

**26 August 2009**

## **PLAZA CENTERS N.V.**

### **HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009**

#### **Plaza reports a strong financial position and good operational progress**

Plaza Centers N.V. ("Plaza" / "Company" / "Group"), a leading emerging markets property developer, today announces its half year results for the six months ended 30 June 2009.

#### **Financial highlights:**

- Total assets of €1.01 billion (31 December 2008: €959 million)
- Gross revenues and net gains from sale and operation of real estate assets of €7.7 million (30 June 2008: €80 million). No disposals were made during the reporting period
- Net loss of €28.4 million (30 June 2008: profit of €44.5 million) owing mainly to the fair value changes of issued debentures (improvement in the quoted price of the debentures causes an unrealised accounting loss of c. €30 million)
- Basic and diluted Loss Per Share of €0.10 (30 June 2008: Earnings per share of €0.15)
- As at 30 June 2009 cash position of €138 million (31 December 2008: €187 million) and working capital of €711 million (31 December 2008: €698 million); current cash position of €140 million
- Share buyback programme successfully completed with Plaza acquiring 14.5 million shares at an average price of £0.53. Elbit Imaging Ltd. ("Elbit"), Plaza's ultimate parent company also purchased circa 4.79 million shares, bringing its effective shareholding to 73.69%
- Plaza awarded a rating of "A2/Stable" by Midroog Ltd., the Israeli Credit Rating Agency which is an affiliate of Moody's Investors Service, for the raising of new debt instruments to a value of up to NIS 150 million (circa €27 million). NIS 52 million of unsecured Series B Notes was subsequently issued after the period end in August 2009
- Gearing position remains stable with minor debt comprising 58% of total equity (31 Dec 2008: 47%), with most debt maturing between 2011 and 2017.

#### **Operational highlights:**

- Acquisition of a 51% stake (with an option to increase to up to 75%) from a local developer in a new 75,000 sqm GBA of retail and office development in Sofia, Bulgaria, for a total consideration of €7.14 million
- Purchase by Plaza and its joint venture partner MKB Bank of an additional 27% interest in the Dream Island project in Budapest from CP Holdings Ltd. for a consideration of €21.4 million, incorporating a cash payment and the assumption of debt. Plaza and MKB, as a 50:50 joint venture, now hold an 87% interest in the project
- Completion and opening in March of Liberec Plaza shopping centre in the Czech Republic and Riga Plaza in Latvia
- Construction commenced on two developments in Suwalki and Zgorzelec, in Poland with the completion of both schemes anticipated to occur in H1 2010. The developments will comprise 20,000 sqm and 13,000 sqm of GLA, respectively
- Ongoing progress across Plaza's four other development projects under construction at Casa Radio and Miercurea Ciuc in Romania, Dream Island in Hungary and Koregaon Park in India
- Agreement, since the period end, of development finance totalling USD 45 million to fund 50% of the total project costs of Plaza's Koregaon Park project in Pune, India

- Company in advanced discussions with potential co-investment partners to create a vehicle to acquire yielding shopping and entertainment centres in the United States. It is anticipated that Plaza and Elbit will together take substantial stakes in this vehicle, which – post-leverage – could target an asset base of up to USD 1 billion based on their current evaluation of market opportunities and investor appetite.

**Commenting on the results, Ran Shtarkman, President and Chief Executive Officer of Plaza Centers N.V, said:**

“Despite the ongoing challenging market conditions, we have continued to make good operational progress, especially on the construction of our six active development projects, as well as opening two shopping centres over the period.

“Whilst we anticipate that there may be some stabilisation in outward yield shift over the coming months, we believe that retailers will continue to be cautious in their approach until consumer confidence is fully restored. As a result of this, we will continue to position our development pipeline depending on our assessment of the most likely retail tenant requirements in each particular region. We strongly believe that our depth of experience, our specialist knowledge of the retail sector and the strength of the relationships that we maintain with both local and international retailers means that Plaza’s assets will remain the destination of choice for retailers.

“We continue to examine opportunities to acquire projects across our target regions as well as examining other future acquisitions, including operational shopping centres that are generating income and which we believe will offer the opportunity for us to enhance both their capital value and future income streams.

“We therefore continue to be cautiously optimistic about the future prospects of the Company.”

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**Notes to Editors**

Plaza Centers N.V. ([www.plazacenters.com](http://www.plazacenters.com)) is a leading emerging markets developer of shopping and entertainment centers, focusing on constructing new centers and, where there is significant redevelopment potential, redeveloping existing centers, in both capital cities and important regional centers. The Company is an indirect subsidiary of Elbit Imaging Ltd. (“EI”), an Israeli public company whose shares are traded on both the Tel Aviv Stock Exchange in Israel and the NASDAQ Global Market in the United States.

Plaza Centers N.V. is a member of the Europe Israel Group of companies which is controlled by its founder, Mr. Mordechai Zisser. It has been present in real estate development in emerging markets for over 13 years.

## **CHIEF EXECUTIVE'S STATEMENT**

We are pleased to report good operational progress across the Company in the six months ended 30 June 2009 and in the second half of the year to date.

### **Key Events**

The Company invested a total of approximately €61 million in the acquisition of new projects and the ongoing development of existing assets during the first six months of 2009. In addition, Plaza and its joint venture partner MKB Bank acquired a 27% interest in Dream Island from CP Holdings Ltd, a company controlled by Sir Bernard Schreier, for a consideration of €21.4 million, incorporating a cash payment of €12 million and the rest by assumption of debt. Plaza and MKB, as a 50:50 joint venture, now hold an 87% interest in the project.

We acquired from a local developer a 51% stake (with an option to increase to up to 75%) in a new development comprising 75,000 sqm of GBA of retail, entertainment and office space in Sofia, Bulgaria, for a total consideration of €7.14 million, of which €2.78 million was paid in cash and the rest by assumption of debt.

The above mentioned transactions reflect Plaza's ability to take advantage of opportunities in the current market by making attractive strategic investments with only a limited equity commitment.

We also completed and opened to the public Liberec Plaza shopping centre in the Czech Republic on 26 March 2009 and Riga Plaza in Latvia on 31 March 2009 with both assets completed within their construction budget.

Plaza continued to make good progress in the construction of its six active development projects at Casa Radio and Miercurea Ciuc in Romania, Dream Island in Hungary, Suwalki and Zgorzelec in Poland, and Koregaon Park in India. All projects benefit from being located in areas with high market demand and/or with favourable financing opportunities.

