

McInerney Holdings plc
Interim Statement for the six months ending 30th June 2006

The Group reports a profit before tax of €11.210m for the period ending 30th June 2006 which compares to €11.012m for the corresponding six month period in 2005. Profit after tax was €9.347m compared to €9.173m. Group turnover was €228.8m compared to €171.2m. Basic earnings per share were 28.07 cent compared to 27.68 cent for the same period in 2005.

As in 2005, profit performance and earnings growth will be weighted towards the second half of 2006. Both the Irish and UK housing businesses are on course for strong sales completions in the second half, and the Directors are confident of another favourable outcome this year. Our focus on achieving further expansion in the UK is being realised and the Directors are satisfied with the outcome.

An interim dividend of 10 cent gross will be paid on 27 October 2006 to shareholders registered on 6 October 2006. This compares to an interim dividend of 9 cent gross for the first half of 2005.

Ireland

Performance in the first six months by the Group's Irish housing business was solid. 362 housing units were completed, compared to 438 for the corresponding period in 2005. This reduction is largely due to the weighting effect of sales completions on two apartment schemes in Dublin taking place in the second half. The Group anticipates unit completions for the full year to be at a similar level to last year, resulting in another strong performance in the Irish market.

We continue to expand into new regions. Sites have been secured in Moycullen and Youghal. Strong market demand for Irish housing continues, boosted by employment, demographics and inward migration. We remain well positioned to capitalise on these trends by virtue of our nationwide spread, broad product mix and site locations where housing demand is strong.

The Irish contracting business delivered a solid performance and the order book on hand is circa €130m.

The Group's commercial division, Hillview Developments, performed well in Ireland, selling 4,225 sq. metres of industrial units. Two new sites have been secured in Dublin.

UK

Excellent progress was made on all fronts in the UK in the first six months. The division completed 268 units, compared to 142 units in the corresponding period in 2005. The Group anticipates full year completions of over 900 units compared to 658 in 2005.

The Group's ambitious expansion plans continue to progress. Following on from the successful integration of Augusta Developments, which was acquired in February 2006, the Group recently announced the acquisition of Bowey Homes based in Gateshead. With a focus on the owner occupier market, Bowey significantly increases our area of operation in the North East of England as well as diversifying our product mix. Trading post acquisition has been positive and integration plans are proceeding smoothly.

The Directors expect a strong full year result from the UK housing division and are particularly pleased with the significant momentum that has been achieved in the scale of the UK operation in terms of management structure, geographic spread and output since our expansion plans began a number of years ago.

Our UK management team was significantly boosted during the first half of 2006 with further senior appointments at group and regional level. The Directors believe this enhanced management structure ensures the UK division is well placed for substantial future growth and expansion. Our operations cover the North West, the North East, Yorkshire, and now also the West Midlands and the South Midlands regions. This broadened base should support significant revenue and profit growth going forward.

The UK's commercial division continued to generate good revenue to the Group, at positive margins in the first six months, completing some 2,376 sq. metres of industrial units. Good margins were achieved.

Spain

Our Spanish operation had a good result for the first half of the year, completing 30 units compared to eight in the corresponding six month period in 2005. The Group anticipates the completion of circa 60 units for the full year, compared to 35 in 2005. Construction will shortly commence on the new site at the golf based development of El Cortesin in Casares.

Outlook

The Group is favourably positioned across all markets. We expect to achieve strong growth in unit numbers and revenue in 2006. The Directors are confident of a positive result for the current year.

Ned Sullivan
Chairman

ENDS

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MC INERNEY HOLDINGS PLC
CONSOLIDATED INCOME STATEMENT
For the period ended 30 June 2006

	30/06/2006 Unaudited €'000	30/06/2005 Unaudited €'000	31/12/2005 Audited €'000
Continuing operations			
Revenue	228,823	171,238	489,098
Cost of Sales	<u>(190,386)</u>	<u>(141,280)</u>	<u>(394,478)</u>
Gross Profit	38,437	29,958	94,620
Administrative Expenses	(20,193)	(14,688)	(33,458)
Share of Results from Joint Ventures	(74)	519	(21)
Profit from Operations	<u>18,170</u>	<u>15,789</u>	<u>61,141</u>
Investment Income	75	76	421
Finance Costs	<u>(7,035)</u>	<u>(4,853)</u>	<u>(11,502)</u>
Profit before Tax	11,210	11,012	50,060
Tax	<u>(1,863)</u>	<u>(1,839)</u>	<u>(8,963)</u>
Profit attributable to Equity Holders of the Parent	<u><u>9,347</u></u>	<u><u>9,173</u></u>	<u><u>41,097</u></u>
Earnings Per Share			
From Continuing Operations:			
Basic	28.07	27.68	124.01
Diluted	27.00	26.28	118.66

