

ABBEEY PLC

Preliminary Statement for the year ended 30 April 2011

The Board of Abbey plc reports a profit of €11.5 million before taxation against a profit of €15.2 million in the previous year. After a tax charge of €3.3 million the Group made a profit of €8.2 million reflecting earnings per share of 34.11 cents. Group operating profits during the year were €9.4 million against profits of €12.8 million in the previous year. The result includes an impairment charge of €1.9 million against property land and work in progress arising mainly from the continuing difficult Irish market.

Dividends of 8 cents per share, absorbing €1.9 million were paid during the year. Further to the authority granted at the Extraordinary General Meeting on 17 November 2010 the company has purchased under the resolution granted 1,649,500 ordinary shares at a total cost of €8,515,000.

Our housebuilding operations completed 303 sales (UK 224; Ireland 58, CZK 21) with a turnover of €54.4 million generating an operating profit of €9.3 million. Trading in the UK was dull over the period with volumes in particular continuing to run at depressed levels. Margins have been supported by some keen prices for building work achieved over the past year. Market conditions continue to soften and there is no indication of any early improvement. The fall in disposable incomes being widely experienced together with the highly restrictive mortgage market is a significant constraint on house sales. In Ireland conditions remain very difficult and our main focus continues to be clearing inventory. Our popular development in Kilcoole, Co Wicklow has continued to sell well. There are clear signs that any significant improvement in credit conditions would likely lead to a healthy rebound in the housing market with wide benefit for the economy as a whole. In Prague we completed 21 sales and are able to report a second year of operating profit. Sales are still very slow in the city. The Prague market is set to be impaired by a proposed sharp increase to 14% (from 10%) in the level of VAT levied on new home sales from 1st January 2012 and a further planned increase to 17.5% in January 2013. Overall economic conditions remain tough for housebuilding in all our markets, however, we are now budgeting increasing turnover in this division as our restocking in England takes shape.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,879 plots. Of these plots 786 were located in England. Since the year end a further 81 plots have been acquired in England. Terms have been agreed for further acquisitions and we expect to increase our UK land stocks this year.

M & J reported operating profits of €284,000 on a turnover of €11.8 million. In addition a gain of €410,000 arising from a property disposal was recognised during the year. Overall this was a good improvement from last year. Trading conditions remain difficult with debt collection a particular focus and concern. Turnover, however, is improving on a year on year basis and we are cautiously hopeful of further progress in the months ahead.

Rental income during the year was €449,000.

The Group benefits from strong liquidity and held €24.8 million in cash together with €52.6 million UK government bonds at the end of April.

The outlook for the year ahead is for more hard won progress. The restocking of our UK land bank, now underway, will be the key to our results in the foreseeable future. Increasing turnover will not necessarily be accompanied by increasing profits – at least in the short term as margins may be undermined by cost inflation and the fierce competition for immediately developable building land. However, in the absence of further bad news in the general economy a gradual steady return to normal trading in England is clearly in prospect.

The Board is pleased to recommend a dividend of 5 cents per share for approval at the Annual General Meeting.

Shareholders should carefully note the exchange rates used for this statement. The income statement uses the average exchange rate for the year of 100 cents:- STG 85.33p and 100 cents: CZK 24.80. The balance sheet uses the ratio prevailing on 30 April of 100 cents:- STG 89.04p and 100 cents: CZK 24.12.

On behalf of the Board
CHARLES H GALLAGHER
CHAIRMAN
14 July 2011

Group Income Statement
For the year ended 30 April 2011

	Note	2011 €'000	2010 €'000
Revenue	2	66,624	97,165
Cost of sales - operating		(49,511)	(79,050)
- impairment charge on inventories	3	(815)	-
Gross profit		16,298	18,115
Administrative expenses		(6,260)	(5,556)
Gain on property disposal	3	410	273
Net loss from fair value adjustments in investment properties	3	(206)	-
Revaluation decrease in land and buildings	3	(878)	-
Operating profit		9,364	12,832
Finance income		2,312	2,408
Finance costs		(166)	(76)
Profit before taxation		11,510	15,162
Income tax expense	4	(3,260)	(2,867)
Profit attributable to equity shareholders of the parent		8,250	12,295
<i>Earnings per share - basic</i>	5	<u>34.11</u> c	<u>49.92</u> c
<i>Earnings per share - diluted</i>	5	<u>34.11</u> c	<u>49.92</u> c

