

Tuesday, 25<sup>th</sup> September 2007

## **McInerney Holdings plc** **Interim Statement for the six months ended 30<sup>th</sup> June 2007**

The Group reports a profit before tax of €9.2million for the first six months of 2007 which compares to €11.2million for the corresponding period in 2006. Private housing profits rose by 97% in the UK and by 15% in Ireland for the first six months as compared to the same period in 2006. Profit after tax was €7.9million as compared to €9.3million in the corresponding period in 2006. Basic earnings per share were 4.11 cent compared to 5.4 cent for the same period in 2006 (as adjusted for the recent rights issue and share split).

An interim dividend of 3 cent gross will be paid on 26th October 2007 to shareholders on the register on 5th October 2007. This is an increase from 2 cent last year (as adjusted for the recent share split), and represents a rebalancing between the interim and final payments.

Operationally, our UK business is now the largest component of the Group and this growth pattern is expected to continue. This is the consequence of our 2001 strategic plan to diversify earnings, relocate capital to the UK and expand and diversify our operations.

### **UK**

The UK housing operation recorded a significant increase in output in the first half of 2007. We completed 446 homes in the first half of 2007, compared to 268 homes for the same period in 2006. Private housing profits were €3.6million compared to €1.8million in the first half of 2006. Based on current activity, it is expected that the strong momentum in the number of unit completions will continue in the second half of the year.

The Group's expansion plans continue to progress. Our acquisition of Lancing Homes in February has been immediately earnings enhancing and its integration is complete. Our geographic spread across the North and Midlands of England now extends to 74 sites. This broadened operational base, combined with a product focus within the construction sector which continues to show strong demand, is anticipated to support continued revenue and profit growth going forward.

In addition, recent reviews of planning strategy initiated by the Government present the Group with further opportunities. McInerney recently pre-qualified as one of a small number of private developers eligible to bid directly for funds from the National Affordable Housing Programme (2008-2011). It is anticipated this will boost our UK social housing division in future years.

The commercial division completed 1,842 sq metres of industrial units in the outer London area compared to 2,376 sq. metres in the first half of 2006. A new site was recently secured at Park Royal.

### **Ireland**

The Group's Irish housing business completed 257 homes in the first half of 2007 compared to 362 homes for the same period in 2006. Private housing profits were €12.2million as compared to €10.7million for the first six months of 2006. The Group anticipates unit completions for the full year to be short of 2006 levels and below target for the year.

The fundamentals of the Irish economy and housing market remain strong although consumer caution became more evident as the period progressed, impacted by the tightening of interest rates. We provide quality, affordable homes and have a significant geographic spread throughout the country. Recent new planning permissions secured provide access to new locations offering good demand for well priced housing product.

We are currently active on 28 sites in Ireland and expect this number to increase next year. Despite a slower pace of demand in the Irish market, we anticipate momentum to return and this, coupled with our favourable planning permissions position, should result in our output increasing in 2008.

The Irish contracting business delivered a good performance and the order book on hand is circa €137million. It is anticipated that this business will benefit from the Government's capital programme for housing.

The Group's commercial division, Hillview Developments sold 1,591 sq. metres of industrial units in the first half of 2007.

### **Spain**

The Spanish market has witnessed a general slowdown. In this context, we are not anticipating growth in the short term. Our Spanish operation completed 17 homes in the first half of 2007 compared to 30 homes for the same period in 2006.

**Outlook**

In line with our strategic plan, our operations are now very broadly spread through England and Ireland offering an affordable product.

Strong margins are being achieved in Ireland and this combined with increased UK volume output and other activities will offset the Irish volume shortfall.

Our UK business has now achieved substantial critical mass and will continue to become a greater contributor to Group earnings growth. The Directors expect a strong full year result from the UK housing division.

We are confident of another good result for the full year.

