Interim Report
March 2006

Meinl
European
Land

Key Figures

Income	2003	2004 restated*	Q1/2005 restated*	2005	QI/2006	Change**
Revenues in EUR '000	11,941	32,362	11,870	81,532	29,757	+ 151 %
Rental income in EUR '000	8,950	25,456	10,198	60,199	21,526	+ 111 %
EBIT in EUR '000	5,157	42,789	17,505	114,326	47,853	+ 173 %
Profit before taxation in EUR '000	–312	31,177	16,467	112,029	47,264	+ 187 %
Profit after taxation in EUR '000	713	30,545	16,136	113,975	47,489	+ 194 %

Balance sheet	YE 2003	YE 2004 restated*	31.3.2005 restated*	YE 2005	31.3.2006	Change**
Total assets in EUR '000	309,351	910,544	1,838,021	3,420,789	5,321,123	+ 190 %
Fixed assets in EUR '000	193,557	561,053	494,188	1,159,060	1,169,555	+ 137 %
Cash in EUR '000	58,131	311,676	945,947	2,092,182	3,588,229	+ 279 %
Long-term liabilities in EUR '000	179,358	292,362	247,679	536,942	494,678	+ 100 %
Equity shareholders' funds in EUR '000	103,472	421,807	1,186,430	1,620,675	2,523,767	+ 113 %

Share	YE 2003	YE 2004	31.3.2005	YE 2005	31.3.2006	Change**
Market capitalisation in EUR '000	157,170	469,360	1,374,720	1,789,200	2,790,000	+ 103 %
Issued shares	13,000,001	36,000,001	96,000,001	120,000,001	180,000,001	+ 87 %
Share price in EUR	12.09	13.01	14.32	14.91	15.50	–
Net asset value per share (market value) in EUR	10.35	11.72	12.36	13.51	14.02	–
Earnings per share in EUR	0.10	1.40	0.40	1.28	0.38	–

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

** Changes within 12-months period (31.3.2005 until 31.3.2006)

Key Figures Portfolio

Total Overview	YE 2003	YE 2004	31.3.2005	YE 2005*	31.3.2006
No. of properties	132	159	161	177	179
Lettable area in sqm	337,497	598,400	609,920	856,770	866,965
Portfolio value in EUR '000	223,503	457,555	494,188	1,121,616	1,169,555
Occupancy rate	95%	97%	97%	94%	95%

* including Kazan/Russia and Riga/Latvia according progress of construction work and including 28 properties in Hungary, which are in the process of being sold. All other development projects are included in the portfolio value according the current investment but not in the number of properties or lettable area.

Regional overview as of March 31, 2006

Standing investments and assets under construction*

	Czech Republic	Hungary	Poland	Slovakia	Russia	Romania	Latvia	Turkey
No. of properties	103	56	13	2	3	1	1	–
Lettable area in sqm	358,279	146,716	159,415	42,799	130,000	8,756	21,000	–
Portfolio value in EUR '000	306,707	121,363	387,765	110,657	200,186	29,523	29,865	–
Part of whole portfolio (value)	26%	10%	35%	7%	18%	2%	2%	–

* including Kazan/Russia and Riga/Latvia according progress of construction work and including 28 properties in Hungary, which are in the process of being sold. All other development projects are included in the portfolio value according the current investment but not in the number of properties or lettable area.

Property value including committed pipeline*

	Czech Republic	Hungary	Poland	Slovakia	Russia	Romania	Latvia	Turkey
No. of properties	105	56	20	2	10	4	1	5
Portfolio value in EUR '000	330,647	121,363	696,865	110,657	834,986	36,223	34,400	528,900
Part of whole portfolio (value)	12%	5%	26%	4%	31%	1%	1%	20%

* including firm commitments to be completed over the next 2 – 3 years, estimates

Meinl European Land Limited

First quarter 2006

Revenues and rental income doubled within one year

Profit after taxation of EUR 47.5m increased up 200 %
since first quarter 2005

Portfolio value advanced to EUR 1.2bn
plus firm commitments of more than EUR 1.5bn

Share price performance of 13.7 % in one year

Dear shareholder,

Meinl European Land's dynamic growth continued in the first three months of 2006. The year-on-year improvement in all main earnings measures was impressive.