Group Statement of Comprehensive Income
for the year ended 30 April 2011

	2011 €'000	2010 €'000
Profit for the year	8,250	12,295
Foreign currency translation	(2,125)	1,988
Unrealised gain / (loss) on fair value of available-for-sale financial assets	1,882	(473)
Tax movement relating to unrealised gain / (loss) on fair value of available-for-sale financial assets	(454)	-
Property revaluation decrease - land and buildings	(547)	-
Actuarial gain / (loss) on Group defined benefit pension obligations	953	(5,731)
Deferred tax movement relating to actuarial gain / (loss) on Group defined benefit pension obligations	(248)	1,604
Other comprehensive loss for the year, net of tax	(539)	(2,612)
Total comprehensive income for the year, net of tax attributable to equity shareholders of the parent	7,711	9,683

ABBEY plc

Group Statement of Changes in Equity
for the year ended 30 April 2011

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders of the parent At 1 May 2010	7,881	13,321	4,548	4,502	(20,044)	150,212	160,420
Profit for the year	-	-	-	-	-	8,250	8,250
Other comprehensive (loss) / income, net of tax	-	-	(639)	-	(2,033)	2,133	(539)
Total comprehensive income, net of tax attributable to equity shareholders of the parent	-	-	(639)	-	(2,033)	10,383	7,711
Equity dividends paid	-	-	-	-	-	(1,926)	(1,926)
Purchase of own shares	(528)	-	-	528	-	(8,515)	(8,515)
Movement in revaluation surplus	-	-	(191)	-	-	191	-
At 30 April 2011	7,353	13,321	3,718	5,030	(22,077)	150,345	157,690

Group Statement of Changes in Equity
for the year ended 30 April 2010

	Issued Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption Reserve Fund €'000	Currency Translation €'000	Retained Earnings €'000	Total €'000
Attributable to equity holders of the parent At 1 May 2009	7,881	13,321	4,807	4,502	(21,912)	142,138	150,737
Profit for the year	-	-	-	-	-	12,295	12,295
Other comprehensive income / (loss), net of tax	-	-	120	-	1,868	(4,600)	(2,612)
Total comprehensive income, net of tax attributable to equity shareholders of the parent	-	-	120	-	1,868	7,695	9,683
Movement in revaluation surplus	-	-	(379)	-	-	379	-
At 30 April 2010	7,881	13,321	4,548	4,502	(20,044)	150,212	160,420

Group Balance Sheet
at 30 April 2011

	Note	2011 €'000	2010 €'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		20,052	20,795
Investment property		2,209	2,128
Investment in joint venture		-	2,512
Investments		6	6
Defined benefit pension scheme surplus		2,957	1,743
		<u>25,224</u>	<u>27,184</u>
<i>Current assets</i>			
Trade and other receivables		6,297	6,492
Inventories		83,128	64,162
Financial investments	6	52,592	52,085
Restricted cash		1,544	4,444
Cash and cash equivalents		24,808	51,828
		<u>168,369</u>	<u>179,011</u>
TOTAL ASSETS		<u>193,593</u>	<u>206,195</u>
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		(30,748)	(40,670)
Income tax payable		(1,947)	(1,752)
Provisions		(2,103)	(2,233)
		<u>(34,798)</u>	<u>(44,655)</u>
NET CURRENT ASSETS		<u>133,571</u>	<u>134,356</u>
<i>Non-current liabilities</i>			
Deferred taxation		(1,041)	(1,055)
Provisions		(64)	(65)
		<u>(1,105)</u>	<u>(1,120)</u>
TOTAL LIABILITIES		<u>(35,903)</u>	<u>(45,775)</u>
NET ASSETS		<u>157,690</u>	<u>160,420</u>
EQUITY			
<i>Equity attributable to equity holders of the parent</i>			
Issued capital		7,353	7,881
Share premium		13,321	13,321
Revaluation reserve		3,718	4,548
Other reserves			
- Capital redemption reserve fund		5,030	4,502
- Currency translation		(22,077)	(20,044)
Retained earnings		150,345	150,212
		<u>157,690</u>	<u>160,420</u>
TOTAL EQUITY		<u>157,690</u>	<u>160,420</u>
TOTAL EQUITY AND LIABILITIES		<u>193,593</u>	<u>206,195</u>

