

**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, Form of Direction or Form of Instruction (as the case may be) 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 the Extraordinary General Meeting of the shareholders of the Company will be held at 9am (CET) on Tuesday 25 November 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 and to the extent necessary ratify (*bekrachtigen*) the issue and offering to the public in Israel by the Company of unsecured Series B Notes of the Company (**Series B Notes**) in the aggregate nominal amount of NIS 84,419,196 (*say: eighty four million four hundred nineteen thousand and one hundred ninety six New Israeli Shekels*) and the subsequent admission of those Series B Notes to listing on the Tel Aviv Stock Exchange.
2. To approve the proposed amendment by the Board of Directors of the Plaza Centers N.V. Incentive Plan outlined in the explanation to the notice and recommendations.
3. To honourably dismiss KPMG Accountants N.V. as the Company's statutory accountant with immediate effect.
4. To appoint Mazars Paardekooper Hoffman Accountants N.V. as statutory accountants of the Company with immediate effect.

**By order of the Board of Directors**

Mr M. Zisser  
Chairman

Dated: 7 November 2008

**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.
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 in the Company's shareholders' register (*aandeelhoudersregister*) 48 hours before the time appointed for the meeting or any adjourned meeting.
5. Forms of Direction are required to be completed by the holders of Depository Interests (other than for holders of Depository Interests that have been credited to investors' accounts maintained by the brokerage house in Poland) and returned so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, by no later than 72 hours before the time appointed for the meeting or any adjourned meeting.
6. Forms of Instruction are required to be completed by the holders of Depository Interests that have been credited to investors' accounts maintained by the brokerage house in Poland and returned to such brokerage house so as to be received by no later than 20 November 2008 at noon (CET).

## EXPLANATION TO THE NOTICE AND RECOMMENDATION

1. On 10 January 2008, the extraordinary general meeting of shareholders of the Company approved the issue and offering to the public in Israel by the Company of an amount up to an aggregate nominal value in New Israeli Shekels which would be the equivalent of an amount up to three hundred and twenty-seven million nine hundred and sixty-five thousand nine hundred and eleven United States Dollars (US\$ 327,965,911) (in accordance with the exchange rate on the date of issue) and approved the admission to listing on the Tel Aviv Stock Exchange of such Series B Notes. On 12 May 2008, the Company issued to the public in Israel an additional aggregate nominal amount of NIS 84,419,196 (*say: eighty four million four hundred nineteen thousand and one hundred ninety six New Israeli Shekels*) nominal value of Series B Notes. The proceeds of the issue of the Series B Notes have been used for general corporate purposes of the Company and its subsidiaries. All Series B Notes are governed by the terms of a Trust Deed under Israeli law, among the Company and Reznik Paz Nevo Trustees Ltd. as trustee. The Series B Notes currently in issue are admitted to and traded on the Tel Aviv Stock Exchange. The holders of ordinary shares in the Company are herewith kindly requested to approve and to the extent necessary, ratify the additional issue and offering to the public in Israel by the Company of Series B Notes in the amount of NIS 84,419,196 (*say: eighty four million four hundred nineteen thousand and one hundred ninety six New Israeli Shekels*) and the subsequent admission of those Series B Notes to listing on the Tel Aviv Stock Exchange.
2. It is proposed to the meeting to amend the Plaza Centers N.V. Incentive Plan (**Plan**). The Board of Directors is of the view that the Plan should serve as an effective incentive for the employees of the group of companies, headed by the Company, to encourage them to remain in employment and work to achieve the best possible results for the Company and its shareholders. Although the Company presented excellent performance and results since its admission to listing on the London Stock Exchange on 1 November 2006, current market conditions have however led to a strong decline in the Company's share price at both the London Stock Exchange and the Warsaw Stock Exchange (the share price on the London Stock Exchange being two days prior to the date of this notice, GBP 0.56), whereas most of most of the options granted under the Plan, have an exercise price of GBP 1.80 (*one pound sterling and eighty pence*). In order to maintain the incentive for all employees, the Board of Directors proposes to amend the exercise price of all options granted on or prior to 25 October 2008 (**Record Date**), to the average closing price of the Shares on the London Stock Exchange during the 30-day period ending on 25 November 2008. In an attempt to ensure that the options are an effective incentive and to assist in the retention of employees, the draft ESOP includes an extension of the vesting term for options granted less than one year prior to the Record Date. The draft ESOP is available for inspection at the offices of the Company from the date of this notice until the end of the meeting. Shareholders may request a hardcopy of this document at no cost.

3. KPMG Accountants N.V. has audited, to the Company's satisfaction, the Company statutory annual accounts for the years ended 31 December 2006 and 31 December 2007. As the Company managed to receive an attractive offer for fees with respect to the same auditing services from a different reputable international accounting firm, the Board of Directors of the Company is of the view that it is appropriate to change the statutory auditors of the Company.
4. It is proposed to the meeting that Mazars Paardekooper Hoffman N.V. will be appointed as statutory auditors of the Company. Mazars Paardekooper Hoffman N.V. forms part of the Mazars Group, an international, integrated and independent organisation, specialized in audit, accounting, tax and advisory services. The Mazars Group counts on the commitment of around 8,000 professionals in 46 countries. It is expected that the involvement of Mazars Paardekooper Hoffman N.V. in the audit of the Company's statutory annual accounts will have a positive effect on cost efficiency of the Company's audit. The audit assignment for Mazars Paardekooper Hoffman N.V. shall start from the audit of the Company's statutory annual accounts over the year 2008. The shareholders shall be invited to adopt the statutory annual accounts 2008 in the annual general meeting of shareholders which is expected to be held by the end of May 2009.

### **Recommendation**

Your Board of Directors considers that each of the resolutions set out in the Notice of Meeting is in the best interests of shareholders as a whole and recommends that you vote in favour of each resolution.