

Thursday 27th February 2003

PRELIMINARY ANNOUNCEMENT

Financial Results for the Year ended 31 December 2002

The year proved to be a very successful one for McNerney Holdings plc with the Group generating significant growth in our key market segments, particularly in the UK. This resulted in a strong profit performance by the Group during the period.

Financial Highlights

The Directors are pleased to report a pre-tax profit of €20.62m, an increase of 14% on the 2001 result of €18.14m. Basic earnings per share in 2002 increased by 15% to 50.32 cent compared to 43.74 cent in 2001.

Profit after tax for the year was €16.40m compared with €13.94m in 2001.

Our Irish house-building division remains the main contributor to Group profitability having completed 1,011 private and contract housing units in 2002, up from 808 units in 2001. The Group's UK division produced an excellent performance in a strong UK housing market. The Spanish leisure activities also performed well during the period. The performance of the Group's Irish commercial division was satisfactory given quieter market conditions.

Dividend

Based on these results the Group is proposing to pay an increased dividend of 6.25 cent gross per share (4.5 cent gross per share in 2001). This will be paid on 24th March 2003, to shareholders registered at 7th March 2003.

This significant increase in dividend payment marks the continuation of the more progressive dividend policy being followed by the Group as outlined in my statement of last year.

As is our practice, this will be paid as an interim dividend in lieu of a final dividend.

Board

As part of our ongoing policy of strengthening our Board, it is with pleasure that I welcome the recent appointments of Ned Sullivan and Brendan Gilmore as Non-Executive Directors. Between them they have a broad range of commercial experience across a range of sectors and they will enhance our collective expertise in managing the future direction of our Group. They will, as is normal, submit to election by shareholders at the forthcoming Annual General Meeting in June.

Operational Highlights

The Group's operations are divided into four divisions namely, Irish house-building and contracting, UK house-building and contracting, Irish commercial property development and leisure developments in Spain.

House-building Ireland

The number of Irish house completions during the year was 1,011, of which 879 were in private housing and 132 were in contract housing. This compares with a total of 808 house completions for 2001.

The Group's strategy of focussing on first time buyers and maintaining an active land management policy is clearly reflected in the buoyant 2002 performance in this division.

Deposits on hand at year-end were 462 compared to 233 in 2001. The spring selling season this year has got off to a good start across the full spectrum of our sites.

As part of our land management strategy, land sales of €10.62m were closed in 2002. The Group's residential land bank at the end of December was 4,272 plots, up from 3,915 plots at the beginning of the year. Of these plots some 67% have full planning permission and the balance are residentially zoned. This is a satisfactory mix for our ongoing requirements.

Our contract housing activities had a difficult year with tighter margins being experienced. A better performance is anticipated from these activities in the current year.

House-building UK

We are particularly pleased with our progress in the UK marketplace. The past year has proved to be a milestone in the development of our UK activities. Excellent results were delivered both by our existing Hargreaves business and the newly acquired Charlton Group.

The integration of Charlton with our existing operations proceeded very smoothly during the year and significant synergies have developed. These combined operations provide the Group with an effective, profitable division servicing the developing North West regional housing market. The target product sectors of starter and middle market homes and city centre apartment developments have experienced strong demand in recent years and indications are that this demand should continue.

In 2002 our UK house completions increased dramatically to 310 units of which 257 were private completions and 53 were contract completions. Of the 257 private units, 192 were provided by Charlton and 65 by Hargreaves Homes. At year end the UK operations had 131 deposits on hand.

Commercial Division

Hillview Securities continues to develop the Millennium Business Park in Ballycoolin, Dublin and the smaller Euro Business Park in Cork. During the year Hillview successfully disposed of 11 acres of land at Ballycoolin to an end user. In a strategic move Hillview, in joint venture with Bank of Scotland, acquired a building in Galway that will be used to extend the adjoining Eyre Square shopping centre.

Spanish Division

The Group continues to grow its freehold activities in Spain. The Los Flamingos development in the Marbella region has been a resounding success with sales deposits achieved for all apartment units in the first two phases of 150 units. During the year 17 sales completions were achieved with a further 79 sales completions planned for 2003 and the balance in 2004. At year-end 133 deposits were on hand.

A strategic land sale during the year generated a profit of €931,000 for the Group. Funds released contributed to the purchase of alternative land at Los Flamingos.

