



FBD HOLDINGS PLC
26 August 2014

FBD HOLDINGS PLC
Half Yearly Report
For the Six Months Ended 30 June 2014

FINANCIAL HIGHLIGHTS

	2014	2013
	€000s	€000s
• Gross written premium	184,860	175,910
• Operating profit	5,379	24,102
• Profit before taxation	3,276	19,091
	Cent	Cent
• Operating earnings per share	14	63
• Diluted earnings per share	8	49
• Ordinary dividend per share	17.0	15.75
• Net assets per share	776	740

OPERATIONAL HIGHLIGHTS

- Gross written premium up 5.1% to €184.9m with growth achieved across all customer segments, further increasing the Group's market share
- As expected, profit is lower than in the same period in 2013 primarily due to an increased cost of severe and persistent weather and increased frequency of car insurance claims
- Annualised investment return of 3%, an excellent result in a continuing low return environment
- FBD Insurance's capital base further strengthened with a solvency level of 73.4%, compared to 69.7% at 30 June 2013
- Interim dividend increased to 17.0 cent per share, demonstrating the Group's commitment to a progressive dividend policy
- Full year operating earnings per share guidance re-affirmed at 70 - 80 cent per share subject to no further exceptional weather events arising

Commenting on the results, Andrew Langford, Group Chief Executive, said:

"These are robust results in a period significantly influenced by weather and an increase in claims frequency across the Irish car insurance market. In this period, we have worked tirelessly to put things right for over 9,000 customers directly impacted by the severe weather, at a cost of €44.3 million. Our strong position and continuing investment in the Irish market delivered further growth in premium and market share. The increased interim dividend delivers on our commitment to a progressive dividend policy and reflects our confidence in our strategy for the future."

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A presentation will be made to analysts at 10.30am today, a copy of which will be available on our Group website, www.fbdgroup.com from that time.

About FBD Holdings plc (“FBD”)

The Group was established in the 1960s and is one of Ireland’s largest property and casualty insurers looking after the insurance needs of farmers, private individuals and business owners.

Forward Looking Statements

Some statements in this announcement are forward-looking. They represent expectations for the Group’s business, and involve risks and uncertainties. These forward-looking statements are based on current expectations and projections about future events. The Group believes that current expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Group’s control, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.

The following details relate to FBD's ordinary shares of €0.60 each which are publicly traded:

Listing	Irish Stock Exchange	UK Listing Authority
Listing Category	Premium	Premium (Equity)
Trading Venue	Irish Stock Exchange	London Stock Exchange
Market	Main Securities Market	Main Market
ISIN	IE0003290289	IE0003290289
Ticker	FBD.I or EG7.IR	FBH.L

FBD HOLDINGS PLC

Half Yearly Report For the Six Months Ended 30 June 2014

INTERIM MANAGEMENT REPORT

OVERVIEW

FBD increased gross written premium by 5.1% and delivered a profit before tax of €3.3m (2013: €19.1m) in the first half of 2014, a robust performance in extremely difficult market conditions. In the period, an already challenged and competitive Irish insurance market experienced severe weather and an increase in car insurance claims frequency arising from a sharper than expected increase in Irish economic activity. The cost of severe and persistent weather in the period was €44.3m, gross of reinsurance, and €15.3m, net of reinsurance.

Premium in the Irish insurance market stabilised during the period following eleven consecutive years of decline. While the market remains very competitive, rates have continued to harden for both car insurance and business insurance. FBD increased gross written premium by 5.1% to €184.9m (2013: €175.9m). Average premiums increased by 3.1% and policy volume increased by 2.0%. Growth was achieved across all customer segments and, as a result, the Group's market share increased again in the first half of 2014.

Underwriting

FBD incurred an underwriting loss of €10.9m in the first half of 2014 (2013: profit of €7.7m).

FBD has made further progress in delivering on its strategic priorities and in aligning its business to continue to meet the needs of customers. Gross written premium increased by 5.1% to €184.9m. Average premiums increased by 3.1% and policy volume increased by 2.0%. Growth has been delivered across all of FBD's customer segments during the period. The Group further increased its market share, and has done so in twelve of the last thirteen years.

FBD maintained its focus on the insurance needs of its key farm and direct business customers. This delivered growth in premium and policy volume from these customers during the period. FBD's relationships with broker partners are developing well and business written is gaining momentum. Growth has also been achieved in online sales through both FBD.ie and No Nonsense. The recently launched "Clan" car insurance product for the broker market, has delivered as expected. Growth generated by these initiatives was somewhat offset by home insurance, where FBD has continued to maintain its underwriting discipline rather than compete with uneconomic rates in the market.

Net claims incurred increased to €117.9m (2013: €100.6m) and, as a result, the loss ratio increased from 68.8% to 79.5%. Severe and persistent weather and large claims accounted for 26% of earned premium compared to an average of 16.5% for the previous seven years. The attritional loss ratio increased to 53.9% (2013: 50.4%) with the increase in car insurance claims frequency, arising from the sharp increase in economic activity, more than offsetting increased rates.

The cost of the weather experience in the first half of 2014 is the highest in the Group's history. The wind storm in mid-February ("Storm Darwin") is likely to cost FBD €30.4m, gross of reinsurance, and €7.8m, net of reinsurance including reinstatement premium. A series of persistent wind storms in the previous six weeks cost the Group €13.9m, gross of reinsurance, and €7.5m, net of reinsurance. These events create great difficulties for our customers, more than 9,000 of whom were directly affected. Putting things right for them is at the centre of what we do and is the reason why they reward us with their loyalty. The frequency of large claims with a cost, net of reinsurance, in excess

of €1m is in line with expectations during the first half of 2014, reverting to norm following the unusually high level experienced in 2013.

