27 August 2008

PLAZA CENTERS N.V.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

Plaza reports strong growth, realization of investments and progress with its portfolio of 32 current development schemes

Plaza Centers N.V. ("Plaza" / "Company" / "Group"), a leading emerging markets property developer, today announces interim results for the six months ended 30 June 2008.

Financial highlights:

- Increase to €401 million in balance sheet of real estate trading properties being developed for future sale (31 December 2007: €298 million)
- Total assets of €939 million (31 December 2007: €761 million)
- Gross revenues and net gains from sale and operation of real estate assets of €80 million (30 June 2007: €97 million)
- Profit before tax of €44.5 million (30 June 2007: €22.6 million) owing mainly to the disposal of Plzen Plaza and financial gains
- Basic and diluted EPS of €0.15 (30 June 2007: €0.08)
- As at 30 June, cash position of €309 million (31 December 2007: €93 million,) and working capital of €723 million (31 December 2007: €625 million); current cash position of €280 million.

Operational highlights in the reporting period:

- Successful handover of Pilzen Plaza in the Czech Republic to Klepierre. The asset value was €61.4 million, an increase of 43% compared to expectation at IPO
- Purchase of two additional developments in Hunedoara and Targu Mures, Romania with an anticipated gross lettable area ("GLA") of 20,000 sqm and 30,000 sqm, respectively
- Acquisition of two new development projects in Poland in the city of Kielce (GLA 40,000 sqm) and in Leszno (GLA 16,000 sqm)
- Consortium formed by the shareholders of Dream Island, in which Plaza holds a 30% stake, has won, via a competitive tender, the first ever major casino licence to be awarded in Budapest, Hungary for its planned circa €1.5 billion entertainment and mixed use Dream Island development in central Budapest
- Gross proceeds raised of approximately €153 million from a bond issue to Israeli institutional investors between February and May 2008, providing significant additional financial flexibility.

Key highlights since the period end:

- Joint venture signed with Elbit Imaging to develop three major mixed use projects in India with an anticipated total budget of circa $3.4 billion (100%, the part of the JV is circa. $1.9 billion), located in the cities of Bangalore, Chennai and Kochi.

Commenting on the results, Mordechay Zisser, Chairman, said:

"Plaza continues to make good progress on its strategic plans as set out at the time of its IPO. We have a strong track of record of developing 'destination' shopping and entertainment centres specifically in markets and locations where we have identified strong population and economic growth. As a result, whilst our existing and potential tenant base cannot be expected to be entirely immune from current pressures on retailers, the nature of our assets continue to attract strong letting and customer interest. In line with this, we have already handed over the shopping and entertainment centre in Plzen which was 100% let on opening and are on track to commence the construction of several other locations in our target countries.

"With the backing of a strong cash position, we can continue to develop our existing schemes and also acquire new projects at even more compelling prices given the current global economic slowdown. We are therefore confident that the Company remains well placed to continue to deliver strong income and capital growth for its shareholders and we look forward to the future with confidence."

Ran Shtarkman, President and Chief Executive Officer of Plaza Centers N.V., added:

"It is our stated intention to continue to deliver high class western style developments in our current markets and we remain on track with our existing pipeline. However, our ambition is to continue to expand our operations beyond our established markets and sectors. Our new joint venture in India with Elbit means that we are likely to deliver more developments from 2010, as we develop our existing three mega mixed use projects in India, and look for other mixed use developments in India and other new territories, such as Russia and Ukraine.

"The Indian joint venture will provide a significant contribution towards the Company's prospects in the future, in a region in which there is huge demand for all types of real estate product. It will also help support the Company retain its rate of growth and profit even in the more difficult economic conditions prevailing across Europe and America."

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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, focusing 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 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 the NASDAQ Global Market in the United States.

Plaza Centers N.V. 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 12 years.

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

We are delighted to report excellent progress and high levels of activity across all Plaza's operations in the six months ended 30 June 2008 and in the second half of the year to date.

