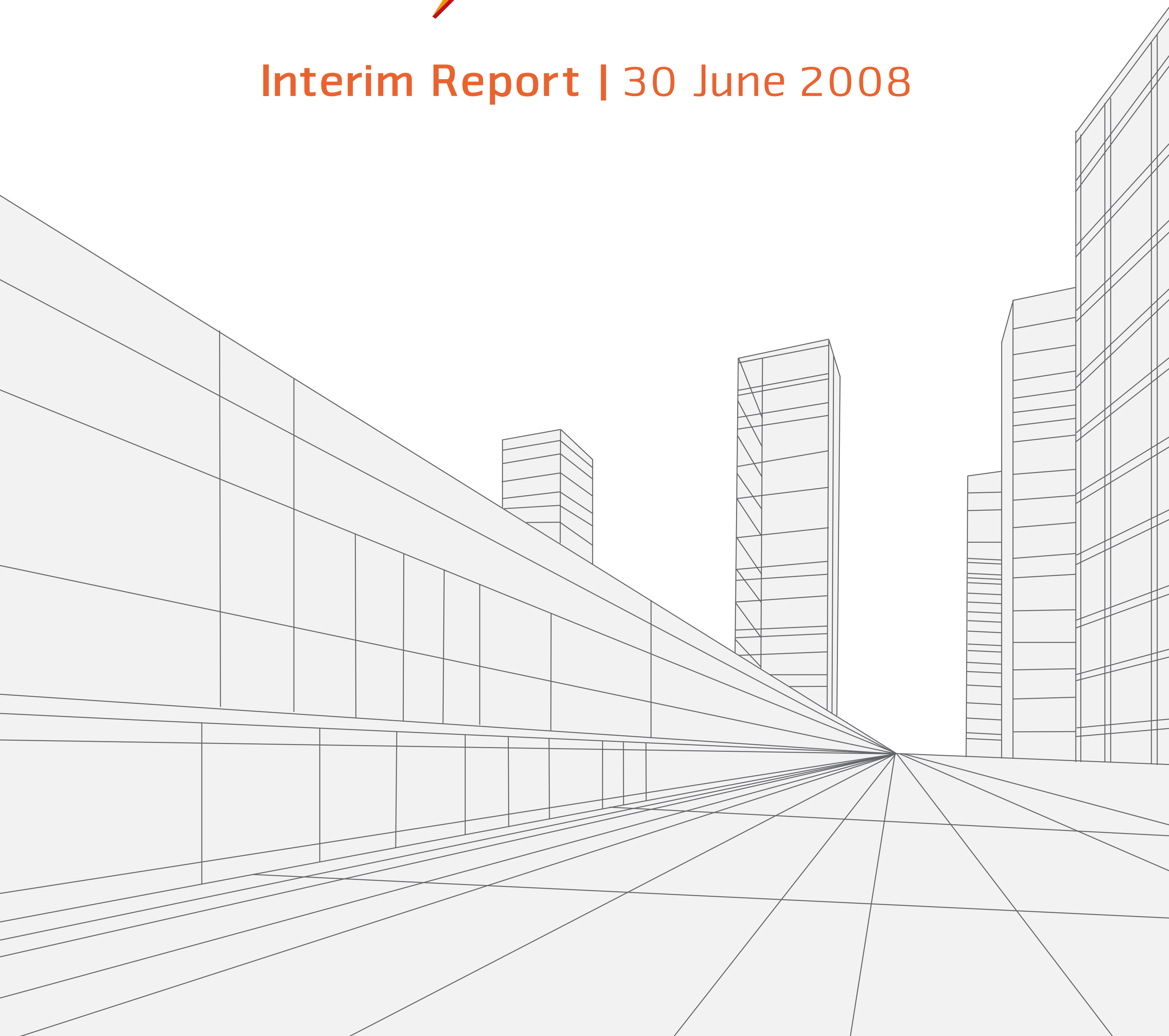
ATRIUM
European Real Estate

Interim Report | 30 June 2008



Key Figures

	FY 2006	6M 2007	FY 2007	6M 2008
Consolidated income statement in TEUR				
Gross rental income	96,451	62,254	120,030	64,122
Net rental income	71,530	48,151	84,461	49,031
Net operating profit/(loss)	261,158	105,344	140,043	(2,816)
Profit before taxation	279,032	136,879	193,009	1,510
Profit after taxation	220,736	114,407	154,577	8,010

	31/12/2006	30/6/2007	31/12/2007	30/6/2008
Consolidated balance sheet in TEUR				
Investment properties	1,688,863	1,809,722	1,894,412	2,033,803
Investment properties under development	105,232	475,269	781,864	894,150
Borrowings	1,009,413	1,042,490	1,003,460	1,005,930
Equity	3,382,298	3,771,834	3,071,255	3,061,728

	31/12/2006	30/6/2007	31/12/2007	30/6/2008
Earnings per share/certificate in EUR	1.066	0.403	0.636	0.033

Notes:
Figures for FY 2006 and 6M 2007 have been restated according to changes in accounting policies and changes in presentation principles described in Annual Report 2007
Borrowings presented are net of commercial paper

My fellow investors,

The past year has been one of significant change for our Company. Approximately one month ago, a joint venture of Citi Property Investors ("CPI") and Gazit Globe ("Gazit") completed a strategic investment in Meinl European Land, now known as Atrium European Real Estate (the "Company" or the "Group" or "Atrium"). This is therefore my first opportunity, as Chairman of the Company, to share with you information about the new investors and lay out plans for the future, as well as reporting Atrium's results for the six months to 30 June 2008.