The Irish car insurance market has been unprofitable for some time, with a combined operating ratio for the period 2011 to 2013 of approximately 112%. As the domestic economy moved from contraction to recovery, increased activity led to higher claims frequency, with more vehicles driving more miles on increasingly busy roads. Retail sales of automotive fuels, a proxy for miles driven and motor insurance risk, is up almost 9% year on year, far exceeding expectation. The increase in frequency is not restricted to any one segment of FBD's book and applies equally across all customer profiles. Although FBD took rating action, policy volume continued to rise in the first half of 2014, suggesting that a market wide adjustment to compensate for the increase in frequency is underway.

While the increase in economic activity is positive for FBD in the medium term, the pace of growth in economic activity does impact profitability in the short term, as there is inevitably a time lag before rate increases match growth in accident frequency.

The Group continues to invest in its platform for growth, which will have an influence on its expense ratio in the short-term. The expense ratio rose from 26.0% to 27.8%. One of the primary reasons for this increase was the reinstatement premium payable to reinsurers following Storm Darwin in February 2014. In addition, as FBD's relationship with broker partners has gained momentum, there has been an increase in broker commissions payable.

FBD's combined operating ratio for the first half of 2014 was 107.3%, compared to 94.7% in the first half of 2013. Longer-term investment return at €14.6m was higher than the €14.2m in the first half of 2013. The operating profit before taxation for the Group's underwriting operation amounted to €3.7m (2013: €21.9m).

Financial Services

The Group's financial services operations include premium instalment services and life, pension and investment broking (FBD Financial Solutions) less holding company costs. These generated a solid performance in a tough environment, delivering an operating profit of €1.7m (2013: €2.2m).

Profit before taxation

Group operating profit before taxation was €5.4m (2013 €24.1m). The operating result was somewhat offset by adverse investment return fluctuations of €2.2m (2013: €4.3m). In the low interest rate environment resulting from accommodative monetary policies, investment income levels were below historic long term norms. The Group achieved an actual annualised investment return of 3% (2013: 2.4%), an excellent result.

The Group's share of the profit from the property and leisure joint venture in the seasonally less profitable first half was €0.1m, an improvement of €0.5m on 2013. The trading improvement was due to growth in occupancy, rate and revenue per room, particularly in the Irish market which is performing strongly. The joint venture's agreement with Taylor Wimpey for the sale of a segment of the development land in La Cala is progressing according to plan and is in line with the joint venture's objective of realising value as market conditions improve. The joint venture continued to be cash generative in the period.

The Group achieved a profit before tax of €3.3m (2013: €19.1m).

Dividends

The Board believes that it is in the long-term interest of all stakeholders to maintain strong solvency and liquidity margins and it is determined to ensure that the Group's capital position continues to be robust and its financial position well managed.

FBD has a track record of delivering superior returns to shareholders. The nature of the insurance business is that earnings will be influenced by the timing of weather events and the fact that the industry is inherently cyclical. Despite the reduced profitability in the period, the Board is committed to its progressive dividend policy and efficient management of capital and restates its desire to have a 40% to 50% pay-out ratio across the insurance cycle. In recognition of this, the Board approved an interim dividend payment of 17.0 cent per share (2013: 15.75 cent), an increase of 8%.

The interim dividend will be paid on 1 October 2014 to the holders of shares on the register on 5 September 2014. It is subject to dividend withholding tax ("DWT") except for shareholders who are exempt from DWT and who have furnished a properly completed declaration of exemption to the Company's Registrar, from whom further details may be obtained.

Earnings per share

Operating earnings per share based on longer-term investment return amounted to 14 cent per ordinary share, compared to 63 cent in the first half of 2013. The diluted earnings per share was 8 cent (2013: 49 cent) per ordinary share.

STATEMENT OF FINANCIAL POSITION

The Group's financial position remains robust. Ordinary shareholders' funds stand at €265.1m (December 2013: €277.2m). Net assets per ordinary share are 776 cent, compared to 823 cent per share at December 2013. The reduction in shareholders' funds is mainly attributable to the payment of the final 2013 dividend of €11.3m and an increase in the liability for the Group's retirement benefit obligations of €7.2m, offset by earnings in the period. The increase in the liability for the Group's retirement benefit obligations arises as the discount rate used to value the pension scheme's liabilities reached an all-time low. This was partially offset by increased equity values.

Table 1 shows how the assets of the Group were invested at the beginning and end of the period.

Table 1 – Asset Allocation

	30 June 2014		31 December 2013	
	€m	%	€m	%
Underwriting investment assets				
Deposits and cash	490	57%	454	53%
Corporate bonds	172	20%	144	17%
Government bonds	81	10%	134	16%
Equities	58	7%	73	8%
Unit trusts	24	3%	24	3%
Own land & buildings	15	2%	15	2%
Investment property	13	1%	12	1%
	<hr/>		<hr/>	
Underwriting investment assets	853	<u>100%</u>	856	<u>100%</u>
Working capital & other assets	128		116	
Reinsurers' share of provisions	62		44	
Investment in joint venture	45		45	
Plant and equipment	35		31	
	<hr/>		<hr/>	
Total assets	<u>1,123</u>		<u>1,092</u>	

The Group continues to be encouraged by the improvement in confidence in the global economy and by policymakers' actions to address the dislocation in the international monetary system. However, given continuing low bond yields, the Group believes it is appropriate to maintain its tactical asset allocation and is holding 87% of its underwriting assets in cash and short dated bonds. The average term of the Group's assets remains shorter than the average term of its insurance liabilities, with more term deposits and less fixed interest securities than the Group's strategic investment allocation.

