



Interim Report III / 2004

Meinl 
European
Land

Key Figures as at 30. September 2004

Income EUR	2001	2002	9/2003	2003	9/2004
Revenues	7,486,000	7,990,000	7,970,000	11,941,000	20,094,000
EBITDA	5,001,000	5,524,000	5,073,000	7,845,000	14,007,000
EBIT	3,178,000	3,659,000	3,140,000	5,157,000	8,972,000
Profit before taxation	649,000	755,000	765,000	-312,000	115,000
Profit after taxation	449,000	353,000	754,000	713,000	60,000

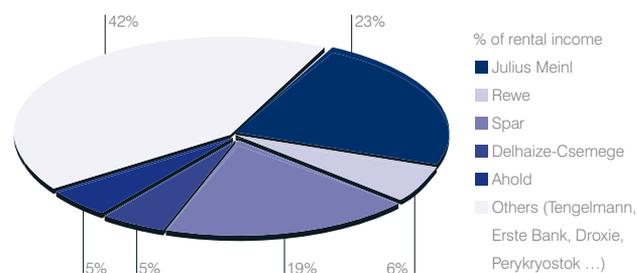
Profitability %	2001	2002	9/2003	2003	9/2004
EBITDA margin	66.8	69.1	63.6	65.7	69.7
EBIT margin	42.5	45.8	39.5	43.2	44.7

Share & Capital	30.09.2003	31.12.2003	30.09.2004	Δ*)
Market Capitalization in EUR	82,950,000	157,182,000	302,640,000	+ 264.8%
Authorised Shares	20,400,000	20,400,000	40,000,000	+ 96.1%
Issued Shares	7,000,000	13,000,001	24,000,000	+ 242.9%
Nominal value in EUR	35,000,000	65,000,005	120,000,000	+ 242.9%
Cash in EUR	64,062,000	58,131,000	204,343,000	+ 219.0%
Portfolio Market value in EUR	110,322,860	223,507,652	366,491,020	+ 232.2%
Portfolio Book value in EUR	90,742,000	192,455,000	327,894,951	+ 261.3%

Portfolio	Czech Republic	Hungary	Poland	Russia	Total
Number of properties	97	50	1	1	149
Letable area in m ²	333,949	75,082	2,500	41,055	452,586
Proportion of total in %	73.79	16.59	0.55	9.07	
Occupancy level in %	96.48	100.00	100.00	99.01	97.31
Portfolio Market value in EUR	241,708,670	67,682,350	2,100,000	55,000,000	366,491,020

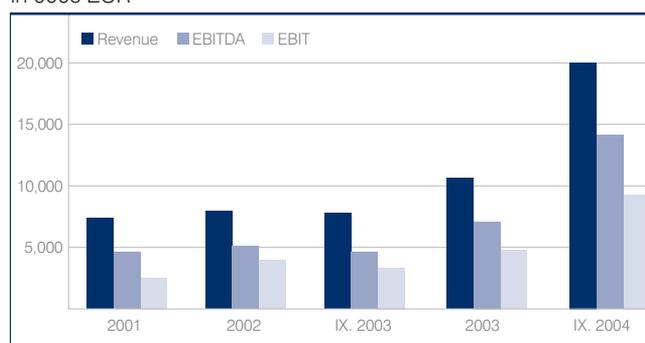
*) Development within 12 months, reference dates 30.09.2003 and 30.09.2004

Tenant Structure Total



Profitability: Revenue/EBITDA/EBIT

in 000s EUR



Key Figures

**Dear Shareholders,
Sirs, Madams,**

For Meinl European Land the last 9 months were again very eventful. With the first projects in Poland and Russia, we have managed to extend our activities and now operate in 4 Eastern European countries. Moreover we continue to expand our portfolio in the existing markets.

During the year so far we have acquired in total 17 new retail properties with a total area of approximately 120,000 sqm, whereof 6 projects have been signed during the III. Quarter. The total investment value for these properties was 110 mio. Euro. All properties generate an attractive yield of 10% and for some projects the yield is even much higher.



