

Wednesday, 27th January 2010

**MC INERNEY HOLDINGS PLC
TRADING UPDATE FOR YEAR ENDED 31 DECEMBER 2009**

Ireland, Dublin: McInerney Holdings plc ('the Group') today released a trading update for the year ending 31 December 2009.

- In 2009, total private and contracting residential completions for the Group in Ireland, UK and Spain were 756 [2008: 1,359 units]. Total housing deposits (excluding Part V social units in Ireland) on hand as at 31 December 2009 were 374 [2008: 509].
- Total completions in the UK were 582 units in 2009 [2008: 750]. At year end, there were 330 deposits on hand [2008: 459].
- In Ireland, private house completions were 131 in 2009 [2008: 296]. Entering 2010, there are 42 private deposits on hand.
- The Irish contracting business completed 31 housing units in 2009 [2008: 306].

The Group continued to experience challenging trading conditions in the UK and Irish housing markets as weak consumer sentiment and lack of access to mortgage availability constrained demand.

The Irish market for standard housing product has found a certain degree of price stability since late 2009, albeit the level of demand remains very low. Mortgage constraints persist as evidenced by a significant number of potential house purchases not being completed by year end due to lack of mortgage availability. There is modest upward pressure on house prices in the UK but this is slow to filter through to the Group's geographic regions. Overall, both markets remain uncertain.

The Group continues to review all non cash generative aspects of the business and will take appropriate remedial action where necessary to ensure the long term stability of the Group as a whole.

In November 2009, the Group confirmed that it was continuing negotiations with both its UK and Irish funders in relation to revised loan facility structures. The objective of these discussions is to provide a stable funding basis for the Group during current trading conditions. Due to the diversity of banking facilities across the UK and Ireland, these discussions are taking longer than originally anticipated. The Group continues to be in breach of certain of its Irish and UK banking covenants. Accordingly, the Group depends on the continued support of its principal banks for ongoing trading activities. However, draft term sheets for revised banking arrangements in both Ireland and the UK are awaited shortly.

The Group's priority in current economic conditions is to remain focused on cash generation and the achievement of a stable funding platform.

ENDS

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