Taking advantage of the attractive valuations attributable to equities during the first six months of 2014, FBD reduced its equity holdings by over 20%. FBD's current investment allocation continues to be appropriate and guards against any volatility which may emerge as the era of low investment returns draws to a close. The high allocation to cash reduces the risk of unrealised losses on fixed income and provides FBD with the opportunity to capitalise on higher yield opportunities as they emerge. This tactical asset allocation is indicative of the Group's desire to preserve capital, particularly as the reward available on longer dated assets does not justify the additional risk. This protects customers and shareholders and positions the Group well for a rising yield environment.

FBD Insurance had a solvency level of 73.4% of net premium earned at 30 June 2014, up from 69.7% at the same period in 2013, which represents 366% (2013: 342%) of the minimum solvency margin, and a reserving ratio of 241% (2013: 235%). FBD continues to maintain a healthy surplus over the claims reserves best estimate. In line with all European insurers, FBD Insurance is preparing for the introduction of the new Solvency II regulations which are to come into effect on 1 January 2016. FBD Insurance has calculated its solvency capital requirement on the basis that Solvency II, as currently proposed, was effective at 30 June 2014. The results showed that FBD Insurance had excess capital over the expected requirement.

OUTLOOK

Economic indicators point to an improved outlook for Ireland. The Irish insurance market is likely to grow in 2014 following eleven consecutive years of decline. The rate of growth will depend on the speed and extent with which the market chooses to adjust rates to deliver an acceptable return.

The Group is well positioned to continue to outperform the market. Growth in the second half is more likely to come from rate than volume as the Group ensures that car premiums reflect increasing claims frequency.

Market profitability will continue to be challenging for the remainder of 2014 as the effect of rate increases are likely to have been more than offset by the upturn in frequency. The precise timing and quantum of the improvement in market profitability will depend on the evolution of frequency arising from economic growth and any further rating action.

Rate increases implemented by FBD since the beginning of 2014 will improve the loss ratio over time. The inevitable lag before rate actions are effective will have a short term impact on profitability in 2014 and the early part of 2015, as previously guided.

Growth in economic activity will have a positive effect on FBD in the medium term, particularly given the Group's track record of outperforming the market. FBD is committed to achieving profitable growth by constantly focussing its business on the needs of customers. The Group has developed the ability to broaden its customer reach, allowing it to increase its penetration of key urban markets, in particular Dublin, and of the business insurance market, in partnership with brokers when market conditions are appropriate. This, together with its continued focus on farming and direct business customers, will enable the Group to continue to outperform the market and deliver superior returns to shareholders.

The Group re-affirms its previous guidance, subject to no further exceptional weather events arising, for full year 2014 operating earnings per share of between 70 and 80 cent.

PRINCIPAL RISKS AND UNCERTAINTIES

Under the Transparency (Directive 2004/109/EC) Regulations 2007 the Group is required to give a description of the principal risks and uncertainties it faces.

The Board considers that the risks and uncertainties disclosed in the Annual Report for the year ended 31 December 2013 continue to reflect the principal risks and uncertainties of the Group over the remainder of the financial year. In the 2013 Annual Report, risk was categorised as general insurance risk, capital management risk, operational risk, liquidity risk, market risk, credit risk, concentration risk and macro-economic risk.

Further information on these risks is included in pages 115 to 124 of the 2013 Annual Report, which quantifies the sensitivity of parameters such as loss ratio, equity and property values and exchange and interest rates. The risks and uncertainties have not altered and movement in the parameters described above may be experienced in future periods.

The Group has a risk management policy which provides a systematic, effective and efficient way for managing risk in the organisation and ensures it is consistent with the overall business strategy and the risk appetite of the Group.

Risk appetite is a measure of the amount and type of risks the Group is willing to accept or not accept over a defined period of time in the pursuit of its objectives. The Group's risk appetite seeks to encourage measured and appropriate risk taking to ensure that risks are aligned to business strategy and objectives.

The risk appetite in the Group's underwriting subsidiary is driven by an overarching desire to protect its solvency at all times. Through the proactive management of risk, it ensures that it does not have or will not take on an individual risk or combination of risks that could threaten its solvency. This ensures that it has, and will have at all times, sufficient capital to pay its policyholders and all other creditors in full as liabilities fall due.

RELATED PARTY TRANSACTIONS

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group.

AUDIT REVIEW

This half yearly financial report has not been audited or reviewed by the auditors of the Group.

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the half year ended 30 June 2014

	Notes	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Revenue	4	205,468	197,975	396,290
Income				
Gross premium written		184,860	175,910	351,195
Reinsurance premiums		(27,771)	(24,233)	(49,109)
Net premium written		157,089	151,677	302,086
Gross change in provision for unearned premiums		(9,343)	(4,992)	(5,137)
Reinsurers' share of change in provision for unearned premiums		661	(356)	(562)
Net premium earned		148,407	146,329	296,387
Net investment return	3	12,438	9,894	29,359
Financial services income		6,483	6,872	15,289
Total income		167,328	163,095	341,035
Expenses				
Net claims and benefits		(117,930)	(100,615)	(201,222)
Other underwriting expenses	5	(41,381)	(38,004)	(77,565)
Financial services expenses		(4,796)	(4,678)	(8,893)
Revaluation of property, plant and equipment		-	(300)	(1,121)
Restructuring and other costs		-	-	(2,050)
Share of results of joint venture		55	(407)	1,271
Profit before taxation		3,276	19,091	51,455
Income taxation charge		(409)	(2,386)	(6,563)
Profit for the period		2,867	16,705	44,892
Attributable to:				
Equity holders of the parent		2,850	16,685	44,786
Non-controlling interests		17	20	106
		2,867	16,705	44,892
Earnings per share	Notes	Half year ended 30/06/14 (unaudited) Cent	Half year ended 30/06/13 (unaudited) Cent	Year ended 31/12/13 (audited) Cent
Basic	8(a)	8	50	132
Diluted	8(a)	8	49	131

