Interim Report
31 March 2008

Meinl
European Land

Key Figures

	FY 2006	3M 2007	FY 2007	3M 2008
Income statement in TEUR				
Gross rental income	96,451	30,802	120,030	33,389
Net rental income	71,530	23,061	84,461	25,492
Net operating profit	261,158	54,194	140,043	6,623
Profit before taxation	279,032	62,643	193,009	5,052
Profit after taxation	220,736	53,984	154,577	4,017

	31/12/2006	31/3/2007	31/12/2007	31/3/2008
Balance sheet in TEUR				
Investment properties	1,688,863	1,761,044	1,894,412	1,887,300
Investment properties under development	105,232	241,817	781,864	889,062
Borrowings	1,009,413	997,119	1,003,460	1,005,170
Equity	3,382,298	4,801,037	3,071,255	3,030,174

	31/12/2006	31/3/2007	31/12/2007	31/3/2008
Earnings per share/certificate in EUR	1.066	0.196	0.636	0.014

Notes:
Figures for FY 2006 and 3M 2007 restated according to new presentation principles and change of accounting policies described in Annual Report 2007
Borrowings presented are net of commercial paper

Dear investors,

Meinl European Land Limited ("Meinl European Land" or the "Company") continued on its successful path as a prime real estate investor and developer in Central and Eastern Europe during the first months of 2008.

Operational activities

At 31 March 2008, the Company and its subsidiaries (the „Group") owned a total of 161 investment properties. The market value of these properties amounted to approximately EUR 1.9bn based on an external appraisal at the end of the first quarter 2008.

In 2008, the Company continued to progress on its development pipeline spending over EUR 100m on various development projects. Apart from these ongoing activities the Company also secured a strategic land bank mainly in Russia, Turkey and Poland with a land area approximately 1.9 million sqm for potential further development.

Due to these continued development activities during the first quarter 2008, Meinl European Land's total property portfolio (investment properties and investment properties under development) grew by almost 4% since year end 2007 to a total of EUR 2.8bn. Meinl European Land's core investment markets during the period remained Russia, Poland and Turkey.

In Russia, Meinl European Land continued activity on several projects and also completed a shopping centre in St. Petersburg which was opened in February 2008. The shopping mall is the first stage of a larger development planned for the site of 50 hectares in St. Petersburg.

In Poland, the Company opened a shopping centre in Bialystok in December 2007, with a lettable space of approximately 36,000 sqm, which performed well in its first months of operation. In 2008, Meinl European Land continued its development activities on various locations in Poland.

Another important investment market for the Group is Turkey where the Company plans to open a shopping centre with a lettable area of approximately 82,000 sqm in Trabzon at the Black Sea coast in June 2008.

Meinl European Land's gross rental income in the first quarter 2008 amounted to approximately EUR 33m, which represents an increase of 8% on the previous year's quarter (Q1 2007: EUR 31m). The increase in rental income is based on a larger area of lettable space due to additional investment properties or site extensions, the acquisition of new tenants and overall higher rental income per sqm. This positive trend is also seen in the rental income of properties which were part of the portfolio in the previous quarter, with like-for-like rental growth in the first quarter 2008 amounting to more than 3%.

Despite a challenging environment and a general decline in the global real estate sector, the value of the Company's investment property portfolio remained almost unchanged since year end 2007. Higher values in Poland and Romania were offset by lower values in Russia resulting in a slight decrease of merely 0.4% for the total portfolio in the first quarter 2008.

Meinl European Land's net operating profit in the first quarter 2008 amounted to EUR 7m. Excluding the revaluation result on investment properties in both periods net operating profit amounted to EUR 14m, significantly higher than a year ago (Q1 2007: EUR 8m).

The Company's net asset value per share/certificate including the expected surplus on the Company's development pipeline (see page 8 for underlying assumptions) amounted to approximately EUR 21 at 31 March 2008. The slight decrease since year end 2007 was mainly due to foreign exchange differences and the effect of minority interests.

Strategic review

In February 2007, the Company entered into discussions with a number of potential investors concerning the acquisition of a strategic stake (20–30%) in the Company.

In September 2007, the Company began the process of a strategic review, the purpose of which was to identify and implement improvements to the Company's management, corporate governance and reporting arrangements and processes, as well as a review of the Company's capital structure and financing.

