result of Market Purchases, it is not their intention to interfere with or influence the existing employment rights, conditions of employment and pension rights of all employees of the Company and its subsidiaries will be fully safeguarded.

Extraordinary General Meeting

The waiver in relation to the 2009 Market Purchases Resolution requires the approval by Independent Shareholders of the Waiver Resolution.

Set out on page 27 is a notice convening an Extraordinary General Meeting of FBD to be held on 29 April 2009 at which the Waiver Resolution, which is an ordinary resolution, will be proposed.

Action to be taken

You will find enclosed a form of proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the EGM, you are requested to return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive not later than 1.00 p.m. on 27 April 2009. The completion and return of the form of proxy will not preclude you from attending the EGM and voting in person should you so wish.

Further information

Your attention is drawn to the additional information set out in Part III - Financial Information and Part IV - Additional Information of this document.

Recommendation

The Non-Independent Directors have not participated in the consideration of the Waiver Resolution and are accordingly not in a position to advise the Independent Shareholders in relation to the Waiver Resolution. The Non-Independent Directors will abstain from voting on it.

The Independent Directors, who have been so advised by Bloxham, consider the Waiver Resolution to be in the best interests of the Company and the Independent Shareholders as a whole. In providing its advice Bloxham has taken into account the commercial assessments of the Independent Directors. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolution at the EGM, as they intend to do so in respect of their own beneficial holdings, amounting to 103,006 Ordinary Shares, representing 0.27% of the issued Voting Share Capital.

Yours faithfully,

For and on behalf of the
Independent Directors of the Board of FBD Holdings plc

MICHAEL BERKERY

PART II – Letter from Bloxham to Independent Shareholders



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info@bloxham.ie
www.bloxham.ie

*To Independent Shareholders of FBD Holdings plc
and, for information only, to all option holders*

30 March 2009

Dear Independent Shareholders,

We refer to the letter from the Independent Directors, contained in Part I of this document. In particular, we refer to the **30.01%** of the Company's issued Voting Share Capital which is held in aggregate by the Concert Party.

Farmer Business Developments plc and other members of the Concert Party could become obliged under Rule 37 of the Irish Takeover Rules to make a general offer for the balance of the Voting Share Capital of the Company, not already held by them, as a result of the any buybacks of Ordinary Shares by FBD under the 2009 Market Purchases Resolution, unless the Panel waives this obligation.

As described in Part I of this document, the Panel has agreed to waive the obligation of the Concert Party which may arise as a result of any purchases of Ordinary Shares pursuant to the 2009 Market Purchases Resolution. This Waiver is subject, inter alia, to the passing of the Waiver Resolution on a poll vote by a majority of the votes cast by the Independent Shareholders to approve the increase in the percentage holding of the Concert Party of Voting Shares up to a maximum of **33.56%** of the issued Voting Share Capital in FBD which could arise if further purchases of its own shares are carried out in the future by FBD pursuant to the 2009 Market Purchases Resolution.

Bloxham, which has been appointed by the Company to advise the Independent Shareholders, considers the approval of the Waiver Resolution to be in the best interests of the Company and the Independent Shareholders as a whole and recommends Independent Shareholders vote in favour of the Waiver Resolution. In providing this advice Bloxham has taken into account the commercial assessments of the Independent Directors.

Yours faithfully
For and on behalf of
Bloxham

Partners
Prमित Ghose Raymond
M. Deasy
Peter A. Costigan
Angus C.A. McDonnell
Tadhg F. Gunnell
Patrick Dempsey
Niall Tinney
Patrick Finnegan
F.B.D. Securities Ltd

Member of the Irish
Stock Exchange and the
London Stock Exchange.
Regulated by the Financial
Regulator under the Stock
Exchange Act, 1995.

PART III – Financial Information

A) FBD Holdings plc

This document is being circulated along with the 2008 Annual Report of FBD. The 2008 Annual Report includes the Income Statements, Balance Sheets and Cashflow Statements for the years ended 31 December 2008 and 2007.

B) Farmer Business Developments plc

Annual Financial Information for the three years ended 31 December 2007

Nature of Financial Information

The following information does not constitute full accounts within the meaning of Irish Statute comprising the Companies Acts, 1963 to 2006 and has been extracted, without material adjustment, from the audited financial statements of Farmer Business Developments plc for the three years ended 31 December 2007.

Copies of the financial statements have been delivered to the Registrar of Companies (in Ireland) for each of the three years ended 31 December 2007. The Auditors of Farmer Business Developments plc have made three reports under Section 193 of the Companies Act, 1990 in respect of each set of statutory financial statements and each such report was an unqualified audit report within the meaning of Section 193(4) of that Act.

