

Interim Report  
March 2005

**Meinl**   
European  
Land



**Meinl European Land Limited – 1st quarter 2005**

## Development since year-end 2004 in brief

Net income doubled since March 2004

Shareholder's equity increased by 300% to EUR 1,126 billion

Portfolio value increased by 30%

Performance of share over one year 13.81%

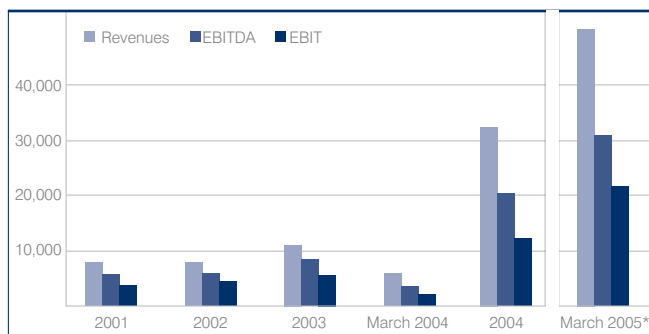
# Key Figures as at 31 March 2005

	31,12,2002	31,12,2003	31,03,2004	31,12,2004	31,03,2005	Differenz in %*
<b>Income</b> in TEUR						
Revenues in EUR'000	7,990	11,941	5,745	32,362	11,870	106,6
Rental income in EUR'000	6,600	8,950	4,780	25,456	10,198	113,3
EBITDA in EUR'000	5,524	7,845	3,993	20,475	7,661	91,9
EBIT in EUR'000	3,659	5,157	2,594	12,993	5,249	102,4
Profit before taxation in EUR'000	649	(312)	93	1,381	3,856	4046,2
Profit after taxation in EUR'000	449	713	93	4,752	3,781	3965,6
<b>Balance sheet</b>						
Balance sheets total in EUR'000	71,576	309,351	337,954	849,077	1,762,565	432,1
Non-current assets in EUR'000	66,561	193,557	191,571	397,496	419,263	118,9
Cash in EUR'000	3,632	58,131	121,780	311,676	544,515	347,1
Long-term borrowings in EUR'000	51,126	179,358	220,906	284,026	286,067	29,5
Equity Shareholder's funds in EUR'000	16,873	103,472	105,011	367,686	1,120,327	966,9
<b>Share</b>						
Market capitalisation in EUR'000	54,503	157,182	158,730	468,360	1,310,000	725,3
Issued shares in Stück	4,884,001	13,000,001	13,000,001	36,000,001	96,000,001	638,5
Share price as at 31/03/2005 in EUR	11,18	12,09	12,21	13,01	13,65	11,8
Value/share at market value in EUR	7,23	10,35	10,47	11,93	12,39	-
Profit/share in EUR	0,07	0,10	-	0,22	-	-

\*) change within 12 months (31 March 2004 until 31 March 2005)

## Revenues / EBITDA / EBIT

in Mio EUR



\* Gesamterträge 2005 auf Basis der 4-fachen Werte des ersten Quartals

# Key figures portfolio as at 31 March 2005

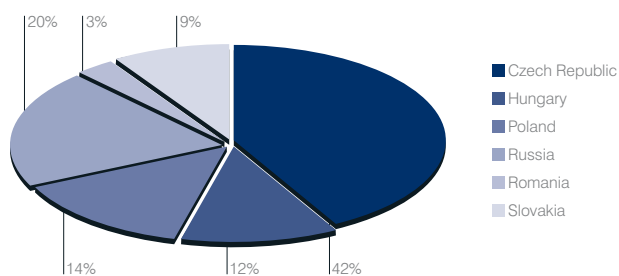
	2002	2003	III. 2004	2004	III. 2005
<b>Total overview</b>					
No. of properties	70	132	138	159	167
Total letable area in m <sup>2</sup>	137,440	337,497	347,329	598,400	702,100
Book value portfolio in EUR'000	52,889	192,455	205,611	470,533	559,008
Market value portfolio in EUR'000	84,879	223,503	236,663	532,270	627,700

