



ABBEY PLC
INTERIM REPORT JANUARY 2006

Abbey plc Interim Statement January 2006

The Board of Abbey plc reports a profit before taxation of €22.32m which compares with a profit of €26.12m for the corresponding period last year. Profits at the operating level were €21.34m as compared to €25.17m at the half way stage last year.

Our housebuilding division completed 330 sales (UK 194; Ireland 136) with a turnover of €86.53m generating an operating profit of €20.29m. Margins have continued to be eroded as higher margin projects are gradually replaced by more recent lower margin schemes. The housing market in Southern England remains challenging although some slight improvement has been evident towards the end of the calendar year. The Irish market continues to be firm and we are expecting a good performance in Ireland in the next few months.

Looking forward, the housing division is, as last year, on course for more sales in the second half, however, the final outcome will likely turn on the level of UK sales in the last quarter. During the period contracts were exchanged for the purchase of in excess of 400 plots subject to the grant of planning permission and provision of relevant services. The land market continues to be very competitive. In Prague a planning permit was issued for 95 plots for our site at Slivenec. In addition further lands adjacent to our site in Slivenec and zoned for development are now under contract and should allow another 32 units in due course. We expect to start construction in the second half of this calendar year. Further opportunities are being pursued.

M & J Engineers, our UK plant hire business, generated operating profits of €927,000 on a turnover of €10.35m. Trading has been consistent throughout the period. Cash generation from the division continues to be reliable. A programme of productivity enhancements will support trading next year.

Rental income for the period amounted to €117,000 for the half year.

The Group's Irish operating companies have relocated their offices from Dublin to a purpose built office in Clonee, Co. Meath. Some surplus offices and retail space are being let to third party tenants. Once final lettings have been achieved these additional rents will be in the region of €200,000 per annum.

Further to the authority granted at the EGM on 21 June 2005 the Company has during the period purchased 3,067,739 ordinary shares to be held as Treasury Shares at a cost of €27,829,465. On the 7th of November 2005 a further 1,000,000 ordinary shares were purchased and cancelled at a cost of €9,121,501. There are now 33,077,782 shares in issue of which 3,067,739 are held as Treasury Shares.

The Group held substantial cash balances at the end of October. Commitments for land purchases amounting to €33.8m existed at the end of October and the Group continues to actively pursue further opportunities.

The Board is pleased to declare an interim dividend of 12 cents per share. The dividend is covered 4.68 times. This dividend will be paid on 15th February 2006 to shareholders on the register at 20th January 2006. Overall, the Group is trading steadily and the Board is hopeful of a satisfactory outcome for the year.

On behalf of the Board



Charles H. Gallagher, Chairman
12th January 2006

Group Profit and Loss Account

	Unaudited 6 months ended		Audited
	31/10/2005 €'000	31/10/2004 €'000	Year Ended 30/04/2005 €'000
Turnover - continuing (including share of joint venture)	96,993	99,400	206,854
Less: share of joint venture	-	(334)	(334)
Group turnover	96,993	99,066	206,520
Operating costs	(75,656)	(74,223)	(151,296)
Group operating profit - continuing	21,337	24,843	55,224
Share of joint ventures operating profit	-	328	122
Trading profit - including share of joint venture	21,337	25,171	55,346
Net interest receivable	987	952	1,916
Profit on ordinary activities before taxation	22,324	26,123	57,262
Estimated taxation on profit on ordinary activities	(5,462)	(6,055)	(13,048)
Profit attributable to shareholders	16,862	20,068	44,214
Dividends paid	-	-	(3,749)
Dividends proposed	-	(3,749)	(7,497)
Retained profit	16,862	16,319	32,968
Earnings per share - basic and diluted	50.77c	58.89c	129.74c

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 33,213,379 at 31 October 2005 (34,077,782 at 31 October 2004 and 30 April 2005).

SEGMENTAL ANALYSIS

Turnover			
Building and property development	86,528	88,846	186,429
Plant hire	10,348	10,438	20,190
Property rental	117	116	235
	96,993	99,400	206,854
Less: share of joint venture	-	(334)	(334)
	96,993	99,066	206,520
Net Assets			
Building and property development	136,648	121,326	145,069
Plant hire	29,820	28,223	29,575
Property rental	1,452	731	1,454
	167,920	150,280	176,098
Investment in joint venture	2,398	2,561	2,398
Dividends proposed	-	(3,749)	(7,497)
Investments	7	7	7
Cash at bank	53,558	63,265	64,164
	223,883	212,364	235,170

Statement of Total Recognised Gains and Losses

	Unaudited 6 months ended		Audited
	31/10/2005 €'000	31/10/2004 €'000	Year Ended 30/04/2005 €'000
Profit for the financial period - including share of joint venture	16,862	20,068	44,214
Unrealised revaluation surplus arising in period	-	-	2,465
Translation adjustment arising in period	(320)	(3,547)	145
Total recognised gains and losses related to the period	16,542	16,521	46,824

The valuation of land and buildings and investment properties have been carried forward from the 30 April 2005 audited financial statements.