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2014

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Profit for the period	<u>2,867</u>	<u>16,705</u>	<u>44,892</u>
<i>Items that will or may be reclassified to profit or loss in subsequent periods:</i>			
Net gain/(loss) on available for sale assets	592	(659)	(654)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Actuarial (loss)/gain on retirement benefit obligations	(7,162)	-	2,851
Taxation credit/(charge) relating to items not to be reclassified in subsequent periods	<u>895</u>	<u>-</u>	<u>(278)</u>
Other comprehensive (expense)/income after taxation	<u>(5,675)</u>	<u>(659)</u>	<u>1,919</u>
Total comprehensive (expense)/ income for the period	<u>(2,808)</u>	<u>16,046</u>	<u>46,811</u>
Attributable to:			
Equity holders of the parent	(2,825)	16,026	46,705
Non-controlling interests	<u>17</u>	<u>20</u>	<u>106</u>
	<u>(2,808)</u>	<u>16,046</u>	<u>46,811</u>

FBD HOLDINGS PLC

PRO FORMA RECONCILIATION OF CONSOLIDATED OPERATING PROFIT TO PROFIT AFTER TAXATION

For the half year ended 30 June 2014

	Notes	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Operating profit				
Underwriting	5	3,692	21,908	46,277
Financial services	4	1,687	2,194	6,396
Operating profit before taxation		5,379	24,102	52,673
Investment return – fluctuations	3	(2,158)	(4,304)	682
Revaluation of property, plant and equipment		-	(300)	(1,121)
Restructuring and other costs		-	-	(2,050)
Share of results of joint venture		55	(407)	1,271
Profit before taxation		3,276	19,091	51,455
Income taxation charge		(409)	(2,386)	(6,563)
Profit for the period		2,867	16,705	44,892
		Cent	Cent	Cent
Operating earnings per share	8(b)	14	63	136

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

ASSETS	30/06/14 (unaudited) €000s	30/06/13 (unaudited) €000s	31/12/13 (audited) €000s
Property, plant and equipment	49,691	39,970	45,568
Investment property	12,829	10,833	11,567
Investment in joint venture	45,292	43,559	45,237
Loans	970	1,048	1,037
Deferred taxation asset	4,151	4,798	3,255
Financial assets			
Investments held to maturity	30,001	30,618	30,288
Available for sale investments	169,758	136,260	141,897
Investments held for trading	141,553	141,667	210,231
Deposits with banks	479,225	487,667	437,977
	<u>820,537</u>	<u>796,212</u>	<u>820,393</u>
Reinsurance assets			
Provision for unearned premiums	20,381	19,926	19,720
Claims outstanding	41,170	26,773	24,550
	<u>61,551</u>	<u>46,699</u>	<u>44,270</u>
Current taxation asset	6,421	2,305	4,174
Deferred acquisition costs	27,329	25,458	26,429
Other receivables	67,862	68,756	68,284
Cash and cash equivalents	25,977	26,232	21,586
Total assets	<u>1,122,610</u>	<u>1,065,870</u>	<u>1,091,800</u>

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2014

EQUITY AND LIABILITIES	Notes	30/06/14 (unaudited) €000s	30/06/13 (unaudited) €000s	31/12/13 (audited) €000s
Equity				
Ordinary share capital	7	21,409	21,409	21,409
Capital reserves		18,320	17,385	17,812
Retained earnings		<u>225,362</u>	<u>210,334</u>	<u>237,993</u>
Shareholders' funds - equity interests		265,091	249,128	277,214
Preference share capital		<u>2,923</u>	<u>2,923</u>	<u>2,923</u>
Equity attributable to equity holders of the parent		268,014	252,051	280,137
Non-controlling interests		<u>405</u>	<u>377</u>	<u>463</u>
Total equity		<u>268,419</u>	<u>252,428</u>	<u>280,600</u>
Liabilities				
Insurance contract liabilities				
Provision for unearned premiums		184,724	175,235	175,380
Claims outstanding		<u>596,958</u>	<u>568,053</u>	<u>565,611</u>
		781,682	743,288	740,991
Retirement benefit obligation		35,700	30,766	28,538
Deferred taxation liability		691	691	691
Payables		<u>36,118</u>	<u>38,697</u>	<u>40,980</u>
Total liabilities		<u>854,191</u>	<u>813,442</u>	<u>811,200</u>
Total equity and liabilities		<u>1,122,610</u>	<u>1,065,870</u>	<u>1,091,800</u>

