

ABBEY PLC
Preliminary Statement for the year ended 30 April 2008

The Board of Abbey plc reports a profit of €16.8 million before taxation against €45.3 million the previous year. After a tax charge of €4.7 million the Group made a profit of €12.1 million reflecting earnings per share of 42.93 cents. Group operating profits during the year were €15.1 million against €43.7 million the previous year. The profits have been materially impacted by an impairment charge of €20.6 million against land and work in progress arising from the depressed trading conditions. This represented circa 11% of the gross inventory as at 30 April. Whilst we believe these impairments are prudent based on current market conditions, if the market significantly deteriorates further write-downs may be needed in future.

Dividends of 36 cents per share, absorbing €10.1 million were paid during the year. Further to the authority granted at the Extraordinary General Meeting on 19 November 2007 the company has completed the share repurchase program under the resolution granted, of 4,342,531 ordinary shares at a total cost of €25,452,000.

Our housebuilding operations completed 716 sales (UK 467; Ireland 249) with a turnover of €159.2 million generating an operating profit of €10.5 million. UK trading over the period as a whole was satisfactory, however, the trading environment became steadily more difficult as the year progressed. In Ireland a good result was achieved as sales made in early 2007 were completed. A noticeable upturn in sales at the start of 2008 faded towards the end of the period. We enter the current year with a forward order book sufficient to maintain reasonable trading in the very short term. During the last two months market conditions have continued to deteriorate and current sales rates are at very low levels in line with generally reported market conditions. In the circumstances it is likely the housing division will deliver materially fewer houses this year. In Prague building is now quite advanced on our first phase in Slivenec. Forward sales have been achieved and we are hopeful of a useful contribution to our figures this year.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 2,300 plots. In view of the current trading environment the Group's landbank will likely decline this year.

M & J reported operating profits of €2.8 million on a turnover of €20.6 million. In addition, a further gain of €1.3 million resulted from the disposal of an M&J property. This was an encouraging outturn and May was also a good month. In recent weeks the first signs of slowing activity have been seen and inevitably more difficult trading will be encountered during the year.

Rental income arising primarily from the letting of surplus space of Group property was €499,000.

At the year end shareholder funds stood at €207.9 million representing €8.44 per share whilst net cash balances stood at €39.8 million.

Shareholders should carefully note the exchange rates used for this statement. The profit and loss statement uses the average exchange rate for the year of 100 cents:- STG 71.98p. The balance sheet uses the ratio prevailing on 30th April of 100 cents: STG 78.63p.

In recent weeks trading conditions have deteriorated noticeably. The rate and depth of the current slowdown in activity is outside our experience. It seems clear that the source of the difficulty is the dramatic contraction of the mortgage market. Unless conditions markedly improve, which seems unlikely in the short term, a wrenching adjustment lies ahead. Future prospects will be governed (amongst other factors) by the ability of the Group to avail of opportunities to buy land on advantageous terms. In these circumstances sensibly maximising the cash resources at the disposal of the Group is essential and, therefore, the Board will not recommend a dividend for consideration at the Annual General Meeting in October.

On behalf of the Board
CHARLES H GALLAGHER
CHAIRMAN
10 July 2008

ABBHEY plc

Group Income Statement

30 April 2008

	Note	30/04/2008	30/04/2007
		€000	€000
Revenue		180,334	192,201
Cost of sales			
- normal		(132,881)	(135,492)
- impairment charge on land	3	(20,599)	-
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Gross profit		26,854	56,709
Administrative expenses		(13,228)	(13,034)
Gain on property disposal	3	1,306	-
Share of joint venture profit before taxation		144	-
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Operating profit		15,076	43,675
Finance income		1,818	1,609
Finance costs		(100)	(12)
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Profit on ordinary activities before taxation		16,794	45,272
Income tax expense	4	(4,713)	(10,883)
Profit attributable to equity shareholders of the parent		12,081	34,389
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<i>Earnings per share - basic</i>	5	42.93 c	118.13 c
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<i>Earnings per share - diluted</i>	5	42.93 c	118.13 c
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ABBEY plc
Group Consolidated Statement of Changes in Equity