Since the period end, Plaza has agreed financing for 50% of its Koregaon Park development project in Pune, India (Total financing of INR 220 Crores, circa USD 45 million).

### **Results**

We ended the first six months of 2009 with gross revenues of €7.7 million and a net loss of €28.4 million, resulting mainly from unrealised losses from finance activities (revaluation of our issued debentures, circa €30 million), operational costs as well as write downs of real estate inventories totalling €5.3 million.

Following our strategic decision to scale back on project starts, we focused our investment on our existing assets under construction as well as acquiring selected opportunities for future development. Our total investment in real estate inventories under construction ("trading properties") increased to €682 million and we expect to generate significant revenues out of these inventories from 2011 onwards.

With cash (including restricted deposits and marketable securities) of approximately €138 million at the period end (and circa €140 million as at today's date), Plaza remains well positioned to make opportunistic acquisitions to ensure it has a development pipeline with strong potential and thereby

create value for its shareholders. In addition, the strength of the Company's balance sheet means that it continues to be able to successfully negotiate debt facilities for its existing development programme as well as for the acquisition of new projects. This was evidenced during the period by a \$45 million financing agreement for Koregaon Park in India.

## **NAV**

As mentioned in the Company's Prospectus on admission to trading on the London Stock Exchange, the property portfolio is revalued at the end of every financial year and, therefore, in line with previous half yearly results, no update on NAV is provided at the half year. There would be considerable expense associated with conducting a portfolio valuation on a more regular basis and six-monthly valuation movements on such large-scale projects being developed over a number of years do not provide meaningful insight into the Company's underlying performance.

## **Strategy**

The Company has an unrivalled level of experience across Central and Eastern Europe ("CEE"), having been active in the region since 1996, when it pioneered and opened the first western-style shopping and entertainment centre in Hungary and began to implement its vision of offering western-style shopping and entertainment facilities to a growing middle class and an increasingly affluent consumer base.

Given the impact of the global financial crisis in our areas of operation, Plaza took the strategic decision at the end of 2008 to scale back on project starts and focus its resources on the development of eight projects that were already in the construction stage (Casa Radio and Miercurea Ciuc in Romania, Dream Island in Hungary, Liberec in Czech Republic, Koregaon Park in India, Riga in Latvia and Suwalki and Zgorzelec in Poland). Since then, Liberec and Riga have been completed and opened to the public in late March 2009 and good progress has been made at the remaining six sites. Most of Plaza's other development projects are either in the design phase or awaiting permitting and the commencement of these projects will depend on the availability of external financing.

Once developments are completed, given the financial strength of the Company, Plaza does not have to execute forced sales of projects in a market with depressed values and limited availability of debt for potential purchasers. Plaza is therefore able to hold completed developments as investment assets and use its extensive experience of managing shopping centres (as was done between 1996 and 2004) to retain assets until there is considerable improvement in the investment market.

Despite the challenging market conditions that have evolved since the Company's IPO in 2006, the principles of Plaza's strategy set out in the Company's Admission Document remains unchanged, namely to:

- develop modern western-style shopping and entertainment centres in the capital and regional cities of selected countries, primarily in CEE (focusing on the medium term on Poland, Romania, Serbia and Bulgaria) and mixed use developments in India, Ukraine and Russia for the medium and long term;
- acquire operating shopping centres that show significant redevelopment potential (either as individual assets or as portfolios) for refurbishment and subsequent re-sale;
- pre-sell, where prevailing market and economic conditions are favourable, the centres prior to, or after, commencement of construction or redevelopment; and

- where the opportunity exists in CEE and India, extend its developments beyond shopping and entertainment centres by leveraging its strengths and drawing upon the experience and skills of the Company's executive management team and the Europe Israel Group to participate in residential, hotel, offices and other development schemes where such developments form part of integrated large scale business and leisure developments. Examples include:
  - Dream Island, with 350,000 sqm of Gross Built Area ("GBA") which will be developed as a major hotel, recreation facilities, casino, retail spaces and a business and leisure complex. This development is in a prime location in the middle of Continental Europe, which over 350 million people can access within two hours flying time.
  - The three development projects in India within the signed JV with Elbit, which include extensive residential projects, offices, retail space, hotels and other infrastructure elements.

As demonstrated by the Joint Venture signed in 2008 with Elbit, Plaza is able to leverage its emerging markets expertise to expand beyond CEE and is involved in several projects in India, a market which it believes has a number of attractive characteristics which are appealing to Plaza. The significant economic growth the country experienced since 2000, combined with its relative resilience over the last two years and a retail industry that remains underdeveloped, offers significant opportunity for the Company. Plaza feels that it is especially well placed to capitalize on this given the Group's experience in emerging markets with similar complex legal and regulatory environments to India.

In addition, the Group continues to examine other regions in CEE and in the United States that meet the Group's development and investment criteria with a view to identifying further opportunities across the retail sector. We look forward to building upon our proven and successful business model to expand the Company's business activities into these new regions in order to deliver growth and value for our shareholders.

## Portfolio progress

The Company currently has 36 assets and projects under development, located across the Central and Eastern European region and in India. The location of the assets under development, operating assets, as well as office buildings, is summarised as follows:

Location	Number of assets		
	Operating shopping centres	Under development	Offices
Romania		7	1
India		6	
Poland		6	
Czech Republic	1	3	1
Hungary		3	1
Serbia		3	
Bulgaria		2	
Greece		1	
Latvia	1		
<b>Total</b>	<b>2</b>	<b>31</b>	<b>3</b>

The Company has invested a total of €61 million in acquisitions and investments during the year to date. In addition, Plaza has undertaken a number of transactions including agreeing financing for 50% of the total project costs of Koregaon, Park India.