But, before we turn to reporting on the Company's results and our ambitions and plans for the future, I think a final word about the past is appropriate. I am acutely aware of what the Company and its shareholders have gone through in the past year which resulted in many of you losing confidence in the Company and its previous management. However, I have always believed that where challenges are present, there are also opportunities and it is these opportunities that we intend to seize. Our aim is to reposition Atrium as one of Europe's leading property investment and development companies for the benefit of all shareholders.

The restoration of the Company's future has become possible through the investment by Gazit and CPI, so it is appropriate to outline here some background information to these new investors.

The Gazit Group was created in 1991 and its public platforms now include Gazit Globe, which is traded on the Tel Aviv stock exchange (GLOB); Equity One, which is traded on the New York Stock Exchange (EQY); First Capital Realty, traded on the Toronto Stock Exchange (FCR); and Citycon, traded on the Oslo Stock Exchange (CTY). On its own behalf, and through its different platforms, the Gazit Group's primary focus is on owning, operating and developing supermarket anchored shopping centres in North America, Europe, Brazil and Israel. As at 30 June 2008 and prior to completing its investment in Atrium, Gazit and its subsidiaries owned 469 shopping centres in these markets.

CPI is a global real estate investment manager and part of Citigroup ("Citi"), one of the most respected and well known financial organisations. CPI has eight offices in the major financial centres and had over USD 14.6 billion gross real estate assets under management around the globe (as at 31 July 2008). CPI employs more than 130 real estate professionals and its senior leaders have an average of more than 20 years of real estate experience. This depth and breadth of experience is an important and powerful element in supporting the future growth of your Company.

Together, Gazit and CPI have a history of relentless focus on maximizing shareholder value. Both companies, no matter where in the world they operate, are committed to being on the leading edge of transparency and good corporate governance.

Actions post completion of the investment by Gazit and CPI

Changes began the moment we received overwhelming shareholder support for our strategic investment. Upon closing, the name of the Company was changed to Atrium European Real Estate Limited. I felt it was important that we clearly sever ties with the past so our name change is more than symbolic. It is the first step of many designed to revive enthusiasm and the restoration of confidence in your Company and its new management. Other important changes were also immediately implemented, as follows:

- Rachel Lavine was named Atrium's new Chief Executive Officer. She is experienced, talented, driven and knowledgeable, having worked in the real estate industry for 18 years and specialised in the management and development of shopping centres in Central and Eastern Europe for most of her career. She is in the process of reconstituting a high-quality management team based in the Company's new management offices in Amsterdam in the Netherlands, which will work tirelessly towards making Atrium one of the premier commercial real estate companies in Europe.

- All previous management agreements with the Meinl Group have been terminated.

- Management has been internalised.

- Existing properties have been and/or continue to be thoroughly and meticulously examined. Non-core assets will be divested and accretive acquisitions will be considered. Core assets will be developed, redeveloped and asset managed to ensure that maximum value is created.

- A new infrastructure is now being put into place with controls and processes that will assure improved reporting, efficiency and transparency.

- A new Board of Directors has been elected. They are independent, experienced, talented, and dedicated to their fiduciary duty to the shareholders. They will settle for no less than best-in-class corporative governance.

- All partly paid and all Treasury shares were cancelled.

Board and Employees

There have been a number of significant changes to the Company's Board. In addition to my becoming Chairman and Rachel Lavine becoming Chief Executive Officer, Michael Bar Haim, Joseph Azrack, Shanti Sen, Peter Linneman, Thomas William Wernick, Simon Radford and Andrew Wignall have all been appointed as Board directors. We are fortunate to have such an experienced and well respected group of people working with us and we look forward to strengthening this further with appointments to the Executive team.

I would also like to take this opportunity to thank all our employees and staff for their continued hard work and effort over what must have been an extremely uncertain and difficult period.

Outlook

I am honored to be your fellow shareholder and the Chairman of Atrium. I want to pledge to you that the Board, every single employee of Atrium and I will work tirelessly to restore your trust and confidence in your Company and its management. Our goal is transform Atrium into one of the premier European real estate companies, by continuing to focus on a strategy of owning, operating and developing supermarket/hypermarket anchored shopping centres in urban markets in order to maximise value for our shareholders.

While the current market conditions are affecting property market as a whole, I do believe that the Company is now in a relatively strong position to weather the storm. Our immediate priorities remain to put in place the right management team and systems, to assess every single asset in the Company's portfolio and to focus on ways to best create and enhance value. We have already embarked on this process and I believe that, as shareholders, we can now all start to look forward to the future with confidence.

