Press Release
INTERIM RESULTS ANNOUNCEMENT

For half year ended 30th June 2006

FINANCIAL HIGHLIGHTS	**2006 €000's**	2005 €000's
▪ Gross written premiums	**203,996**	192,360
▪ Net earned premiums	**173,166**	164,515
▪ Operating profit *	**75,721**	86,849
▪ Profit on sale of land at La Cala	**83,626**	-
▪ Profit before taxation	**157,445**	106,769
	Cent	Cent
▪ Operating earnings per share *	**173.11**	192.07
▪ Interim dividend proposed per share	**24.00**	20.00
▪ Special dividend per share (paid) – La Cala land sale	**160.00**	-

* Based on a longer term rate of investment return

Commenting on the results, Philip Fitzsimons, Chief Executive, said:

"The Group maintained its strong trading performance in the period and achieved an operating profit of €75.7m. The main contributor to this outcome was the underwriting result. Premium income increased by 6%, driven by strong new business volumes which more than offset the impact of reductions in premiums which customers enjoyed. Reduced premium levels have impacted on margins, which continue to gravitate towards European norms.

The profit on the sale of land at La Cala Resort in Spain made a significant contribution to the Group's overall result.

Shareholders have benefited from the special dividend arising on the La Cala land sale and from the increased interim dividend that has been declared. They have also benefited from the positive impact on earnings per share arising from the buyback of 3.8m shares on June 28th 2006.

All of our businesses continue to perform satisfactorily and we are confident regarding the outcome for the full year. We continue to focus on maximising returns to shareholders."

ENDS

6th September 2006

For Reference

	Telephone
FBD	
Philip Fitzsimons, Chief Executive	01 4093208
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FBD HOLDINGS PLC
INTERIM STATEMENT

FBD Holdings plc ("FBD" or "the Group") is pleased to report that it maintained its strong trading performance in the half year ended 30th June 2006.

Results

Operating profit achieved by the Group in the period amounted to €75.7m (H1 2005: €86.8m), somewhat ahead of target, due to a better out-turn in our primary underwriting business.

Total income amounted to €207.2m (H1 2005: €199.3m). It included net premiums earned of €173.2m (H1 2005: €164.5m) and investment income (calculated on the basis of longer term returns) of €23.8m (H1 2005: €21.8m), both of which arise in the Group's insurance underwriting business. The remaining €10.3m (H1 2005: €13.0m) represents the net income, i.e. after expenses, that arises in the Group's non-underwriting activities.

Expenses amounting to €131.5m (H1 2005: €112.5m) related to the Group's underwriting business. They consist of claim costs amounting to €108.5m (H1 2005: €91.7m) and operating expenses of €23.0m (H1 2005: €20.8m).

Of the Group's operating profit, €65.4m (H1 2005: €73.8m) is attributable to underwriting and €10.3m (H1 2005: €13.0m) to non-underwriting, as detailed below.

Profit arising from the proceeds of the La Cala first tranche land sale, amounted to €83.6m.

Short term fluctuations in investment returns amounted to €0.3m (H1 2005: €21.7m).

The profit before taxation, after charging finance costs of €2.2m (H1 2005: €1.8m), was €157.4m (H1 2005: €106.8m).

Operating earnings per share, based on longer term investment returns, amounted to 173.11c (H1 2005: 192.07c) in the period.

Underwriting.

Insurance underwriting (FBD Insurance) is the Group's primary business activity.

Gross written premiums (i.e. before reinsurance) amounted to €204.0m (H1 2005: €192.4m), an increase of 6% on the corresponding 2005 period. This increase is attributable to strong volume growth which more than offset the negative impact of premium reductions which had been implemented in the preceding 12 months.

Net earned premiums amounted to €173.2m (H1 2005: €164.5m), an increase of 5.3%.

The net claims incurred charge, which is comprised of the movement in net outstanding claims provisions of €13.8m (H1 2005: €13.6m) plus net claims paid of €94.7m (H1 2005: €78.1m) amounted to €108.6m (H1 2005: €91.7m). The increased claims charge, relative to first half 2005, reflects the increased exposure arising from growth in our policy numbers, combined with the particularly benign claims outcome experienced in the comparative period. The claims charge, nonetheless, was within our budgeted range. Savings on prior year provisions had a considerable positive impact on the claims incurred charge, in keeping with recent accounting periods. We anticipate that for the year as a whole, such savings will be on a par with 2005.

