

ABBEY PLC

Preliminary Statement for the year ended 30 April 2010

The Board of Abbey plc reports a profit of €15.2 million before taxation against a loss of €54.4 million in the previous year. After a tax charge of €2.9 million the Group made a profit of €12.3 million reflecting earnings per share of 49.92 cents. Group operating profits during the year were €12.8 million against losses of €55.7 million in the previous year.

Our housebuilding operations completed 535 sales (UK 395, Ireland 112, CZK 28) with a turnover of €86.6 million generating an operating profit of €12.9 million. A strong second half performance in the UK underpinned our results. Market conditions over the period sustained the improvement previously noted and a better cost environment helped support our margins. In recent weeks the market has noticeably softened and further weakness cannot be ruled out. In Ireland aggressive selling continues to clear inventory. As in England sub-contractor costs have significantly reduced mitigating to some degree falling prices and supporting margins. Except in a few select locations a substantial oversupply of stock continues to be a feature of the market. Further tough months lie ahead before a more natural balance between buyers and sellers is restored. In Prague we completed 28 sales and are able to report an operating profit for the period. Sales are very slow in the city and we are continuing to struggle to achieve a satisfactory pace of construction. In England the impact of the aggressive support measures of 2009 show clear signs of waning and with an increased supply of property for sale the immediate outlook is at best dull. We are budgeting significantly lower turnover in both England and Ireland this year reflecting our relative success in sales during the reporting period and the slow pace of our restocking.

At the year end the Group owned and controlled land with the benefit of planning permission for the supply of 1,613 plots. Of these plots 441 were located in England. Since the year end a further 207 plots across four sites 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 losses of €780,000 on a turnover of €10.1 million. In addition a gain of €273,000 was recorded in the income statement as a result of the disposal of some M&J property during the year. The trading environment remains difficult however year on year turnover numbers are now marginally improving. The business has continued to generate cash and we are hopeful of some improvement this year. The plant hire business is closely linked to the general construction market and the UK government's austerity measures may directly impact our business in the periods ahead.

Rental income during the period was €474,000.

The Group enjoyed good cash flow throughout the year and held €51.8 million in cash together with €52.1 million in UK government bonds at the end of April.

The outlook for the year ahead is for lower levels of housebuilding activity in both Ireland and England as we operate with slow moving stock (Ireland) and depleted stock levels (England). Looking further ahead the acquisition of fresh building land in England is now underway and with a fair wind the current year may mark the low point for our UK turnover in this cycle.

The Board has given careful consideration to dividend policy. In particular very tight credit conditions place a high premium on strong levels of liquidity. The Group is engaged in a necessary restocking operation which will call for significant investment. Further considerable weakness in our markets is likely in the short and quite possibly into the medium term. The Group currently enjoys a strong financial position. Shareholders may reasonably expect an income return on their investment and paying a regular sustainable dividend in other than exceptional circumstances should widen the pool of investors willing to consider investing capital in the Group. For a small company maintaining a wide pool of potential investors is always a material consideration. In the circumstances the Board will recommend a dividend of 5.0 cents per share for approval at the Annual General Meeting.

At the year end shareholders' funds stood at €160.4 million representing €6.51 per share.

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 88.36p. The balance sheet uses the ratio prevailing on 30 April of 100 cents: STG 86.84p.

On behalf of the Board
CHARLES H GALLAGHER
CHAIRMAN
15 July 2010

Group Income Statement
30 April 2010

	Note	2010 €'000	2009 €'000
Revenue	2	97,165	99,852
Cost of sales - operating		(79,050)	(82,334)
- impairment charge on inventories	3	-	(58,054)
Gross profit / (loss)		18,115	(40,536)
Administrative expenses		(5,556)	(12,252)
Gain on property disposal	3	273	-
Impairment of properties	3	-	(2,952)
Operating profit / (loss)		12,832	(55,740)
Finance income		2,406	1,465
Finance costs		(76)	(119)
Profit / (loss) before taxation		15,162	(54,394)
Income tax (expense) / credit	4	(2,867)	3,769
Profit / (loss) attributable to equity shareholders of the parent		12,295	(50,625)
<i>Earnings / (loss) per share - basic</i>	5	<u>49.92 c</u>	<u>(205.57) c</u>
<i>Earnings / (loss) per share - diluted</i>	5	<u>49.92 c</u>	<u>(205.57) c</u>

