

Blackrock reports 5.1% decline in NAV to €37.46 cent

Blackrock International Land plc has released its interim results for the six months to 30 June 2008.

Financial summary:

- Net assets decreased by €11.8m during the first half of 2008, from €30.3m to €18.5m, a decline of 5.1%, reflecting the changed market conditions and the strength of the euro during the period.
- Excluding the impact of foreign exchange, net assets declined by 3.5% in the period, slightly behind the flat outcome targeted in Blackrock's trading statement in early June.
- Summary of movement in net assets

	6 months to 30 June 2008 €m	6 months to 30 June 2007 €m
Net rental income	7.0	6.6
Finance costs	(5.3)	(4.6)
Administration costs	(2.6)	(2.6)
Fair value adjustments:		
Wholly/majority owned property	0.4	9.3
Joint ventures & associate	(6.3)	2.9
Translation effect of foreign exchange (net)	(3.6)	0.5
Income tax	<u>(1.4)</u>	<u>(2.6)</u>
Movement in net assets	<u>(11.8)</u>	<u>9.5</u>

- Net assets per share at 30 June 2008 were €37.46 cent compared to €35.53 cent on flotation in May 2006

Blackrock International Land plc chairman, Carl McCann, commented:

"In the context of the changed property market environment, Blackrock has delivered a reasonable performance in the first half of 2008. Progress has been made in adding value to several of the Group's significant development properties. However, this has been offset by lower valuations in other elements of the company's portfolio. Blackrock continues to benefit from a robust and well diversified set of assets with the potential to deliver significant additional value into the future."

Blackrock International Land plc
26 August 2008

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Blackrock International Land plc

Interim results to 30 June 2008

Operations review

Since the latter part of 2007, the property market in the UK and Ireland has been negatively impacted by higher interest rates, credit constraints and reduced levels of economic activity. Despite these changed conditions, Blackrock has continued to advance its strategic objective of building a substantial international property business with a clear focus on development opportunities, supported by a strong investment portfolio.

Reflecting the lower valuations now being attributed to certain property classes and geographic locations, as well as the translation impact on sterling denominated assets, the Group's net assets reduced during the first half of 2008 by €1.8m to €18.5m. In the circumstances, this represents a reasonable performance, although it is disappointing that, because of the decline in market sentiment, the work being undertaken to develop the Group's portfolio has not been reflected in an overall valuation uplift.

Developments in the period

During the first six months of 2008, Blackrock has made progress in adding value to several of its significant development properties. The Group invested €1.1m in projects in Ireland and €6.6m in a number of joint ventures in Scotland, including the completion of the acquisition of the former BBC Scotland site in Glasgow, further development work on the former Edinburgh Fruit Market and payment of part of the cost of Jewel and Esk College in Eskbank near Edinburgh. It also completed the sale of a small property in Ireland during the period for €0.4m. At the same time, management has continued to explore a substantial number of new investment opportunities but has not concluded any significant acquisitions so far in 2008.

Review of property portfolio

Valuations of several development properties in Ireland and Scotland increased during the period, while those in Continental Europe remained broadly in line with those at 31 December 2007. The values of a number of UK properties declined, reflecting the market downturn, particularly in the commercial investment sector, and the strength of the euro against sterling.

Below is the geographical analysis of the movement in total property assets, including joint ventures and associate, during the first half of 2008:

	Ireland	UK	Continental Europe	Total
	€m	€m	€m	€m
Value at 1 January 2008	210.4	137.7	91.6	439.7
Investments	1.1	6.6	-	7.7
Disposals	(0.4)	-	-	(0.4)
Fair value adjustments	6.3	(11.8)	(0.4)	(5.9)
Translation of sterling denominated properties	-	(10.7)	-	(10.7)
Value at June 2008	<u>217.4</u>	<u>121.8</u>	<u>91.2</u>	<u>430.4</u>

Impact of foreign exchange on movement in net assets

The reduction in value of the Group's UK property assets arising from the translation impact of foreign exchange was €10.7m. This was offset by a net €7.1m gain on translation of sterling loans, cash and other balances. The net impact of foreign exchange on the Group's net assets for the period was a loss of €3.6m, analysed as follows:

	€m
Reduction in value of investment properties	(8.3)
Reduction in value of investment in joint ventures	(0.9)
Reduction in value of investment in associate	<u>(1.5)</u>
Total property related movement	(10.7)
Net gain on translation of bank loans and financial assets	7.2
Movement in other assets/liabilities and trading translation (net)	<u>(0.1)</u>
Net impact on net assets	<u>(3.6)</u>

The translation effect of foreign exchange on the value of the Group's investment in joint ventures and associate, amounting to €2.4m, has been accounted for through the Statement of Recognised Income and Expense. The other translation effects have been dealt with through the Income Statement.

Ongoing activities

Blackrock benefits from a robust portfolio that is well diversified geographically and by sector. As such, it is well positioned to deal with the current market environment. While the values of certain of its investment properties have seen a decline, progress has also been achieved on the development side of the business.

Current activity is focused on optimising the opportunities in the existing portfolio and on exploring new opportunities to acquire further quality assets at value.

Financial Results

International Financial Reporting Standards

As explained in note 1 to the accompanying accounts, the Group's interim financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Period of operation

The accompanying accounts relate to the 6 month period (26 weeks) to 30 June 2008.

Net rental income

Gross rental income was €9.2m (2007: €7.6m) and property outgoings were €2.2m (2007: €1.0m), resulting in a net rental income for the period of €7.0m (2007: €6.6m).

Net property valuation

All of the Group's properties, with the exception of that of the associate which was the subject of a directors' valuation, were independently valued by external valuers at 30 June 2008.

The net property valuation loss of €7.9m (2007: gain of €9.5m) comprised valuation gains of €0.4m (2007: €9.3m) less exchange losses of €8.3m (2007: gain of €0.2m) on sterling assets. There have been valuation uplifts in Ireland and Scotland in development lands held for investment purposes, while in England there have been declines, particularly in commercial investment properties.

Administration expenses

Administration expenses for the period were €2.6m (2007: €2.6m).

Share of (loss)/profit of joint ventures and associate

The Group's share of losses in its joint ventures and associate in the period was €6.3m (2007: profit of €2.9m). This reflects the decline in the UK commercial investment and development sectors, offset by some positive returns in Ireland. As noted earlier, the loss on translation of sterling denominated net assets of the joint ventures and associate amounting to €2.4m has been dealt with through the Statement of Recognised Income and Expense.

Financial income

Financial income for the period was €7.8m (2007: €1.0m) comprising interest earned on cash balances during the period of €0.6m (2007: €0.7m) and the net gain on sterling denominated financial liabilities and other assets and liabilities of €7.2m (2007: €0.3m).

Financial expense

Financial expense for the period was €6.0m (2007: expense of €5.4m) comprising interest incurred on bank borrowings.

Taxation

The tax charge for the half year of €1.4m (2007: €2.6m) comprised deferred tax of €1.2m (2007: €1.8m) relating to revaluation uplifts arising during the period and income tax of €0.2m (2007: €0.8m), including €0.1m (2007: €0.4m) of capital gains tax on the disposal of investment property during the period.

Earnings per share

Basic and diluted loss per share for the period were €1.60 cent (2007: profit €1.62 cent).

Dividend

No dividend has been declared for the period. It is the stated objective of the company to achieve capital growth in net asset value and, accordingly, it is not anticipated that dividends will be paid in the medium term.

Shareholders' funds and net asset value per share

Shareholders' funds at 30 June 2008 amounted to €218.5m resulting in basic and diluted net asset values per share of €37.46 cent (June 2007: €39.49 cent). The net asset value per share at 30 June 2008, excluding deferred tax, was €40.7 cent (June 2007: €42.71 cent).

Net bank borrowings

Bank borrowings, net of cash and cash equivalents, amounted to €190.1m at 30 June 2008, compared to €190.2m at 31 December 2007. Net debt to total property assets at the half year was 44.3%. The Group has in place €62.7m of additional bank facilities, subject to normal banking covenants, to fund further expansion.

Conclusion

Blackrock has a strong portfolio of assets which is well diversified in terms of asset type and geography. While certain properties have seen declines in value in the first six months, the Group has continued to add value to its development assets and progress has been made in achieving specific development targets. Overall, the performance during the period has been reasonable.

At this stage, it is unclear when property markets will begin to recover but a significant decline in interest rates, whenever this occurs, is likely to be an important catalyst. Pending this and looking to the second six months, it would seem optimistic to foresee any valuation uplift for the remainder of the year. Nonetheless, at €37.46 cent, Blackrock's net assets per share at the half year remain 5% ahead of the €35.53 cent that pertained on its flotation in May 2006.

The board will maintain its efforts to deliver further benefits for shareholders going forward and, in particular, to pursue the opportunities that may present themselves in the current market environment.

26 August 2008

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Blackrock International Land plc

Consolidated interim income statement for the period ended 30 June 2008

		6 months to 30 June 2008 (Unaudited)	6 months to 30 June 2007 (Unaudited)	12 months to 31 Dec 2007 (Audited)
	Notes	€000	€000	€000
Gross rental and related income		9,198	7,643	15,689
Property outgoings		<u>(2,192)</u>	<u>(998)</u>	<u>(2,670)</u>
Net rental and related income		7,006	6,645	13,019
Net property valuation (loss)/gain		<u>(7,932)</u>	<u>9,463</u>	<u>2,345</u>
Net property and related (expense)/income		(926)	16,108	15,364
Administrative expenses		<u>(2,583)</u>	<u>(2,558)</u>	<u>(5,511)</u>
Operating (loss)/profit		(3,509)	13,550	9,853
Share of (loss)/profit of joint ventures and associate		(6,264)	2,945	4,756
Financial income	3	7,766	1,038	490
Financial expense	3	<u>(5,956)</u>	<u>(5,375)</u>	<u>(2,000)</u>
(Loss)/profit before tax		(7,963)	12,158	13,099
Income tax expense	4	<u>(1,352)</u>	<u>(2,632)</u>	<u>(1,737)</u>
(Loss)/profit for the period		<u>(9,315)</u>	<u>9,526</u>	<u>11,362</u>
Attributable to:				
Shareholders of the company		(9,355)	9,433	11,263
Minority interest		<u>40</u>	<u>93</u>	<u>99</u>
(Loss)/profit for the period		<u>(9,315)</u>	<u>9,526</u>	<u>11,362</u>
Basic earnings per share (euro cent)		(1.60)	1.62	1.93
Diluted earnings per share (euro cent)		<u>(1.60)</u>	<u>1.62</u>	<u>1.93</u>

Blackrock International Land plc

Consolidated interim statement of recognised income and expense
for the period ended 30 June 2008

	6 months to 30 June 2008 (Unaudited)	6 months to 30 June 2007 (Unaudited)	12 months to 31 Dec 2007 (Audited)
<i>Notes</i>	€000	€000	€000
(Loss)/profit for the period	(9,315)	9,526	11,362
Foreign exchange translation loss on joint ventures and associate	<u>(2,421)</u>	<u>-</u>	<u>(1,890)</u>
Total recognised income and expense for the period	<u>(11,736)</u>	<u>9,526</u>	<u>9,472</u>
Attributable to:			
Shareholders of the company	(11,776)	9,433	9,373
Minority interest	<u>40</u>	<u>93</u>	<u>99</u>
	<u>(11,736)</u>	<u>9,526</u>	<u>9,472</u>

Blackrock International Land plc

Consolidated interim balance sheet

at 30 June 2008

		30 June 2008 (Unaudited) €000	30 June 2007 (Unaudited) €000	31 Dec 2007 (Audited) €000
	<i>Notes</i>			
Assets				
Non-current assets				
Property, plant and equipment		124	115	140
Investment property	5	372,406	365,368	380,740
Investments in joint ventures	6	42,420	25,578	38,431
Investment in associate		15,413	19,034	20,403
Deferred tax assets		3,468	209	2,654
Total non-current assets		433,831	410,304	442,368
Current assets				
Trade and other receivables		7,582	30,664	10,775
Cash and cash equivalents		8,350	15,402	9,714
Income tax receivable		-	12	-
Total current assets		15,932	46,078	20,489
Total assets		449,763	456,382	462,857
Equity				
Issued share capital	8	5,833	5,833	5,833
Share premium	8	201,085	201,085	201,085
Retained earnings		11,600	23,436	23,376
Total equity attributable to:				
Shareholders of the company	8	218,518	230,354	230,294
Minority interest	8	181	135	141
Total equity		218,699	230,489	230,435
Liabilities				
Non-current liabilities				
Deferred tax liabilities		22,369	18,860	20,362
Interest bearing loans and borrowings	7	197,318	189,537	198,878
Total non-current liabilities		219,687	208,397	219,240
Current liabilities				
Trade and other payables		9,596	16,433	11,605
Employee benefits		126	244	132
Income tax payable		160	794	-
Interest bearing loans and liabilities	7	1,495	25	1,445
Total current liabilities		11,377	17,496	13,182
Total liabilities		231,064	225,893	232,422
Total liabilities and equity		449,763	456,382	462,857
Net asset value per share (euro cent):		37.46	39.49	39.48

Blackrock International Land plc
Consolidated interim statement of cash flows
for the period ended 30 June 2008

	6 months to 30 June 2008 (Unaudited)	6 months to 30 June 2007 (Unaudited)	12 months to 31 Dec 2007 (Audited)
	€000	€000	€000
(Loss)/profit before tax	(7,963)	12,158	13,099
Adjustments for:			
Net property valuation (loss)/gain	7,932	(9,463)	(2,345)
Depreciation	18	-	19
Financial income	(7,766)	(1,038)	(490)
Financial expense	5,956	5,375	2,000
Share of (loss)/profit of joint ventures and associate	<u>6,264</u>	<u>(2,945)</u>	<u>(4,756)</u>
Operating profit before changes in working capital	4,441	4,087	7,527
Increase in trade and other receivables	(2,403)	(140)	(2,973)
(Decrease)/increase in trade and other payables	<u>(966)</u>	<u>510</u>	<u>6,069</u>
Cash generated from operations	1,072	4,457	10,623
Interest paid	(5,991)	(5,200)	(11,211)
Income tax paid	<u>(863)</u>	<u>-</u>	<u>279</u>
Net cash (outflow) from operating activities	<u>(5,782)</u>	<u>(743)</u>	<u>(309)</u>
Cash flows from investing activities			
Acquisition of investment property	-	(62,582)	(107,077)
Proceeds from disposal of investment property (including from prior period)	5,992	-	32,527
Acquisition of property, plant & equipment	-	(113)	(157)
Interest received	633	529	912
Net cash outflow on acquisition of joint ventures and associate	<u>(7,681)</u>	<u>(29,024)</u>	<u>(43,326)</u>
Net cash outflow from investing activities	<u>(1,056)</u>	<u>(91,190)</u>	<u>(117,121)</u>
Cash flows from financing activities			
Proceeds from the issue of share capital	-	-	-
Repayment of borrowings	(590)	(50)	(117,297)
Proceeds from the drawdown of borrowings	<u>6,313</u>	<u>69,884</u>	<u>207,253</u>
Net cash inflow from financing activities	<u>5,723</u>	<u>69,834</u>	<u>89,956</u>
Net (decrease) in cash and cash equivalents	(1,115)	(22,099)	(27,474)
Cash and cash equivalents at beginning of period	9,714	37,502	37,503
Foreign exchange loss on cash and cash equivalents	<u>(249)</u>	<u>-</u>	<u>(315)</u>
Cash and cash equivalents at 30 June 2008	<u>8,350</u>	<u>15,403</u>	<u>9,714</u>

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements

1. General information and basis of preparation

General Information

The condensed consolidated interim financial statements of the company for the six month period ended 30 June 2008, are unaudited. The financial statements presented herein do not amount to statutory financial statements that are required by Section 7 of the Companies (Amendment) Act, 1986 to be annexed to the annual return of the company. The statutory financial statements for the financial year ended 31 December 2007 were annexed to the annual return and filed with the Registrar of Companies. The audit report on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU (EU IFRS's).

The financial information contained in the condensed consolidated interim financial statements has been prepared in accordance with the accounting policies set out in the last annual report.

The following are the new standards that are effective for the financial year ending 31 December 2008, which have had no impact on the financial position of the group.

IFRIC Interpretation 11 - "*Group and Treasury Share Transactions*"
IFRIC Interpretation 14 - "*IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interactions.*"

The financial information is presented in euro, rounded to the nearest thousand.

The condensed consolidated interim financial statements were authorised for issue on 26 August 2008.

2. Segment reporting

Segment information is presented in the consolidated interim financial information in respect of the Group's geographical segments. The geographical segment reporting format reflects the location of the Group's investment properties.

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements *(continued)*

2. Segment reporting *(continued)*

(a) Geographical segments

	Ireland	UK	Continental Europe	Unallocated	Consolidated
	€000	€000	€000	€000	€000
For the period ended 30 June 2008					
Gross rental profit and related income	3,013	2,814	3,371	-	9,198
Operating profit/(loss)	5,269	(8,192)	1,997	(2,583)	(3,509)
Share of profit/(loss) on joint ventures & associate	3,193	(9,183)	(274)	-	(6,264)
Investment property	185,250	101,471	85,685	-	372,406
Joint ventures & associate	31,936	20,486	5,411	-	57,833
For the period ended 30 June 2007					
Gross rental income	2,312	2,991	2,340	-	7,643
Operating profit/(loss)	5,180	7,868	3,122	(2,620)	13,550
Share of profit on joint ventures & associate	2,945	-	-	-	2,945
Investment property	170,976	128,917	65,475	-	365,368
Joint ventures & associate	19,741	19,173	5,698	-	44,612
For the year ended 31 December 2007					
Gross rental profit and related income	4,572	6,207	4,910	-	15,689
Operating profit/(loss)	10,822	2,891	1,651	(5,511)	9,853
Share of profit on joint ventures & associate	4,756	-	-	-	4,756
Investment property	182,625	112,170	85,945	-	380,740
Joint ventures & associate	27,621	25,528	5,685	-	58,834

(b) Analysis of property assets

The group manages its business on the basis of geographical segments only. For the purposes of shareholder information only, the directors have presented a categorisation of the group's properties as follows:

- Investments properties are properties which are held either to earn rental income or for capital appreciation or for both.
- Investment properties with development opportunities are properties generating some current investment return but with medium/long term possibility of development for other use.
- Development properties are properties held with no current investment return but with a view to re-zoning and/or development for an alternative use.

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements *(continued)*

2. Segment reporting *(continued)*

(b) Analysis of property assets (continued)

	Investment properties	Investment properties with development opportunities	Development properties	Consolidated
	€000	€000	€000	€000
At 30 June 2008				
Investment property	181,767	108,336	82,303	372,406
Investment in joint ventures & associate	20,824	-	37,009	57,883
At 30 June 2007				
Investment property	183,124	102,628	79,616	365,368
Investment in joint ventures & associate	5,773	-	38,839	44,612
At 31 December 2007				
Investment property	192,957	109,177	78,606	380,740
Investment in joint ventures & associate	5,783	-	53,051	58,834

3. Net financing costs

	Period to 30 June 2008	Period to 30 June 2007	Year ended 31 Dec 2007
	€000	€000	€000
Interest receivable on deposits	633	731	805
Foreign currency movement on financial assets and liabilities	7,133	307	-
Foreign currency translation gain on borrowings	-	-	<u>(315)</u>
Financial income	7,766	1,038	490
Gain on fair value of interest rate alternative	-	-	119
Foreign currency translation loss on cash and cash equivalent	-	-	9,673
Interest payable on borrowings	<u>(5,956)</u>	<u>(5,375)</u>	<u>(11,792)</u>
Financial expense	(5,956)	(5,375)	(2,000)
Net financial income gain/(loss)	<u>1,810</u>	<u>(4,337)</u>	<u>(1,510)</u>

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements (*continued*)

4. Tax

Current tax

Current tax expense for the interim period is the expected tax payable on the taxable income for the period, calculated at the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

	Period to 30 June 2008 €000	Period to 30 June 2007 €000	Year to 31 December 2007 €000
Current tax	160	782	830
Deferred tax	<u>1,192</u>	<u>1,850</u>	<u>907</u>
Total tax	<u>1,352</u>	<u>2,632</u>	<u>1,737</u>

5. Investment property

	Period to 30 June 2008 €000	Period to 30 June 2007 €000	Year to 31 December 2007 €000
Balance at the beginning of the period	380,740	355,984	355,984
Property acquisitions in the period	-	27,377	60,741
Disposal of property in the period	(402)	(27,456)	(38,330)
Net property valuation (loss)/gain	<u>(7,932)</u>	<u>9,463</u>	<u>2,345</u>
Balance at end of period	<u>372,406</u>	<u>365,368</u>	<u>380,740</u>

6. Investment in joint ventures & associate

The following represents a summary of the Group's share of the assets and liabilities of its joint ventures and associate.

	Period to 30 June 2008 €000	Period to 30 June 2007 €000	Year to 31 December 2007 €000
<i>Share of joint ventures</i>			
Share of gross assets	117,973	65,150	103,536
Share of gross liabilities	<u>(75,553)</u>	<u>(39,572)</u>	<u>(65,105)</u>
Net investment	<u>42,420</u>	<u>25,578</u>	<u>38,431</u>

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements *(continued)*

6. Investment in joint ventures & associate *(continued)*

	Period to 30 June 2008	Period to 30 June 2007	Year to 31 December 2007
<i>Share of associate</i>	€000	€000	€000
Share of gross assets	36,596	34,328	37,805
Share of gross liabilities	<u>(21,183)</u>	<u>(15,294)</u>	<u>(17,402)</u>
Net investment	<u>15,413</u>	<u>19,034</u>	<u>20,403</u>

7. Interest-bearing loans and borrowings

	Period to 30 June 2008 €000	Period to 30 June 2007 €000	Year to 31 December 2007 €000
Non-current liabilities			
Bank loans – euro	99,101	46,513	99,741
Bank loans – GBP	97,822	142,629	98,742
Other payables	395	395	395
	<u>197,318</u>	<u>189,537</u>	<u>198,878</u>
Current liabilities			
Bank loans	<u>1,495</u>	<u>25</u>	<u>1,445</u>

Terms and debt repayment schedule

- (a) Certain nominated subsidiaries have provided cross guarantees in respect of bank loans amounting to €137,308,000.
- (b) A loan of €1,640,000 is secured by property in Belgium.
- (c) A loan of €9,470,000 is secured by properties in the Netherlands.
- (d) At period end, undrawn loan facilities of €62,692,000 were available to the company, subject to normal banking covenants.

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements (*continued*)

8. Capital and reserves

Reconciliation of movement in capital and reserves

30 June 2008

Attributable to equity holders of the parent

	Share capital	Share premium	Retained earnings	Currency Translation Reserve	Total	Minority Interest	Total equity
	€000	€000	€000	€000	€000	€000	€000
Balance as at 1 January 2008	5,833	201,085	25,266	(1,890)	230,294	141	230,435
Total recognised income and expenses	—	—	(9,355)	(2,421)	(11,776)	40	(11,736)
Balance at 30 June 2008	<u>5,833</u>	<u>201,085</u>	<u>15,911</u>	<u>(4,311)</u>	<u>218,518</u>	<u>181</u>	<u>218,699</u>

30 June 2007

Attributable to equity holders of the parent

	Share capital	Share premium	Retained earnings	Total	Minority Interest	Total equity
	€000	€000	€000	€000	€000	€000
Balance as at 1 January 2007	5,833	201,085	14,003	220,921	42	220,963
Total recognised income and expenses	—	—	9,433	9,433	93	9,526
Balance at 30 June 2007	<u>5,833</u>	<u>201,085</u>	<u>23,436</u>	<u>230,354</u>	<u>135</u>	<u>230,489</u>

31 December 2007

Attributable to equity holders of the parent

	Share capital	Share premium	Retained earnings	Currency translation reserve	Total	Minority interest	Total equity
	€000	€000	€000	€000	€000	€000	€000
Balance at 31 December 2006	5,833	201,085	14,003	-	220,921	42	220,963
Total recognised income and expenses	—	—	11,263	(1,890)	9,373	99	9,472
Balance at 31 December 2007	<u>5,833</u>	<u>201,085</u>	<u>25,266</u>	<u>(1,890)</u>	<u>230,294</u>	<u>141</u>	<u>230,435</u>

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements (*continued*)

9. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the period ended 30 June 2008 was based on the (loss)/profit attributable to ordinary shareholders in the period.