The Company's current assets and projects are summarised in the table below:

<b>Asset/Project</b>	<b>Location</b>	<b>Nature of asset</b>	<b>Size sqm (GLA)</b>	<b>Plaza's effective ownership %</b>	<b>Status</b>
Arena Plaza Extension	Budapest, Hungary	Office scheme	40,000	100	Under planning Construction will commence in late 2010 - 2011; completion scheduled for 2012
Dream Island (Obuda)	Budapest, Hungary	Major business and leisure resort	350,000 (GBA) (for rent and sale)	43.5	Initial excavation works commenced, completion scheduled for 2012-2014. Exclusive casino licence obtained
Uj Udvar	Budapest, Hungary	Retail and entertainment scheme	16,000	35	Operating, currently working up refurbishment plans
David House	Budapest, Hungary	Headquarters/Office	2,000	100	Operational office
Suwalki Plaza	Suwalki, Poland	Retail and entertainment scheme	20,000	100	Construction commenced in 2009; completion scheduled for H1 2010
Lodz	Lodz, Poland	Residential scheme	80,000 (GBA)	100	Under planning
Zgorzelec Plaza	Zgorzelec, Poland	Retail and entertainment scheme	13,000	100	Construction commenced in 2009; completion scheduled for H1 2010
Torun Plaza	Torun, Poland	Retail and entertainment scheme	44,000	100	Construction will commence in late 2009; completion scheduled for 2011

Kielce Plaza	Kielce, Poland	Retail and entertainment scheme	33,000	100	Construction will commence in late 2010; completion scheduled for 2012
Leszno Plaza	Leszno, Poland	Retail and entertainment scheme	16,000	100	Construction will commence in 2011; completion scheduled for 2012
Prague 3	Prague, Czech Rep.	Office, for future residential use	61,600 (residential for sale)	100	Currently operational as an office building, re- zoning for future residential use is in progress
Opava Plaza	Opava, Czech Rep.	Retail and entertainment scheme	13,000	100	Construction will commence in 2011; completion scheduled for 2012
Liberec Plaza	Liberec, Czech Rep.	Retail and entertainment scheme	17,000	100	Operating; opened on 26 March 2009
Roztoky	Prague, Czech Rep.	Residential units	14,000	100	Construction will commence in 2012; completion scheduled for 2013
Casa Radio	Bucharest, Romania	Mixed-use retail and leisure plus office scheme	600,000 (GBA) (including parking)	75	Construction commenced in 2007; completion scheduled for 2013
Timisoara Plaza	Timisoara, Romania	Retail and entertainment scheme	43,000	100	Construction will commence in 2010; completion scheduled for 2012
Miercurea Ciuc Plaza	Miercurea Ciuc, Romania	Retail and entertainment scheme	14,000	100	Construction commenced in late 2008; completion scheduled for 2010
Iasi Plaza	Iasi, Romania	Retail, entertainment and office scheme	62,000	100	Construction will commence in 2010; completion scheduled for

					2012
Slatina Plaza	Slatina, Romania	Retail, entertainment and residential	17,000	100	Construction will commence in 2010; completion scheduled for 2011
Hunedoara Plaza	Hunedoara, Romania	Retail and entertainment scheme	13,000	100	Construction will commence in 2010; completion scheduled for 2011
Targu Mures Plaza	Targu Mures, Romania	Retail and entertainment scheme	30,000	100	Construction will commence in 2010; completion scheduled for 2012
Palazzo Ducale	Bucharest, Romania	Office	700	100	Operational
Belgrade Plaza	Belgrade, Serbia	Hotel and business center with a shopping gallery	70,000 (GBA)	100	Construction will commence in 2011; completion scheduled for 2013
Sport Star Plaza	Belgrade, Serbia	Retail and entertainment scheme	45,000	100	Construction will commence in 2010; completion scheduled for 2012
Kragujevac Plaza	Kragujevac, Serbia	Retail and entertainment scheme	24,500	100	Preliminary construction commenced in late 2008; completion scheduled for 2011
Shumen Plaza	Shumen, Bulgaria	Retail and entertainment scheme	20,000	100	Construction will commence in 2010; completion scheduled for 2011
Sofia Plaza Business Center	Sofia, Bulgaria	Retail, entertainment and office scheme	44,000	51	Construction will commence in 2010; completion scheduled for 2012
Riga Plaza	Riga, Latvia	Retail and entertainment scheme	49,000	50	Operating; opened in March 2009



Helios Plaza	Athens, Greece	Retail and entertainment scheme	26,000	100	Construction will commence in 2010; completion scheduled for 2012
Koregaon Park	Pune, India	Retail, entertainment and office scheme	111,000 (GBA)	100	Construction commenced in late 2007; expected completion in 2011
Kharadi	Pune, India	Retail, entertainment, and office scheme	205,000 (GBA)	50	Construction will commence in 2010; expected completion in 2012
Trivandrum	Trivandrum, India	Retail, entertainment, office and apart-hotel scheme	195,000 (GBA)	50	Under planning
Bangalore	Bangalore, India	Mixed-use residential, offices, retail, hotel, hospital and other infrastructure	2,100,000 (GBA)	23.75	Under planning; Construction will commence in late 2010; completion scheduled for 2012-2017
Chennai	Chennai, India	Mixed-use residential, commercial, office and retail	1,100,000 (GBA)	38	Under planning Construction will commence in 2010; completion scheduled for 2012-2015
Kochi Island	Kochi, India	Mixed-use residential, science park, retail, hospitality, infrastructure and marina	575,000 (GBA)	23.75	Under planning

Details of these activities by country are as follows:

#### *Hungary*

Plaza continues to work on the extension to Arena Plaza, where construction is planned to commence in 2010 - 2011. The extension will comprise an office complex with 40,000 sqm of GLA.

In addition, in March 2009, Plaza and MKB Bank (a leading Hungarian commercial bank which is a subsidiary of the German Bayerische Landesbank) purchased a 27% interest in Dream Island from CP Holdings Ltd (a company controlled by Sir Bernard Schreier) for a consideration of €21.4 million, incorporating a cash payment and the assumption of debt. Plaza and MKB, as a 50:50 joint venture, now hold an 87% interest in the project. Dream Island is a prestigious development on the Obuda Island in central Budapest, with a land area of 320,000 sqm, which is intended to be developed as a major resort with a development budget of circa €1.5 billion and 350,000 sqm of GBA, including hotels, recreation facilities, a casino and a business and leisure complex. Preliminary design and

excavation works are already underway. Last year, the consortium formed by the owners of Dream Island project won a concession licence for the 20 year operation of a large scale casino (the first one in Budapest) with an option to extend for an additional 10 years.

In accordance with its strategy to acquire operating shopping centres that show significant redevelopment potential for refurbishment and subsequent sale, in September 2007, the Company bought a 35% stake in the Uj Udvar shopping centre in Budapest, Hungary. The shopping centre is currently operational and the shareholders are working on a new design to be implemented and thereby enhance value. The new zoning permit was awarded to the project during the period.

