

Friday, 21st May 2004

**McINERNEY HOLDINGS plc**  
**ACQUIRES ALEXANDER DEVELOPMENTS LTD**  
**AS PLATFORM FOR FURTHER UK EXPANSION**

McInerney Holdings plc ('McInerney' or 'the Group') is pleased to announce that it has acquired 100% of the share capital of Alexander Developments (North East) Limited ('Alexander' or 'the Company') with immediate effect.

Alexander Developments was founded in the mid 1980s by its Chief Executive Alex Chaytor and has an established reputation as a leading independent house builder in the North East of England. The Company is based in the Sedgefield area of North-East England and operates within an area bounded by Newcastle, Sunderland and Middlesborough with a population catchment of over 2 million. Its operations are mainly focused in the key regional commuter towns within this region.

McInerney's strategy in the UK market is to secure earnings growth both organically and through acquisition. The acquisition of Alexander is a further step towards achieving the Group's ambition to grow its UK operations to a scale and size similar to McInerney's Irish home building division. A progressive management team is in place at Alexander, with experience and vision that will benefit further from McInerney's involvement. The North East of England is experiencing strong construction demand with particularly strong growth in the private residential home market. Alexander is well positioned to take advantage of this growth under McInerney's ownership.

Barry O'Connor, Managing Director, McInerney Holdings plc commenting today said: "This acquisition is a significant step forward in our plans to expand our UK operations. Alexander provides the Group with access to new markets in the North East of England that will complement our building activities in the North West of England. It is a foothold in a new geographic territory with a population of some 2 million people. The Company represents an excellent corporate and cultural fit with our existing business. McInerney now has a strong regional presence in the North of England and this acquisition along with continued organic growth activities provides a strong platform for the Group to take best advantage of a buoyant housing market demand in the UK."

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### **Consideration**

The total consideration for the acquisition is £8.75 million (€13.0m) which is payable as follows:

- An initial consideration of £6.25 million (€9.3m) payable in cash at completion
- Additional earn-out consideration up to a maximum of £2.5million (€3.7m) may become payable by McInerney depending on the profit before interest and tax (PBIT) achieved by Alexander in the three year period ending 30 June 2007.

### **Business**

Alexander is an established regional house builder that completed 85 units in the year to 30 June 2003. For the year ending 30 June 2004 it is targeting 96 completions. The Company specialises in building quality houses, mainly detached, based on customers' individual requirements in line with the potential of the land. The Company has a land bank sufficient to cover over two years of unit output at current annual building levels. Its key areas of activity are in the commuter towns adjacent to large urban centres where demand for out of city locations is favourable.

### **Results**

The Company reported a profit before tax of £0.5 million (€0.7m) for the year ended 30 June 2003. Based on unaudited management accounts for the nine month period ended 31 March 2004, the Company generated a profit before tax of £1.0m (€1.5m) for the nine months. Net assets at 30 June 2003 were £1.0 million (€1.5m). Based on unaudited management accounts for the nine month period ended 31 March 2004, net assets at 31 March 2004 were £1.6m (€2.4m).

**ENDS**

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### **About McInerney Holdings plc**

McInerney Holdings plc is one of Ireland's leading development companies, with divisions specialising in various aspects of the construction market. McInerney Holdings plc comprises four divisions operating in Ireland, Spain and the United Kingdom. Established in 1909, the Group is Ireland's largest national homebuilder, and also undertakes extensive commercial and leisure projects both in Ireland and abroad. The company is listed on the Dublin and London Stock Exchanges (ISE: MCI.I/LSE: MCI).