

Wednesday, 13th May 2009

MCINERNEY HOLDINGS PLC INTERIM MANAGEMENT STATEMENT

McInerney Holdings plc ('the Group') is holding its Annual General Meeting at 12 noon today in Dublin where the following comments will be made regarding current trading, financial performance and the outlook for 2009. This statement constitutes the Group's Interim Management Statement for the period to 13 May 2009.

2008 was an extremely challenging year in which deteriorating global economic and financial conditions impacted on access to mortgage finance and a depressed housing market ensued. Conditions declined further as the year progressed. We recognise that 2008 has been a difficult year for our shareholders, and we sincerely regret the loss in share value that has occurred.

During 2009, trading conditions in our key markets of Ireland and the UK continue to be challenging as consumer confidence is low, access to mortgage funds remains restricted and the international financial climate is uncertain.

UK

Since our Preliminary Results Announcement in late March, the UK market has begun to show tentative signs of an improvement. However, it will be some time before we can determine if this trend will continue and if the market has stabilised. While mortgage availability has improved since late last year, this has mainly benefited potential buyers who have significant deposits to contribute to the house purchase. In our market segment of first time buyers, increased mortgage availability has yet to fully feed through in both mortgage levels and approval rates. Our expectations are that, as the year progresses, UK Government measures to boost housing demand will take effect. Whilst, our sales are running behind the levels of this time last year, they are up on the final quarter of 2008 and cancellation rates are down.

In the UK, we continue to pursue expansion in our social homes business, which we view as an area to offer good opportunities given the substantial level of Government support.

Ireland

We are operating in a most uncertain and challenging environment in Ireland. Increasing uncertainty in the labour market and the net effect of recent budget provisions are having a detrimental effect on consumer confidence. In particular, there is reluctance at this point for potential first time buyers to enter the housing market. These factors contribute to constrained housing output which is running behind the potential underlying level of demand. Sales in Ireland are running at levels materially below this time last year, although cancellation levels are also down. However, interest rates have fallen and affordability has improved.

Outlook

Following significant cost cutting actions over the past year, the Group's operational structure has been downsized considerably and it is structured to operate from a reduced cost base in these challenging conditions. We remain focused on generating

positive cash flow and the implementation of additional efficiencies in the Group's cost base. Management's key objective is to rebuild shareholder value in the medium term.

Confidence is critical to any upturn in the housing market and, until that materialises, we remain cautious about our medium term results. The early signs are that the UK housing market may improve slowly; however, confidence levels in Ireland are low. The Directors are focused on positioning the Group to take best advantage of recovery in our core markets when an upturn occurs through our geographic spread in both Ireland and the UK and our product of affordable homes.

ENDS

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