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2014

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Cash flows from operating activities			
Profit before taxation	3,276	19,091	51,455
Adjustments for:			
Profit on disposal of investments held for trading	(2,849)	(2,135)	(16,165)
Loss on investments held to maturity	287	232	562
(Profit)/loss on investments available for sale	(662)	2,176	4,797
Interest and dividend income	(7,722)	(9,666)	(17,265)
Interest expense	-	1	-
Depreciation of property, plant and equipment	3,957	3,889	7,675
Share-based payment expense	508	550	977
Revaluation of investment property	-	(300)	(588)
Revaluation of property, plant and equipment	-	300	1,121
Increase in insurance contract liabilities	23,410	590	723
Effect of foreign exchange rate changes	(1,263)	153	(293)
Joint venture trading result	(55)	407	(1,271)
Operating cash flows before movement in working capital	18,887	15,288	31,728
Increase in receivables and deferred acquisition costs	(4,092)	(5,704)	(5,738)
(Decrease)/increase in payables	(4,864)	(916)	1,950
Cash generated from operations	9,931	8,668	27,940
Interest and dividend income received	11,343	9,533	16,659
Interest paid	-	(1)	-
Income taxes (paid)/refunded	(2,655)	14	(4,719)
Net cash from operating activities	18,619	18,214	39,880
Cash flows from investing activities			
Purchase of investments held for trading	(13,722)	(95,608)	(174,962)
Sale of investments held for trading	85,249	99,034	123,854
Purchase of available for sale investments	(45,782)	(46,843)	(103,554)
Sale of available for sale investments	19,175	56,631	105,091
Purchase of property, plant and equipment	(8,092)	(8,334)	(18,574)
Sale of property, plant and equipment	6	-	31
Decrease in loans and advances	66	47	59
(Increase)/decrease in deposits invested with banks	(41,247)	(13,793)	35,897
Net cash used in investing activities	(4,347)	(8,866)	(32,158)
Cash flows from financing activities			
Ordinary and preference dividends paid	(11,333)	(10,058)	(15,663)
Dividends paid to non-controlling interests	(75)	(120)	(120)
Proceeds of re-issue of ordinary shares	1,527	1,351	3,936
Net cash used in financing activities	(9,881)	(8,827)	(11,847)
Net increase/(decrease) in cash and cash equivalents	4,391	521	(4,125)
Cash and cash equivalents at the beginning of the period	21,586	25,711	25,711
Cash and cash equivalents at the end of the period	25,977	26,232	21,586

FBD HOLDINGS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended 30 June 2014

	Ordinary share capital	Capital reserves	Retained earnings	Attributable to ordinary shareholders	Preference share capital	Non-controlling interests	Total equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Balance at 1 January 2013	21,409	16,835	203,015	241,259	2,923	477	244,659
Profit after taxation	-	-	16,685	16,685	-	20	16,705
Other comprehensive expense	-	-	(659)	(659)	-	-	(659)
Total comprehensive income for the period	21,409	16,835	219,041	257,285	2,923	497	260,705
Recognition of share based payments	-	550	-	550	-	-	550
Reissue of ordinary shares	-	-	1,351	1,351	-	-	1,351
Dividends paid on ordinary shares	-	-	(10,058)	(10,058)	-	-	(10,058)
Dividends paid to non-controlling interests	-	-	-	-	-	(120)	(120)
Balance at 30 June 2013	21,409	17,385	210,334	249,128	2,923	377	252,428
Balance at 1 January 2014	21,409	17,812	237,993	277,214	2,923	463	280,600
Profit after taxation	-	-	2,850	2,850	-	17	2,867
Other comprehensive expense	-	-	(5,675)	(5,675)	-	-	(5,675)
Total comprehensive income for the period	21,409	17,812	235,168	274,389	2,923	480	277,792
Recognition of share based payments	-	508	-	508	-	-	508
Reissue of ordinary shares	-	-	1,527	1,527	-	-	1,527
Dividends paid on ordinary shares	-	-	(11,333)	(11,333)	-	-	(11,333)
Dividends paid to non-controlling interests	-	-	-	-	-	(75)	(75)
Balance at 30 June 2014	21,409	18,320	225,362	265,091	2,923	405	268,419

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half year ended 30 June 2014

Note 1 – General information

The information for the year ended 31 December 2013 does not constitute statutory accounts as defined in Section 19 of the Companies (Amendment) Act 1986. A copy of the statutory accounts for that year has been delivered to the Register of Companies. The auditors' report on those accounts was not qualified and did not contain any matters to which attention was drawn by way of emphasis.

This half yearly financial report has not been audited or reviewed by the auditors of the Group.

Note 2 – Accounting policies

Basis of preparation

The annual financial statements of FBD Holdings plc are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union.

Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consistency of accounting policy

The accounting policies and methods of computation used by the Group to prepare the interim financial statements for the six month period ended 30 June 2014 are the same as those used to prepare the Group Annual Report for the year ended 31 December 2013 except as described below.

The following new and revised Standards and Interpretations have been adopted in these financial statements in the current period:

IFRS 10:	<i>Consolidated Financial Statements</i>
IFRS 11:	<i>Joint Arrangements</i>
IFRS 12:	<i>Disclosure of Interests in Other Entities</i>
Amendments to IAS 27:	<i>Separate Financial Statements</i>
Amendments to IAS 28:	<i>Investments in Associates and Joint Ventures</i>
IAS 32:	<i>Financial Instruments: Presentation</i>

The adoption of these standards has not had any significant impact on the amounts reported in this interim report.

Critical accounting estimates and judgements in applying accounting policies.

The critical accounting estimates and judgements used by the Group in applying accounting policies are the same as those used to prepare the Group Annual Report for the year ended 31 December 2013. While there have been some changes in estimates of amounts in the current financial period, these changes do not have a significant impact on the results for the period.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

Note 3 – Longer-term investment return

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Longer-term investment return	14,596	14,198	28,677
Investment return fluctuations	<u>(2,158)</u>	<u>(4,304)</u>	<u>682</u>
Actual investment return	<u>12,438</u>	<u>9,894</u>	<u>29,359</u>

The rates of investment return underlying the calculation of the longer term investment return are set out below. These rates are reviewed annually and reflect both historical experience and the Directors' current expectations for longer term investment returns.