Group Cash Flow Statement
For the year ended 30 April 2011

	2011 €'000	2010 €'000
Cash flows from operating activities		
Profit before tax	11,510	15,162
Adjustment to reconcile profit before tax to net cash flows		
Non cash:		
Depreciation	4,415	4,339
Other non cash items	1,688	(1,085)
Movement in pension benefit asset	(360)	(466)
Impairment charge on inventories	815	-
Net loss from fair value adjustments in investment properties	206	-
Revaluation decreases in land and buildings	878	-
Profit on disposal of property, plant and equipment	(647)	(645)
Profit on disposal of financial asset	(2)	(237)
Finance income	(2,336)	(1,879)
Finance costs	166	76
Working capital adjustments:		
(Increase) / decrease in inventories	(21,423)	12,572
Decrease / (increase) in trade and other receivables	3,352	(801)
(Decrease) / increase in trade and other payables	(11,500)	1,618
Income taxes paid	(3,703)	2,228
Net cash (outflow) / inflow from operating activities	(16,941)	30,880
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,246)	(1,721)
Sale of plant, property and equipment	1,334	2,217
Investment in financial assets	(4,864)	(31,547)
Disposal of financial assets	4,866	10,102
Disposal of investment in Joint Venture	200	-
Finance income	2,336	1,879
Net cash outflow from investing activities	(2,374)	(19,070)
Cash flows from financing activities		
Cost of share buy-backs	(8,515)	-
Equity dividends paid	(1,926)	-
Movement in restricted cash	2,900	1,861
Finance costs	(166)	(76)
Net cash (outflows) / inflows from financing activities	(7,707)	1,785
Net (decrease) / increase in cash and cash equivalents	(27,022)	13,595
Cash and cash equivalents at start of year	51,828	37,529
Net foreign exchange differences	2	704
Cash and cash equivalents at end of year	24,808	51,828

NOTES TO THE PRELIMINARY STATEMENT

30 April 2011

1. *Basis of Preparation*

The preliminary statement is prepared, including the comparative figures, in accordance, with EU endorsed International Financial Reporting Standards ("IFRSs"), International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with the rules of the Enterprise Securities Market ("ESM") and the Alternative Investment Market ("AIM"). The financial information relating to Abbey plc and its subsidiaries included within this statement for the year ended 30 April 2011 does not comprise full Group accounts as referred to in Regulation 40 of the European Communities (Companies Group Accounts) Regulations 1992, copies of which are required by that Act to be annexed to the company's annual return. The auditors have made reports without qualification under Section 193 of the Irish Companies Act, 1990 in respect of all such financial statements.

2. **SEGMENTAL INFORMATION**

Turnover, cost of sales and operating profit 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 segment information.