For the year ended 30 April 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 2007	9,270	13,321	8,673	3,113	1,517	209,159	245,053
Foreign currency translation	-	-	(757)	-	(14,356)	-	(15,113)
Reduction in revaluation surplus	-	-	(187)	-	-	187	-
Actuarial gain on group defined benefit pension obligations	-	-	-	-	-	2,012	2,012
Deferred tax liability relating to actuarial gain on Group defined benefit pension obligation	-	-	-	-	-	(517)	(517)
Purchase of company shares	(1,389)	-	-	1,389	-	(25,452)	(25,452)
Total income and expense for the year directly recognised in equity	(1,389)	-	(944)	1,389	(14,356)	(23,770)	(39,070)
Profit for the year	-	-	-	-	-	12,081	12,081
Total income and expense for the year	(1,389)	-	(944)	1,389	(14,356)	(11,689)	(26,989)
Dividends paid	-	-	-	-	-	(10,124)	(10,124)
At 30 April 2008	7,881	13,321	7,729	4,502	(12,839)	187,346	207,940

For the year ended 30 April 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 2006	9,495	13,321	9,557	2,888	-	191,234	226,495
Foreign currency translation	-	-	111	-	1,517	-	1,628
Reduction in revaluation surplus	-	-	(995)	-	-	-	(995)
Actuarial gain on group defined benefit pension obligations	-	-	-	-	-	465	465
Deferred tax liability relating to actuarial gain on Group defined benefit pension obligation	-	-	-	-	-	(140)	(140)
Purchase of company shares	(225)	-	-	225	-	(6,360)	(6,360)
Total income and expense for the year directly recognised in equity	(225)	-	(884)	225	1,517	(6,035)	(5,402)
Profit for the year	-	-	-	-	-	34,389	34,389
Total income and expense for the year	(225)	-	(884)	225	1,517	28,354	28,987
Dividends paid	-	-	-	-	-	(10,429)	(10,429)
At 30 April 2007	9,270	13,321	8,673	3,113	1,517	209,159	245,053

ABBEEY plc**GROUP BALANCE SHEET
at 30 April 2008**

	30/04/2008	30/04/2007
	€000	€000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	31,785	36,079
Investment property	2,392	2,392
Investment in joint venture	2,512	2,398
Investments	6	7
Pension benefit obligations	3,988	2,433
	<u>40,683</u>	<u>43,309</u>
CURRENT ASSETS		
Trade and other receivables	10,168	13,135
Inventories	168,086	232,721
Cash and cash equivalents	39,807	32,095
	<u>218,061</u>	<u>277,951</u>
NET CURRENT ASSETS	<u>258,744</u>	<u>321,260</u>
LIABILITIES		
<i>Current liabilities</i>		
Trade and other payables	(45,557)	(65,948)
Tax liabilities	(304)	(4,532)
Provisions	(2,120)	(2,562)
	<u>(47,981)</u>	<u>(73,042)</u>
NET CURRENT ASSETS	<u>170,080</u>	<u>204,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
<i>Non-current liabilities</i>		
Deferred taxation	(2,751)	(3,025)
Provisions	(72)	(140)
	<u>(2,823)</u>	<u>(3,165)</u>
TOTAL LIABILITIES	<u>(50,804)</u>	<u>(76,207)</u>
NET ASSETS	<u>207,940</u>	<u>245,053</u>
EQUITY		
<i>Equity attributable to equity holders of the parent</i>		
Issued capital	7,881	9,270
Share premium	13,321	13,321
Revaluation reserve	7,729	8,673
Other reserves		
- Capital redemption reserve fund	4,502	3,113
- Currency translation	(12,839)	1,517
Retained earnings	187,346	209,159
	<u>207,940</u>	<u>245,053</u>
TOTAL EQUITY	<u>207,940</u>	<u>245,053</u>
TOTAL EQUITY AND LIABILITIES	<u>258,744</u>	<u>321,260</u>