As a result of this process, which involved the examination of third party proposals and other alternatives, CPI/Gazit Holdings Limited ("CG Holdings"), a joint venture between Gazit-Globe Limited ("Gazit"), a multinational real estate investment company listed on the Tel Aviv Stock Exchange, and CPI Austria Holdings Limited ("CPI Austria"), a wholly owned subsidiary of CPI

Letter to Investors

Capital Partners Europe LP (and its parallel funds), a real estate fund advised by Citi Property Investors, a business unit of Citibank International plc ("CPI"), has agreed to make a significant strategic investment in the Company accompanied by changes in the Company's governance and management structure.

The principal investment terms of the proposed transaction (the "Proposed Transaction") are set out in a master transaction agreement (the "Master Transaction Agreement") signed on 20 March 2008 and provide for a minimum investment of EUR 800m in the Company.

In addition, the Proposed Transaction contemplates the internalisation of the management of the Company, the reconstitution of the Board of Directors and the recruitment of a new management team, termination of the existing contractual arrangements with Meinl European Real Estate Limited and Meinl Bank and repurchase and cancellation of the Company's partly paid shares, as well as repurchase and cancellation of the ordinary shares underlying the 88,815,000 certificates acquired and held on behalf of the Company.

The transactions described above are subject to certain regulatory approvals, to investor approvals, as well as other customary conditions. A detailed Circular to the Company's investors with information regarding the transaction is currently being prepared.

The Board of Directors
Jersey, May 2008

Statements regarding forward-looking information

This Interim Report includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case their negative or other variations or comparable terminology.

These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this Interim Report and include statements regarding the intentions, beliefs or current expectations of Meinl European Land Limited (the "Company") and its subsidiaries (togther with the Company, the "Group"). By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance.

You should assume that the information appearing in this Interim Report is up to date only as of the date of this Interim Report. The business, financial condition, results of operations and prospects of the Company or the Group may change. Except as required by law, the Company and the Group do not undertake any obligation to update any forward looking statements, even though the situation of the Company or the Group may change in the future.

All of the information presented in this Interim Report, and particularly the forward looking statements, are qualified by these cautionary statements.

You should read this Interim Report and the documents available for inspection completely and with the understanding that actual future results of the Company or the Group may be materially different from what the Company or the Group expects.

Activities during the first quarter of 2008

In the first quarter of 2008 Meinl European Land's investment portfolio included operating properties in seven countries in its target region: Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, and Latvia. On top of these, the Company also had interests in development projects in Turkey, Bulgaria and Ukraine and has (through acquiring a land plot) taken first steps in Georgia as well. In total, Meinl European Land is therefore active in 11 countries throughout the region of Central and Eastern Europe, South Eastern Europe and CIS.

In some of these markets Meinl European Land's activities are currently restricted to development projects, which have yet to generate earnings. Once completed, these projects should make a positive contribution to the Company's risk diversification strategy.

Upon completion of the ongoing development projects the geographical balance within Meinl European Land's portfolio will shift significantly. The combined proportion of the Company's 3 main markets (Russia, Poland and Turkey) is likely to increase from its current level. As at year end 2007, the project pipeline based on the planned developments included projects with estimated development costs of approximately EUR 3.3bn. The Group also has secured various land plots for potential future development activity amounting to approximately 1.9 million sqm. The total investment on these development projects (incl. investments in land plots) amounted to approximately EUR 1.0bn as at 31 March 2008.

The following market values indicated below are based on appraisals provided by Cushman & Wakefield:

Investment properties

Country	31 December 2007 Market value TEUR	31 March 2008 Market value TEUR
Poland	670,894	679,235
Russia	485,161	461,244
Czech Republic	321,586	319,070
Hungary	123,085	122,915
Slovakia	106,996	107,436
Turkey	79,114	79,870
Latvia	61,580	61,580
Romania	45,996	55,950
Total	**1,894,412**	**1,887,300**

The following table provides a break down of the gross rental income per country:

Gross rental income

Country	3M 2007 TEUR	3M 2008 TEUR
Czech Republic	5,486	6,213
Hungary	2,114	2,103
Slovakia	1,627	1,946
Poland	7,466	9,505
Russia	12,747	12,231
Latvia	1,046	993
Romania	316	398
Total	**30,802**	**33,389**

In the first quarter of 2008 the Company achieved a like-for-like growth of gross rental income of more than 3%.