The Group continues to own its office building in Budapest, David House on Andrassy Boulevard.

#### *Poland*

During the reporting period, Plaza started the construction of two developments in Suwalki (comprising approximately 20,000 sqm of GLA) and in Zgorzelec (comprising approximately 13,000 sqm of GLA) and continued the feasibility and planning of four development schemes in Lodz (designated for residential use), in Torun (comprising approximately 44,000 sqm of GLA), in Kielce (comprising approximately 33,000 sqm of GLA) and in Leszno (comprising approximately 16,000 sqm of GLA).

#### *Czech Republic*

Construction of Liberec Plaza shopping and entertainment centre (approximately 17,000 sqm GLA) was completed in the first quarter of 2009 and the centre was opened to the public on 31 March, 2009.

During the first half of 2009, Plaza continued the feasibility and planning of its development schemes in Opava (comprising approximately 13,000 sqm of GLA) and in Roztoky (comprising approximately 14,000 sqm for residential use).

The Company continues to own an income yielding office and warehouse building in Prague which is designated to be re-zoned for a residential scheme of 61,600 sqm.

#### *Romania*

Plaza continues to make good progress in the construction of Casa Radio (Dambovita) on the largest development plot available in central Bucharest. The scheme will comprise approximately 600,000 sqm of GBA, including a 170,000 sqm shopping mall and leisure centre (one of the largest in Europe), a ferris wheel, offices, hotel, casino, hypermarket a convention and conference hall and parking. Completion is expected in 2013.

In the first half of this year Plaza continued with the construction of its development in Miercurea Ciuc and the completion is expected in 2010. The Group also continued the feasibility and planning of its development schemes in Iasi (comprising approximately 62,000 sqm of GLA), Timisoara (comprising approximately 43,000 sqm of GLA), Slatina (comprising approximately 17,000 sqm of GLA), Targu Mures (comprising approximately 30,000 sqm of GLA) and in Hunedora (comprising approximately 13,000 sqm of GLA).

In addition, Plaza owns a 50.1% stake in the Plaza-BAS joint venture. Currently the joint company holds stakes of seven projects in Bucharest, Brasov and Ploiest:

	<b>Fountain Park</b>	<b>Acacia Park</b>	<b>Primavera Tower</b>	<b>Green Land</b>	<b>Poiana Brasov</b>	<b>Primavera Tower</b>	<b>Pinetree Glade</b>	<b>Total</b>
<b>Location</b>	Bucharest	Ploiest	Ploiest	Ploiest	Brasov	Brasov	Brasov	-
Plaza-Bas Share	25%	50%	50%	50%	50%	50%	50%	-
Nature	Residential	Residential	Offices	Residential	Residential	Offices	Residential	-
Size (sqm)	18,000	32,000	10,000	37,000	140,000	12,000	50,000	299,000

Plaza continues to own the Palazzo Ducale building, a French style villa converted into an office building, in the centre of Bucharest.

#### *Latvia*

During the first quarter of this year, Plaza completed the development of Riga Plaza, a two floor shopping and entertainment centre with a GLA of approximately 49,000 sqm. The centre was opened to the public in March 2009.

#### *Serbia*

Plaza holds three plots in Serbia. The first of these is a state-owned plot and building in Belgrade, which Plaza secured in a competitive tender. The building was formerly occupied by the federal ministry of internal affairs in the former Yugoslavia, and is located in the centre of Belgrade in a neighbourhood of government offices and foreign embassies. On completion, Belgrade Plaza, will comprise a hotel, offices and shopping gallery totalling circa 70,000 sqm of GBA.

Plaza is developing a new shopping and entertainment centre, Sport Star Plaza, with a total GLA of approximately 45,000 sqm in Belgrade.

An additional development in Serbia is located in Kragujevac, a city of 180,000 inhabitants. The planned shopping and entertainment centre will comprise approximately 24,500 sqm GLA with expected completion in 2011.

#### *Greece*

Plaza owns a 15,000 sqm plot of land centrally located in Piraeus Avenue, Athens. Plaza is currently working on securing building permits for the construction of a shopping centre totalling approximately 26,000 sqm of GLA.

#### *Bulgaria*

The Group owns a 20,000 sqm plot of land in Shumen, the largest city in Shumen County, which it intends to develop into a new shopping and entertainment centre with a total GLA of 20,000 sqm. The Company is currently finalising the design, and construction is expected to commence in 2010.

In February 2009, the Group acquired a 51% stake in a 44,000 sqm project in Sofia, Bulgaria for the development of a retail, entertainment and office complex. The design phase of the project is already underway and completion is expected in 2012. In addition, the Group retains the right to acquire a further 24% stake in the project six months following the start of construction, with the potential consideration to be based on the current value of the project.

#### *Russia and Ukraine*

During 2008, new country directors and teams were appointed to these countries to focus on possible investments and to gain deeper understanding of the local market. To date no acquisitions have been finalised.

## *India*

Plaza has identified strong potential in emerging India. Its Koregaon park development (approximately 111,000 sqm) in the city of Pune is already under construction and completion is expected in 2011. In November 2008 the Group bought the remaining 50% interest in the Koregaon park development from its joint venture partner. Following the period end, the Company managed to agree a 50% bank financing for the project totalling circa USD 45 million.

The construction of its second development in Pune, in the Khardadi area, is expected to commence in 2010 and on completion, which is expected in 2012, the centre will comprise approximately 205,000 sqm of retail and office space.

The Group's third development in India is located in the city of Trivandrum, the capital of the state of Kerala. It intends to develop a 195,000 sqm shopping and entertainment centre together with office accommodation and serviced apartments.

Further expanding its presence in India, during 2008, Plaza signed a USD 3.4 billion (of which the joint venture is responsible for circa USD 1.9 billion) joint venture with Elbit Imaging to develop three mega mixed-use projects, located in the cities of Bangalore, Chennai and Kochi. Under this agreement Plaza acquired a 47.5% stake in Elbit India Real Estate Holding Limited, which owns stakes of between 50% and 80% in three mixed-use projects in India, in conjunction with local Indian partners. The JV's voting rights are split 50:50 between Elbit and Plaza. Plaza paid an initial USD 126 million (circa €85 million), reflecting the share of the land purchase and related expenses. The acquisition of the locations is done in parts, with an approximate end cost of US\$410 million for the three locations (the JV's share).