Net operating expenses amounted to €23.0m (H1 2005: €20.8m). The additional investment in the business infrastructure (i.e. staff, training, technology, facilities and marketing) necessary to deliver our growth objectives, resulted in increased expenses, as anticipated.

The foregoing premium/claim/expenses figures resulted in an underwriting profit of €41.6m (H1 2005: €52.0m), which was somewhat better than budget.

The net operating ratios for the period were: an underwriting loss ratio of 62.7% (FY 2005: 60.9%), reflecting lower margins as a result of reductions in premium rates; a net expense ratio of 13.2% (FY 2005: 11.9%); a combined ratio of 75.9% (FY 2005: 72.8%), which encompasses the aforementioned ratios.

After crediting investment income of €23.8m (H1 2005: €21.8m), the operating profit of the Group's insurance business amounted to €65.4m (H1 2005: €73.8m).

Non-underwriting

The Group's non-underwriting activities embrace property development/leisure, financial services, and the investment of non-allocated capital ("capital fund"). These interests performed to budget, contributing €10.3m (H1 2005: €13.0m) to operating profit.

Property and Leisure interests, which include La Cala and Sunset Beach resorts in Spain and the Tower Hotel Group in Ireland, contributed €3.7m (H1 2005: €6.4m) to operating profits. The 2005 comparative figure included fees arising on completion of a property related loan. Our property and leisure businesses have performed satisfactorily in what continues to be a challenging environment.

The Group's financial service businesses include insurance broking (FBD Brokers), life assurance/pension broking/ investment advice (FBD Life) and instalment finance (Abbey Finance). These businesses contributed €2.8m. (H1 2005: €2.5m) to the half year figure.

Investment returns on the capital fund amounted to €3.8m (H1 2005: €4.1m). This fund is invested in equities.

Profit on Sale of Land at La Cala

On 23 February 2006, Ranchos Reunidos S.A., a 100% subsidiary of the group, entered into a conditional agreement to sell a major portion of the building development land which it owned at La Cala Resort, Mijas, Costa del Sol, Spain, for a total consideration of €201,000,000. The consideration was constituted in two parts, apportioned between two tranches of land.

On 22 June 2006, the initial consideration payment of €100,000,000 arising on the Tranche I land was received. The remainder of the Tranche I consideration, amounting to €21,000,000 is due to be received on 30 June 2007. The group has recognised a profit of €83,626,000 on the sale of the Tranche I development land in the six month period to 30 June 2006.

The consideration, amounting to €80,000,000, for the Tranche II land, becomes payable at a later date, contingent on receipt of final planning approval from the Spanish Regional Planning Authority.

Balance Sheet

Total assets at 30th June 2006 amounted to €1,670.3m compared to €1,564.4m at year end, an increase of 6.8% in the period. Equity shareholders' funds amounted to €450.6m (31/12/05: €476.1m). A buyback of 3.8m shares at a cost of €129.2m was undertaken during the period. All of the shares purchased were cancelled. In the absence of the buyback, shareholders' funds would have grown by €104.3m.

The downturn in investment markets that occurred in the run-up to 30th June 2006 reversed somewhat in the final days of June and resulted in short term fluctuations in investment return of €0.3m and an investment return of €3.8m on the capital fund. The balance sheet at the said date reflects this reality. The markets' recovery since 30th June 2006 has improved our investment position.

Special Dividend

When the Group announced in February 2006 that a conditional agreement had been entered into for a La Cala land sale, as referred to above, shareholders were advised of the Board's intention to distribute the net cash proceeds arising from the overall transaction. On foot of the proceeds received for the first tranche of land on 22nd June 2006, a special dividend of €1.60 per share was declared, amounting to €55m. This dividend was paid on 11th August 2006.

Interim Dividend

In the light of the Group's continued favourable results and the Board's stated intention to increase the proportion of earnings distributed to shareholders, an interim dividend of 24.00c (H1 2005: 20.00c) per share has been decided on by the Directors. This represents a 20% increase on the 2005 interim dividend.