Profit and Loss Account
For the years ended 31 December

	Notes	2007 €000s	2006 €000s	2005 €000s
Turnover – continuing activities		54,352	172,960	6,642
Income from participating interests		49,050	20,769	6,401
Income from sale of shares in FBD Holdings plc		-	149,416	-
Income from other financial assets		5,302	2,687	228
Rental income		-	88	14
Administrative expenses		(771)	(776)	(579)
Profit before taxation – continuing activities		53,581	172,184	6,064
Taxation		(1,168)	(511)	(7)
Profit after taxation		52,413	171,673	6,057

Balance Sheet
As at 31 December

	Notes	2007 €000s	2006 €000s	2005 €000s
FIXED ASSETS				
Financial assets		218,047	354,985	480,367
Land and buildings		2,378	2,660	2,660
		220,425	357,645	483,027
CURRENT ASSETS				
Investments		26,770	-	1,361
Debtors		34	-	1,387
Deposits		123,208	109,202	2,692
		150,012	109,202	5,440
CREDITORS – Amounts falling due within one year		(874)	(4,623)	(53)
NET CURRENT ASSETS		149,138	104,579	5,387
TOTAL ASSETS LESS CURRENT LIABILITIES		369,563	462,224	488,414
Provision for liabilities and charges		-	-	(29)
NET ASSETS		369,563	462,224	488,385
CAPITAL AND RESERVES				
Ordinary share capital		7,117	7,117	8,199
Reserves		361,250	453,911	478,990
ORDINARY SHAREHOLDERS' FUNDS		368,367	461,028	487,189
Preference share capital		1,196	1,196	1,196
TOTAL SHAREHOLDERS' FUNDS		369,563	462,224	488,385

Cash Flow Statement For the years ended 31 December

	Notes	2007 €000s	2006 €000s	2005 €000s
OPERATING ACTIVITIES				
Net cash inflow (outflow) from operating activities		50,258	24,697	(1,319)
FINANCING				
Purchase of own shares		(5,428)	(59,985)	(9,196)
TAX				
Corporation tax paid		(1,346)	(68)	(99)
DIVIDENDS				
Dividends paid		(2,708)	(15,194)	(1,411)
INVESTMENT ACTIVITIES				
Purchase of quoted investments		(26,770)	-	-
Sale of quoted investments		-	4,060	752
Sale of shares in FBD Holdings plc		-	153,000	-
Purchase of financial assets		-	-	(1,263)
Net cash (outflow) inflow from investment activities		(26,770)	157,060	(511)
Increase (decrease) in cash and cash equivalents		14,006	106,510	(12,536)

Statement of Total Recognised Gains and Losses For the years ended 31 December

	Notes	2007 €000s	2006 €000s	2005 €000s
Profit after taxation		52,413	171,673	6,057
Unrealised gains on financial assets		(136,938)	39,588	227,064
Unrealised (losses) gain on investments		-	-	(140)
Total (losses) gains recognised in year		(84,525)	211,261	232,981

Reconciliation of Movement in Ordinary Shareholders' Funds For the year ended 31 December

	Notes	2007 €000s	2006 €000s	2005 €000s
Profit after taxation		52,413	171,673	6,057
Less: preference dividends		(151)	(151)	(151)
Profit attributable to ordinary shareholders		52,262	171,522	5,906
Ordinary dividends		(2,557)	(15,044)	(1,260)
Purchase of own shares		(5,428)	(59,985)	(9,196)
Unrealised gains on financial assets		(136,938)	39,588	226,924
Transfer from revaluation reserves to profit and loss on the sale of FBD Holdings plc shares		-	(162,242)	-
Ordinary shareholders' funds at beginning of year		461,028	487,189	264,815
Ordinary shareholders' funds at end of year		368,367	461,028	487,189

Notes to the Financial Statements

For the year ended 31 December 2007

1. STATEMENT OF ACCOUNTING POLICIES

A) BASIS OF ACCOUNTING

The Group financial statements of Farmer Business Developments plc have been prepared under the historical cost convention as modified by the revaluation of stocks and shares. (The company holds 24.4% of the ordinary share capital of FBD Holdings plc. The vast majority of the Company's shareholders are also shareholders in FBD Holdings plc. The financial statements do not include the Company's share of FBD Holdings plc's results or net assets. Information on the Company's investment in FBD Holdings plc is given in note 5).

B) BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings, made up to 31 December. All intra group transactions, balances, income and expenses are eliminated on consolidation.

C) TURNOVER

Turnover consists of dividend income recognised on a receipts basis, interest income recognised on an accruals basis, rental income on an accruals basis and gains on realisation of investments.

D) INVESTMENTS

Quoted shares are stated at market value.

Unquoted shares are stated at fair value.

Investment properties held for rental are stated at market value.

Investments in subsidiary undertakings are included at cost.

E) DEFERRED TAXATION

Deferred taxation is provided for using the liability method in respect of the taxation effect of all timing differences including unrealised investment gains, to the extent that they are expected to reverse in the future.