Like-for-like gross rental income

Country	3M 2007 TEUR	3M 2008 TEUR	Change TEUR	Change in %
Czech Republic	5,486	6,213	727	13.2%
Hungary	2,088	2,103	15	0.7%
Latvia	1,046	993	(53)	(5.1%)
Poland	7,466	7,932	466	6.2%
Romania	316	320	4	1.3%
Russia	12,173	11,900	(273)	(2.2%)
Slovakia	1,627	1,704	77	4.7%
Like for like total	**30,202**	**31,165**	**963**	**3.2%**
Remaining rental income	600	2,224	1,624	
Total gross rental income	**30,802**	**33,389**	**2,587**	**8.4%**

Overview of activities by region

Russia

In Russia the Group owned at the end of the first quarter 2008 a total of 9 investment properties (7 operating shopping centres and 2 land plots relating to investment properties under development) with an estimated market value of approximately EUR 461m.

During the reporting period Meinl European Land completed the first stage of a development project in St. Petersburg where the Group owns a large land plot of approximately 50 hectares in size. In this first development stage a shopping mall with a lettable space of approximately 27,000 sqm was built. In a next stage, the Group plans to construct single-box units for large retailers (i.e. consumer electronics, DIY, etc.) on the site.

In addition to St. Petersburg, Meinl European Land's other shopping centres are located in Kazan, Volgograd, Yekaterinburg, Togliatti and two in Moscow.

Russia should continue to be a principal investment market of Meinl European Land in the future. The Group's current project pipeline comprises 13 development projects including 5 extensions of existing shopping centres. In 2008 Meinl European Land intends to complete the development works for the extension of its existing shopping centre in Volgograd. Development projects are mainly located in major regional cities in Russia such as Rostov, Astrachan, Ufa, Ryazan and Omsk.

Furthermore, the Company secured land plots in 4 Russian cities with an area of approximately 1.2 million sqm which could be used for future developments.

Poland

Meinl European Land's portfolio in Poland as of 31 March 2008 consisted of 19 investment properties (15 shopping centres in operation, 4 land plots under development) with a total market value of approximately EUR 679m.

The Group's largest shopping centres in Poland are located in Warsaw, Torun, Bytom, Radom and Bialystok. The shopping centre in Bialystok was just recently opened in December 2007. Furthermore, the Group owns smaller shopping centres in various regional cities throughout Poland.

Currently Meinl European Land's development pipeline in Poland encompasses 10 development projects, all outside the capital city of Warsaw. The development sites are located in the regional cities of Gdansk, Gdynia, Jastrebie Zdroj, Jelenia Gora, Kalisz, Koszalin, Lublin, Pila, Plock and Walbrzych.

The opening of a shopping centre in Koszalin, a city with approximately 100,000 inhabitants in the Northwest of Poland, has been scheduled for the year end 2008. The shopping centre will have a planned lettable area of approximately 54,000 sqm. Total development costs are estimated at approximately EUR 98m.

In addition to the development pipeline Meinl European Land also secured two land plots with a combined total area of 47,000 sqm in the Polish city of Lublin.

Shopping Centre in St. Petersburg

Lettable area: 27,000 sqm

Opening: February 2008

Shopping Centre in Koszalin

Planned lettable area: 54,000 sqm

Expected opening: Year end 2008

Turkey
As of 31 March 2008 Meinl European Land's portfolio in Turkey consisted of 4 development projects located in Istanbul, Samsun, Kahramanmaras and Trabzon.

In June 2008 Meinl European Land expects to complete a shopping centre with a planned lettable area of approximately 82,000 sqm in Trabzon on the Black Sea coast. The investment volume for the shopping centre is expected to total approximately EUR 135m.

Construction has commenced on the Company's development sites in Istanbul and Samsun. The development project in Kahramanmaras is currently in the planning stage.

In addition, Meinl European Land also secured further land plots with a total area of approximately 522,000 sqm in the cities of Istanbul, Balcova, Sanliurfa, Adana and Tokat. The project with the greatest potential is a land plot of approximately 108,000 sqm in prime location on the Asian side of Istanbul.

Shopping Centre in Trabzon

Planned lettable area: 82,000 sqm

Expected opening: June 2008

Romania, Bulgaria and Ukraine
In Romania Meinl European Land currently has one investment property located in Bucharest. Following a first extension in 2007, the site now has a lettable area of approximately 11,000 sqm.

Meinl European Land's development pipeline in Romania includes a further extension of the site in Bucharest as well as two additional development projects in the regional cities of Constanta and Arad.

In Bulgaria and Ukraine, the Company is currently developing one project in each country.

A large shopping centre project with a planned lettable area of approximately 104,000 sqm in Bulgaria's capital city of Sofia is scheduled for completion by year end 2009. The expected investment volume is EUR 231m.

In Ukraine, Meinl European Land secured a development project for a shopping centre in Odessa which is currently in the planning phase. The projected investment volume for the approximately 63,000 sqm mall amounts to approximately EUR 123m. According to current plans opening is scheduled for the beginning of 2010.

Latvia, Czech Republic, Hungary and Slovakia
In Latvia, Meinl European Land owned at the end of the reporting period a shopping centre in the capital city of Riga. The market value of the shopping centre, with a lettable area of approximately 20,000 sqm, amounted to approximately EUR 62m at 31 March 2008.

At the end of the first quarter 2008 the Group owned a portfolio of 101 investment properties with a total lettable area of approximately 343,000 sqm in Czech Republic. The market value of all Czech properties amounted to approximately EUR 319m. The largest property in the Czech portfolio is a shopping centre in Brno with a lettable space of 17,000 sqm and a market value of approximately EUR 46m. Apart from this shopping centre the portfolio mainly comprises smaller supermarkets, discount markets or neighbourhood centres.

In Hungary the Group owned as of 31 March 2008 a total of 25 investment properties with a total lettable area of 105,000 sqm and a market value of approximately EUR 123m. The portfolio included shopping centres located in Budapest and Szombathely as well as 21 smaller supermarkets or discount markets.

In Slovakia, one of the most dynamic markets in Central and Eastern Europe, Meinl European Land owns 3 investment properties: two medium sized shopping centres in the regional cities of Zilina and Kosice and a small neighbourhood centre near Bratislava. The market value of the Slovak portfolio is approximately EUR 107m. Meinl European Land plans to extend two of its existing sites in Slovakia. The extension of the shopping centre in Kosice is expected to be completed by year end 2008. The Company also plans to extend the neighbourhood centre near Bratislava.

Net asset value

The concept of net asset value ("NAV") is used to describe the value of the assets of a company less the value of its liabilities.

	31 December 2007		31 March 2008	
	TEUR	EUR per share/ certificate	TEUR	EUR per share/ certificate
Equity	3,071,255		3,030,174	
Deferred tax assets	(1,672)		(2,571)	
Deferred tax liabilities	155,584		151,891	
Net asset value (1)	**3,225,167**	**15.25**	**3,179,494**	**15.03**
Expected surplus on developments	1,261,175		1,260,018	
Net asset value (2)	**4,486,342**	**21.21**	**4,439,512**	**20.99**
Number of outstanding shares/certificates	211,485,001		211,485,001	

(for calculation purposes including partly paid shares on a proportional basis)

Net asset value (1) is based on the unaudited financial statements and includes the market value of the Group's investment properties only, which has been appraised by Cushman & Wakefield. The surplus on the Company's development projects is not included in NAV (1). Under IAS 40 companies are required to hold investment properties under development at cost less impairment. The IAS Board is now considering a revision of IAS 40 which would enable developments to be measured at fair value in the future.

Net asset value (2) includes the impact of Meinl European Land's significant development pipeline and landbank which has previously not been considered in the calculation of the Company's NAV. Currently there is no internationally accepted, precise definition of the approach to determine a fair value of an investment property under development. In October/November 2007 the Company made an estimation of the value of its development pipeline and landbank based on initial valuations of its development projects (and major land plots) provided by the real estate appraisers Cushman & Wakefield, Jones Lang Lasalle and Colliers. Based on a series of assumptions, if the development pipeline is fully built out, the expected surplus in value from development projects results from the discounted difference of the expected value upon completion (based on projected rental income, prevailing market yields, etc.) and the planned/contracted investment costs including costs already accounted for (based on the current status of permitting, design, etc. and including finance cost). Hence, the discounted future revaluation of the development site upon completion is included in the expected surplus. Such expected surplus in the value of the Company's current development pipeline and landbank amounts to approximately EUR 1.3bn excluding minority shares and potential performance related contributions payable to co-development partners. As stated above, the calculation of the expected surplus is based on future performance and completion of the pipeline, the outcome of which may be uncertain.

