

Friday, 17th October 2008

**MCINERNEY HOLDINGS PLC
INTERIM MANAGEMENT STATEMENT**

McInerney Holdings plc ('the Group') today issues the following Interim Management Statement ('IMS') in accordance with the reporting requirements of the Transparency Regulations 2007. This IMS provides an update on trading conditions for the period from 1 July 2008 to 10 October 2008.

The Group's prospects in its key housing markets of the UK and Ireland continue to be curtailed by negative consumer sentiment and restricted mortgage availability for potential home buyers. Since the Group's 2008 first half results statement on 28 August 2008, the deteriorating international financial and economic conditions have further delayed recovery in both the Irish and UK housing markets.

Housing sales in Ireland and UK are at low but steady levels. Price discounting on stock units is yielding results. It is currently anticipated that housing completions will be behind the guidance provided at the announcement of the first half results. This is in part due to a lower level of completions in Ireland as a result of Local Authority Part V social housing being taken up in 2009 rather than 2008. It is also due to continuing negative consumer sentiment. Good progress has been achieved in recent months on the extension of our social housing business model in the UK. This is expected to deliver a significant increase in output in 2009.

At the time of the Interim Statement, the Group indicated that it had achieved a revised banking covenant structure in relation to its Irish facility and that a revised covenant structure had been sought in relation to the UK facility. Negotiations with the UK banks are progressing in accordance to timetable and constructively have been extended to include the maturity date. The Directors anticipate reaching an outcome prior to the next results announcement.

The recent interest rate reductions in the UK and Ireland should be beneficial, but any positive impact is unlikely to flow through until 2009. However, increasing access to mortgage availability in Ireland and the UK continues to be of more critical importance to the housing markets.

The measures to extend access to Local Authority Mortgage Finance and to increase the scope of shared ownership in the Irish Budget are welcome. These measures should assist McInerney's core target market of first time buyers and owner occupiers.

The cost saving programme announced at the Annual General Meeting has now been implemented. As a result, a further restructuring charge will be taken in the second half as previously indicated. The Group continues to focus on protecting its balance sheet and reducing the gearing of the company.

ENDS

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Note Regarding Forward Looking Statements

Certain statements made in this Interim Management Statement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements.