Interim Report September 2005

Meinl
European
Land

Key Figures as at 30th September 2005

	31.12.2002	31.12.2003	30.09.2004	31.12.2004	30.09.2005	Change *)
Income						
Revenues in EUR '000	7,990	11,941	20,094	32,362	47,257	135 %
Rental income in EUR '000	6,600	8,950	16,565	25,456	39,975	141 %
EBITDA in EUR '000	5,524	7,845	14,007	20,475	25,037	79 %
EBIT in EUR '000	3,659	5,157	8,972	12,993	13,480	50 %
Profit before taxation in EUR '000	649	(312)	115	1,381	8,160	–
Profit after taxation in EUR '000	449	713	60	4,752	7,844	–
Balance sheet						
Total assets in EUR '000	71,576	309,351	540,365	849,077	2,322,153	330 %
Fixed assets in EUR '000	66,561	193,557	260,664	397,496	896,501 **)	244 %
Cash in EUR '000	3,632	58,131	204,343	311,676	1,277,420	525 %
Long-term borrowings in EUR '000	51,126	179,358	251,192	284,026	598,515	138 %
Equity shareholders' funds in EUR '000	16,873	103,472	226,722	367,686	1,138,161	402 %
Share						
Market capitalisation in EUR '000	54,503	157,182	302,640	468,360	1,413,120	367 %
Issued shares in Stück	4,884,001	13,000,001	24,000,001	36,000,001	96,000,001	300 %
Share price in EUR	11.18	12.09	12.59	13.01	14.72	17 %
Net asset value per share (market value) in EUR ***)	7.23	10.35	11.05	11.93	12.67	–
Profit per share in EUR	0.07	0.10	–	0.22	–	–

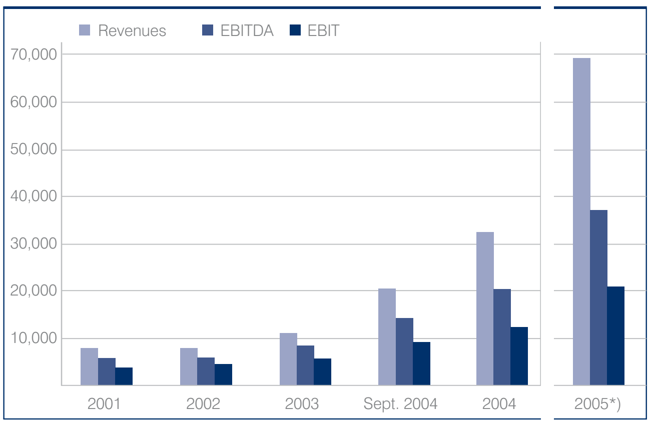
*) Changes during the 12-months period (30 September 2004 to 30 September 2005)

**) Including assets under construction according to present status of development, without commitments

***) Based on valuations as at 31 December 2004

Revenues / EBITDA / EBIT

in EUR '000



*) Estimation based on results for the first 9 months 2005

Key Figures Portfolio as at 30th September 2005

Portfolio overview *)	31.12.2002	31.12.2003	30.09.2004	31.12.2004	30.09.2005
No. of properties	70	132	145	159	173
Usable area in sqm	137,440	337,497	452,600	598,400	801,000
Book value in EUR '000	52,889	192,455	322,900	470,533	846,600
Market value in EUR '000 ***)	84,879	223,503	361,500	532,270	924,500

Overview per country	Czech Republic	Hungary **)	Poland	Russia	Romania	Slovakia	Latvia	Turkey
Standing Investments								
No. of properties	102	53	13	2	1	2	–	–
Usable area in sqm	369,000	104,000	166,000	97,000	15,000	50,000	–	–
Book value in EUR '000	228,200	86,700	321,900	140,000	19,100	50,700	–	–
Market value in EUR '000 ***)	269,700	105,600	325,700	142,200	21,500	58,800	–	–
Occupancy rate in %	96.0	100.0	95.0	100.0	100.0	98.0	–	–
Projects & Commitments								
No. of properties	1	–	3	4	–	–	1	3
Usable area in sqm	15,000	–	165,000	220,000	–	–	35,000	150,000
Investment value in EUR '000	20,000	–	220,000	380,000	–	–	40,000	336,000
Expected completion	II/06	–	II/07 - IV/07	II/06 - IV/07	–	–	II/06	IV/07

