3 March 2010

FBD HOLDINGS PLC
PRELIMINARY ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS	**2009**	**2008**
	€000s	**€000s**
▪ Gross premium written	**357,244**	**385,638**
▪ Net premium earned	**314,604**	**343,075**
▪ Operating profit	**28,880**	**65,783**
▪ Loss before taxation	**(34,644)**	**(38,607)**
	Cent	**Cent**
▪ Operating earnings per share	**75**	**172**
▪ Dividend per ordinary share	**30**	**40**
▪ Net assets per 60c ordinary share	**576**	**709**

OPERATIONAL HIGHLIGHTS

- Continued solid operational performance in a challenging year, with operating profit of €28.9m
- Profitable operating contribution from all divisions
- Maintained position as Ireland's second largest property and casualty insurer
- Adjustment of €57.8m following revaluation of assets leads to loss before tax of €34.6m
- Final dividend of 20 cent per share
- Strong capital base and prudent reserving policy with solvency level of 52% up from 50% in 2008

- The rate of contraction in gross premium written experienced early in 2009 slowed as the year progressed
- Although the results for 2009 were impacted by exceptional claims experience, underlying operating trends improved
- Market rates hardened in 2009 and weather events late in year will necessitate further increases
- Continuing implementation of cost improvements and claims initiatives

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

"FBD delivered a solid operational performance in what was a challenging year for both the insurance industry and Ireland's economy. Against a background of unprecedented levels of weather related claims and an uncertain economic environment, FBD's underwriting discipline and prudent reinsurance policy protected the Group's operating results, its capital base and solvency. At the same time, the Group made significant progress in advancing its strategic priorities".

Ends.

A presentation will be made to analysts at 10.15am today, a copy of which will be available on our Group website, www.fbdgroup.com from that time.

About FBD Holdings plc

FBD is Ireland's second largest non-life insurer looking after the insurance needs of private individuals, farmers and business owners. The Group has developed complementary financial service businesses and has hotel and leisure property interests that include four hotels in Ireland and two resorts in southern Spain. The Group was established in the 1960s and is quoted on the Irish and London stock exchanges.

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.

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These results will be presented to analysts at 10.15 a.m., today, 3 March 2010. A copy of the presentation will be posted on the Group's website, www.fbdgroup.com, at that time.

Review of Operations

Overview

FBD continued to deliver solid operational performance in 2009, a challenging year for both the insurance industry and Ireland's economy. Against a background of an unprecedented level of weather related claims and the economic decline, FBD's underwriting discipline and prudent reinsurance policy protected the Group's trading results, its capital base and solvency. At the same time, the Group made significant progress in advancing its strategic priorities.

At €28.9m, operating profit was lower than 2008. Operating profit in our primary underwriting business was €22.4m and non-underwriting operating profit was €6.5m. Profitability in the underwriting business was lower principally because of (i) lower premium income as a result of the reduction in economic activity, (ii) FBD's decision not to grow volume in certain areas at uneconomic rates, (iii) a deterioration in the loss ratio and (iv) a lower longer term investment return. The deterioration in the loss ratio relates particularly to an unusual level of weather events and a higher cost of large claims. The industry claims experience has contributed to a hardening of insurance rates across the Irish market. Notably, the rate of decline in gross premium income diminished as the year progressed.

Despite the impact of reducing volumes, industry data shows that FBD maintained its position as the second largest property and casualty insurer in Ireland, a position achieved for the first time in 2008. At the same time as maintaining its market position, FBD's insurance risk exposure reduced.

Underwriting management expenses remained in line with 2008 as the expected benefits of the office realignment process and other cost containment exercises were crystalised.

In challenging market conditions, FBD's non-underwriting operations have delivered a solid result. The Group's property & leisure businesses in Ireland and Spain delivered operating profits and positive cash flows in 2009. Oversupply in the market place is the key challenge facing the businesses and market capacity needs to reduce to match falling consumer demand. New marketing and sales initiatives and operational cost efficiencies continue to be identified and implemented to achieve targets. Sunset Beach Resort performed particularly strongly.

FBD's financial services businesses continued to deliver a solid performance in difficult market environments. These businesses have proactively managed their cost structures to reflect the economic circumstances.