The interim dividend will be paid on 6th October 2006 to shareholders on the Company's Register at the close of business on 15th September 2006. The interim dividend is subject to withholding tax ("DWT") except for shareholders who are exempt from DWT and who have furnished a properly completed Composite Resident Form to the Company's Registrar.

Outlook
The Group is on schedule to deliver a performance for the year which we are confident will fulfil expectations.

In relation to our core underwriting business, the insurance environment in which we operate is one where competition is intense and premiums continue to reduce. Consequently, margins are being eroded, notwithstanding the fact that injury claims frequency and injury costs have remained at the improved levels obtaining post the Motor Insurance Advisory Board ("MIAB"). Government determination to pursue the reforms which it has initiated is crucial to delivering the desired claims environment for insured and insurer alike. Combined ratios continue to gravitate towards European norms. This is as we have anticipated and signalled. It must also be borne in mind that, arising from the improved claims environment referred to earlier, insurers' claims incurred charges have benefited from savings on prior year provisions. The foregoing factors, which combine to create the particular nature of the Irish insurance market at this point in time, must be considered when budgeting for the future and when planning ahead.

It is against this backdrop that we have formulated and are implementing development plans for our insurance underwriting business. Our plans, as already mentioned, require an investment in people, in training, in technology, in facilities and in marketing, underpinned by efficient business processes and proper cost control. They are pivotal to achieving our business goals. The success of this strategy has been reflected in the strong growth in policy numbers over the past number of years.

In relation to our non-underwriting businesses, we will continue to implement strategies to maximise returns from our interests. Individual strategies, appropriate for each of these interests, will be adopted as circumstances and opportunities determine.

In relation to the utilisation of capital, the Board is fully cognisant of the requirement to maximise it for the benefit of shareholders. The decision of the Board to participate by way of a share buyback in the June 2006 share placing by the Group's largest shareholder is evidence of a proactive approach to capital management. Likewise, the decision of the Board to distribute the net proceeds of the La Cala land sale indicates the Board's view that capital will not necessarily be retained, merely for retention sake. The Group continues to investigate all opportunities to invest in the Group's primary business of insurance underwriting, or in related financial service activities. As in the past, other options for use of capital are not ruled out if deemed to be in the best interests of shareholders.

With clearly defined objectives being pursued in all our business activities, we are confident regarding the outcome for the full year and remain focused on maximising returns to shareholders.

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Note: Management will present these results to analysts at 9.30 am. today. A copy of the presentation will be posted on the Group's website, www.fbd.ie, at that time.

FBD HOLDINGS PLC

GROUP INCOME STATEMENT
For half year ended 30th June 2006

	Notes	**Half Year Ended 30/06/06 (Unaudited) €000's**	Half Year Ended 30/06/05 (Unaudited) €000's	Year Ended 31/12/05 (Audited) €000's
Turnover		**403,286**	263,463	531,747
Income				
Net premiums earned		**173,166**	164,515	332,371
Non underwriting operating income		**10,299**	13,024	27,739
Investment income – longer term rate of return		**23,773**	21,781	44,435
		207,238	199,320	404,545
Expenses				
Changes in insurance liabilities net of reinsurance		**(13,816)**	(13,595)	(38,809)
Claims paid, net of recoveries from reinsurers		**(94,742)**	(78,132)	(163,666)
Other operating expenses		**(22,959)**	(20,744)	(39,446)
Operating profit	**2**	**75,721**	86,849	162,624
Profit on sale of land at La Cala	**4**	**83,626**	-	-
Investment income – short term fluctuation		**318**	21,738	25,956
Finance costs		**(2,220)**	(1,818)	(3,425)
Profit before taxation		**157,445**	106,769	185,155
Income tax expense		**(34,845)**	(12,849)	(23,701)
Profit for the period		**122,600**	93,920	161,454
Attributable to:				
Equity holders of the parent		**122,599**	94,004	161,500
Minority interest		**1**	(84)	(46)
		122,600	93,920	161,454
		Cent	Cent	Cent
Earnings per 60c ordinary share		**321.99**	237.41	416.09
Diluted earnings per 60c ordinary share		**318.92**	234.04	411.45