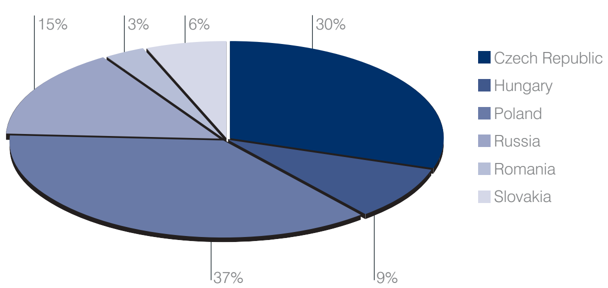
*) Standing investments only, without development projects and commitments

**) 28 smaller properties of the Hungarian portfolio are in the process of being sold, proceeds will be 15 % above the valuation in 12/2004 (15 mill. Euro), closing expected in I/2006

***) Valuation 12/2004, acquisition costs for properties acquired in 2005 respectively. New valuation will be prepared at year-end 2005.

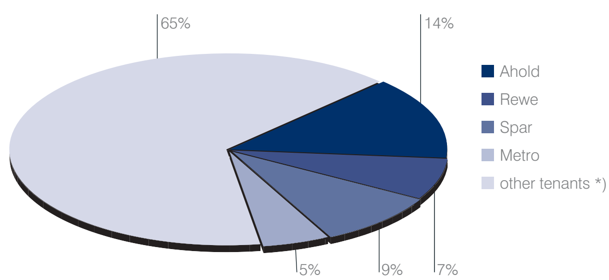
Regional distribution

(Standing investments only / based on market value)



Tenant structure

(based on annualised rental income)



*) incl. Carrefour, Deichmann, Benetton, as well as several leading local retail companies

Meinl European Land Limited

First 9 months 2005

Revenues after 9 months exceed revenues of the full year 2004 by 50 %

Profits increased by 70 % within 9 months

Property portfolio growth of 80 % in 9 months –
additional properties for a total value of 1 billion Euro committed

Share price performance of 17,93 % in one year

Dear shareholders,

Meinl European Land remains on its successful course at the end of the third quarter 2005: All revenue and earnings figures have increased significantly compared to the numbers of the previous year.

Total revenues during the first 9 months 2005 amounted to approximately 47.4 million Euro (full year 2004: 32.62 million Euro). The growth results mostly from the income generated by the newly acquired properties, which contributed to an increase of rental income of 80 % up to almost 40 million Euro. Reaching almost 8 million Euro, profit after taxation also exceeds the full year results in 2004 by 70 % after only 9 months into 2005.

Meinl European Land also continued its dynamic development with respect to the portfolio extension: Since the beginning of the year the property value has grown by almost 80 % up to more than 900 million Euro. In addition, the Company has signed the contracts for development projects to be completed until the year-end 2007 for a total value of approximately 1 billion Euro.

Meinl European Land's main investment markets have been Poland and Russia. One of the key investments was the take-over of Danish FORAS Holding A/S in June 2005, a transaction which has closed by the end of the reporting period. Following the take-over, Meinl European Land became the owner of the FORAS property portfolio of 3 shopping centres valued at 200 million Euro in Poland. The Company also acquired a portfolio of 7 smaller shopping centres in Poland and a "Kaufland" superstore with a lease term of 25-years. The purchase price for these acquisitions amounted to approximately 70 million Euro. 4 additional Polish shopping centres with an investment value of more than 250 million Euro are under development.

The first of these projects, a shopping centre in Torun, a regional hub with 200,000 inhabitants, located 250 km North-West of Warsaw, has already opened by the times of this report. The total investments for this project, which is leased among others to Metro with its retail chains "Media Markt" and a "Real" hypermarket, amounted to almost 50 million Euro.

