

DECEMBER 2006



Abbey
PLC

INTERIM REPORT

Abbey plc Interim Statement December 2006

The Board of Abbey plc reports a profit before taxation of €22.58m which compares with a profit of €22.32m for the corresponding period last year. Profits at the operating level were €21.68m as compared to €21.34m at the half way stage last year.

Our housebuilding division completed 339 sales (UK 231; Ireland 108) with a turnover of €85.65m generating an operating profit of €20.23m. Overall trading emerged in line with our financial budgets for the period. Market conditions in England have been steady throughout the six months with some signs of improving confidence in the recent past notwithstanding rises in interest rates. The Irish market has continued to be firm with prices considerably higher than a year ago. A number of significant new projects are now under construction and will form a good platform for 2007.

Looking forward the housing division is, as last year, on course for more sales in the second half, however, the final outcome will critically turn on the last quarters trading. Margins in the UK are forecast to narrow noticeably. In Ireland there are some indications that trading conditions are stabilising after the hectic growth of early 2006 which is likely to temper further increases going forward. In Prague progress is consistent albeit slow towards putting in place the conditions for a building start in 2007. A planning permit has been granted for the renovation and extension of a building in Andel, Prague 5 for the provision of 18 flats and a suite of offices.

M & J Engineers, our UK plant hire business, generated operating profits of €1.22m on a turnover of €10.75m. A healthy improvement in margins as a result of last years productivity enhancements together with a better market has given a welcome boost to this division. We are hopeful further progress will be made in the seasonally weaker second half.

Rental income for the period amounted to €231,000 for the half year.

Further to the authority granted at the EGM on 21 June 2005 the Company has during the period purchased and cancelled 702,221 ordinary shares at a cost of €6,359,767. There are now 28,969,532 shares in issue.

The Group held substantial cash balances at the end of October. Commitments for land purchases amounting to €26m existed at the end of the half year and the group continues to actively pursue further opportunities.

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 68.02p. The balance sheet uses the rate prevailing on 31 October of 100 cents: STG 66.92p.

The Board is pleased to declare an interim dividend of 12 cents per share. The dividend is covered 4.88 times. This dividend will be paid on 14th February 2007 to shareholders on the register at 22nd December 2006. Overall, the Group is trading in line with expectations and the Board is hopeful of a satisfactory outcome for the year.

On behalf of the Board



Charles H. Gallagher, Chairman

8th December 2006

Group Profit and Loss Account

	Unaudited 6 months ended		Audited
	31/10/2006	31/10/2005 As restated €'000	Year Ended 30/04/2006 €'000
Turnover - continuing	96,627	96,993	204,544
Operating costs	(74,944)	(75,656)	(159,123)
Trading profit	21,683	21,337	45,421
Net interest receivable	895	987	1,800
Other finance charges	-	-	(159)
Profit on ordinary activities before taxation	22,578	22,324	47,062
Estimated taxation on profit on ordinary activities	(5,624)	(5,462)	(11,103)
Profit attributable to shareholders	16,954	16,862	35,959
Dividends paid	(6,953)	(7,497)	(11,098)
Retained profit	10,001	9,365	24,861
Earnings per share - basic and diluted	57.97c	50.77c	113.78c

Earnings per share has been calculated by reference to the weighted average number of shares in issue of 29,248,122 at 31 October 2006 (33,213,379 at 31 October 2005 and 31,605,167 at 30 April 2006)

SEGMENTAL ANALYSIS

Turnover

Building and property development	85,651	86,528	183,552
Plant hire	10,745	10,348	20,676
Property rental	231	117	316
	96,627	96,993	204,544

Net Assets

Building and property development	150,842	135,377	124,796
Plant hire	29,608	29,820	28,836
Property rental	1,468	1,452	1,418
	181,918	166,649	155,050

Investment in joint venture	2,398	2,398	2,398
Investments	7	7	7
Cash at bank	48,320	53,558	67,745
	232,643	222,612	225,200

Statement of Total Recognised Gains and Losses

	Unaudited 6 months ended		Audited
	31/10/2006	31/10/2005 As restated €'000	Year Ended 30/04/2006 €'000
Group			
Profit for the financial period	16,954	16,862	35,959
Actuarial gain on Group defined benefit pension obligations	–	–	2,828
Deferred tax liability relating to Actuarial gain on Group defined benefit pension obligations	–	–	(803)
Translation adjustment related to the period	3,802	(320)	(2,565)
Total recognised gains and losses related to the period	20,756	16,542	35,419
Prior year adjustments		6,226	6,226
Total recognised gains and losses since last financial statements		22,768	41,645