FBD HOLDINGS PLC

GROUP BALANCE SHEET
At 30th June 2006

ASSETS	Notes	**As at 30/06/06 (Unaudited) €000's**	As at 30/06/05 (Unaudited) €000's	As at 31/12/05 (Audited) €000's
Property and equipment				
Land and buildings		**199,599**	198,108	196,923
Fixtures and fittings		**13,759**	9,638	13,302
		213,358	207,746	210,225
Intangible assets				
Deferred acquisition costs		**13,043**	10,590	11,849
Investments				
Investment property		**59,916**	48,800	48,856
Investments held for trading		**503,113**	449,503	477,310
Available for sale investments		**47,071**	31,758	47,290
Investments held to maturity		**13,768**	13,740	13,740
Deposits with banks		**485,184**	407,511	443,042
		1,109,052	951,312	1,030,238
Inventories		**59,484**	56,977	62,496
Loans and receivables		**158,073**	139,151	141,673
Reinsurers' share of technical provisions				
Provision for unearned premiums		**20,347**	19,927	19,412
Claims outstanding		**59,147**	50,271	46,622
		79,494	70,198	66,034
Cash and cash equivalents		**37,747**	36,553	41,897
Total assets		**1,670,251**	1,472,527	1,564,412

FBD HOLDINGS PLC

GROUP BALANCE SHEET
At 30th June 2006

EQUITY	Notes	As at 30/06/06 (Unaudited) €000's	As at 30/06/05 (Unaudited) €000's	As at 31/12/05 (Audited) €000's
Share capital	**6**	**21,277**	23,557	23,557
Capital reserves		**12,434**	9,178	9,813
Revaluation reserves		**41,381**	39,442	47,706
Translation reserves		**101**	1,766	435
Retained earnings		**375,401**	337,991	394,616
Shareholders' funds – equity interests		**450,594**	411,934	476,127
Preference share capital		**2,923**	2,923	2,923
Total shareholders' funds		**453,517**	414,857	479,050
Minority interests		**6,424**	6,293	6,423
Total equity		**459,941**	421,150	485,473
LIABILITIES				
Technical provisions				
Provision for unearned premiums		**196,150**	188,363	188,953
Claims outstanding		**725,738**	677,834	699,397
		921,888	866,197	888,350
Bank and other loans		**100,803**	77,149	99,831
Creditors		**153,486**	78,726	54,829
Deferred tax		**32,077**	29,305	33,873
Retirement benefit obligation		**2,056**	-	2,056
Total liabilities		**1,670,251**	1,472,527	1,564,412

FBD HOLDINGS PLC

GROUP CASH FLOW STATEMENT
For half year ended 30th June 2006

	Half Year Ended 30/06/06 (Unaudited)	Half Year Ended 30/06/05 (Unaudited)	Year Ended 31/12/05 (Audited)
Operating activities	**€000s**	€000s	€000s
Profit before taxation for the period	**157,445**	106,769	185,155
Adjustments for:			
Losses (gains) on investments held for trading and held to maturity	**3,186**	(22,084)	(41,031)
Depreciation of property, plant and equipment	**1,978**	1,801	3,487
Share-based payment expense	**341**	139	774
Increase in technical provisions	**21,029**	18,379	44,696
Retirement benefit charges	**-**	-	(3,802)
Profit on sale of land at La Cala	**(83,626)**	-	-
Operating cash flows before movement in working capital	**100,353**	105,004	189,279
Increase in receivables	**(31,350)**	(5,644)	(4,274)
Increase (decrease) in payables	**64,418**	(35,822)	(22,863)
Cash generated from operations	**133,421**	63,538	162,142
Income taxes paid	**(3,458)**	(4,949)	(20,516)
Net cash from operating activities	**129,963**	58,589	141,626
Investing activities			
Investments held for trading	**(29,578)**	(87,650)	(96,510)
Investments available for sale	**751**	(299)	(5,162)
Sale (purchase) of lands, buildings & inventory	**83,960**	(8,025)	(13,430)
Purchase of fixtures & fittings	**(5,248)**	(892)	(6,242)
Purchase of investment property	**(11,060)**	(24,600)	(24,656)
Loans and advances	**13,755**	1,403	(3,789)
Deposits invested with financial institutions	**(42,142)**	130,909	95,378
Net cash from (used in) investing activities	**10,438**	10,846	(54,411)
Financing activities			
Dividends paid	**(14,446)**	(10,466)	(18,158)
Repurchase of shares	**(129,212)**	(81,238)	(81,238)
Proceeds of re-issue of ordinary shares	**414**	617	1,409
(Decrease) increase in bank loans	**(973)**	5,448	1,243
Net cash used in financing activities	**(144,217)**	(85,639)	(96,744)
Net decrease in cash and cash equivalents	**(3,816)**	(16,204)	(9,529)
Cash and cash equivalents at the beginning of the period	**41,897**	51,362	51,362
Effect of foreign exchange rate changes	**(334)**	1,395	64
Cash and cash equivalents at the end of the period	**37,747**	36,553	41,897