In Russia Meinl European Land has signed the contracts for 4 shopping centre developments for a total value of 380 million Euro. The centres will be developed by the Russian joint-venture development company over the next 2 years. Before entering into the joint-venture, the Company acquired a shopping centre in Ekaterinburg in March, which opened at the end of August. The development costs for the fully let centre totalled 80 million Euro. All Russian projects will generate yields in excess of 14 %.

New acquisitions have also been made in the established markets during the reporting period: In Hungary the Company acquired 2 retail warehouses for a total value of 30 million Euro, comprising larger shops leased to anchor tenants such as Spar or Metro as well as a small shopping mall. Due to the fact that the properties had still been under development at the time of signing the contracts, Meinl European Land could achieve an above market yield of almost 9 %. A centre with a similar format has also been acquired in the Czech Republic. That project currently consists of an "Interspar" hypermarket and will be supplemented by a do-it-yourself market and a small shopping mall during 2006. The total investment value for the project will amount to 30 million Euro. In addition, the Company has made some smaller acquisitions for a total value of almost 20 million Euro, including several discount markets in the Czech Republic and Hungary as well as a logistic centre in Prague. All these properties generate a yield of approximately 9 %.

Management Report

The expansion of the portfolio was not limited to markets with an existing presence – in addition Meinl European Land has entered two new markets with the first projects in Latvia and Turkey. The Company's first Latvian project – a shopping centre for a total value of 40 million Euro in Riga – is currently under construction. The yield for the project will amount to 9.5 %. After the end of the reporting period Meinl European Land has also signed the contracts for 3 shopping centres in Turkey, which will be developed until the year-end 2007 and which will generate yields of more than 10 %. The total investment value will amount to approximately 340 million Euro.

Since the beginning of the year the Company has acquired retail properties for a total value of 400 million Euro and has signed the contracts for additional development projects of almost 1 billion Euro. The newly acquired standing investments have been financed by a combination of debt and equity capital and the development projects shall be financed on the same basis. Meinl European Land generally secures the full financing for such projects at the time the acquisition agreements are signed – mostly through the issue of shares and bonds – in order to lock in the terms and to avoid the risk of running into a liquidity shortage.

As a consequence of this strategy the Company had to effect new capital market transactions during the reporting period for financing the new acquisitions and for securing the development costs: In January and March Meinl European Land has closed successfully two capital increases. 60 million new shares have been placed and proceeds totalled approximately 750 million Euro. After these capital increases 96 million shares have been listed on the First Market of the Vienna Stock Exchange. As this report goes to print the Company has effected another capital increase. Based on a market price as of 20 September 2004 of 14.72 Euro per share the market capitalisation amounted to more than 1.4 billion Euro.

On the debt capital side, a medium term note program for issue of bonds with a total nominal value of 1 billion Euro has been initiated admitted for trading on the Vienna Stock Exchange in July 2005. The first bonds – a Euro issue with a total nominal value of 200 million Euro and a term of 12 years with a fixed interest tranche and a CMS floater tranche – have been already placed successfully. In addition a tranche denominated in Czech Koruna with a fixed interest rate and a term of 10 years amounting to the equivalent of for 35 million Euro has been issued.

A new factor was the high demand for paper issued by the Company coming from European institutional investors in the course of the capital increases as well as during the bond issue. This indicates the standing that Meinl European Land has gained on an international level in the meantime. This development has been underlined by the admission into several important international indices: The GPR 250 Index, which tracks the performance of the 250 most liquid real estate companies worldwide, the MSCI Index, that includes companies representative of equity market structures in the world's major financial centres and that constitutes for many several portfolio managers the benchmark for their own performance, and the French real estate index IEIF. As this report goes to print, the Company was also admitted into the Dow Jones Stoxx 600 Index.

The strengthened international demand and the index admission contributed to the dynamic share price development during the first 9 months of 2005: Meinl European Land's shares have turned in a performance of 13.46 % since the beginning of the year, and a year-on-year increase amounting to almost 18 %.