Key Events

The Company invested a total of approximately €140 million in the acquisition of four new projects and the ongoing development of existing assets during the first six months of 2008. There was also important progress in one of our major development projects, with the award to the consortium formed by the shareholders of Dream Island, in which Plaza holds a 30% stake, of the first ever major casino licence to be awarded in Budapest, Hungary for its planned circa €1.5 billion entertainment and mixed use Dream Island development in central Budapest. This triggered the start of construction phase of this development, which is a highly significant project for Plaza.

During the period the Company also raised approximately €153 million from a bond issuance to Israeli institutional investors between February and May 2008, providing significant additional financial flexibility.

Since the period end, Plaza has completed the successful handover of Plzen Plaza in the Czech Republic to Klépierre. The asset value was €61.4 million, an increase of 43% compared to the figure expected at IPO. In addition, as announced to shareholders on 26 August, the Company has signed a joint venture with Elbit Imaging to develop three mega mixed use projects with an anticipated total budget of circa $3.4 billion in India, located in the cities of Bangalore, Chennai and Kochi. Plaza will pay an initial circa $126 million (€85 million), reflecting the share of the land purchase and related expenses already paid. The acquisition of the locations is done in parts, with an approximate end cost of US$410 million for the three locations (the JV's share).

Results

We ended the first six months of 2008 with gross revenues of €80 million and a net profit of €44.5 million, resulting mainly from the sale of Plzen Plaza in the Czech Republic to Klépierre and from income from finance activities.

Following our strategic decision to focus more on assets to be built for sale, in 2007 and 2008 we invested heavily in existing assets under construction as well as acquiring a substantial future pipeline. Our total investment in real estate inventories under construction ("trading properties") increased to €401 million and we expect to generate significant revenues out of these inventories from 2009 onwards.

With our cash position of approximately €309 million at the period end (and circa €280 million as at today's date), Plaza is strongly positioned to fulfil its potential, secure additional investment pipeline projects and thereby create substantial value for its shareholders. It is also pleasing that this strong cash position carries considerable weight as we continue to negotiate ongoing financing for our projects and acquisitions with banks.

NAV

As mentioned in the Company's Prospectus on admission to trading on the London Stock Exchange, the property portfolio is revalued at the end of every financial year and, therefore, no update on NAV is provided at the half year. There would be considerable expense associated with conducting a portfolio valuation on a more regular basis and six-monthly valuation movements on such large-scale projects being developed over a number of years do not provide meaningful insight into the Company's underlying performance.

Strategy

The Company has been active in emerging markets in the CEE since 1996, when it pioneered and opened the first western-style shopping and entertainment centre in the CEE in Hungary and began to implement its vision of offering western-style shopping and entertainment facilities to a growing middle class and an increasingly affluent consumer base.

The strategy set out in the Company's Admission Document remains unchanged. We aim to:

- develop modern western-style shopping and entertainment centres in the capital and regional cities of selected countries, primarily in CEE (focusing on the medium term in Poland, Czech Republic, Romania, Serbia, Bulgaria, Slovakia and Greece) and mixed use developments in Ukraine, Russia and India for the medium and long term;

- acquire operating shopping centres that show significant redevelopment potential (either as individual assets or as portfolios) for refurbishment and subsequent re-sale;

- pre-sell, where prevailing market and economic conditions are favourable, the centres prior to, or after, commencement of construction or redevelopment; and

- where the opportunity exists in CEE and India, extend its developments beyond shopping and entertainment centres by leveraging its strengths and drawing upon the experience and skills of the Company's executive management team and the Europe Israel Group to participate in residential, hotel, offices and other development schemes where such developments form part of integrated large scale business and leisure developments. Examples include:

    - Dream Island, with 350,000 sqm of Gross Built Area ("GBA") which will be developed as a major hotel, recreation facilities, casino, retail spaces and a business and leisure complex. This development is in a prime location in the middle of Continental Europe, which over 350 million people can access within two hours flying time.
    - The three development projects in India within the recently signed JV with Elbit, which include extensive residential projects, offices, retail space, hotels and other infrastructure elements.

