

Press Release
FBD HOLDINGS PLC
INTERIM RESULTS ANNOUNCEMENT

For half year ended 30th June 2008

FINANCIAL HIGHLIGHTS	2008 €000's	2007 €000's
▪ Gross written premiums	198,335	205,445
▪ Net earned premiums	173,853	175,596
▪ Operating profit *	40,741	65,118
	Cent	Cent
▪ Operating earnings per share *	105.43	158.45
▪ Interim dividend proposed per share	30.25	27.50

* Based on a longer term rate of investment return

HIGHLIGHTS

- Continued solid trading
- Profitable operating performance from all divisions
- FBD now 3rd largest insurer in Ireland
- Growing evidence of premium rates stabilising
- Customer reach further extended in urban and on-line markets
- Declining capital markets resulted in a small pre-tax loss of €5.2m for the half year
- Interim Dividend increased by 10%
- Special distribution of €1.50 per share
- Severe weather in Q3 will impact general insurance claims and rates.

Commenting at the results, Andrew Langford, Chief Executive, said:

"The marginal decline in gross written premiums represents a robust performance in a market where certain participants competed for new business at uneconomic rates. The reduction in operating profits is as a result of anticipated lower underwriting margins and a reduced longer term investment return. FBD is now the third largest non-life insurer in Ireland as a result of the consistent growth achieved over recent years. That growth has been consolidated in the year to date. Continued investment in our operating platform is extending our reach by meeting customer needs, cost effectively. The special distribution of €1.50 per share brings total repatriations to shareholders (excluding ordinary dividends) to €546m since March 2005 and delivers on our commitment to maximise shareholder returns through efficient capital management."

27th August 2008

For Reference

FBD

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FBD HOLDINGS PLC
INTERIM MANAGEMENT REPORT

FBD Holdings plc ("FBD" or "the Group") is pleased to report continued solid trading in the half year ended 30th June 2008.

RESULTS

Operating profit in the period amounted to €40.7m (H1 2007: €65.1m), with all trading divisions delivering profitable performances. The decline in operating profit compared to the first half of 2007 is primarily attributable to anticipated lower underwriting margins and a reduced longer term investment return.

As detailed below, underwriting activities contributed €35.9m to operating profit (H1 2007: €53.7m), with the remaining €4.8m (H1 2007: €11.4m) arising from non-underwriting activities.

The result before tax was adversely impacted by a negative short term fluctuation in investment return amounting to €44.1m (H1 2007: €12.5m). This reflected the ongoing volatility in equity markets, and the combined effects of a weak Sterling and UK commercial property market on our investment property portfolio. After charging finance costs of €1.8m (H1 2007: €2.9m), the Group recorded a loss before taxation of €5.2m (H1 2007: profit of €49.7m).

The operating earnings per share figure of 105.43 cent (H1 2007: 158.45 cent) benefited from the Group's share buyback activity in the second half of 2007.

UNDERWRITING

Insurance underwriting is the Group's primary business activity. Recently published Irish Insurance Federation statistics confirm that FBD has grown to be the 3rd largest non-life insurer in Ireland with an 11.3% market share in 2007.

Gross written premiums, at €198.3m are marginally behind last year's corresponding figure of €205.4m. Average rates were maintained at levels similar to the first half of 2007, driven by the Group's decision to implement single digit price increases on specific products in January 2008. Although new business volumes remained strong, retention rates were impacted as certain market participants continued to compete for new business at uneconomic rates.

Net earned premium amounted to €173.9m (H1 2007: €175.6m).

The net claims incurred charge of €130.6m (H1 2007: €122.7m) comprises net claims paid of €127.6m (H1 2007: €113.9m) and an increase in net provisions for outstanding claims of €3.0m (H1 2007: €8.8m). The increased claims charge reflects the increase in exposures compared to the corresponding 2007 period and an increase in the cost of non-injury claims.

Net operating expenses amounted to €30.5m (H1 2007: €26.7m) in line with target. This expenditure includes increased investment in delivering our ambitious development plans while maintaining an industry leading expense ratio. The investment in FBD's Support Centre and E-Commerce offering will generate the capacity to further grow personal lines business cost effectively.

The foregoing premium/claims/expenses figures resulted in an underwriting profit of €12.8m (H1 2007: €26.2m). The net operating ratios for the period were: loss ratio 75.1% (H1 2007: 69.9%); expense ratio 17.5% (H1 2007: 15.2%); combined ratio of 92.6% (H1 2007: 85.1%).