<b>Overview per country</b>	Czech Republic	Hungary	Poland*)	Russia	Romania	Slovakia
No. of properties	102	51	9	2	1	2
Total letable area in m <sup>2</sup>	376,500	76,000	88,300	97,000	14,000	50,300
Market value portfolio in EUR'000	264,100	71,900	84,100	130,000	21,500	56,100
Occupancy rate in %	95,0	100,0	100,0	98,0	100,0	96,4
Proportion of total (area) in %	53,6	10,8	12,6	13,8	2,0	7,2

\*) including committed properties and development projects based on current level of development

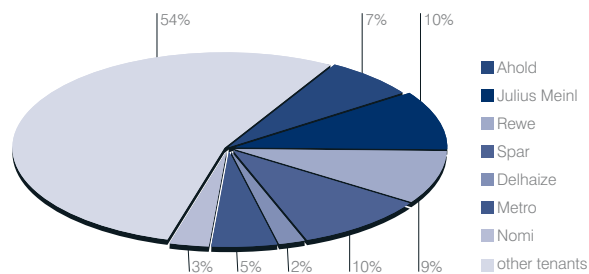
## Regional distribution

(based on fair value)



## Tenant structure

(based on fair value)



**Dear Shareholders of Meinl European Land, Dear Sirs and Madams,**

Following the dynamic development over the last 2 years, creating a significant increase of revenues and operating results, Meinl European Land continued its successful expansion in the first quarter 2005. The company expanded its presence in the markets initially entered in 2004 and increased the property portfolio with several attractive projects.

The largest single acquisition is a shopping centre in Ekaterinburg in Russia with a total investment value of EUR 75 million. The opening of the 55,000sqm project, the only modern Western shopping centre for a hub of a million inhabitants, is scheduled for Summer 2005. The centre generates a yield of almost 14%. Also Meinl European Land acquired some smaller retail properties in the Czech Republic and Poland – the total purchase price for these projects exceeding EUR 10 million. Besides investing in finished properties, the company started also expanding the portfolio with development projects in 2004. The first project was a shopping centre in Torun in Poland with a scheduled opening in Autumn 2005. Since January 2005 Meinl European Land has significantly pushed the development of this project. Further development projects of approximately EUR 200 million are under preparation. Contracts are due to be signed in the next few months.



These projects and additional new acquisitions, which are under due diligence, will be financed by the proceeds of the two capital increases effected in January and March 2005, including the

largest capital increase in the company's history. Both capital increases were successfully completed, total net proceeds exceeding EUR 750 million, which will be used in the ongoing portfolio expansion. Following these capital increases 96 million shares of the company are listed in the first market segment on the Vienna Stock Exchange and market capitalisation reaches EUR 1.3 billion.

The liquidity of Meinl European Land's share has been increased continuously since the initial public offering and now the daily volume ranks amongst the highest of securities on the Vienna Stock Exchange. The admission into the GRP 250 index with effect as of 1st January 2005 reflects the standing that Meinl



European Land has in the market now. The GRP 250 index tracks the performance of the 250 most liquid property holding companies worldwide. Consequently, the company has become more important for institutional investors. Also with effect as of 31st May

2005 the company has been admitted into the MSCI World Index.

Revenue and operational profit (EBITDA and EBIT) have continued to grow from the previous year. After 3 months revenues reached EUR 12 million, already 40% of the total 2004 value and compared with the same quarter in 2004 the revenue has more than doubled. EBITDA and EBIT have increased similarly. Most importantly, the profit after taxation developed favourably, reflecting mainly the expansion in 2004 and the first months of 2005. For the first quarter 2005 the profit after taxation was almost EUR 3.8 million.