2. PROFIT BEFORE TAXATION

	2007 €000s	2006 €000s	2005 €000s
The profit before taxation is stated after crediting:			
Sale of FBD Holdings plc shares	-	149,416	-
and after charging			
Directors' remuneration	109	86	19
Auditors' remuneration	11	10	7
Write down of financial assets	-	-	149

Notes to the Financial Statements
For the year ended 31 December 2007 *continued*

3. TAXATION

	2007 €000s	2006 €000s	2005 €000s
(a) Analysis of charge in period			
Corporation tax on profits for the period	1,168	475	8
Adjustment in respect of prior years	-	36	(1)
	<u>1,168</u>	<u>511</u>	<u>7</u>

(b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in Ireland (12.5%)

The differences are explained below

Profit on ordinary activities before tax	<u>53,581</u>	<u>172,184</u>	<u>6,064</u>
Tax on profit on ordinary activities at standard rate of corporation tax in Ireland of 12.5%	6,698	21,523	758
Effects of:			
Unrealised losses (gains) on investments	23	-	19
Franked investment income received	(6,137)	(2,596)	(800)
Profit on sale of shares in investee company not taxable	-	(18,677)	-
Higher tax rates on other income	584	256	-
Expenses not allowable	-	5	30
Current tax charge for the period	<u>1,168</u>	<u>511</u>	<u>7</u>

4. DIVIDENDS

	2007 €000s	2006 €000s	2005 €000s
Paid:			
Dividend of 17.78c (2006, 2005: 17.78c) per share on the 14% non-cumulative preference shares of €1.27 each	89	89	89
Dividend of 1.43c (2006, 2005: 1.43c) per share on the 11% non-cumulative preference shares of 13c each	62	62	62
Dividend of 4.7c (2006: 2.2c, 2005: 2.0c) per share on the ordinary shares of 13c each	2,557	1,357	1,260
Special dividend of nil (2006: 25c, 2005: nil) per share on the ordinary shares of 13c each	-	13,686	-
	<u>2,708</u>	<u>15,194</u>	<u>1,411</u>
Proposed:			
Dividend of 5.6c (2006: 4.7c, 2005: 2.2c) per share on the ordinary shares of 13c each	<u>3,020</u>	<u>2,573</u>	<u>1,388</u>

Notes to the Financial Statements
For the year ended 31 December 2007 *continued*

5. FINANCIAL ASSETS

	2007 €000s	2006 €000s	2005 €000s
Balance at start of year	354,985	480,367	252,368
Revaluation surplus	(136,938)	39,588	226,736
(Disposals) additions	-	(164,970)	1,263
	<u>218,047</u>	<u>354,985</u>	<u>480,367</u>
The balance at year end comprises:			
Investments in FBD Holdings plc			
8,531,948 (2006: 8,531,948, 2004: 13,031,948) ordinary shares of 60c each	215,431	352,369	477,751
1,340,000 (2006 and 2005: 1,340,000) 14% non- cumulative preference shares of 60c each	1,608	1,608	1,608
1,470,292 (2006 and 2005: 1,470,292) 8% non- cumulative preference shares of 60c each	1,008	1,008	1,008
	<u>218,047</u>	<u>354,985</u>	<u>480,367</u>

At 31 December 2007 the company held 25.68%, (2006: 24.4%, 2005: 34%) of the ordinary share capital of FBD Holdings plc.

FBD Holdings plc is a quoted investment holding company. The market value of its ordinary shares at 31 December 2007 was €25.25, (2006: €41.30, 2005: €36.66). Preference shares are included at fair value, the fair value of 14% preference shares is 120c and of 8% preference shares is 69c. The principal activity of FBD Holdings plc's major subsidiary is the underwriting of general insurance in the Republic of Ireland. The registered office of FBD Holdings plc is FBD House, Bluebell, Dublin 12. The financial information shown below has been prepared under International Reporting Standards.

CONSOLIDATED FINANCIAL INFORMATION ON FBD HOLDINGS PLC
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2007 €000s	2006 €000s	2005 €000s
Income	518,345	571,056	430,501
Expenses	<u>(356,177)</u>	<u>(274,276)</u>	<u>(245,346)</u>
Profit before taxation	162,168	296,780	185,155
Taxation	<u>(22,093)</u>	<u>(49,948)</u>	<u>(23,701)</u>
Profit after taxation	<u>140,075</u>	<u>246,832</u>	<u>161,454</u>
Attributable to:			
Equity holders of the parent	139,874	246,641	161,500
Minority interest	<u>201</u>	<u>191</u>	<u>(46)</u>
	<u>140,075</u>	<u>246,832</u>	<u>161,454</u>

Notes to the Financial Statements
For the year ended 31 December 2007 *continued*

5. FINANCIAL ASSETS

BALANCE SHEET OF FBD HOLDINGS PLC AS AT 31 DECEMBER

	2007	2006	2005
	€000s	€000s	€000s
Property & equipment	243,344	230,379	210,225
Intangible assets	15,271	13,517	11,849
Investments	829,467	1,143,530	1,030,238
Inventories	65,745	66,433	62,496
Loans and receivables	147,137	122,762	141,673
Reinsurers' share of technical provisions	50,483	72,553	66,034
Cash and cash equivalents	35,618	37,423	41,897
	<u>1,387,065</u>	<u>1,686,597</u>	<u>1,564,412</u>
Technical provisions	(811,926)	(931,946)	(888,350)
Bank and other loans	(60,406)	(112,350)	(99,831)
Creditors	(88,553)	(98,569)	(54,829)
Deferred tax	(27,738)	(33,227)	(33,873)
Retirement benefit obligations	(6,241)	(3,587)	(2,056)
	<u>392,201</u>	<u>506,918</u>	<u>485,473</u>
NET ASSETS			
	<u>392,201</u>	<u>506,918</u>	<u>485,473</u>
CAPITAL AND RESERVES			
Ordinary share capital	21,277	21,277	23,557
Capital reserves	12,956	12,605	9,813
Revaluation and other reserves	30,375	27,702	48,141
Retained earnings	318,981	435,935	394,616
	<u>383,589</u>	<u>497,519</u>	<u>476,127</u>
ORDINARY SHAREHOLDERS' FUNDS			
Preference share capital	2,923	2,923	2,923
	<u>386,512</u>	<u>500,442</u>	<u>479,050</u>
TOTAL SHAREHOLDERS' FUNDS			
Minority interests	5,689	6,476	6,423
	<u>392,201</u>	<u>506,918</u>	<u>485,473</u>

