

FBD HOLDINGS PLC
PRELIMINARY ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2006

FINANCIAL HIGHLIGHTS	2006 €000s	2005 €000s	%
▪ Gross written premiums	407,256	389,472	+4.6%
▪ Net earned premiums	345,959	332,371	+4.1%
▪ Operating profit*	158,515	162,624	-2.5%
▪ Profit on sale of land at La Cala	81,774	-	n/a
	Cent	Cent	
▪ Operating earnings per share*	376.60	363.54	+3.6%
▪ Dividend per share	69.00	57.50	+20.0%
▪ Special dividend per share (paid) – La Cala land sale	160.00	-	n/a
▪ Net assets per share	1,424.76	1,250.62	+13.9%

* Based on longer term investment return.

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

"We are pleased to announce another year of excellent results for 2006. During the year we continued to grow new business volumes and Premium Income while further reducing premiums. Sustainable and competitive pricing combined with good service levels supported expansion of our customer base. Continued premium reductions impacted the underwriting result, increasing the combined ratio to 77.9 per cent. Ongoing savings from national initiatives in road safety and claims costs are essential to enable further premium reductions. "

ENDS

7th March 2007

For Reference

FBD

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FBD HOLDINGS PLC
PRELIMINARY RESULTS ANNOUNCEMENT

FBD Holdings plc ("FBD" or "the Group") is pleased to announce excellent results for the year ended 31st December 2006.

RESULTS

Group operating profit amounted to €158.5m., compared to €162.6m. in 2005.

Total operating income grew to €427.9m (2005: €404.5m). It is comprised of net earned premiums of €346.0m (2005: €332.4m) and investment income (calculated on the basis of longer term returns) of €48.0m (2005: €44.4m) arising in the Group's insurance underwriting business plus net income (i.e after expenses) of €33.9m (2005: €27.7m) from the Group's non-underwriting activities.

Expenses amounting to €269.4m. (2005: €241.9m) related to the Group's underwriting business. They comprise claim costs of €224.7m (2005: €202.5m.) and operating expenses of €44.7m. (2005: €39.4m).

Of the Group's operating profit of €158.5m, €124.6m (2005: €134.9m) is attributable to underwriting and €33.9m (2005: €27.7m) to non-underwriting, as detailed below.

Operating earnings per share, based on longer term investment returns amounted to 376.60c (2005: 363.54c)

Group profit before tax reflects the operating profit of €158.5m (2005: €162.6m), profit on the sale of land at La Cala of €81.8m (2005: no comparative), short-term fluctuations in investment returns of €61.4m (2005: €26.0m) and finance costs of €4.9m (2005: €3.4m).

UNDERWRITING

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

Gross written premiums (i.e. before reinsurance) increased to €407.3m., compared to €389.5m. in 2005. In the light of the reductions in average premium levels that prevailed in the market in 2006, this increase is satisfactory and reflects continued growth in customer numbers in the period.

Net earned premiums amounted to €346.0m. (2005: €332.4m).

The net claims incurred charge, amounted to €224.7m. (2005: €202.5m). comprised of net claims paid of €193.6m. (2005: €163.7m.) plus the movement in net outstanding claims provisions of €31.1m (2005: €38.8m). Increased exposures due to the increase in customer numbers together with less benign weather conditions than those experienced in 2005 contributed to the increase.

Net operating expenses amounted to € 44.7m. (2005: €39.4m).

The foregoing premium/claim/expenses figures resulted in an underwriting profit of €76.6m. (2005: €90.5m.). The 2006 net operating ratios were: loss ratio - 65.0% (2005: 60.9%); expense ratio - 12.9% (2005: 11.9%); combined ratio - 77.9% (2005: 72.8%).

After crediting investment income of €48.0m. (2005: €44.4m), the operating profit of FBD's underwriting business amounted to €124.6m. (2005: €134.9m).

NON-UNDERWRITING

The Group's non-underwriting activities include leisure/property development, financial services and the investment of non-allocated capital ("capital fund"). The contribution to operating profit from these activities amounted to €33.9m. (2005: €27.7m.)

