



Meinl 
European
Land

Interim Report
31 March 2007



Key Indicators

	2004*	2005	Q1 2006	2006	Q1 2007
Income statement (TEUR)					
Rental income	25,456	60,199	21,526	96,451	30,802
Net revenues	27,825	63,510	24,114	104,446	34,263
Net operating profit (EBIT)	42,789	114,326	47,853	251,562	51,731
Profit before taxation	31,177	112,029	47,264	269,108	50,115
Profit after taxation	30,545	113,975	47,489	267,445	51,198
	31/12/2004*	31/12/2005	31/3/2006	31/12/2006	31/3/2007
Balance sheet (TEUR)					
Investment properties	456,122	1,067,671	1,128,701	1,688,863	1,761,044
Investment properties under construction	1,433	37,434	40,854	105,232	241,817
Net cash**	168,458	965,833	1,799,604	2,544,287	3,684,874
Long-term liabilities	292,362	541,839	554,696	1,017,218	1,011,748
Shareholders' equity	421,807	1,620,675	2,523,767	3,454,355	4,880,977
	31/12/2004*	31/12/2005	31/3/2006	31/12/2006	31/3/2007
Share					
Market capitalisation (TEUR)	468,360	1,789,200	2,790,000	4,371,750	6,246,000
Issued shares	36,000,001	120,000,001	180,000,001	225,000,001	300,000,001
Share price in EUR	13.01	14.91	15.50	19.43	20.82
NAV per share in EUR***	12.51	13.89	14.28	15.54	16.41
Earnings per share in EUR	1.41	1.29	0.38	1.31	0.23

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

** Liquid financial assets minus short-term borrowings

*** Partly paid shares are included on a proportional base

Dear shareholders,

In the first three months of 2007, Meinl European Land has further consolidated its position as one of Europe's leading property companies. It has once again concluded or contractually agreed a number of attractive real estate projects deals and expanded its portfolio to a total of more than EUR 5.2bn.

As at 31 March 2007 Meinl European Land had 160 investment properties with a value of EUR 1.8bn and 38 contractually agreed development projects with a total value of around EUR 3.55bn.

There are also projects to the value of some EUR 2bn undergoing due diligence, and the Company is confident that it will be able to sign contracts on a proportion of these projects in the next few months, so that the growth of the Group is assured. Projects in the pipeline are also largely development projects, since especially in the countries in which Meinl European Land is principally investing – Russia and Turkey, but in future also Ukraine and Romania – there are hardly any existing properties that meet the exacting quality standards of the Group and its tenants. The yields achievable on development projects are also still significantly better than those of comparable completed properties.



Rental income for first quarter 2007 was approximately EUR 31m, as compared with EUR 22m for the same period last year. Operating profit increased from EUR 48m to EUR 52m. Profit after tax reached EUR 51m in the first quarter 2007 after EUR 47m in the same period 2006.

In January 2007 Meinl European Land successfully issued 75 million new shares leading to gross proceeds of EUR 1.48bn, which shall be used to finance the latest secured projects. There are now 300 million

Meinl European Land shares listed on the Vienna Stock Exchange, with a market capitalisation at the end of March 2007 of EUR 6bn.

Meinl European Land's shares again posted a positive performance in the first quarter of 2007 and remained very stable during the market turbulence in March 2007. In the first three months of 2007 the stock rose by over 7%.

The Board of Directors
May 2007

Property Portfolio

Property Portfolio

Meinl European Land acquired two new properties in Poland with fair value of EUR 11m in the first quarter of 2007. One property of a fair value EUR 1.5m was sold in the Czech Republic. However the Group concentrated mainly on property development. As well as driving forward the development projects in countries in which it was already represented, the Company also concluded the agreement for its first project in Bulgaria, so that the Group now has operations in 11 countries in Central and Eastern Europe.

Completed properties

As at 31 March 2007 the Group owned 160 investment properties in nine CEE countries with lettable space of 884,122 sqm and a fair value of approximately EUR 1.8bn.

Country	Number of properties	Fair value TEUR
Russia	9	568,368
Poland	17	535,635
Czech Republic	101	315,668
Hungary	28	120,480
Slovakia	2	90,018
Latvia	1	61,210
Romania	1	42,165
Turkey	1	27,500
Total	160	1,761,044

Contracted development projects

In addition to the completed properties, in April 2007 Meinl European Land had 38 contracted development projects scheduled for completion between 2007 and 2009. The planned lettable space for these projects amounts to around 2,800,000 sqm, and the investment costs are estimated more than EUR 3.5bn.