The Board of Directors  
June 2005

# Management Report



**Consolidated balance sheet** at 31 March 2005

	March 2004 EUR '000	2004 EUR '000	March 2005 EUR '000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Land	24,550	61,373	63,058
Buildings	165,703	333,282	337,610
Assets in the course of construction	1,318	1,433	18,595
Furniture, equipment and motor vehicles	-	1,408	-
	<b>191,571</b>	<b>397,496</b>	<b>419,263</b>
Financial investments	5,610	160	1,376
Goodwill	-	25,544	-
Other assets	7,229	76,386	29,388
	<b>204,410</b>	<b>499,586</b>	<b>450,027</b>
<i>Current assets</i>			
Trade receivables	3,644	3,157	3,433
Other receivables	7,692	22,543	30,865
Securities	-	11,644	327,032
Prepayments	428	471	1,969
Cash and cash equivalents	121,780	311,676	945,947
Accrued income	-	-	3,292
	<b>133,544</b>	<b>349,491</b>	<b>1,312,538</b>
<b>TOTAL ASSETS</b>	<b>337,954</b>	<b>849,077</b>	<b>1,762,565</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<i>Shareholders' equity</i>			
Issued share capital	113,907	180,000	480,000
Share premium	-	193,535	645,700
Accumulated losses	(6,722)	(2,063)	1,718
Currency translation	(2,174)	(3,786)	(7,091)
	<b>105,011</b>	<b>367,686</b>	<b>1,120,327</b>
Minority shares	-	990	-
<i>Non current liabilities</i>			
Long-term borrowings	209,570	263,650	263,189
Deferred tax liabilities	11,336	20,376	22,878
	<b>220,906</b>	<b>284,026</b>	<b>286,067</b>
<i>Current liabilities</i>			
Trade payables	1,089	3,139	1,931
Accrued expenditure	176	811	527
Provisions	174	780	484
Other payables	6,654	36,783	15,347
Short-term borrowings	3,944	154,862	337,882
	<b>12,037</b>	<b>196,375</b>	<b>391,918</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>337,954</b>	<b>849,077</b>	<b>1,762,565</b>

**Consolidated income statement** for the period ended 31 March 2005

	March 2004 EUR '000	2004 EUR '000	March 2005 EUR '000
<i>Revenues</i>			
Rental Income	4,780	25,456	10,198
Profit in sale of property, plant and equipment	176	217	2
Reinvoiceables utilities	770	5,393	1,567
Consultancy and other operating income	19	1,296	103
	<b>5,745</b>	<b>32,362</b>	<b>11,870</b>
<i>Expenses</i>			
Staff costs	(153)	(719)	(260)
Reinvoiceables utilities	(769)	(4,537)	(1,888)
Other operating expenses	(830)	(6,631)	(2,061)
	<b>(1,752)</b>	<b>(11,887)</b>	<b>(4,209)</b>
<b>Profit before interest, taxation and depreciation (EBITDA)</b>	<b>3,993</b>	<b>20,475</b>	<b>7,661</b>
Depreciation of property, plant and equipment	(1,266)	(6,859)	(2,373)
Other depreciation and amortisation	(133)	(623)	(39)
	<b>(1,399)</b>	<b>(7,482)</b>	<b>(2,412)</b>
<b>Profit before interest and taxation (EBIT)</b>	<b>2,594</b>	<b>12,993</b>	<b>5,249</b>
Interest income	567	3,293	2,936
Interest expenses	(3,067)	(14,988)	(4,187)
Other financial income and expenses	(1)	83	(142)
	<b>(2,501)</b>	<b>(11,612)</b>	<b>(1,393)</b>
<b>Profit before taxation</b>	<b>93</b>	<b>1,381</b>	<b>3,856</b>
<b>Taxation credit/(charge) for the period</b>	<b>-</b>	<b>3,371</b>	<b>(75)</b>
<b>Profit after taxation</b>	<b>93</b>	<b>4,752</b>	<b>3,781</b>

### Property, plant and equipment

During the first quarter 2005 the company acquired 5 Penny Markets in the Czech Republic and Hungary as well as a smaller logistic project in the Czech Republic. Almost EUR 20 million, which are also reflected in the balance sheet, have been invested in a shopping centre in Poland, which is under development. In addition, Meinel European Land has signed the contract for the second Russian project, a shopping centre in Ekaterinenburg valued at EUR 75 million. This transaction was – as in the case of the Hungarian discounters – not closed by the end of March 2005 and consequently these projects are not included in the balance sheet. The closing for a portfolio of 7 shopping centres in Poland with a total value of EUR 62 million, agreed in December 2004, was effected on 1 April 2005 and is consequently also not included in the assets. In total the position has increased during the first quarter 2005 by EUR 23 million to EUR 417 million.