FBD HOLDINGS PLC

GROUP STATEMENT OF CHANGES IN EQUITY
For half year ended 30th June 2006

	Share capital €000s	Capital reserves €000s	Revaluation and other reserves €000s	Translation reserve €000s	Retained earnings €000s	Attributable to ordinary shareholders €000s	Preference share capital €000s	Minority interests €000s	Total €000s
Balance at 1 January 2005	25,151	7,445	38,581	371	334,905	**406,453**	2,923	16,333	**425,709**
Profit after taxation	-	-	-	-	94,004	**94,004**	-	(84)	**93,920**
Exchange translation adjustment	-	-	-	1,395	-	**1,395**	-	-	**1,395**
Ordinary dividends paid	-	-	-	-	(10,298)	**(10,298)**	-	-	**(10,298)**
Buyback of own shares	-	-	-	-	(81,238)	**(81,238)**	-	-	**(81,238)**
Cancellation of own shares	(1,594)	1,594	-	-	-	**-**	-	-	**-**
Reissue of ordinary shares	-	-	-	-	618	**618**	-	-	**618**
Recognition of share based payments	-	139	-	-	-	**139**	-	-	**139**
Transfer to income statement on sale of available-for-sale investments	-	-	(5,583)	-	-	**(5,583)**	-	-	**(5,583)**
Gain on available-for-sale investments	-	-	6,444	-	-	**6,444**	-	-	**6,444**
Purchase of minority interests	-	-	-	-	-	**-**	-	(9,956)	**(9,956)**
Balance at 30 June 2005	**23,557**	**9,178**	**39,442**	**1,766**	**337,991**	**411,934**	**2,923**	**6,293**	**421,150**

	Share capital €000s	Capital reserves €000s	Revaluation and other reserves €000s	Translation reserve €000s	Retained earnings €000s	Attributable to ordinary shareholders €000s	Preference share capital €000s	Minority interests €000s	Total €000s
Balance at 1 January 2006	23,557	9,813	47,706	435	394,616	**476,127**	2,923	6,423	**485,473**
Profit after taxation	-	-	-	-	122,599	**122,599**	-	1	**122,600**
Exchange translation adjustment	-	-	-	(334)	-	**(334)**	-	-	**(334)**
Ordinary dividends paid	-	-	-	-	(14,277)	**(14,277)**	-	-	**(14,277)**
Buyback of own shares	-	-	-	-	(129,212)	**(129,212)**	-	-	**(129,212)**
Cancellation of own shares	(2,280)	2,280	-	-	-	**-**	-	-	**-**
Reissue of ordinary shares	-	-	-	-	414	**414**	-	-	**414**
Recognition of share based payments	-	341	-	-	-	**341**	-	-	**341**
Transfer to income statement on sale of available-for-sale investments	-	-	(6,856)	-	-	**(6,856)**	-	-	**(6,856)**
Gain on available-for-sale investments	-	-	531	-	-	**531**	-	-	**531**
Deferred tax on insurance contracts	-	-	-	-	1,261	**1,261**	-	-	**1,261**
Balance at 30 June 2006	**21,277**	**12,434**	**41,381**	**101**	**375,401**	**450,594**	**2,923**	**6,424**	**459,941**

FBD HOLDINGS PLC

SUPPLEMENTARY INFORMATION
For half year ended 30th June 2006

Note 1 Accounting policies
The accounting policies used by the Group to prepare the interim financial statements for the six month period ended 30 June 2006, are the same as those used to prepare the annual financial statements for the year ended 31 December 2005.