Country	Number of projects	Investment volume TEUR
Russia	14	1,499,000
Turkey	6	891,000
Poland	12	658,000
Bulgaria	1	190,000
Ukraine	1	159,000
Czech Republic	1	65,000
Estonia	1	60,000
Hungary	1	6,000
Slovakia	1	22,000
Total	38	3,550,000

Income

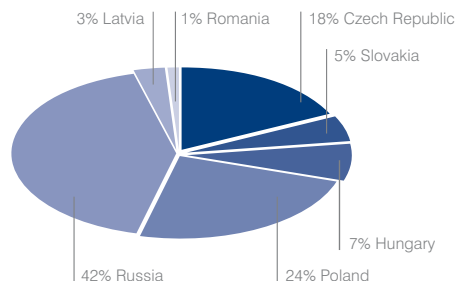
Meinl European Land's income consists largely of rental income from its properties. In the first three months of 2007 rental income represented roughly 90% of the Group's total revenues.

Rental income for first quarter 2007 came to EUR 31m, a year-on-year increase of about 43% (Q1 2006: EUR 22m). The increase is largely attributable to the purchase of additional properties and the completion of development projects.

Rental income by country

	Q1 2006 TEUR	Q1 2007 TEUR	Difference
Czech Republic	5,188	5,486	298
Slovakia	1,568	1,627	59
Hungary	2,380	2,114	-266
Poland	6,731	7,466	735
Russia	5,407	12,747	7,340
Latvia	0	1,046	1,046
Romania	252	316	64
Turkey	0	0	0
Total	21,526	30,802	9,276

Rental income Q1 2007 by country



Equity

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

As at 31 March 2007 there were a total of 300 million shares in Meinl European Land each with a nominal value of EUR 5 listed on the Official Market of the Vienna Stock Exchange. A further 150 million shares with a par value of EUR 5 have been issued and partly paid up as to EUR 0.01. These shares are not listed on any stock exchange.

The market capitalisation of the Company at the end of first quarter 2007 amounted to some EUR 6.2bn.

Net asset value (NAV) in accordance with EPRA

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

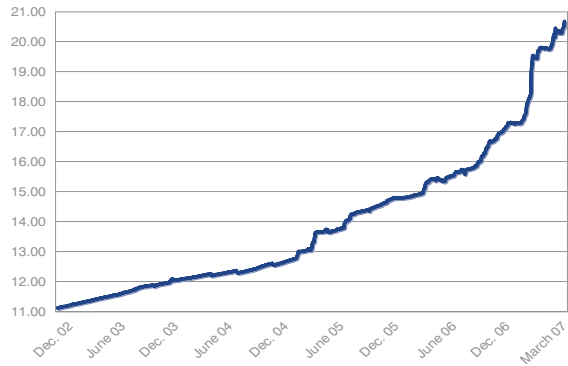
	31/3/2006 TEUR	31/3/2007 TEUR
Equity*	2,523,767	4,880,977
Deferred tax assets	(3,394)	(8,766)
Deferred tax liabilities	49,685	54,777
Net asset value	2,570,058	4,926,988
Number of shares in issue ('000)**	180,000	300,300
NAV per share (EUR)	14.28	16.41

* Including revaluation on investment properties and other non-current assets

** Partly paid shares are included proportionately

Stock Performance

Stock price since IPO (EUR)



Meinl European Land's stock has performed positively throughout the period since the IPO in November 2002. In the four and a half years since the issue, the stock has appreciated by 87.6%, equivalent to an average annual increase of 19.5%.

In the past twelve months it has gained 34.3%.

Share price performance

Price as at 31 March 2007	EUR 20.82
Increase since first listing in November 2002	87.6%
Average annual increase since IPO	19.5%
Increase in last 12 months	34.3%

Indexes containing Meinl European Land stock

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

Outlook

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

A number of the smaller contracted development projects will be completed in 2007. In addition, two major developments are also scheduled to open: in September 2007 Meinl European Land will complete the first phase of a shopping centre in St. Petersburg with a lettable area of 30,000 sqm in the first phase and a total lettable space of approximately 100,000 sqm. Approximately EUR 125m will be invested in the centre. One of the principal attractions for this project is a Metro Real Hypermarket.