Ned Sullivan  
Chairman

**ENDS**

**For Information**

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**MC INERNEY HOLDINGS PLC**  
**CONSOLIDATED INCOME STATEMENT**  
For the period ended 30 June 2007

	<b>30 Jun 2007</b>	<b>30 Jun 2006</b>	<b>31 Dec 2006</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Continuing operations</b>			
Revenue	238,223	228,823	630,064
Cost of Sales	<u>(195,677)</u>	<u>(190,386)</u>	<u>(507,484)</u>
Gross Profit	42,546	38,437	122,580
Administrative Expenses	(25,712)	(20,193)	(49,303)
Share of Results from Joint Ventures	<u>546</u>	<u>(74)</u>	<u>1,064</u>
Profit from Operations	17,380	18,170	74,341
Investment Income	516	75	570
Finance Costs	<u>(8,715)</u>	<u>(7,035)</u>	<u>(16,913)</u>
Profit before Tax	9,181	11,210	57,998
Tax	<u>(1,253)</u>	<u>(1,863)</u>	<u>(9,377)</u>
Profit attributable to Equity Holders of the Parent	<u><u>7,928</u></u>	<u><u>9,347</u></u>	<u><u>48,621</u></u>
<b>Earnings Per Share</b>			
From Continuing Operations:			
Basic	4.11	5.40	28.04
Diluted	4.02	5.19	27.03

**MC INERNEY HOLDINGS PLC**  
**CONSOLIDATED BALANCE SHEET**  
**As at 30 June 2007**

	<b>30 Jun 2007</b>	<b>30 Jun 2006</b>	<b>31 Dec 2006</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Non-Current Assets</b>			
Goodwill	58,601	30,521	49,485
Property, Fixtures & Equipment	12,538	7,622	7,544
Investment Property	-	183	-
Interests in Joint Ventures	4,422	2,457	3,877
Deferred Tax Assets	1,573	161	1,696
	<u>77,134</u>	<u>40,944</u>	<u>62,602</u>
<b>Current Assets</b>			
Inventories	555,032	407,693	442,093
Trade & Other Receivables	78,416	53,927	68,230
Cash & Cash Equivalents	64,707	37,147	84,382
Assets Classified as held for Sale	856	1,654	1,507
	<u>699,011</u>	<u>500,421</u>	<u>596,212</u>
<b>Total Assets</b>	<u>776,145</u>	<u>541,365</u>	<u>658,814</u>
<b>Current Liabilities</b>			
Trade & Other Payables	169,604	142,374	142,178
Retirement Benefit Obligation	243	487	345
Tax Liabilities	11,247	5,855	19,225
Provisions	2,614	2,124	2,500
Obligations under Finance Leases	374	412	398
Bank Overdrafts & Loans	47,137	99,079	42,106
	<u>231,219</u>	<u>250,331</u>	<u>206,752</u>
<b>Net Current Assets</b>	<u>467,792</u>	<u>250,090</u>	<u>389,460</u>
<b>Non-Current Liabilities</b>			
Bank Loans	245,855	112,916	238,230
Retirement Benefit Obligation	398	799	1,039
Deferred Tax Liabilities	4,556	2,248	2,296
Provisions	3,086	2,910	4,007
Other Payables	69	10,384	4,531
Obligations under Finance Leases	608	476	477
	<u>254,572</u>	<u>129,733</u>	<u>250,580</u>
<b>Total Liabilities</b>	<u>485,791</u>	<u>380,064</u>	<u>457,332</u>
<b>Net Assets</b>	<u>290,354</u>	<u>161,301</u>	<u>201,482</u>
<b>EQUITY</b>			
Share Capital	5,047	4,172	4,173
Capital Conversion Reserve Fund	62	62	62
Share Premium Account	101,713	17,481	17,484
Equity Reserve	2,666	862	2,328
Hedging & Translation Reserves	3,153	(326)	2,504
Retained Earnings	177,713	139,050	174,931
	<u>290,354</u>	<u>161,301</u>	<u>201,482</u>
<b>Total Equity and Liabilities</b>	<u>776,145</u>	<u>541,365</u>	<u>658,814</u>