Yours truly,

Chaim Katzman on behalf of the Board of Directors
Jersey, 28 August 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 the Company and its subsidiaries (together 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 six months of 2008

In the six months of 2008 the Group's investment portfolio included operating properties in eight countries in its target region: Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, Latvia and Turkey. In addition, the Group also has interests in development projects in Bulgaria and Ukraine and has (through acquiring a land plot) made its first investment into Georgia. In total, the Group is therefore active in 11 countries throughout the region of Central and Eastern Europe, South Eastern Europe and Commonwealth of Independent States ("CIS").

In some of these markets the Group's activities are currently restricted to development projects, which have yet to generate earnings.

Upon completion of the ongoing development projects the geographical balance within the Group's portfolio will change significantly. The combined proportion of the Group's 3 main markets (Russia, Poland and Turkey) is likely to increase from its current level. As at 30 June 2008, our projects in pipeline based on the planned developments included projects with estimated development costs of approximately EUR 3.3bn, of which EUR 659m were spent as at 30 June 2008.

The Group has also secured various land plots for potential future development activity which amounted to approximately 1.9 million sqm as at 30 June 2008. The total investment in these land plots amounted to approximately EUR 354m as at 30 June 2008 (6M 2007: EUR 196m). One land plot was secured in the centre of Tbilisi. At present we are not able to estimate the consequences of the current conflict.

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

Investment properties

Country	31 December 2007 Market value TEUR	30 June 2008 Market value TEUR	30 June 2008 Market value in %
Poland	670,894	687,946	34%
Russia	485,161	466,412	23%
Czech Republic	321,586	326,646	16%
Hungary	123,085	123,160	6%
Slovakia	106,996	107,259	5%
Turkey	79,114	202,110	10%
Latvia	61,580	62,340	3%
Romania	45,996	57,930	3%
Total	**1,894,412**	**2,033,803**	**100%**

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

Gross rental income

Country	6M 2007 TEUR	6M 2008 TEUR	6M 2008 in %
Czech Republic	11,084	12,536	20%
Hungary	4,238	4,322	7%
Latvia	2,053	1,953	3%
Poland	14,936	19,531	30%
Romania	635	927	1%
Russia	25,903	20,363	32%
Slovakia	3,405	4,177	6%
Turkey	–	313	1%
Total	**62,254**	**64,122**	**100%**

At the beginning of 2008, certain lease agreements in Russia were renegotiated with tenants with the aim to allocate a higher proportion of the overall rent as a service charge (rather than being a fixed rent payment). This reclassification resulted in a decrease of rental income and a corresponding increase of service charge income in the Group's accounts. For 2008 the amount which was reallocated from the rental income to the service charge income due to the renegotiation was approximately EUR 4.7m.

In the first six months of 2008 the Group achieved a like-for-like growth of gross rental income of approximately 3.5%.

Like-for-like gross rental income

Country	6M 2007 TEUR	6M 2008 TEUR	Change TEUR	Change in %
Czech Republic	11,084	12,536	1,452	13.1%
Hungary	4,183	4,322	139	3.3%
Latvia	2,053	1,953	(100)	(4.9%)
Poland	14,936	16,062	1,126	7.5%
Romania	635	668	33	5.2%
Russia	20,071	19,316	(755)	(3.8%)
Slovakia	3,405	3,487	82	2.4%
Like-for-like total	**56,367**	**58,344**	**1,977**	**3.5%**
Remaining rental income	5,887	5,778	(109)	
Total gross rental income	**62,254**	**64,122**	**1,868**	**3.0%**

Overview of activities by region

Russia

As of 30 June 2008, the Group's portfolio in Russia consisted 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 466m.

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

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

Russia should continue to be a principal investment market for the Group in the future. The Group's current project pipeline comprises 13 development projects including 5 extensions of existing shopping centres. In 2008 the Group intends to complete the development work 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 Group secured land plots in 4 Russian cities with a combined area of approximately 1.2 million sqm which could be used for future developments.

Poland

As at 30 June 2008, the Group's portfolio in Poland consisted of 19 investment properties (15 shopping centres in operation, 4 land plots under development) with a total market value of approximately EUR 688m.

The Group's largest shopping centres in Poland are located in Warsaw, Torun, Bytom, Radom and Bialystok. Furthermore, the Group owns smaller shopping centres in various regional cities throughout Poland.

Currently, the Group'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, Jastrzebie 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 currently estimated at approximately EUR 98m.

In addition to the development pipeline the Group 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 30 June 2008, the Group's portfolio in Turkey consisted of 2 investment properties with an estimated market value of approximately EUR 202m. The investment property located in Trabzon at the Black Sea Coast, which was opened in June 2008, with a lettable area of approximately 49,000 sqm is the largest retail development within the 300 km radius.

In addition, the Group's development portfolio in Turkey includes 3 development projects located in Istanbul, Samsun, and Kahramanmaras.

The most advanced project is a shopping centre with a planned lettable space of approximately 90,000 sqm with additional planned office space in the European part of Istanbul. The Group has started the construction process already and the opening has been scheduled for the autumn 2009. The Group also obtained the building permits for a shopping centre in the Turkish city of Samsun. The shopping centre, which is planned to open in the summer 2010, is expected to have a total shopping area of approximately 54,000 sqm. The project will also include a 5 star hotel for which the investor and operator have already been chosen.