Revenues for the first three months of EUR 29.8m were more than double the comparable amount for the previous year (first quarter 2005: EUR 11.9m). The increase is chiefly attributable to higher rental income of EUR 21.6m – accounted for by properties acquired in 2005 – which was also double the level for the same period in 2005. Earnings before income and tax (EBIT) increased from EUR 17.5m in the first quarter of 2005 to EUR 47.8m in the first quarter of 2006. The improvement in post-tax earnings was even more impressive, almost tripling: it jumped from EUR 16.1m in first-quarter 2005 to EUR 47.5m in the first three months of this year.

The Company's property portfolio also continued its successful growth.

In Moscow, Meinl European Land acquired two shopping centres in the first quarter of 2006.

Both also have considerable land available for expansion. The total investment, which also includes a further two development projects for shopping centres in Moscow, will amount to about EUR 400m. Germany's Metro Group operates a Real hypermarket in each of the existing shopping centres and is already lined up as a tenant in the new development projects. These acquisitions further strengthen Meinl European Land's position as a leading international real estate investor in the Russian market. Since the acquisition was not finalised until balance sheet date, neither of the existing shopping centres is shown in the balance sheet under real estate investments, but instead disclosed under committed projects.

The Company also acquired an Interspar hypermarket in Mlada Boleslav, 60 km northeast of Prague. The project includes additional space for expansion, on which a specialist retail centre will be constructed within the next 12 months. The total investment is expected to be around EUR 30m.

This ongoing expansion of Meinl European Land's activities is also reflected in the growth of its property portfolio: at 31 March 2006 the Company held 179 properties with total lettable space of approximately 870,000 sqm. The market value of the portfolio at the end of the first quarter of 2006 amounted to about EUR 1.2bn, an increase of almost 140 % over the same period in 2005 (EUR 494m). The total property portfolio including contracted development projects amounted to more than EUR 2.6bn at 31 March 2006.

Management Report

Starting in the current financial year, Meinl European Land will begin to make quarterly valuations of its property investments. These regular valuations are intended to improve transparency for investors and to provide a more up-to-date and accurate indication of the actual value of the portfolio.

The Company used a large-scale capital increase in February 2006 to finance the newly acquired properties and to ensure adequate funding of projects under development. The issue was over-subscribed in a very short period and closed early. In all, some 60 million new shares were placed with private and institutional investors at a price of EUR 15.35. Net proceeds from the issue amounted to approximately EUR 860m.

This issue increased the number of the Company's shares listed on the Vienna Stock Exchange to 180 million. Market capitalisation at 31 March 2006 was almost EUR 2.8bn.

To provide long-term funds to finance the acquisition of further properties, Meinl European Land issued 150 million partly paid shares towards the end of February 2006. These shares are not listed and have been subscribed by institutional investors, who are obliged to pay the balance as and when it is called.

The increase in value of Meinl European Land's stock has kept pace with the Company's successful performance: the share price at 31 March 2006 stood at EUR 15.50, a year-on-year increase of more than 13 %. Since the IPO in November 2002, the share has appreciated by over 45 %. Trading in Meinl European Land's stock is also lively – an average of more than 400,000 shares changed hands each day in the first quarter of 2006, which is equivalent to a daily turnover of over EUR 6m. This makes the shares one of the most traded securities on the Vienna Stock Exchange.

The Board of Directors
June 2006

Management Report

Two shopping centres and two development projects, Moscow
Russia

Total investment:
EUR 400,000,000
(including extension and development projects)

Yield: 10 %

Lettable space: over 80,000 sqm
(following completion of development projects)

Anchor tenant: Metro (operator of "Real" hypermarket chain)

Description
A package consisting of two shopping centres southeast and north of Moscow, in each of which the anchor tenant, the German Metro Group, operates a Real hypermarket. The shopping centres also have considerable space for expansion, which has been earmarked for development in the next 12 months. The package also includes two shopping centre development projects, also in Moscow. The total investment is expected to be around EUR 400m.