The slight decrease in NAV (2) since year end 2007 was mainly due to foreign exchange differences and the effect of minority interests.

Interim Financial Statements

Consolidated Balance Sheet

Consolidated balance sheet at 31 March 2008

	31/12/2007 TEUR	31/12/2007 TEUR	31/3/2008 TEUR	31/3/2008 TEUR
Assets				
Investment properties	1,894,412		1,887,300	
Investment properties under development	781,864		889,062	
Other non current assets	129,351		126,907	
Cash and cash equivalents	1,339,035		1,253,537	
Other current assets	206,117		177,817	
Total assets		**4,350,779**		**4,334,623**
Equity		**3,071,255**		**3,030,174**
Liabilities				
Long term borrowings	994,143		995,671	
Other non current liabilities	165,404		164,923	
Short term borrowings	9,317		9,499	
Other current liabilities	110,660		134,356	
Total liabilities		**1,279,524**		**1,304,449**
Total equity and liabilities		**4,350,779**		**4,334,623**

Consolidated income statement for the period ended 31 March 2008

	1/1/2007 – 31/3/2007* TEUR	1/1/2007 – 31/3/2007* TEUR	1/1/2008 – 31/3/2008 TEUR	1/1/2008 – 31/3/2008 TEUR
Gross rental income	30,802		33,389	
Service charge income	6,337		9,865	
Net property expenses	(14,078)		(17,762)	
Net rental income		**23,061**		**25,492**
Net result on disposal of investment properties	18		76	
Revaluation of investment properties	46,023		(6,911)	
Other depreciation and amortization	(222)		(277)	
Administrative expenses	(14,772)		(11,340)	
Other income and expenses	86		(417)	
Net operating profit		**54,194**		**6,623**
Financial result	8,449		(1,571)	
Profit before taxation		**62,643**		**5,052**
Taxation charge for the period	(8,659)		(1,035)	
Profit after taxation for the period		**53,984**		**4,017**
Attributable to:				
Equity holders of the parent		52,570		3,000
Minority interest		1,414		1,017
Basic & diluted earnings per share/certificate in EUR		0.1963		0.0142

* Figures for period ended 31/3/2007 have been restated according to changes in accounting policies and changes in presentation principles described in Annual Report 2007

Consolidated Cash Flow Statement
Consolidated Statement of Changes in Equity

Consolidated cash flow statement for the period ended 31 March 2008

	1/1/2007 – 31/3/2007 TEUR	1/1/2008 – 31/3/2008 TEUR
Cash flows from operating activities	28,204	26,400
Cash flows from investing activities	(2,846,032)	(110,677)
Cash flows from financing activities	2,969,606	(1,221)
Increase/(decrease) in cash and cash equivalents	**151,778**	**(85,498)**
Cash and cash equivalents at the beginning of the period	4,867,800	1,339,035
Cash and cash equivalents at the end of reporting period	**5,019,578**	**1,253,537**