These three projects are as follows:

Bangalore - This mixed-use project, 50% owned by the JV and 50% owned by a prominent local developer, is located on the eastern side of Bangalore, India's fifth largest city with a population of over seven million people. With a total built area of over 2.1 million sqm, it will comprise luxury residential units (villas and multi-level), office complexes, a major retail facility, hotel complex, serviced apartments, hospital, club houses retirement homes and ancillary amenity facilities.

Chennai - A mixed-use development, 80% owned by the JV and 20% owned by a prominent local developer, will be developed into an integrated mixed-use project consisting of high quality residential units (in both high-rise buildings and villas), ancillary amenities such as club houses, swimming pools and sports facilities, a local retail facility and an office complex, with a total built area of 1.1 million sqm. Chennai is India's fourth largest city with a population of over 10 million people.

Kochi Island - A 50:50 partnership with a prominent local developer, this mixed-use project will comprise over 575,000 sqm of high-end residential apartment buildings, office complexes, a hotel and serviced apartments complex, retail area and a marina. It is located on a backwater island adjacent to the administrative, commercial and retail hub of the city of Kochi, in the state of Kerala, with a local population of more than three million people.

All three projects are in the planning and design stages, and construction is expected to start in late 2010-2011. The commercial elements are expected to be completed within three to five years while the residential elements will be completed in phases over an average term of five years.

The JV will also look for further development opportunities for large scale mixed-use projects in India, predominantly led by either residential, office or hotel schemes. In addition, Plaza will continue to develop, manage and look for new opportunities for shopping centre led projects in India independently of the JV.

It is noted that under the terms of an agreement with Elbit, Mr. Abraham Goren, Elbit Imaging's Vice Chairman, is entitled to shares representing up to 5% of the JV. Following the full allotment of these shares, the shareholdings in the JV company are as follows: 47.5% Plaza, 47.5% Elbit and 5% Mr Goren.

#### *Other territories*

As previously reported, as well as the acquisition of development projects, Plaza is also seeking to acquire high yielding mature assets in other territories, such as the United States, where clear and sometimes exceptional opportunities may arise to enhance capital and income.

Plaza believes that there is a rare window of opportunity in the United States, created by recent economic and market conditions. With its 13 years of experience in developing and managing shopping and entertainment centres in the CEE, Plaza is well placed to take full advantage of this.

Historically, the Group has developed shopping and entertainment centres in the CEE, yielding 12%-15% on investment, but this takes into account the development risk and having to acquire the land, as well as undertaking the design, planning, permitting, construction, marketing and leasing.

Today's U.S. real estate market presents the Group with the opportunity to avoid the development risk and acquire malls already yielding 9%-11%, enjoy instant cash flows from the rents, with the aim to exit and sell in two to three years when the market picks up at yields of 7%-8%, resulting in substantial expected capital gains.

The Group will target net IRR returns of 20% and above, and will focus on dominant malls displaying commercial stability in their area, located in large metropolitan cities, superior tenant mix and composition and limited competition.

The Group is in advanced discussions with potential co-investment partners to create a vehicle to acquire yielding shopping and entertainment centres in the United States. It is anticipated that Plaza and Elbit will together take substantial stakes in this vehicle, which – post-leverage – could target an asset base of up to USD 1 billion based on their current evaluation of market opportunities and investor appetite.

#### **Dividend Policy**

The basis of the Company's stated dividend policy at the time of its IPO was to reflect the long-term earnings and cash flow potential of the Group, taking into account its capital requirements, while at the same time maintaining an appropriate level of dividend cover.

Given ongoing market conditions, the Board took the prudent step not to recommend the payment of a dividend for the year ended 31 December 2008, in order to preserve capital liquidity within the Company.

The Board will continue to monitor overall market conditions, ongoing committed capital requirements of the Company, as well as expected future cash flow, before considering any future dividend payments.

## **Prospects**

The Group continues to examine opportunities to acquire projects across its target regions as well as examining other future acquisitions, including operational income generating shopping centres which we believe will offer the opportunity for us to enhance both their capital value and future income streams

Whilst we believe that there may be some stabilisation in outward yield shift over the coming months, we believe that retailers will continue to be cautious in their approach until consumer confidence is fully restored.

As a result of this, we will continue to position our development pipeline depending on our assessment of the most likely retail tenant requirements in each particular region. We strongly believe that our depth of experience, our specialist knowledge of the retail sector and the strength of the relationships that we maintain with both local and international retailers means that Plaza's assets will remain the destination of choice for retailers.

Notwithstanding the ongoing uncertainty in the retail environment, the market re-pricing and the global slowdown creates many opportunities for a well-financed business such as Plaza to acquire assets and portfolios at attractive values. Yields have moved out to such an extent that, in some regions, as previously outlined, we are actively looking at acquisitions of income producing, mature assets. Plaza will be able to use its extensive experience of managing these operating assets to add value and enhance income on any investment asset under its control.

What is also encouraging for the Company is that, despite the problems in the global credit markets, we continue to successfully negotiate project finance with our lending banks who seek to lend to quality developers with a strong track record and stable balance sheets.

We therefore continue to be cautiously optimistic about the future prospects of the Company.

**Ran Shtarkman**  
**President and CEO**  
**26 August 2009**

## **FINANCIAL REVIEW**

### **Results**

As Plaza focuses its business more on the development and sale of shopping and entertainment centres, the Group is classifying its current projects under development as trading properties rather than investment properties. Accordingly, revenues from the sale of trading properties are presented at gross amounts.

Revenues for the period ending 30 June 2009 were €7.7 million (H1 2008: €80 million), as no asset disposals were realised in the period. The revenues are derived mainly from the two operating shopping malls in Liberec and Riga, and from Fantasy Park, our entertainment subsidiary.

The cost of operations is attributable mainly to the operating expenses of Liberec and Riga shopping centres, assets' operational costs and costs resulting from the shopping centres' entertainment facilities. In addition, the cost is inclusive of write downs of trading properties totalling €5.3 million.

Administrative expenses totalled €10.9 million (30 June 2008: €10.1 million), reflecting cost cutting measures implemented last year offset by the general costs (as well as opening costs) of our two shopping malls opened in March 2009. The administrative expenses for the period included non-cash share based payments totalling €2.3 million.