In addition, the Group also secured further land plots with a total area of approximately 522,000 sqm in the cities of Istanbul, Balcova, Sanliurfa, Adana and Tokat.

Shopping Centre in Trabzon

Lettable area:	49,000 sqm
Opening:	June 2008

Case Study:

Lifestyle and Shopping centre „Forum Trabzon" Trabzon, Turkey

In June 2008 the Group opened its first development project in Turkey, the shopping and lifestyle centre "Forum Trabzon" on the Black Sea Coast.

The centre, which is the largest retail development scheme within an area of 300 kilometres, offers approximately 49,000 sqm of retail and leisure space and currently has 170 shops.

It was constructed on a site of 72,000 sqm. The tenant mix includes international brands such as Marks & Spencer, McDonald's, Douglas, Intersport, Nike, Levis, LaCoste and Benetton as well as well-known local groups as hypermarket Migros and DIY Koctas.

Forum Trabzon's architecture was inspired by the unique characteristics and icons of its surroundings.

The development cost for the centre amounted to approximately EUR 135m and the expected rental income is EUR 14.5m per annum.

Romania, Bulgaria and Ukraine

In Romania the Group currently has one investment property located in Bucharest with an estimated market value of EUR 58m. Following the first extension in 2007, the site now has a lettable area of approximately 11,000 sqm.

The Group'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.

Currently the Group's development pipeline in Bulgaria and Ukraine consists of two projects, one in each country.

Shopping Centre in Sofia

Planned lettable area: 104,000 sqm

Expected opening: Year end 2009

Czech Republic, Hungary, Latvia and Slovakia

At the end of June 2008 the Group owned a portfolio of 100 investment properties with a total lettable area of approximately 343,000 sqm in the Czech Republic. The total market value of the Czech properties amounted to approximately EUR 327m. The largest property in the Czech portfolio is a shopping centre in Brno with a lettable space of 17,000 sqm with a market value of approximately EUR 45m. Apart from this shopping centre the portfolio mainly comprises smaller supermarkets, discount markets and neighbourhood centres.

In Hungary the Group owned as of 30 June 2008 a total of 25 investment properties with a total lettable area of 107,000 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 and discount markets.

In Latvia, the Group owned as of 30 June 2008 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.

Slovakia belongs to the more dynamic established markets in Central and Eastern Europe. As of 30 June 2008 the Group owned 3 investment properties in Slovakia: two medium sized shopping centres in the regional cities of Zilina and Kosice and a small neighbourhood centre in Bratislava. The total market value of the Slovak portfolio was approximately EUR 107m.

The Group plans to extend two of its existing sites in Slovakia. The extension of the shopping centre "Optima" in Kosice, which will add an additional 16,000 sqm to the existing centre is scheduled to be completed by the end of 2008. The investment costs for the project amount to approximately EUR 29m. Most of the additional space is already pre-let. Including the extension, "Optima" will have a total lettable area of approximately 47,000 sqm and will be the largest shopping centre in the region. The Group also plans to extend the neighbourhood centre in 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		30 June 2008	
	TEUR (Audited)	**EUR per share/ certificate**	**TEUR (Unaudited)**	**EUR per share/ certificate**
Equity	3,071,255		3,061,728	
Deferred tax assets	(1,672)		(4,659)	
Deferred tax liabilities	155,584		154,688	
Net asset value	**3,225,167**	**15.25**	**3,211,757**	**15.19**
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 is based on the 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 Group's development projects is not included in NAV. Under IAS 40 companies are required to hold investment properties under development at cost less impairment.

Independent review report to Atrium European Real Estate Limited (formerly known as Meinl European Land Limited)

Introduction

We have been engaged by Atrium European Real Estate Limited (formerly known as Meinl European Land Limited) ("the Company") to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 which comprises the condensed consolidated balance sheet, the condensed consolidated income statement, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity, and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Austrian Stock Exchange Act. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the requirements of the Austrian Stock Exchange Act.

As disclosed in note 2, the annual consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards as endorsed by the EU. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated set of financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as endorsed by the EU.

The half-yearly financial report includes management's representation as required by para 87 of the Austrian Stock Exchange Act (§ 87 BörseG).

Emphasis of matter – potential litigation

On forming our conclusion on the condensed consolidated set of financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 11 to the condensed consolidated set of financial statements concerning the acquisition on behalf of the Company of listed certificates representing the Company's shares and the allegations against the Company by certain certificate holders and certain bondholders.

The ultimate outcome of the matter referred to in note 11 of the condensed consolidated set of financial statements and note 44 of the 31 December 2007 consolidated annual financial statements cannot presently be determined and therefore no provisions for any liabilities that may arise as a result have been provided for in the condensed consolidated set of financial statements. If such liabilities were to arise they could be material to the condensed consolidated set of financial statements.