	Half year ended 30/06/14 (unaudited) %	Half year ended 30/06/13 (unaudited) %	Year ended 31/12/13 (audited) %
Government bonds	3.00	3.00	3.00
Other quoted debt securities	4.00	4.00	4.00
Investments held to maturity	Actual	Actual	Actual
Quoted shares	6.75	6.75	6.75
Deposits with banks	2.75	2.75	2.75
Investment properties	6.25	6.25	6.25
UCITs	6.75	-	6.75

Note 4 – Segmental information

(a) Operating segments

The principal activities of the Group are underwriting of general insurance business and financial services. For management purposes, the Group is organised in two operating segments - underwriting and financial services. These two segments are the basis upon which information is reported to the chief operating decision maker, the Group Chief Executive, for the purpose of resource allocation and assessment of segmental performance. Discrete financial information is prepared and reviewed on a regular basis for these two segments.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

The following is an analysis of the Group's revenue and results by reportable segments:

Half year ended 30/06/2014	Underwriting €000s	Financial Services €000s	Total €000s
Revenue	198,985	6,483	205,468
Operating profit	3,692	1,687	5,379
Investment return – fluctuations	(2,158)	-	(2,158)
Share of results of joint venture	-	55	55
Profit before taxation	1,534	1,742	3,276
Income taxation charge	(191)	(218)	(409)
Profit after taxation	1,343	1,524	2,867
Half year ended 30/06/2013	Underwriting €000s	Financial Services €000s	Total €000s
Revenue	191,103	6,872	197,975
Operating profit	21,908	2,194	24,102
Investment return – fluctuations	(4,304)	-	(4,304)
Revaluation of property	(300)	-	(300)
Share of results of joint venture	-	(407)	(407)
Profit before taxation	17,304	1,787	19,091
Income taxation charge	(2,163)	(223)	(2,386)
Profit after taxation	15,141	1,564	16,705
Year ended 31/12/2013	Underwriting €000s	Financial Services €000s	Total €000s
Revenue	381,001	15,289	396,290
Operating profit	46,277	6,396	52,673
Investment return – fluctuations	682	-	682
Revaluation of property	(1,121)	-	(1,121)
Restructuring and other costs	(2,050)	-	(2,050)
Share of results of joint venture	-	1,271	1,271
Profit before taxation	43,788	7,667	51,455
Income taxation charge	(6,312)	(251)	(6,563)
Profit after taxation	37,476	7,416	44,892

FBD HOLDINGS PLC

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014**

The accounting policies of the reportable segments are the same as the Group accounting policies. Segment profit represents the profit earned by each segment. Central administration costs and Directors' salaries are allocated based on actual activity. Restructuring costs and income taxation are direct costs of each segment. Segment profit is the measure reported to the chief operating decision maker, the Group Chief Executive, for the purposes of resource allocation and assessment of segmental reporting.

There has been no material change to the assets by reportable segment from the disclosure in the 2013 Annual Report.

(b) Geographical segments

The Group's operations are located in Ireland.

Note 5 – Underwriting result

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Gross premium written	184,860	175,910	351,195
Net premium earned	148,407	146,329	296,387
Net claims incurred	(117,930)	(100,615)	(201,222)
	30,477	45,714	95,165
Gross management expenses	(45,207)	(41,944)	(86,298)
Deferred acquisition costs	900	806	1,777
Reinsurers' share of expenses	6,164	5,264	11,326
Broker commissions payable	(3,238)	(2,130)	(4,370)
Net operating expenses	(41,381)	(38,004)	(77,565)
Underwriting result	(10,904)	7,710	17,600
Longer-term investment return	14,596	14,198	28,677
Operating profit before taxation	3,692	21,908	46,277

The Group's half yearly results are not subject to any significant impact arising from the seasonality of operations.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

Note 6 – Dividends

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Paid in Period:			
2013 interim dividend of 15.75 cent per share on ordinary shares of €0.60 each	-	-	5,323
2013 final dividend of 33.25 cent (2012: 30.00 cent) per share on ordinary shares of €0.60 each	11,333	10,058	10,058
Dividend of 8.4 cent per share on 14% non-cumulative Preference shares of €0.60 each	-	-	113
Dividend of 4.8 cent per share on 8% non-cumulative preference shares of €0.60 each	-	-	169
	<u>11,333</u>	<u>10,058</u>	<u>15,663</u>
Proposed:			
2013 dividend of 4.8 cent per share on 8% non-cumulative preference shares of €0.60 each	169	169	169
2013 final dividend of 30.00 cent per share on ordinary shares of €0.60 each	-	-	11,331
2014 interim dividend of 17.0 cent (2012:15.75 cent) per share on ordinary shares of €0.60 each	5,870	5,302	-
	<u>6,039</u>	<u>5,471</u>	<u>11,500</u>

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

Note 7 – Ordinary share capital

	Number	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
(i) Ordinary shares of €0.60 each				
Authorised:				
At beginning and end of period	<u>51,326,000</u>	<u>30,796</u>	<u>30,796</u>	<u>30,796</u>
Issued and fully paid:				
At beginning and end of period	<u>35,461,206</u>	<u>21,277</u>	<u>21,277</u>	<u>21,277</u>
(ii) 'A' Ordinary shares of €0.01 each				
Authorised:				
At beginning and end of period	<u>120,000,000</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
Issued and fully paid:				
At beginning and end of period	<u>13,169,428</u>	<u>132</u>	<u>132</u>	<u>132</u>
Total Ordinary Share Capital		<u>21,409</u>	<u>21,409</u>	<u>21,409</u>

The number of ordinary shares of €0.60 each held as treasury shares at 30 June 2014 was 933,084.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half year ended 30 June 2014