Consolidated statement of changes in equity for the period ended 31 March 2008

	Share capital TEUR	Share premium TEUR	Income account TEUR	Currency translation TEUR	Minority interest TEUR	Total equity TEUR
Balance at 31 December 2006	**1,126,500**	**1,906,213**	**395,813**	**(15,427)**	**41,256**	**3,454,355**
Reclassification due to change of accounting policy	–	–	(58,384)	(9,923)	(3,750)	(72,057)
Restated balance at 1 January 2007	**1,126,500**	**1,906,213**	**337,429**	**(25,350)**	**37,506**	**3,382,298**
Exchange differences arising on translation of overseas operations	–	–	–	(13,651)	–	(13,651)
Deferred tax on items taken directly to equity	–	–	–	1,622	237	1,859
Net profit for the period	–	–	52,570	–	1,414	53,984
Total recognized income/(expense)	–	–	52,570	(12,029)	1,651	42,192
Issue of share capital	375,000	1,102,500	–	–	–	1,477,500
Cost of issuing shares	–	(100,953)	–	–	–	(100,953)
Balance at 31 March 2007	**1,501,500**	**2,907,760**	**389,999**	**(37,379)**	**39,157**	**4,801,037**
Balance at 1 January 2008	**1,057,425**	**1,535,224**	**494,851**	**(54,193)**	**37,948**	**3,071,255**
Exchange differences arising on translation of overseas operations	–	–	–	(20,572)	(5,031)	(25,603)
Deferred tax on items taken directly to equity	–	–	–	3,426	1,208	4,634
Net profit for the period	–	–	3,000	–	1,017	4,017
Total recognized income/(expense)	–	–	3,000	(17,146)	(2,806)	(16,952)
Minority interest	–	–	–	–	(24,129)	(24,129)
Balance at 31 March 2008	**1,057,425**	**1,535,224**	**497,851**	**(71,339)**	**11,013**	**3,030,174**

Segments by business sectors

31/3/2008	Standing investment segment TEUR	Development segment TEUR	Administration segment TEUR	Total TEUR
Gross rental income	33,389	–	–	33,389
Service charge income	9,865	–	–	9,865
Intercompany charges	(3,936)	–	3,936	–
Net property expenses	(17,017)	(745)	–	(17,762)
Net rental income	**22,301**	**(745)**	**3,936**	**25,492**
Net result on disposal of investment properties	76	–	–	76
Revaluation of investment properties	(4,662)	(2,249)	–	(6,911)
Other depreciation and amortization	(169)	(12)	(96)	(277)
Other income and expenses, Administrative expenses	428	(697)	(11,488)	(11,757)
Net operating profit	**17,974**	**(3,703)**	**(7,648)**	**6,623**
Financial result	4,248	(3,441)	(2,378)	(1,571)
Profit before taxation	**22,222**	**(7,144)**	**(10,026)**	**5,052**
Taxation charge for the period	(1,319)	642	(358)	(1,035)
Profit after taxation for the period	**20,903**	**(6,502)**	**(10,384)**	**4,017**
Investment properties	1,559,932	327,368	–	1,887,300
Investment properties under development	–	889,062	–	889,062
Segment assets	1,735,444	1,337,877	1,261,302	4,334,623
Segment liabilities	160,964	131,991	1,011,494	1,304,449

31/3/2007	Standing investment segment TEUR	Development segment TEUR	Administration segment TEUR	Total TEUR
Gross rental income	30,802	–	–	30,802
Service charge income	6,337	–	–	6,337
Intercompany charges	(2,259)	–	2,259	–
Net property expenses	(13,790)	(288)	–	(14,078)
Net rental income	**21,090**	**(288)**	**2,259**	**23,061**
Net result on disposal of investment properties	18	–	–	18
Revaluation of investment properties	16,600	29,423	–	46,023
Other depreciation and amortization	(163)	(1)	(58)	(222)
Other income and expenses, Administrative expenses	15	(9)	(14,692)	(14,686)
Net operating profit	**37,560**	**29,125**	**(12,491)**	**54,194**
Financial result	(3,855)	891	11,413	8,449
Profit before taxation	**33,705**	**30,016**	**(1,078)**	**62,643**
Taxation charge for the period	(8,941)	282	–	(8,659)
Profit after taxation for the period	**24,764**	**30,298**	**(1,078)**	**53,984**
Investment properties	1,446,258	314,786	–	1,761,044
Investment properties under development	–	241,817	–	241,817
Segment assets	1,601,363	609,689	7,717,023	9,928,075
Segment liabilities	187,729	9,056	4,930,253	5,127,038

Notes to the consolidated financial statements

The interim consolidated financial statements as of 31 March 2008 prepared in compliance with IAS 34 are based on unaudited figures and have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the EU. For information on the IFRS applied by Meinl European Land Limited (the "Company") at the time the interim financial statements were prepared, see the notes to the consolidated financial statements as of 31 December 2007.

The consolidated financial statements give a true and fair view of the state of affairs and of the profit or loss of the Company and its subsidiaries ("the Group").