Apart from these, our next priority is the Casa Radio mixed use project which comprises a total of 600,000 sqm of GBA in Bucharest's city centre and will include one of the largest and most prestigious shopping centres in the CEE.

As demonstrated by the new Joint Venture signed with Elbit, Plaza is now leveraging its emerging markets expertise to expand beyond CEE and is involved in several projects in India, a market which it believes has a number of attractive characteristics:

- the significant economic growth the country has experienced over the last five years, which is expected to continue in the coming decade;
- the rapid growth in household income, which is a similar trend to that the Group experienced in CEE when it commenced operations;
- the Group's experience in emerging markets with similar complex legal and regulatory environments to India;

- the interest from major retailers in the areas being considered by the Group;
- the undeveloped retail industry in India, which is expected to enter a period of exponential growth; and lack of local expertise and hence competition in the development of shopping and entertainment centres.

Furthermore, the Group will examine other countries in CEE and Asia that meet the Group's development criteria with a view to identifying further opportunities in this sector.

We look forward with confidence to building upon our proven and successful business model to expand the Company's activities both within the CEE region and in new territories such as India and thereby driving income and capital growth on behalf of our shareholders.

Portfolio progress

The Company is currently engaged in 32 assets and projects under development located across the Central and Eastern European region and in India. The location of the assets under development, as well as office buildings, is summarised as follows:

	Number of assets	
Location	**Under development**	**Offices**
Romania	7	1
Czech Republic	4	1
Hungary	3	1
Poland	6	-
Latvia	1	-
Greece	1	-
Serbia	3	-
Bulgaria	1	-
India	6	-
Total	**32**	**3**

The Company has invested a total of €34 million in four acquisitions during the year to date, namely two retail development schemes in Poland (Kielce and Leszno); two sites in Romania at Hunedoara and Targu Mures and an additional €85 million in the new joint venture with Elbit in India.

In addition, Plaza has undertaken a number of significant transactions. The most important of these was the closing of sales transaction of Plzen Plaza in the city of Plzen (Czech Republic). This transaction was the last under the second agreement with Klépierre. The centre was 100% let prior to its handover, increasing the sales value to €61.4 million compared to €42.8 million as published in the Company's IPO Admission document.

In May 2008, a consortium of investors in which Plaza owns a 30% indirect stake was announced as a winner of a first class (major scale) casino licence to be operated on Obuda Island, Budapest. The granting of this licence will enable Plaza to commence construction of this major mixed use project, which we have named 'Dream Island'. Totalling over 350,000 sqm of GBA, the scheme will include approximately 3,000 hotel rooms in several hotels of different categories as well as approximately 1,000 leisure apartments, a convention centre accommodating 3,500 delegates, a 1,500 seat opera house, a 3,500 seat multi-purpose theatre, a marina with an anchorage for 300 vessels, a shopping and entertainment centre including a prestigious 'Designer Avenue', a Roman cultural museum, and parking facilities for approximately 5,500 vehicles, as well as the casino of 40,000 sqm. The scheme is located on the southern end of Obuda Island in the Danube River in central Budapest.

The exclusive casino licence has been granted to Plaza and its Consortium partners for 20 years from the date of opening of the casino, with a ten year extension option. During this time, no further major casino licences will be granted by the Hungarian government in the area of Budapest. The casino will have over 200 gaming tables and over 4,000 slot machines, and is expected to be the largest and most prestigious destination of its kind in Europe, where currently no other resort and leisure facility of this magnitude exists.

Dividend Policy

As explained in the Company's Prospectus, the Directors intend to adopt a dividend policy to reflect the long-term earnings and cash flow potential of the Group, taking into account the Group's capital requirements, while at the same time maintaining an appropriate level of dividend cover.

