27 November 2013

Plaza Centers N.V. (the "Company" or "Plaza")

FINANCIAL INFORMATION FOR NINE MONTHS ENDED 30 SEPTEMBER 2013

Further to the announcements made on 14 and 18 November regarding Plaza's debt restructuring process, and information provided in the third quarter interim management statement reported on 18 November, the Company today announces financial information for the nine months period ended 30 September 2013.

Management have taken the decision to provide this interim financial information to ensure shareholders and bondholders have full insight into the Company's financial performance in light of the Board concluding to withhold payment on the upcoming maturities of the bonds and approach the creditors of the Company with a restructuring plan in a formalized restructuring.

Highlights:

- Loss for the three month period ended 30 September 2013 of €90 million which includes an impairment loss of €71.2 million related to properties in India, Romania, Serbia and Poland.
- Total equity of €258 million compared to €442 million on 31 December 2012.
- Current consolidated cash position (including restricted bank deposits and held for trading financial assets) of €33 million (31 December 2012: €66 million).
- The auditors of Plaza, without qualifying their conclusion on the interim financial information, draw attention to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

For further information on the current situation, the content of the restructuring plan and the further process, please visit: http://www.plazacenters.com/index.php?p=debt_restructuring

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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, on the Warsaw Stock Exchange (LSE:"PLAZ", WSE: "PLZ/PLAZACNTR"). Plaza Centers N.V. 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 on the NASDAQ Global Market in the United States. It has been active in real estate development in emerging markets for over 17 years.

Plaza Centers N.V.
Condensed Consolidated Interim Financial Information
September 30, 2013

Contents

Independent Auditors' Report on Review of Interim Financial Information

Board of Directors
Plaza Centers N.V.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Plaza Centers N.V. ("the Company") as at September 30, 2013, the condensed consolidated statements of profit or loss and comprehensive income for the nine and three month periods then ended, the statement of changes in equity and cash flows for the nine month period then ended and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the EU. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying September 30, 2013 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the EU.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Notes 2c), 8 and 15 b) in the condensed consolidated interim financial information which describes, among other matters, that the Company has withheld payment of an instalment on the Polish bonds; the Board of directors of the Company has decided to withhold payment on the fourth quarter payments of the Israeli bonds; and that the Company filed for reorganization proceedings with the District Court of Amsterdam in the Netherlands. These conditions, along with other matters as set forth in Note 8, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Without qualifying our conclusion, we draw attention to Note 4 and Note 6 to the condensed consolidated interim financial information which describes that the Company early adopted IFRS 11 *Joint arrangements* with a date of initial application of 1 January 2013 and the effect thereof on the condensed consolidated interim financial information.

Budapest, November 26, 2013

KPMG Hungária Kft.

Plaza Centers N.V.
Condensed consolidated interim statement of financial position

	Note	September 30, 2013 € '000 Unaudited	December 31, 2012 Restated (*) € '000 Audited
ASSETS			
Cash and cash equivalents	8	24,233	35,374
Restricted bank deposits	8	5,833	18,759
Held for trading financial assets	8	2,098	-
Available for sale financial assets		-	11,714
Trade receivables		3,408	3,399
Other receivables and prepayments	14f	8,518	19,313
Trading properties	14a	534,226	612,475
Total current assets		578,316	701,034
Equity accounted investees	14b,14d,15a	35,287	154,830
Loan to equity accounted investees		7,016	6,949
Property and equipment		6,668	7,381
Investment property	14i	-	14,489
Restricted bank deposits		221	779
Other non-current assets		443	356
Total non-current assets		49,635	184,784
Total assets		627,951	885,818
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Interest bearing loans from banks		176,728	205,977
Debentures at fair value through profit or loss	9	36,281	34,966
Debentures at amortized cost	9	38,237	34,184
Trade payables		2,980	7,569
Related parties		720	546
Provisions		15,597	15,597
Derivatives		1,060	3,320
Other liabilities		7,977	7,648
Total current liabilities		279,580	309,807
Non-current liabilities			
Interest bearing loans from banks		-	5,773
Debentures at fair value through profit or loss	9	57,470	81,181
Debentures at amortized cost	9	32,301	39,010
Other liabilities		-	185
Deferred tax liabilities		384	6,930
Total non-current liabilities		90,155	133,079
Equity			
Share capital		2,972	2,972
Translation reserve		(39,939)	(26,359)
Other reserves		14,329	14,556
Share premium		261,773	261,773
Retained earnings		18,470	189,274
Total equity attributable to equity holders of the Company		257,605	442,216
Non-controlling interests		611	716
Total equity		258,216	442,932
Total equity and liabilities		627,951	885,818

(*) Restated due to Retrospective application – refer to Note 4 and 6 regarding initial application of the new suite of standards

26 November 2013		
Date of approval of the financial statements	**Ran Shtarkman** **Director, President and Chief Executive Officer**	**Shimon Yitzchaki** **Director and Chairman of the Audit Committee**

The notes on pages 10 - 27 are an integral part of this condensed consolidated interim financial information.

