

The notice of EGM is important and requires your immediate attention. If you are in any doubt as to what action to take in relation to the EGM, you should consult appropriate independent advisers. If you have already sold or otherwise transferred your shareholding in the Company, you should immediately send this document together with the accompanying Proxy Form to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

PLAZA CENTERS N.V.

(the "Company")

(Incorporated in The Netherlands with registered number 33248324)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of the shareholders of the Company will be held at 2 pm (CET) on 7 January 2008 at the Park Plaza Victoria Hotel Amsterdam, Damrak 1-5, 1012 LG Amsterdam, The Netherlands for the purpose of considering and, if thought fit, passing the following resolutions.

Ordinary resolutions

1. To approve the proposed issue and offering to the public in Israel of unsecured non-convertible Series B Notes of the Company ("**Series B Notes**") with an aggregate nominal value in New Israeli Shekels which will be the equivalent of an amount up to US \$ 327,965,911 (*three hundred and twenty seven million nine hundred and sixty five thousand nine hundred and eleven*) (in accordance with the exchange rate on the date of issue).
2. To ratify (*bekrachtigen*) the issue and offering in Israel of unsecured non-convertible Series A Notes of the Company ("**Series A Notes**") with an aggregate nominal value of NIS 305,136,400 (*three hundred and five million one hundred and thirty six thousand four hundred*).
3. To approve the admission to listing on the market operated by the Tel Aviv Stock Exchange of the Series A Notes in issue and the Series B Notes to be issued.
4. To dismiss PKF Wallast Accountants and Business Advisors as the Dutch statutory auditors of the Company with immediate effect.
5. To appoint KPMG N.V. as the Dutch statutory auditors of the Company with immediate effect.

By order of the Board

Mr M. Zisser
Chairman

Dated: 21 December 2007

Notes:

1. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy and (in the case of an instrument signed by an agent of the shareholder who is not a corporation) the authority under which such an instrument is signed or an office copy or duly certified copy must be deposited at the offices of the Company not less than 48 hours before the time appointed for the meeting or any adjourned meeting. A prepaid form of proxy for use in respect of the meeting is enclosed.
3. Completion of a form of proxy will not prevent a shareholder from attending the meeting and voting in person.
4. Shareholders will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjourned meeting.
5. Forms of Direction are required to be completed by Depositary Interest holders and returned to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, no later than 72 hours before the time for the meeting or any adjourned meeting.

EXPLANATION TO THE NOTICE AND RECOMMENDATION

1. The Company is currently contemplating an issue of unsecured Series B Notes with a nominal value in New Israeli Shekels which will be the equivalent of an amount up to US \$ 327,965,911 (*three hundred twenty seven million nine hundred and sixty five thousand and nine hundred eleven*) (in accordance with the exchange rate on the date of issue) to the public in Israel. The contemplated issue of these Series B Notes is being made in order to use the proceeds therefrom for working capital, general corporate purposes, investments and acquisitions, as shall be determined by the directors of the Company from time to time. The Series B Notes will be governed by the terms of a Trust Deed under Israeli law, between the Company and Reznik Paz Nevo Trustees Ltd. as a trustee for the Series B Notes.
2. On 4 July 2007, the Company issued to investors in Israel in a private issue unsecured Series A Notes of the Company with an aggregate nominal value of NIS 305,136,400 (*three hundred and five million one hundred and thirty six thousand and four hundred*). The proceeds of the issue of the Series A Notes have been used and are being used for working capital, general corporate purposes, investments and acquisitions. The Series A Notes are governed by the terms of a Trust Deed under Israeli law, between the Company and Hermetic Trust (1975) Ltd. as a trustee for the Series A Notes. No new issue of Series A Notes is currently contemplated. The Series A Notes in issue are currently traded on the Institutional Retzef System in Tel Aviv. The holders of ordinary shares in the Company are requested to, in connection with the admission to listing of the Series A Notes on the Tel Aviv Stock Exchange, ratify the issue of the Series A Notes.
3. The Company is currently contemplating an application for admission of both the Series A Notes of the Company in issue and the Series B Notes of the Company to be issued and offered to the public in Israel, to listing on the Tel Aviv Stock Exchange. The listing on the Tel Aviv Stock Exchange enables the Company to reduce the annual interest rate on the Series A Notes from 5% to 4.5%.
4. On 29 June 2007, the Annual General Meeting of Shareholders of the Company appointed PKF Wallast Accountants and Business Advisors (“**PKF**”) as the Company’s Dutch statutory auditors. In the course of the audit process by PKF and nearing the completion of that process, PKF notified the Company that without being supplied with copies of the audit work papers of KPMG Hungaria Kft. (the auditors of the Company’s consolidated financial statements), they were not able to provide an opinion on the statutory accounts. This request was not made when the Company engaged PKF to carry out the audit. KPMG Hungaria Kft. allowed PKF full access to their work papers, but they could not agree to provide copies of their work papers (because of their firm policy, such a policy being common in the auditing profession). As a result, the Board hereby proposes to dismiss PKF as Dutch statutory auditors of the Company.
5. It is proposed to the meeting that KPMG N.V. will be appointed as Dutch statutory auditors of the Company. KPMG N.V. forms part of the worldwide network of KPMG organisations. KPMG Hungaria Kft. has audited the consolidated financial statements of the Plaza Centers Group in accordance with IFRS. It is expected that both KPMG organisations will operate in close connection and with good

communication, which will have a positive effect on the performance and timeliness of the Company's audit. The Dutch statutory audit assignment for KPMG shall start from the audit of the Company's Dutch statutory annual accounts for the year ended 2006. The shareholders shall be invited to adopt the Dutch statutory annual accounts in an extraordinary shareholders meeting which is expected to be held by the end of January 2008.

Recommendation

Your Board considers that all of the resolutions in the Notice of Meeting are in the best interests of shareholders as a whole and recommends that you vote in favour of each of them, as each of the directors who holds shares in the Company, intend to do in respect of their own beneficial holdings.