Shopping Centre Volgograd

With the projects we acquired during the first 6 months – as already presented in former reports - we were still focused on the existing markets of the Czech Republic and Hungary. During the last 3 months we have pushed forward with the entrance into new markets.

At the beginning of September we closed the first Polish project, a Minimal supermarket near Poznan. This 2 mio. Euro project is long-term leased by the German retailer Rewe and generates a yield of 11%.

A significantly higher yield comes from the first Russian project: a large shopping centre in Volgograd with a total investment value of 50 mio. Euro and generating a yield of more than 14%. Anchor tenants are large Russian retail companies, that count among the market leaders in Russia.

In addition the company has acquired 4 smaller discount markets in the Czech Republic, which are long-term leased by Rewe or Tengelmann. The yield for these projects is 10.5%, the total investment value was 4 mio. Euro.

With these acquisitions the company has managed to enlarge its activities to 4 Eastern European countries and by year-end further market entrances are planned. As at 30 September Meinl European Land's portfolio comprises already 146 properties with a total lettable area of more than 450,000 sqm.

This dynamic expansion is also reflected in the portfolio key financial data: The total market value is more than 360 mio. Euro, which represents an increase of 60% since the beginning of the year.

Rental income shows a similar development: running at a rate of more than 30 mio. Euro per year in September, the amount has doubled since 2003.



Property of the Penny-Portfolio

Total revenue for the first 9 months is already more than 20 Mio. Euro. Against the same period in 2003 revenue has increased by 12 mio. Euro or 150%. By year end the company expects a total revenue of at least 28 mio. Euro. Revenue from the latest

acquisitions will not make their full impact before 2005

Again projects have been financed by a combination of equity and debt: Since the beginning of the year the company has issued 12 mio. new shares and bonds with a nominal value of 50 mio. Euro. Total proceeds from these capital increases were 180 mio. Euro. These funds have been invested in the described acquisitions or shall be used for the purchase of further planned projects.

*November 2004
The Board of Directors*

Statement of the Board of Directors

Consolidated balance sheet at 30 September 2004

	IX. 2004		2003		IX. 2003	
	EUR '000					
Assets						
<i>Non-current assets</i>						
Land	34,850		24,847		13,113	
Buildings	206,908		166,872		77,629	
Assets in course of construction	2,065		736		721	
Furniture, equipment and motor vehicles	16,841		1,102		200	
Total property, plant and equipment		260,664		193,557		91,663
Financial investments	53,271		228		35	
Goodwill	-		8,669		-	
Other assets	-		111		8	
		313,935		202,564		91,706
<i>Current assets</i>						
Trade receivables	1,487		6,631		1,114	
Other receivables	16,476		41,484		2,220	
Prepayments	2,467		541		640	
Cash and cash equivalents	204,343		58,131		64,062	
Accrued income	1,657		-		-	
		226,430		106,787		68,036
Total assets		540,365		309,351		159,742

Equity shareholder's funds and liabilities						
<i>equity shareholder's funds</i>						
Issued share capital		120,000		65,000		35,058
Share premium		113,781		48,907		13,718
Accumulated losses		(21,146)		(6,815)		(1,360)
Currency translation		14,087		(3,620)		(6,233)
		226,722		103,472		41,183
Minority shares		-		993		-
<i>Non-current liabilities</i>						
Long term borrowings		233,352		168,155		106,201
Deferred tax liabilities		17,840		11,203		4,877
		251,192		179,358		111,078
<i>Current liabilities</i>						
Trade payables		2,092		1,224		832
Accrued expenditure		241		621		3,112
Other payables		55,210		19,059		3,038
Provisions		116		177		-
Short term borrowings		4,792		4,448		499
		62,451		25,529		7,481
Total equity shareholder's funds and liabilities		540,365		309,351		159,742