The value of the Group's property assets has reduced in line with market values in Ireland and Spain. Valuation adjustments of €63.1m (2008: €126.5m), including €57.8m on the face of the consolidated income statement and €5.3m directly to reserves, have been booked in 2009 on the basis of mark-to-market or fair value accounting principles. After charging finance costs of €3.4m (2008: €4.5m) the Group recorded a loss before tax of €34.6m (2008: €38.6m). FBD Group continues to have a strong capital base and balance sheet. FBD Insurance had a solvency level of 52% of net premium earned at 31 December 2009, up from 50% at 31 December 2008.

The Group's underlying operating performance improved significantly in the second half of the financial year as a result of action on rates, the implementation of claims initiatives and the benefit of cost reductions.

Business Review

Underwriting

The Irish insurance market contracted by 6% during 2009 as the reduction in insurable risk and values more than offset increasing prices. FBD's gross premium written reduced by 7.4% to €357.2m (2008: €385.6m) as the Group was not prepared to grow volume in certain less profitable personal lines segments. Net premium earned amounted to €314.6m (2008: €343.1m).

FBD's progress in Dublin and other large urban centres has continued with 13% of total premium income now coming from Dublin and market share just below 5%. The initiative launched in April 2008 to increase commercial lines business in Dublin, via intermediaries, has proved successful and further brokers have been added to our panel. NoNonsense.ie and FBD.ie (our on-line offerings) continue to attract a higher proportion of customers from Dublin and other urban centres. Following the realignment of our office network, local office staff are focused on providing an enhanced level of service to our farming and commercial customers, a key strategic priority.

Over 75% of motor and home insurance customers are now using the internet or telephone to purchase insurance. For customers wishing to use the internet, FBD.ie and NoNonsense.ie provide an on-line full service facility enabling customers to choose the level of cover they require and pay on-line. In September 2009, FBD.ie launched an on-line renewal facility that has improved customer service and efficiency. Take up to date is ahead of expectations. For customers wishing to organise their insurance over the phone, FBD's support centre provides the Group with the sales and service capacity to grow personal lines business in the most cost efficient and customer focused manner.

Net claims incurred amounted to €263.5m (2008: €271.2m). The loss ratio (claims incurred, net of reinsurance as a percentage of earned premium net of reinsurance) for 2009 was 83.8% (2008: 79.1%) and was heavily impacted by severe weather events and higher than normal large claims experience, attributable to deterioration in a small number of prior year claims. On the other hand, Ireland continues to experience a reduction in the number of road deaths. FBD's frequency of motor injury claims has reduced.

Severe weather claims were a major feature of 2009. The cost of the unprecedented flooding and freeze incidents in November and December, are far in excess of any previous weather related event in the Irish market. The 2009 cost to FBD was €13.5m, net of reinsurance. FBD's risk management policy determines the Group's appetite for risk and limits the exposure that FBD is prepared to accept from any event or series of events. In respect of weather related events, the objective is to limit the Group's exposure so as to protect profitability, solvency and shareholders' capital. This objective was achieved in recent months.

While the Group's reported loss ratio has disimproved from 79.1% in 2008 to 83.8% in 2009, there has been a continuing improvement in the underlying loss ratio (excluding exceptional large claims experience and claims related to unusual levels of weather events), which is down from 69.3% in 2008 to 63.9% in 2009 and reduced further in the second half of 2009 to 61.8%. The underlying loss ratio has improved in each of the property, motor and liability accounts and has benefited from the Group's timely action on rates and its initiatives to reduce the cost of claims.

Claims reserves provided a positive runoff again in 2009 despite deterioration in a small number of prior year large claims, demonstrating the strength of the Group's reserving position.

Underwriting management expenses in 2009 were in line with the previous year. The benefit of the office network realignment process, together with other cost initiatives undertaken by the Group were fully realised in the second half of the year.

A rise in the cost of reinsurance and the impact of reducing net premium earned have contributed to an increase in the net expense ratio (other underwriting expenses as a percentage of earned premium, net of reinsurance) for 2009 to 20.3% (2008: 17.0%). Group head count (full-time equivalents) has reduced from 1,941 at 31 December 2008 to 1,744 at 31 December 2009.

The Group's combined operating ratio for 2009 was 104.1% (2008: 96.1%) resulting in an underwriting loss of €12.9m (2008: profit of €13.4m).

Longer term investment return at €35.3m was lower than the €43.9m in 2008 as the rate of return attributable to investments has reduced in light of a lower expectation for future interest rates. The average asset mix throughout the year was also more conservative.