### Cash and cash equivalents

Due to the new capital issues the cash position has increased significantly during the first quarter of the year: In January 2005 the company successfully closed a capital increase of 18 million shares and generated net proceeds of almost EUR 220 million. In a further capital increase effected in March, 42 million new shares were placed with private and institutional investors with net proceeds of EUR 530 million.

### Equity shareholder's funds

Following the capital increases in January and March 2005 the equity shareholder's funds have increased by more than EUR 750 million. At 31 March 2005 the position has a value of EUR 1.12 billion (31.12.2004: EUR 367 million).

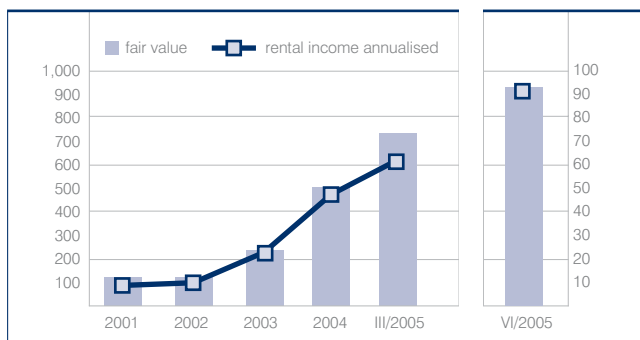
### Debt Capital

Borrowings also increased significantly during this reporting period, for the most part short-term. These borrowings reflect payment obligations for acquisitions, which have been signed but not closed at the end of March. Consequently at 31 March 2005 the company had total short-term obligations of EUR 770 million. At the same date the long-term borrowings of EUR 286 million were virtually unchanged.

### Revenues

During these 3 months the company has generated revenues of approximately EUR 12 million, equal to 40% of the total revenues in 2004. Other key data show a similar development: EBITDA and EBIT both reached 40% of the last year's totals. Compared to the same quarter in the previous year the increase is almost 100%.

### Development portfolio



### Profit

In the first quarter 2005 the profit (after taxes) reached already 80% of the profit 2004 and amounts until 31 March 2005 to almost EUR 3.8 million (full-year 2004: EUR 4.75 million). This positive development is mainly based on the properties that Meinel European Land acquired late in 2004. These acquisitions have now had an impact on the results of the

company for the first time. In consideration of the additional projects which have been acquired, Meinel European Land expects that the net profit can be further improved during the following months.

# Results



## Case Studies



### Shopping Centre „Parkhouse“ Ekaterinburg Russia

In February 2005 the company signed the contract for its largest single acquisition, a shopping centre in Ekaterinburg/Russia in a total value of EUR 75 million. Yield amounts to almost 14%. The only modern Western styled shopping centre in a hub of a million inhabitants has a total lettable area of 55,000sqm and is leased to the Russian joint venture partner of German based Rewe group and more than 90 international and local companies. The opening of the centre is scheduled for Summer 2005.

### Outlook

Meinl European Land intends to continue its active expansion and to further the success of the previous 2 years. Currently several attractive investment possibilities are under consideration and contact signings are expected for the next months. As mentioned before especially the Polish market offers high potential: At the day of publication of this report, Poland had become – with an portfolio value of almost EUR 300 million – Meinl European Land's largest market. Before the end of 2005, the company intends to increase the



### Logistic Centre „Droxi“ Prague Czech Republic

In March 2005 the company acquired a 6,500sqm logistic centre at a price of EUR 7 million. The anchor tenant is the leading Czech drugstore operator. The project generates a yield of almost 10% and is located at the Southern approach to Prague, which has become the most important location for logistics in the region. Meinl European Land intends to acquire more logistic projects in the future, as this real estate format forms the optimal supplement for the key-format of the company – retail properties.