Leisure and property interests, which include the La Cala and Sunset Beach resorts in Spain and the Tower Hotel Group in Ireland, contributed €10.1m (2005: €13.6m.) to operating profits. The 2005 comparative figure included fees arising on completion of a property related loan. As noted earlier, the profit of €81.8m achieved on the Tranche 1 portion of land sold at La Cala contributed significantly to the Group's pre-tax profits. La Cala's golf and hotel results improved and residential property sales of 38 units were achieved. The Sunset Beach Resort and Tower Hotels Group's results were ahead of 2005.

The Group's financial service businesses, which include general insurance broking (FBD Brokers), life assurance/pension broking/investment advice (FBD Life) and instalment finance (Abbey Finance) contributed €4.3m. (2005: €3.3m.) to operating profits. FBD Life maximised the opportunities for growth in the favourable climate that has existed in its markets, particularly for retail investment products. Meanwhile, FBD Brokers continued to be impacted by ongoing reductions in premium levels.

The capital fund, which is invested in "blue chip" equities delivered strong returns which amounted to €19.5m. (2005: €10.8m.)

BALANCE SHEET

Total assets at year end amounted to €1,686.6m (2005: €1,564.4m), an increase of 7.8% on 2005. Ordinary shareholders' funds amounted to €497.5m (2005: €476.1m), an increase of 4.5% for the year. The strong operating performance, the profit on the sale of land at La Cala and the performance of our equity portfolio contributed to the increase. Included in short term fluctuations in investment returns is a gain of €33.7m in respect of the disposal of "available for sale investments". Shareholders' funds at 31st December 2005 included €27.0m of this gain. The share buyback, amounting to €129.0m undertaken by the Company in June 2006 and the La Cala special dividend of €55.0m impacted the year end shareholders' funds' figure. Net Assets per share have grown to 1,424.76c (2005: 1,250.62c), an increase of 13.9%. The buyback and cancellation of shares, already mentioned, contributed to this increase.

FINAL DIVIDEND

Reflecting the Group's excellent results and the Board's commitment to increase the dividend to earnings ratio, a final dividend of 45.0c (2005: 37.5c) per share is being recommended by the Directors. This will bring the total dividend for the year to 69.0c (2005: 57.5c) an increase of 20%.

The final dividend will be paid on the 25th May 2007 to shareholders on the Company's Register at close of business on 16th March 2007. The final 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 Board is confident that the Group will continue its successful development in the year ahead.

Underwriting:

Year to date, the trend of premium reductions which has been a feature of the Irish insurance market in recent years has continued, with intense price competition occurring across all classes of business. We will continue to target challenging new business volumes at premium levels we deem to be appropriate and are pleased to report that, year to date, premium income is ahead of last year's corresponding figure.

The insurance environment experienced in Ireland in recent years is the result of unique factors. These include fraudulent claim prevention measures that were introduced, road safety initiatives (e.g. random breath testing, better law enforcement, extension of penalty points), health and safety measures in the workplace/home and the establishment of the Personal Injuries Assessment Board ("PIAB"). The assumptions which each individual insurer makes as to the ongoing impact these matters will have on future claims costs, influences its pricing decisions. Unless further ongoing savings from these and other initiatives are achieved, the pace of premium reductions will advance the convergence of Irish & European combined ratios.

FBD is exercising its own judgements in this environment and will continue to focus on strategies and plans that are designed to grow our underwriting business on the basis of efficiency, sustainability and profitability. These are the critical measures we apply in pursuing our growth objectives. Our approach for growing our business in the prevailing market is built around these key performance criteria.

Our ongoing investment in people, technology and facilities underpins our growth plans. This investment commitment is evidenced by the recent establishment of our new Business Support Centre in Mullingar, Co. Westmeath. The new Centre, which has a start-up complement of 50 new staff, will increase the capacity of our network and play an important role in enabling us to deliver on our business development plans.

Non-Underwriting:

As regards our non-underwriting businesses, we will continue to effect strategies that are focused on maximising returns to shareholders. Our property, leisure and financial service interests face challenges and opportunities that are unique to their individual sectors. Each of these businesses are pursuing ambitious plans to ensure success and we are confident that they will perform to expectations.