Group Statement of Comprehensive Income
for the year ended 30 April 2010

	2010 €'000	2009 €'000
Profit / (loss) for the year	12,295	(50,625)
Foreign currency translation	1,988	(9,665)
Unrealised (loss) / gain on fair value of available-for-sale financial assets	(473)	620
Actuarial (loss) / gain on Group defined benefit pension obligations	(5,731)	3,101
Deferred tax movement relating to actuarial (loss) / gain on Group defined benefit pension obligations	1,604	(869)
Other comprehensive loss for the year, net of tax	(2,612)	(6,813)
Total comprehensive income / (loss) for the year, net of tax attributable to equity shareholders of the parent	9,683	(57,438)

ABBEY plc

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 Statement of Changes in Equity
for the year ended 30 April 2009

	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 2008	7,881	13,321	7,729	4,502	(12,839)	187,346	207,940
Loss for the year	-	-	-	-	-	(50,625)	(50,625)
Other comprehensive (loss) / income, net of tax	-	-	(592)	-	(9,073)	2,852	(6,813)
Total comprehensive loss, net of tax attributable to equity shareholders of the parent	-	-	(592)	-	(9,073)	(47,773)	(57,438)
Movement in revaluation surplus	-	-	(2,330)	-	-	2,565	235
At 30 April 2009	7,881	13,321	4,807	4,502	(21,912)	142,138	150,737

Group Balance Sheet
at 30 April 2010

	Note	2010 €'000	2009 €'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment		20,795	23,016
Investment property		2,128	2,101
Investment in joint venture		2,512	2,512
Investments		6	6
Defined benefit pension scheme surplus		1,743	6,893
		<u>27,184</u>	<u>34,528</u>
<i>Current assets</i>			
Trade and other receivables		6,492	5,587
Inventories		64,162	75,251
Income tax receivable		-	3,127
Financial investments	6	52,085	29,904
Restricted cash		4,444	6,305
Cash and cash equivalents		51,828	37,529
		<u>179,011</u>	<u>157,703</u>
TOTAL ASSETS		<u>206,195</u>	<u>192,231</u>
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		(40,670)	(37,198)
Income tax payable		(1,752)	-
Provisions		(2,233)	(1,814)
		<u>(44,655)</u>	<u>(39,012)</u>
NET CURRENT ASSETS		<u>134,356</u>	<u>118,691</u>
<i>Non-current liabilities</i>			
Deferred taxation		(1,055)	(2,419)
Provisions		(65)	(63)
		<u>(1,120)</u>	<u>(2,482)</u>
TOTAL LIABILITIES		<u>(45,775)</u>	<u>(41,494)</u>
NET ASSETS		<u>160,420</u>	<u>150,737</u>
EQUITY			
<i>Equity attributable to equity holders of the parent</i>			
Issued capital		7,881	7,881
Share premium		13,321	13,321
Revaluation reserve		4,548	4,807
Other reserves			
- Capital redemption reserve fund		4,502	4,502
- Currency translation		(20,044)	(21,912)
Retained earnings		150,212	142,138
		<u>160,420</u>	<u>150,737</u>
TOTAL EQUITY		<u>160,420</u>	<u>150,737</u>
TOTAL EQUITY AND LIABILITIES		<u>206,195</u>	<u>192,231</u>

Group Cash Flow Statement
30 April 2010

	2010	2009
	€'000	€'000
Cash flows from operating activities		
Profit / (loss) before tax	15,162	(54,394)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Non cash:		
Depreciation	4,339	5,675
Other non cash items	(1,085)	948
Movement in pension benefit asset	(468)	(482)
Impairment charge on inventories	-	58,054
Impairment of properties	-	2,952
Profit on disposal of property, plant and equipment	(645)	(850)
Profit on disposal of financial asset	(237)	(107)
Finance income	(1,879)	(1,465)
Finance costs	76	119
Working capital adjustments:		
Decrease in inventories	12,572	25,429
(Increase) / decrease in trade and other receivables	(801)	3,845
Increase / (decrease) in creditors and provisions	1,618	(4,982)
Income taxes paid	2,228	(611)
Net cash flow from operating activities	30,880	34,131
Cash flows from investing activities		
Purchase of plant, property and equipment	(1,721)	(3,662)
Sale of plant, property and equipment	2,217	2,131
Investment in Government bonds	(31,547)	(29,266)
Disposal of Government bonds	10,102	-
Finance income	1,879	1,465
Net cash outflow from investing activities	(19,070)	(29,332)
Cash flows from financing activities		
Movement in restricted cash	1,861	(3,848)
Finance costs	(76)	(119)
Net cash inflow / (outflow) from financing activities	1,785	(3,967)
Net increase in cash and cash equivalents	13,595	832
Cash and cash equivalents at start of year	37,529	37,350
Net foreign exchange differences	704	(653)
Cash and cash equivalents at end of year	51,828	37,529