Polish portfolio to more than EUR 400 million. Another key market of the company for the next years will be Russia, where Meinl European Land is also negotiating projects with a total value of EUR 300 million. Meinl European Land has also attractive and sustainable retail properties in the other markets under due diligence. Moreover the company plans to expand its activities again into new countries. By the editorial deadline Meinl European Land had signed contracts for the first project in Latvia and has consequently increased its activities



### Portfolio of Penny Markets Czech Republic & Hungary

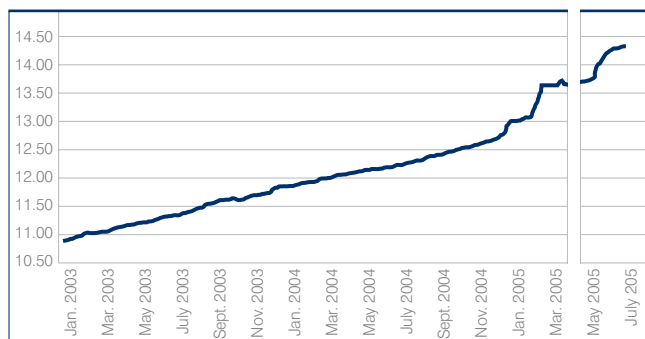
Also in March 2005 Meinl European Land increased its portfolio by 5 discount markets in Hungary and the Czech Republic. The properties have been acquired from two different sellers, the total purchase price being approximately EUR 5 million. The discounters are located on the edge of different regional cities and have a lettable area of approximately 1,000sqm each. The anchor tenant in all markets is the German based Rewe group with its discounter format "Penny Markt". All projects generate a yield of more than 9.5%.

to 7 Eastern European countries. The total current project pipeline of the company exceeds EUR 700 million. Before year-end 2005 the total portfolio shall be doubled in value. To finance the new acquisitions Meinl European Land plans – depending on the progression of negotiations for the projects, which are currently under due diligence – to implement new corporate actions for raising equity and debt funding.

# Case Studies Outlook

## Performance

in EUR

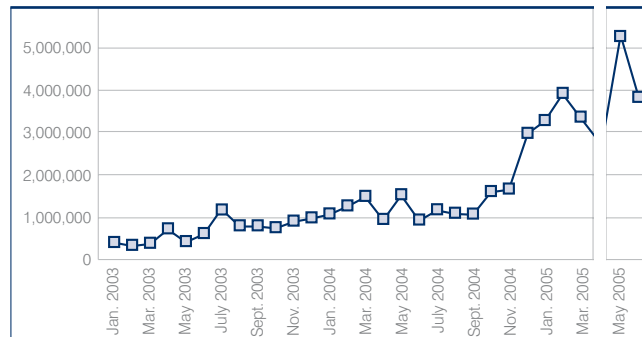


Share price as at 31 March 2005:	EUR 13.65
Performance since IPO in Nov. 2002:	26,62%
Performance since 1 January 2005:	5,11%
Performance since 1 year:	13,81%

The performance of Meinl European Land's shares shows again a very positive development. Share price has increased by 64 cent during the reporting period. Taking into consideration of the subscription rights of the both capital increases this represents an increase of 5.11% within 3 months. Over the last year the share price gained 13.81%

## Turnover at Stock Exchange

in Mio. Stück / Monat



Total trade value since January 2005:	22.62 million shares
Average trade value since January 2005 per day:	180,966 shares
Average share price since January 2005:	13.70 EUR
Average turn over per day since January 2005:	2,47 Mio. EUR

The average daily traded volume shown on the Vienna Stock Exchange has risen to over 180,000 shares or almost EUR 2.5 million. This reflects the positive news of admission to the GPR 250 Index in January 2005 and the daily volume ranks amongst the highest of all securities on the Vienna Stock Exchange.

# Aktienentwicklung

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