After crediting longer term investment income of €23.1m (H1 2007: €27.5m), the operating profit from the Group's underwriting business amounted to €35.9m (H1 2007: €53.7m). The lower longer term investment income figure resulted from reduced invested assets compared to H1 2007 consequent to the repatriations to shareholders from June 2007 and the substantial reduction of our equity portfolio since June 2007. This latter decision was taken in the light of the uncertain outlook for financial markets.

NON-UNDERWRITING

Non-underwriting activities include leisure interests (hotel/golf resorts) and leisure property and development, financial services activities (including holding company costs) and the investment of non-allocated capital ("capital fund"). The combined contribution to operating profits from these activities amounted to €4.8m (H1 2007: €11.4m).

Leisure and leisure property development interests, which include the La Cala and Sunset Beach resorts in Spain and the Tower Hotel Group in Ireland, contributed €3.2m (H1 2007: €7.4m) to operating profit. In 2007 there were a significant number of property handovers at La Cala. Challenging market conditions in the first half of the current year have resulted in fewer handovers and this is the main reason for the reduced profit levels.

The Group's financial services businesses, which include general insurance broking (FBD Brokers), life assurance/investment advice/pension broking (FBD Life), instalment finance and holding company costs contributed €2.5m (H1 2007: €4.2m) to operating profits. Sales in FBD Life were behind the corresponding 2007 period as a result of the continued volatility in financial markets, while the holding company incurred costs in relation to the approach from Eureka B.V.

The capital fund incurred a loss of €0.9m (H1 2007: €0.2m). This fund has now been converted entirely to cash.

BALANCE SHEET

The total assets of the Group at 30th June 2008 were €1,359m, while equity shareholders' funds amounted to €359.3m. The figures at 31st December 2007 were €1,387m and €383.6m respectively. There were no significant changes in equity during the period, other than the payment of ordinary dividends and those noted above.

INTERIM DIVIDEND

In view of the Group's continued strong operating performance and the Board's commitment to increase the dividend payout ratio, an interim dividend of 30.25 cent (H1 2007: 27.5 cent) per share is being recommended by the Directors, an increase of 10%.

The interim dividend will be paid on 17th October 2008 to shareholders on the Company's Register on 5th September 2008. The interim dividend is subject to 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.

RETURN TO SHAREHOLDERS/CAPITAL

In the preliminary results announcement in March 2008, the Board noted that the after tax gain arising from the change in reserving policy in December 2007, amounting to €94.2m, would be returned to shareholders.

In keeping with the Board's stated commitment and prudent track record in maximising shareholder returns through efficient capital management, the Board has decided, in the light of current market conditions, to distribute €1.50 per share amounting to €49.8m via a tax efficient mechanism. This will be paid, together with the interim dividend on 17th October 2008, to shareholders on the register on 5th September 2008.

Repatriations to shareholders since March 2005 (excluding ordinary dividends) now amount to €546m.

The Board retains the flexibility to repatriate further capital to shareholders subject to prevailing market conditions.

OUTLOOK

In the year to date, the Group has consolidated the growth of recent years and continued to invest in our operating platform to underpin future growth. Several of the factors noted below, but particularly the impact of the severe weather of recent weeks, are likely to result in full year operating earnings being marginally below the consensus range.*

Underwriting

Reforms in the claims environment and competition have resulted in continued price reductions in the Irish insurance market since 2002. This has resulted in unrealistic premiums in the market for some product lines, particularly in the light of steadily rising claims costs. There is increasing evidence that rates in these areas have stabilised and will harden in the near future. This is reinforced by the combined ratios being reported by insurers. FBD's people, products and infrastructure place us in an ideal position to benefit from such market conditions.

Severe weather in recent weeks has resulted in flooding countrywide. FBD's exposure to such events is mitigated by our prudent underwriting practices and reinsurance arrangements. We are not immune, however, particularly in areas with no history of flooding, and the combined ratio in the second half will be impacted by claims costs arising from the severe weather. The cost of these events to the insurance industry as a whole must act as a further catalyst for rate increases.

In recent months, we have made significant strides to further extend our customer reach. Our on-line offering for car insurance on www.fbd.ie will be launched in early September and will empower customers to choose the level of cover they require and to pay on-line. Consumers are increasingly using the internet to purchase car insurance and our leading-edge portal will allow us to access this market while providing the customer with greater choice and control. We plan to deliver an internet offering for house insurance before year end.

