Interim Report
30 September 2006

Meinl European Land

Key Figures

Income statement (EUR '000)	2003	2004 restated*	1.1.-30.9.2005 restated*	2005	1.1.-30.9.2006	Difference**
Revenues	11,941	32,362	47,257	81,532	94,190	+ 99.3 %
Rental income	8,950	25,456	39,975	60,199	70,236	+ 75.7 %
Earnings before income and tax (EBIT)	5,157	42,789	62,862	114,326	88,248	+ 40.4 %
Profit before tax	–312	31,177	57,897	112,029	94,682	+ 63.5 %
Profit after tax	713	30,545	57,069	113,975	92,977	+ 62.9 %

Balance sheet (EUR '000)	YE 2003	YE 2004 restated*	30.9.2005 restated*	YE 2005	30.9.2006	Difference**
Total assets	309,351	910,544	2,434,559	3,420,789	5,210,207	+ 114.0 %
Property, plant and equipment	193,557	561,053	1,044,097	1,159,060	1,494,959	+ 43.2 %
Net cash assets***	58,683	156,814	669,425	882,396	1,849,050	+ 176.2 %
Non-current liabilities	179,358	292,362	560,383	536,942	865,280	+ 54.4 %
Equity	103,472	421,807	1,241,134	1,620,675	2,569,150	+ 107.0 %

Portfolio information	YE 2003	YE 2004	30.9.2005	YE 2005	30.9.2006	Difference**
Number of properties	132	159	173	175	150	–
Lettable space (sqm)	337,497	598,400	722,952	759,730	871,848	–
Value of portfolio (EUR '000)	223,503	457,555	815,008	990,900	1,233,174	–
Occupancy rate	95 %	97 %	94 %	94 %	95 %	–

Stock market information	YE 2003	YE 2004	30.9.2005	YE 2005	30.9.2006	Difference**
Market capitalisation (EUR '000)	157,170	469,360	1,413,120	1,789,200	3,092,400	+ 118.8 %
Shares in issue	13,000,001	36,000001	96,000,001	120,000,001	180,000,001	+ 87.5 %
Closing price (EUR)	12.09	13.01	14.72	14.91	17.18	+ 16.7 %
NAV at market value (EUR)	10.35	11.72	13.38	13.51	14.54****	–
Earnings per share (EUR)	0.10	1.40	0.82	1.28	0.61	–

* Restated in accordance with IFRS 40 (fair value method)

** Year-on-year change (30 September 2005 – 30 September 2006)

*** Less short-term liabilities

**** According to EPRA, without hidden reserves for commitments

Meinl European Land Limited

First three quarters 2006

Revenues doubled in a year

Profit after tax of EUR 93m – increased by more than 60 %

Contracts for development projects to the value of EUR 1.3bn signed in first three quarters

Share price up 16.7 % in one year

Dear shareholders,

The first three quarters of 2006 were again an exciting period for Meinl European Land. The Company consolidated its position as a leading property investor in Central and Eastern Europe and set the signals for continued expansion in the coming years. Property and projects to a value of about EUR 1.3bn have been contractually agreed since 1 January 2006, bringing the Company's total portfolio to over EUR 3.5bn.

The total value of completed, operative properties at 30 September 2006 amounted to over EUR 1.2bn. A further EUR 2.3bn was accounted for by contracted development projects scheduled for completion between 2007 and 2009. In line with the Company's prudent accounting policies, these developments are only disclosed in the financial statements at their estimated market value after completion. Until then, only the investment costs are included as properties under construction. Additionally, there are projects amounting to around EUR 2bn currently undergoing due diligence. About half of these have already been approved by the Board of Meinl European Land and are expected to be signed in the next few months.

The high proportion of development projects in the portfolio makes clear the increasing importance of Meinl European Land's activities as property developer. This reflects a strategic realignment in 2004 in response to a shortage in the less well established markets of completed properties matching the Company's high specifications. Meinl European Land's development department has the necessary expertise to bring these projects to a successful conclusion. The yields achievable on development projects are also still significantly better than those of comparable completed properties.

The risk profile of the Company's development projects reflects its concentration on projects with forward purchase or forward funding structures, and on joint venture projects. These models offer the opportunity to earn healthy returns, while development risks are to a large extent borne by the development partners.

Meinl European Land's finance policy is deliberately conservative: it ensures that projects are fully financed at an early stage, relying as far as appropriate on a combination of its own funds and external borrowings.

Meinl European Land made a capital increase in February 2006 to boost the Company's equity. Once again, the issue was a complete success: all 60 million shares were placed with private and institutional investors. The gross proceeds amounted to around EUR 920m. Preparations for another issue were underway at the end of the period under review.

The Company also launched a uncollateralised EUR 2bn bond program in August 2006, to increase its leverage. As a first step, a euro denomination tranche with a seven year maturity and a nominal value of EUR 400m was placed with institutional investors. The success of the bond is attributable to the investment grade rating awarded to Meinl European Land shortly before the launch of the bond program. Both Standard & Poors and Fitch have rated the Company BBB– and its financial outlook as "stable".

This positive rating confirms the wisdom of Meinl European Land's corporate strategy: to enter the fastest growing real estate markets at an early stage, i.e., those in Central and Eastern Europe, and to invest in high-yield retail properties. And in addition, these are precisely the markets where the economies are experiencing the highest overall rates of growth. This strategy, combined with our own development activities and proactive property portfolio management, forms the foundation for the long-term success of Meinl European Land and the sustained growth of shareholder equity.

The Board of Directors
December 2006

Management Report





Portfolio at 30 September 2006

	Property investments		**Contractually agreed projects**	
	Number of properties	Market value (EUR m)	Number of projects	Investment cost (EUR m)
Russia	4	263	13	1,098
Poland	13	360	10	463
Czech Republic	102	312	2	65
Hungary	27	111	1	5
Slovakia	2	89	1	21
Latvia	1	61	–	–
Romania	1	38	–	–
Turkey	–	–	4	541
Estonia	–	–	1	58

Property Portfolio

Property portfolio

At the end of the third quarter of 2006, Meinl European Land's property portfolio included 150 completed, operative properties in seven different countries with an estimated value of over EUR 1.2bn. Total lettable space for all properties amounted to 870,000 sqm.

It also had another 32 contracted development projects in these, and a further three Eastern European, markets. Projected total investment in these projects, scheduled for completion between the end of 2006 and 2009, amounts to EUR 2.3bn.

The main focus of activities continued to be Russia and Poland, where the Company in the first nine months acquired or contractually agreed real estate projects to a combined value of almost EUR 900m. In Russia in particular it is still possible to achieve yields that significantly exceed those prevalent in the more established markets, such as the Czech Republic and Hungary. In the light of market conditions, Meinl European Land is primarily concentrating on development projects outside the capital cities.

Major investments in the first three quarters of 2006 include a portfolio of shopping centres in Russia with a total value of EUR 400m. The portfolio comprises two existing shopping centres with significant potential for expansion, and a further two shopping centre development projects. Elsewhere in Russia, Meinl European Land has acquired a shopping centre currently under construction in St. Petersburg for EUR 120m, which is scheduled for completion in 2007. The Company also fixed the contracts for other projects in Russian cities of a million inhabitants. The acquisition of a 50,000 sqm shopping centre in Togliatti, Russia, was concluded after the end of the reporting period. Following these acquisitions, Russia is now at the heart of the Company's investment activities – a development considered absolutely correct, given the country's yield potential.

Meinl European Land has also pushed forward with its expansion strategy in other countries: in Poland, contracts for further shopping centres with a total value of about EUR 200m have been agreed, including a second development project in Lublin, in the east of the country. The Company has also acquired a fourth project in Turkey, a development project for a shopping centre in Balcova with a total investment of around EUR 180m. Furthermore Meinl European Land has signed contracts for a number of smaller projects in the Czech Republic, Hungary and Slovakia to a total value of approximately EUR 100m.

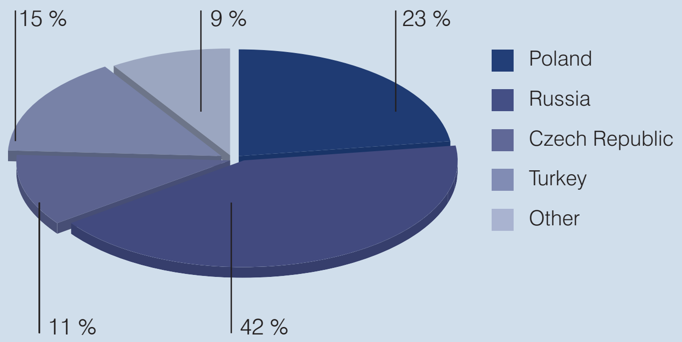
In August the Company opened its first project in Latvia, a shopping centre in Riga with a total investment of EUR 40m. The shopping centre was fully occupied from the first day.

As part of its strategic portfolio expansion, Meinl European Land has taken its first steps in Estonia and Ukraine, increasing the number of Central and Eastern European markets it serves to 10. There were several projects in Ukraine undergoing due diligence reviews at the end of the reporting period. In Estonia Meinl European Land will build around 15 supermarkets in various cities for VP Market, a leading Lithuanian supermarket chain. The total value of this investment project amounts to approximately EUR 60m.

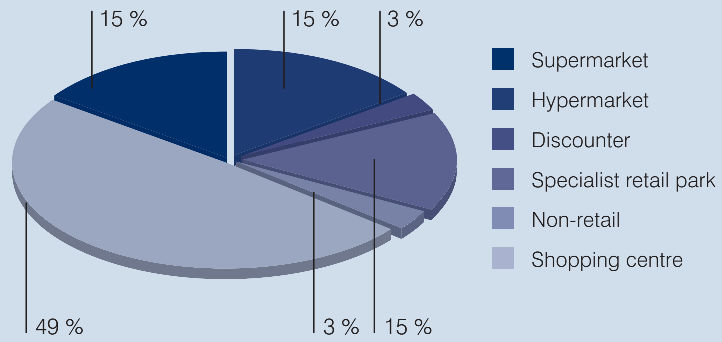
Overall, Meinl European Land has increased its property and project portfolio from about EUR 1.6bn at 30 September 2005 to over EUR 3.5bn at 30 September 2006. Projected rental income from these projects is expected to amount to approximately EUR 350m. As these projects are scheduled for completion in the course of the next few years, the Company expect that this rental income will be fully achieved in 2010 for the first time.

Portfolio allocation by region

(incl. contractually agreed projects)



Portfolio allocation by type



Performance

Meinl European Land's earnings figures also reflect the Company's continuing healthy growth: in the first nine months of 2006 there were significant increases in all performance indicators.

In the first three quarters of 2006 Meinl European Land generated revenues of EUR 94.2m, a 100 % year-on-year increase.

This increase is principally attributable to a rise in rental income from properties acquired in the course of the year or at the end of 2005. Rental income of EUR 70.2m for the first nine months was up by over EUR 30m on the comparative period in 2005. For the whole of 2006, the Company forecasts rental income of over EUR 95m.

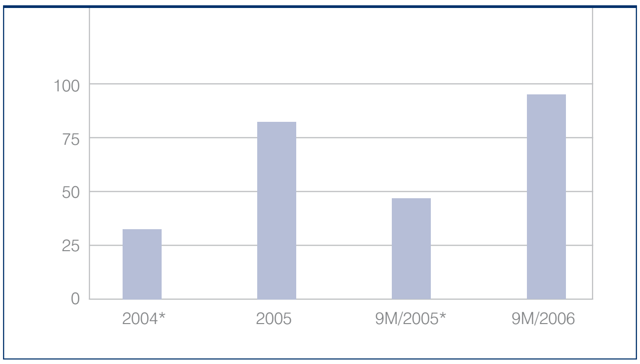
Gains on valuation for the first three quarters totalled EUR 63.5m. Since the valuations in the comparable period of 2005 were still based on the cost method, i.e., properties were included at acquisition cost, the comparative figures for the nine months to 30 September 2005 have been restated at market value. The resulting valuation gains of EUR 39m are in line with corresponding proportion of the overall appreciation in 2005.

EBIT for the first three quarters rose from EUR 62.8m in 2005 to EUR 88.2m in 2006, an increase of 40 %.

Profit before tax also rose satisfactorily, from EUR 57.8m to EUR 94.7m. Net profit after tax for the first three quarters of 2006 was up year-on-year from EUR 57m to roughly EUR 93m.

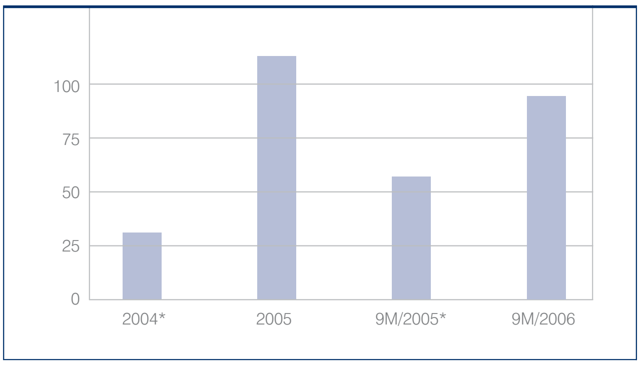
Revenues

(EUR m)



Profit after tax

(EUR m)



* restated

Performance

Outlook

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

One of the main tasks for the coming years will be to bring the projects under contract, currently representing a total investment requirement of over EUR 2.3bn, to successful completion.

The inauguration of a 50,000 sqm shopping centre in Kazan, Russia, and the completion of the acquisition of an existing shopping centre in Togliatti are scheduled for this December. While a number of development projects are also scheduled for completion in 2007, the contracts for the majority foresee completion in 2008. Some of the recently acquired development projects are scheduled for opening in 2009.

Meinl European Land made a capital issue of 45 million shares after the end of the reporting period to finance recently acquired projects and properties. All shares were successfully placed with private and institutional investors within the subscription period. Gross proceeds of the issue were EUR 770m. In addition, the bond issued under the EMTN program in the summer of 2006 was increased by a further EUR 200m in November 2006. The bond was successfully placed with international investors in a short period of time.


Shopping Centre Kazan

The development and completion of the contracted projects will not by any means put an end to Company's expansion. At present, further projects with a total investment value of approximately EUR 2bn are under review, a significant proportion of which are in Russia and Turkey. Over half of the projects in the pipeline have already been approved by the Board of Meinl European Land, and the contracts are due to be signed in the coming months.

In the last analysis, not all the projects under review will measure up to Meinl European Land high quality standards, but new projects are regularly added to the pipeline, ensuring that Meinl European Land will continue its dynamic growth in the future.

Outlook

Consolidated balance sheet

as of September 30, 2006

	1.1. – 30.9.2005 restated		31.12.2005		1.1.2006 – 30.9.2006	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Assets						
Non-current assets						
Investment properties	815,008		990,900		1,233,174	
Investment properties under development	193,544		114,205		201,482	
Financial investments	160		6,521		485	
Goodwill	32,921		39,644		47,981	
Other assets	2,464		7,790		11,837	
		1,044,097		1,159,060		1,494,959
Current assets						
Properties for sale	–		16,511		–	
Trade receivables	6,412		7,366		10,723	
Other receivables	43,936		65,766		90,063	
Securities	60,827		77,879		57,018	
Prepayments	1,867		2,025		4,812	
Cash and cash equivalents	1,277,420		2,092,182		3,552,632	
		1,390,462		2,261,729		3,715,248
Total assets		**2,434,559**		**3,420,789**		**5,210,207**
Shareholders' equity and liabilities						
Shareholders' equity						
Issued share capital	480,000		600,000		901,500	
Share premium	645,054		852,666		1,410,557	
Income account	108,136		165,373		258,350	
Minority shares	990		4,343		4,343	
Currency translation	6,954		(1,707)		(5,600)	
		1,241,134		1,620,675		2,569,150
Non-current liabilities						
Long term borrowings	517,216		490,487		817,827	
Deferred tax liabilities	43,167		46,455		47,453	
		560,383		536,942		865,280
Current liabilities						
Trade payables	8,566		9,785		6,557	
Payables related to acquisitions	1,824		16,290		20,746	
Accrued expenditure	2,687		4,536		6,096	
Other payables	11,517		22,380		38,532	
Provisions	453		395		264	
Short-term borrowings	607,995		1,209,786		1,703,582	
		633,042		1,263,172		1,775,777
Total shareholders' equity and liabilities		**2,434,559**		**3,420,789**		**5,210,207**