6. LAND AND BUILDINGS

	2007	2006	2005
	€000s	€000s	€000s
Land and buildings: investment property held for rental	2,660	2,660	2,660
Decrease in fair value during the year	(282)	-	-
	<u>2,378</u>	<u>2,660</u>	<u>2,660</u>
Balance at the end of the year	<u>2,378</u>	<u>2,660</u>	<u>2,660</u>

As at 31 December 2007 the cost of land and buildings was €2,660,000.

7. INVESTMENTS – GROUP

	2007	2006	2005
	€000s	€000s	€000s
Quoted shares	4,090	-	1,361
Unquoted shares (market value €22,680,000)	22,680	-	-
	<u>26,770</u>	<u>-</u>	<u>1,361</u>

As at 31 December 2007 the cost of quoted shares was €4,023,000 (2006: nil, 2005: €1,126,000).

Notes to the Financial Statements
For the year ended 31 December 2007 *continued*

8. DEBTORS

	2007 €000s	2006 €000s	2005 €000s
Amounts falling due within one year:			
Amount owed by subsidiary company	-	-	4
Amount owed by related companies	34	-	1,382
Taxation	-	-	1
	<u>34</u>	<u>-</u>	<u>1,387</u>

9. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2007 €000s	2006 €000s	2005 €000s
Accruals:	431	4,039	53
Amounts owed to related company	176	139	-
Taxation	267	445	-
	<u>874</u>	<u>4,623</u>	<u>53</u>

10. PROVISION FOR LIABILITIES AND CHARGES

	2007 €000s	2006 €000s	2005 €000s
Deferred taxation has been fully provided for in the Financial Statements, comprising of the following:			
Unrealised gains on investments	<u>-</u>	<u>-</u>	<u>29</u>

11. ORDINARY SHARE CAPITAL

	2007 only Number	2007 €000s	2006 €000s	2005 €000s
AUTHORISED:				
Ordinary shares of 13c each	99,359,130	12,917	12,917	12,917
"B" ordinary shares of €1.27 each	5,000,000	6,350	6,350	6,350
		<u>19,267</u>	<u>19,267</u>	<u>19,267</u>
ISSUED:				
Ordinary shares of 13c each at beginning of year	54,747,876	7,117	8,199	8,491
Shares cancelled during year	-	-	(1,082)	(292)
Ordinary shares of 13c each at end of year	54,747,876	<u>7,117</u>	<u>7,117</u>	<u>8,199</u>

Notes to the Financial Statements
For the year ended 31 December 2007 *continued*

12. RESERVES

	2007	2006	2005
	€000s	€000s	€000s
REVENUE RESERVES:			
Balance at beginning of year	102,445	5,951	10,502
Transfer from profit and loss account	52,413	171,673	6,056
Dividends	(2,708)	(15,194)	(1,411)
Purchase of own shares	(5,428)	(59,985)	(9,196)
Balance at end of year	<u>146,722</u>	<u>102,445</u>	<u>5,951</u>
REVALUATION RESERVES:			
Balance at beginning of year	347,392	470,046	243,122
Revaluation surplus	(136,938)	39,588	226,929
Deferred tax (charge) credit on revaluation surplus	-	-	(5)
Sale of FBD Holdings shares	-	(162,242)	-
Balance at end of year	<u>210,454</u>	<u>347,392</u>	<u>470,046</u>
CAPITAL REDEMPTION RESERVE FUND:			
Balance at beginning of year	4,074	2,992	2,700
Cancellation of shares	-	1,082	292
Balance at end of year	<u>4,074</u>	<u>4,074</u>	<u>2,992</u>
Total reserves at end of year	<u>361,250</u>	<u>453,911</u>	<u>478,990</u>

13. PREFERENCE SHARE CAPITAL

	Number	2007	2006	2005
		€000s	€000s	€000s
AUTHORISED:				
14% non-cumulative preference shares of €1.27 each	500,000	635	635	635
11% non-cumulative preference shares of 13c each	10,000,000	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>
		<u>1,935</u>	<u>1,935</u>	<u>1,935</u>
ISSUED:				
At beginning and end of year:				
14% non-cumulative preference shares of €1.27 each	500,000	635	635	635
11% non-cumulative preference shares of 13c each	4,315,050	<u>561</u>	<u>561</u>	<u>561</u>
		<u>1,196</u>	<u>1,196</u>	<u>1,196</u>

14. NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

	2006	2005	2004
	€000s	€000s	€000s
Profit before taxation	53,581	172,184	6,064
Sale of shares in FBD Holdings plc	-	(153,000)	-
Increase (decrease) in debtors and creditors	(3,605)	5,513	(7,532)
Write down of financial assets	-	-	149
Decrease in value of investment property	282	-	-
Unrealised gain on valuation of quoted shares	-	-	-
Net cash inflow (outflow) from operating activities	<u>50,258</u>	<u>24,697</u>	<u>(1,319)</u>

Notes to the Financial Statements
For the year ended 31 December 2007 *continued*

15. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	2007 €000s	2006 €000s	2005 €000s
Balance at beginning of year	109,202	2,692	15,228
Net cash inflow (outflow)	<u>14,006</u>	<u>106,510</u>	<u>(12,536)</u>
Balance at end of year	<u><u>123,208</u></u>	<u><u>109,202</u></u>	<u><u>2,692</u></u>

16. SUBSIDIARY COMPANIES

NAME	NATURE OF OPERATIONS	% owned
City Investment Advisors Ltd.	Investment trading company	100
Farmer Business Developments Assets Ltd.	Investment trading company	100
Farmer Business Developments Investment Ltd.	Investment trading company	100

PART IV – Additional Information

1. RESPONSIBILITY

- a. The Directors of FBD Holdings plc (whose names are set out on page 6 in Part I of this document) accept responsibility for the information contained in this document, except for (i) the information relating to the Concert Party for which responsibility is accepted as set out in sub-paragraph b. below; and (ii) the recommendation and related opinions of the Independent Directors. The Independent Directors of FBD Holdings plc (whose names are set out on page 6 of Part I of this document) accept responsibility for the recommendation and related opinions of the Independent Directors contained in this document. To the best of the knowledge and belief of the Directors and the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- b. The directors of Farmer Business Developments plc (whose names are set out in paragraph 3 below) accept responsibility for the information relating to the Concert Party contained in this document. To the best of the knowledge and belief of the directors of Farmer Business Developments plc (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. BUSINESS OF THE COMPANY

FBD is the holding company for the FBD Group, a diversified insurance group with property and leisure interests.

3. BUSINESS OF THE FARMER BUSINESS DEVELOPMENTS PLC

Farmer Business Developments plc is an unquoted public limited company registered in Ireland with offices at Irish Farm Centre, Bluebell, Dublin 12. It is an investment holding company one of whose principal investments is 29.74% of the issued share capital of FBD.

The Directors of Farmer Business Developments plc are Jeremiah Bergin, John Boylan, Jack Bayly, John Dillon, John Duggan, Stephen Finn, Joseph Healy, James Kane, John Joseph Kavanagh, Patrick Kelleher, Hugo Maguire, TJ Maher, John McCullen, Dermot O'Connell, Patrick O'Keeffe, Hugh Ryan and Padraig Walshe.

4. VOTING SHARE CAPITAL OF FBD

FBD has three classes of Voting Share Capital in issue. These classes of Voting Shares and the percentage of the Voting Share Capital represented by each are as follows:

	Number in Issue	% of Overall Voting Share Capital
Ordinary Shares of €0.60 each	* 33,269,476	87.2
14% Non-Cumulative Preference Shares of €0.60 each	1,340,000	3.5
8% Non-Cumulative Preference Shares of €0.60 each	3,532,292	9.3
	38,141,768	100.0

* excluding 2,191,730 Ordinary Shares held in treasury

The Company's Ordinary Shares of €0.60 each are listed on the Official lists of the Irish Stock Exchange and the UK Listing Authority and are traded on both the Irish Stock Exchange and the London Stock Exchange. Neither class of Preference Share is traded on a regulated market.

Each of the above classes of share enjoys the same rights to receive notice of, attend and vote at meetings of the Company.

5. INTERESTS AND DEALINGS

a) FBD Holdings plc

- i) During the period of 12 months preceding the date of this document FBD has dealt for value in relevant FBD securities as follows:

Date	Number of Ordinary Shares	Price €	Purchase/Sale
27.03.08	5,000	3.99	Re-Issue from Treasury on exercise of option
27.08.08	98,149		Conditional award of shares under the FBD Performance Share Plan
2.09.08	40,000	3.99	Re-Issue from Treasury on exercise of option

- ii) Save as disclosed as at the close of business on 25 March 2009 (the latest date prior to the publication of this document) neither FBD nor any of its subsidiaries nor any associate of FBD had any interest in relevant FBD securities nor dealt for value in relevant FBD securities during the period within the last 12 months preceding the date of this document.
- iii) At the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), neither FBD nor any of its subsidiaries had any interest in relevant Farmer Business Developments plc securities.

b) FBD Directors

- i) As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of each of the Directors in relevant FBD securities, as have been notified to the Company pursuant to Sections 53 and 56 of the Companies Act 1990, or which are required to be entered into the register of Directors' interests maintained by the Company under Section 59 of that Act, or which are interests of a person connected (within the meaning of Section 64 of that Act) with a Director which would, if the connected person were a Director, be required to be disclosed as above, and the existence of which is known or could with reasonable diligence be ascertained by that Director were as follows:

<i>Name of Director</i>	<i>Existing Ordinary Shareholding</i>	<i>Percentage of existing Voting Shares</i>	<i>Percentage of Voting Shares assuming a purchase by FBD of ordinary share capital up to the maximum allowed</i>
Michael Berkery *	30,000	0.08%	0.09%
John Donnelly *	24,256	0.06%	0.07%
Sean Dorgan *	-	-	-
Andrew Langford	15,250	0.04%	0.04%
Philip Lynch *	20,000	0.05%	0.06%
Cathal O'Caoimh	-	-	-
Patrick O'Keeffe * †	72,770	0.19%	0.21%
Vincent Sheridan *	-	-	-
Adrian Taheny	13,500	0.04%	0.04%
Johan Thijs *	-	-	-
Padraig Walshe * †	600	0.00%	0.00%

Notes

* denotes Non-Executive Director

† denotes Non-Independent Director. Messrs. Patrick O'Keeffe and Padraig Walshe are directors of Farmer Business Developments plc.

No Directors of FBD hold any Preference Shares.

Directors' Share Options

		Number of options over Ordinary Shares Held	Exercise price €	% of Voting Shares on a fully diluted basis
Andrew Langford	(a)	599	18.46	0.00%
	(b)	30,000	2.50	0.08%
Adrian Taheny	(a)	599	18.46	0.00%
	(b)	70,000	2.50	0.18%
(a)	SAYE options exercisable from February 2011			
(b)	Options exercisable from October 2006, expire 2013			

Conditional Share Awards

Executive Directors have been granted conditional awards over Ordinary Shares in the Company under the FBD Performance Share Plan as set out below. The vesting of these awards is conditional on the achievement of certain predetermined performance targets up to 31 December 2010.

	Maximum number of Ordinary Shares subject to the conditional award	% of Voting Shares on a fully diluted basis
Andrew Langford	26,453	0.07%
Cathal O'Caomh	11,627	0.03%
Adrian Taheny	14,534	0.04%

- ii) During the period of 12 months preceding the date of this document the following Directors of FBD dealt for value in FBD Ordinary Shares as follows:

Name	Date	No of Ordinary Shares	Price €	Purchase/Sale
Andrew Langford	27.08.08	26,453		Conditional award of Shares
Cathal O'Caomh	27.08.08	11,627		Conditional award of Shares
Adrian Taheny	27.08.08	14,534		Conditional award of Shares
Andrew Langford	27.08.08	3,000	14.40	Purchase
Michael Berkery	02.09.08	4,550	14.25	Purchase
Michael Berkery	05.09.08	2,950	13.60	Purchase
John Donnelly	10.10.08	1,000	10.45	Purchase
Andrew Langford	13.03.09	6,000	5.60	Purchase

Save as disclosed above, none of the directors of FBD, their immediate families and persons connected with them have dealt for value in relevant FBD securities during the period of 12 months preceding the date of this document.

c) Farmer Business Developments plc

- i) As at the close of business on 25 March 2009 (being the latest practicable date prior to the publication of this document), the interests of Farmer Business Developments plc in relevant FBD securities (all of which are beneficial unless otherwise stated) were as follows:

Class of Voting Share	Existing Holding	% of Class	% of Overall Voting Shares	Percentage of Voting Shares assuming a purchase by FBD of ordinary share capital up to the maximum allowed
Ordinary Shares	8,531,948	25.64%	22.37%	25.01%
8% Non-Cumulative Preference	1,470,292	41.62%	3.85%	4.31%
14% Non-Cumulative Preference	1,340,000	100.00%	3.51%	3.93%
Total	11,342,240		29.74%	33.25%

- ii) During the period of 12 months preceding the date of this document, Farmer Business Developments plc has not dealt for value in relevant FBD securities.

d) Directors of Farmer Business Developments plc

- i) As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), the interests of the directors of Farmer Business Developments plc in relevant FBD securities (all of which are beneficial unless otherwise stated) were as follows:

Name of Director	Existing Ordinary Share Holdings	% of overall Voting Shares	Percentage of Voting Shares assuming a purchase by FBD of ordinary share capital up to the maximum allowed
Jeremiah Bergin	730	0.00%	0.00%
John Boylan	1,100	0.00%	0.00%
Jack Bayly	6,215	0.02%	0.02%
John Dillon	-	-	-
John Duggan	300	0.00%	0.00%
Stephen Finn	-	-	-
Joseph Healy	281	0.00%	0.00%
James Kane	-	-	-
John Joseph Kavanagh	-	-	-
Patrick Kelleher	-	-	-
Hugo Maguire	-	-	-
TJ Maher	-	-	-
John McCullen	1,933	0.01%	0.01%
Dermot O'Connell	-	-	-
Patrick O'Keeffe	72,770	0.19%	0.21%
Hugh Ryan	19,674	0.05%	0.06%
Padraig Walshe	600	0.00%	0.00%
Total	103,603	0.27%	0.30%

The Directors of Farmer Business Developments plc do not hold any Preference Shares.

- ii) During the period of 12 months preceding the date of this document, none of the directors of Farmer Business Developments plc dealt for value in relevant FBD securities.