Earlier this year, we launched our "No Nonsense" car insurance offering through the Ryanair website. Aimed at the very "price-conscious and no frills" type customer, the take up to date is in line with expectations.

Our Support Centre is providing the sales and service capacity we require to grow our personal lines business now and into the future in the most cost efficient and customer centric manner. The initial progress of our initiative to grow commercial business through the broker channel in Dublin and Cork has been positive. We have appointed additional sales staff in all the major urban centres and continue to target these markets for increased penetration and growth. We also opened local offices in Newbridge and Athlone to benefit from the business activity in these growing urban centres.

Non-underwriting

The environment for our leisure, property and financial services businesses remains challenging in the year to date.

Global economic conditions, credit constraints and the strong euro have created a demanding backdrop for our leisure and property businesses in Spain. We continue to deliver new marketing and sales initiatives to counter market conditions. These have been particularly successful in our leisure operations. Management continue to focus on implementing operational efficiencies.

As previously advised, we are pursuing, in conjunction with our planning advisors, an additional parallel approach to finalise the planning required to deliver the second Tranche of the La Cala land sale agreement. It is their view that, although the delivery of the planning is ultimately outside our control, it remains achievable within the timeframe outlined in the sale agreement.

Volatile investment and property markets have resulted in reduced sales of retail investment products in FBD Life. We are concentrating our focus on deposit and protection products where sales are more buoyant and we continue to advise our customers through these uncertain times in investment markets.

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 in the period.

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 31st December 2007 continue to reflect the principal risks and uncertainties of the Group over the remainder of the financial year. In the Annual Report 2007 risk is categorised as general

insurance risk, capital risk, operational risk, liquidity risk, market risk and credit risk. Further information on these risks is included in page 69 to 74 of the Annual Report.

Global economic conditions, credit constraints and the strong euro will continue to create uncertainty for the remainder of the year in our property and leisure businesses.

AUDIT REVIEW

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

FORWARD LOOKING STATEMENTS

This announcement contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.

* An FBD survey of the forecasts of the analysts who cover the Group indicates a consensus range for 2008 operating earnings per share of between 211 cents and 233 cents per share.

Note: Management will present these results to analysts at 11.15 am. today. A copy of the presentation will be posted on the Group's website, www.fbd.ie, at that time.

FBD HOLDINGS PLC

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 Irish Financial Services Regulatory Authority and with IAS 34, Interim Financial Reporting as adopted by the European Union.

We confirm that to the best of our knowledge:

- a) the condensed financial statements have been prepared in accordance with IAS34 "Interim Financial Reporting";
- 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 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. Our view is that no such transactions are material in the context of the Group to the financial position or the performance of the Group during that period.

Michael Berkery
Chairman

Andrew Langford
Chief Executive

27th August 2008

FBD HOLDINGS PLC

CONDENSED GROUP INCOME STATEMENT
For half year ended 30th June 2008

	Notes	Half Year Ended 30/06/08 (Unaudited) €000's	Half Year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Total revenue		271,242	287,982	567,381
Income				
Net premiums earned		173,853	175,596	350,321
Non underwriting operating income		4,844	11,437	15,175
Investment income – longer term rate of return	2	23,081	27,523	53,369
		201,778	214,556	418,865
Expenses				
Changes in insurance liabilities net of reinsurance		(2,994)	(8,846)	99,480
Claims paid, net of recoveries from reinsurers		(127,592)	(113,931)	(230,907)
Other operating expenses		(30,451)	(26,661)	(51,928)
Operating profit	3	40,741	65,118	235,510
Investment income – short term fluctuation		(44,175)	(12,458)	(69,253)
Finance costs		(1,780)	(2,912)	(4,089)
(Loss)/profit before taxation		(5,214)	49,748	162,168
Income tax expense		(1,334)	(5,048)	(22,093)
(Loss)/profit for the period – all continuing operations		(6,548)	44,700	140,075
Attributable to:				
Equity holders of the parent		(6,659)	44,540	139,874
Minority interest		111	160	201
		(6,548)	44,700	140,075
		Cent	Cent	Cent
Basic earnings per 60c ordinary share	7	(20.26)	127.34	405.71
Diluted earnings per 60c ordinary share	7	(20.10)	126.26	402.77