MC INERNEY HOLDINGS PLC
CONSOLIDATED BALANCE SHEET
As at 30 June 2006

	30/06/2006 Unaudited €'000	30/06/2005 Unaudited €'000	31/12/2005 Audited €'000
Non-Current Assets			
Goodwill	30,521	22,390	22,390
Property, Fixtures & Equipment	7,622	6,071	6,188
Investment Property	183	183	183
Interests in Joint Ventures	2,457	7,335	4,660
Deferred Tax Assets	161	963	318
	<u>40,944</u>	<u>36,942</u>	<u>33,739</u>
Current Assets			
Inventories	407,693	341,556	333,241
Trade & Other Receivables	53,927	39,297	52,044
Cash & Cash Equivalents	37,147	33,102	62,056
Assets Classified as held for Sale	1,654	4,237	2,750
	<u>500,421</u>	<u>418,192</u>	<u>450,091</u>
Total Assets	<u>541,365</u>	<u>455,134</u>	<u>483,830</u>
Current Liabilities			
Trade & Other Payables	147,408	144,663	131,633
Retirement Benefit Obligation	487	320	422
Tax Liabilities	5,855	9,242	15,795
Obligations under Finance Leases	412	383	395
Bank Loans & Overdrafts	99,079	87,173	106,058
	<u>253,241</u>	<u>241,781</u>	<u>254,303</u>
Net Current Assets	<u>247,180</u>	<u>176,411</u>	<u>195,788</u>
Non-Current Liabilities			
Bank Loans	112,916	79,746	66,990
Retirement Benefit Obligation	799	1,896	1,358
Deferred Tax Liabilities	2,248	2,190	2,303
Other Payables	10,384	4,105	3,649
Obligations under Finance Leases	476	440	412
	<u>126,823</u>	<u>88,377</u>	<u>74,712</u>
Total Liabilities	<u>380,064</u>	<u>330,158</u>	<u>329,015</u>
Net Assets	<u>161,301</u>	<u>124,976</u>	<u>154,815</u>
EQUITY			
Share Capital	4,172	4,144	4,145
Capital Conversion Reserve Fund	62	62	62
Share Premium Account	17,481	17,158	17,180
Equity Reserve	862	485	674
Hedging & Translation Reserves	(326)	(1,812)	(1,524)
Retained Earnings	139,050	104,939	134,278
	<u>161,301</u>	<u>124,976</u>	<u>154,815</u>
Total Equity and Liabilities	<u>541,365</u>	<u>455,134</u>	<u>483,830</u>

MC INERNEY HOLDINGS PLC
CONSOLIDATED CASH FLOW STATEMENT
For the period ended 30 June 2006