Plaza Centers N.V.
Condensed consolidated interim statement of profit or loss

	Note	For the nine months period ended September 30, 2013	For the nine months period ended September 30, 2012 restated(*)	For the three months period ended September 30, 2013	For the three months period ended September 30, 2012 restated(*)
		€ '000	€ '000	€ '000	€ '000
	Note	Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations					
Rental income from operating Trading Properties, investment property and others	7,12	20,310	21,080	6,012	6,932
Revenue from disposal of trading property		1,815	13,451	1,815	13,451
Proceed from disposal of equity accounted investee	14b	16,699	-	-	
Total revenue		38,824	34,531	7,827	20,383
Write-down of Trading Properties	7,14a	(79,911)	(5,994)	(19,005)	(4,306)
Cost of Trading Property disposed		(2,161)	(13,697)	(2,161)	(13,697)
Cost of equity accounted investee disposed	14b	(21,842)	-	-	-
Cost of operations		(7,908)	(9,989)	(2,418)	(3,438)
Gross profit (loss)		(72,998)	4,851	(15,757)	(1,058)
Administrative expenses	13	(9,669)	(10,762)	(3,457)	(3,224)
Other income		304	433	(14)	70
Other expenses	7	(7,145)	(841)	(2,374)	(169)
Results from operating activities		(89,508)	(6,319)	(21,602)	(4,381)
Finance income		2,226	14,293	(4,445)	1,457
Finance costs		(34,099)	(27,017)	(18,463)	(5,090)
Net finance costs		(31,873)	(12,724)	(22,908)	(3,633)
Share in results of equity-accounted investees, net of tax	7,14a	(55,787)	319	(51,315)	1,254
Loss before income tax		(177,168)	(18,724)	(95,825)	(6,760)
Tax benefit		6,339	5,138	5,585	1,090
Loss from continuing operations		(170,829)	(13,586)	(90,240)	(5,670)
Discontinued operation					
Profit (loss) from discontinued operation, net of tax		25	(2,712)	479	(820)
Loss for the period		(170,804)	(16,298)	(89,761)	(6,490)
Loss attributable to:					
Owners of the Company		(170,804)	(16,298)	(89,761)	(6,490)
Earnings per share					
Basic and diluted loss per share (in EURO)		(0.57)	(0.05)	(0.30)	(0.02)
Earnings per share – continuing operations					
Basic and diluted loss per share (in EURO)		(0.57)	(0.05)	(0.30)	(0.02)

(*) Restated due to Retrospective application – refer to Note 4 and 6 regarding initial application of the new suite of standards

The notes on pages 10 - 27 are an integral part of this condensed consolidated interim financial information.

Plaza Centers N.V.
Condensed consolidated interim statement of comprehensive income

	Note	For the nine months period ended September 30, 2013	For the nine months period ended September 30, 2012 restated(*)	For the three months period ended September 30, 2013	For the three months period ended September 30, 2012 restated(*)
		€ '000	€ '000	€ '000	€ '000
		Unaudited	Unaudited	Unaudited	Unaudited
Loss for the period		(170,804)	(16,298)	(89,761)	(6,490)
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Net changes in fair value on Available for sale financial assets transferred to the statement of profit or loss		(723)	1,739	-	(203)
Net change in fair value of available for sale financial assets		(14)	574	-	735
Foreign currency translation differences - foreign operations (Discontinued operation)		-	(6,912)	-	-
Foreign currency translation differences - foreign operations (Equity accounted investees)	14(b)	(12,008)	1,816	(8,358)	5,923
Foreign currency translation differences - foreign operations (Other)		(1,677)	246	329	1,178
Income tax effect on other comprehensive income due to change in fair value of Available for sale financial assets		184	(578)	-	(133)
Other comprehensive income (loss) for the period, net of income tax		(14,238)	(3,115)	(8,029)	7,500
Total comprehensive income (loss) for the period, net of tax		(185,042)	(19,413)	(97,790)	1,010
Total comprehensive income (loss) attributable to:					
Owners of the Company:		(184,937)	(19,385)	(97,737)	1,017
Non-controlling interests		(105)	(28)	(53)	(7)

(*) Restated due to Retrospective application – refer to Note 4 and 6 regarding initial application of the new suite of standards

The notes on pages 10 - 27 are an integral part of this condensed consolidated interim financial information.

Plaza Centers N.V.
Condensed consolidated interim statement of changes in equity

	Attributable to equity holders of the Company									
	Share capital	Share Premium	Other capital reserves	Translation Reserve	Capital reserve from acquisition of non-controlling interests without a change in control	Available for sale reserve	Retained earnings(*)	Total	Non-controlling interests – restated (*)	Total equity
	€ '000									
Balance at December 31, 2012 (audited)	2,972	261,773	34,709	(26,359)	(20,706)	553	189,274	442,216	716	442,932
Share based payment	-	-	326	-	-	-	-	326	-	326
Total comprehensive loss	-	-	-	(13,580)	-	(553)	(170,804)	(184,937)	(105)	(185,042)
Balance at September 30, 2013 (unaudited)	**2,972**	**261,773**	**35,035**	**(39,939)**	**(20,706)**	**-**	**18,470**	**257,605**	**611**	**258,216**
Balance at December 31, 2011 (audited)	2,972	261,773	33,290	(10,672)	(19,342)	(1,336)	275,437	542,122	751	542,873
Share based payment	-	-	681	-	-	-	-	681	-	681
Change in non-controlling interests	-	-	-	-	(1,364)	-	-	(1,364)	-	(1,364)
Total comprehensive income (loss)	-	-	-	(4,822)	-	1,735	(16,298)	(19,385)	(28)	(19,413)
Balance at September 30, 2012 (unaudited)	**2,972**	**261,773**	**33,971**	**(15,494)**	**(20,706)**	**399**	**259,139**	**522,054**	**723**	**522,777**

(*) Restated due to Retrospective application – refer to Note 4 and 6 regarding initial application of the new suite of standards

The notes on pages 10 - 27 are an integral part of this condensed consolidated interim financial information**.**