Non-underwriting

Market conditions for the non-underwriting businesses in Ireland and Spain continue to be challenging. However, in this environment, non-underwriting operations generated an operating profit of €6.5m (2008: €8.5m).

The Group's leisure and property interests include La Cala and Sunset Beach Resort in Spain and FBD Hotels in Ireland. In the unprecedented difficult trading conditions these businesses delivered a solid result generating an operating profit of €2.8m (2008: €6.0m) and positive cash flow from operations. The operating profit was lower than the previous year principally because the hotels located in Ireland were impacted by market oversupply. Sunset Beach Resort continued to perform strongly and the sale of properties in La Cala improved in the latter part of the year.

Financial services/other, includes the contributions from general insurance broking (FBD Brokers), life assurance/pension, broking/investment advice (FBD Financial Solutions), instalment finance and holding company costs. Operating profits of €3.7m were generated (2008: €3.4m). Reduced holding company costs more than offset the impact of reduced customer appetite for retail investment products in FBD Financial Solutions.

Pre-tax result

The result before taxes was adversely impacted by a negative fluctuation in investment return amounting to €28.8m (2008: €92.3m) and revaluation of property, plant and equipment of €29.0m (2008: Nil). This reflects the impact of reducing property prices. Restructuring costs of €2.3m (2008: €7.6m) have been charged to the consolidated income statement in 2009 in respect of the finalisation of the office network realignment process and the implementation of cost restructuring in the property and leisure operations.

After charging finance costs of €3.4m (2008: €4.5m), the Group recorded a loss before tax of €34.6m (2008: €38.6m).

Earnings per share

Operating earnings per 60 cent Ordinary Share based on longer term investment return amounted to 74.61 cent compared to 171.50 cent the previous year. Diluted earnings per 60 cent Ordinary Share was (91.05) cent (2008: 100.59 cent).

Dividends

The Board is committed to ensuring that the Group's capital position continues to be robust and its balance sheet well managed. This reflects the Board's view that it is in the long-term interest of all shareholders to maintain strong solvency and liquidity margins. The Group is committed to a progressive dividend policy and efficient capital management.

The Board is recommending a 2009 final dividend payout of 20 cent per ordinary share (2008: 10 cent) bringing the full 2009 dividend to 30 cent (2008: 40.25 cent). This equates to a dividend payout ratio (dividend as a percentage of operating earnings after finance charges) of 46% (2008: 25%). In line with the Group's target payout ratio, the increase in the payout ratio reflects the Board's expectation that earnings volatility will reduce now that the level of activity in the Irish economy as a whole has stabilised. Subject to the approval of shareholders at the Annual General Meeting to be held on 30 April 2010, this final dividend for 2009 will be paid on 5 May 2010 to the holders of shares on the register on 12 March in 2010.

The dividend is subject to a 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.

Statement of Financial Position

The Group's statement of financial position remains very strong. Ordinary shareholders' funds amounted to €191.5m (2008: €235.4m) and net assets per ordinary share were €5.76 cent (2008: €7.09 cent).

FBD Insurance maintains a low risk investment strategy with 86% of its total investment portfolio invested in government gilts and cash assets. In 2009 the Group invested a further €115.0m in government gilts. Table 1 shows how the assets of the underwriting business were invested at the beginning and end of the year.

Table 1 – Underwriting Business Asset Allocation

	31 December 2009		31 December 2008	
	€m		€m	
Government gilts	581	56%	466	45%
Deposits & cash	110	11%	206	20%
Trade & other debtors	101	10%	102	10%
Reinsurers' share of technical provisions	93	9%	59	6%
Investment property	43	4%	53	5%
Secured loans	37	3%	58	6%
Equities & corporate bonds	36	3%	45	4%
Own land & buildings	22	2%	24	2%
Fixtures & fittings	17	2%	16	2%
	1,040	100%	1,029	100%

In 2009, under mark-to-market or fair value accounting principles, the Group as a whole booked €57.8m (2008: €92.3m) of valuation adjustments through the consolidated income statement and wrote off a further €5.3m (2008: €34.2) directly to reserves, a total of €63.1m (2008: €126.5m). These adjustments are set out in Table 2 below.

