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PLAZA SIGNS JOINT VENTURE TO DEVELOP MIXED USE PROJECTS IN INDIA

-Three mega seed developments already identified -

Plaza Centers N.V. ("Plaza" or the "Company"), a leading emerging markets property developer, today announces that it has signed a joint venture agreement with Elbit Imaging Ltd. ("Elbit"), of which Plaza is an indirect subsidiary, for the development of major mixed use projects in India. Under this agreement Plaza will acquire a 47.5% stake in Elbit India Real Estate Holding Limited (the "joint venture" or the "JV"), which already 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 will be split 50:50 between Elbit and Plaza.

Plaza will pay a nominal amount to the JV for a 47.5% shareholding, plus circa US\$126 million to Elbit reflecting 50% of all loans granted to date to the JV by Elbit. These loans were used to purchase the plot of the lands and associated costs for the three seed JV projects. Plaza is not paying any premium for its holdings in any of the three projects. The acquisition of the locations is done in stages, with an approximate end cost of US\$410 million for the three locations (the JV's share).

The three projects, located in the cities of Bangalore, Chennai and Kochi will have a total combined development budget of approximately US\$3.4 billion (of which the JV partners will responsible for circa US\$1.9 billion) and a built-up area in excess of 3.8 million sqm (excluding parking spaces). As these projects have large scale residential elements, the JV will pre-sell units in advance of construction to fund the majority of the construction costs as acquirers in India typically pay high levels of deposits to secure their properties.

Details of the three JV 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 be comprised of luxury residential units (Villas and Multi-level), office complexes, a major retail facility, hotel complex, hospital, golf course, club houses 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 stages of planning and design, and construction is expected to start in 2009. The commercial elements are expected to be completed within three to five years while the residential elements will be completed in phases in 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 centres based projects in India independently of the JV. This transaction will have no impact upon Plaza's existing three shopping centre developments in the region.

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

Commenting, Ran Shtarkman, the CEO of Plaza Centers, said:

"Through this joint venture, Elbit and Plaza are set to take advantage of India's booming economy and thereby mark a new era of growth for Plaza. By pooling Plaza's experience of developing large-scale western style shopping centres and mixed use developments with Elbit's experience in India and the hotel and residential field and the help of strategically placed local partners, this JV will combine all the resources of the highly skilled and experienced management teams to deliver these large scale projects with the intention to provide shareholders in each company with exceptional returns.

"In our IPO Prospectus in 2006 we identified India as a major opportunity for the Company and our view remains the same two years later. The country has experienced significant economic growth over the last seven years, which is expected to continue in the coming decade. Combined with the rapid growth in household income, similar to what the Group experienced in its years of operations in Central and Eastern Europe, there is huge demand for high-end residential accommodation, five and four star hotels and western style retail complexes. We look forward to meeting some of this demand with the delivery of these large projects, and we will continue to look for similar opportunities in the future."

- ENDS -

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Notes to Editors

Plaza Centers N.V. (www.plazacenters.com) is a leading emerging markets developer of shopping and entertainment centres. It focuses on constructing new centres and, where there is significant redevelopment potential, redeveloping existing centres in both capital cities and important regional centres. The Company is dual listed on the Main Board of the London Stock Exchange and, as of 19 October 2007, the Warsaw Stock Exchange (LSE:"PLAZ", WSE: "PLZ/PLAZACNTR"). Plaza Centers N.V. is an indirect subsidiary of Elbit Imaging Ltd. ("EIL"), 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 is a member of the Europe Israel Group of companies which is controlled by its founder, Mr Mordechay Zisser. It has been active in real estate development in emerging markets for over 12 years.

Elbit Imaging Ltd. ("EI") is a subsidiary of Europe Israel (M.M.S.) Ltd., and is traded on both the Nasdaq and the TASE. EI's activities are divided into the following principal fields: (i) Initiation,

construction, operation, management and sale of shopping and entertainment centers in Israel, Central and Eastern Europe and India; (ii) Hotels ownership, primarily in major European cities, as well as operation, management and sale of same through its subsidiary, Elscint Ltd.; (iii) Investments in the research and development, production and marketing of magnetic resonance imaging guided focused ultrasound treatment equipment, through its subsidiary, InSightec Ltd.; and (iv) Other activities consisting of the distribution and marketing of women's fashion and accessories through our wholly-owned Israeli subsidiary, Elbit Trade & Retail Ltd., and venture-capital investments.