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
	31/10/2006	31/10/2005 As restated €'000	Year Ended 30/04/2006 €'000
Group			
Opening shareholders' funds as previously reported	225,200	235,170	235,170
Prior year adjustments	–	6,226	6,226
Balance at beginning of year as restated	225,200	241,396	241,396
Profit for the financial period	16,954	16,862	35,959
Dividends paid	(6,953)	(7,497)	(11,098)
Profit retained for the financial period	10,001	9,365	24,861
Actuarial gain on Group defined benefit pension obligations	–	–	2,828
Deferred tax liability relating to Actuarial gain on Group defined benefit pension obligations	–	–	(803)
Translation adjustment arising in period	3,802	(320)	(2,565)
Purchase of own shares	(6,360)	(27,829)	(40,517)
Net movement in shareholders' funds	7,443	(18,784)	(16,196)
Closing shareholders' funds	232,643	222,612	225,200

Group Balance Sheet

	Unaudited 31/10/2006 €'000	Unaudited 31/10/2005 As restated €'000	Audited 30/04/2006 €'000
Fixed Assets	37,528	35,866	34,867
Investment in joint venture	2,398	2,398	2,398
	39,926	38,264	37,265
Current Assets			
Stocks	213,883	203,732	211,881
Debtors	8,975	8,379	8,078
Other investments	7	7	7
Cash at bank and in hand	48,320	53,558	67,745
	271,185	265,676	287,711
Creditors (amounts falling due within one year)			
Trade and other creditors	(79,110)	(79,827)	(100,404)
Net current assets	192,075	185,849	187,307
Total assets less current liabilities	232,001	224,113	224,572
Provisions for liabilities and charges			
Deferred taxation	(1,293)	(1,386)	(1,248)
Pension and post retirement asset (liability) (net of deferred tax)	1,935	(115)	1,876
	232,643	222,612	225,200
Shareholders' Funds			
Called up share capital	9,270	10,905	9,495
Share premium account	13,321	13,321	13,321
Revaluation reserve	7,415	7,337	7,177
Other reserves			
Capital redemption reserve fund	3,112	1,478	2,888
Currency translation	2,608	1,128	(957)
Profit & loss account	196,917	188,443	193,276
	232,643	222,612	225,200

NOTES

- 1) The unaudited interim report has been consolidated and prepared on a basis consistent with the accounting policies set out in the Abbey plc annual report and accounts for the year ended 30 April 2006. Full accounts for the year ended 30 April 2006 which received an unqualified report, have been filed with the Irish Registrar of Companies.
- 2) The surplus on the pension schemes included in the interim balance sheet is the amount calculated 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 2007.
- 3) The unaudited figures for the period ended 31 October 2005 have been restated in respect of the effect of the adjustments to a change in accounting policies to adopt 'FRS17 - Retirement Benefits' and 'FRS21 - Events After The Balance Sheet Date' in full.
- 4) An interim dividend of 12 cent per share will be paid on 14th February 2007 to ordinary shareholders on the register at 22nd December 2006.
- 5) A copy of this statement will be circulated to shareholders on Friday the 5th of January 2007. 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 31/10/2006	31/10/2005 As restated €'000	Audited Year Ended 30/04/2006 €'000
GROUP CASH FLOW STATEMENT			
Net cash inflow from operating activities	1,360	30,889	70,399
Returns on Investment and Servicing of Finance			
Interest Paid	(1)	(29)	(164)
Interest Received	896	1,016	1,805
	895	987	1,641
Corporation Tax Paid			
	(4,918)	(4,360)	(10,952)
Capital Expenditure			
Purchase of tangible fixed assets	(5,932)	(4,203)	(8,060)
Sale of tangible fixed assets	1,516	1,486	2,809
	(4,416)	(2,717)	(5,251)
Equity Dividends Paid			
	(6,953)	(7,497)	(11,098)
Net cash (outflow) inflow before use of liquid resources	(14,032)	17,302	44,739
Financing			
Purchase of own shares	(6,360)	(27,829)	(40,517)
Management of liquid resources	13,251	(11,331)	3,717
(Decrease) increase in cash	(7,141)	(21,858)	7,939
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(Decrease) increase in cash in the period	(7,141)	(21,858)	7,939
Movement in liquid resources	(13,251)	11,331	(3,717)
Translation difference	967	(79)	(641)
Movement in net funds in the period	(19,425)	(10,606)	3,581
Opening net funds	67,745	64,164	64,164
Closing net funds	48,320	53,558	67,745
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit	21,683	21,337	45,421
Depreciation	3,439	3,355	6,729
Profit on disposal of tangible fixed assets	(609)	(606)	(1,155)
Translation adjustment	(728)	(53)	745
Decrease (increase) in stocks	1,780	(7,130)	(17,979)
Increase in debtors	(679)	(756)	(594)
(Decrease) increase in creditors	(23,526)	14,742	37,163
Increase in provision for liabilities	-	-	69
Net cash inflow from operating activities	1,360	30,889	70,399

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
8th December 2006

Interim Dividend Payment
14th February 2007

Preliminary Statement
July 2007

Annual Report
September 2007

Annual General Meeting
October 2007



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