Changes in accounting policies

As stated in the notes to the financial statements as of 31 December 2007, during 2007 the management of the Group changed the deferred tax accounting policy and reassessed the accounting policy relating to foreign currency translation.

As required by IAS 8 all changes have been applied retrospectively. Management believes that the financial statements prepared in accordance with the revised accounting policies provide more reliable and relevant information about financial performance and position of the Group.

According to the revised deferred tax accounting policy, deferred tax on investment property revaluations is computed on the total amount of the revaluation. Previously the deferred tax was calculated considering temporary differences which would be recovered through use, where the Group used the tax rate of the countries where the properties were located, and temporary differences which would be recovered through the sale of properties performed via sale of shares, where a tax rate of zero was applied, since such sales are tax free. If management had not revised the accounting policy for deferred tax, the profit after taxation for the period ended 31 March 2007 would increase by TEUR 9,742 of which profit after taxation attributable to minority interest would increase by TEUR 1,084 for the period ended 31 March 2007.

As from 1 January 2007 the functional currencies of group entities were reassessed. The individual financial statements of each of the group entities use the currency of the primary economic environment in which the entity operates as their functional currency. When determining the functional currency for each entity the currency in which the entity generates rental income is the primary driver for assessing of the functional currency but other cash flows are also taken into account. Russian entities that only own investment properties under development have their local currency as the functional currency of the entity. In the prior year, the functional currency was the local currency for all entities within the Group. The change in the functional currencies has resulted in an increase in the profit after taxation for period ended 31 March 2007 amounting to TEUR 12,528.

Due to changes in accounting policies the total equity as at 1 January 2007 has reduced by TEUR 72,057.

Changes in presentation principles

During the financial year 2007, the Board of Directors changed the management and internal reporting structure of the Group with the intention to approximate to the European Public Real Estate Association's ("EPRA") best practice policy recommendation. Group management believes that the reader benefits from the new structure of the financial statements via enhanced comparability throughout the real estate industry and larger transparency mainly due to clearer distinction of operational and non-operational activities. To ensure comparability of the reported data, the presentation of the prior period balances has been adjusted accordingly.

Property assets

Investment properties are stated at fair value. The fair value of investment properties at 31 March 2008 was determined by Cushman & Wakefield. Investment properties under development are stated at cost. All costs directly associated with the purchase and development of a property, and all subsequent capital expenditures in this respect that qualify as acquisition costs are capitalized. Land is treated as "Investment properties under development" unless a building permit has been granted. In such case, land is stated under "Investment properties" and revalued to its fair value. The fair value of such land was determined based on the value for which such land could be sold in the market, which was determined by Cushman & Wakefield to be the fair value of the completed project less cost to complete and an appropriate developer's profit.

For land plots which are subject to forward purchase agreements, these agreements were used as a basis for the determination of the market value of these land plots. In general, a forward purchase agreement determines the purchase price for a development project based on a pre-defined yield. For the purpose of the measurement of the fair value of these land plots, the present value of that part of the future profits of the relevant agreements, which arises from the yield compression between the contract date and the balance sheet date, is considered to be the change in the fair value of the land plot since its acquisition.

Investments in Group undertakings

During the first three months of 2008, the Company purchased the remaining 46% of THESIS SpA. and therefore now owns 100% of the share capital of the company.

Cash and cash equivalents

As of 31 March 2008 the Group held cash in the total amount of TEUR 1,253,537 of which TEUR 1,138,248 was directly held by the Company. A total amount of TEUR 611,580 was held at Credit Suisse. The majority of the remainder of the cash held by the Company at 31 March 2008 is deposited on accounts at Meinl Bank, mainly in connection with a Mandate and Trust Agreement agreed upon between the Company and Meinl Bank. The Mandate and Trust Agreement provides that such cash is held for and on behalf of Meinl European Land. Most of such cash is committed in connection with the Group's development projects.

The Group holds cash of TEUR 33,461 as backing for guarantees issued by various banks on the Group's behalf.

Share capital
As at 31 March 2008 the issued share capital consisted of 450,000,001 shares in the Company with a par value of EUR 5 each, 300 million of which are represented by certificates listed on the Vienna Stock Exchange, 150 million of which are partly paid shares with a par value of EUR 5 (EUR 0.01 paid on each share) and one of which is a share held by the investment manager of the Company.