Towards the end of 2002 the Group announced a new corporate brand identity for our freehold and rental operations in Spain. The new identity, Alanda Group, encompasses all McInerney's business activities in the region, namely; freehold sales, holiday rentals and resort management, under one name. Freehold activities will be marketed as Alanda Homes and holiday rentals as Alanda Holidays.

The introduction of the Alanda brand name for the McInerney operations in Spain marks the final stage of a transition from the original Club based business to a leisure based freehold and holiday rentals business.

The Future

We believe the Group is well positioned to face the future with continued optimism.

Demand for housing in Ireland continues to be strong and all indicators point to another good year for our house-building activities. The successful integration of the Charlton Group acquisition in the UK has given significant impetus to our operations there and makes the UK an important profit and future growth centre for the Group. Our freehold operations order book in Spain is full with booked commitments well into 2005.

The increased level of business already written in the current year provides the Group with a solid base for 2003 and a platform for planning further growth in 2004.

Roy B. Ferris
Chairman

MC INERNEY HOLDINGS PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2002

	2002 €'000	2001 €'000
TURNOVER INCLUDING GROUP SHARE OF JOINT VENTURES		
Continuing Operations	231,148	186,485
Acquisitions	<u>30,453</u>	<u>-</u>
	261,601	186,485
Less: Share of Joint Ventures Turnover	<u>(3,547)</u>	<u>(1,331)</u>
GROUP TURNOVER	258,054	185,154
COST OF SALES	<u>(213,876)</u>	<u>(150,533)</u>
GROSS PROFIT	44,178	34,621
Administrative Expenses	<u>(19,885)</u>	<u>(13,755)</u>
GROUP OPERATING PROFIT		
Continuing Operations	22,199	20,866
Acquisitions	<u>2,094</u>	<u>-</u>
	24,293	20,866
Share of Operating Profits in Joint Ventures		
Continuing Operations	986	578
Acquisitions	<u>945</u>	<u>-</u>
TOTAL OPERATING PROFITS INCLUDING JOINT VENTURES	26,224	21,444
Profit on Disposal of Office Buildings	-	1,178
Interest Payable and Similar Charges	<u>(5,600)</u>	<u>(4,480)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	20,624	18,142
Taxation Charge arising on Ordinary Activities	<u>(4,220)</u>	<u>(4,199)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16,404	13,943
Proposed Dividend	<u>(2,039)</u>	<u>(1,465)</u>
PROFIT RETAINED FOR THE YEAR	<u>14,365</u>	<u>12,478</u>
BASIC EARNINGS PER SHARE	50.32 c	43.74 c
FULLY DILUTED EARNINGS PER SHARE	48.49 c	41.69 c

The Auditors have confirmed that they will be issuing an unqualified opinion on the accounts from which the financial information set out on pages 4 to 8 for the year ended 31 December 2002 has been extracted. The Financial information for the year ended 31 December 2001 has been extracted from audited accounts on which the Auditors issued an unqualified opinion and which have been delivered to the Registrar of Companies.

MC INERNEY HOLDINGS PLC
CONSOLIDATED BALANCE SHEET
As at 31 December 2002

	2002 €'000	2001 €'000
FIXED ASSETS		
Intangible Assets	15,084	5,566
Tangible Assets	13,786	9,411
Financial Assets		
Joint Ventures:		
Share of Gross Assets	9,057	7,342
Share of Gross Liabilities	(8,263)	(7,246)
Loans to Joint Ventures	3,238	1,451
	4,032	1,547
TOTAL FIXED ASSETS	32,902	16,524
CURRENT ASSETS		
Stocks	178,994	124,433
Debtors	30,700	21,691
Cash at Bank and in Hand	20,994	21,103
	230,688	167,227
CREDITORS (Amounts falling due within one year)		
Bank Loans and Overdrafts	23,642	23,839
Trade and Other Creditors	106,992	64,861
	130,634	88,700
NET CURRENT ASSETS	100,054	78,527
TOTAL ASSETS LESS CURRENT LIABILITIES	132,956	95,051
CREDITORS (Amounts falling due after more than one year)		
Bank Loans	55,615	36,140
Other Creditors	3,710	1,505
	59,325	37,645
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred Taxation	1,173	504
	72,458	56,902
FINANCED BY :		
CAPITAL AND RESERVES		
Called up Share Capital	4,078	4,072
Capital Conversion Reserve Fund	62	62
Share Premium Account	16,358	16,298
Revaluation Reserve	2,159	138
Profit and Loss Account	49,801	36,332
TOTAL SHAREHOLDERS' FUNDS - ALL EQUITY	72,458	56,902