Consolidated income statement

for the period from January 1, 2006 until September 30, 2006

	1.1. – 30.9.2005 restated *		1.1.2006 – 30.9.2006	
	EUR '000	EUR '000	EUR '000	EUR '000
Revenue				
Rental income	39,975		70,236	
Profit on sale of property, plant and equipment	216		36	
Reinvoiceable utilities	6,053		17,373	
Consultancy and other operating income	1,013		6,545	
		47,257		94,190
Expenses				
Staff costs	(2,468)		(7,225)	
Reinvoiceable utilities	(7,849)		(15,575)	
Other operating expenses	(13,105)		(45,880)	
		(23,422)		(68,680)
Valuation gains on investment property	39,205		63,524	
Other depreciation and amortisation	(178)		(786)	
		39,027		62,738
Profit before interest and taxation (EBIT)		**62,862**		**88,248**
Interest income	13,672		42,534	
Interest expense	(17,085)		(37,452)	
Other financial income and expenses	(1,552)		1,352	
		(4,965)		6,434
Profit before taxation (EBT)		**57,897**		**94,682**
Taxation charge/(credit) for the period	(828)		(1,705)	
Profit after taxation		**57,069**		**92,977**
Basic earning per share in EUR		0,82		0.61

* Figures restated according to IFRS 40 (fair value method)

Consolidated statement of changes in equity as of September 30, 2006

	Issued share capital EUR '000	Share premium EUR '000	Income account EUR '000	Currency translation EUR '000	Minority shareholders EUR '000	Total equity EUR '000
Balance at 1 January 2006	**600,000**	**852,666**	**165,373**	**(1,707)**	**4,343**	**1,620,675**
Issue of share capital	301,500	621,000	–	–	–	922,500
Cost of issuing shares	–	(63,109)	–	–	–	(63,109)
Exchange differences arising on translation of overseas operations	–	–	–	(3,893)	–	(3,893)
Net profit for the period	–	–	92,977	–	–	92,977
Balance at 30 September 2006	**901,500**	**1,410,557**	**258,350**	**(5,600)**	**4,343**	**2,569,150**
Balance at 1 January 2005	**180,000**	**193,535**	**51,067**	**(3,786)**	**990**	**421,806**
Issue of share capital	300,000	507,300	–	–	–	807,300
Cost of issuing shares	–	(55,781)	–	–	–	(55,781)
Exchange differences arising on translation of overseas operations	–	–	–	10,740	–	10,740
Net profit for the period	–	–	57,069	–	–	57,069
Balance at 30 September 2005	**480,000**	**645,054**	**108,136**	**6,954**	**990**	**1,241,134**

Segmental analysis

1.1. – 30.9.2006	Czech Republic EUR '000	Hungary EUR '000	Poland * EUR '000	Slovakia EUR '000	Romania EUR '000	Russia EUR '000	Turkey EUR '000	Latvia EUR '000	Other ** EUR '000	Total EUR '000
Rental income	16,214	6,982	20,348	4,708	900	20,686	–	398	–	70,236
Profit on sale of property, plant and equipment	15	3	18	–	–	–	–	–	–	36
Reinvoiceable utilities	2,874	2,106	8,892	1,902	126	1,383	–	90	–	17,373
Other operating income	993	281	796	120	68	4,176	–	291	(180)	6,545
Total revenue	**20,096**	**9,372**	**30,054**	**6,730**	**1,094**	**26,245**	**–**	**779**	**(180)**	**94,190**
Profit before interest and taxation (EBIT)	13,730	17,501	16,820	14,810	14,865	8,643	(5)	27,304	(25,420)	88,248