FBD HOLDINGS PLC
CONDENSED GROUP BALANCE SHEET
At 30th June 2008

ASSETS	30/06/08 (Unaudited) €000's	30/06/07 (Unaudited) €000's	31/12/07 (Audited) €000's
Property and equipment			
Land and buildings	226,074	214,396	225,158
Fixtures and fittings	17,071	17,307	18,186
	<u>243,145</u>	<u>231,703</u>	<u>243,344</u>
Intangible assets			
Deferred acquisition costs	<u>16,022</u>	<u>15,342</u>	<u>15,271</u>
Investments			
Investment property	69,150	81,291	83,019
Investments held for trading	107,118	525,661	183,970
Investments held to maturity	479,731	275,730	479,902
Deposits with banks	117,360	93,441	73,034
Available for sale investments	10,555	3,466	9,542
	<u>783,914</u>	<u>979,589</u>	<u>829,467</u>
Inventories	<u>62,925</u>	<u>69,553</u>	<u>65,745</u>
Loans and receivables	<u>162,934</u>	<u>119,252</u>	<u>147,137</u>
Reinsurers' share of technical provisions			
Provision for unearned premiums	23,994	22,988	21,994
Claims outstanding	30,354	58,156	28,489
	<u>54,348</u>	<u>81,144</u>	<u>50,483</u>
Cash and cash equivalents	<u>35,562</u>	<u>35,022</u>	<u>35,618</u>
Total assets	<u>1,358,850</u>	<u>1,531,605</u>	<u>1,387,065</u>

FBD HOLDINGS PLC
CONDENSED GROUP BALANCE SHEET
At 30th June 2008

EQUITY	Notes	As at 30/06/08 (Unaudited) €000's	As at 30/06/07 (Unaudited) €000's	As at 31/12/07 (Audited) €000's
Ordinary share capital	6	21,277	21,277	21,277
Capital reserves		13,095	12,956	12,956
Revaluation reserves		29,986	27,104	29,986
Translation reserves		(89)	41	389
Retained earnings		295,065	259,277	318,981
Shareholders' funds – equity interests		359,334	320,655	383,589
Preference share capital		2,923	2,923	2,923
Total shareholders' funds		362,257	323,578	386,512
Minority interest		5,620	6,636	5,689
Total equity		367,877	330,214	392,201
LIABILITIES				
Technical provisions				
Provision for unearned premiums		198,071	200,698	199,074
Claims outstanding		618,136	751,500	612,852
		816,207	952,198	811,926
Bank and other loans		60,729	103,492	60,406
Payables		79,192	95,512	74,483
Current tax		6,479	15,082	14,070
Deferred tax		22,124	31,520	27,738
Retirement benefit obligation		6,242	3,587	6,241
Total liabilities		990,973	1,201,391	994,864
Total equity and liabilities		1,358,850	1,531,605	1,387,065

FBD HOLDINGS PLC

CONDENSED GROUP CASH FLOW STATEMENT
For half year ended 30th June 2008

	Half Year Ended 30/06/08 (Unaudited) €000's	Half Year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Operating activities			
(Loss) profit before taxation for the period	(5,214)	49,748	162,168
Adjustments for:			
Losses on investments held for trading and held to maturity	31,517	20,107	77,744
Depreciation of property, plant and equipment	2,561	2,608	4,547
Share-based payment expense	139	-	-
Increase (decrease) in technical provisions	416	11,660	(97,953)
Decrease in fair value of investment property	13,869	-	5,415
Operating cash flows before movement in working capital	<u>43,288</u>	<u>84,123</u>	<u>151,921</u>
(Increase) decrease in receivables	(21,459)	6,294	13,975
Increase (decrease) in payables	4,515	10,954	(23,658)
Cash generated from operations	<u>26,344</u>	<u>101,371</u>	<u>142,238</u>
Income taxes paid	(14,578)	(100)	(20,975)
Net cash from operating activities	<u>11,766</u>	<u>101,271</u>	<u>121,263</u>
Investing activities			
Investments held for trading	45,506	12,850	294,057
Investments available for sale	(1,013)	261	(5,815)
Investments held to maturity	-	(103,699)	(305,024)
Sale (purchase) of lands, buildings & inventory	1,954	(10,172)	(5,452)
Purchase of fixtures & fittings	(1,443)	(3,100)	(5,919)
Purchase of investment property	-	(113)	(7,253)
Loans and advances	4,912	(4,610)	(39,743)
Deposits invested with financial institutions	(44,326)	234,247	254,939
Net cash from investing activities	<u>5,590</u>	<u>125,664</u>	<u>179,790</u>
Financing activities			
Ordinary and preference dividends paid	(17,277)	(15,967)	(25,430)
Special dividend on ordinary shares	-	(439)	(439)
Special dividend on 'A' ordinary shares	-	(79,684)	(79,684)
Buyback of 'A' ordinary shares	-	(95,873)	(95,873)
Repurchase of ordinary shares	-	(31,134)	(52,606)
Proceeds of re-issue of ordinary shares	20	1,730	1,881
Increase (decrease) increase in bank loans	323	(7,848)	(50,934)
Net cash used in financing activities	<u>(16,934)</u>	<u>(229,215)</u>	<u>(303,085)</u>
Net increase (decrease) in cash and cash equivalents	422	(2,280)	(2,032)
Cash and cash equivalents at the beginning of the period	35,618	37,423	37,423
Effect of foreign exchange rate changes	(478)	(121)	227
Cash and cash equivalents at the end of the period	<u>35,562</u>	<u>35,022</u>	<u>35,618</u>