The Board of Directors
December 2005

Management Report

Shopping centre „Galeria Copernicus“
Torun Poland

Investment value: 50,000,000 EUR	
Yield: 9.5 %	
Usable area: 35,000 sqm	

Anchor tenant: Metro with „Media Markt“ and „Real“	
Occupancy rate: 100 %	
Lease term: 2025, Indexing based on Euro-CPI	
Parking: Approximately 1,000 parking spaces	

Description
Shopping centre with good road access in Torun, a regional hub with 200,000 inhabitants, located 250 km North-West of Warsaw. The centre was opened before this report goes to print in November 2005. Anchor tenant of the fully let “Galeria Copernicus” is the German retail group Metro with a “Media Markt” electronics market and a “Real” hypermarket. The tenant mix is complemented by almost 100 additional shops, which are leased to well known brands such as Douglas or Deichmann and amended by a bowling centre as entertainment unit.

Interspar hypermarket
Stare Mesto Czech Republic

Investment value: 10,700,000 EUR plus 20,000,000 EUR (stage II)	
Yield: 9 %	
Usable area: 10,000 sqm plus 10,000 sqm (stage II)	

Anchor tenant: Spar (Interspar hypermarket)	
Occupancy rate: 100 %	
Lease term: 2016, Indexing based on Euro-CPI	
Parking: Currently approximately 500 parking spaces	

Description
Large Interspar hypermarket at one of the most important retail locations of Stare Mesto, a regional city in the South-East of the Czech Republic, close to the Slovak boarder. In the acquisition contract the Company also agreed on the conditions for an extension of the project, which shall take place during the next year. The rental contracts with the anchor tenants of these additional units, consisting of a smaller shopping mall and a do-it-yourself market – have already been firmed up.

Case Studies

Consolidated balance sheet as at 30 September 2005

	30.9.2004		31.12.2004		30.9.2005	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Assets						
Fixed assets						
Land	34,850		61,373		107,717	
Buildings	206,908		333,282		595,240	
Assets in the course of construction	2,065		1,433		193,544	
Furniture, equipment and motor vehicles	16,841		1,408		1,200	
		260,664		397,496		896,501
Financial investments	53,271		160		160	
Goodwill	–		25,544		32,921	
Other assets	–		76,386		1,264	
		313,935		499,586		932,046
Current assets						
Trade receivables	1,487		3,157		6,412	
Other receivables	16,476		22,543		39,395	
Securities	–		11,644		60,827	
Prepayments	2,467		471		1,867	
Cash and cash equivalents	204,343		311,676		1,277,420	
Accrued income	1,657		–		4,186	
		226,430		349,491		1,390,107
Total assets		**540,365**		**849,077**		**2,322,153**
Shareholders' equity and liabilities						
Shareholders' equity						
Issued share capital	120,000		180,000		480,000	
Share premium	113,781		193,535		645,427	
Accumulated losses/profits	(21,146)		(2,063)		5,781	
Currency translation	14,087		(3,786)		6,953	
		226,722		367,686		1,138,161
Minority shares		–		990		–
Non current liabilities						
Long term borrowings	233,352		263,650		564,196	
Deferred tax liabilities	17,840		20,376		34,319	
		251,192		284,026		598,515
Current liabilities						
Trade payables	2,092		3,139		8,566	
Accrued expenditure	241		811		2,102	
Provisions	116		780		453	
Other payables	55,210		36,783		13,341	
Short-term borrowings	4,792		154,862		561,015	
		62,451		196,375		585,477
Total shareholders' equity and liabilities		**540,365**		**849,077**		**2,322,153**

Consolidated income statement for the period from 1 January 2005 until 30 September 2005

