



**ABBHEY PLC**  
Interim Statement for the Six Months Ended 31 October 2008

The Board of Abbey plc reports a loss before taxation of €5.39m which compares with a profit of €18.20m for the corresponding period last year. Losses at the operating level were €5.88m as compared to €17.24m profit at the half way stage last year. Included in these results is an inventory loss arising from land impairment charges of €11.92m. In light of the above the Company will not be paying a dividend.

Our housebuilding division completed 235 sales (UK 169; Ireland 66) with a turnover of €47.16m resulting in an operating loss of €6.63m. Market conditions in both England and Ireland continue to be severely impacted by the prevailing negative sentiment. The outlook for the second half is very dependent on the strength or otherwise of the traditional spring market. A broadly similar level of completions to that achieved in the first half may be attainable. In addition a few completions in Prague subject to the successful completion of legal formalities might contribute to our results. In Prague we have now taken 49 reservations on our project in Slivenec at an average sales price of €244,000.

M & J Engineers, our UK plant hire business, generated operating profits of €496,000 on a turnover of €8.72m. This disappointing result reflects the very sharp fall in trading in the second quarter. The immediate outlook is very weak. Post Christmas trading will determine the prospects for 2009.

Rental income for the period amounted to €247,000.

The Group enjoyed good cashflow during the period and held €35.31m in cash together with €17.01m in short dated Irish government debt at the end of October. The Group expects to generate additional cash in the coming months.

The short term prospects for the Group continue to be poor. The turmoil in the banking markets in both Britain and Ireland make for a difficult backdrop for a business reliant on strong mortgage markets. The recent forecast in Britain of negative net new mortgage lending in 2009 is cause for concern. The aggressive run-off of significant elements of the Northern Rock's loan book this year under the direction of the UK authorities was very damaging. There are, however, some grounds for optimism in the longer term. The substantial falls in interest rates together with the emergence of a stronger banking system should eventually facilitate healthier mortgage markets. Significantly lower house prices than in recent years may stimulate some demand. The Group is in a strong financial position to avail of any improvement in our markets.

Shareholders should carefully note the exchange rates used for this statement. The profit and loss statement uses the average exchange rate for the period of 100 cents: STG 79.10p and 100 cents: CZK 2,437.50h. The balance sheet uses the rate prevailing on 31 October of 100 cents: STG 78.46p and 100 cents: CZK 2,409.70h.

Copies of this statement are available to shareholders and members of the public at the company's registered office, 25/28 North Wall Quay, Dublin 1.

On behalf of the Board

Charles H Gallagher – Chairman

5<sup>th</sup> December 2008



ABBHEY plc

Interim Condensed Consolidated  
Income Statement

31 October 2008

		Unaudited 6 months ended	Unaudited 6 months ended
	Note	31/10/2008	31/10/2007
		€'000	€'000
<i>Continuing operations</i>			
Revenue		56,123	108,636
Cost of sales			
- normal		(44,551)	(84,641)
- impairment charge on land	3	(11,917)	-
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Gross (loss) profit		(345)	23,995
Administrative expenses		(5,537)	(6,755)
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Operating (loss) profit		(5,882)	17,240
Finance income		490	963
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(Loss) profit on ordinary activities before taxation		(5,392)	18,203
Income tax credit (expense)		1,457	(4,012)
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(Loss) profit attributable to equity shareholders of the parent		(3,935)	14,191
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(Loss) profit per share - basic	5	(15.98) c	48.99 c
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(Loss) profit per share - diluted	5	(15.98) c	48.99 c
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**ABBEY plc**  
**Interim Consolidated Statement of Changes in Equity (unaudited)**