	Building and Property Development			Plant Hire	Property Rental	Unallocated	GROUP
	Ireland	United Kingdom	Czech Republic	United Kingdom	Ireland and United Kingdom		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
30 April 2011							
<i><u>Income Statement Information</u></i>							
Revenue	10,274	39,058	5,059	11,784	449	-	66,624
Cost of Sales							
- operating	(7,950)	(27,712)	(3,913)	(9,936)	-	-	(49,511)
- impairment charge on inventories	(815)	-	-	-	-	-	(815)
Administrative expenses	(1,234)	(2,826)	(636)	(1,564)	-	-	(6,260)
Gain on property disposal	-	-	-	410	-	-	410
Net loss from fair value adjustments	-	-	-	-	(206)	-	(206)
Revaluation decreases	(813)	-	-	(65)	-	-	(878)
Operating (loss) / profit	(538)	8,520	510	629	243	-	9,364
Finance income net	817	1,158	100	71	-	-	2,146
Income tax expense	(236)	(2,373)	(454)	(197)	-	-	(3,260)
Profit after taxation	43	7,305	156	503	243	-	8,250
<i><u>Balance Sheet Information</u></i>							
Segment Assets	11,985	63,311	18,006	20,741	1,000	-	114,643
Segment Liabilities	(6,979)	(23,791)	(1,713)	(3,420)	-	-	(35,903)
Segment Net Assets	4,606	39,520	16,293	17,321	1,000	-	78,740
Investments	-	6	-	-	-	-	6
Financial investments	9,828	42,764	-	-	-	-	52,592
Cash and cash equivalents	11,644	11,416	2,776	248	-	268	26,352
TOTAL NET ASSETS	26,078	93,706	19,069	17,569	1,000	268	157,690
<i><u>Other Segmental Information</u></i>							
Depreciation	91	107	4,217	-	-	-	4,415
Profit on disposal of fixed assets	(55)	(1)	(591)	-	-	-	(647)
Capital expenditure	48	138	-	5,946	-	-	6,132
30 April 2010							
<i><u>Income Statement Information</u></i>							
Revenue	22,129	57,979	6,485	10,098	474	-	97,165
Cost of Sales							
- operating	(18,203)	(46,253)	(5,321)	(9,273)	-	-	(79,050)
Administrative expenses	451	(3,784)	(618)	(1,605)	-	-	(5,556)
Gain on property disposal	-	-	-	273	-	-	273
Operating profit / (loss)	4,377	7,942	546	(507)	474	-	12,832
Finance income net	733	1,347	192	58	-	-	2,330
Income tax expense	(314)	(2,679)	-	-	-	-	(2,993)
Profit / (loss) after taxation	4,796	6,610	738	(449)	474	-	12,169
<i><u>Balance Sheet Information</u></i>							
Segment Assets	19,385	37,540	16,947	20,202	1,246	-	95,320
Segment Liabilities	(12,430)	(25,541)	(4,256)	(3,548)	-	-	(45,775)
Segment Net Assets	6,955	11,999	12,691	16,654	1,246	-	49,545
Investment in Joint Venture	2,512	-	-	-	-	-	2,512
Investments	9,467	11,999	12,691	16,654	1,246	-	52,057
Financial investments	-	6	-	-	-	-	6
Cash and cash equivalents	18,776	33,309	-	-	-	-	52,085
	20,632	28,944	6,452	197	-	47	56,272
TOTAL NET ASSETS	48,875	74,258	19,143	16,851	1,246	47	160,420
<i><u>Other Segmental Information</u></i>							
Depreciation	131	128	-	4,080	-	-	4,339
Profit on disposal of fixed assets	(16)	(3)	-	(626)	-	-	(645)
Capital expenditure	-	52	-	3,108	-	-	3,160

NOTES TO THE PRELIMINARY STATEMENT
30 April 2011

3. EXCEPTIONAL ITEMS

	2011	2010
	€'000	€'000
<u>Cost of sales</u>		
The cost of sales charge for the year is arrived at after charging:		
Write down of inventories to net realisable value	(815)	-
<p>Over the financial year the Group has continued to monitor the carrying value of our inventories in Ireland and the United Kingdom as a result of the continuing difficult market environment. Arising from these considerations we estimated that the original cost of certain development sites suffered impairment in the year of €815,000,000 (2010: Nil). As such, in accordance with IAS 2 "Inventories" the Group recorded an impairment write down to bring the carrying value of inventories recorded in the balance sheet to the lower of cost and net realisable value.</p>		
<u>Gain on disposal of property</u>	410	273
<p>During the year an additional gain resulted from the disposal of a property in the previous year, following the result of an appeal against the compulsory purchase order value of the property.</p>		
<u>Net loss from fair value adjustments in investment properties</u>	206	-
<u>Revaluation decreases in land and buildings</u>	878	-
<p>At the year end, a review of the fair value of investment properties and land and buildings was undertaken and these resulted in charges to the income statement.</p>		

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2011	2010
	€'000	€'000
The tax charge based on the profit on ordinary activities comprises:		
Irish Corporation Tax at 12.5%		
Current	238	174
United Kingdom Corporation Tax at 27.84% (2010: 28.00%)		
Current	2,982	2,494
Amounts underprovided in previous years	368	-
Total current corporation tax	3,588	2,668
Deferred tax: originating and reversal of temporary differences	(328)	199
Tax charge to the income statement	3,260	2,867

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 24,167,385 (2010: 24,626,992) and to the profit on ordinary activities after taxation amounting to €8,250,000 (2010: €12,169,000).

6. INVESTMENTS	2011	2010
	€'000	€'000
<i>Financial assets</i>		
UK Government Sterling Bonds	<u>52,592</u>	<u>52,085</u>

These relate to UK Treasury Bonds being available for sale. These financial assets are recorded at fair value at the balance sheet date.

FINANCIAL DIARY	
Preliminary Statement	14 July 2011
Annual Report	26 August 2011
Annual General Meeting	7 October 2011
Proposed Dividend Payment <i>(subject to approval at Annual General Meeting)</i>	31 October 2011
- payable to shareholders registered on	7 October 2011
Interim Statement	December 2011