	1.1.2004 – 30.09.2004		1.1.2004 – 31.12.2004		1.1.2005 – 30.09.2005	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue						
Rental income	16,565		25,456		39,975	
Profit from sale of property, plant and equipment	483		217		216	
Reinvoiceable utilities	2,310		5,393		6,053	
Consultancy and other operating income	736		1,296		1,013	
		20,094		32,362		47,257
Expenses						
Staff costs	(516)		(719)		(2,468)	
Reinvoiceable utilities	(2,138)		(4,537)		(7,849)	
Other operating expenses	(3,433)		(6,631)		(11,903)	
		(6,087)		(11,887)		(22,220)
Earnings before interest, taxation and depreciation (EBITDA)		**14,007**		**20,475**		**25,037**
Depreciation of property and equipment	(5,035)		(6,859)		(11,379)	
Other depreciation and amortisation	–		(623)		(178)	
		(5,035)		(7,482)		(11,557)
Earnings before interest and taxation (EBIT)		**8,972**		**12,993**		**13,480**
Interest income	1,790		3,293		13,317	
Interest expense	(10,559)		(14,988)		(17,085)	
Other financial income and expenses	(88)		83		(1,552)	
		(8,857)		(11,612)		(5,320)
Profit/(Loss) before taxation		**115**		**1,381**		**8,160**
Tax credit/(charge) for the year	**(55)**		**3,371**		**(316)**	
Profit after taxation for the year		**60**		**4,752**		**7,844**

Land and buildings

During the first 9 months of 2005 Meinl European Land has purchased properties with a value of almost 400 million Euro. The acquisitions include a portfolio of 3 shopping centres for a total value of 200 million Euro in Poland, which was taken over through a tender offer for FORAS Holding A/S, 7 smaller shopping centres in Poland with a total value of 62 million and a shopping centre in Ekaterinburg in Russia. Construction of this last acquisition had not been completed by the end of the reporting period and this project is therefore still included in the assets under construction. Three retail warehouses in the Czech Republic and in Hungary with a total investment value of 60 million Euro, are only included in the amount of 40 million Euro, as only the first stage has been completed on the balance sheet date for two of the projects. In addition, the Company had acquired several smaller properties for a total value of almost 20 million Euro in Poland, Hungary and the Czech Republic. Since the beginning of the year the position land and buildings has increased by nearly 310 million Euro up to 703 million Euro as at 30 September 2005.

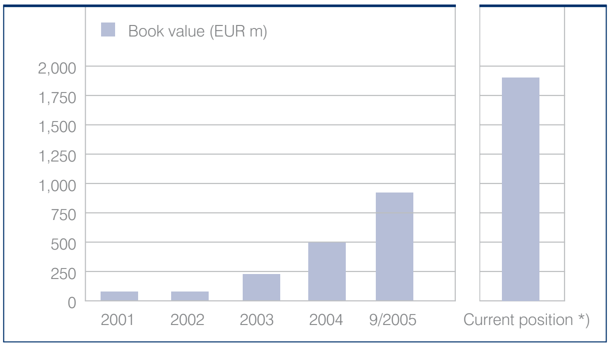
Properties under construction

Meinl European Land is giving increasing importance to the development of properties, as a way to generate higher yields than by acquiring standing investments. The development occurs mostly in partnership with a developer, taking the bulk of the risks. In some cases, the Company also enters into forward purchasing contracts, whereby Meinl European Land takes over the property after completion at predefined conditions. At the balance sheet date the assets in the course of construction include in particular the shopping centre in Ekaterinburg for a total value of 80 million Euro and a shopping centre in Poland, which had already opened at the time this report goes to print. The investment value for this centre amounts to almost 50 million Euro, of which approximately 80 % have been included in the balance sheet as at 30 September 2005. In addition, the position includes the initial investments for signed development projects in Russia, Poland and Latvia as well as the second stage of a Hungarian retail warehouse project in a total amount of almost 80 million Euro. After completion of the projects the invested amounts will be transferred to the position of land and buildings. At the balance sheet date, the assets in the course of construction totalled approximately 194 million Euro.