Interspar hypermarket including land for expansion, Mlada Boleslav
Czech Republic

Total investment:
EUR 30,000,000
(including extension)

Yield: 9 %

Lettable space: 9,215 sqm (phase I),
approximately 15,000 sqm after expansion

Anchor tenant: Spar, with an "Interspar" hypermarket

Description
Interspar hypermarket in Mlada Boleslav, a town with a population of 40,000 situated 60 km to the north of Prague. Conditions for extending the development were agreed during contract negotiations. Construction will begin in the coming year. Agreements with the main tenants of the additional units – a specialist out-of-town retail centre with a small shopping mall – are currently being finalised.

Case Studies

Consolidated balance sheet

as of March 31, 2006

	1.1.2005 – 31.3.2005 restated		31.12.2005		1.1.2006 – 31.3.2006	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Assets						
Non-current assets						
Investment properties	474,078		990,900		1,039,208	
Investment properties under development	20,110		114,205		130,347	
Financial investments	1,376		6,521		8,885	
Goodwill	25,979		39,644		46,081	
Other assets	3,409		7,790		9,326	
		524,952		1,159,060		1,233,847
Current assets						
Properties for sale	–		16,511		16,511	
Trade receivables	3,433		7,366		5,966	
Other receivables	34,688		65,766		57,959	
Securities	327,032		77,879		415,301	
Prepayments	1,969		2,025		3,310	
Cash and cash equivalents	945,947		2,092,182		3,588,229	
		1,313,069		2,261,729		4,087,276
Total assets		**1,838,021**		**3,420,789**		**5,321,123**
Shareholders' equity and liabilities						
Shareholders' equity						
Issued share capital	480,000		600,000		901,500	
Share premium	645,327		852,666		1,411,167	
Income account	67,203		165,373		212,862	
Minority shares	990		4,343		4,343	
Currency translation	(7,090)		(1,707)		(6,105)	
		1,186,430		1,620,675		2,523,767
Non-current liabilities						
Long term borrowings	263,189		490,487		505,011	
Deferred tax liabilities	31,470		46,455		46,291	
		294,659		536,942		551,302
Current liabilities						
Trade payables	1,931		9,785		3,924	
Payables related to acquisitions	23		16,290		5,049	
Accrued expenditure	1,112		4,536		4,210	
Other payables	15,500		22,380		27,295	
Provisions	484		395		1,650	
Short-term borrowings	337,882		1,209,786		2,203,926	
		356,932		1,263,172		2,246,054
Total shareholders' equity and liabilities		**1,838,021**		**3,420,789**		**5,321,123**

Consolidated income statement

for the period from January 1, 2006 until March 31, 2006

	1.1.2005 – 31.3.2005 restated		1.1.2005 – 31.12.2005		1.1.2006 – 31.3.2006	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue						
Rental income	10,198		60,199		21,526	
Profit on sale of property, plant and equipment	2		43		20	
Reinvoiceable utilities	1,567		20,345		6,040	
Consultancy and other operating income	103		945		2,171	
		11,870		81,532		29,757
Expenses						
Staff costs	(260)		(4,046)		(2,179)	
Reinvoiceable utilities	(1,888)		(18,781)		(5,643)	
Other operating expenses	(3,263)		(30,921)		(12,500)	
		(5,411)		(53,748)		(20,322)
Valuation gains on investment property		11,085		88,443		38,678
Profit before interest, taxation and depreciation		**17,544**		**116,227**		**48,113**
Depreciation of property, plant and equipment	–		(670)		–	
Other depreciation and amortisation	(39)		(1,231)		(260)	
		(39)		(1,901)		(260)
Profit before interest and taxation		**17,505**		**114,326**		**47,853**
Interest income	3,291		20,334		11,545	
Interest expense	(4,187)		(23,573)		(10,581)	
Other financial income and expenses	(142)		942		(1,553)	
		(1,038)		(2,297)		(589)
Profit before taxation		**16,467**		**112,029**		**47,264**
Taxation charge/(credit) for the year	(331)		1,946		225	
Profit after taxation for the year		**16,136**		**113,975**		**47,489**
Basic earnings per share in EUR		0.40		1.2857		0.38