Dividends are expected to be paid at the rate of 25% on the first €30 million of annual net profits, and thereafter at the rate of between 20% and 25%, as determined by the Directors, on any additional annual net profits which exceed €30 million.

In Plaza's Interim Results announcement in September 2007, the Directors outlined their intention to make distributions based on the annual net profits of the Group starting with the 2007 financial year. In light of the Company's strong performance in 2007, owing to the highly profitable disposal of assets, the Board of Directors sought shareholders' approval at the annual general meeting on 27 May 2008 for a dividend of €57 million, representing circa £0.16 per share. This was approved by shareholders and was paid in June 2008.

Outlook

Plaza continues to make good progress on its strategic plans as set out at the time of its IPO. We have a strong track of record of developing 'destination' shopping and entertainment centres specifically in markets and locations where we have identified strong population and economic growth. As a result, whilst our existing and potential tenant base cannot be expected to be entirely immune from current pressures on retailers, the nature of our assets continue to attract strong letting and customer interest. In line with this, we have already handed over the shopping and entertainment centre in Plzen which was 100% let on opening and are on track to commence the construction of several other locations in our target countries.

It is our stated intention to continue to deliver high class western style developments in our current markets and we remain on track with our existing pipeline. However, our ambition is to continue to expand our operations beyond our established markets and sectors. Our new joint venture in India with Elbit means that we are likely to deliver more developments from 2010, as we develop our existing three mega mixed use projects in India, and look for other mixed use developments in India and other new territories, such as Russia and Ukraine.

The Indian joint venture will provide a significant contribution towards the Company's prospects in the future, in a region in which there is huge demand for all types of real estate product. It will also help support the Company to retain its rate of growth and profit even in the more difficult economic conditions prevailing across Europe and America.

With the backing of a strong cash position, (with minor debt comprising only 44% of equity) we can continue to develop our existing schemes and also acquire new projects at even more compelling prices given the current global economic slow-down. We are therefore confident that the Company remains well placed to continue to deliver strong income and capital growth for its shareholders and we look forward to the future with confidence.

Mordechay Zisser
Chairman
27 August 2008

Ran Shtarkman
President and CEO
27 August 2008

BUSINESS OVERVIEW

The first half of 2008 and the weeks since the period end have been active across all areas of Plaza's business.

Highlights during the period include:

- Exits: Handover of the interests in Plzen Plaza to Klépierre at terms more favourable than those reflected in our Prospectus;
- Acquisition of pipeline: four new developments acquired, two in Poland and two in Romania (20 new sites acquired since IPO, and 23 to date);
- Financial strength and flexibility: High cash balances and an A+/positive rating granted by the Israeli affiliate of Standard & Poor's, which was improved to Aa3 by Moody's, for the raising of up to $400 million at favourable interest rates, of which approximately €206 million has already been raised through several bond issues, including €153 million between February and May 2008.

Plaza is involved in the development of 32 schemes, of which seven are located in Romania, six in Poland, four in the Czech Republic, three in Hungary, three in Serbia, six in India, one in Bulgaria, one in Latvia and one in Greece. These projects are at varied stages of the development cycle, from the purchase of land through to the planning and completion of construction. In addition, Plaza is negotiating to purchase sites for the development of several additional schemes throughout the CEE region and India.

The Company's current assets projects are summarised in the table below:

Asset/Project	**Location**	**Nature of asset**	**Size sqm (GLA)**	**Plaza's effective ownership %**	**Status**
Arena Plaza Extension	Budapest, Hungary	Office scheme	40,000	100	Under planning Construction will commence in late 2008; completion scheduled for 2010
Dream Island (Obuda)	Budapest, Hungary	Major business and leisure resort	350,000 (GBA) (for rent and sale)	30	Initial excavation works commenced, completion scheduled for 2012-2013. Exclusive casino licence obtained
Uj Udvar	Budapest,	Retail and	16,000	35	Operating, currently working