Liquid funds

As a result of the corporate actions in 2005 the liquid assets have again increased substantially during the reporting period: In January and March 2005 the Company had effected two capital increases, whereby 60 million new shares have been placed successfully and proceeds of approximately 750 million Euro have been generated. In addition Meinl European Land initiated in July 2005 a Medium Term Note Program for the issuance bonds with a total value of 1 billion Euro. The first tranches issued under the program have been placed completely with institutional investors. Proceeds therefrom generated until the balance sheet date amount to approximately 160 million Euro. The cash inflows were partially compensated by an outflow of funds due to the new acquisitions and the development costs. At the balance sheet date, the cash position amounts to 1.277 billion Euro (31.12.2004: 312 million Euro). However, all liquid funds are already fully committed on the basis of contracted development projects, although the disbursement of funds will only occur gradually as the projects progress.

Portfolio growth



*) Current position (11/2005): including commitments for projects scheduled for completion in the next two years

Results

Equity

The share issues that the Company has made during the reporting period have significantly strengthened the Company's equity. Furthermore the equity position has increased due to the earnings generated and retained during the first 9 months of 2005. At the balance sheet date, the Company's equity totalled 1.138 billion Euro (31.12.2004: 368 million Euro).

Borrowings

Borrowings also increased significantly. As for long-term borrowings the rise is caused by bonds issued under the medium term note program in July on the one hand, and loans which were taken over in the course of property acquisitions on the other hand. Short-term borrowings result from liabilities for contracted acquisitions that have not been closed until the balance sheet date. As at 30 September 2005 the Company's short-term borrowings amounted to 585 million Euro. The long-term borrowings as at balance sheet date totalled 598 million Euro.

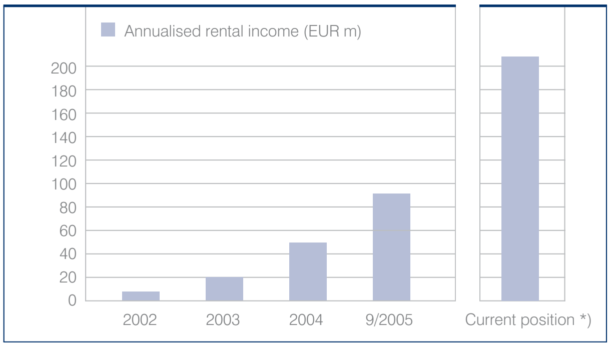
Revenues

The Company's revenues after 9 months into 2005 exceed the total revenues for the full year 2004 by approximately 50 %. This significant increase results primarily from the rental income from properties acquired towards the end of 2004 and during the reporting period. Taking into account the more recently acquired properties – in particular the FORAS portfolio, the Hungarian retail warehouses and the shopping centre in Ekaterinburg – which have made a contribution to earnings for only 1 or 2 months, a further rise of revenues is projected. Until year-end 2005 revenues can be expected to be double those of last year.

Profits

The overall positive trend is also reflected in Meinl European Land's profit. With almost 8 million Euro, the profit after taxation for the 9 months already exceeds the profit for the full year 2004 by 80 %. The main reason for this increase lies again in the contribution from properties acquired towards the end of 2004 and in the beginning of 2005, which now start to affect the Company's earnings. Taking into consideration the recent acquisitions, the Company expects a further significant increase of profits during the remaining 3 months of 2005. Profits continue to be impacted by expenses presently incurred with respect to development projects, which are still not covered by corresponding rental income. After completion of the projects, this effect will be reversed: With yields of up to 14 %, the rental income will significantly exceed the accumulated expenses.

Growth in rental income (annual basis)



*) Current position (11/2005): including commitments for projects scheduled for completion in the next two years

Outlook

Meinl European Land intends to keep the pace of its forceful expansion from previous periods in the future. The presently contracted development projects amounting to a total value of approximately 1 billion Euro are only a first step for the planned further growth of the Company. The shopping centre currently under construction in Riga as well as one of the projects in Russia – a 90 million Euro shopping centre in Kazan, which will have a total area of approximately 70,000 sqm – will already open by mid 2006. Other projects shall be completed until year-end 2007. After the opening of all contracted projects, the property portfolio will amount to almost 2 billion Euro – assuming no further acquisitions from now on.