ABBEY plc

GROUP CONSOLIDATED CASH FLOW STATEMENT
30 April 2008

	30/04/2008	30/04/2007
	€000	€000
Cash flows from operating activities		
Profit before tax	16,650	45,272
Adjustments to reconcile profit before tax to net cash flows		
Non cash:		
Depreciation	7,060	7,108
Other non cash items	94	(170)
Movement in pension benefit asset	(28)	647
Impairment charge on land	20,599	-
Profit on disposal of property, plant and equipment	(2,846)	(1,482)
Finance income	(1,818)	(1,609)
Finance costs	100	12
Working capital adjustments:		
Decrease (increase) in inventories	29,604	(19,061)
Decrease (increase) in trade and other receivables	1,671	(4,998)
Decrease in creditors and provisions	(15,685)	(27,651)
Income taxes paid	(8,948)	(11,283)
Net cash flow from operating activities	46,453	(13,215)
Cash flows from investing activities		
Purchase of plant, property and equipment	(9,346)	(10,892)
Sale of plant, property and equipment	5,338	3,233
Finance income	1,818	1,609
Net cash outflow from investing activities	(2,190)	(6,050)
Cash flows from financing activities		
Cost of share buy-backs	(25,452)	(6,360)
Equity dividends paid	(10,124)	(10,429)
Finance costs	(100)	(12)
Net cash outflow from financing activities	(35,676)	(16,801)
Net increase (decrease) in cash and cash equivalents	8,587	(36,066)
Cash and cash equivalents at start of year	32,095	67,745
Net foreign exchange differences	(875)	416
Cash and cash equivalents at end of year	39,807	32,095

ABBEY plc
NOTES TO THE PRELIMINARY STATEMENT
30 APRIL 2008

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 Irish Enterprise Exchange ("IEX") 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 2008 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 2008							
Turnover	64,467	94,747	-	20,621	499	-	180,334
Operating (loss) profit	(4,989)	15,878	(390)	4,078	499	-	15,076
(Loss) profit before taxation	(3,973)	12,659	(359)	3,363	391	-	12,081
Net assets	107,606	55,269	13,932	27,942	2,293	898	207,940
30 April 2007							
Turnover	59,471	111,111	-	21,144	475	-	192,201
Operating profit	16,529	24,513	(361)	2,519	475	-	43,675
Profit before taxation	14,726	17,703	(331)	1,816	475	-	34,389
Net assets	114,007	88,198	10,158	29,838	2,293	559	245,053

ABBHEY plc
NOTES TO THE PRELIMINARY STATEMENT
30 April 2008

3. Exceptional items

	30/04/2008	30/04/2007
	€000	€000
<i>Cost of sales</i>		
The cost of sales charge for the year is arrived at after charging:		
Write down of inventories to net realisable value	20,599	-

Over the last number of months the Group have closely monitored the carrying value of our land inventories in Ireland and the United Kingdom as a result of uncertain market conditions and a weakening sales environment. Arising from these considerations we estimate that the original cost of certain development sites have suffered an impairment.

<i>Gain on disposal of property</i>	1,306	-
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During the year a gain resulted from the disposal of a property vested under a Compulsory Purchase order. As such this gain is not indicative of a trend in financial performance.

4. Taxation on profit on ordinary activities

	30/04/2008	30/04/2007
	€000	€000
The tax charge based on the profit on ordinary activities comprises:		
Irish Corporation Tax at 12.50%		
Current	(350)	2,190
United Kingdom Corporation Tax at 29.84% (2007:30%)		
Current	5,486	8,669
Total current corporation tax	5,136	10,859
Deferred tax	(423)	24
Income tax expense	4,713	10,883

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 28,139,295 (2007: 29,109,967) and to the profit on ordinary activities after taxation amounting to €12,081,000 (2007: €34,389,000).

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