Table 2 – Group Assets/Valuation Adjustments

	Assets 31 December 2009 €m	Assets 31 December 2008 €m	Valuation adjustments 2009 €m
Government gilts	581.1	465.8	-
Hotel & golf resort assets	136.3	167.1	(31.9)
Deposits & cash	119.5	218.9	-
Trade, other debtors, unsecured loans and deferred tax	106.7	103.5	-
Reinsurers' share of technical provisions	93.2	59.0	-
Inventories	59.2	62.4	-
Investment property	43.3	52.5	(8.5)
Equities & corporate bonds	39.5	49.1	4.3
Secured loans	36.9	57.9	(24.5)
Own land & buildings	21.8	24.4	(2.5)
Fixtures & fittings	18.3	17.2	-
	1,255.8	1,277.8	(63.1)

The Group's portfolio of prime property assets held for the long-term were valued by professional external valuers or at a lower amount if the Directors deemed it appropriate to take a more prudent view. Investment properties are incorporated in the balance sheet at a current yield of 7.83% and secured loans are valued at a level approximating the value of the underlying security. The cumulative valuation adjustments made in the last two years are summarised in the following table:

Table 3 - Cumulative valuation adjustments as a percentage of December 2007 values

	%
Hotel & golf resort assets	29%
Investment property	47%
Secured loans	47%

UK property values stabilised late in the second half of 2009 and, while Spanish property values declined during 2009, the rate has slowed. In Ireland, however, professional valuers have become significantly more prudent since June. We believe that as a result of the valuation impairments recognised and the de-risking of our investment book, the potential for further downside from the Group's investments has been greatly reduced.

All Group investments are accounted for on a mark-to-market or fair value basis, with the exception of development land at La Cala and government gilts. La Cala development land is included within inventories at the lower of cost and net realisable value. The independent external valuation conducted at 31 December 2009 reported a value which exceeded cost by €30.8m. Government gilts held to maturity are included in the balance sheet at amortised cost. If these gilts were recognised on a mark-to-market basis, a surplus of €30.7m would arise.

FBD Group has a strong capital base and balance sheet. FBD Insurance had a solvency level of 52% of net premium earned at the end of 2009, up from 50% at the end of 2008. FBD also has a prudent reserving strategy and in the same period, its reserving ratio (net technical provisions divided by net premium earned) increased from 220% to 240%. This is supported by a positive run-off of claims reserves again in 2009, despite the deterioration in a small number of prior year large claims.

Outlook

Underwriting

While economic uncertainty remains, the rate of Irish economic contraction has slowed considerably. The Group's underwriting business is, by its nature, defensive and its spread of business is not overly exposed to any one sector.

With an industry combined operating ratio of over 100% in 2009 and the prospect of lower investment returns, further industry rate increases are required to deliver an acceptable return on capital. The Directors expect the Group's focus on rating discipline, managing claims costs and expense containment to deliver an improved combined ratio in 2010. We expect that the rate of FBD's volume decline, which has slowed since early 2009, will continue to slow, if not reverse.

The severe weather conditions continued into January of 2010 and the related claims costs in 2010 are currently estimated at €12m, net of reinsurance. There is evidence in the market that the weather related claims in late 2009 and early 2010, which will cost the industry in the region of €550m, have already led to market rate increases and further increases are anticipated. Given FBD's relatively fixed cost base, the Group will benefit from positive operating leverage as prices rise.

FBD Insurance will focus on profitable growth, constantly evolving its business to reflect customers' needs. The Group will continue to implement its plan to increase penetration of key urban markets, in particular Dublin, and the commercial insurance market. At the same time, the Group continues to devote considerable resources to developing its core farming account, a key strategic priority.

Non-underwriting

The environment for the non-underwriting businesses is expected to remain difficult in 2010. Oversupply in the market place is the key challenge facing the property and leisure businesses, particularly in Ireland and recovery will be dependent on a reduction in market capacity. The Group will continue to outperform competitors by focusing on initiatives that will enhance revenue and/or reduce costs, so as to maintain profitable and cash generative businesses through the recessionary period.

Group

FBD Group has a strong capital base and balance sheet and a prudent reserving strategy. The Board is confident that FBD will continue to outperform its peers in delivering superior returns to shareholders. FBD has demonstrated its capacity to deliver operating profits in difficult market conditions and is well positioned to deliver long-term profitable growth, particularly in an environment where premium rates are hardening.

