

FBD Holdings plc
17 December 2007

FBD HOLDINGS PLC ("FBD" or "the Group")

Pre-Close Trading Statement
For the year ending 31 December 2007

FBD Holdings plc has maintained its strong trading performance in the second half of 2007.

Operating Profit

In our underwriting business, policy growth has continued at anticipated levels, building on the considerable progress made in previous years. Premium written is in line with 2006, notwithstanding price reductions that occurred during the period. Claims experience in the second half to date has improved somewhat on the first half year, due in part to a lower incidence of weather related claims. Other costs are running at levels similar to the first half. We expect the underwriting result to be on budget.

In our non-underwriting activities, income is lower than originally budgeted. This is due entirely to the impact of the weakness in financial markets on the reduced Capital Fund. The reduction in the Fund arose in connection with the €177m distribution to shareholders in June 2007. Property, leisure and financial services have performed substantially ahead of 2006 and income from these activities is as expected.

As regards full year operating earnings, barring any significant end-of-year claims events, we are comfortable with the markets' expectation.*

Profit Before Taxation

The weakness in financial markets referred to above has had an impact on the short term fluctuation in investment returns.

2008 Outlook

The Group is positioned to maintain growth momentum in its businesses.

In relation to 2008 operating earnings in our underwriting business, key items of influence will be the price reductions which have been implemented during 2007 and developments at industry level in both insurance pricing and insurance claim costs. As regards pricing, there is evidence that the decline in premium rates has abated. We expect to have greater visibility on the pricing environment when our 2007 preliminary results are announced. The Group will continue to execute our development plans to achieve our objective of sustainable profitable growth.

La Cala Land Sale Agreement

In relation to the Tranche II land sale, delays arising from issues not associated with La Cala continue to hinder and slow the regional planning approval process. In the light of the extending timelines, our advisors are undertaking an additional, parallel approach, at municipal level, to finalise planning permission on the land. Whilst delivery ultimately remains outside of our control, our advisors estimate that this will take until 2009, within the agreement deadline of June 2009.

Preliminary Results

The Group's preliminary results are scheduled to be announced on Wednesday 5 March 2008.

- * An FBD survey of the forecasts of the analysts who cover the Group indicates a mean market expectation for 2007 operating earnings per share to be 311 cents per share.

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