FBD HOLDINGS PLC

CONDENSED GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
For half year ended 30th June 2008

	Half year Ended 30/06/08 (Unaudited) €000's	Half year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Income recognised directly in equity			
Revaluation of owner occupied property	-	-	2,743
Actuarial loss	-	-	(4,677)
Taxation on income/expense recognised directly in equity	-	-	(400)
Net income recognised directly in equity	<u>-</u>	<u>-</u>	<u>(2,334)</u>
Transfers			
Transfer to income statement on sale of land and buildings	-	(434)	(434)
Taxation on transfers to income statement	-	87	87
	<u>-</u>	<u>(347)</u>	<u>(347)</u>
(Loss)/profit after taxation	<u>(6,548)</u>	<u>44,700</u>	<u>140,075</u>
Total recognised income and expense	<u>(6,548)</u>	<u>44,353</u>	<u>137,394</u>
Attributable to:			
Equity holders of the parent	<u>(6,659)</u>	<u>44,353</u>	<u>137,193</u>
Minority interest	<u>111</u>	<u>-</u>	<u>201</u>
	<u>(6,548)</u>	<u>44,353</u>	<u>137,394</u>

FBD HOLDINGS PLC

CONDENSED GROUP RECONCILIATION OF CHANGES IN SHAREHOLDERS' FUNDS
For half year ended 30th June 2008

	Share Capital €000's	Capital Reserves €000's	Revaluation and Other Reserves €000's	Translation Reserve €000's	Retained Earnings €000's	Attributable to Ordinary Shareholders €000's	Preference Share Capital €000's	Minority Interest €000's	Total €000's
Balance at 1 January 2007	21,277	12,605	27,540	162	435,935	497,519	2,923	6,476	506,918
Profit after taxation	-	-	-	-	44,540	44,540	-	160	44,700
Return of capital	-	351	-	-	(175,996)	(175,645)	-	-	(175,645)
Buyback of own shares	-	-	-	-	(31,134)	(31,134)	-	-	(31,134)
Ordinary dividends paid	-	-	-	-	(15,798)	(15,798)	-	-	(15,798)
Reissue of ordinary shares	-	-	-	-	1,730	1,730	-	-	1,730
Transfer to income statement on sale of land and buildings	-	-	(436)	-	-	(436)	-	-	(436)
Exchange translation adjustment	-	-	-	(121)	-	(121)	-	-	(121)
Balance at 30 June 2007	21,277	12,956	27,104	41	259,277	320,655	2,923	6,636	330,214

	Share Capital €000's	Capital Reserves €000's	Revaluation and Other Reserves €000's	Translation Reserve €000's	Retained Earnings €000's	Attributable to Ordinary Shareholders €000's	Preference Share Capital €000's	Minority Interest €000's	Total €000's
Balance at 1 January 2008	21,277	12,956	29,986	389	318,981	383,589	2,923	5,689	392,201
(Loss)/profit after taxation	-	-	-	-	(6,659)	(6,659)	-	111	(6,548)
Recognition of share based payments	-	139	-	-	-	139	-	-	139
Ordinary dividends paid	-	-	-	-	(17,277)	(17,277)	-	-	(17,277)
Reissue of ordinary shares	-	-	-	-	20	20	-	-	20
Dividends paid to minorities	-	-	-	-	-	-	-	(180)	(180)
Exchange translation adjustment	-	-	-	(478)	-	(478)	-	-	(478)
Balance at 30 June 2008	21,277	13,095	29,986	(89)	295,065	359,334	2,923	5,620	367,877