The opening of a shopping centre in Bialystok, in Eastern Poland, is planned for the fourth quarter of 2007. This 37,000 sqm shopping centre also contracts Metro as anchor tenant.

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



The total value of contracted projects amounts to approximately EUR 3.5bn, so that Meinl European Land's total property portfolio will increase to more than EUR 5.2bn by the end of 2009. Indeed, taking into account the potential capital appreciation on development projects, the Company expects the value of the portfolio to be significantly higher upon completion of the projects.

The Company estimates that the total annual rent roll of the portfolio, without any further additions, will be approximately EUR 500m once development is finally completed in 2010.

However, the development and completion of the contracted projects will by no means put an end to Company's expansion – at this moment, there are further projects to the value of about EUR 2bn under review, of which a significant proportion is in Russia and Turkey.

Some of these projects are at an advanced stage of due diligence and Meinl European Land expects to be announcing a series of new

projects in the coming months. In the final analysis, not all the projects under review will measure up to Meinl European Land's 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.

Consolidated Balance Sheet

Consolidated Income Statement

Consolidated balance sheet at 31 March 2007

	31/3/2006 TEUR	31/12/2006 TEUR	31/3/2007 TEUR
Investment properties	1,128,701	1,688,863	1,761,044
Investment properties under development	40,854	105,232	241,817
Other non-current assets	67,686	55,932	56,659
Liquid financial assets	4,003,530	4,897,863	7,630,770
Other current assets	83,746	148,608	238,248
Total assets	5,324,517	6,896,498	9,928,538
Shareholders' equity	2,523,767	3,454,355	4,880,977
Long-term borrowings	501,828	958,468	954,413
Non-current liabilities	52,868	58,750	57,335
Short-term borrowings	2,203,926	2,353,576	3,945,896
Other current liabilities	42,128	71,349	89,917
Total liabilities	5,324,517	6,896,498	9,928,538

Consolidated income statement for the period ended 31 March 2007

	Q1 2006 TEUR	2006 TEUR	Q1 2007 TEUR
Rental income	21,526	96,451	30,802
Other net income	2,588	7,995	3,461
Net revenues	24,114	104,446	34,263
Operating expenses	(14,939)	(71,640)	(26,092)
Valuation gains on investment property	38,678	218,756	43,560
Net operating profit (EBIT)	47,853	251,562	51,731
Financial result	(589)	17,546	(1,616)
Profit before taxation	47,264	269,108	50,115
Taxation (charge)/credit for the period	225	(1,663)	1,083
Profit after taxation for the period	47,489	267,445	51,198
Attributable to: Equityholders of the parent company	44,871	230,439	48,700
Minority interest	2,618	37,006	2,498
Basic and diluted earnings per share in EUR	0.36	1.31	0.23

Consolidated Cash Flow Statement Consolidated Statement of Changes in Equity

Consolidated cash flow statement for the period ended 31 March 2007

	Q1 2006 TEUR	2006 TEUR	Q1 2007 TEUR
Cash flows from operating activities	14,800	47,438	28,204
Cash flows from investing activities	(376,074)	(387,119)	(2,845,798)
Cash flows from financing activities	1,862,165	3,115,750	2,969,606
Effects of exchange rates on cash and cash equivalents	(4,844)	(451)	(234)
Net increase in cash and cash equivalents	1,496,047	2,775,618	151,778
Cash and cash equivalents at beginning of reporting period	2,092,182	2,092,182	4,867,800
Cash and cash equivalents at end of reporting period	3,588,229	4,867,800	5,019,578