KPMG Channel Islands Limited
Chartered Accountants
5 St Andrew's Place
Charing Cross
St Helier
Jersey
JE4 8WQ

28 August 2008

Notes:

- The maintenance and integrity of the Atrium European Real Estate Limited (formerly known as Meinl European Land Limited) website is the responsibility of the directors, the work carried out by KPMG Channel Islands Limited does not involve consideration of these matters and, accordingly, KPMG Channel Islands Limited accept no responsibility for any changes that may have occurred to the condensed consolidated set of financial statements or review report since they were initially presented on the website.
- Legislation in Jersey governing the preparation and dissemination of condensed consolidated financial statements may differ from legislation in other jurisdictions.

Interim Financial Statements

Condensed consolidated balance sheet as at 30 June 2008

	Note	31/12/2007 TEUR (Audited)	31/12/2007 TEUR (Audited)	30/6/2008 TEUR (Unaudited)	30/6/2008 TEUR (Unaudited)
Assets					
Investment properties	4	1,894,412		2,033,803	
Investment properties under development	5	781,864		894,150	
Other non-current assets		129,351		128,864	
Cash and cash equivalents	6	1,339,035		1,167,216	
Other current assets		206,117		188,216	
Total assets			**4,350,779**		**4,412,249**
Equity			**3,071,255**		**3,061,728**
Liabilities					
Long term borrowings		994,143		997,753	
Other non-current liabilities		165,404		172,056	
Short term borrowings		9,317		8,177	
Other current liabilities		110,660		172,535	
Total liabilities			**1,279,524**		**1,350,521**
Total equity and liabilities			**4,350,779**		**4,412,249**

For the reporting period ended 30/6/2008 see the independent review report on page 11.

The interim management report and the interim financial statements approved and authorised for issue by the Board of Directors on 28 August 2008 were duly signed on the Board's behalf by Rachel Lavine, Chief Executive Officer and Chaim Katzman, Chairman.

Condensed consolidated income statement for the period ended 30 June 2008
(Unaudited)

	Note	1/4/2007 – 30/6/2007* TEUR	TEUR	1/1/2007 – 30/6/2007* TEUR	TEUR	1/4/2008 – 30/6/2008 TEUR	TEUR	1/1/2008 – 30/6/2008 TEUR	TEUR
Gross rental income	8	31,452		62,254		32,889		64,122	
Service charge income	8	10,572		16,909		13,608		25,629	
Net property expenses		(16,934)		(31,012)		(22,958)		(40,720)	
Net rental income			**25,090**		**48,151**		**23,539**		**49,031**
Net result on disposal of investment properties		(327)		(309)		111		187	
Revaluation of investment properties		44,902		90,925		(17,963)		(24,874)	
Other depreciation and amortisation		(147)		(369)		(393)		(670)	
Administrative expenses		(17,756)		(32,528)		(12,327)		(23,667)	
Other income and expenses		(612)		(526)		(2,406)		(2,823)	
Net operating profit/(loss)			**51,150**		**105,344**		**(9,439)**		**(2,816)**
Net financial income		23,086		31,535		5,897		4,326	
Profit/(loss) before taxation			**74,236**		**136,879**		**(3,542)**		**1,510**
Taxation credit/(charge) for the period		(13,813)		(22,472)		7,535		6,500	
Profit after taxation for the period			**60,423**		**114,407**		**3,993**		**8,010**
Attributable to:									
Equity holders of the parent			61,888		114,458		3,995		6,995
Minority interest			(1,465)		(51)		(2)		1,015
Basic & diluted earnings per share/certificate in EUR			0.2061		0.4028		0.0189		0.0331

*Figures for the period ended 30/6/2007 have been restated according to changes in accounting policies and changes in presentation principles described in Annual Report 2007

For the reporting periods ended 30/6/2007 and 30/6/2008 see the independent review report on page 11.

Consolidated Cash Flow Statement
Consolidated Statement of Changes in Equity

Condensed consolidated cash flow statement for the period ended 30 June 2008
(Unaudited)

	1/1/2007 – 30/6/2007 TEUR	1/1/2008 – 30/6/2008 TEUR
Cash flows from operating activities	59,324	50,527
Cash flows from investing activities	(2,812,804)	(218,450)
Cash flows from financing activities	2,979,848	(3,896)
Increase/(decrease) in cash and cash equivalents	**226,368**	**(171,819)**
Cash and cash equivalents at the beginning of the period	4,867,800	1,339,035
Cash and cash equivalents at the end of the reporting period	**5,094,168**	**1,167,216**

For the reporting periods ended 30/6/2007 and 30/6/2008 see the independent review report on page 11.

Condensed consolidated statement of changes in equity for the period ended 30 June 2008
(Unaudited)

	Share capital TEUR	Share premium TEUR	Income account TEUR	Currency translation TEUR	Minority interest TEUR	Total equity TEUR
Balance as 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 as 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	–	–	–	(17,940)	–	(17,940)
Deferred tax on items taken directly to equity	–	–	–	3,779	531	4,310
Net profit/(loss) for the period	–	–	114,458	–	(51)	114,407
Total recognised income/(expense)	–	–	114,458	(14,161)	480	100,777
Issue of share capital	375,000	1,102,500	–	–	–	1,477,500
Cost of issuing shares	–	(101,375)	–	–	–	(101,375)
Certificates held on behalf of the Company	(261,575)	(825,791)	–	–	–	(1,087,366)
Balance as at 30 June 2007	**1,239,925**	**2,081,547**	**451,887**	**(39,511)**	**37,986**	**3,771,834**
Balance as 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	–	–	–	1,715	2,783	4,498
Deferred tax on items taken directly to equity	–	–	–	1,426	668	2,094
Net profit for the period	–	–	6,995	–	1,015	8,010
Total recognised income	–	–	6,995	3,141	4,466	14,602
Minority interest	–	–	–	–	(24,129)	(24,129)
Balance as at 30 June 2008	**1,057,425**	**1,535,224**	**501,846**	**(51,052)**	**18,285**	**3,061,728**

For the reporting periods ended 30/6/2007 and 30/6/2008 see the independent review report on page 11.