1.1. – 30.9.2005	Czech Republic EUR '000	Hungary EUR '000	Poland * EUR '000	Slovakia EUR '000	Romania EUR '000	Russia EUR '000	Turkey EUR '000	Latvia EUR '000	Other ** EUR '000	Total EUR '000
Rental income	16,377	5,983	6,992	4,240	818	5,565	–	–	–	39,975
Profit on sale of property, plant and equipment	231	170	(186)	1	–	–	–	–	–	216
Reinvoiceable utilities	2,311	900	1,058	1,497	162	125	–	–	–	6,053
Other operating income	335	204	433	36	1	4	–	–	–	1,013
Total revenue	**19,254**	**7,257**	**8,297**	**5,774**	**981**	**5,694**	**–**	**–**	**–**	**47,257**
Profit before interest and taxation (EBIT)	26,709	3,397	12,817	20,137	2,609	3,415	–	–	(6,222)	62,862

* including Danish holding companies
** Parent company in Jersey, Cyprus holding companies and consolidation entries

Significant accounting policies

The interim financial statements as of 30 September 2006 were prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB). 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 31.12.2005.

The fair value model based on IAS 40 "Investment Property" was applied for the first time to the 2005 annual financial statements. The cost model based on IAS 40 "Investment Property" was originally used for the September 2005 Interim Financial Statements. Major changes in balance sheet caused by the restatement of September 2005 relate to investment property (increase approx. TEUR 112,051). Restatements in income statement have mainly influenced valuation gains on investment property (increase approx. TEUR 39,205) and depreciation of property plant and equipment (decrease approx. TEUR 11,379).

Investment property

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the respective location and category of property being valued, valued the portfolio at 30 September 2006.

In previous years, the valuation of the Company's portfolio was done only once in a year. To determine the fair value of the portfolio as of 30 September 2006, the proportional part of the valuation difference of relevant properties between valuations as of 31 December 2004 and 31 December 2005 was recorded as valuation gain on the investment properties.

Investments in Group undertakings

During the first quarter of 2006, the Company established Manhattan Real Estate Management, s.r.o. as a management company for the Czech property holding companies. Furthermore, Manhattan Facility Management GmbH was established in Austria.

During the second quarter of 2006, two Russia companies were established. Subsequently, OOO Signalny and OOO Brateevo each purchased one property in Moscow. The total transaction value of these two properties was TEUR 112,546.

Predevelopment phase of two new shopping centres in Russia (in Ufa and Yekaterinburg) and design and permits procurement phase of two new shopping centres in Russia (in Nizny Novgorod and Rostov) started. These projects are projects within the Vremya - Joint Venture covered by the newly established Russia companies: OOO Sodruzenstvo, ZAO Dialog, ZAO Megapolis and OOO Vremya.

A dormant company (Foras Targowek Sp. z.o.o.) was used for the Galeria Lublin project in Poland.

In the first 9 months of the year 2006 the Group acquired shares in the following companies:

Company name	Country	Ownership	Assets acquired EUR '000	Liabilities acquired EUR '000	Purchase price EUR '000	Net profit contributed 3Q/2006 EUR '000
Magnum CZ Bytový Park, s.r.o.	Czech Republic	100%	994	908	191	18
Magnum CZ Pardubice, s.r.o.	Czech Republic	100%	9,836	6,808	199	428
Magnum CZ Global, s.r.o.	Czech Republic	100%	3,877	2,620	6,637	336
Mall Gallery 1 Limited	Cyprus	100%	46,608	0	46,608	0
Mall Gallery 2 Limited	Cyprus	100%	30,136	0	30,136	0
Trabzon Ticaret Merkezi, A.S.	Turkey	100%	15,602	6,602	9,000	21
Multi Turkmall Ticaret, A.S.	Turkey	80%	10,962	9,206	21	105
Multi Veste Poland 2 Sp. zZ.o.o.	Poland	50.1%	11,682	11,677	20	–30

Three CZ companies were acquired in connection with the acquisition of two properties in Mladá Boleslav, Czech Republic which consist of a hypermarket and area for further expansion.