Note 2 Operating profit by activity

	Half Year Ended 30/06/06 (Unaudited) €000s	Half Year Ended 30/06/05 (Unauditied) €000s	Year Ended 31/12/05 (Audited) €000s
Underwriting	**65,422**	73,825	134,885
Non underwriting	**10,299**	13,024	27,739
	75,721	86,849	162,624

Note 3 Underwriting result

	Half Year Ended 30/06/2006 €000s	Half Year Ended 30/06/2005 €000s	Year Ended 31/12/2005 €000s
Gross written premiums	**203,996**	192,360	389,472
Net earned premiums	**173,166**	164,515	332,371
Net claims incurred	**(108,558)**	(91,727)	(202,475)
Net operating expenses	**(22,959)**	(20,744)	(39,446)
Underwriting result	**41,649**	52,044	90,450

Note 4 Profit on sale of land at La Cala
On 23 February 2006, Ranchos Reunidos S.A., a 100% subsidiary of the group, entered into a conditional agreement to sell a major portion of the building development land which it owned at La Cala Resort, Mijas, Costa del Sol, Spain, for a total consideration of €201,000,000. The consideration was constituted in two parts, apportioned between two tranches of land.

On 22 June 2006, the initial consideration payment of €100,000,000 arising on the Tranche I land was received. The remainder of the Tranche I consideration, amounting to €21,000,000 is due to be received on 30 June 2007. The group has recognised a profit of €83,626,000 on the sale Tranche I development land in the six month period to 30 June 2006.

The consideration, amounting to €80,000,000, for the Tranche II land, becomes payable at a later date, contingent on receipt of final planning approval from the Spanish Regional Planning Authority.

FBD HOLDINGS PLC

SUPPLEMENTARY INFORMATION
For half year ended 30th June 2006 (continued)

Note 5 Dividends

	Half Year Ended 30/06/2006 (Unaudited) €000s	Half Year Ended 30/06/2005 (Unaudited) €000s	Year Ended 31/12/2005 (Audited) €000s
Paid in Period			
2005 Interim dividend of 20.00c per share on ordinary shares of 60c each	-	-	7,578
2005 Final dividend of 37.50c (2004 27.28c) per share on ordinary shares of 60c each	**14,277**	10,298	10,298
Dividend of 8.4c per share on 14% non-cumulative preference shares of 60c each	-	-	113
2005 Dividend of 4.8c (2004: 4.8c) per share on 8% non-cumulative preference shares of 60c each	**169**	169	169
	14,446	10,467	18,158
Proposed:			
2005 Dividend of 8.4c per share on 14% non-cumulative preference shares of 60c each	**-**	-	169
2005 Final dividend of 37.50c per share on ordinary shares of 60c each	**-**	-	14,277
2006 Interim dividend of 24.00c (2005: 20.00c) per share on ordinary shares of 60c each	**8,247**	7,578	-
Special dividend of 160.00c per share on ordinary shares of 60c each	**54,978**	-	-
	63,225	7,578	14,446

Note 6 Share capital

	Number	**Half Year Ended 30/06/2006 (Unaudited) €000s**	Half Year Ended 30/06/2005 (Unaudited) €000s	Year Ended 31/12/2005 (Audited) €000s
Authorised				
At beginning and end of period/year:				
Ordinary shares of 60c each	**51,326,000**	**30,796**	30,796	30,796
Issued and fully paid:				
At beginning of period/year	**39,261,206**	**23,557**	25,151	25,151
Cancellation of shares	**(3,800,000)**	**(2,280)**	(1,594)	(1,594)
At end of period/year	**35,461,206**	**21,277**	23,557	23,557

The total number of shares held as treasury shares at 30 June 2006 was 1,099,900.

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