**MC INERNEY HOLDINGS PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the period ended 30 June 2007

	<b>30 Jun 2007</b> <b>Unaudited</b> <b>€'000</b>	<b>30 Jun 2006</b> <b>Unaudited</b> <b>€'000</b>	<b>31 Dec 2006</b> <b>Audited</b> <b>€'000</b>
Profit from Operations	17,380	18,170	74,341
Adjustments for:			
Depreciation	1,271	1,081	2,340
Share of Results from Joint Ventures	(546)	74	(1,064)
Provision for Fair Value of Share based Payments	338	188	591
Profit on disposal of Tangible Assets	-	(6)	10
Pension Service Costs	239	180	420
Change in provisions	(807)	-	1,006
Operating Cash Flows before movements in Working Capital	17,875	19,687	77,644
Increase in Inventories	(78,790)	(72,214)	(66,948)
(Increase) / Decrease in Receivables	(6,735)	2,091	(7,595)
Increase in payables	4,774	10,786	5,423
Cash Generated by Operations	(62,876)	(39,650)	8,524
Taxation Paid	(1,452)	(4,794)	(12,148)
Interest Paid	(8,742)	(7,704)	(16,056)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(73,070)</b>	<b>(52,148)</b>	<b>(19,680)</b>
<b>INVESTING ACTIVITIES</b>			
Interest Received	423	49	187
Dividends Received from Joint Ventures	-	1,976	1,976
Loans advanced to Joint Ventures	(3,287)	(3,439)	(5,030)
Loans repaid from Joint Ventures	-	345	351
Proceeds on disposal of Property, Fixtures & Equipment	87	148	250
Purchases of Property, Fixtures & Equipment	(5,785)	(1,940)	(3,157)
Employer Contributions to Pension Scheme	(273)	(243)	(346)
Acquisition of Subsidiary	(25,047)	(3,508)	(38,133)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(33,882)</b>	<b>(6,612)</b>	<b>(43,902)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends Paid	(6,009)	(5,006)	(8,343)
Share Capital Subscribed	85,103	328	332
Repayments of Borrowings	(112,106)	(50,728)	(106,929)
Repayments of Obligations under Finance Leases	(341)	(291)	(630)
New Bank Loans Raised	122,440	88,862	198,789
(Decrease) / Increase in Bank Overdrafts	(2,125)	822	1,047
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>86,962</b>	<b>33,987</b>	<b>84,266</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(19,990)</b>	<b>(24,773)</b>	<b>20,684</b>
<b>CASH AND CASH EQUIVALENTS AT START OF PERIOD</b>	<b>84,382</b>	<b>62,056</b>	<b>62,056</b>
Effect of Foreign Exchange Rate Changes	315	(136)	1,642
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>			
Bank Balances and Cash	64,707	37,147	84,382

**MC INERNEY HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**For the period ended 30 June 2007**

	<b>30 Jun 2007</b> <b>Unaudited</b> <b>€'000</b>	<b>30 Jun 2006</b> <b>Unaudited</b> <b>€'000</b>	<b>31 Dec 2006</b> <b>Audited</b> <b>€'000</b>
Actuarial gain on defined benefit pension scheme	986	493	425
Exchange difference on translation of foreign operations	303	156	2,467
Fair value movement on interest rate swaps	352	1,033	1,466
Tax on Items taken directly to reserves	(123)	(62)	1,013
Net Income recognised directly in equity	<u>1,518</u>	<u>1,620</u>	<u>5,371</u>
Transfers to income on interest rate swaps	(6)	9	95
Profit for the Period	<u>7,928</u>	<u>9,347</u>	<u>48,621</u>
Total recognised income and expense for the period attributable to equity shareholders	<u><u>9,440</u></u>	<u><u>10,976</u></u>	<u><u>54,087</u></u>