FBD Holdings plc
Consolidated Income Statement
For the Year Ended 31 December 2009

	2009 €000s	Restated 2008 €000s
Revenue	**476,159**	521,571
Income		
Gross premium written	**357,244**	385,638
Reinsurance premiums	**(54,107)**	(57,083)
Net premium written	**303,137**	328,555
Change in provision for unearned premiums	**11,467**	14,520
Net premium earned	**314,604**	343,075
Net investment return	**6,515**	(48,377)
Non-underwriting income	**72,774**	80,203
Total income	**393,893**	374,901
Expenses		
Net claims and benefits	**(263,492)**	(271,205)
Other underwriting expenses	**(64,020)**	(58,470)
Non-underwriting expenses	**(66,285)**	(71,750)
Revaluation of property, plant and equipment	**(29,048)**	-
Restructuring costs	**(2,315)**	(7,609)
Finance costs	**(3,377)**	(4,474)
Loss before tax	**(34,644)**	(38,607)
Income tax credit	**3,714**	5,607
Loss for the year	**(30,930)**	(33,000)
Attributable to:		
Equity holders of the parent	**(30,190)**	(33,270)
Minority interest	**(740)**	270
	(30,930)	(33,000)

	2009 Cent	2008 Cent
Basic earnings per 60c ordinary share	**(91.59)**	(100.94)
Diluted earnings per 60c ordinary share	**(91.05)**	(100.59)

Comparative figures for the year ended 31 December 2008 have been restated as detailed in Note 6. All results derived from continuing operations.

FBD Holdings plc
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2009

	2009 €000s	Restated 2008 €000s
Loss for the year	**(30,930)**	(33,000)
(Loss)/gain on available for sale financial assets	**(1,554)**	199
Revaluation of property, plant and equipment	**(5,241)**	(34,166)
Actuarial loss	**(8,556)**	(10,174)
Exchange differences on translation of foreign operations	**747**	(1,070)
Other comprehensive expense before tax	**(14,604)**	(45,211)
Tax credit relating to other comprehensive income	**6,884**	5,813
Other comprehensive expense after tax	**(7,720)**	(39,398)
Total comprehensive expense for the year	**(38,650)**	(72,398)
Attributable to:		
Equity holders of the parent	**(37,664)**	(71,205)
Minority interests	**(986)**	(1,193)
	(38,650)	(72,398)

Comparative figures for the year ended 31 December 2008 have been restated as detailed in Note 6.

FBD Holdings plc
Pro Forma Reconciliation of Consolidated Operating Profit to Loss before Tax (non-IFRS)
For the Year Ended 31 December 2009

	2009 €000s	**2008 €000s**
Underwriting	**22,391**	57,330
Non-underwriting	**6,489**	8,453
Operating profit before tax	**28,880**	65,783
Investment return - fluctuations	**(28,784)**	(92,307)
Revaluation of property, plant and equipment	**(29,048)**	-
Restructuring costs	**(2,315)**	(7,609)
Finance costs	**(3,377)**	(4,474)
Loss before tax	**(34,644)**	(38,607)

Refer to Note 6 for the basis of preparation of this pro-forma statement, which is supplementary to the primary statements required under International Financial Reporting Standards.

FBD Holdings plc
Consolidated Statement of Financial Position
At 31 December 2009

ASSETS

	2009 €000s	2008 €000s
Property, plant and equipment	**176,479**	208,659
Loans	**43,863**	70,489
Deferred tax asset	**6,907**	-
Financial Assets		
Investments held to maturity	**581,096**	479,626
Available for sale investments	**9,476**	11,051
Investment property	**43,267**	52,538
Investments held for trading	**30,000**	24,112
Deposits with banks	**75,462**	183,143
	739,301	750,470
Reinsurance assets		
Provision for unearned premiums	**25,503**	25,450
Claims outstanding	**67,686**	33,544
	93,189	58,994
Inventories	**59,226**	62,383
Current tax assets	**175**	4,820
Deferred acquisition costs	**19,963**	17,733
Other receivables	**72,681**	68,539
Cash and cash equivalents	**44,036**	35,713
Total assets	**1,255,820**	1,277,800

FBD Holdings plc
Consolidated Statement of Financial Position
At 31 December 2009

EQUITY AND LIABILITIES	2009 €000s	2008 €000s
Equity		
Ordinary share capital	**21,409**	21,409
Capital reserves	**14,297**	13,599
Revaluation reserves	**742**	3,295
Translation reserves	**66**	(681)
Retained earnings	**154,994**	197,788
Shareholders' funds - equity interests	**191,508**	235,410
Preference share capital	**2,923**	2,923
Equity attributable to equity holders of the parent	**194,431**	238,333
Minority interests	**3,030**	4,151
Total equity	**197,461**	242,484
Insurance contract liabilities		
Provision for unearned premiums	**176,603**	188,017
Claims outstanding	**671,429**	626,188
	848,032	814,205
Borrowings	**120,051**	110,968
Retirement benefit obligation	**23,103**	16,112
Deferred tax liability	**10,507**	15,062
Payables	**56,666**	78,969
Total liabilities	**1,058,359**	1,035,316
Total equity and liabilities	**1,255,820**	1,277,800