NOTES TO THE PRELIMINARY STATEMENT
30 April 2010

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 2010 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 / (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 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 2010							
<u>Income Statement Information</u>							
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 / (costs)	2,034	46	192	58	-	-	2,330
Income tax expense	(574)	(2,293)	-	-	-	-	(2,867)
Profit / (loss) after taxation	5,837	5,695	738	(449)	474	-	12,295
<u>Balance Sheet Information</u>							
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
<u>Other Segmental Information</u>							
Depreciation	131	128	-	4,080	-	-	4,339
Profit on disposal of fixed assets	(16)	(3)	-	(626)	-	-	(645)
Capital expenditure	-	52	-	3,108	-	-	3,160
30 April 2009							
<u>Income Statement Information</u>							
Revenue	31,954	53,760	-	13,642	496	-	99,852
Cost of Sales							
- operating	(28,050)	(42,743)	(86)	(11,455)	-	-	(82,334)
- impairment charge on inventories	(41,618)	(16,436)	-	-	-	-	(58,054)
Administrative expenses	(3,702)	(5,522)	(409)	(2,619)	-	-	(12,252)
Impairment of property	(1,154)	-	-	(652)	(1,146)	-	(2,952)
Operating (loss) / profit	(42,570)	(10,941)	(495)	(1,084)	(650)	-	(55,740)
Finance income / (costs)	1,160	192	3	(9)	-	-	1,346
Income tax credit / (expense)	477	2,883	-	409	-	-	3,769
(Loss) / profit after taxation	(40,933)	(7,866)	(492)	(684)	(650)	-	(50,625)
<u>Balance Sheet Information</u>							
Segment Assets	29,676	46,066	17,168	21,819	1,246	-	115,975
Segment Liabilities	(13,663)	(19,235)	(6,664)	(1,932)	-	-	(41,494)
Segment Net Assets	16,013	26,831	10,504	19,887	1,246	-	74,481
Investment in Joint Venture	2,512	-	-	-	-	-	2,512
Investments	18,525	26,831	10,504	19,887	1,246	-	76,993
Financial investments	-	6	-	-	-	-	6
Cash and cash equivalents	9,015	20,889	-	-	-	-	29,904
	36,032	1,432	6,372	(56)	-	54	43,834
TOTAL NET ASSETS	63,572	49,158	16,876	19,831	1,246	54	150,737
<u>Other Segmental Information</u>							
Depreciation	241	170	-	5,264	-	-	5,675
Loss / (profit) on disposal of fixed assets	49	8	-	(907)	-	-	(850)
Capital expenditure	-	691	-	2,971	-	-	3,662

NOTES TO THE PRELIMINARY STATEMENT
30 April 2010

3. EXCEPTIONAL ITEMS

	2010	2009
	€'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	-	58,054

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 previous year of €58,054,000. 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.

<u>Gain on disposal of property</u>		
Gain on disposal of property	273	-

During the year a gain resulted from the disposal of a property.

<u>Impairment of investment properties and land and buildings</u>		
Impairment charge	-	2,952

At the previous year end, a review of the fair value of investment properties and land and buildings was undertaken and this resulted in an impairment charge to the income statement.

4. TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2010	2009
	€'000	€'000
The tax charge / (credit) based on the profit / (loss) on ordinary activities comprises:		
Irish Corporation Tax at 12.5%		
Current	174	(189)
United Kingdom Corporation Tax at 28.00% (2009: 28.00%)		
Current	2,494	775
Prior year loss carry back	-	(3,464)
Total current corporation tax	2,668	(2,878)
Deferred tax: originating and reversal of temporary differences	199	(891)
Tax charge / (credit) to the income statement	2,867	(3,769)

5. EARNINGS / (LOSSES) PER SHARE : Basic and Diluted

Earnings / (losses) per share has been calculated by reference to the weighted average number of shares in issue of 24,626,992 (2009: 24,626,992) and to the profit on ordinary activities after taxation amounting to €12,295,000 (2009: loss €50,625,000).

6. INVESTMENTS	2010	2009
	€'000	€'000
<i>Financial assets</i>		
UK Government Sterling Bonds	<u>52,085</u>	<u>29,904</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	15 July 2010
Annual Report	27 August 2010
Annual General Meeting	1 October 2010
Proposed Dividend Payment <i>(subject to approval at Annual General Meeting)</i>	29 October 2010
- payable to shareholders registered on	8 October 2010
Interim Statement	December 2010