Save as disclosed at the close of business on 25 March 2009 neither Farmer Business Developments plc nor any persons acting in concert with Farmer Business Developments plc, held in any interest in relevant FBD securities nor dealt for value in relevant FBD securities in the 12 months preceding the date of this document.

e) Bloxham

- i) As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), discretionary clients of Bloxham held 2,338 Ordinary Shares.

- ii) During the period of 12 months preceding the date of this document discretionary clients of Bloxham dealt for value in relevant FBD securities as follows:

Date	No of Ordinary Shares	Price Per Share	Purchase/Sale
		€	
02.04.08	1,276	29.75	Sale
01.05.08	60,000	26.00	Purchase
05.06.08	26,000	23.50	Purchase

Save as disclosed at the close of business on 25 March 2009 there were no holdings of relevant FBD securities which are managed on discretionary basis by any fund managers connected with FBD nor were there any dealings for value in such securities in the 12 months preceding the date of this document.

f) Major holdings in relevant FBD securities

Ordinary Shares

As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), FBD had been notified of the following interests of Shareholders who own 3% or more of Ordinary Shares:-

Name	Number of Ordinary Shares	% of Ordinary Shares *	% of Voting Shares
Farmer Business Developments plc	8,531,948	25.64%	22.37%
FBD Trust Company Limited	2,984,737	8.97%	7.83%
Bank of Ireland Asset Management Limited	1,299,003	3.90%	3.41%
Allied Irish Banks plc and its subsidiaries	1,299,323	3.91%	3.41%
Irish Life Investment Managers Limited	1,187,887	3.57%	3.11%

* excluding Ordinary Shares held by FBD in treasury

Preference Shares

As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), the interests of Shareholders who owned Preference Shares were as follows:-

8% Non-Cumulative Preference Shares

Holder	No of Shares	% of Class	% of Overall Voting Shares
Farmer Business Developments plc	1,470,292	41.62%	3.85%
FBD Trust Company Limited	2,062,000	58.38%	5.41%
Total	3,532,292	100.00%	9.26%

14% Non-Cumulative Preference Shares

Holder	No of Shares	% of Class	% of Overall Voting Shares
Farmer Business Developments plc	1,340,000	100.0%	3.51%
FBD Trust Company Limited	-	-	-
Total	1,340,000	100.00%	3.51%

FBD Trust Company Limited

As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), the interests of FBD Trust Company Limited in relevant FBD securities were as follows:-

Class of Voting Share	Existing Holding	% of Class	% of Overall Voting Shares
Ordinary Shares	2,984,737	8.97%	7.83%
8% non-cumulative preference shares of €0.60	2,062,000	58.38%	5.41%
Total Voting Shares	5,046,737		13.23%

g) Holdings in relevant Farmer Business Developments plc securities

i) As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), the interests of 3% or more in relevant Farmer Business Developments plc securities were as follows:-

Name	Number of Relevant Securities	% of Voting Rights
FBD Trust Company Limited	6,066,954	10.56%

- ii) As at the close of business on 25 March 2009 (the latest practicable date prior to the publication of this document), the interests of FBD Directors in relevant Farmer Business Developments plc securities (all of which are beneficial unless otherwise stated) were as follows:

Name of Director	Number of Relevant Securities	% of Voting Rights
Michael Berkery	25,010	0.04%
John Donnelly	43,580	0.08%
Philip Lynch	13,500	0.02%
Patrick O’Keeffe	28,181	0.05%
Padraig Walshe	10,369	0.02%

Save as disclosed in this paragraph 5 or paragraph 8(d) below, as at the close of business on 25 March 2009 (being the latest practicable date prior to the publication of this document) no subsidiary of FBD, no trustee of any pension scheme (other than an industry wide scheme) in which FBD or a subsidiary of FBD participates and no associate of FBD or Connected Adviser or persons controlling, controlled by or under the same control as such Connected Adviser had an interest in any relevant Farmer Business Developments plc securities.

As at the close of business on 25 March 2009 (being the latest practicable date prior to the publication of this document) none of FBD, any subsidiary of FBD, nor any Directors of FBD had dealt for value in relevant Farmer Business Developments plc securities in the previous 12 months ended on that date.

- h) Save as disclosed in this paragraph 5 or paragraph 8(d) below, no subsidiary of FBD or any trustee of any pension scheme (other than an industry wide scheme) in which FBD or any subsidiary of FBD participates or any associate of FBD had any interest in relevant FBD securities.

- i) for the purposes of this paragraph 5 :-

A) relevant FBD securities means:

- a) FBD’s Ordinary Shares, the Preference Shares and any other securities of FBD carrying voting rights;
- b) equity share capital of FBD;
- c) any securities or any other instrument of FBD conferring on their holders rights to convert into or to subscribe for new securities of any of the forgoing categories of security;

B) relevant Farmer Business Developments plc securities means:

- a) Farmer Business Developments plc ordinary shares and any other securities which confer voting rights;
- b) equity share capital of Farmer Business Developments plc ;
- c) any securities or any other instrument of Farmer Business Developments plc conferring on their holders rights to convert into or to subscribe for new securities of any of the forgoing categories of security;

C) relevant securities means relevant FBD securities or relevant Farmer Business Developments plc securities, as appropriate;

D) interest or interest in a relevant security means any interest as defined in Rule 2.7 of Part A of the Irish Takeover Rules.