MC INERNEY HOLDINGS PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2002

	2002 €'000	2001 €'000
Net Cash Inflow from operating activities	<u>12,984</u>	<u>4,924</u>
DIVIDENDS RECEIVED FROM JOINT VENTURES	<u>576</u>	<u>112</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest Received	145	46
Interest Paid	(5,827)	(4,912)
Interest element of Finance Lease payments	<u>(38)</u>	<u>(32)</u>
	<u>(5,720)</u>	<u>(4,898)</u>
TAXATION	<u>(4,942)</u>	<u>(4,476)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of Tangible assets	(3,456)	(4,208)
Sale of Tangible Assets	208	2,474
Investment in Financial Assets	<u>(1,663)</u>	<u>532</u>
	<u>(4,911)</u>	<u>(1,202)</u>
ACQUISITION OF SUBSIDIARY UNDERTAKING	<u>(10,309)</u>	<u>-</u>
EQUITY DIVIDENDS PAID	<u>(1,465)</u>	<u>(1,110)</u>
Net Cash Outflow before Financing	<u>(13,787)</u>	<u>(6,650)</u>
FINANCING		
Share Capital Subscribed	66	112
Repayment of Loans	(59,456)	(31,353)
Proceeds from Borrowings	74,550	47,750
Capital Element of Finance Lease Rentals	<u>(242)</u>	<u>(178)</u>
	<u>14,918</u>	<u>16,331</u>
Increase in cash in year	<u>1,131</u>	<u>9,681</u>

MC INERNEY HOLDINGS PLC
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
For the year ended 31 December 2002

	2002 €'000	2001 €'000
Increase in cash in year	1,131	9,681
Cash inflow from increase in debt and lease financing	(14,852)	(16,219)
	<hr/>	<hr/>
Changes in net debt resulting from cashflows	(13,721)	(6,538)
Loans acquired with subsidiary undertaking	(5,424)	-
New finance leases	<u>(14)</u>	<u>(323)</u>
Movement in net debt for the year	(19,159)	(6,861)
Net debt as at 1 January 2002	<u>(39,510)</u>	<u>(32,649)</u>
Net debt as at 31 December 2002	<u>(58,669)</u>	<u>(39,510)</u>

MC INERNEY HOLDINGS PLC
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2002

SEGMENTAL INFORMATION

Segmental Analysis of Turnover and Profit		2002	2001
		€'000	€'000
Group Turnover			
Ireland:	Private Housing	137,189	107,696
	Developed Sites & Land	10,624	16,740
	Contracts	29,151	22,203
	Commercial	1,970	8,096
	Commercial Land	6,429	-
Spain:	Leisure	13,219	12,999
	Land	6,297	-
United Kingdom:	Private Housing	36,676	3,844
	Developed Sites & Land	2,476	-
	Contracts	14,023	13,576
Total Group Turnover		<u>258,054</u>	<u>185,154</u>
Profit before Interest & Taxation			
Ireland:	Private Housing	18,643	14,054
	Developed Sites & Land	2,977	5,774
	Contracts	(747)	1,414
	Commercial	386	919
	Commercial Land	1,022	-
Spain:	Leisure	1,996	2,201
	Land	931	-
United Kingdom:	Private Housing	3,164	(244)
	Developed Sites & Land	729	-
	Contracts	1,021	322
Segment Profits		<u>30,122</u>	<u>24,440</u>
Profit on disposal of office buildings		-	1,178
Common Costs		(2,929)	(2,503)
Costs incurred in on-going Development / Acquisition			
Activities		(175)	(176)
Goodwill		(794)	(317)
Net Interest Payable		<u>(5,600)</u>	<u>(4,480)</u>
Profit Before Taxation		<u>20,624</u>	<u>18,142</u>
Segmental Analysis of Net Assets		2002	2001
		€'000	€'000
Business Sectors			
Private Housing		62,505	55,036
Leisure		21,963	11,548
Commercial		18,319	23,239
UK Construction		31,009	8,467
Net Operating Assets		<u>133,796</u>	<u>98,290</u>
Unallocated Liabilities		<u>(3,075)</u>	<u>(2,512)</u>
Net Borrowings		<u>130,721</u>	<u>95,778</u>
		<u>(58,263)</u>	<u>(38,876)</u>
Total Net Assets		<u>72,458</u>	<u>56,902</u>