	Hungary	entertainment scheme			up refurbishment plans
David House	Budapest, Hungary	Headquarters/Office	2,000	100	Operational office
Suwalki Plaza	Suwalki, Poland	Retail and entertainment scheme	20,000	100	Construction will commence in 2008; completion scheduled for 2010
Lodz	Lodz, Poland	Residential scheme	80,000	100	Under planning
Zgorzelec Plaza	Zgorzelec, Poland	Retail and entertainment scheme	15,000	100	Construction will commence in 2008; completion scheduled for 2010
Torun Plaza	Torun, Poland	Retail and entertainment scheme	45,000	100	Construction will commence in 2009; completion scheduled for 2011
Kielce Plaza	Kielce, Poland	Retail and entertainment scheme	40,000	100	Construction will commence in 2009; completion scheduled for 2011-2012
Leszno Plaza	Leszno, Poland	Retail and entertainment scheme	16,000	100	Construction will commence in 2009; completion scheduled for 2010-2011
Prague 3	Prague, Czech Rep.	Office, for future use for residential	61,600 (residential for sale)	100	Currently operational as an office building, re-zoning for future residential use is in progress
Opava Plaza	Opava, Czech Rep.	Retail and entertainment scheme	14,000	100	Construction will commence in 2009; completion scheduled for 2010
Liberec Plaza	Liberec, Czech Rep.	Retail and entertainment scheme	17,000	100	Construction started in 2007; completion scheduled for H1 2009

Roztoky	Prague, Czech Rep.	Residential units	14,000	100	Construction will commence in 2009; completion scheduled for 2010-2011
Casa Radio	Bucharest, Romania	Mixed use retail and leisure plus office scheme	600,000 (GBA) (including parking)	75	Construction commenced in 2007; completion scheduled during 2011-2012
Timisoara Plaza	Timisoara, Romania	Retail and entertainment scheme	43,000	100	Construction will commence in 2009; completion scheduled for 2011
Miercurea Ciuc Plaza	Miercurea Ciuc, Romania	Retail and entertainment scheme	14,000	100	Construction commenced in 2008; completion scheduled for 2009
Iasi Plaza	Iasi, Romania	Retail, entertainment and office scheme	62,000	100	Construction will commence in 2009; completion scheduled for 2011-2012
Slatina Plaza	Slatina, Romania	Retail, entertainment and residential	17,000	100	Construction will commence in 2008; completion scheduled for 2009-2010
Hunedoara Plaza	Hunedoara, Romania	Retail and entertainment scheme	20,000	100	Construction will commence in 2009; completion scheduled for 2010-2011
Targu Mures Plaza	Targu Mures, Romania	Retail and entertainment scheme	30,000	100	Construction will commence in 2009; completion scheduled for 2010-2011
Palazzo Ducale	Bucharest, Romania	Office	700	100	Operational
Belgrade Plaza	Belgrade, Serbia	Hotel and business centre with a shopping gallery	90,000 (GBA)	100	Construction will commence in 2009; completion scheduled for 2011-2012

Sport Star Plaza	Belgrade, Serbia	Retail and entertainment scheme	40,000	100	Construction will commence in 2009; completion scheduled for 2011
Kragujevac Plaza	Kragujevac, Serbia	Retail and entertainment scheme	26,000	100	Construction will commence in Q3 2008; completion scheduled for 2010
Shumen Plaza	Shumen, Bulgaria	Retail and entertainment scheme	20,000	100	Construction will commence in 2009; completion scheduled for 2010
Riga Plaza	Riga, Latvia	Retail and entertainment scheme	49,000	50	Construction commenced in 2007; completion scheduled for 2009
Helios Plaza	Athens, Greece	Retail and entertainment or office scheme	35,000	100	Under planning and permits stage
Koregaon Park	Pune, India	Retail, entertainment and office scheme	107,000 (GBA)	50	Construction commenced in 2007; expected completion in 2010
Kharadi	Pune, India	Retail, entertainment, office and apart-hotel scheme	225,000 (GBA)	50	Construction will commence in 2009; expected completion in 2011-2012
Trivandrum	Trivandrum, India	Retail, entertainment, office and apart-hotel scheme	195,000 (GBA)	50	Construction will commence in 2009; expected completion in 2011-2012
Bangalore	Bangalore, India	Mixed use residential, ,offices, retail, hotel, hospital and other infrastructure	2,100,000 (GBA)	23.75%	Under planning; Construction will commence in 2009-2010; completion scheduled for 2012-2017
Chennai	Chennai, India	Mixed use residential, commercial, office and retail	1,100,000 (GBA)	38%	Under planning Construction will commence in