Reconciliation of Movements in Shareholders' Funds

	Unaudited 6 months ended		Audited
	31/10/2005 €'000	31/10/2004 €'000	Year Ended 30/04/2005 €'000
Profit for the financial period	16,862	20,068	44,214
Dividends	-	(3,749)	(11,246)
Profit retained for the financial period	16,862	16,319	32,968
Unrealised revaluation surplus arising in period	-	-	2,465
Translation adjustment arising in period	(320)	(3,547)	145
Purchase of own shares	(27,829)	-	-
Net movement in shareholders' funds	(11,287)	12,772	35,578
Opening shareholders' funds	235,170	199,592	199,592
Closing shareholders' funds	223,883	212,364	235,170

Group Balance Sheet

	Unaudited 31/10/2005 €'000	Unaudited 31/10/2004 €'000	Audited 30/04/2005 €'000
Fixed Assets	35,866	31,361	35,945
Investment in joint venture	2,398	2,561	2,398
	38,264	33,922	38,343
Current Assets			
Stocks	203,732	169,637	196,812
Debtors	9,535	8,670	8,787
Other investments	7	7	7
Cash at bank and in hand	53,558	63,265	64,164
	266,832	241,579	269,770
Creditors (amounts falling due within one year)			
Trade and other creditors	(79,827)	(62,205)	(71,555)
Net current assets	187,005	179,374	198,215
Total assets less current liabilities	225,269	213,296	236,558
Provisions for liabilities and charges			
Deferred taxation	(1,386)	(932)	(1,388)
	223,883	212,364	235,170
Shareholders' Funds			
Called up share capital	10,905	10,905	10,905
Share premium account	13,321	13,321	13,321
Revaluation reserve	7,337	4,769	7,346
Other reserves			
Capital redemption reserve fund	1,478	1,478	1,478
Currency translation	1,128	(2,141)	1,439
Profit & loss account	189,714	184,032	200,681
	223,883	212,364	235,170

NOTES

- 1) The above summarised consolidated balance sheet and consolidated profit and loss account do not constitute full accounts and except where indicated are unaudited. Full statutory accounts for the year ended 30 April 2005, prepared in accordance with Irish GAAP and containing an unqualified audit report, have been filed with the Irish Registrar of Companies.
- 2) The 31 October 2005 Interim Report and Accounts have been prepared on a basis consistent with the 30 April 2005 audited financial statements.
- 3) At 31 October 2005 the number of Issued Ordinary Shares was 34,077,782 of which 3,067,739 are held as Treasury Shares.
- 4) An interim dividend of 12 cent per share will be paid on 15th February 2006 to ordinary shareholders on the register at 20th January 2006.
- 5) A copy of this statement will be circulated to shareholders on Friday the 20th of January 2006. Copies are available to members of the public at the company's registered office, 25/28 North Wall Quay, Dublin 1.

Cash Flow Reports

	Unaudited 6 months ended	31/10/2004	Audited Year Ended 30/04/2005
	31/10/2005	31/10/2004	30/04/2005
	€'000	€'000	€'000
GROUP CASH FLOW STATEMENT			
Net cash inflow from operating activities	30,889	13,577	27,352
Returns on Investment and Servicing of Finance	987	952	1,916
Corporation Tax Paid	(4,360)	(6,460)	(14,504)
Capital Expenditure			
Purchase of tangible fixed assets	(4,203)	(4,386)	(9,119)
Sale of tangible fixed assets	1,486	1,139	2,475
	(2,717)	(3,247)	(6,644)
Equity Dividends Paid	(7,497)	(6,815)	(10,564)
Net cash inflow (outflow) before use of liquid resources and financing	17,302	(1,993)	(2,444)
Financing			
Purchase of own shares	(27,829)	-	-
Net Cash Outflow From Financing	(27,829)	-	-
Management of liquid resources	(11,331)	5,780	903
(Decrease) increase in cash	(21,858)	3,787	(1,541)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(Decrease) increase in cash in the period	(21,858)	3,787	(1,541)
Cash flow from increase (decrease) in liquid resources	11,331	(5,780)	(903)
Translation difference	(79)	(1,394)	(44)
Movement in net funds in the period	(10,606)	(3,387)	(2,488)
Opening net funds	64,164	66,652	66,652
Closing net funds	53,558	63,265	64,164
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit	21,337	24,843	55,224
Depreciation	3,355	3,254	6,514
Profit on disposal of tangible fixed assets	(606)	(445)	(1,037)
Translation adjustment	(53)	507	(76)
Increase in stocks	(7,130)	(6,618)	(31,650)
Increase in debtors	(756)	(140)	(84)
Increase (decrease) in creditors	14,742	(7,824)	(1,539)
Net cash inflow from operating activities	30,889	13,577	27,352

Company Information

BOARD OF DIRECTORS

Charles H. Gallagher M.A., MSc.
Brian R. Hawkins BSc (Eng)
Robert N. Kennedy BSc (Econ)
David A. Gallagher B.A., MSc.
J. Roger Humber BSc (Econ), Hon D.Tech
John F. Hogan B. Comm, F.C.A.
Richard J. Shortt

SECRETARY AND REGISTERED OFFICE

David J. Dawson CA
25/28 North Wall Quay
Dublin 1

FINANCIAL DIARY

Interim Statement
12th January 2006

Interim Dividend Payment
15th February 2006

Preliminary Statement
July 2006

Annual Report
September 2006

Annual General Meeting
October 2006



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