6. DIRECTORS’ SERVICE CONTRACTS

No Director has any service contract having more than 12 months to run.

7. MATERIAL CONTRACTS

No member of the Group has entered into any contracts (other than contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document, which are or may be material and there are no other contracts (not being contracts entered into in the ordinary course of business) which contain any provision under which any member of the Group has any obligation or entitlement which may be material.

8. GENERAL

- (a) Bloxham has given and has not withdrawn its written consent to the issue of this document with the inclusion of its letter and the references to its name in the forms and contexts in which they appear.
- (b) No agreement, arrangement or understanding exists whereby any Voting Shares to be acquired by the Company pursuant to the 2009 Market Purchases Resolution will be transferred to any other person.
- (c) No agreement, arrangement or understanding (including any compensation agreement) having any connection with or dependence upon the Waiver exists between Farmer Business Developments plc or any persons acting or deemed under the Irish Takeover Rules to be acting in concert with it or any associate of it and any of the Directors, recent directors of FBD or, any holders or recent holders of relevant FBD securities, or any persons interested or recently interested in relevant FBD securities.
- (d) FBD operates a number of pension schemes for its employees. The trustees of each scheme appoint professional third party fund managers to manage the assets of the schemes. Currently the schemes' assets are in funds managed by:
 - AIB Investment Managers
 - Eagle Star
 - Hibernian Investment Managers
 - Bloxham

The FBD Defined Benefit Pension Scheme currently holds 50,000 Ordinary Shares through a segregated fund managed by AIB Investment Managers. The remainder of the equity investments of the scheme is invested in unitised funds managed by the third party investment managers and may or may not include investments in Ordinary Shares. It is neither meaningful nor practicable to allocate any Ordinary Shares that may be held by any such fund at any given moment to the pension schemes.

- (e) There are currently outstanding options to subscribe for 495,626 Ordinary Shares, representing 1.30% of the voting rights attached to the Company's issued Voting Share Capital. If the Company were to exercise its authority in full to purchase its own Ordinary Shares, the options would represent 1.45% of the voting rights attached to the Company's then issued Voting Share Capital.
- (f) There have been no material changes in the financial or trading position of FBD since 31 December 2008 being the date to which the latest audited consolidated financial statements were published.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Bloxham, IFSC, 2/3 Exchange Place, Dublin 1 and at registered offices of the Company at - FBD House, Bluebell, Dublin 12, up to and including 29 April 2009 and at the EGM to be held at FBD House, Bluebell, Dublin 12 on that day:

- (a) the Memorandum and Articles of Association of the Company and of Farmer Business Developments plc;
- (b) copies of the audited consolidated accounts of FBD Holdings plc for the years ended 31 December 2008, 31 December 2007 and 31 December 2006;
- (c) copies of the audited accounts of Farmer Business Developments plc for the years ended 31 December 2007, 31 December 2006 and 31 December 2005;
- (d) the waiver letter dated 26 February 2009 from the Irish Takeover Panel;
- (e) the consent letter from Bloxham referred to in paragraph 8(a) above; and
- (f) this document.

Date: 30 March 2009

**NOTICE OF EXTRAORDINARY GENERAL MEETING
OF
FBD HOLDINGS PLC**

(Incorporated in Ireland. Registered number 135882)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at FBD House, Bluebell, Dublin 12 on 29 April 2009 at 1.00 p.m. for the purpose of considering and, if thought fit, passing the following Ordinary Resolution:

Ordinary Resolution

“That having regard to the provisions of the Irish Takeover Panel Act, 1997, Takeover Rules, 2007, as amended (‘Takeover Rules’) and to the conditions attached by the Irish Takeover Panel to the grant of a waiver under Rule 37 of the Takeover Rules as described on page 7 of the Company’s circular (‘Circular’) to shareholders dated 30 March 2009, the increase in the percentage of the Voting Shares of the Company held by Farmer Business Developments plc and persons presumed under the Takeover Rules to be acting in concert with it, of up to **33.56%** in the circumstances described in the Circular without Farmer Business Developments plc and/or any person acting or deemed to be acting in concert with it being obliged to make an offer to the Company’s shareholders pursuant to Rule 37, be and is hereby approved”.

By order of the Board

Conor Gouldson

Secretary

30 March 2009

Registered Office:

FBD House,

Bluebell,

Dublin 12

NOTES FOR SHAREHOLDERS

1. Any shareholder entitled to attend and vote at any General Meeting of the Company is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his or her stead. Completion and submission of a form appointing a proxy will not affect the right of a shareholder to attend, speak and vote at the meeting in person. A form to be used for appointing a proxy is enclosed.
2. To be valid, any form appointing a proxy must be lodged with the Company’s appointed Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, by post, by hand, online or via CREST message to arrive no later than 48 hours before the time appointed for the holding of the Meeting.
3. Pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996, the Company hereby specifies that only those Shareholders registered in the Register of Members of the Company as at 6 p.m. on the day which is two days before the date of the meeting shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time.