**For the six months ended**  
**31 October 2008**

Attributable to equity holders of the parent	Issued Capital	Share Premium	Revaluation Reserve	Capital Redemption Reserve Fund	Currency Translation	Retained Earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 May 2008	7,881	13,321	7,729	4,502	(12,839)	187,346	207,940
Foreign currency translation	-	-	10	-	75	-	85
Total income and expense for the period directly recognised in equity	-	-	10	-	75	-	85
Loss for the period	-	-	-	-	-	(3,935)	(3,935)
Total income and expense for the period	-	-	10	-	75	(3,935)	(3,850)
Dividends paid	-	-	-	-	-	-	-
<b>At 31 October 2008</b>	<b>7,881</b>	<b>13,321</b>	<b>7,739</b>	<b>4,502</b>	<b>(12,764)</b>	<b>183,411</b>	<b>204,090</b>

**For the six months ended**  
**31 October 2007**

Attributable to equity holders of the parent	Issued Capital	Share Premium	Revaluation Reserve	Capital Redemption Reserve Fund	Currency Translation	Retained Earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 May 2007	9,270	13,321	8,673	3,113	1,517	209,159	245,053
Foreign currency translation	-	-	(118)	-	(2,394)	-	(2,512)
Total income and expense for the period directly recognised in equity	-	-	(118)	-	(2,394)	-	(2,512)
Profit for the period	-	-	-	-	-	14,191	14,191
Total income and expense for the period	-	-	(118)	-	(2,394)	14,191	11,679
Dividends paid (note: 4)	-	-	-	-	-	(6,953)	(6,953)
<b>At 31 October 2007</b>	<b>9,270</b>	<b>13,321</b>	<b>8,555</b>	<b>3,113</b>	<b>(877)</b>	<b>216,397</b>	<b>249,779</b>



ABBEY plc

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET  
at 31 October 2008

	Note	Unaudited 31/10/2008 €'000	Unaudited 31/10/2007 €'000	Audited 30/04/2008 €'000
<b>ASSETS</b>				
<i>Non-current assets</i>				
Property, plant and equipment		30,921	37,270	31,785
Investment property		2,392	2,392	2,392
Investment in joint venture		2,512	2,398	2,512
Investments		6	7	6
Pension benefit obligations		3,997	2,383	3,988
		<u>39,828</u>	<u>44,450</u>	<u>40,683</u>
<b>CURRENT ASSETS</b>				
Trade and other receivables		6,876	9,251	10,168
Inventories		147,426	218,275	168,086
Tax assets		3,106	-	-
Financial asset	7	17,016	-	-
Cash and cash equivalents		35,306	50,087	39,807
		<u>209,730</u>	<u>277,613</u>	<u>218,061</u>
<b>TOTAL ASSETS</b>		<u>249,558</u>	<u>322,063</u>	<u>258,744</u>
<b>LIABILITIES</b>				
<i>Current liabilities</i>				
Trade and other payables		(39,975)	(62,426)	(45,557)
Tax liabilities		-	(3,879)	(304)
Provisions		(2,664)	(2,870)	(2,120)
		<u>(42,639)</u>	<u>(69,175)</u>	<u>(47,981)</u>
<b>NET CURRENT ASSETS</b>		<u>167,091</u>	<u>208,438</u>	<u>170,080</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
<i>Non-current liabilities</i>				
Deferred taxation		(2,757)	(2,971)	(2,751)
Provisions		(72)	(138)	(72)
		<u>(2,829)</u>	<u>(3,109)</u>	<u>(2,823)</u>
<b>TOTAL LIABILITIES</b>		<u>(45,468)</u>	<u>(72,284)</u>	<u>(50,804)</u>
<b>NET ASSETS</b>		<u>204,090</u>	<u>249,779</u>	<u>207,940</u>
<b>EQUITY</b>				
<i>Equity attributable to equity holders of the parent</i>				
Issued capital		7,881	9,270	7,881
Share premium		13,321	13,321	13,321
Revaluation reserve		7,739	8,555	7,729
Other reserves				
- Capital redemption reserve fund		4,502	3,113	4,502
- Currency translation		(12,764)	(877)	(12,839)
Retained earnings		183,411	216,397	187,346
		<u>204,090</u>	<u>249,779</u>	<u>207,940</u>
<b>TOTAL EQUITY</b>		<u>204,090</u>	<u>249,779</u>	<u>207,940</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>249,558</u>	<u>322,063</u>	<u>258,744</u>