Segments by business sectors

(Unaudited)

For the period ended 30 June 2008	Standing investment segment TEUR	Development segment TEUR	Administration segment TEUR	Total TEUR
Gross rental income	64,122	–	–	64,122
Service charge income	25,629	–	–	25,629
Net property expenses	(38,852)	(1,868)	–	(40,720)
Net rental income	**50,899**	**(1,868)**	**–**	**49,031**
Net result on disposal of investment properties	187	–	–	187
Revaluation of investment properties	(20,748)	(4,126)	–	(24,874)
Other depreciation and amortisation	(422)	(22)	(226)	(670)
Other income and expenses, administrative expenses	820	(2,904)	(24,406)	(26,490)
Net operating profit/(loss)	**30,736**	**(8,920)**	**(24,632)**	**(2,816)**
Net financial income/(expenses)	(9,837)	(6,094)	20,257	4,326
Profit/(loss) before taxation	**20,899**	**(15,014)**	**(4,375)**	**1,510**
Taxation credit/(charge) for the period	4,461	2,674	(635)	6,500
Profit/(loss) after taxation for the period	**25,360**	**(12,340)**	**(5,010)**	**8,010**
Investment properties	1,745,887	287,916	–	2,033,803
Investment properties under development	–	894,150	–	894,150
Segment assets	1,932,024	1,296,323	1,183,902	4,412,249
Segment liabilities	278,084	156,523	915,914	1,350,521

For the period ended 30 June 2007	Standing investment segment TEUR	Development segment TEUR	Administration segment TEUR	Total TEUR
Gross rental income	62,254	–	–	62,254
Service charge income	16,909	–	–	16,909
Net property expenses	(30,661)	(351)	–	(31,012)
Net rental income	**48,502**	**(351)**	**–**	**48,151**
Net result on disposal of investment properties	(309)	–	–	(309)
Revaluation of investment properties	56,470	34,455	–	90,925
Other depreciation and amortisation	(206)	(4)	(159)	(369)
Other income and expenses, administrative expenses	33	(27)	(33,060)	(33,054)
Net operating profit/(loss)	**104,490**	**34,073**	**(33,219)**	**105,344**
Net financial income/(expenses)	(7,217)	3,223	35,529	31,535
Profit before taxation	**97,273**	**37,296**	**2,310**	**136,879**
Taxation credit/(charge) for the period	(22,460)	64	(76)	(22,472)
Profit after taxation for the period	**74,813**	**37,360**	**2,234**	**114,407**
Investment properties	1,477,664	332,058	–	1,809,722
Investment properties under development	–	475,269	–	475,269
Segment assets	1,642,338	880,339	6,465,026	8,987,703
Segment liabilities	286,599	60,762	4,868,508	5,215,869

Notes to the condensed consolidated financial statements for the six months to 30 June 2008

(Unaudited)

1. Reporting entity

Atrium European Real Estate Limited (the "Company"), formerly known as Meinl European Land Limited, is a company incorporated and domiciled in Jersey. Its current registered office and principal place of business is 32 Commercial Street, St. Helier, Jersey, Channel Islands.

The Company changed its name from Meinl European Land Limited to Atrium European Real Estate Limited on 1 August 2008.

The principal activity of the Company and its subsidiaries ("the Group") is the ownership, leasing, management and development of commercial real estate.

The Group primarily operates in the Czech Republic, Hungary, Poland, Romania, Slovakia, Russia, Latvia and Turkey and also has some operations in Bulgaria, Ukraine and Georgia.

The unaudited condensed interim financial statements were approved and authorised for issue by the directors on 28 August 2008.

2. Principal accounting policies

Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS"), IAS 34 Interim Financial Reporting.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards as endorsed by the EU.

The interim management report and the interim financial statements present a fair and true view of the assets, earnings and financial position of the Group with respect to the information required by paragraph 87 of the Austrian Stock Exchange Act (§ 87 BörseG).

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Changes in accounting policies

As disclosed in the notes to the 31 December 2007 consolidated financial statements, 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 *Accounting Policies, Changes in Accounting Estimates and Errors*, all changes have been applied retrospectively and therefore the comparative amounts within the income statement have been restated in accordance with the revised policies. 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.