Consolidated statement of changes in equity as of March 31, 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 31 December 2005	**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	–	(62,499)	–	–	–	(62,499)
Exchange differences arising on translation of overseas operations	–	–	–	(4,398)	–	(4,398)
Change in group structure						0
Net profit for the year	–	–	47,489	–	–	47,489
Balance at 31 March 2006	**901,500**	**1,411,167**	**212,862**	**(6,105)**	**4,343**	**2,523,767**
Balance at 31 December 2004	**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	–	(55,508)	–	–	–	(55,508)
Exchange differences arising on translation of overseas operations	–	–	–	(3,304)	–	(3,304)
Change in group structure	–	–	–	–	–	–
Net profit for the year	–	–	16,136	–	–	16,136
Balance at 31 March 2005	**480,000**	**645,327**	**67,203**	**(7,090)**	**990**	**1,186,430**

Segment analysis

1.1.2006 – 31.3.2006	Czech Republic EUR '000	Hungary EUR '000	Poland * EUR '000	Slovakia EUR '000	Romania EUR '000	Russia EUR '000	Latvia EUR '000	Other ** EUR '000	Total EUR '000
Rental income	5,188	2,380	6,731	1,568	252	5,407	–	–	21,526
Profit on sale of property, plant and equipment	–	(1)	21	–	–	–	–	–	20
Reinvoiceable utilities	975	756	3,293	590	46	380	–	–	6,040
Other operating income	580	56	179	59	–	1,301	–	(4)	2,171
Total revenue	**6,743**	**3,191**	**10,224**	**2,217**	**298**	**7,088**	–	**(4)**	**29,757**
Profit/(loss) before taxation	(10,035)	7,068	1,746	33,240	5,015	2,222	(24)	8,032	47,264

1.1.2005 – 31.3.2005	Czech Republic EUR '000	Hungary EUR '000	Poland * EUR '000	Slovakia EUR '000	Romania EUR '000	Russia EUR '000	Latvia EUR '000	Other ** EUR '000	Total EUR '000
Rental income	5,284	1,797	62	1,107	364	1,584	–	–	10,198
Profit on sale of property, plant and equipment	1	1	–	–	–	–	–	–	2
Reinvoiceable utilities	584	268	–	369	72	274	–	–	1,567
Other operating income	88	3	1	8	1	–	–	2	103
Total revenue	**5,957**	**2,069**	**63**	**1,484**	**437**	**1,858**	**–**	**2**	**11,870**
Profit/(loss) before taxation	4,251	(222)	1,631	5,720	710	602	–	3,775	16,467

* including Danish holding companies

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

Significant accounting policies

The interim financial statements as of 31.3.2006 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 March 2005 Interim Financial Statements. Major changes in balance sheet caused by the restatement of March 2005 relate to: investment property (increase approx. TEUR 73,410), assets under construction (increase approx. TEUR 1,515) and deferred tax (increase approx. TEUR 8,592). Restatements in income statement have mainly influenced valuation gains on investment property (increase approx. TEUR 11,085), depreciation of property plant and equipment (decrease approx. TEUR 2,373) and taxation charge (increase approx. TEUR 256).

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 31 March 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 31 March 2005, 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 Czech company 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.

In the first 3 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 QI/2006 EUR ‘000
Magnum CZ Bytový Park, s.r.o.	Czech Republic	100%	994	908	191	1
Magnum CZ Bytový Park, s.r.o.	Czech Republic	100%	9,836	6,808	199	417
Magnum CZ Bytový Park, s.r.o.	Czech Republic	100%	3,877	2,620	6,637	65

By acquisition of the three above mentioned companies, two properties in Mladá Boleslav, Czech Republic (Interspar as anchor tenant in hypermarket) with area for further expansion were acquired.

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.

At the end of February 2006, the Company issued 150,000,000 partly paid shares of EUR 0.01 each.

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 will be repayable at the end of April 2006.

During the first quarter 2006, additional bonds with principal amount of EUR 6,150,000 and CZK 120,000,000 (TEUR 4,197) were placed. These bonds are issued under the Medium Term Notes Program of July 2005.

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.

Outlook

Meinl European Land intends to continue with the policy of dynamic growth pursued during the last two years.