FBD Holdings plc
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2009

	2009 €000s	Restated 2008 €000s
Cash flows from operating activities		
Loss before tax	**(34,644)**	(38,607)
Adjustments for:		
(Gain)/loss on investments held for trading	**(4,925)**	46,819
Loss on investments held to maturity	**417**	276
Provision for loans & advances	**21,000**	-
Depreciation of property, plant and equipment	**6,206**	5,432
Share-based payment expense	**698**	442
Decrease in fair value of investment property	**8,479**	30,481
Decrease in fair value of property, plant and equipment	**29,048**	-
(Decrease) in insurance contract liabilities	**(368)**	(6,223)
Loss on disposal of property, plant and equipment	**25**	246
Operating cash flows before movement in working capital	**25,936**	38,866
(Increase) in receivables	**(5,552)**	(1,187)
(Decrease) increase in payables	**(24,003)**	4,667
Decrease in inventory	**3,157**	3,362
Cash (used by)/generated from operations	**(462)**	45,708
Income taxes received/(paid)	**3,779**	(20,119)
Net cash from operating activities	**3,317**	25,589
Cash flows from investing activities		
Investments held for trading	**(963)**	113,039
Investments held to maturity	**(101,887)**	-
Investments available for sale	**21**	(1,310)
Sale of property, plant and equipment	**-**	985
Purchase of property, plant and equipment	**(8,474)**	(6,144)
Sale of investment property	**792**	-
Loans and advances	**5,626**	6,214
Deposits invested with banks	**107,681**	(110,109)
Net cash generated from investing activities	**2,796**	2,675
Cash flows from financing activities		
Ordinary dividends paid	**(6,936)**	(27,623)
Special dividend on ordinary shares	**-**	(416)
Special dividend on ‘A’ ordinary shares	**-**	(19,622)
Buyback of ‘A’ ordinary shares	**-**	(30,150)
Proceeds of re-issue of ordinary shares	**-**	180
Increase in bank and other loans	**22,980**	50,532
(Decrease) bank and other loans	**(13,897)**	-
Net cash used in financing activities	**2,147**	(27,099)
Net increase in cash and cash equivalents	**8,260**	1,165
Cash and cash equivalents at the beginning of the year	**35,713**	35,618
Effect of foreign exchange rate changes	**63**	(1,070)
Cash and cash equivalents at the end of the year	**44,036**	35,713

Comparative figures for the year ended 31 December 2008 have been restated as detailed in Note 6.

FBD Holdings plc
Consolidated Statement of Changes in Equity
For Year Ended 31 December 2009

	Ordinary Share Capital	Capital Reserves	Restated Revaluation and Other Reserves	Translation Reserve	Retained Earnings	Attributable to ordinary Shareholders	Preference Share Capital	Restated Minority Interest	Total Equity
	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s
2008 Restated									
Balance at 1 January 2008	21,277	12,956	29,986	389	318,981	**383,589**	2,923	5,689	**392,201**
Loss after taxation	-	-	-	-	(33,270)	**(33,270)**	-	270	**(33,000)**
Other comprehensive income	-	-	(26,691)	(1,070)	(10,174)	**(37,935)**	-	(1,463)	**(39,398)**
	21,277	12,956	3,295	(681)	275,537	**312,384**	2,923	4,496	**319,803**
Dividends paid on ordinary and preference shares	-	-	-	-	(27,741)	**(27,741)**	-	-	**(27,741)**
Special dividend paid on ordinary shares	-	-	-	-	(416)	**(416)**	-	-	**(416)**
Special dividends paid on 'A' ordinary shares	-	-	-	-	(19,622)	**(19,622)**	-	-	**(19,622)**
Issue of 'A' ordinary shares	333	-	-	-		**333**	-	-	**333**
Buyback of 'A' ordinary shares	-	-	-	-	(30,150)	**(30,150)**	-	-	**(30,150)**
Cancellation of 'A' ordinary shares	(201)	201	-	-	-	**-**	-	-	**-**
Reissue of ordinary shares	-	-	-	-	180	**180**	-	-	**180**
Dividend paid to minority interests	-	-	-	-	-	**-**	-	(345)	**(345)**
Recognition of share based payments	-	442	-	-	-	**442**	-	-	**442**
Balance at 31 December 2008	**21,409**	**13,599**	**3,295**	**(681)**	**197,788**	**235,410**	**2,923**	**4,151**	**242,484**
2009									
Loss after taxation	-	-	-	-	(30,190)	**(30,190)**	**-**	**(740)**	**(30,930)**
Other comprehensive income	-	-	(2,553)	747	(5,668)	**(7,474)**	**-**	**(246)**	**(7,720)**
	21,409	13,599	742	66	161,930	**197,746**	**2,923**	**3,165**	**203,834**
Dividends paid on ordinary and preference shares	-	-	-	-	(6,936)	**(6,936)**	**-**	**-**	**(6,936)**
Dividend paid to minority interests	-	-	-	-	-	**-**	**-**	**(135)**	**(135)**
Recognition of share based payments	-	698	-	-	-	**698**	**-**	**-**	**698**
Balance at 31 December 2009	**21,409**	**14,297**	**742**	**66**	**154,994**	**191,508**	**2,923**	**3,030**	**197,461**