Plaza Centers N.V.
Condensed consolidated interim statement of cash flows

	Note	For the nine months period ended September 30, 2013 € 000' Unaudited	2012 restated (*) € 000' Unaudited
Cash flows from operating activities			
Loss for the period		(170,804)	(16,298)
Adjustments for:			
Depreciation and write-down	14a	80,326	6,496
Change in fair value of Investment property	7	4,267	-
Loss from disposal of equity accounted investee	7	5,143	-
Net finance costs		31,873	12,724
Interest received in cash		348	3,100
Interest paid		(9,244)	(10,312)
Proceeds from disposal of trading properties	14i	1,233	97
Share of results of equity accounted investee, net of tax	7	55,787	(319)
Gain on sale of property and equipment		(22)	8
Tax benefit		(6,339)	(5,138)
Share based payments		413	-
		(7,019)	(9,642)
Change in:			
Trade receivables		(152)	908
Other accounts receivable	14f	6,429	3,911
Trading properties		(7,853)	(37,928)
Trade payables		(2,899)	(479)
Other liabilities, related parties and provisions		(1,005)	8,582
		(5,480)	(25,006)
Income tax paid		(391)	(379)
Net cash used in operating activities		(12,890)	(35,027)
Cash flows from investing activities			
Purchase of property, equipment and other non-current assets		(4)	(296)
Proceeds from disposal of property and equipment		60	147
Proceeds from dissolving of equity accounted investee	14d	31,942	-
Investment in short term deposits		-	3,102
Investment in equity accounted investees		(185)	-
Proceeds from disposal of equity accounted investee	14b	16,699	-
Proceeds from disposal of investment property	14i	7,649	-
Purchase of available for sale and held for trading financial assets		(1,440)	(13,992)
Proceeds from sale of available for sale financial assets		11,014	26,496
Changes in long term deposits		-	50,667
Net cash from investing activities		65,735	66,124

(*) Restated due to Retrospective application – refer to Note 4 and 6 regarding initial application of the new suite of standards

The notes on pages 10 - 27 are an integral part of this condensed consolidated interim financial information.

Plaza Centers N.V.
Condensed consolidated interim statement of cash flows continued

		For the nine months period ended September 30,	
		2013	2012 restated (*)
		€ 000'	€ 000'
	Note	Unaudited	Unaudited
Cash flows from financing activities			
Proceeds from bank loans and financial institutions		434	42,101
Changes in restricted cash		9,762	(6,337)
Net cash resulting from currency options		(1,950)	10,991
Reselling (repurchase) of own debentures	14e	13,772	(18,233)
Proceeds from settlement of SWAP		-	238
Repayment of debentures	14g	(60,319)	(57,065)
Repayment of loans to banks and financial institutions	14e	(25,303)	(10,048)
Net cash used in financing activities		(63,604)	(38,353)
Effect of exchange rate fluctuation on cash held		(382)	32
Net increase (decrease) in cash and cash equivalents		(11,141)	(7,224)
Cash and cash equivalents at the beginning of the period		35,374	51,433
Cash and cash equivalents at the end of the period		24,233	44,209

(*) Restated due to Retrospective application – refer to Note 4 and 6 regarding initial application of the new suite of standards

The notes on pages 10 - 27 are an integral part of this condensed consolidated interim financial information.

Plaza Centers N.V.

Notes to the condensed consolidated interim financial information

1. Reporting entity

Plaza Centers N.V. ("the Company") was incorporated and is registered in the Netherlands. The Company's registered office is at Keizersgracht 241, 1016 EA, Amsterdam, the Netherlands. The Company conducts its activities in the field of establishing, operating and selling of shopping and entertainment centers, as well as other mixed-use projects (retail, office, residential) in Central and Eastern Europe (starting 1996), India (from 2006), and, between 2010 and 2012, also in the USA.

The Company is dual listed on the Main Board of the London Stock Exchange ("LSE") and, starting October 2007, in the Warsaw Stock Exchange ("WSE").

The Company's immediate parent company is Elbit Ultrasound (Luxembourg) B.V. / S.à r.l. ("EUL"), which holds 62.5% of the Company's shares, as at the end of the reporting period. The ultimate parent company is Elbit Imaging Limited ("EI").

The condensed consolidated interim financial information of the Company as at September 30, 2013 and for the nine months then ended comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

The consolidated financial statements of the Group as at and for the year ended December 31, 2012 are available on the Company's website (www.plazacenters.com) and also upon request from the Company's registered office.

During the nine months period ended September 30, 2013, the following significant changes occurred in the Company's holdings:

1) The dissolving of EPUS, the Company's 50% equity accounted investee in the USA (refer to note 14(d));

2) The selling of the Company's interest in a Joint Venture in India ("P-One") (refer to note 14b), and;

3) The selling of two wholly owned subsidiaries of the Company in the Czech Republic (refer to note 14i).

2. Basis of presentation

a. Statement of compliance

This Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34 *Interim Financial Reporting,* as adopted by the EU. It does not include all of the information required for a complete set of IFRS financial statements, and should be read in conjunction with the annual Consolidated Financial Statements of the Group as at and for the year ended December 31, 2012.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2012.

The condensed consolidated interim financial information was authorized for issue by the Company's Board of Directors on November 26, 2013.

2. Basis of presentation (cont.)

b. Judgments and estimates

The preparation of interim financial information requires management to make judgments, 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 this 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 principally the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2012. However, management reassessment of the probability of future development of certain real estate properties is done on an on-going basis, and resulted in write downs in 2013, as described in note 13a below. In addition, due to the proposed restructuring plan published on November 18, 2013 management is in a process assessing the potential implications of such plan on the classification and measurement of its Trading Properties and which could have a material effect on the company's financial results.

c. Going concern

The condensed consolidated interim financial information have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future, for at least but not limited to twelve months from the end of the reporting period.

In respect of the above, the Company announced on November 18, 2013 that it has filed for reorganization proceedings (surseance van betaling) with the District Court of Amsterdam in the Netherlands (the "Court") and submitted a restructuring plan to the Court, and that it withholds payment on the bonds and any material payment to its creditors. For a detailed discussion about the group's liquidity position and restructuring plan refer to note 8.

3. Significant accounting policies

Except as described in Note 4, the accounting policies applied by the Group in this condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2012. The change in accounting policies disclosed in note 4 will also be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2013. (For the effect of the changes on the Company's statement of financial position for December 31, 2012, the statement of profit or loss, the statement of other comprehensive income, the statement of cash flows for the nine months period ended September 30, 2012 and the equity as at January 1, 2012, refer to Note 6).

4. Initial application of new standards

The Group has early adopted IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*, as well as the consequential amendments to IAS 28 *Investments in Associates and Joint Ventures* (2011) and IFRS 13 *Fair value measurement*, with a date of initial application of January 1, 2013. The adoption of these standards has the following effect on the interim condensed consolidated financial statements.

- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*

As a result of the adoption of IFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements.