Note 8 – Earnings per €0.60 ordinary share

a) The calculation of the basic and diluted earnings per share attributable to the ordinary shareholders is based on the following data:

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Earnings			
Profit for the period	2,867	16,705	44,892
Non-controlling interests	(17)	(20)	(106)
Preference dividends	-	-	(282)
	<u>2,850</u>	<u>16,685</u>	<u>44,504</u>
Profit for the purpose of basic and diluted earnings per share			
	<u>2,850</u>	<u>16,685</u>	<u>44,504</u>
Number of shares	30/06/14	30/06/13	31/12/13
Weighted average number of ordinary shares for the purpose of basic earnings per share	34,146,777	33,498,253	33,697,613
Effect of dilutive potential of share options outstanding	71,676	399,123	185,728
	<u>34,218,453</u>	<u>33,897,376</u>	<u>33,883,341</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share			
	<u>34,218,453</u>	<u>33,897,376</u>	<u>33,883,341</u>
Earnings per share	Cent	Cent	Cent
Basic	<u>8</u>	<u>50</u>	<u>132</u>
Diluted	<u>8</u>	<u>49</u>	<u>131</u>

The 'A' ordinary shares of €0.01 each that are in issue have no impact on the earnings per share calculation.

b) The calculation of the operating earnings per share, which is supplementary to the requirements of International Financial Reporting Standards, is based on the following data:

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Earnings			
Operating profit after taxation*	4,712	21,114	46,142
Non-controlling interests	(17)	(20)	(106)
Preference dividends	-	-	(282)
	<u>4,695</u>	<u>21,094</u>	<u>45,754</u>
	<u>4,695</u>	<u>21,094</u>	<u>45,754</u>
Operating earnings per share	<u>14</u>	<u>63</u>	<u>136</u>

* Effective taxation rate of 12.4%.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

Note 9 – Capital Commitments

	Half year ended 30/06/14 (unaudited) €000s	Half year ended 30/06/13 (unaudited) €000s	Year ended 31/12/13 (audited) €000s
Capital commitments at period end authorised by the Directors but not provided for in the Financial Statements:			
Contracted for	<u>611</u>	<u>387</u>	<u>387</u>
Not contracted for	<u>5,940</u>	<u>11,436</u>	<u>7,836</u>

The above capital commitments relate to an investment in the underwriting policy administrative system that commenced in 2013 and is being undertaken over a two to three year period.

Note 10 – Retirement Benefit Obligation

The Group operates a funded defined benefit retirement scheme for qualifying employees. Full details on this scheme are available in Note 31 of the Group Annual Report for the year ended 31 December 2013.

The amounts recognised in the Statement of Financial Position are determined as follows:

	30/06/14 (unaudited) €000s	31/12/13 (audited) €000s
Fair value of plan assets	136,100	130,231
Present value of defined benefit obligation	<u>(171,800)</u>	<u>(158,769)</u>
Net retirement benefit liability	<u>(35,700)</u>	<u>(28,538)</u>

The increase in the retirement benefit obligation during the first half of 2014 arose because of changes in actuarial assumptions relating to discount rate, wage rates, inflation and state pension growth partially offset by an increase in the value of the plan assets.

FBD HOLDINGS PLC

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For the half year ended 30 June 2014

Note 11 – Financial Instruments

(a) Financial assets

	30/06/14 (unaudited) €000s	30/06/13 (unaudited) €000s	31/12/13 (audited) €000s
(i) At amortised cost			
Investments held to maturity	30,001	30,618	30,288
Deposits with banks	479,225	487,667	437,977
	509,226	518,285	468,265
(ii) At fair value			
Available for sale investments – unquoted investments	1,400	2,630	1,368
Available for sale investments – quoted debt securities	168,358	133,630	140,529
Available for sale investments	169,758	136,260	141,897
Investments held for trading – quoted shares	63,137	61,879	79,372
Investments held for trading – quoted debt securities	50,656	52,803	103,527
Investments held for trading – UCITs	23,951	23,176	23,523
Investments held for trading – unquoted debt securities	3,809	3,809	3,809
Investments held for trading	141,553	141,667	210,231
(iii) At cost			
Cash and cash equivalents	25,977	26,232	21,586

The fair value of investments held to maturity at closing bid prices at 30 June 2014 was €30,001,000 (30 June 2013: €31,245,000; 31 December 2013: €30,600,000). This investment matured on 4 July 2014 so the fair value at 30 June 2014 was considered to be the same as the carrying value at that date.

Fair value measurement

The Group implemented IFRS13 *Fair Value Measurement* effective 1 January 2013 which requires fair value hierarchy disclosures.

The following table compares the fair value of financial assets with their carrying values:

	30/06/2014 (unaudited) Fair value €000s	30/06/2014 (unaudited) Carrying value €000s	30/06/2013 (unaudited) Fair value €000s	30/06/2013 (unaudited) Carrying value €000s	31/12/13 (audited) Fair value €000s	31/12/13 (audited) Carrying value €000s
Financial assets						
Loans	1107	970	1,219	1,048	1,207	1,037
Financial investments	820,537	820,537	796,839	796,212	820,705	820,393

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of their fair value:

- Other receivables
- Cash and cash equivalents
- Payables

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Among the valuation techniques used are cost, net asset or net book value or the net present value of future cash flows based on conservative operating projections.