Comparative figures for the year ended 31 December 2008 have been restated as detailed in Note 6.

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Note 1 - Operating Profit by Activity

	2009 €000s	2008 €000s
Underwriting	**22,391**	57,330
Non-underwriting	**6,489**	8,453
	28,880	65,783

Non underwriting profit is analysed as follows:

	2009 €000s	2008 €000s
Leisure and leisure property development	**2,786**	5,991
Financial Services/Other	**3,703**	3,329
Capital fund	**-**	(867)
	6,489	8,453

Other underwriting expenses	2009 €000s	2008 €000s
Management expenses	**75,860**	75,516
Reinsurance commissions receivable	**(13,943)**	(18,756)
Broker commission payable	**2,103**	1,710
	64,020	58,470

Note 2 - Underwriting Operating Profit

	2009 €000s	2008 €000s
Gross written premiums	**357,244**	385,638
Net premium earned	**314,604**	343,075
Adjusted net claims incurred	**(263,492)**	(271,205)
Net operating expenses	**(64,020)**	(58,470)
Underwriting (loss)/profit	**(12,908)**	13,400
Longer term investment return	**35,299**	43,930
Underwriting operating profit	**22,391**	57,330

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Note 3 - Dividends

Paid during year:	2009 €000s	2008 €000s
Dividend of 4.8c (2008: 4.8c) per share on 8% Non-Cumulative Preference Shares of 60c each	**169**	169
Dividend of 8.4c (2008: 8.4c) per share on 14% Non-Cumulative Preference Shares of 60c each	**113**	113
2008 Final dividend of 10.0c (2007: 52.0c) per share on Ordinary Shares of 60c each	**3,327**	17,277
2009 Interim dividend of 10.0c (2008: 30.25c) per share on Ordinary Shares of 60c each	**3,327**	10,064
Special dividend of 1.25c on Ordinary Shares of 60c each	**-**	416
Special dividend of 149c on 'A' Ordinary Shares of 1c each	**-**	19,622
	6,936	47,661

Proposed*:		
Dividend of 4.8c (2008: 4.8c) per share on 8% Non-Cumulative Preference Shares of 60c each	**169**	169
Final dividend of 20c (2008: 10.0c) per share on Ordinary Shares of 60c each	**6,654**	3,327
	6,823	3,496

* Subject to approval by Shareholders at Annual General Meeting

Note 4 - 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	2009 €000s	**2008 €000s**
Loss for the year	(30,930)	(33,000)
Minority interest	740	(270)
Preference dividend	(282)	(282)
Earnings for the purpose of basic and diluted earnings per share	(30,472)	(33,552)

Number of shares	2009	2008
Weighted average number of ordinary shares for the purpose of basic earnings per share and operating earnings per share	33,269,000	33,241,000
Effect of dilutive potential of share options outstanding	198,000	114,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	33,467,000	33,355,000

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

	2009 €000s	2008 €000s
Operating profit after taxation*	**25,299**	57,560
Minority interest	**(193)**	(270)
Preference dividend	**(282)**	(282)
	24,824	57,008
	Cent	Cent
Operating earnings per share	**74.61**	171.50

*2009 effective tax rate of 12.4% (2008: 12.5%).