4. Initial application of new standards (cont.)

Under IFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group evaluated its involvement in the joint arrangements it holds and classified them as joint ventures. Following the application of IFRS 11 joint ventures will henceforward be accounted for using the equity method, whereas until application of the standard the Company's accounting policy was the proportionate consolidation method.

Since the Company did not provide guarantees to the joint ventures, losses from the joint ventures will be accounted for until the investment is reduced to zero. If the joint venture subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of the losses not recognized.

Any unrecorded losses at the date of transition are recorded in the retained earnings. The Group disclosed its interests in joint ventures as required under IFRS 12 (refer to Note 5). Note 6 includes a summary of the adjustments made to the Group's statements of financial position at December 31, 2012, its statements of profit or loss, the statements of comprehensive income and cash flows for the nine months period ended at September 30, 2012 as a result of the implementation of the equity method instead of proportionate consolidation.

IFRS 10 *Consolidated Financial Statements* and the consequential amendments to IAS 28 *Investments in Associates and Joint Ventures* (2011) did not have any material effect on the Company condensed consolidated interim financial information.

IFRS 13 *Fair value measurement* provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The company adopted IFRS 13 on January 1, 2013 on a prospective basis.
The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - as a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its condensed consolidated statement of profit or loss and other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be.
Comparative information has been re-presented accordingly. The adoption of the amendment to IAS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

Apart from the above, the Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Interests in joint ventures

The Company has the following interest (directly and indirectly) in the below joint ventures, as at September 30, 2013 and December 31, 2012:

Company name	**Country**	**Interest of holding (percentage)**	
		September 30, 2013	**December 31, 2012**
Elbit Plaza USA LP (1)	USA	N/A	50%
Elbit Plaza USA II LP	USA	50%	50%
P-One Infrastructure Pvt. Ltd. (2)	India	N/A	50%
Elbit Plaza India Real Estate Holdings Ltd.	Cyprus	47.5%	47.5%
Adams Invest S.R.L	Romania	25%	25%
Colorado Invest S.R.L	Romania	25%	25%
Malibu Invest S.R.L	Romania	12.5%	12.5%
Spring Invest S.R.L	Romania	25%	25%
Sunny Invest S.R.L	Romania	25%	25%
Primavera Invest S.R.L	Romania	25%	25%
Bas development S.R.L	Romania	25%	25%
SIA Diksna	Latvia	50%	50%
Erocorner Gazdasagi Szolgaltato Kft.(3)	Hungary	50%	50%
SBI Hungary Ingatlanforgalmazo es Epito Kft.	Hungary	35%	35%

(1) Refer also to note 14 (d) for the dissolving of investee.
(2) Refer also to note 14 (b) for the selling of the investee.
(3) Refer also to note 15 (a) for the selling of the investee.

Plaza Centers N.V.
Notes to the condensed consolidated interim financial information

6. Effect of initial application of new standards

(1) Effect on the statement of financial position

	December 31, 2012		
	As presented in the past	Effect of retrospective application of IFRS 11	As presented in these financial statements
	€ 000'	€ 000'	€ 000'
Assets			
Cash and cash equivalents	64,440	(29,066)	35,374
Restricted bank deposits	25,518	(6,759)	18,759
Available for sale financial assets	11,714	-	11,714
Trade receivables	4,687	(1,288)	3,399
Other receivables and prepayments	46,749	(27,436)	19,313
Trading properties	780,963	(168,488)	612,475
Total current assets	934,071	(233,037)	701,034
Equity accounted investees	-	154,830	154,830
Loans to equity accounted investee	-	6,949	6,949
Property and equipment	8,109	(728)	7,381
Investment property	14,489	-	14,489
Restricted bank deposits	978	(199)	779
Other non-current assets	358	(2)	356
Total non-current assets	23,934	160,850	184,784
Total assets	958,005	(72,187)	885,818
Liabilities			
Interest bearing loans from banks	264,296	(58,319)	205,977
Debentures at fair value through profit or loss	34,966	-	34,966
Debentures at amortized cost	34,184	-	34,184
Trade payables	8,748	(1,179)	7,569
Related parties	511	35	546
Provisions	15,597	-	15,597
Derivatives	3,320	-	3,320
Other liabilities	14,094	(6,446)	7,648
Total current liabilities	375,716	(65,909)	309,807
Interest bearing loans from banks	5,773	-	5,773
Debentures at fair value through profit or loss	81,181	-	81,181
Debentures at amortized cost	39,010	-	39,010
Other liabilities	232	(47)	185
Deferred tax liabilities	6,947	(17)	6,930
Total non-current liabilities	133,143	(64)	133,079
Total liabilities	508,859	(65,973)	442,886
Non-controlling interests	6,930	(6,214)	716
Equity attributable to owners of the Company	442,216	-	442,216
Total equity	449,146	(6,214)	442,932
Total liabilities and equity	958,005	(72,187)	885,818

6. Effect of initial application of new standards (cont.)

(2) Effect on equity

	January 1, 2012		
	As presented in the past	Effect of retrospective application of IFRS 11	As presented in these financial statements
	€ 000'	€ 000'	€ 000'
Non-controlling interests	8,040	(7,289)	751
Equity attributable to owners of the Company	542,122	-	542,122
Total equity	550,162	(7,289)	542,873

	September 30, 2012		
	As presented in the past	Effect of retrospective application of IFRS 11	As presented in these financial statements
	€ 000'	€ 000'	€ 000'
Non-controlling interests	7,094	(6,371)	723
Equity attributable to owners of the Company (1)	524,578	(2,524)	522,054
Total equity	531,672	(8,895)	522,777

(1) The change in equity attributable to owners of the Company is stemming entirely from decrease in the retained earnings, due to non-specific finance expenses which were de-capitalized as equity accounted investees assets are not qualified assets as defined in IAS 23.