30 June 2014 (unaudited)	Level 1	Level 2	Level 3	Total
	€000s	€000s	€000s	€000s
Assets				
Property, plant and equipment	-	49,691	-	49,691
Investment property	-	12,829	-	12,829
Loans	-	1,107	-	1,107
Other receivables	-	67,862	-	67,862
Financial assets				
Investments held to maturity	30,001	-	-	30,001
Investments held for trading - quoted shares	63,137	-	-	63,137
Investments held for trading - quoted debt securities	50,656	-	-	50,656
Investments held for trading - UCIT Funds	23,951	-	-	23,951
Investments held for trading - unquoted debt securities	-	3,809	-	3,809
AFS investments - quoted debt securities	168,358	-	-	168,358
AFS investments - unquoted investments	-	-	1,400	1,400
Deposits with banks	479,225	-	-	479,225
Cash and cash equivalents	25,977	-	-	25,977
Total assets	841,305	135,298	1,400	978,003
Liabilities				
Payables	-	36,118	-	36,118
Total liabilities	-	36,118	-	36,118

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014

30 June 2013 (unaudited)	Level 1 €000s	Level 2 €000s	Level 3 €000s	Total €000s
Assets				
Property, plant and equipment	-	39,970	-	39,970
Investment property	-	10,833	-	10,833
Loans	-	1,219	-	1,219
Other receivables	-	68,756	-	68,756
Financial assets				
Investments held to maturity	31,245	-	-	31,245
Investments held for trading - quoted shares	61,879	-	-	61,879
Investments held for trading - quoted debt securities	52,803	-	-	52,803
Investments held for trading - UCIT Funds	23,176	-	-	23,176
Investments held for trading - unquoted debt securities	-	3,809	-	3,809
AFS investments - quoted debt securities	133,630	-	-	133,630
AFS investments - unquoted investments	-	-	2,630	2,630
Deposits with banks	487,667	-	-	487,667
Cash and cash equivalents	26,232	-	-	26,232
Total assets	816,632	124,587	2,630	943,849
Liabilities				
Payables	-	38,697	-	38,697
Total liabilities	-	38,697	-	38,697
30 December 2013 (audited)	Level 1 €000s	Level 2 €000s	Level 3 €000s	Total €000s
Assets				
Property, plant and equipment	-	45,568	-	45,568
Investment property	-	11,567	-	11,567
Loans	-	1,207	-	1,207
Other receivables	-	68,284	-	68,284
Financial assets				
Investments held to maturity	30,600	-	-	30,600
Investments held for trading - quoted shares	79,372	-	-	79,372
Investments held for trading - quoted debt securities	103,527	-	-	103,527
Investments held for trading - unquoted debt securities	-	3,809	-	3,809
Investments held for trading - UCITs	23,523	-	-	23,523
AFS investments - quoted debt securities	140,529	-	-	140,529
AFS investments - unquoted investments	-	-	1,368	1,368
Deposits with banks	437,977	-	-	437,977
Cash and cash equivalents	21,586	-	-	21,586
Total assets	837,114	130,435	1,368	968,917
Liabilities				
Payables	-	40,978	-	40,978
Total liabilities	-	40,978	-	40,978

FBD HOLDINGS PLC

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014**

A reconciliation of Level 3 fair value measurement of financial assets is shown in the table below

	30/06/14 (unaudited) €000s	30/06/13 (unaudited) €000s	31/12/13 (audited) €000s
Opening balance Level 3 financial assets	1,368	2,405	2,405
Additions	145	250	348
Disposals	(1,422)	(25)	(385)
Unrealised gains/(losses) recognised in Consolidated Income Statement	500	-	(1,000)
Realised gains recognised in Consolidated Income Statement	809	-	-
Closing balance Level 3 financial assets	1,400	2,630	1,368

Available for sale investments grouped into Level 3 consist of a number of small unquoted investments. The values attributable to these investments are derived from a number of valuation techniques including net asset or net book value or the net present value of future cash flows based on conservative operating projections. A change in one or more of these inputs could have an impact on valuations. The maximum exposure the Group has in relation to Level 3 valued financial assets at 30 June 2014 is €1,400,000 (30 June 2013: €2,630,000; 31 December 2013: €1,368,000).

(b) Financial liabilities

The Group had no financial liabilities at 30 June 2014, 30 June 2013 or 31 December 2013 except for those disclosed in Note 11(a).

Note 12 – Transactions with related parties

Farmer Business Developments plc has a substantial shareholding in the Group at 30 June 2014.

Included in the Financial Statements at the period end is €12,788 (2013: €469,895) due on demand from Farmer Business Developments plc. This balance is made up of recharges for services provided together with recoverable costs and interest. Interest is charged on this balance at the market rate.

For the purposes of the disclosure requirements of IAS 24, the term “key management personnel” (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors and Company Secretary of FBD Holdings plc and the Group’s primary subsidiary, FBD Insurance plc and the members of the Executive Management Team. Full disclosure in relation to the compensation of the Board of Directors and details of Directors’ share options are provided in the Report on Directors’ Remuneration in the 2013 Annual Report. An analysis of the remuneration of key management personnel is also included in Note 40 of the 2013 Annual Report.

Note 13 – Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at 30 June 2014, 30 June 2013 or 31 December 2013.

Note 14 – Approval of Half Yearly Report

The half yearly report was approved by the Board of Directors of FBD Holdings plc on 25 August 2014.

FBD HOLDINGS PLC

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2014**

Note 15 – Information

This half yearly report along with the Annual Report for the year ended 31 December 2013 are available on the Company's website at www.fbdgroup.com.

RESPONSIBILITY STATEMENT

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

We confirm that to the best of our knowledge:

- a) the Group condensed set of interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;
- b) the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of interim financial statements and the principal risks and uncertainties for the remaining six months of the financial year;
- c) the interim management report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Michael Berkery
Chairman

Andrew Langford
Group Chief Executive

25 August 2014