Regarding La Cala, the decision last year to dispose of development land at the resort, at significant profit, confirms the ongoing commercial assessment the Group undertakes in relation to all its businesses and the focus it maintains on optimising shareholders' interests. As investors are aware, a special dividend, amounting to €55m in total, was paid in August 2006 in respect of Tranche 1 land net proceeds. Payment for the second Tranche of land awaits final approval from the Regional Planning Authority. As previously advised, due to delays being experienced in this process, final approval is unlikely to be received before year end. A distribution of the remaining net sale proceeds, estimated at €65m, will be made when payment of final monies, triggered by the planning approval, is received. As regards La Cala's ongoing activities, we expect golf and hotel performance and residential property sales to deliver their budgets for the year. Likewise, we are optimistic that Sunset Beach Resort and Tower Hotel Group will achieve their profit targets.

Our financial services businesses have commenced the year well and we are confident that they will deliver satisfactory performances.

Capital:

Capital efficiency is a fundamental principle which the Group applies in all its businesses. The Company has repatriated €265m of capital to shareholders, in addition to significantly increased ordinary dividend payments, over the past 2 years. The utilisation of capital generated for the maximum benefit of shareholders will continue to be determined in the context of the development strategies which the Group pursues. It is a matter to which the Board gives ongoing attention. Meanwhile, shareholders' funds will continue to be invested prudently.

ENDS

Note

Management will present these results to analysts at 10 am. to-day. 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 THE YEAR ENDED 31ST DECEMBER 2006

		2006 €000s	2005 €000s
Turnover		693,926 =====	531,747 =====
Income			
Net premium earned		345,959	332,371
Non-underwriting operating income		33,919	27,739
Investment income – longer term rate of return		48,054	44,435
		----- 427,932	----- 404,545
Expenses			
Change in insurance liabilities net of reinsurance		(31,064)	(38,809)
Claims paid, net of recoveries from reinsurers		(193,648)	(163,666)
Operating expenses		(44,705)	(39,446)
		-----	-----
Operating profit	Note 1	158,515	162,624
Profit on the sale of land at La Cala	Note 3	81,774	-
Investment income – short term fluctuation		61,350	25,956
Finance costs		(4,859)	(3,425)
		-----	-----
Profit before tax		296,780	185,155
Income tax expense		(49,948)	(23,701)
		-----	-----
Profit for the year		246,832 =====	161,454 =====
Attributable to:			
Equity holders of the parent		246,641	161,500
Minority interest		191	(46)
		----- 246,832 =====	----- 161,454 =====
		2006 Cent	2005 Cent
Earnings per 60c ordinary share		678.82 =====	416.09 =====
Diluted earnings per 60c ordinary share		671.28 =====	411.45 =====

FBD HOLDINGS PLC
GROUP BALANCE SHEET - ASSETS
AT 31ST DECEMBER 2006

	2006 €000s	2005 €000s
Property and equipment		
Land and buildings	213,564	196,923
Fixtures and fittings	16,815	13,302
	-----	-----
	230,379	210,225
	-----	-----
Intangible assets		
Deferred acquisition costs	13,517	11,849
	-----	-----
Investments		
Investment property	81,181	48,856
Investments held for trading	558,850	477,310
Available for sale investments	3,727	47,290
Investments held to maturity	171,799	13,740
Deposits with banks	327,973	443,042
	-----	-----
	1,143,530	1,030,238
	-----	-----
Inventories	66,433	62,496
	-----	-----
Loans and receivables	122,762	141,673
	-----	-----
Reinsurers' share of technical provisions		
Provision for unearned premiums	21,953	19,412
Claims outstanding	50,600	46,622
	-----	-----
	72,553	66,034
	-----	-----
Cash and cash equivalents	37,423	41,897
	-----	-----
Total assets	1,686,597	1,564,412
	=====	=====

