

7 August 2007

## **PLAZA EXECUTES AGREEMENT FOR SALE OF THE ARENA PLAZA, BUDAPEST, FOR CIRCA €400 MILLION**

Plaza Centers N.V. ("Plaza Centers" or "the Company"), a leading emerging markets property developer, today announces that it has executed a binding agreement for the sale of its Arena Plaza shopping and entertainment centre in Budapest to UK based Active Asset Investment Management ('aAIM'), one of the UK's fastest growing commercial property investment groups. In September 2006, aAIM launched a £2 billion acquisition programme for its European Symmetry Fund in partnership with Bank of Scotland.

The estimated consideration for the acquisition of the Arena Plaza shopping and entertainment centre is approximately €400,000,000.

The purchase price will be finally determined on the completion of the transaction, which is expected to take place within a month of Arena Plaza's opening date, on the basis of the actual rent levels achieved being capitalized at an agreed yield. Plaza Centers will remain responsible for the letting of the centre's remaining units for a period of up to one year following the closing, and is anticipated to benefit from further price adjustments reflecting the signing of any additional leases during the two consecutive earn-out periods, which end three months and 12 months respectively following the completion.

The Company's management estimates the final transaction price based on actual rent levels will be no less than circa €380 million, with an overall transaction price cap of €400 million, as agreed with aAIM. The final expected transaction price represents a significant upside comparing to the project's estimated value upon completion at the time of the Company's Admission to trading in November 2006, which was circa €333 million.

Designed and developed by Plaza Centers following the acquisition of this landmark site by the Company in late 2005, Arena Plaza is Hungary's largest shopping and entertainment centre. It comprises 220 stores located throughout approximately 66,000 sqm of lettable area and is serviced by over 2,800 parking spaces. The centre is scheduled to open in the fourth quarter of 2007 whereupon, subject to the fulfilment of certain conditions, the transaction will be completed. Amongst the international anchor tenants of the centre are Tesco, the Inditex Group and Peek & Cloppenburg, together with other major retailers such as H&M, Electro World, Hervis and C&A. Additionally, Arena Plaza will accommodate a 23-screen Cinema City complex, which includes Hungary's first IMAX theatre. The centre is currently over 85% pre-let.

The profit from the sale will be recognised mainly over 2007 with adjustments in 2008 and, in part, distributed in accordance with the Company's dividend policy, announced following its successful listing on the London Stock Exchange last November.

### **Commenting on the sale, Ran Shtarkman, Chief Executive of Plaza Centers, said:**

"Arena Plaza is one of the largest and most prestigious shopping and entertainment centres in Central and Eastern Europe, the design and ambition of which has set new standards for the region ever since we first acquired the site in late 2005. In developing Hungary's largest shopping centre, we have provided an exciting new commercial centre for Budapest and a compelling destination for national and international tenants and visitors. Upon completion, the project will represent our 25<sup>th</sup> shopping and entertainment centre in the region and our 17th shopping and entertainment centre in Hungary. In addition, we have fifteen other projects in our pipeline in different stages of development.

"The Arena Plaza confirms Budapest's position among the major and diverse cities in Europe and has been a significant example of Plaza's mega, strategic development projects, such as

the large gambling and leisure resort on Dream Island in Budapest and the Casa Radio landmark scheme in the heart of Bucharest which comprises more than 500,000 sq m of build area, including one of the biggest shopping and entertainment centres in the region, residential and office space, a hotel, casino, hypermarket, convention and conference hall and parking facilities.

“The sale of Arena Plaza demonstrates our ability to act decisively both to create real value in the development of premier retail destinations with premier tenants and brands in our chosen markets, to create significant value for the Company and to generate strong returns for our shareholders. It also clearly illustrates the ability of the management team to develop major, high value assets and then sell them to third parties in order to recycle the Company’s capital.

“We look forward to fulfilling our management role on behalf of aAIM over the coming months to fully complete and lease up the project. We will also continue to further diversify and enrich the Company’s portfolio through the development of other high quality shopping and entertainment centres and mixed used projects both in the Central and Eastern European region and India.”

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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 Medical Imaging Ltd. (“EMIL”), 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 present in real estate development in emerging markets for over 11 years.