Additionally in the period ended 30 June 2007 the recognition and measurement of acquired identifiable assets, liabilities and a non-controlling interest in the subsidiary Thesis SpA. has been restated based on the up-to-date information available. The balances as at 31 December 2006 and 2007 have been presented according to the revised policy in the Annual Report 2007. The change in the acquisition calculation has resulted in an increase in the profit after taxation for period ended 30 June 2007 amounting to TEUR 715.

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 30 June 2007 would increase by TEUR 17,798 of which profit after taxation attributable to minority interest would increase by TEUR 1,460 for the period ended 30 June 2007.

As from 1 January 2007 the functional currencies of the 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 30 June 2007 amounting to TEUR 17,077.

Due to the change 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 as at 30 June 2008 was determined by Cushman & Wakefield. Investment properties under development are stated at cost. All costs directly associated with purchase and development of a property, and all subsequent capital expenditures in this respect that qualify as acquisition costs, are capitalised. Land is treated as "Investment properties under development" unless a building permit has been granted. In such a case, land is stated under "Investment properties" and revalued to its fair value. Fair value of such a land was based on the value for which the 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 measurement of the fair value of these land plots, the present value of that part of the future profits of 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.

3. Investments in Group undertakings
During the first six months of 2008, the Company purchased the remaining 46% of THESIS SpA. and therefore now owns 100% of the share capital of the company. Furthermore the Group acquired shares in the following companies:

Company name	Country	Ownership	Assetes acquired TEUR	Liabilities acquired TEUR	Purchase price TEUR
ETHERLAND INVESTMENTS LIMITED	Cyprus	100%	19	19	1
Rezidence Černého s.r.o.	Czech Republic	100%	8	–	8
A. Kharkiv 1 LLC	Ukraine	99.9%	6	–	6
A. Kharkiv 2 LLC	Ukraine	99.9%	6	–	6
A. Kharkiv 3 LLC	Ukraine	99.9%	6	–	6
A. Kyiv LLC	Ukraine	100%	7	–	7

4. Investment properties

The current portfolio of investment properties of the Group consists of 25 (2007: 25) properties in Hungary, 100 (2007: 102) properties in the Czech Republic, 3 (2007: 3) properties in Slovakia, 19 (2007: 19) properties in Poland, 1 (2007: 1) property in Romania, 9 (2007: 9) properties in Russia, 2 (2007: 2) properties in Turkey and 1 (2007: 1) property in Latvia. Four (2007: 4) of the properties in the Czech Republic are refinanced on the basis of finance lease contracts.

	FY 2007 TEUR	6M 2008 TEUR
Balance as at 1 January	1,688,863	1,894,412
Additions – acquisition of new companies	43,515	–
Additions – new properties, technical improvements	75,178	66,597
Transfer from investment properties under development	33,524	84,090
Disposals	(3,724)	(1,427)
Adjustments of acquisition costs	(43,738)	–
Translation difference	(32,612)	15,005
Revaluation of investment properties	133,406	(24,874)
Balance as at the end of the period	**1,894,412**	**2,033,803**
Land relating to investment properties under development	359,417	287,916
Commercial properties	1,534,995	1,745,887
Total	**1,894,412**	**2,033,803**

Revaluation of investment properties

	FY 2007 TEUR	6M 2008 TEUR
Land relating to investment properties under development	57,555	(4,126)
Commercial properties	75,851	(20,748)
Total	**133,406**	**(24,874)**

Movement in number of investment properties

	FY 2007	6M 2008
Properties as at 1 January	157	162
Additions	4	–
Transfer from investment properties under development	5	–
Disposals	(4)	(2)
Balance as at the end of the period	**162**	**160**

5. Investment properties under development

	FY 2007 TEUR	6M 2008 TEUR
Balance as at 1 January	105,232	781,864
Translation difference	(348)	(5)
Additions – acquisition of new companies	488,734	–
Additions – cost of land and construction	206,110	184,449
Transfer to trading properties	–	(1,577)
Transfer to investment properties	(33,524)	(84,090)
Interest capitalised	15,660	13,509
Balance as at the end of the period	**781,864**	**894,150**
Transfer to investment properties:		
Land	(30,183)	–
Construction costs	(3,341)	(84,090)
Total	**(33,524)**	**(84,090)**

Movement in number of investment properties under development

	FY 2007	6M 2008
Properties as at 1 January	21	38
Additions	22	2
Transfer to investment properties*	(5)	–
Balance as at the end of the period**	**38**	**40**

* includes projects where land for development is revalued to fair value

** does not include projects where land for development is revalued to fair value

6. Cash and cash equivalents
As of 30 June 2008 the Group held cash in the total amount of TEUR 1,167,216 of which TEUR 1,040,507 was directly held by the Company, the remaining was held by the Group companies. The Group holds cash of TEUR 29,941 as backing for guarantees issued by various banks on the Group's behalf.

7. Share capital
As at 30 June 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 30 June 2008 a total of 300,000,000 certificates were listed on the Vienna Stock Exchange of which 88,815,000 are held on behalf of the Company. The calculation of NAV per share as of 30 June 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 basis. The earnings per share/certificate computation was adjusted accordingly.