FBD HOLDINGS PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30th June 2008

Note 1 - Accounting policies

The annual financial statements of FBD Holdings plc are prepared in accordance with 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 International Accounting Standards 34 'Interim Financial Reporting', as adopted by the European Union.

The accounting policies used by the Group to prepare the interim financial statements for the six month period ended 30th June 2008 are the same as those used to prepare the Group Annual Report for the year ended 31st December 2007 which is available at www.fbd.ie. IFRIC11: 'Group and Treasury Share Transactions' has become effective in the current period. The adoption of this standard has no impact on the Financial Statements of the Group.

Certain amounts in comparative periods have been reclassified to conform with current period presentation.

The information for the year ended 31st December 2007 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.

Note 2 - Longer term investment return

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 investment returns.

	Half Year Ended 30/06/08 (Unaudited) %	Half Year Ended 30/06/07 (Unaudited) %	Year Ended 31/12/07 (Audited) %
Government gilts - held for trading	4.00	4.00	4.00
- held to maturity	Actual Rates	Actual Rates	Actual Rates
Quoted shares	7.50	7.50	7.50
Deposits with banks	3.63	3.63	3.63
Investment properties held for rental	6.00	6.00	6.00

Note 3 – Total revenue and operating profit by activity

	Half Year Ended 30/06/08 (Unaudited) €000's	Half Year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Total Revenue:			
Underwriting	230,929	228,628	467,823
Non-underwriting	40,313	59,354	99,558
	<u>271,242</u>	<u>287,982</u>	<u>567,381</u>
Operating profit:			
Underwriting	35,897	53,681	220,335
Non-underwriting	4,844	11,437	15,175
	<u>40,741</u>	<u>65,118</u>	<u>235,510</u>
Non-Underwriting profit is analysed as follows:			
Leisure and leisure property development	3,203	7,397	9,292
Financial Services/Other	2,510	4,267	12,691
Capital fund	(869)	(227)	(6,808)
	<u>4,844</u>	<u>11,437</u>	<u>15,175</u>

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30th June 2008 (continued)

Note 4 - Underwriting result

	Half Year Ended 30/06/08 (Unaudited) €000's	Half Year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Gross written premiums	<u>198,335</u>	<u>205,445</u>	<u>407,953</u>
Net earned premiums	173,853	175,596	350,321
Net claims incurred	(130,586)	(122,777)	(131,427)
Net operating expenses	<u>(30,451)</u>	<u>(26,661)</u>	<u>(51,928)</u>
Underwriting result	<u><u>12,816</u></u>	<u><u>26,158</u></u>	<u><u>166,966</u></u>

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

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30th June 2008 (continued)

Note 5 - Dividends

	Half year Ended 30/06/08 (Unaudited) €000's	Half year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Paid in Period:			
2007 Interim dividend of 27.50c per share on ordinary shares of 60c each	-	-	9,395
2007 Final dividend of 52.00c (2006: 45.00c) per share on ordinary shares of 60c each	17,277	15,798	15,753
Dividend of 8.4c per share on 14% non-cumulative preference shares of 60c each	-	-	113
2007 Dividend of 4.8c (2006: 4.8c) per share on 8% non-cumulative preference shares of 60c each	-	169	169
Special dividend of nil (2007: 1.25c) per share on ordinary shares of 60c each	-	-	439
Special dividend of nil (2007: 499.00c) on 'A' ordinary shares of 1c each	-	-	79,684
	<u>17,277</u>	<u>15,967</u>	<u>105,553</u>
Proposed:			
2007 dividend of 8.4c per share on 14% non-cumulative preference shares of 60c each	-	113	-
2007 Dividend of 4.8c per share on 8% non-cumulative preference shares of 60c each	169	-	169
2007 Final dividend of 52.00c per share on ordinary shares of 60c each	-	-	17,277
2008 Interim dividend of 30.25c (2007: 27.50c) per share on ordinary shares of 60c each	10,052	9,394	-
	<u>10,221</u>	<u>9,507</u>	<u>17,446</u>

Note 6 - Ordinary share capital

	Number	Half year Ended 30/06/08 (Unaudited) €000's	Half year Ended 30/06/07 (Unaudited) €000's	Year Ended 31/12/07 (Audited) €000's
Authorised:				
At beginning and end of period/year:				
Ordinary shares of 60c each	<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/year	<u>35,461,206</u>	<u>21,277</u>	<u>21,277</u>	<u>21,277</u>

The total number of shares held as treasury shares at 30th June 2008 was 2,231,730.