Net finance was negative in the first half of 2009 at €17 million (30 June 2008: €24 million income), mainly due to revaluation (as a result of quoted market price increase) of our debentures issued in Israel (gross expense of circa €30 million).

As at 30 June 2009 the Company has a total tax benefit of €4 million (30 June 2008: expense of €10,000), resulting mainly from deferred tax income.

Net loss for the period amounted to €28 million, compared to a gain of €45 million in the comparative period of 2008, principally resulting from the unrealised loss due to fair value changes of issued debentures.

Basic and diluted earnings per share for the first half 2009 were a loss of €0.10 per share (30 June 2008: earnings per share of €0.15).

### **Balance sheet and cash flow**

The balance sheet as at 30 June 2009 showed current assets of €884 million compared to current assets of €824 million at the end of 2008, resulting primarily from acquisitions of new projects and investments in current developments.

The cash position has decreased to €138 million including restricted deposits and marketable securities (2008: €187 million), and is currently circa €140 million, mainly due to investment in existing projects, and to the acquisitions made in the period. Regarding the current cash position, an addition of €9.2 million was noted due to the issuance of additional debentures in August 2009.

Investment properties remained at the same level, totalling €13 million, as only the Prague 3 logistics building is classified as an investment property.

Total bank borrowings (long and short term) increased to €160 million (30 June 2008: €111 million) reflecting the increase of construction and investment activities.

Apart from bank financing, Plaza has on its balance sheet a liability of €204 million from issuing bonds on the Tel Aviv Stock Exchange. These bonds are presented at their market value. Plaza has hedged the majority of the future expected payments in New Israeli Shekels (principal and interest linked to the Israeli CPI) to correlate with the Euro, using a cross currency interest rate swaps and forward transaction.

**Roy Linden**  
**Chief Financial Officer**  
**26 August 2009**



### Condensed consolidated interim income statement

	For the six months ended 30 June, 2009 € '000	2008 € '000
Revenues	7,734	79,886
Cost of operations	11,848	48,441
<b>Gross profit (loss)</b>	(4,114)	31,445
Administrative expenses (*)	10,861	10,146
Other income	(203)	(198)
Other expenses	31	664
<b>Results from operating activities</b>	(14,803)	20,833
Finance income	14,560	32,276
Finance expenses	(31,451)	(8,282)
Finance income (expenses), net	(16,891)	23,994
Share in loss of associate	(729)	(285)
<b>Profit (loss) before income tax</b>	(32,423)	44,542
Income tax expense (tax benefit)	(4,069)	10
<b>Profit (loss) for the period</b>	(28,354)	44,532
<b>Attributable to:</b>		
Equity holders of the Company:	(28,421)	44,532
Non-controlling interest	67	-
	(28,354)	44,532
<b>Basic and diluted earnings (loss) per share (in EURO)</b>	(0.10)	0.15

(\*) Including non-cash share based payments of EUR 2.3 million for the six months ended 30 June 2009  
(for the six months ended 30 June 2008 – EUR 2.8 million)

## Condensed consolidated interim balance sheet

	<b>30 June</b>	<b>31 December</b>
	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
	<b>€ '000</b>	<b>€ '000</b>
<b>Current assets</b>		
Cash and cash equivalents	103,902	146,026
Restricted bank deposits	25,101	32,253
Available for sale financial assets	8,930	8,608
Trade receivables, net	1,971	838
Other receivables and prepayments	62,067	60,550
Related parties	373	481
Trading properties	681,736	575,334
<b>Total current assets</b>	<b>884,080</b>	<b>824,090</b>
<b>Non current assets</b>		
Long term deposits and other investments	48,698	50,385
Equity accounted investees	-	188
Derivatives	16,390	20,323
Property and equipment	16,087	15,793
Investment property	12,970	12,970
Restricted bank deposits	29,398	34,497
Other non-current assets	400	310
<b>Total non-current assets</b>	<b>123,943</b>	<b>134,466</b>
<b>Total assets</b>	<b>1,008,023</b>	<b>958,556</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Interest bearing loans from banks	116,386	69,415
Trade payables	17,132	23,197
Amounts due to related parties	5,449	2,748
Provisions	16,548	16,985
Other short term liabilities	17,309	13,673
<b>Total current liabilities</b>	<b>172,824</b>	<b>126,018</b>
<b>Non-current liabilities</b>		
Interest bearing loans from banks	44,077	41,273
Long term debentures at fair value through profit or loss	204,377	175,144
Other long term liabilities	1,114	399
Deferred tax liabilities	2,316	6,191
<b>Total non-current liabilities</b>	<b>251,884</b>	<b>223,007</b>
<b>Equity</b>		
Share capital	2,924	2,924
Translation reserve	(11,038)	(12,175)
Other reserves	25,131	21,778
Share premium	248,860	248,860
Reserve for own shares	(8,992)	(5,469)
Retained earnings	322,184	350,605
<b>Total equity attributable to equity holders of the Company</b>	<b>579,069</b>	<b>606,523</b>
Non-controlling interest	4,246	3,008
<b>Total equity</b>	<b>583,315</b>	<b>609,531</b>
<b>Total equity and liabilities</b>	<b>1,008,023</b>	<b>958,556</b>

## Condensed consolidated interim statement of changes in shareholders' equity

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Translation reserve	Reserves from available for sale marketable securities	Reserve for own shares	Retained earnings	Total	Non-Controlling interest	Total equity
					€ '000					
Balance at 31 December 2008	2,924	248,860	22,898	(12,175)	(1,120)	(5,469)	350,605	606,523	3,008	609,531
Share based payment	-	-	3,248	-	-	-	-	3,248	-	3,248
Own shares acquired	-	-	-	-	-	(3,523)	-	(3,523)	-	(3,523)
Effect of acquisition of subsidiaries	-	-	-	-	-	-	-	-	1,147	1,147
Comprehensive income (loss) for the period	-	-	-	1,137	105	-	(28,421)	(27,179)	91	(27,088)
Balance at 30 June 2009	2,924	248,860	26,146	(11,038)	(1,015)	(8,992)	322,184	579,069	4,246	583,315