	Period to 30 June 2008 €000	Period to 30 June 2007 €000	Year to 31 December 2007 €000
(Loss)/profit attributable to equity shareholders	(9,355)	9,433	11,263
	2008 <i>In thousands of shares</i>	2007 <i>In thousands of shares</i>	2007 <i>In thousands of shares</i>
Weighted average number of ordinary shares	583,265	583,265	583,265
Basic (loss)/profit earnings per share (euro cent)	<u>(1.60)</u>	<u>1.62</u>	<u>1.93</u>

Diluted earnings per share

The calculation of diluted earnings per share for the period ended 30 June 2008 was based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period ended 30 June 2008 as calculated for basic earnings per share above as there were no potentially dilutive instruments in issue.

10. Net asset value per share

The calculation of net asset value per share for the period ended 30 June 2008 was based upon the total equity attributable to the shareholders of the company at 30 June 2008 and the number of ordinary shares outstanding at the 30 June 2008 as follows:

	Period to 30 June 2008 €000	Period to 30 June 2007 €000	Year to 31 December 2007 €000
Total equity attributable to shareholders of the company	<u>218,518</u>	<u>230,354</u>	<u>230,294</u>
	2008 <i>In thousands of shares</i>	2007 <i>In thousands of shares</i>	2007 <i>In thousands of shares</i>
Total number of ordinary shares outstanding at 30 June 2008	583,265	583,265	583,265
Net asset value per share (euro cent)	<u>37.46</u>	<u>39.49</u>	<u>39.48</u>

Blackrock International Land plc

Notes to the condensed consolidated interim financial statements *(continued)*

11. Related Party transactions

There have been no new material related party transactions during the period.

12. Contingencies and guarantees

- (a) The company has provided a guarantee of €4.4m in respect of the bank borrowings of the joint venture companies involved in developing property in Navan, Ireland.
- (b) The company has provided a guarantee in respect of 50% of the interest arising on the €13.5m bank borrowings of Tilder Holdings Limited, the joint venture company which owns lands at The Ward in North County Dublin.
- (c) The company has provided a guarantee of €1.5 million in respect of the bank borrowings of Blackrock International Land Vida BV, in relation to the financing of a building in Amsterdam.
- (d) The company has provided a guarantee of Stg £0.5m in respect of its 50% share of the interest arising on the bank borrowings of Apple Rock One LLP, the joint venture company which owns the former Edinburgh Fruit Market and adjacent sites, to the extent that such interest exceeds the Stg £0.95m deposit which that company has placed with the lender to cover annual interest on those borrowings.
- (e) The company has provided a guarantee of Stg £0.4m in respect of interest arising on the borrowings of Apple Rock Two Limited, the joint venture purchaser of Jewel & Esk College in Dalkeith near Edinburgh.
- (f) The company has provided a guarantee of Stg £3.5m in respect of the prospective liability to pay its 50% share of any additional consideration due to the vendor of property at Queen Margaret Drive, Glasgow. Such additional consideration will only be payable in the event of a profitable outcome of the development.
- (g) South East Edinburgh Development Company, a 50:50 joint venture, acquired approximately 300 acres of agricultural land south of Edinburgh during 2007. The company has guaranteed its 50% share of any additional consideration payable to the vendor, calculated as 50% of the open market value net of all costs of the land, when planning consents have been received.

13. Risk Management

Exposure to the current downturn in the general economy, and the property sector in particular, is significantly mitigated by the Group's balanced portfolio of properties, in terms of its sector focus and geographic spread, and by a variety of investment tools.

The Group's net exposure to fluctuations in the euro/sterling exchange rate is subject to continuous review by the board.