**CONSOLIDATED RECONCILIATION OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the period ended 30 June 2007**

	<b>Share Capital</b> <b>€'000</b>	<b>Capital Reserves</b> <b>€'000</b>	<b>Hedging &amp; Translation Reserves</b> <b>€'000</b>	<b>Retained Earnings</b> <b>€'000</b>	<b>Total (Attributable to Equity Holders of Parent)</b> <b>€'000</b>
Balance at 1 January 2006	4,145	17,916	(1,524)	134,278	154,815
Total recognised income and expense for the period	-	-	1,198	9,778	10,976
Recognition of share based payments	-	188	-	-	188
Dividends Paid	-	-	-	(5,006)	(5,006)
New share issue	27	301	-	-	328
Total movement	<u>27</u>	<u>489</u>	<u>1,198</u>	<u>4,772</u>	<u>6,486</u>
Balance at 30 June 2006	<u>4,172</u>	<u>18,405</u>	<u>(326)</u>	<u>139,050</u>	<u>161,301</u>
Balance at 1 January 2007	4,173	19,874	2,504	174,931	201,482
Total recognised income and expense for the period	-	-	649	8,791	9,440
Recognition of share based payments	-	338	-	-	338
Dividends Paid	-	-	-	(6,009)	(6,009)
New share issue	874	84,229	-	-	85,103
Total movement	<u>874</u>	<u>84,567</u>	<u>649</u>	<u>2,782</u>	<u>88,872</u>
Balance at 30 June 2007	<u><u>5,047</u></u>	<u><u>104,441</u></u>	<u><u>3,153</u></u>	<u><u>177,713</u></u>	<u><u>290,354</u></u>

## MC INERNEY HOLDINGS PLC

### 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 also form an activity of each business segment. These divisions are the basis on which the Group reports its primary segment information.

REVENUE	30 Jun 2007 Unaudited €'000	30 Jun 2006 Unaudited €'000
<b>Ireland:</b>		
Private Housing	70,351	83,697
Developed Sites & Land	814	1,580
Construction Contracts	44,719	51,367
Commercial	2,910	7,556
Commercial Land	2,437	-
	<u>121,231</u>	<u>144,200</u>
<b>UK:</b>		
Private Housing	88,247	56,405
Developed Sites & Land	9,001	5,396
Construction Contracts	10,540	4,971
Commercial	4,381	4,116
	<u>112,169</u>	<u>70,888</u>
<b>Spain:</b>		
Club Management	1,209	1,363
Leisure Freehold	10,011	14,569
	<u>11,220</u>	<u>15,932</u>
Group Revenue (including joint ventures)	244,620	231,020
Eliminations	(6,397)	(2,197)
Group Revenue (excluding joint ventures)	<u>238,223</u>	<u>228,823</u>
<b>SEGMENT RESULTS</b>	<b>30 Jun 2007 Unaudited €'000</b>	<b>30 Jun 2006 Unaudited €'000</b>
<b>Ireland:</b>		
Private Housing	12,249	10,677
Developed Sites & Land	377	729
Construction Contracts	889	831
Commercial	367	2,117
Commercial Land	473	-
	<u>14,355</u>	<u>14,354</u>
<b>UK:</b>		
Private Housing	3,579	1,819
Developed Sites & Land	677	2,615
Construction Contracts	1,248	276
Commercial	432	278
	<u>5,936</u>	<u>4,988</u>
<b>Spain:</b>		
Club Management	288	479
Leisure Freehold	521	1,785
	<u>809</u>	<u>2,264</u>
Total Segment Results	21,100	21,606
Common costs	(3,720)	(3,436)
Profit from operations	17,380	18,170
Investment income	516	75
Finance costs	(8,715)	(7,035)
Profit before tax	9,181	11,210
Tax	(1,253)	(1,863)
Profit after tax	<u>7,928</u>	<u>9,347</u>

**Dividends****30 Jun 2007**  
**Unaudited**  
**€'000****30 Jun 2006**  
**Unaudited**  
**€'000**

Amounts recognised as distributions to equity holders during the period:

**Charge to Profit & Loss**Final dividend of 3.6c per share for the year ended 31 December 2006  
(2005: 3c per share) paid in period6,0095,006**Proposed Dividend**Proposed interim dividend for the year ended 31 December 2007 of  
3c per share (2006: 2c per share)6,0563,337

The proposed interim dividend was approved by the Board on 24 September 2007 and has not been included as a liability in these financial statements.

Comparative figures for dividend per share have been adjusted following the share split.