Meinl European Land expects to increase revenues in 2006 significantly, in light of the higher rental income in the second half of 2005 and the new properties acquired in 2006. It is also confident of increasing the value of its portfolio in its Eastern European growth markets, and hence expects its results in 2006 to surpass its excellent results for 2005.

Even without further acquisitions, the property portfolio will rise to over EUR 2.6bn once contracted development projects are completed: the majority of these developments are scheduled for completion by 2008. This valuation includes development projects at cost, and potential appreciation has been left out of account. Further significant increases in earnings can be expected as a result of these development projects alone.

This is by no means the end of Meinl European Land's expansion: in the second quarter of 2006, it took its first steps into Ukraine, concluding a cooperation agreement with a developer, as part of its strategy of adding new countries to its investment portfolio.

This agreement will form the basis for projects in Ukraine and the development of shopping centres and specialist retail parks in Romania and Turkey, and possibly Bulgaria as well.

Ukraine and Turkey, together with Russia, will be the key investment markets of the future. There is still scope for expansion in Poland in coming years, thanks to its favorable demographic structure, whereas in mature markets such as the Czech Republic and Hungary there is only a limited number of potentially attractive acquisitions.

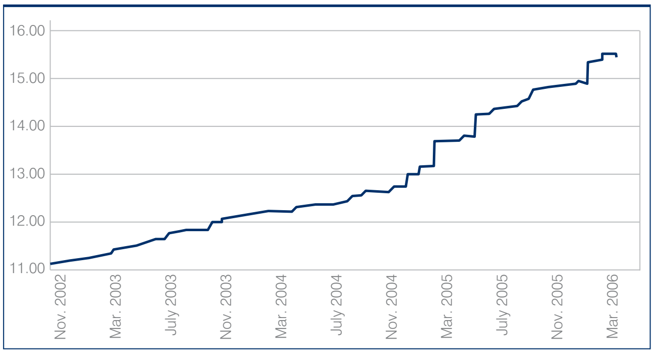
Meinl European Land's project pipeline currently contains property projects to the value of about EUR 2bn. Depending on the rate of progress, the Company expects to complete a number of these within the coming months.

Meinl European Land is aiming to expand its property portfolio to around EUR 7bn in the medium term. This ambitious target is eminently achievable, thanks to the Company's reputation, its long-term associations with a number of renowned developers, its ever growing project pipeline and not least the wealth of experience of its management and staff.

Outlook

Stock price

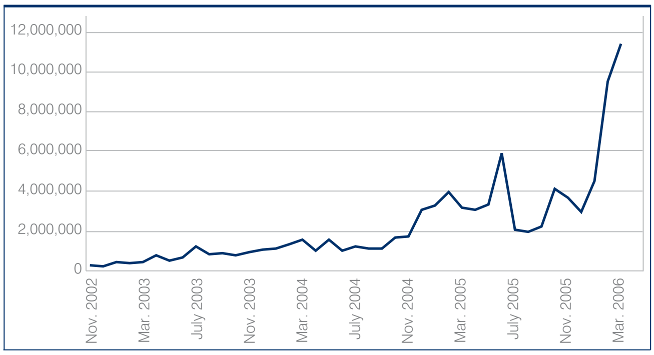
EUR



Price as at 31 March 2006:	EUR 15.50
Increase in value since first listing (November 2002):	43.85 %
Increase in value in last 12 months:	13.65 %

Stock turnover*

EUR/month



Total volume traded Q1 2006:	25.7 million shares
Average volume traded per day Q1 2006:	more than 400,000 shares
Average daily turnover Q1 2006:	EUR 6.1 million

* Orderbook statistics

Meinl European Land stock continued to perform excellently: the price increased by EUR 0.50 in the first quarter of 2006. Adjusting for subscription rights in connection with the capital increase in February, this represented a year-on-year increase of 13.7 %. Based on the fourfold increase in profit per share in the first quarter of 2006, the price/earnings ratio at 31 March 2006 was 10.2.

Trading volumes in Meinl European Land stock have once again risen considerably since the start of the year, thanks to increasing interest on the part of European institutional investors. With average daily trades of more than 400,000 shares for the first quarter of 2006 and a turnover of EUR 6.1 million per day, Meinl European Land is one of the most heavily traded shares on the Vienna Stock Exchange.

Stock Performance

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