8. Gross rental income and service charge income
At the beginning of 2008, certain lease agreements in Russia were renegotiated with tenants with the aim to allocate a higher proportion of the overall rent as a service charge (rather than being a fixed rent payment). This reclassification resulted in a decrease of rental income and a corresponding increase of service charge income in the Group's accounts. For 2008 the amount which was reallocated from the rental income to the service charge income due to the renegotiation was approximately EUR 4.7m.

9. Related party transactions
To the best of management's knowledge, during the reporting period ended 30 June 2008, no single certificate holder of the Company held more than 5% of the listed certificates (excluding the certificates held on behalf of the Company). As at 30 June 2008 and during the period the 150 million partly paid shares were held by Tshela Nominees A.V.V.

During the reporting period, the Company did not enter into any transactions with its directors. Except as described in the following sentence directors do not own shares or certificates of the Company and have not invested in any debt issued by the Group. Heinrich Schwägler, whose resignation as a director became effective on 1 August 2008, indirectly owned as at 30 June 2008 1,000 certificates.

After the resignation of Bedell Cristin Secretaries Limited as 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.

10. Transactions with Meinl Bank Group
In 2002 the Company concluded a Management Agreement with Meinl European Real Estate Limited, a wholly owned subsidiary of Meinl Bank. Under this Management Agreement, the Board of Directors of Atrium European Real Estate Limited (formerly known as Meinl European Land Limited) subcontracted certain activities to Meinl European Real Estate Limited as the Manager. Quarterly prepayments are made based on the management fee charged in the previous year. A final adjustment of the management fee is performed at year end based on the actual market value/investment cost per property. The management fee charged for the first six months of 2008 amounted to TEUR 7,534 (including adjustments for previous years in the amount of TEUR 1,406) (6M 2007: TEUR 5,510).

Furthermore, a license agreement was concluded in 2005 between the Company and Meinl Bank with respect to certain trademarks and logos owned by Meinl Group. The licence fee charged for the first six months 2008 amounted to TEUR 6,108 (6M 2007: TEUR 5,579).

From time to time the Meinl Bank Group provides various investment banking services to the Group. The most significant service relates to services provided under a Placement and Market-Maker-Agreement concluded between the Company and Meinl Bank. The agreement outlines the terms and conditions of services provided by Meinl Bank in connection with the issue of equity. No fees have been charged by Meinl Bank as sole bookrunner during the six months to 30 June 2008 (6M 2007: TEUR 99,731). The Placement and Market-Maker-Agreement also outlines Meinl Bank's role as market maker regarding the securities of the Company traded on the Vienna Stock Exchange. The maintenance fee is payable quarterly in arrears on the basis of the certificate price on the Vienna Stock Exchange at the end of each calendar quarter. The maintenance fee charged for the six months to 30 June 2008 amounted to TEUR 8,116 (6M 2007: TEUR 18,589).

Furthermore, out of the total cash balances held by the Company with banks, a total of approximately EUR 453m were deposited with Meinl Bank at 30 June 2008 mainly in connection with a series of Mandate and Trust Agreements agreed upon between the Company and Meinl Bank. For its services under these agreements Meinl Bank receives a fee that amounted to TEUR 11 for the first six months 2008 (6M 2007: TEUR 17).

From time to time the Company issued and subsequently repaid Commercial Paper ("CP"). Meinl Bank Group acted as a subscriber of such CP. Proceeds resulting from the issuance of CP were held in an account of the Company with Meinl Bank. No CP was issued during the reporting period.

In connection with bonds issued by the Group before 2006 Meinl Bank acts as Trustee and/or Paying Agent to noteholders. For its services under these agreements Meinl Bank did not receive any compensation.

During the reporting period 2008 the Company has sold bonds issued by Meinl Bank Group for TEUR 14,652.

11. Contingencies
There were no significant changes in the contingencies of the Group to those reported in note 44 of the Annual Report 2007.

12. Financial risk management
During the six months to 30 June 2008, the Group's financial risk management objectives and policies were consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2007.

13. Events during the period and subsequently
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"), 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 transaction and related measures were approved by investors at the Company's extraordinary general meeting on 16 July 2008.

The principal investment terms of the transaction are set out in the Master Transaction Agreement and provide for a minimum investment of EUR 800m in the Company. Below we provide a summary of the transaction. For more detail please refer to the published Circular.

The minimum investment of EUR 800m comprises EUR 500m to be invested by CG Holdings by way of subscription of subordinated convertible securities carrying 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"), 30 million warrants to subscribe for ordinary shares of the Company (the "Initial Warrants") and a EUR 300m rights issue to holders of the 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").

The EUR 500m subscription amount for the Subordinated Convertible Securities and the Initial Warrants were paid on closing of the Master Transaction Agreement on 1 August 2008. It is anticipated that the EUR 300m Rights Issue will be completed within six months of closing.

In addition, closing of the investment was accompanied by (a) the internalisation of the management of the Company, (b) the reconstitution of the Board of Directors and introduction of a new management team, with CPI Austria Holdings and Gazit having certain consent rights over various business and operational matters of the Group as long as their total investment in the Group maintains above a certain level, (c) the change of the Company's name, (d) termination of the existing contractual arrangements with Meinl European Real Estate Limited and most of the agreements with Meinl Bank and (e) 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.

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