Consolidated Income statement for the period ended 30 September 2004

	I-IX. 2004		2003		I-IX. 2003	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue						
Rental Income	16,565		8,950		6,539	
Profit on sale of property, plant and equipment	483		25		-	
Reinvocables utilities	2,310		1,115		1,395	
Consultancy and other operating income	736		1,851		36	
		20,094		11,941		7,790
Expenses						
Staff costs	(516)		(540)		(316)	
Reinvocables utilities	(2,138)		(1,112)		(1,395)	
Other operating expenses	(3,433)		(2,444)		(954)	
		(6,087)		(4,096)		(2897)
Profit before interest, taxation and depreciation		14.007		7.845		5.073
Depreciation on property, plant and equipment	(5.035)		(2.539)		(1.933)	
Other depreciation and amortisation	-		(149)		-	
		(5.035)		(2.688)		(1.933)
Profit before interest and taxation		8.972		5.157		3.140
Interest income	1.790		382		36	
Interest expense	(10.559)		(5.764)		(3.372)	
Other financial income and expenses	(88)		(87)		961	
		(8.857)		(5.469)		(2.375)
Profit before taxation		115		(312)		765
Taxation charge for the period	(55)		1.025		(11)	
Profit after taxation		60		713		754

Property, plant and equipment

Since the beginning of the year, the company has acquired 17 additional retail properties with a total value of more than 100 mio. Euro. 6 properties have been acquired in the III. quarter. The largest single acquisition was a shopping centre in Russia with an investment value of 50 mio. Euro. Moreover the company has acquired in the last 3 months a portfolio of 4 discount markets in the Czech Republic and a supermarket in Poland. As at 30 september 2004 this position has a total value of more than 240 mio. Euro.

Cash & cash equivalents

Due to the corporate actions in the first 6 months the cash position has been significantly increased: In addition to the issuing of further bonds with a nominal value of 50 mio. Euro there have been 2 capital increases, whereof the company received net proceeds of nearly 130 mio. Euro. On the other side there was a use of capital due to the acquisition of the new projects. In total as at 30 September 2004 the cash position has been increased to 204 mio. Euro net (31.12.2003: 58 mio. EUR). Due to liabilities in course of further property acquisitions this amount will decrease significantly, leaving approximately 150 mio. Euro available for further investments. For projects in a total value of 70 mio. Euro the company has already signed letters of intent.

Equity shareholder's funds

Following an increase of shareholder's funds during the first 6 months of more than 125 mio. Euro due to the both capital increases, equity was nearly unchanged in the last quarter. The total amount of shareholder's funds as at 30 September 2004 is approximately 227 mio. Euro, at 31 December 2003 the position had a value of 103 mio. Euro.

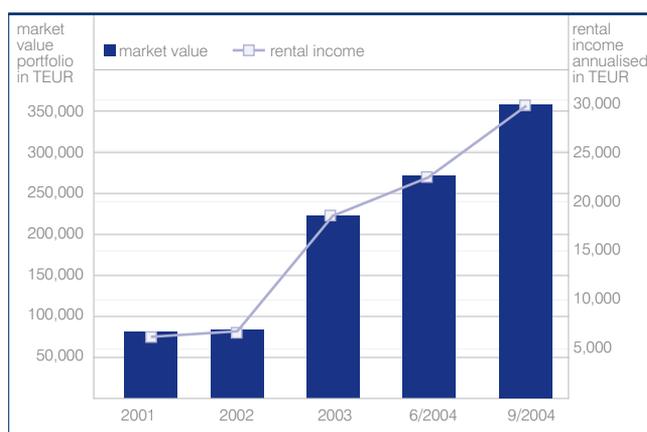
Debt Capital

The borrowed capital also increased during the reporting period, mainly due to the issuing of bonds in a total value of 50 mio. Euro in January. Moreover for some new acquired projects the company has assumed existing loans with other banks in a total value of nearly 20 mio. Euro. In total the long-term borrowings at the record date amount to 250 mio. Euro (31.12.2003: 179 Mio. Euro), and there exist short-term borrowings in a amount of 68 mio. Euro.