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Notes to the condensed consolidated interim financial information

6. Effect of initial application of new standards (cont.)

(3) Effect on the statement of profit or loss and statement of comprehensive income

	For the nine months ended September 30, 2012		
	As presented in the past	Effect of retrospective application of IFRS 11	As presented in these financial statements
	€ 000'	€ 000'	€ 000'
Continuing operations			
Total revenues	57,266	(22,735)	34,531
Change in fair value of Investment Properties	(2,423)	2,423	-
	54,843	(20,312)	34,531
Write-down of Trading Properties	(7,151)	1,157	(5,994)
Cost of Trading Property disposed	-	(13,697)	(13,697)
Cost of operations	(34,691)	24,702	(9,989)
Gross profit	13,001	(8,150)	4,851
Administrative expenses	(15,524)	4,762	(10,762)
Gain from sale of Investment property, net	390	(390)	-
Other income	434	(1)	433
Other expenses	(672)	(169)	(841)
Results from operating activities	(2,371)	(3,948)	(6,319)
Finance income	14,439	(146)	14,293
Finance costs	(31,620)	4,603	(27,017)
Net finance costs	(17,181)	4,457	(12,724)
Share in profit (loss) of equity-accounted investees	50	269	319
Loss before income tax	(19,502)	778	(18,724)
Tax benefit	5,783	(645)	5,138
Loss from continuing operations	(13,719)	133	(13,586)
Discontinued operation			
Loss from discontinued operation, net of tax	-	(2,712)	(2,712)
Loss for the period	(13,719)	(2,579)	(16,298)
Loss attributable to:			
Owners of the Company (1)	(13,774)	(2,524)	(16,298)
Non-controlling interests	55	(55)	-
Earnings per share			
Basic and diluted loss per share (in EURO)	(0.05)	-	(0.05)
Earnings per share – continuing operations			
Basic and diluted loss per share (in EURO)	(0.05)	-	(0.05)

(1) The change in equity attributable to owners of the Company is stemming entirely from decrease in the retained earnings, due to non-specific finance expenses which were de-capitalized as equity accounted investees assets are not qualified assets as defined in IAS 23

6. Effect of initial application of new standards (cont.)

(3) Effect on the statement of profit or loss and statement of comprehensive income (cont.)

	For the nine months ended September 30, 2012 (unaudited)		
	As presented in the past	Effect of retrospective application of IFRS 11	As presented in these financial statements
	€ 000'	€ 000'	€ 000'
Loss for the period	(13,719)	(2,579)	(16,298)
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Net changes in fair value on Available for sale financial assets transferred to income statement	1,739	-	1,739
Change in fair value of available for sale financial assets	574	-	574
Foreign currency translation differences - foreign operations (Discontinued operation)	-	(6,912)	(6,912)
Foreign currency translation differences - foreign operations (other)	(4,850)	6,912	2,062
Income tax effect on other comprehensive income due to change in fair value of Available for sale financial assets	(578)	-	(578)
Other comprehensive loss for the period, net of income tax	(3,115)	-	(3,115)
Total comprehensive loss for the period, net of tax	(16,834)	(2,579)	(19,413)
Total comprehensive loss attributable to:			
Owners of the Company	(16,861)	(2,524)	(19,385)
Non-controlling interests	27	(55)	(28)

(4) Effect on the statement of cash flows

	For the nine months ended September 30, 2012 (unaudited)		
	As presented in the past	Effect of retrospective application of IFRS 11	As presented in these financial statements
	€ 000'	€ 000'	€ 000'
Net cash used in operating activities	(46,144)	11,117	(35,027)
Net cash from investing activities	192,959	(126,835)	66,124
Net cash used in financing activities	(129,862)	91,509	(38,353)
Effect of exchange rate fluctuations on cash and cash equivalents	(598)	630	32
Net increase (decrease) in cash and cash equivalents	16,355	(23,579)	(7,224)
Cash and cash equivalents as at the beginning of the period	58,261	(6,828)	51,433
Cash and cash equivalents at the end of the period	74,616	(30,407)	44,209

Notes to the condensed consolidated interim financial information

7. Segment reporting

The Group comprises the following main geographical segments: CEE and India. The Group does not have reportable operating segment. In presenting information on the basis of geographical segments, segment revenue is based on the revenue resulting from either selling or operating of Trading Properties and Investment Property geographically located in the relevant segment.

Data regarding the geographical analysis in the nine months and the three months period ended September 30, 2013 and 2012 is as follows:

	Central & Eastern Europe € 000'	India € 000'	Total € 000'	Central & Eastern Europe € 000'	India € 000'	Total € 000'
	Nine months period ended September 30, 2013			Three months period ended September 30, 2013		
Total revenues	19,769	541	20,310	5,854	158	6,012
Revenues from disposal of trading property	1,815	-	1,815	1,815	-	1,815
Revenue from disposal of equity accounted investee	-	16,699	16,699	-	-	-
Cost of trading property disposed	(2,161)	-	(2,161)	(2,161)	-	(2,161)
Cost of equity accounted investee disposed	-	(21,842)	(21,842)	-	-	-
Operating loss by segment (1)	(61,685)	(17,372)	(79,057)	(16,976)	(646)	(17,622)
Net finance costs	(4,243)	(3,031)	(7,274)	(1,688)	(1,132)	(2,820)
Other expenses, net (2)	(6,509)	(332)	(6,841)	(2,388)	-	(2,388)
Share in profit (loss) of equity-accounted investees (3)	770	(56,557)	(55,787)	233	(51,548)	(51,315)
Reportable segment loss before tax	(71,667)	(77,292)	(148,959)	(20,085)	(53,995)	(74,145)
Less - unallocated general and administrative expenses			(3,610)			(1,592)
Discontinued operations			25			479
Less - unallocated finance costs			(24,599)			(20,088)
Loss before income taxes			(177,143)			(95,346)
Tax benefit			6,339			5,585
Loss for the period			(170,804)			(89,761)
Assets and liabilities as at September 30, 2013						
Total segment assets	517,087	66,352	583,439			
Unallocated assets			44,512			
Total assets			627,951			
Segment liabilities	175,551	25,838	201,389			
Unallocated liabilities			168,346			
Total liabilities			369,735			