Note 5 - Ordinary Share Capital

	Number (2009 only)	2009 €000s	2008 €000s
(i) Ordinary Shares of 60 cent each			
Authorised:			
At the beginning and the end of the year	51,326,000	**30,796**	30,796
Issued and fully paid:			
At the beginning and the end of the year	35,461,206	**21,277**	21,277
(ii) 'A' Ordinary shares of 1 cent each			
Authorised:			
At the beginning and the end of the year	120,000,000	**1,200**	1,200
Issued and fully paid:			
At the beginning of the year	13,169,428	**132**	-
Issued during the year	-	**-**	333
Cancellation of shares	-	**-**	(201)
At the end of the year	**13,169,428**	**132**	132
		21,409	21,409

The 'A' Ordinary shares of €0.01 each are non-voting. The rights attaching to these shares are clearly set out in the Articles of Association of the Company. They are non-transferable except only to the Company. Other than a right to a return of paid up capital of €0.01 per 'A' Ordinary Share in the event of a winding up, the 'A' Ordinary Shares have no right to participate in the capital or the profits of the Company.

The holders of the two classes of non-cumulative preference shares rank ahead of the two classes of ordinary shares in the event of a winding up. Before any dividend can be declared on the Ordinary Shares of €0.60 each, the dividend on the non-cumulative preference shares must firstly be declared or paid.

The number of ordinary Shares of 60 cent each held as treasury shares at the beginning and end of the year (and the maximum number held during the year) was 2,191,730. This represented 6.18% of the shares of this class in issue and had a nominal value of €1.315m. There were no movements during the year in the Company's holding of treasury shares.

All issued shares have been fully paid.

Note 6 - Prior Year Restatement

New layout of Consolidated Income Statement and additional Pro-forma Statement

The Group continuously reviews its external financial reporting with a view to improving the quality of the information it provides. In the current year, the layout of the Consolidated Income Statement has been amended and an additional statement has been added to the financial statements. The additional statement, produced on page 10, Pro-forma Reconciliation of Consolidated Operating Profit to Loss before Tax is supplementary to the primary statements required under International Financial Reporting Standards. It is designed to provide supplementary information to users of the financial statements including operating profit, a key performance measure monitored by the Board, which was disclosed on the face of the consolidated income statement up to and including 2008.

Operating profit is reported on the basis of a longer term investment return. The nature of the Group's underwriting operations means that, for management's decision making and internal performance management, short-term realised and unrealised investment gains and losses are treated as non-operating items. The Group focuses instead on an operating profit measure incorporating an expected return on investment. The fluctuation between longer term investment return and the actual investment return, which includes realised and unrealised gains and losses and profits or losses arising from substantial non-recurring transactions, are charged or credited after operating profit is arrived at. As a result, operating profit is not subject to distortions for fluctuation in investment returns.

These restatements have no impact on profit before taxation, earnings per share or Shareholders' funds previously reported for the financial year ended 31 December 2008.

Note 7- Transactions with Related Parties

Included in the financial statements is an unsecured loan of €60,000,000 (2008: €50,000,000) from Farmer Business Developments plc to FBD Property and Leisure Limited, a 100% owned subsidiary of FBD Holdings plc. This loan is guaranteed by FBD Holdings plc. The term of the loan is 3 years and it is due to be repaid in full in August 2011. Interest is charged on this balance at market rate which is defined under the terms of the loan agreement as the 3 month Euribor rate plus 2.25%.

Included in the financial statements at the year end is €331,601 (2008: €484,170) due from Farmer Business Developments plc. This balance is made up of recharges for services provided and recoverable costs. Interest is charged on this balance at the market rate. The amount due is payable on demand. No guarantees have been given or received.

Note 8 – Subsequent Events

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

Note 9 – General Information and Accounting Policies

The financial information set out in this document does not constitute full statutory financial statements for the years ended 31 December 2009 or 2008 but is derived from same. The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), applicable Irish law and Listing Rules of the Irish and London Stock Exchanges. The Group financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The 2009 and 2008 financial statements have been audited and received unqualified audit reports. The 2009 financial statements were approved by the Board of Directors on 2 March 2010.

The consolidated financial statements are prepared under the historical cost convention as modified by (i) the revaluation of property held for own use, hotel and golf resort assets, investments held for trading at fair value, available for sale investments and investment property and (ii) investments held to maturity, which are measured at amortised cost.