As at 31 March 2008 a total of 300,000,000 certificates were listed on the Vienna Stock Exchange of which 88,815,000 are held on behalf the Company. The calculation of NAV per share as of 31 March 2008 has been made based on the 211,185,001 shares/certificates that are not held on behalf of the Company and including the partly paid shares on a proportionate base. The earnings per share/certificate computation was adjusted accordingly.

The Company has one class of shares. Each share (including the partly paid shares) is entitled to one vote. Dividends are paid pro rata to the amount paid on each share. This also applies to any rights in connection with the winding-up of the Company.

Related party transactions
To the best of management's knowledge, during the reporting period ended 31 March 2008, no single certificate holder of Meinl European Land Limited held more than 5% of the listed certificates (excluding the certificates held on behalf of the Company). The 150 million partly paid shares are held by Tshela Nominees A.V.V.

During the reporting period, the Company did not enter into any transactions with its directors. Directors do not own shares or certificates of the Company and have not invested in any debt issued by the Group.

After the resignation of Bedell Cristin Secretaries Limited, Administrator and Registrar of the Company on 29 February 2008, the Company appointed Aztec Financial Services (Jersey) Limited as its new Company Secretary and Administrator. The Company did not conclude any contract with Aztec Financial Services (Jersey) Limited except for the contract for services connected with serving as the Company Secretary and Administrator.

Events during the period
In September 2007, the Board of Directors of the Company began the process of a strategic review, the purpose of which was to identify and implement improvements to the Company's management, corporate governance and reporting arrangements and processes, as well as a review of the Company's capital structure and financing.

As a result of this process, which involved the examination of third party proposals and other alternatives, CPI/Gazit Holdings Limited ("CG Holdings"), a joint venture between Gazit-Globe Limited ("Gazit"), a multinational real estate investment company listed on the Tel Aviv Stock Exchange, and CPI Austria Holdings Limited ("CPI Austria"), a wholly owned subsidiary of CPI Capital Partners Europe LP (and its parallel funds), a real estate fund advised by Citi Property Investors, a business unit of Citibank International plc ("CPI"), has agreed to make a significant strategic investment in the Company accompanied by changes in the Company's governance and management structure. The agreement reached between the parties is recorded in a master transaction agreement (the "Master Transaction Agreement") signed on 20 March 2008.

The principal investment terms of the proposed transaction (the "Proposed Transaction") are set out in the Master Transaction Agreement and provide for a minimum investment of EUR 800m in the Company.

The minimum investment of EUR 800m comprises EUR 500m invested by CG Holdings by way of subscription of subordinated convertible securities that will carry a cumulative cash coupon of 10.75% per annum, payable quarterly in arrears (2.6875% of average outstanding balance during quarter) on the last business day of each quarter (the "Subordinated Convertible Securities") and 30 million warrants to subscribe for ordinary shares of the Company (the "Initial Warrants"), and a EUR 300m rights issue to holders of ordinary shares (represented by certificates) of newly issued ordinary shares (represented by certificates) which will be fully underwritten by CPI Austria Holdings and Gazit (the "Rights Issue"). Participants in the Rights Issue will also receive warrants (on the basis of two warrants for every six certificates purchased) to subscribe for additional ordinary shares represented by certificates (the "Rights Issue Warrants").

If the Proposed Transaction is implemented, the EUR 500m subscription amount for the Subordinated Convertible Securities and Initial Warrants will be paid on closing of the Master Transaction Agreement ("Closing") and it is anticipated that the EUR 300m Right Issue will be completed within six months of Closing.

In addition, the Proposed Transaction will involve the internalization of the management of the Company, the reconstitution of the Board of Directors and the recruitment of a new management team, CPI Austria and Gazit having certain consent rights over various business and operational matters of the Company as long as their total investment in the Company maintains above a certain level, the change of the Company's name, termination of the existing contractual arrangements with Meinl European Real Estate Limited and Meinl Bank and repurchase and cancellation of the Company's partly paid shares, as well as repurchase and cancellation of the ordinary shares underlying the 88,815,000 certificates acquired and held on behalf of the Company.

The transactions described above are subject to certain regulatory approvals and the Company's investor approvals, as well as other customary conditions.

Contact

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