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For half year ended 30th June 2008 (continued)

Note 7 – Earnings per 60c ordinary share

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

Earnings	Half year ended 30/06/08 (Unaudited) €000s	Half year ended 30/06/07 (Unaudited) €000s	Year ended 31/12/07 (Audited) €000s
(Loss)/profit for the period	(6,548)	44,701	140,075
Minority interest	(111)	(160)	(201)
Preference dividend	-	-	(282)
Earnings for the purpose of basic and diluted earnings per share	<u>(6,659)</u>	<u>44,541</u>	<u>139,592</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	32,876,000	34,979,000	34,407,000
Effect of dilutive potential of share options Outstanding	<u>247,000</u>	<u>299,000</u>	<u>251,000</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>33,123,000</u>	<u>35,278,000</u>	<u>34,658,000</u>
Basic earnings per share	<u>Cent (20.26)</u>	<u>Cent 127.34</u>	<u>Cent 405.71</u>
Diluted earnings per share	<u>(20.10)</u>	<u>126.26</u>	<u>402.77</u>

The calculation of the operating earnings per share is based on the following data:

Operating profit after taxation	Half year Ended 30/06/08 (Unaudited) €000s	Half year Ended 30/06/07 (Unaudited) €000s	Year Ended 31/12/07 (Audited) €000s
Operating profit after taxation	34,773	55,583	109,322
Minority interest	(111)	(160)	(201)
Preference dividend	-	-	(282)
Earnings for the purpose of operating earnings per share	<u>34,662</u>	<u>55,423</u>	<u>108,839</u>
Number of shares	<u>32,876,000</u>	<u>34,979,000</u>	<u>34,407,000</u>
Operating earnings per share	<u>Cent 105.43</u>	<u>Cent 158.45</u>	<u>Cent *316.33</u>

* The operating earnings per share comparative for the year ended 31st December 2007 has been adjusted to exclude the impact of change in reserving policy.

Note 8 – Capital commitments

Capital commitments at period end authorised by the Directors but not provided for in the Financial Statements:	Half year Ended 30/06/08 (Unaudited) €000s	Half year Ended 30/06/07 (Unaudited) €000s	Year ended 31/12/07 (Audited) €000s
Contracted for	<u>76</u>	<u>1,500</u>	<u>653</u>
Not contracted for	<u>300</u>	<u>1,081</u>	<u>562</u>

FBD HOLDINGS PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS For half year ended 30th June 2008 (continued)

Note 9 – Contingent assets

On 23rd 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.

Total consideration at €121,000,000 on the Tranche I land has been received. The Group recognised a profit of €81,774,000 on the sale Tranche I development land in the year to 31st December 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.

Note 10 – Transactions with related parties

Farmer Business Developments plc has a direct interest in 29.77% of the voting share capital in issue of the Company at 30th June 2008. Included in the financial statements at the year end is **€346,361** (2007: €384,641) due to Farmer Business Developments plc. Interest is charged on this balance at the market rate. The amount due to be settled on demand. No guarantees have been given or received at 30th June 2008.

Note 11 – Claims Reserving Policy

During its review of the Group's claims reserving policy at 31 December 2007, the Board concluded that sufficient evidence had emerged through claims settlement, that the positive impact arising from the measures on the claims environment including the introduction of penalty points, the Civil Liability and Courts Acts, random breath testing and the establishment of the Personal Injuries Assessment Board, had been maintained and decided to revise its reserving policy to reflect this. No further changes to this policy have been made in the six months ended 30th June 2008.

Note 12 – Subsequent events

There have been no subsequent events which would have material impact on these accounts.

Note 13 – Information

This half yearly Financial Report along with the Annual Report for the year ended 31st December 2007 is available on the Company's website at www.fbd.ie.

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