(1) CEE – including impairment of EUR 64.3 million. India - including impairment of EUR 15.6 million.
(2) CEE- including fair value negative adjustment of Investment property of EUR 4.3 million.
(3) India – including equity accounted investees loss mainly due to impairment of EUR 56 million

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Notes to the condensed consolidated interim financial information

7. Segment reporting (cont.)

	Central & Eastern Europe	India	Total	Central & Eastern Europe	India	Total
	€ 000'	€ 000'	€ 000'	€ 000'	€ 000'	€ 000'
	Nine months period ended September 30, 2012			Three months period ended September 30, 2012		
Total revenues	19,909	1,171	21,080	6,793	139	6,932
Revenues from disposal of trading property	13,451	-	13,451	13,451	-	13,451
Operating loss by segment (1)	(829)	(1,312)	(2,141)	(2,375)	(809)	(3,184)
Net finance costs	(3,989)	(2,059)	(6,048)	950	(1,257)	(307)
Other expenses, net	(408)	-	(408)	(99)	-	(99)
Share in loss of equity-accounted investees (2)	(62)	381	319	(39)	1,293	1,254
Reportable segment loss before tax	(5,288)	(2,990)	(8,278)	(1,563)	(773)	(2,336)
Less - unallocated general and administrative expenses			(3,770)			(1,098)
Discontinued operations			(2,712)			(820)
Unallocated finance costs			(6,676)			(3,326)
Loss before income taxes			(21,436)			(7,580)
Tax benefit			5,138			1,090
Loss for the period			(16,298)			(6,490)
Assets and liabilities as at December 31, 2012						
Total segment assets	603,071	180,723	783,794			
Unallocated assets			102,024			
Total assets			885,818			
Segment liabilities	205,530	37,765	243,295			
Unallocated liabilities			199,591			
Total liabilities			442,886			

(1) – CEE – including trading property impairment of EUR 6 million.
(2) – India – including equity accounted investees loss mainly due to impairment of EUR 1.2 million

8. Financial risk management

The Company has been facing challenging market conditions for some years. These have primarily been caused by the underlying economic environment in many of the countries in which the Company operates, combined with the lack of transactional liquidity in the investment markets for assets such as those owned by the Company and the ongoing lack of traditional bank financing available to real estate developers and investors.

Against this background, the Company's management has made progress in re-positioning its business model to ensure that it is focused on the deleveraging of its balance sheet and the recycling of capital, primarily through the disposal of its non-core assets.

In 2013 alone, the Company has raised circa EUR 61 million through the disposal of five assets and the collection of the remaining proceeds from the transaction in the US.

8. Financial risk management (cont.)

In addition, it has successfully applied intensive asset management initiatives to maximize the income generated by its portfolio of investment assets, and has also had success in refinancing an EUR 59.3 million loan secured against one of its largest assets, Riga Plaza in Latvia during November 2013.

The Company continues to manage all its assets, with a view to preparing them for sale in an improved market supported by improving operating figures of the assets.

However, despite ongoing efforts to progress with a number of asset disposals and complete some alternative financing transactions, the Company has not been able to complete these transactions within a timeframe that will enable it to meet its short term obligations towards bondholders, specifically a circa EUR 15 million payment due to Polish bondholders on 18 November 2013 and a circa EUR 17 million payment due to Israeli bondholders on 31 December 2013, and therefore has decided to withhold payment on maturities of the bonds and any material payment to its creditors.

Furthermore, on November 18, 2013, the Company has filed for reorganization proceedings (surseance van betaling) with the District Court of Amsterdam in the Netherlands (the "Court") and submitted a restructuring plan to the Court. Pursuant to Dutch reorganization proceedings, the Court has appointed an administrator to manage the affairs of the Company together with existing management; ordinary unsecured creditors become subject to a stay; and the Company has the ability to restructure its debts during the moratorium with majority consent of its creditors. Throughout the restructuring process the Company intends to continue its business activities as normal.

The reorganization proceedings and the subsequent implementation of the restructuring plan will provide the Company with the ability to resolve its immediate liquidity situation in order to protect the continuity of the Company and preserve value for its shareholders and creditors.

This will be achieved primarily through a deferral of payment obligations to creditors of the Company for a period of three to four years, or shorter if cash flow permits.

Other main features of the debt restructuring plan include:

1) increased interest compensation to by 1.5%) to bondholders;
2) negative pledge on all the Group's assets;
3) potential issuing of rights by shareholders, and;
4) dividend distribution restriction

Aside from the proposed payment deferral, the terms of the proposed restructuring plan do not require bondholders to take a loss on the value of their outstanding exposures.

The meeting of creditors to approve the plan is scheduled to April 17, 2014. Upon implementation of the plan the Company believes it will be able to repay its creditors in full and return to generating significant value for its stakeholders, securing the viability of the Company for the future.

Accordingly, the Company believes that, on a going concern basis, the Company retains significant value for its shareholders and will be able to repay its creditors in full. By contrast, the Board of Directors of the Company is certain that a forced liquidation would cause shareholders and creditors to incur significant losses.

8. Financial risk management (cont.)

These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

9. Financial instruments

Carrying amounts versus fair values

The Company presents and measure part of its debentures according to its fair value. The Carrying amount as at September 30, 2013 of the debentures presented at fair value was as follows:

	Fair value	Adjusted par value
	€ 000'	
Statement of financial position		
Debentures at fair value through profit or loss – short term	36,281	48,782
Debentures at fair value through profit or loss – long term	57,470	77,703

The fair values of financial assets and financial liabilities as at September 30, 2013 approximates the carrying amounts in the condensed consolidated statement of financial position, with the exception of Debentures at amortized cost which is as follows:

	Carrying amount	Fair value
	€ 000'	
Statement of financial position		
Debentures at amortized cost – short term	38,237	32,110
Debentures at amortized cost – long term	32,301	23,960

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	€ 000'			
Assets				
Held for trading financial assets	2,098	-	-	2,098
Liabilities				
Derivatives	-	1,060	-	1,060
Cash settled share based payment transaction with the former Vice Chairman of EI	-	-	431	431
Debentures at fair value through profit or loss	93,751	-	-	93,751
Total financial liabilities carried at fair value	93,751	1,060	431	95,242

9. Financial instruments (cont.)

Available for sale financial assets

In the course of the second quarter of 2013, the Company has sold the vast majority it's available for sale financial assets. In view of the cash needs of the Group, the Company intention is to keep the financial assets acquired liquid and holding it for future, and has therefore reclassified, starting the third quarter of 2013 these financial instruments as held for trading.