Consolidated statement of changes in equity as of 31 March 2007

	Share capital TEUR	Share premium TEUR	Income account TEUR	Currency translation TEUR	Minority shareholders TEUR	Total equity TEUR
Balance at 1 January 2006	600,000	852,666	165,373	(1,707)	4,343	1,620,675
Exchange differences	–	–	–	(4,398)	–	(4,398)
Net profit for the period	–	–	47,489	–	–	47,489
Total recognised income/(expense)	–	–	47,489	(4,398)	–	43,091
Issue of share capital	301,500	621,000	–	–	–	922,500
Cost of issuing shares	–	(62,499)	–	–	–	(62,499)
Minority shareholders	–	–	–	–	–	–
Balance at 31 March 2006	901,500	1,411,167	212,862	(6,105)	4,343	2,523,767
Balance at 1 January 2007	1,126,500	1,906,213	395,813	(15,427)	41,256	3,454,355
Exchange differences	–	–	–	(1,123)	–	(1,123)
Reclassification	–	–	3,109	(3,109)	–	–
Net profit for the period	–	–	48,700	–	2,498	51,198
Total recognised income/(expense)	–	–	51,809	(4,232)	2,498	50,075
Issue of share capital	375,000	1,102,500	–	–	–	1,477,500
Cost of issuing shares	–	(100,953)	–	–	–	(100,953)
Minority shareholders	–	–	–	–	–	–
Balance at 31 March 2007	1,501,500	2,907,760	447,622	(19,659)	43,754	4,880,977

Segments by Business Sectors

Significant Accounting Policies

Segments by business sectors

	Rental income		Operating result*	
	Q1 2006	Q1 2007	Q1 2006	Q1 2007
Sub Regional Shopping Centre	13,795	19,477	9,018	13,894
Neighbourhood Centre	4,142	7,809	2,083	6,504
Convenience Centre	579	745	229	616
Stand Alone Retail Warehouse/Food Store	2,061	1,932	1,199	1,592
Retail Warehouse Park/Power Centre	383	381	93	325
Warehouse/Logistics Park	465	307	93	164
Other types of properties	101	151	115	(80)
Total	21,526	30,802	12,830	23,015

* excl. revaluation result

Significant accounting policies

The interim consolidated financial statements as of 31 March 2007 are based on unaudited figures and have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the EU. For information on the IFRS applied by Meinl European Land Limited (the "Company") at the time the interim financial statements were prepared, see the notes to the consolidated financial statements as of 31 December 2006.

Property assets

Investment properties are stated at fair value. The fair value of investment properties at 31 March 2007 was determined by Cushman & Wakefield. Investment properties under development are stated at cost. All costs directly associated with the purchase and development of a property, and all subsequent capital expenditures in this respect that qualifies as acquisition costs are capitalised. Land is treated as "Investment property under development" until appropriate building permits in connection with the planned development on the land have been granted. Thereafter, land is stated under "Investment property"

and revalued to its fair value. The fair value of such land was determined based on the value for which such land could be sold in the market, which was determined by Cushman & Wakefield to be the fair value of the completed project less cost to complete and an appropriate developer's profit.

Investments in Group undertakings

During the first quarter of 2007, the Company established the Russian company OOO Manhattan Real Estate Management as a management company for the Russian activities. Furthermore, the Company established or acquired 10 new property holding companies in connection with planned developments (3 in Russia, 3 in Poland, 4 in Turkey) and 1 new service company in the Czech Republic (MFM Services, s.r.o.). In the first 3 months of the year 2007 the Group acquired shares in Euro Prime Liquidity Fund B.V. ("Liquidity Fund"). Liquidity Fund's purpose is to invest funds of the Company in short-term Euro denominated debt securities. The average maturity of such investments is designed to meet the liquidity requirements of the Company.

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

Company name	Country	Ownership	Assets acquired TEUR	Liabilities acquired TEUR	Purchase price TEUR	Net profit contributed TEUR
OOO Delta	Russia	45%	–	–	1	(1)
OOO Nautilus	Russia	45%	49	49	1	(2)
OOO Stroyremmontazh	Russia	100%	82	83	11,149	(7)
MFM Services, s.r.o.	Czech Republic	100%	7	–	7	1
Euro Prime Liquidity Fund B.V.	Curacao	100%	–	–	1	5,328

Liquid financial assets

Liquid financial assets consist of cash (TEUR 5,019,578) and securities (TEUR 2,611,192). Securities held by the Group have increased in the first quarter 2007 due to initial investments in bonds made by Liquidity Fund. Securities held by Liquidity Fund at 31 March 2007 amounted to TEUR 1,948,609. In total, liquid assets increased in the first 3 months of the year due to proceeds resulting from the capital increase in February 2007.

Share capital

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

Borrowings

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

Related party transactions

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



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