ABBEEY plc

**INTERIM CONDENSED CONSOLIDATED  
CASH FLOW STATEMENT  
31 October 2008**

	Unaudited 31/10/2008 €'000	Unaudited 31/10/2007 €'000
<b>Cash flows from operating activities</b>		
(Loss) profit before tax	(5,392)	18,203
<b>Adjustments to reconcile (loss) profit before tax to net cash flows</b>		
<b>Non cash:</b>		
Depreciation	3,166	3,685
Other non cash items	(162)	305
Impairment charge on land	11,917	-
Profit on disposal of property, plant and equipment	(463)	(947)
Finance income	(490)	(963)
<b>Working capital adjustments:</b>		
Decrease in inventories	8,838	12,140
Decrease in trade and other receivables	3,283	3,740
Decrease in creditors and provisions	(5,086)	(2,252)
Income taxes paid	(1,942)	(4,662)
<b>Net cash flow from operating activities</b>	13,669	29,249
<b>Cash flows from investing activities</b>		
Purchase of plant, property and equipment	(2,858)	(6,705)
Sale of plant, property and equipment	1,070	2,113
Investment in government bonds	(17,016)	-
Finance income	490	963
Net cash outflow from investing activities	(18,314)	(3,629)
<b>Cash flows from financing activities</b>		
Equity dividends paid	-	(6,953)
Net cash outflow from financing activities	-	(6,953)
Net (decrease) increase in cash and cash equivalents	(4,645)	18,667
Cash and cash equivalents at start of year	39,807	32,095
Net foreign exchange differences	144	(675)
Cash and cash equivalents at end of period	35,306	50,087



**ABBEY plc**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**31 October 2008**

**1. Corporate Information**

The interim condensed consolidated financial statements of Abbey plc for the six month period ended 31 October 2008 were authorised for issue in accordance with a resolution of the directors on December 5, 2008. Abbey plc is a limited company incorporated and domiciled in Ireland. The company's shares are listed on the IEX and AIM stock exchanges. The principal activities of the Group are described in note 8.

**2. Basis of Preparation of Financial Statements**

The interim condensed consolidated financial statements for the six months ended 31 October 2008 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The interim condensed financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements.

**3. Exceptional item**

	Unaudited 31/10/2008 €'000	Unaudited 31/10/2007 €'000
<i>Cost of sales</i>	€'000	€'000
The cost of sales charge for the year is arrived at after charging:		
Write down of inventories to net realisable value	11,917	-

The Group has continued to closely monitor the carrying value of its land inventories in Ireland and the United Kingdom as a result of uncertain market conditions and a continuing weakening sales environment. Arising from these considerations we estimate that certain development sites have suffered impairment.

**4. Dividends**

	Unaudited 31/10/2008 €'000	Unaudited 31/10/2007 €'000
<i>Dividends on ordinary shares declared and paid during the six month period:</i>		
Dividend for 2008: Nil (2007: 24 cents per share)	-	6,953
<i>Dividends on ordinary shares proposed (not recognised as a liability at 31 October)</i>		
Dividend for 2008: Nil (2007: 12 cents per share)	-	3,476



**ABBEY plc**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**31 October 2008**

**5. Earnings per share: basic and diluted**

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 24,626,992 (2007: 28,969,523) and to the loss on ordinary activities after taxation amounting to €3,935,000 (2007: profit €14,191,000).

The total number of ordinary shares in issue at the period end is 24,626,992 (2007: 28,969,523).

**6. Pensions**

The surplus on the pension scheme included in the interim condensed consolidated balance sheet is the amount at the prior year end. No revaluation of assets and liabilities of the scheme has been carried out in the period, and accordingly there is no gain or loss shown in the statement of total recognised gains and losses in respect of the interim period. Actuarial gains and losses for the full year and the surplus/deficit at the end of the year will be presented in the annual financial statements for the year ending 30 April 2009.