FBD HOLDINGS PLC
GROUP BALANCE SHEET - LIABILITIES
AT 31ST DECEMBER 2006

	2006 €000s	2005 €000s
Equity		
Share capital	21,277	23,557
Capital reserves	12,605	9,813
Revaluation reserves	27,540	47,706
Translation reserves	162	435
Retained earnings	435,935	394,616
	-----	-----
Shareholders' funds - equity interests	497,519	476,127
Preference share capital	2,923	2,923
	-----	-----
Total shareholders' funds	500,442	479,050
Minority interests	6,476	6,423
	-----	-----
Total equity	506,918	485,473
	-----	-----
Liabilities		
Technical provisions		
Provision for unearned premiums	197,507	188,953
Claims outstanding	734,439	699,397
	-----	-----
	931,946	888,350
	-----	-----
Bank and other loans	112,350	99,831
	-----	-----
Creditors	90,841	51,434
	-----	-----
Current tax	7,728	3,395
	-----	-----
Deferred tax	33,227	33,873
	-----	-----
Retirement benefit obligation	3,587	2,056
	-----	-----
Total liabilities	1,686,597	1,564,412
	=====	=====

FBD HOLDINGS PLC
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006 €000s	2005 €000s
Operating activities		
Profit before tax for the year	296,780	185,155
Adjustments for:		
Gains on investments held for trading and held to maturity	(30,128)	(41,031)
Depreciation of property and equipment	3,525	3,487
Share-based payment expense	512	774
Increase in fair value of investment property	(4,200)	-
Increase in technical provisions	37,077	44,696
Profit on sale of land at La Cala	(81,774)	-
	-----	-----
Operating cash flows before movement in working capital	221,792	193,081
Increase in receivables	(26,261)	(4,274)
Increase (decrease) in payables	29,326	(26,665)
	-----	-----
Cash generated from operations	224,857	162,142
Income taxes paid	(44,348)	(20,516)
	-----	-----
Net cash from operating activities	180,509	141,626
	-----	-----
Investing activities		
Investments held for trading	(51,495)	(96,510)
Investments held to maturity	(157,976)	-
Investments available for sale	13,456	(5,162)
Sale (purchase) of land, buildings and inventory	69,469	(13,430)
Purchase of fixtures and fittings	(7,038)	(6,242)
Purchase of investment property	(28,125)	(24,656)
Loans and advances	43,504	(3,789)
Deposits invested with financial institutions	115,069	95,378
	-----	-----
Net cash used in investing activities	(3,136)	(54,411)
	-----	-----
Financing activities		
Dividends paid	(77,672)	(18,158)
Repurchase of ordinary shares	(129,213)	(81,238)
Proceeds of re-issue of ordinary shares	5,432	1,409
Increase in bank loans	19,879	1,243
	-----	-----
Net cash used in financing activities	(181,574)	(96,744)
	-----	-----
Net decrease in cash and cash equivalents	(4,201)	(9,529)
Cash and cash equivalents at the beginning of the year	41,897	51,362
Effect of foreign exchange rate changes	(273)	64
	-----	-----
Cash and cash equivalents at the end of the year	37,423	41,897
	=====	=====

FBD HOLDINGS PLC
GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006	2005
	€000s	€000s
Income recognised directly in equity		
Gain on available for sale investments	806	18,033
Revaluation of owner occupied property	8,476	-
Actuarial loss	(3,869)	(3,802)
Taxation on income/expense recognised directly to equity	(2,400)	(2,254)
	-----	-----
Net income recognised directly in equity	3,013	11,977
	-----	-----
Transfers		
Transfers to income statement on sale of available for sale investments	(30,913)	(6,384)
Transfer to income statement on sale of land and buildings	-	(1,071)
Taxation on transfers to income statement	3,865	801
	-----	-----
	(27,048)	(6,654)
	-----	-----
 Profit after taxation	 246,832	 161,454
	-----	-----
Total recognised income and expense	222,797	166,777
	=====	=====
 Attributable to:		
Equity holders of the parent	222,744	166,823
Minority interest	53	(46)
	-----	-----
	222,797	166,777
	=====	=====

FBD HOLDINGS PLC
GROUP RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 2006