10. Income tax

The group calculates the period income tax using the tax rate that would be applicable to the expected total annual earnings.

The Group's consolidated effective tax rate in respect of continuing operations for the nine months period ended September 30, 2013 was 4% (nine month period ended September 30, 2012: 27.4%) .The change in effective tax rate was caused mainly by the following factors:

- Change in fair value of Debentures at fair value through profit or loss.
- Impairment of trading properties and Equity accounted investees.

11. Related parties

	September 30, 2013	December 31, 2012
	€ 000'	
Statement of financial position		
Trade and other receivables	236	936
Trade and other payables	720	546

	For the nine months period ended September 30,		For the three months period ended September 30,	
	2013	2012	2013	2012
	€ 000'	€ 000'	€ 000'	€ 000'
Income statements				
Related parties - interest income	102	163	34	51
Related parties – charges to Indian subsidiaries	-	63	-	-
Related parties – charges by Indian subsidiaries	-	(262)	-	-
Related parties – recharges from Elbit	(67)	(340)	-	(161)

The Control Centers Group of companies, controlled by Mr. Mordechay Zisser, is providing project management services to various projects developed by the Company. During the nine months period ended September 30, 2013 the Group paid EUR 0.3 million (September 30, 2012 – EUR 0.8 million) for such services.

During the three months period ended September 30, 2013 no payment was performed by the Group for such services (three months ending September 30, 2012 – EUR 0.4 million). The agreement with Control Centers expired on May 31, 2011, but it continues to apply in regards to projects whose initiation commenced prior to such date.

12. Net Operating Income ("NOI") of operating Trading Properties

The NOI is used to measure the performance of the operating shopping centers the Company holds. It is calculated by taking the total revenues the shopping center produces, and deducts from it the total operational expenses) (excluding finance and tax expenses) the shopping center generates. As at September 30, 2013, the Company holds and operates through its wholly owned subsidiaries six operational shopping centers, while one shopping center is operated under a joint venture agreement and its results are presented as part of the share in results of equity-accounted investees, net of tax.

The below table summarizes the NOI of the seven shopping centers for the nine months ended September 30, 2013 and 2012:

	September 30, 2013	**September 30, 2012**
	€ 000'	
Central Eastern Europe ("CEE")	13,372	10,332
India	(601)	(207)
Total	12,771	10,125

13. Administrative expenses

The below table breakdown the administrative expenses of the Company for the nine months and three months ended September 30, 2013 and 2012

	For the nine months period ended September 30,		**For the three months period ended September 30,**	
	2013	**2012**	**2013**	**2012**
	€ 000'	**€ 000'**	**€ 000'**	**€ 000'**
Corporate level administrative expenses	7,465	8,146	2,741	2,658
Marketing and administrative expenses in shopping malls	1,272	1,588	532	244
Marketing and administrative expenses in Entertainment centers (Fantasy Park)	932	1,028	184	322
Total	9,669	10,762	3,457	3,224

14. Significant events during the period

a. Write-downs of Trading properties and Investment in equity accounted investees

During the nine months ended September 30, 2013, the Company recorded Trading Properties write down in Greece, Czech Republic, Romania, Poland, Serbia and India of EUR 79.9 million (nine months ended September 30, 2012: EUR 6.0 million), and also the Company's share of the write downs recorded by equity-accounted investees in India of their Trading Properties amounting to EUR 56 million (nine months ended September 30, 2012: EUR 1.1 million). The write down was caused mainly by the following factors:

- Management reassessment of the probability of future development of certain properties (also resulting in the suspension of capitalizing of Non-specific finance, effective July 1, 2013) in view of the financial crisis affecting the area in which the Group operates, and the Company's deteriorating liquidity position. This primarily affected lands which were previously not written down below cost as the related completed project was expected to be sold above cost;
- Disposal of certain properties at a selling price below their carrying amount (refer to note 14(i) for more details)

The write down of trading properties is included in a separate line item in the condensed consolidated interim statement of profit or loss, while the write downs of Trading Properties within equity-accounted investees is included as part of the Share in results of equity-accounted investees, net of tax in the condensed consolidated interim statement of profit or loss.

b. Selling of joint venture in India

On May 29, 2013 the Company completed the sale of its 50% interests in an Investee which mainly held interests in an office complex project located in Pune, Maharashtra. The transaction valued the Investee collectively at EUR 33.4 million and, as a result, the Company has received gross cash proceeds of circa EUR 16.7 million in line with its holding. The Company recorded a loss of EUR 5.1 million from the disposal, mainly due to reclassification of foreign currency translation reserve associated with the investment to the statement of profit or loss in the amount of EUR 4.3 million.

c. Net capitalization ratio

Under the terms of the bonds issued in Poland in November 2010 (Totalling PLN 60 million (EUR 14 million), the Company is required to maintain a Net Capitalization Ratio (the "Ratio") which should not exceed 70%. As at the end of the reporting period the Ratio was 55%. The Company has withheld the payment of the abovementioned bonds, due on November 18, 2013, as part of the reorganization proceedings (refer to note 15(b)).

d. Dissolving of an equity accounting investee

In March 2013, the Company's 50% joint arrangement investee Elbit Plaza USA ("EPUS") was liquidated. As part of the liquidation procedure, the Company received an amount of USD 42 million (EUR 32 million), being its part in the remaining cash in EPUS. The dissolving did not result in any material effect on the statement of profit or loss of the Company.