Two Cyprus companies were acquired at the end of second quarter 2006 in connection with the acquisition of two shopping centres in Moscow, Russia.

Two Turkish companies were acquired in connection with the acquisition of two properties under construction in Trabzon and Balcova, Turkey.

Multi Veste Poland 2 Sp. Z.o.o. is a newly acquired Polish company with a development project of a shopping centre in Koszalin, Poland.

In September, two Hungarian companies were sold, Manhattan Development Invest Kft. (owning 28 properties) and Alfa Piac, Kft. II (owning 1 property). As at 30 September 2006, the Group has no other properties for sale.

Share capital
In February 2006, Meinl European Land Limited increased its share capital with 60 million new shares. Following the increase, 180 million shares are listed on the Vienna Stock Exchange.

In March 2006, the Company issued 150,000,000 partly paid shares of EUR 0.01 each which are not listed on any Stock Exchange.

Borrowings
In January 2006, the Company repaid Commercial Papers issued in December 2005 with a total amount of EUR 1,200,000,000. In March 2006, the Company issued Commercial Papers with a total amount of EUR 2,200,000,000. These Commercial Papers were repaid at the end of April 2006. In June 2006, the Company issued Commercial Papers with a total amount of EUR 2,200,000,000. These Commercial Papers were repaid at the end of July 2006. In September 2006, the Company issued Commercial Papers with a total amount of EUR 1,700,000,000. These Commercial Papers will be repayable at the end of October 2006.

At the beginning of 2006, additional secured bonds with a principal amount of EUR 6,250,000 and CZK 260,000,000 (TEUR 9,179) were placed. These bonds were issued under the Medium Term Note Program of July 2005.

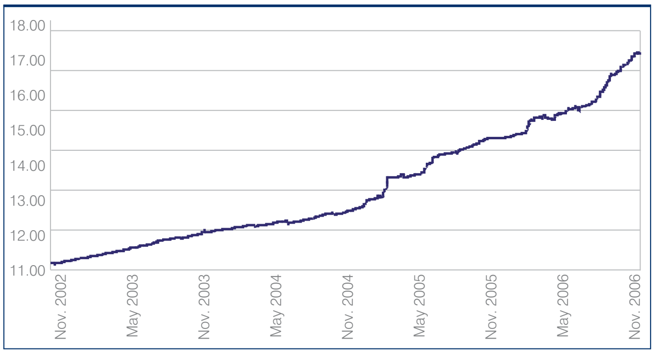
In August 2006, the Company initiated a new EUR 2,000,000,000 Medium Term Note Program. Based on investment grade ratings (BBB–) obtained from international rating agencies, the Company will issue senior unsecured debt through this bond program. A first tranche in the principal amount of EUR 400,000,000 was placed in August 2006. The bond was issued at 99.12 % of the principal amount, with a fixed coupon rate of 5.375 %.

Related party transactions
During the year, the Company did not enter into any transactions with its directors.

The Company did not conclude any contract with Dominion Corporate Services Limited except for the contract for services connected with serving as the company secretary.

Stock price since IPO

(EUR)



Meinl European Land's stock has performed positively throughout the period since the IPO in 2002. The stock price has risen by a total of about 58.5 % in the almost four years since the Company listed.

The increase in price in the first three quarters of 2006 is EUR 2.22, or 15.1 %. The price was continuing to rise at time of going to press.

Performance

Price as at 30 September 2006:	EUR 17.18
Increase in value since first listing in Nov. 2002:	58.5 %
Increase in value since 1 January 2006:	15.1 %
Increase in value since 30 September 2005:	16.7 %

Indexes containing Meinl European Land stock

MCSI Austria Index
GPR 250 Index
Euro Stoxx 600 Index
IEIF Index (French property share index)

Stock Performance

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