2005	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 1st January 2005	25,151	7,445	38,581	371	334,905	406,453	2,923	16,333	425,709
Profit after taxation	-	-	-	-	161,500	161,500	-	(46)	161,454
Exchange translation adjustment	-	-	-	64	-	64	-	-	64
Dividends paid	-	-	-	-	(18,158)	(18,158)	-	-	(18,158)
Buyback of own shares	-	-	-	-	(81,238)	(81,238)	-	-	(81,238)
Cancellation of own shares	(1,594)	1,594	-	-	-	-	-	-	-
Reissue of ordinary shares	-	-	-	-	1,409	1,409	-	-	1,409
Recognition of share based payments	-	774	-	-	-	774	-	-	774
Transfer to income statement on sale of available for sale investments	-	-	(5,583)	-	-	(5,583)	-	-	(5,583)
Gain on available for sale investments	-	-	15,779	-	-	15,779	-	-	15,779
Purchase of minority interest	-	-	-	-	-	-	-	(9,864)	(9,864)
Actuarial loss on pension fund valuation	-	-	-	-	(3,802)	(3,802)	-	-	(3,802)
Sale of land and buildings	-	-	(1,071)	-	-	(1,071)	-	-	(1,071)
Balance at 31 December 2005	23,557	9,813	47,706	435	394,616	476,127	2,923	6,423	485,473
2006									
Profit after taxation	-	-	-	-	246,641	246,641	-	191	246,832
Exchange translation adjustment	-	-	-	(273)	-	(273)	-	-	(273)
Dividends paid	-	-	-	-	(77,672)	(77,672)	-	-	(77,672)
Buyback of own shares	-	-	-	-	(129,213)	(129,213)	-	-	(129,213)
Cancellation of own shares	(2,280)	2,280	-	-	-	-	-	-	-
Reissue of ordinary shares	-	-	-	-	5,432	5,432	-	-	5,432
Recognition of share based payments	-	512	-	-	-	512	-	-	512
Transfer to income statement on sale of available for sale investments	-	-	(27,048)	-	-	(27,048)	-	-	(27,048)
Gain on available for sale investments	-	-	706	-	-	706	-	-	706
Actuarial loss on pension fund valuation	-	-	-	-	(3,869)	(3,869)	-	-	(3,869)
Revaluation of owner occupied property	-	-	6,176	-	-	6,176	-	(138)	6,038
Balance at 31 December 2006	21,277	12,605	27,540	162	435,935	497,519	2,923	6,476	506,918

FBD HOLDINGS PLC
SUPPLEMENTARY INFORMATION
FOR YEAR ENDED 31ST DECEMBER 2006

Note 1 - Operating profit by activity

	2006 €000s	2005 €000s
Underwriting	124,598	134,885
Non underwriting	<u>33,917</u>	<u>27,739</u>
	<u>158,515</u>	<u>162,624</u>

Note 2 - Underwriting result

	2006 €000s	2005 €000s
Gross written premiums	<u>407,256</u>	<u>389,472</u>
Net earned premiums	345,959	332,371
Net claims incurred	(224,712)	(202,475)
Net operating expenses	(44,705)	(39,446)
Underwriting result	<u>76,542</u>	<u>90,450</u>

	%	%
Ratios:		
Net loss ratio	65.0	60.9
Net expense ratio	12.9	11.9
Combined ratio	77.9	72.8

Note 3 Profit on sale of land at La Cala

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.

On 22nd 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 30th June 2007. The Group has 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.

FBD HOLDINGS PLC
SUPPLEMENTARY INFORMATION (continued)
FOR YEAR ENDED 31ST DECEMBER 2006

Note 4 - Dividends

	2006	2005
	€000s	€000s
Paid in Period		
2006 Interim dividend of 24.00c (2005: 20.00c) per share on ordinary shares of 60c each	8,247	7,578
2005 Final dividend of 37.50c (2005: 27.28c) per share on ordinary shares of 60c each	14,277	10,298
Dividend of nil (2005: 8.4c) per share on 14% non-cumulative preference shares of 60c each	-	113
Dividend of 4.8c (2005: 4.8c) per share on 8% non-cumulative preference shares of 60c each	169	169
Special dividend of 160.00c (2005: nil) per share on ordinary shares	54,978	-
	77,672	18,158
Proposed:		
Dividend of 8.4c (2005: nil) per share on 14% non-cumulative preference shares of 60c each	113	-
Dividend of 4.8c per (2005: 4.8c) per share on 8% non-cumulative preference shares of 60c each	169	169
2006 Final dividend of 45.00c (2005 37.50c) per share on ordinary shares of 60c each	15,714	14,277
	15,996	14,446

Note 5 - Share capital

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

The total number of shares held as treasury shares at 31st December 2006 was 541,775.