**7. Financial Asset**

	Unaudited 31/10/2008 €'000	Unaudited 31/10/2007 €'000
Irish government short term bonds	17,016	-

These amounts were disposed of in November 2008 and returned into cash.



**ABBEY plc**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**31 October 2008**

**8. Segmental Information**

Turnover, cost of sales and operating profit (loss) are derived from continuing activities. The Group operates in three markets being Ireland, the United Kingdom and the Czech Republic. The principal activities of the Group are building and property development, plant hire and property rental. These divisions are the basis on which the Group reports its primary segmental information.

	---Building and Property Development---			Plant Hire	Property Rental	Unallocated	GROUP
	Ireland	United Kingdom	Czech Republic	United Kingdom			
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>31 October 2008</b>							
<b>Income Statement Information</b>							
Turnover	17,592	29,566	-	8,718	247	-	56,123
Cost of sales							
- normal	(13,822)	(24,110)	(51)	(6,568)			(44,551)
- impairment charge on land	(3,443)	(8,474)	-	-			(11,917)
Administrative expenses	(1,001)	(2,668)	(214)	(1,654)			(5,537)
Operating (loss) profit	(674)	(5,686)	(265)	496	247	-	(5,882)
<b>Balance Sheet Information</b>							
Segment assets	76,885	68,797	17,065	29,578	2,393	-	194,718
Segment liabilities	(13,286)	(22,964)	(5,378)	(3,740)	(100)	-	(45,468)
<b>Segment net assets</b>	<b>63,599</b>	<b>45,833</b>	<b>11,687</b>	<b>25,838</b>	<b>2,293</b>	-	<b>149,250</b>
Investment in joint venture	2,512	-	-	-	-	-	2,512
Investments	-	6	-	-	-	-	6
Financial asset	17,016	-	-	-	-	-	17,016
Cash and cash equivalents	15,092	14,240	5,440	209	-	325	35,306
<b>TOTAL NET ASSETS</b>	<b>98,219</b>	<b>60,079</b>	<b>17,127</b>	<b>26,047</b>	<b>2,293</b>	<b>325</b>	<b>204,090</b>
<b>Other Segmental Information</b>							
Depreciation	122	97	-	2,947	-	-	3,166
Profit on disposal of fixed assets	-	-	-	(463)	-	-	(463)
Capital expenditure	-	-	-	2,858	-	-	2,858
<b>31 October 2007</b>							
<b>Income Statement Information</b>							
Turnover	36,647	60,498	-	11,265	226	-	108,636
Cost of sales	(27,091)	(49,028)	(23)	(8,499)			(84,641)
Administrative expenses	(1,642)	(3,690)	(259)	(1,164)			(6,755)
Operating profit	7,914	7,780	(282)	1,602	226	-	17,240
<b>Balance Sheet Information</b>							
Segment assets	114,498	103,482	11,858	37,341	2,392	-	269,571
Segment liabilities	(19,831)	(43,482)	(685)	(8,186)	(100)	-	(72,284)
<b>Segment net assets</b>	<b>94,667</b>	<b>60,000</b>	<b>11,173</b>	<b>29,155</b>	<b>2,292</b>	-	<b>197,287</b>
Investment in joint venture	2,398	-	-	-	-	-	2,398
Investments	-	7	-	-	-	-	7
Cash and cash equivalents	14,410	32,204	783	505	-	2,185	50,087
<b>TOTAL NET ASSETS</b>	<b>111,475</b>	<b>92,211</b>	<b>11,956</b>	<b>29,660</b>	<b>2,292</b>	<b>2,185</b>	<b>249,779</b>
<b>Other Segmental Information</b>							
Depreciation	151	105	-	3,429	-	-	3,685
Profit on disposal of fixed assets	(38)	(5)	-	(904)	-	-	(947)
Capital expenditure	173	189	-	6,343	-	-	6,705





## **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**  
**25/18 North Wall Quay**  
**Dublin 1**

## **Financial Diary**

**Interim Statement**  
**5 December 2008**

**Preliminary Statement**  
**July 2009**

**Annual Report**  
**July 2009**

**Annual General Meeting**  
**October 2009**