14. Significant events during the period (cont.)

e. Bonds held in treasury

The Company's subsidiary had a loan from a commercial bank, secured by the Company's bonds repurchased, with a scheduled loan repayment in September 2013. Due to a rating event that resulted in a loan covenant breach, the Company negotiated with the bank and finally concluded an early repayment of the loan during the first half of 2013.

The loan balance, including accrued interest, was circa ILS 77.5 millions (circa Euro 16.3 millions). The early repayment reduced the Company's interest expenses for 2013 with circa EUR 0.2 million. For the financing of the early repayment, the Company initiated the selling of some of the loan's collateral (a re-sell of the repurchased bonds).

In addition to the above, NIS 75 million (EUR 15.7 million) par value of series B notes were bought in June 2013 by the Company itself from its wholly owned subsidiary, hence cancelled and delisted from further trading in the market.

Following the above, and as at the date of approval of this condensed consolidated interim financial information the Company, though it's wholly owned subsidiary holds in treasury NIS 15.9 million (EUR 3.3 million) par value of series B bonds.

f. Receiving of insurance claim in India

In June 2013 the Company collected INR 529 million (EUR 6.9 million) refund from the Insurance Company in connection with the damage occurred in the fire in Koregaon Park shopping center in Pune, India, reported as other receivable as of December 31, 2012.

g. Payment of bonds

On July 1, 2013, the Company paid principal (of series B bonds) and interest (of series A and B bonds) in a total amount of EUR 67 million.

h. Update on covenants

As at the end of the reporting period, all of the group's companies are in compliance with the entire loan covenants, with the exception of four bank facilities, for one of which, outstanding balance of EUR 22 million, the Company has received waiver, and in respect of the other three facilities, totalling EUR 58 million, the Company negotiates with financial institutions for obtaining of waivers, on all outstanding breaches.

However, due to the withholding of material payments (refer to note 15(b), financing banks and bondholders ("the creditors") may raise a claim for a breach of covenants of facilities granted to the Group. The Company is negotiating with the creditors on obtaining waivers on this breach.

i. Disposal of assets in the Czech Republic

On July 18th 2013 the Company completed the sale of 100% of its interest in a vehicle which holds the interest in the Prague 3 project ("Prague 3"), a logistics and commercial centre in the third district of Prague. Earlier this year, the Company completed its successful application to change the zoning use of Prague 3 to a residential scheme. The transaction values the asset at circa EUR 11 million and, as a result, further to related bank financing and other adjustments to the statement of financial position, the Company has received cash proceeds of net EUR 7.6 million. The Company has disposed the Prague 3 investment property asset, and has recorded a loss from fair value adjustment of EUR 4.2 million, included in other expenses in the statement of profit or loss.

14. Significant events during the period (cont.)

i. Disposal of assets in the Czech Republic (cont.)

In addition, in July 2013 the Company completed the sale of 100% of its interest in a vehicle which held the interest in another plot of land in Prague. The transaction values the asset at circa EUR 1.9 million and, as a result, further to liability to third parties, the Company has received cash proceeds of EUR 1.3 million. The Company has accounted for a EUR 3.5 million write down of this trading property in the second quarter of 2013 presented within write down of trading properties in the statement of profit or loss with no subsequent gain or loss on disposal in the third quarter of 2013.

15. Post balance sheet events

a. Selling of Joint venture in Hungary

On October 31, 2013 the Consortium of shareholders of Dream Island, in which the Company indirectly holds a 43.5% stake, has completed the sale of its Dream Island project land holding to the Hungarian State for circa EUR 17 million. The Consortium comprises an 87% holding interest of Ercorner, the 50:50 joint venture between the Company and a Hungarian commercial bank, as well as other small holders.

The proceeds of the transaction will be used by the Consortium to repay a proportion of the securitized related bank debt held against the asset. As a result of previous year market driven write-down, as at 30 September 2013 the investment in equity accounted investee Ercorner is circa nil, as the asset is recognised at the same amount as the carrying value of the bank loan. The bank loan is non-recourse, therefore no further accounting loss is expected to be incurred by the Group.

b. Withholding of material payments

On November 18, 2013, the Company announced that it has filed for reorganization proceedings (surseance van betaling) with the District Court of Amsterdam in the Netherlands and submitted a restructuring plan to the Court. For more information on the restructuring plan, refer to note 8.

Management is currently considering the potential financial effect of this process.

c. Agreement to sell Indian shopping mall

On November 14, 2013 the Company, announced that it has reached an agreement to sell Koregaon Park Plaza, a retail and entertainment located in Pune, India, subject to the satisfaction of certain closing conditions. The transaction values the asset at EUR 40.5 million, the asset's current carrying amount. Therefore no significant gain or loss is expected on the transaction.

Following the repayment of the outstanding related bank loan, the Company will receive aggregate gross cash proceeds from the purchaser totalling circa EUR 18.5 million which will be paid in several instalments during the next nine months. Subject to fulfilment of certain conditions, including consent from the financing bank, the Company expects to collect circa EUR 10 million in the coming two months and the remaining consideration in the first half of 2014.

15. Post balance sheet events (cont.)

d. Payment demand from EI

On November 14, 2013 the Company sent, based on a reference to the Strategic Joint Venture and Shareholders Agreement (the"Agreement") entered into between the Company and EI with respect to joint venture projects in India a notice to EI demanding full and immediate repayment of the consideration (including accrued interest) paid by the Company for the rights in the Kochi Island project amounting to approximately EUR 4.3 million presented in other receivables, due to failure to timely meet certain conditions set forth in the Agreement. EI notified the Company that it principally disagrees with the Company's position. However, EI intends to examine the implications of the exclusion of the project from the Agreement before responding to the crux of the matter. The Company is also currently assessing its actions in respect of this issue.

e. Credit rating update

As at the authorization date of these condensed consolidated interim financial information , both debentures series are rated D by S&P Maalot Ltd. on a local scale (down from ilB/Negative in August 2013), due to the withholding of material payments, as discussed in note 15(b).