	30/06/2006 Unaudited €'000	30/06/2005 Unaudited €'000	31/12/2005 Audited €'000
Profit from Operations	18,170	15,789	61,141
Adjustments for:			
Depreciation	1,081	958	1,952
Share of Results from Joint Ventures	74	(519)	21
Provision for Fair Value of Share based Payments	188	187	376
Profit on disposal of Tangible Assets	(6)	-	(48)
Pension Service Costs	180	211	281
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Operating Cash Flows before movements in Working Capital	19,687	16,626	63,723
Increase in Inventories	(72,214)	(68,615)	(63,267)
Decrease / (Increase) in Receivables	2,091	2,476	(3,233)
Increase in payables	10,786	19,656	9,752
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Cash Generated by Operations	(39,650)	(29,857)	6,975
Taxation Paid	(4,794)	(218)	(7,625)
Interest Paid	(7,704)	(4,749)	(10,747)
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NET CASH FROM OPERATING ACTIVITIES	(52,148)	(34,824)	(11,397)
INVESTING ACTIVITIES			
Interest Received	49	76	134
Dividends Received from Joint Ventures	1,976	-	2,000
Loans advanced to Joint Ventures	(3,439)	(1,547)	(9,270)
Loans repaid from Joint Ventures	345	-	5,267
Proceeds on disposal of Property, Fixtures & Equipment	148	-	195
Purchases of Property, Fixtures & Equipment	(1,940)	(686)	(1,735)
Employer Contributions to Pension Scheme	(243)	(211)	(421)
Acquisition of Subsidiary	(3,508)	-	-
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NET CASH USED IN INVESTING ACTIVITIES	(6,612)	(2,368)	(3,830)
FINANCING ACTIVITIES			
Dividends Paid	(5,006)	(3,643)	(6,629)
Share Capital Subscribed	328	49	72
Repayments of Borrowings	(50,728)	(28,736)	(80,183)
Repayments of Obligations under Finance Leases	(291)	(192)	(460)
New Bank Loans Raised	88,862	75,690	135,894
Increase in Bank Overdrafts	822	205	258
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NET CASH FROM FINANCING ACTIVITIES	33,987	43,373	48,952
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(24,773)	6,181	33,725
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	62,056	26,670	26,670
Effect of Foreign Exchange Rate Changes	(136)	251	1,661
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CASH AND CASH EQUIVALENTS AT END OF PERIOD			
Bank Balances and Cash	<u>37,147</u>	<u>33,102</u>	<u>62,056</u>

MC INERNEY HOLDINGS PLC
NOTES TO THE INTERIM REPORT
For the period ended 30 June 2006

Segment Information

The Group operates in three Markets, Ireland, UK and Spain. The principal activities of the Group are Private Housing Development, Contracting, Commercial Development and Leisure. The Leisure activities are divided into Club Management and Freehold sales. Land sales are also a part of each business segment. These divisions are the basis on which the Group reports its primary segment information.

REVENUE	30/06/2006 Unaudited €'000	30/06/2005 Unaudited €'000
Ireland:		
Private Housing	83,697	91,341
Developed Sites & Land	1,580	1,299
Construction Contracts	51,367	25,535
Commercial	7,556	8,641
Commercial Land	-	700
	<u>144,200</u>	<u>127,516</u>
UK:		
Private Housing	56,405	31,439
Developed Sites & Land	5,396	435
Construction Contracts	4,971	9,839
Commercial	4,116	-
	<u>70,888</u>	<u>41,713</u>
Spain:		
Club Management	1,363	1,495
Leisure Freehold	14,569	1,175
Developed Sites & Land	-	750
	<u>15,932</u>	<u>3,420</u>
Eliminations	<u>(2,197)</u>	<u>(1,411)</u>
Total Revenue	<u><u>228,823</u></u>	<u><u>171,238</u></u>

SEGMENT RESULTS	30/06/2006 Unaudited €'000	30/06/2005 Unaudited €'000
Ireland:		
Private Housing	10,677	12,397
Developed Sites & Land	729	242
Construction Contracts	831	1,022
Commercial	2,117	948
Commercial Land	-	65
	<u>14,354</u>	<u>14,674</u>
UK:		
Private Housing	1,819	1,054
Developed Sites & Land	2,615	325
Construction Contracts	276	448
Commercial	278	-
	<u>4,988</u>	<u>1,827</u>
Spain:		
Club Management	479	375
Leisure Freehold	1,785	1,175
Developed Sites & Land	-	301
	<u>2,264</u>	<u>1,851</u>
Total Segment Results	21,606	18,352
Common Costs	(3,436)	(2,563)
Profit from Operations	18,170	15,789
Investment Income	75	76
Finance Costs	(7,035)	(4,853)
Profit Before Tax	11,210	11,012
Tax	(1,863)	(1,839)
Profit After Tax	<u>9,347</u>	<u>9,173</u>

Dividends

	30/06/2006 Unaudited €'000	30/06/2005 Unaudited €'000
Amounts recognised as distributions to Equity Holders during the period.		
Charge to Profit & Loss		
Final Dividend of 15c per share for the year ending 31 December 2005 (2004: 11c per share) paid in period	<u>5,006</u>	<u>3,643</u>
Proposed Dividend		
Proposed interim dividend for the year ending 31 December 2006 of 10c per share (2005: 9c per share)	<u>3,337</u>	<u>2,986</u>

The proposed interim dividend was approved by the Board on 26 September 2006 and has not been included as a liability in these financial statements.