Revenues

After 9 months the company has already generated revenues of more than 20 mio. Euro, 70% more than in the whole of the year 2003 (11,9 mio. Euro). This increase is based on the dynamic expansion during the last 18 months: on an annualised basis, rental income per year increased by more than 20 mio. Euro up to 30 mio. Euro. Other key data show a similar development: EBITDA & EBIT are also 70% above the values in 2003.

Development portfolio and rental income



Profit

The profit (after taxes) is nearly the same as in the previous year. Compared with revenues, the main reason for the slower growth in profit is the high interest expenses of more than 10 mio. Euro, largely related to

the bonds of the company. Against this, due to the large acquisitions in the current year the company expects for the last quarter a further significant increase of revenues and as a consequence a significant increase in profits is expected.

Results



Penny/Plus Portfolio Czech Republic

In August the company acquired a portfolio of 4 Discount Markets, long-term leased to Rewe or Tengelmann. Properties generate an attractive yield of 10.5%.

All markets are newly built and have each a lettable area of 1,100 sqm. Beside the discounter there are 1 or 2 additional smaller units within the market. Total investment value is nearly 4 mio. Euro.



Minimal Market Poland

In September the company signed the contract for a new built „Minimal“ market with 2,500 sqm lettable area in Srem, a city with 30,000 inhabitants, and with this acquisition has entered the Polish market.

The Supermarket, which is long-term leased to Rewe, is located in a central position, with good transport access. Investment value for the property was 2.2 mio. Euro, yield amounts to more than 11%.



Shopping Center „Parkhouse Russia

Also in September the contract for the first Russian project was signed: a 50 mio. Euro shopping centre in Volgograd, generating a yield of more than 14%.

The centre has a total lettable area of more than 40,000 sqm. Main tenants are large Russian retail groups, which are among the market leaders in Russia. Moreover there are 80 additional units, leased by local and international tenants.

Outlook

For the ongoing year the company intends to enlarge its activities in further Eastern European countries: expansion is mainly focused on Romania and the Slovak Republic in this period. Meinl European Land has already signed letters of intent for projects in both countries. At the editorial deadline of this report, contracts for some of these projects have already been closed. Moreover the company will also expand the activities in the existing 4 countries with further acquisitions planned for the near future.

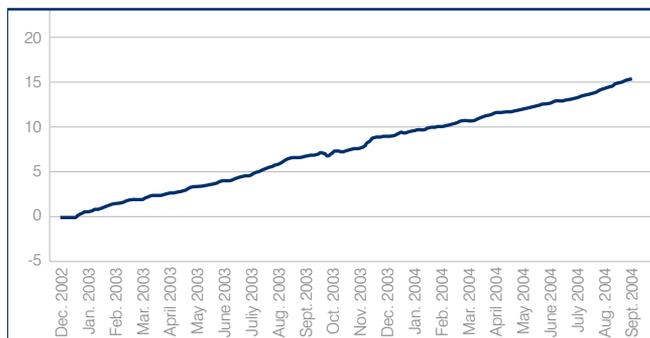
For projects with a total market value of 150 mio. Euro the company has already agreed on general conditions, and closing is expected by year-end 2004. Additionally, retail properties with a total investment value of 250 are under due diligence process, the company expects further acquisitions in spring 2005.

Meinl European Land expects to increase the size of its portfolio up to 500 mio. Euro by year-end 2004. This would exceed the increase of 2003, when the property portfolio doubled in size within one year.

Financing for this extensive investment programme entailed a further capital increase in October, which had also been completed by the editorial deadline of this report.

Case Studies Latest acquisitions

Performance as at 30 september 2004



Stock Exchange price at 30. September 2004:	EUR 12.59
Performance since IPO Nov. 2002:	15.49 %
Performance annualised:	8.05 %

The performance of Meinl European Land's share shows again a very positive development. Since the IPO in November 2002 the price has increased by more than 15%; on annualised basis the share price gained 8.05% pa. In absolute terms, the share price increased by 0.50 EUR since the beginning of the year.

The average daily trade value of the share at Vienna Stock Exchange is nearly 800,000 shares. The company is currently the second largest retail property holding company in Austria.