	Attributable to equity holders of the Company							
	Share capital	Share premium	Capital reserve	Translation reserve	Retained earnings	Total	Non-Controlling interest	Total equity
	€ '000							
Balance at 31 December 2007	2,924	248,860	13,498	(1,727)	339,916	603,471	-	603,471
Share based payments	-	-	3,801	-	-	3,801	-	3,801
Dividends to equity holders					(56,995)	(56,995)		(56,995)
Comprehensive income (loss) for the period	-	-	-	(5,352)	44,532	39,180	-	39,180
Balance at 30 June 2008	2,924	248,860	17,299	(7,079)	327,453	589,457	-	589,457

## Condensed consolidated interim statement of cash flow

	For the six months ended 30 June,	
	2009	2008
	€ 000'	€ 000'
<b>Cash flows from operating activities</b>		
Profit (loss) for the period	(28,354)	44,532
<u>Adjustments necessary to reflect cash flows used in operating activities:</u>		
Depreciation and impairment	6,567	466
Advance payment on accounts of trading properties	(1,120)	(3,058)
Finance income (expenses), net	16,891	(23,994)
Interest received in cash	3,616	7,857
Gain on sale of property, plant and equipment	(148)	664
Share in loss of associate	729	285
Gain on sale of trading property	-	(27,365)
Income tax expenses (tax benefit)	(4,069)	10
	(5,888)	(603)
Decrease (increase) in trade receivables	(1,052)	270,849
Decrease (increase) in other receivables	2,271	(4,434)
Change in restricted cash	6,385	(2,270)
Increase in trading properties	(61,126)	(74,848)
Purchase of trading property companies (see appendix A)	(1,202)	-
Decrease in trade accounts payable	(10,340)	(11,125)
Increase (decrease) in other liabilities and provisions	223	(20,426)
Net proceeds from selling of trading property (see appendix B)	-	(1,388)
Share based payments	2,294	2,777
	(62,575)	159,135
Interest paid	(725)	(172)
Income tax paid	(12)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(69,200)</b>	<b>158,360</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(966)	(789)
Proceeds from sale of property, plant and equipment	164	2,514
Short term deposits, net	(1,246)	(100,230)
Investment in associate	-	(43)
Proceeds from sale of available-for-sale marketable securities	1,139	-
Increase in long term deposits	1	23
Long term investments	-	(64,832)
<b>Net cash used in investing activities</b>	<b>(923)</b>	<b>(163,357)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans from banks and financial institutions	18,335	45,045
Proceeds from settlement of derivative financial instruments	13,114	-
Dividend payment	-	(56,995)
Treasury shares purchased	(3,523)	-
Proceeds from issuance of long term debentures	-	150,212
Loans granted (repaid) to related parties	108	(5,006)
<b>Net cash provided by financing activities</b>	<b>28,034</b>	<b>133,256</b>
<b>Effect of exchange rate fluctuation on cash held</b>	<b>(35)</b>	<b>(205)</b>
<b>Increase (decrease) in cash and cash equivalents during the period</b>	<b>(42,124)</b>	<b>128,054</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>146,026</b>	<b>66,381</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>103,902</b>	<b>194,435</b>

## Condensed consolidated interim statement of cash flow (cont.)

	For the six months ended 30 June,	
	2009	2008
	€ 000'	€ 000'
<b>Appendix A - Acquisition of subsidiaries</b>		
Cash and cash equivalents of subsidiaries acquired	1,729	-
Trade receivables and other receivables	4,673	-
Long term deposit	(1,536)	-
Trading property	41,555	-
other assets	24	-
Trade payables	(6,083)	-
Interest bearing loans from banks	(32,477)	-
Minority interest	(1,147)	-
Other accounts payable	(3,669)	-
Deferred taxes	(139)	-
Less Cash and cash equivalents of subsidiaries acquired	(1,729)	-
	1,202	-
<b>Appendix B - Disposal of Subsidiaries</b>		
Cash and cash equivalents of subsidiaries disposed	-	1,388
Working capital (excluding cash and cash equivalents)	-	35,349
Long-term deposits	-	-
Investment property and other assets	-	-
Long-term loans and liabilities	-	-
	-	36,737
Net identifiable assets and liabilities disposed	-	36,737
	-	-
Cash from sale of subsidiaries	-	-
Less Cash and cash equivalents of subsidiaries disposed	-	(1,388)
	-	(1,388)
<b>Non cash transactions</b>		
Share based payment capitalized to trading properties	827	797
Suppliers and creditors for trading properties	1,738	20,790
Available for sale financial assets that were charged to capital reserve	(105)	-

## **Selective Notes to the condensed consolidated interim financial information**

### **1. Reporting entity**

Plaza Centers N.V. ("the Company") is an emerging markets developer of shopping and entertainment centers, focusing on constructing new centers and, where there is significant redevelopment potential, redeveloping existing centers, in both capital cities and important regional centers. The Company has been present in CEE since 1996. The Company has extended its area of operations beyond CEE into India and may consider other development opportunities in Asia and other continents.

The condensed consolidated interim financial information of the Company as at 30 June 2009 and for the six months then ended comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available on the Company's website ([www.plazacenters.com](http://www.plazacenters.com)) and also upon request from the Company's registered office at Keizersgracht 241, 1016EA Amsterdam, The Netherlands.

The Company has its primary listing on the London Stock Exchange and, from October 2007, the Company is also listed in the Warsaw Stock Exchange.

During the six months ended 30 June 2009 the following changes and additions occurred in the Company's holdings:

#### **A. Additional 13.5% purchase of a Company in Hungary:**

The Company, through its 50% joint venture company, Ercorner Kft., which purchased an additional 27% stake in Alom Sziget Kft., which is the asset company of the Dream Island project in Budapest, Hungary.

#### **B. Partnership agreement in respect of a Company in Bulgaria:**

The Company through its joint venture Company Plaza-ON B.V, held 51% by the Company, purchased 100% of the shares of ON International EOOD, a Company which holds an asset in Sofia, Bulgaria.

### **2. Statement of compliance**

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2008. The condensed consolidated interim financial information was approved for issue by the board of directors on 25 August 2009.

### **3. Significant accounting policies**

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2008, as described in those annual consolidated financial statements.

#### 4. Estimates

The preparation of interim financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

#### 5. Segment reporting

The chief operating decision-makers (CODM) have been identified as the Group's Chief Executive Officer and the Chairman of the Board of Directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources.

The chief operating decision-makers assess the performance of the operating segments based on a measure of adjusted earnings before tax.

For the purpose of this interim financial information the following segments are reported:

- Real estate developments in central and eastern Europe.
- Real estate development in India.