Shopping centre Kazan, Dec. 2005

But Meinl European Land will proceeds with additional developments and it is intended to at least double the port-folio during the next 5 years. An ambitiously target that is considered achievable due to the Company's high recognition, its long-term partnerships with several well-known developers and the permanent deal flow. At present, the project pipeline consists of properties with a value of more than 600 million Euro in particular in Poland, Russia and Romania. It includes standing investments as well as additional development projects, which are increasingly attractive for the Company, as it may generate superior yields from such projects.

Subject to the further project progress and the results of the ongoing due diligence process, Meinl European Land intends to close the majority of these additional projects during the first 6 months of 2006.

To carry out such a dynamic expansion successfully, a strong team of real estate experts are required. Meinl European Land is one if the few real estate companies that set out from the very beginning in all markets with a team of experienced employees that can fulfil these requirements.

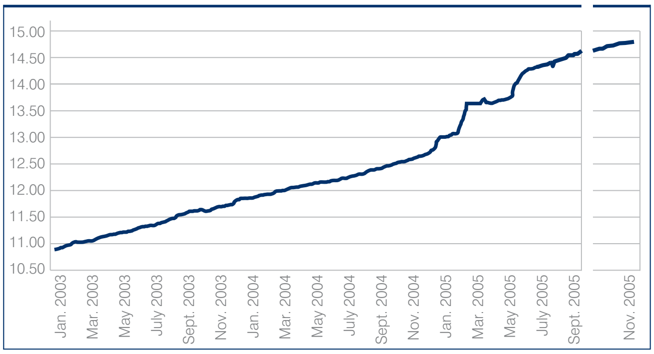
Given that the Company is putting more emphasis on the development of properties and taking into account that such projects require a high input of time and human resources for a successful completion, Meinl European Land has during recent months recruited additional people for the regional management in all countries. All these new members of the management have a long-term experience in the retail business and supplement the existing teams in a perfect way. In addition, the Company has also carried out some reorganisation in its organisation.

As a consequence of these steps Meinl European Land is well prepared for the further developments and the enlargement of its activities.

Outlook

Performance of the share

in EUR

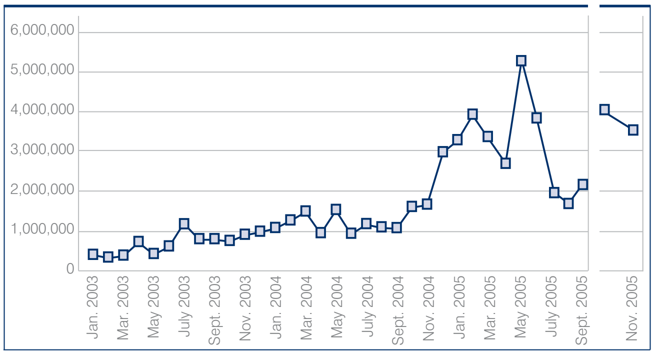


Market price as at 30 September 2005:	14.72 Euro
Performance since IPO in Nov. 2002:	36.40 %
Performance over 1 year	17.93 %
Performance since 1 January 2005	13.46 %

Meinl European Land's share price performance shows an upward trend. Since the beginning of the year, the market price increased by 1.71 Euro. Taking into consideration the value of the subscription rights, that have been granted during the capital increases in January and March, the price increase amounts to approximately 13.5 %. Compared to the market price one year before the shares gained even almost 18 %. At the same time the share's volatility since the IPO in November 2002 remained on an extremely low level.

Turnover on the Stock Exchange

in million shares / month



Total volume traded since 1 January 2005	28.19 million shares
Average daily volume traded since 1 January 2005	149,934 shares
Average daily share price since 1 January 2005	13.97 Euro

The trading volume of Meinl European Land's shares has significantly increased since the year-end 2004. The higher liquidity is a direct result from the strong interest of international institutional investors. As the admission into the GPR 250 index underlines, Meinl European Land ranks amongst the 250 most heavily traded real estate companies worldwide in the meantime. The average daily stock exchange traded volume for the shares during the first 9 months in 2005 was 150,000 shares or 2.1m Euro per day.
In the same period of 2004, the average daily volume was only 0.6m Euro.

Performance

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