Meinl European Land

Interim Report
30 June 2007

Key Indicators

	2004	2005	6M 2006	2006	6M 2007
Income statement in TEUR					
Rental income	25,456	60,199	43,561	96,451	62,254
Net revenues	27,825	63,510	48,418	104,446	64,711
Net operating profit (EBIT)	42,789	114,326	57,287	251,562	91,631
Profit before taxation	31,177	112,029	60,719	269,108	119,087
Profit after taxation	30,545	113,975	58,848	267,445	114,413

	31/12/2004	31/12/2005	30/6/2006	31/12/2006	30/6/2007
Balance sheet in TEUR					
Investment properties	456,122	1,067,671	1,271,242	1,688,863	1,809,722
Investment properties under construction	1,433	37,434	53,772	105,232	475,269
Net cash	168,458	965,833	1,639,289	2,544,287	2,346,332
Long-term liabilities	292,362	541,839	537.657	1,017,218	1,033,067
Shareholders' equity	421,807	1,620,675	2,535,717	3,454,355	3,822,878

	31/12/2004	31/12/2005	30/6/2006	31/12/2006	30/6/2007
Share					
Shares outstanding	36,000,001	120,000,001	180,000,001	225,000,001	247,685,001
Share price in EUR	13.01	14.91	15.93	19.43	21.19
NAV per share in EUR	12.51	13.89	14.33	15.54	15.64
Earnings per share in EUR	1.41	1.29	0.31	1.31	0.40

Notes:
Figures 2004 restated in accordance with IAS 40 (fair value method)
Net cash defined as net financial assets minus short-term borrowings
Partly paid shares are included in the NAV per share on a proportional base
Shares outstanding net of certificates repurchased

Dear shareholders,

Meinl European Land has continued its successful growth and dynamic expansion also in the first six months of 2007. The successful property developer and investor with focus on Central and Eastern Europe has once again signed contracts for a number of attractive development projects. Furthermore, Meinl European Land has enhanced all relevant financial key-data.

As at 30 June 2007 Meinl European Land's property portfolio consists of 160 investment properties with a market value of more than EUR 1.8bn and 43 contractually agreed development projects with a total investment value of approximately EUR 3.7bn of which approximately EUR 0.6bn has already been invested until 30 June 2007. In addition, the project pipeline included projects totalling approximately EUR 2bn, whereof projects with total investments of EUR 1.6bn are already in the advanced due diligence. Management is confident that most of these projects will be secured in the next weeks or months, so that the future growth of the Group is assured as well. As for the contractually agreed projects, the pipeline consists mainly of development projects. In Meinl European Land's main investment markets – Russia, Turkey, secondary cities in Poland, Ukraine and Romania – there is a lack of modern retail space available for sale, which is why the Company is active in developing its own sites. Furthermore, the yields achievable on development projects exceed those of comparable completed properties significantly.

Rental income for first six months 2007 was approximately EUR 62m, as compared with EUR 44m for the same period last year. The EBIT increased from EUR 57m in the first half year 2006 to approximately EUR 92m in the first six months 2007. This represents an increase of 61%.

In January 2007 Meinl European Land successfully issued 75 million new shares leading to gross proceeds of EUR 1.48bn, which will be used to finance the latest secured projects.

In June 2007 Meinl European Land initiated a credit facility in the amount of EUR 500m, which the Company can call upon if necessary. Hence, it is guaranteed that Meinl European Land can continue to grow its business positively and successfully in years to come.

As of 30 June 2007 the Company repurchased approximately 52m certificates listed on the Vienna Stock Exchange.

The Board of Directors
August 2007

Property Portfolio

During the first six months of 2007 Meinl European Land concentrated mainly on property development. As well as driving forward the developments in countries in which it was already represented, the Company also secured its first project in Bulgaria and concluded a Joint Venture agreement with EBRD for the development of projects in Caucasus and Central Asia. In addition the Group acquired two completed properties in Poland with fair value of EUR 11m. One property of a fair value EUR 1.5m was sold in the Czech Republic. In total, Meinl European Land invested EUR 0.4bn in property related assets in the first half of 2007.

Completed properties

As at 30 June 2007 the Group owned 160 investment properties in nine CEE countries with lettable space of 884,122 sqm and a fair value of approximately EUR 1.8bn.

Country	Number of properties	Fair value TEUR
Russia	9	568,528
Poland	17	578,922
Czech Republic	101	315,824
Hungary	28	120,805
Slovakia	2	99,203
Latvia	1	61,320
Romania	1	42,120
Turkey	1	23,000
Total	**160**	**1,809,722**

Contracted development projects

In addition, in June 2007, Meinl European Land had 43 contracted development projects scheduled for completion between 2007 and 2010. The planned lettable space for these projects amounts to around 2,145,534 sqm, and the investment costs are estimated more than EUR 3.7bn of which approximately EUR 0.6bn have already been spent until 30 June 2007. The Company expects that the market value of these projects at YE2010 will amount to approximately EUR 4.9bn.

Country	Number of projects	Investment volume EUR million
Russia	16	1,514
Turkey	6	1,042
Poland	11	671
Romania	2	91
Bulgaria	1	185
Ukraine	2	129
Czech Republic	2	68
Hungary	1	5
Slovakia	2	34
Total	**43**	**3,739**

Projects in final stage of due diligence

Furthermore, the project pipeline included 16 projects in advanced due diligence as of 30 June 2007. The total investment costs amounts to EUR 1.6bn and the management estimates, that these projects will have a total market value of approximately EUR 2.2bn by YE2010.

Country	Number of projects	Investment volume EUR million
Russia	6	640
Romania	6	627
Turkey	2	200
Ukraine	2	150
Total	**16**	**1,617**

Income

Meinl European Land's income consists largely of rental income from its properties. In the first six months of 2007 rental income represented roughly 96% of the Group's total revenues.

Rental income for first half year 2007 came to EUR 62m, a year-on-year increase of approximately 43% (6M 2006: EUR 44m). The increase is largely attributable to the purchase of additional properties and the completion of development projects.

Rental income by country

Country	6M 2006 TEUR	6M 2007 TEUR	Difference TEUR
Czech Republic	10,683	11,084	401
Slovakia	3,197	3,405	208
Hungary	4,799	4,238	(561)
Poland	13,580	14,936	1,356
Russia	10,692	25,903	15,211
Latvia	0	2,053	2,053
Romania	610	635	25
Total	**43,561**	**62,254**	**18,693**

Like for like rental growth (6M 2006 – 6M 2007)

Country	Difference
Czech Republic	+ 1.2%
Slovakia	+ 6.1%
Hungary	+ 4.2%
Poland	+ 6.1%
Russia	+ 2.0%
Latvia	+ 0.0%
Romania	+ 6.1%
Total	**+ 3.7%**

Equity

In the first six months of 2007 the Company successfully increased its share capital by the issue of 75 million shares at a price of EUR 19.70 per share.

Following the capital increase a total of 300 million shares in Meinl European Land each with a nominal value of EUR 5 were listed on the Official Market of the Vienna Stock Exchange. A further 150 million shares with a par value of EUR 5 have been issued and partly paid up as to EUR 0.01. These shares are not listed on any stock exchange.

Net asset value (NAV) in accordance with EPRA

Net asset value is the value of an enterprise's assets less the value of its liabilities. The calculation of NAV shown below is based on recommendations of the European Public Real Estate Association (EPRA), intended to make the financial reporting of public real estate companies in Europe clearer, more transparent and more readily comparable.

	30/6/2006 TEUR	30/6/2007 TEUR
Equity	2,535,717	3,822,878
Deferred tax assets	(4,296)	(7,974)
Deferred tax liabilities	52,707	62,991
Net asset value	**2,584,128**	**3,877,895**
Number of shares outstanding ('000)	180,300	247,985
NAV per share (EUR)	**14.33**	**15.64**

Notes:

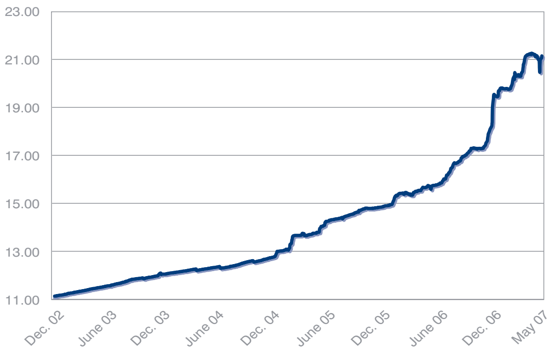
Equity includes revaluation on investment properties and other non-current assets

Partly paid shares are included in the number of shares proportionately

Shares outstanding net of certificates repurchased

Stock Performance

Stock price since IPO (EUR)



Meinl European Land stock has performed positively throughout the period from its IPO in November 2002 until mid 2007. In the four and a half years until 30 June 2007, the stock has appreciated by 95.4%, equivalent to an average annual increase of 19.5%.

In the weeks following the end of the half year reporting period, global markets experienced a sudden downturn in investor sentiment. Rising interest rates and problems in the US sub prime market sparked a sell-off of real estate stocks worldwide. MEL's stock price was also effected by this negative market environment. After years of double digit growth in the real estate sector, a correction seemed inevitable. Yet, as there was no change to the fundamentals of the Company's business model, management remain positive in its outlook for MEL. Following this phase of correction in the equity markets MEL's share price should therefore continue its successful growth.

Share price performance

Price as at 30 June 2007	EUR 21.19
Increase since first listing in November 2002	95.4%
Average annual increase	19.5%
Increase in last 12 months	33.7%

Outlook

Meinl European Land intends to continue to drive forward its dynamic growth and to expand its property portfolio.

Meinl European Land has currently 43 contractually agreed projects with a total value of approximately EUR 3.7bn.

In 2007 the Company will amongst others complete the first phase of a shopping centre in St. Petersburg with a lettable area of 30,000 sqm. The total lettable space will be approximately 100,000 sqm. Approximately EUR 125m will be invested in the centre. Anchor tenant is Metro. The opening of a shopping centre in Bialystok, in Eastern Poland, is also planned for the fourth quarter of 2007. This 37,000 sqm shopping centre also contracts Metro as anchor tenant.

The bulk of contracted development projects is scheduled for opening in 2008 and 2009, some centres, which have been committed recently, will open in 2010. One of the projects is in Pushkino, a suburb in the north of Moscow, where Meinl European Land is developing a shopping and entertainment centre with a total area of up to 250,000 sqm. The project is divided into stages, with completion scheduled for the end of 2009. The total investment is approximately EUR 300m, and the yield is in excess of 15%. Work on the project began in the first quarter of 2007.

In addition to these committed development projects, as of 30 June 2007, Meinl European Land has 16 developments in due diligence, which are expected to be signed within near future. The total investment value for these projects amounts to approximately EUR 1.6bn.

Indeed, taking into account the potential capital appreciation on the total portfolio (standing investments, committed projects and projects in final stage of negotiations) the management estimates the total portfolio value at EUR 9.2bn by YE2010. This represents an appreciation of EUR 2.1bn within the next 3 years.

The Company estimates that the total annual rent roll of this portfolio, without any further acquisitions, will be approximately EUR 700m once the developments are completed in 2010.

Including the potential valuation upside displayed above, Meinl European Land expects a NAV growth of at least 15% p.a. until YE2010.

On this basis Meinl European Land has all possibilities to continue the sustainable growth in the future as well. A further significant part of the Company's value lies in its project pipeline, and the continuing ability of its management to identify new projects, which has clearly been demonstrated in the past.

Consolidated Balance Sheet
Consolidated Income Statement

Consolidated balance sheet at 30 June 2007

	30/6/2006 TEUR	30/6/2007 TEUR
Investment properties	1,271,242	1,809,722
Investment properties under development	53,772	475,269
Other non-current assets	71,657	56,256
Liquid financial assets	3,842,290	6,325,064
Other current assets	106,824	294,002
Total assets	**5,345,785**	**8,960,313**
Shareholders‘ equity	**2,535,717**	**3,822,878**
Long-term borrowings	481,767	967,707
Non-current liabilities	55,890	65,360
Short-term borrowings	2,203,001	3,978,732
Other current liabilities	69,410	125,636
Total shareholders‘ equity and liabilities	**5,345,785**	**8,960,313**

Consolidated income statement for the period ended 30 June 2007

	1/4/2006 – 30/6/2006 TEUR	1/1/2006 – 30/6/2006 TEUR	1/4/2007 – 30/6/2007 TEUR	1/1/2007 – 30/6/2007 TEUR
Rental income	22,035	43,561	31,452	62,254
Other net income	2,269	4,857	822	2,457
Net revenues	**24,304**	**48,418**	**32,274**	**64,711**
Operating expenses	(17,897)	(32,836)	(26,026)	(50,292)
Valuation gains on investment property	3,027	41,705	33,889	77,212
Net operating profit (EBIT)	**9,434**	**57,287**	**40,137**	**91,631**
Financial result	4,021	3,432	29,072	27,456
Profit before taxation	**13,455**	**60,719**	**69,209**	**119,087**
Taxation (charge)/credit for the period	(2,096)	(1,871)	(5,757)	(4,674)
Profit after taxation for the period	**11,359**	**58,848**	**63,452**	**114,413**
Attributable to: Equityholders of the parent company	5,065	49,937	64,541	113,004
Minority interest	6,294	8,911	(1,089)	1,409
Basic and diluted earnings per share in EUR	0.03	0.31	0.23	0.40

Consolidated cash flow statement for the period ended 30 June 2007

	1/1/2006 – 30/6/2006 TEUR	1/1/2007 – 30/6/2007 TEUR
Cash flows from operating activities	68,287	59,324
Cash flows from investing activities	(623,422)	(2,813,359)
Cash flows from financing activities	1,847,113	2,979,848
Effects of exchange rates on cash and cash equivalents	(1,688)	555
Net increase in cash and cash equivalents	**1,290,290**	**226,368**
Cash and cash equivalents at beginning of reporting period	2,092,182	4,867,800
Cash and cash equivalents at end of reporting period	**3,382,472**	**5,094,168**

Consolidated statement of changes in equity as of 30 June 2007

	Share capital TEUR	Share premium TEUR	Income account TEUR	Currency translation TEUR	Minority shareholders TEUR	Total equity TEUR
Balance at 1 January 2006	**600,000**	**852,666**	**165,373**	**(1,707)**	**4,343**	**1,620,675**
Exchange differences	–	–	–	(3,241)	–	(3,241)
Net profit for the period	–	–	58,848	–	–	58,848
Total recognised income/(expense)	–	–	58,848	(3,241)	–	55,607
Issue of share capital	301,500	621,000	–	–	–	922,500
Cost of issuing shares	–	(63,065)	–	–	–	(63,065)
Balance at 30 June 2006	**901,500**	**1,410,601**	**224,221**	**(4,948)**	**4,343**	**2,535,717**
Balance at 1 January 2007	**1,126,500**	**1,906,213**	**395,813**	**(15,427)**	**41,256**	**3,454,355**
Exchange differences	–	–	–	(868)	–	(868)
Reclassification	–	–	3,109	(3,109)	–	–
Net profit for the period	–	–	113,004	–	1,409	114,413
Total recognised income/(expense)	–	–	116,113	(3,977)	1,409	113,545
Issue of share capital	375,000	1,102,500	–	–	–	1,477,500
Cost of issuing shares		(101,375)	–	–	–	(101,375)
Minority shareholders	–	–	–	–	(33,781)	(33,781)
Treasury stock	(261,575)	(825,791)	–	–	–	(1,087,366)
Balance at 30 June 2007	**1,239,925**	**2,081,547**	**511,926**	**(19,404)**	**8,884**	**3,822,878**

Segments by business sectors

	Rental income		Operating result*	
	6M 2006	6M 2007	6M 2006	6M 2007
	TEUR	TEUR	TEUR	TEUR
Sub Regional Shopping Centre	26,658	39,802	18,997	31,076
Neighbourhood Centre	9,446	15,465	7,416	12,951
Convenience Centre	1,285	1,379	993	1,103
Stand Alone Retail Warehouse / Food Store	4,075	3,882	3,234	2,818
Retail Warehouse Park / Power Centre	735	768	559	627
Warehouse / Logistics Park	915	618	525	379
Other types of properties	447	340	(91)	(360)
Total	**43,561**	**62,254**	**31,633**	**48,594**

* excl. revaluation result

Significant accounting policies

The interim consolidated financial statements as of 30 June 2007 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 2006.

Property assets

Investment properties are stated at fair value. The fair value of investment properties at 30 June 2007 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 property under development" until appropriate building permits in connection with the planned development on the land have been granted. Thereafter, land is stated under "Investment property" 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.

Investments in Group undertakings

During the first 6 months of 2007, the Company established the Russian company OOO Manhattan Real Estate Management as a management company for the Russian activities. Furthermore, the Company established or acquired 16 new property holding companies in connection with planned developments (5 in Russia, 5 in Poland, 5 in Turkey, 1 in Bulgaria) and 1 new service company in the Czech Republic (MFM Services, s.r.o.). In March 2007 the Group acquired shares in Euro Prime Liquidity Fund B.V. ("Liquidity Fund"). The Liquidity Fund's purpose is to invest funds of the Company in short-term Euro denominated debt securities.

In the first six months of the year 2007 the Group acquired shares in the following companies:

Company name	Country	Ownership	Assets acquired TEUR	Liabilities acquired TEUR	Purchase price TEUR	Net profit contributed TEUR
OOO Delta	Russia	45%	0	0	1	(3)
OOO Nautilus	Russia	45%	49	49	1	(4)
OOO Stroyremontaz	Russia	100%	82	83	11,149	(25)
MFM Services, s.r.o.	Czech Republic	100%	7	0	7	8
Euro Prime Liquidity Fund B.V.	Curacao	80%	0	0	1	22,435
Galeria na Wyspie Sp. Z o.o.	Poland	65%	3,123	3,022	9	(2)
L.P.H. Sp. Z o.o.	Poland	65%	3,109	3,022	9	(19)
OOO Engineerix	Russia	63%	1,931	1,102	15	4
ZAO Patera	Russia	100%	2,009	1,969	59,155	(32)
Multi Turkmall Alti Emlak, A.S.	Turkey	100%	36,768	28,951	23	704
Forum Sofia AD	Bulgaria	80%	39,336	39,336	24,000	0

Liquid financial assets

Liquid financial assets consist of cash (TEUR 5,094,168) and short-term securities (TEUR 1,230,896). Securities held by the Group have increased in 2007 due to initial investments in short-term bonds made by Liquidity Fund.

Share capital

In February 2007, the Company increased its share capital by 75 million new shares at an issue price of EUR 19.70 per share. Following the increase, 300 million shares of the Company are now listed on the Vienna Stock Exchange.

As of 30 June 2007 the Company repurchased a total of 52,315,000 certificates representing shares of the Company listed on the Vienna Stock Exchange. These certificates remain outstanding as of 30 June 2007; however a respective reduction of the underlying share capital according to IAS 32 has been made. The calculation for NAV per share has been made net of the repurchased certificates as per 30 June 2007. There was no impact on EPS in the reporting period.

Borrowings

In January 2007, the Company repaid Commercial Papers (“CPs”) issued in December 2006 with a total amount of TEUR 2,300,000. In June 2007, the Company again issued CPs in the amount of TEUR 3,900,000.

Related party transactions

During the reporting period, the Company did not enter into any transactions with its directors. After the resignation of Dominion Fund Administrators Limited as Secretary, Administrator and Registrar of the Company on 31 January 2007 the Company appointed Bedell Secretaries Limited as its new Secretary, Administrator and Registrar. The Company did not conclude any agreement with Bedell Secretaries Limited except for the agreements in connection with the above mentioned services.

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