The Group comprises the following main geographical segments - CEE and India. In presenting information on the basis of geographical segments, segment revenue is based on the revenue resulted from the selling of assets geographically located in the relevant segment, as well as the geographical location of the tenants.

Data regarding the geographical analysis in the six months ended 30 June 2009 and 2008 is as follows:

	Central & Eastern Europe	India	Total
	€ 000'	€ 000'	€ 000'
Six months ended 30 June 2009:			
<b>Revenues</b>	7,734	-	7,734
<b>Operating loss by segment</b>	(9,310)	(1,447)	(10,757)
Share in losses of associates, net	(729)	-	(729)
Less - unallocated general and administrative expenses			(4,218)
Financial expenses, net			(16,891)
Other income, net			172
<b>Loss before tax</b>			(32,423)
Tax benefit			4,069
<b>Loss for the period</b>			(28,354)
<b>Purchase cost of segment (tangible and intangible) assets</b>	57,052	5,040	62,092
<b>Depreciation and impairment of segment assets</b>	6,473	94	6,567

30 June 2009			
Total segment assets	623,845	135,299	759,144
Unallocated assets			248,879
			<u>1,008,023</u>
Segment liabilities	50,287	1,816	52,103
Unallocated liabilities			372,605
			<u>424,708</u>

	Central & Eastern Europe	India	Total
	€ 000'	€ 000'	€ 000'
Six months ended 30 June 2008:			
<b>Revenues</b>	79,886	-	79,886
<b>Operating income (loss) by segment</b>	26,735	(106)	26,629
Share in losses of associates, net	(285)	-	(285)
Less - unallocated general and administrative expenses			(5,330)
Financial income, net			23,994
Other expenses, net			(466)
<b>Profit before income taxes</b>			44,542
Income taxes			(10)
<b>Profit for the period</b>			<u>44,532</u>
<b>Purchase cost of segment (tangible and intangible) assets</b>	74,323	1,314	75,637
<b>Depreciation and impairment of segment assets</b>	445	21	466
30 June 2008			
Total segment assets	506,300	31,981	538,281
Investment on the equity basis	887		887
Unallocated assets			399,551
			<u>938,719</u>
Segment liabilities	62,262	1,551	63,813
Unallocated liabilities			285,449
			<u>349,262</u>

## 6. Financial risk management

During the six months ended 30 June 2009 there have been no significant changes in the Group's financial risk management. Objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2008.

## 7. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual effective income tax rate expected for the full financial year. The average tax rate used for the six months ended 30 June 2009 was 12.6%, entirely due to deferred tax asset created due to changes in fair value of financial instruments.



## 8. Interest-bearing loans from banks

The following interest-bearing loans from banks relating to trading properties were received during the six months ended 30 June 2009:

	Currency	Interest rate	Face value	Carrying amount	Year of maturity
	€ 000'				
<b>Balance at 1 January 2009</b>				<b>110,688</b>	
<b>Received loans</b>					
Secured bank loan	Euro	3m Euribor+3%	24,371	24,371	2010
Secured bank loan	Euro	3m Euribor+2.25%	8,182	8,182	2010
Secured bank loan	USD	3m EurLibor+4%	3,621	3,621	2014
Secured bank loan	Euro	3m Euribor+1.8%	15,035	15,035	2014
				<b>51,209</b>	
<b>Repayments</b>					
Forex on USD loan	USD	3m EurLibor+4%		319	2014
Secured bank loan	Euro	3m Euribor+0.5%		375	2009
Secured bank loan	Euro	3m Euribor+1.8%		234	2016
Secured bank loan	Euro	3m Euribor+2,7%		506	2014
<b>Balance at 30 June 2009</b>				<b>160,463</b>	

## 9. Related parties

	30 June 2009	31 December 2008
	€ 000'	
<b><u>Balance sheet</u></b>		
Trade and other receivables	373	481
Trade and other payables	5,449	1,980
Short term loans received from other related party	-	768
	<b>For the six months ended</b>	
	<b>30 June 2009</b>	<b>30 June 2008</b>
	€ 000'	
<b><u>Income statements</u></b>		
Related parties - interest income	401	614
Related parties - interest expenses	(118)	(238)

The Control Centers Group of companies, held by Mr. Mordechay Zisser, the main shareholder of Elbit Imaging Ltd. ("EI") who is the indirect controlling shareholder of the Company, is providing project management services to various projects developed by the Company and has charged EUR 6 million for services provided in the six months ended 30 June 2009.

Jet Link, a Company held by Mr. Mordechay Zisser, which provides aviation services for the Company has charged a total of EUR 0.3 million for services provided in the six months period ended 30 June 2009.

The Company estimates the liability arising from an agreement signed with the Executive Vice Chairman of EI regarding investments in India, in an amount of EUR 1.5 million. A provision is included in other liabilities – related parties and updates to the provision are included as administrative expenses in the consolidated income statement.

## 10. Earnings per share

Earnings per share attributable to equity holders of the Company arise from continuing operations as follows:

	<b>For the six months ended 30 June 2009</b>
Loss per share operations attributable to the equity holders of the Company (expressed in EUR per share)	
Basic:	0.10
Diluted:	0.10

## 11. Post balance sheet events

### *Private issuance of bonds*

On 12 August 2009, following the public offering in Israel of unsecured non-convertible Series B Notes of the Company (the "Series B Notes"), pursuant to the Company's prospectus from February 2008, the Company has agreed with Israeli Investor to issue approximately an additional NIS 50 million (approximately EUR 9.0 million) in principal amount of Series B Notes (the "Additional Notes") for an aggregate consideration of approximately NIS 52 million (approximately EUR 9.3 million).

The terms of the Additional Notes are identical to the terms of the Series B Notes issued to the public under the Company's prospectus from February 2008 (the "Prospectus").

*The Executive Board of Plaza Centers N.V. declares that to the best of their knowledge:*

- (i) *The half-year report gives a fair presentation of the situation on the balance sheet date, the course of affairs during the first six months of the financial year of Plaza Centers N.V. and its affiliates whose information is included in its half-year financial statement and the expected course of events, whereby, insofar as serious interests do not prevent this, attention is particularly devoted to the investments and the circumstances on which the development in revenue profitability is contingent; and*
- (ii) *The half-year financial statement gives a fair presentation of the assets, liabilities, financial position and profit or loss of Plaza Centers N.V. and the companies included in the consolidation.*