					2009-2010; completion scheduled for 2012-2015
Kochi Island	Kochi, India	Mixed use residential, science park, retail, hospitality, infrastructure and marina	575,000 (GBA)	23.75%	Under planning; Construction will commence in 2009-2010; completion scheduled for 2012-2015

Details of these activities by country are as follows:

Hungary
During 2007, Plaza completed the development of the Arena Plaza, its landmark shopping centre scheme in central Budapest, comprising approximately 66,000 sqm GLA which makes it one of the biggest in CEE. The mall was sold to aAIM in November 2007. However, Plaza continues to work on the extension to Arena Plaza, where construction is planned to commence in late 2008. The extension will comprise an office complex with 40,000 sqm of GLA. Construction is expected to commence in Q4 2008.

In addition, Plaza holds a 30% stake in Dream Island, a prestigious development on the Obuda Island in central Budapest, with a land area of 320,000 sqm, which is intended to be developed as a major resort area including hotels, recreation facilities, a casino and a business and leisure complex with a development budget of circa €1.5 billion and 350,000 sqm of GBA. Preliminary design and excavation works are already underway. As stated above, the consortium formed by the owners of Dream Island project has won a concession licence for the 20 year operation of large scale casino (the first one in Budapest) with an option to extend for additional 10 years.

In accordance with its strategy to acquire operating shopping centres that show significant redevelopment potential for refurbishment and subsequent sale, in September 2007, the Company bought a 35% stake in the Uj Udvar shopping centre in Budapest, Hungary. The shopping centre is currently operational and the shareholders are working on a new design to be implemented.

The Group continues to own its office building in Budapest, David House on Andrassy Boulevard.

Poland
During 2008, Plaza continued the feasibility and planning of four development schemes in Lodz (designated for residential use), in Torun (comprising approximately 45,000 sqm of GLA), in Suwalki (comprising approximately 20,000 sqm of GLA) and in Zgorzelec (comprising approximately 15,000 sqm of GLA).

During this reporting period, Plaza has acquired two further projects in Poland, in Kiecle and Leszno. Leszno will have a GBA of 23,000 sqm as well as a 450 space car park providing space for over 70 shops, with a total lettable area of 16,000 sqm. Kiecle was acquired via a competitive tender and will have a GBA of 57,000 sqm and GLA of 40,000 sqm.

Czech Republic
Effective 30 June 2008, Plaza completed the successful handover of its shopping and entertainment centre in Plzen (approximately 20,000 sqm GLA) to Klépierre. It was sold for a total consideration of

€61.4 million, compared to a value of €42.8 million at IPO in November 2006, representing a 43% rise. It was 100% let on opening.

Construction of the Liberec Plaza shopping and entertainment centre (approximately 17,000 sqm GLA) commenced in 2007 and is currently expected to be completed in H1 2009..

During 2008, Plaza continued the feasibility and planning of its development scheme in Opava. In addition, Plaza has purchased 39,000 sqm of private land in Roztoky, a town close to Prague, which includes a valid planning permit for 81 family homes. It is anticipated that construction will commence in 2009.

The Company continues to own an income-yielding office and warehouse building in Prague which is designated to be re-zoned for a scheme of 61,600 sqm of residential units.

Romania

In November 2006, Plaza acquired a 75% interest in a company in partnership with the Government of Romania to develop Casa Radio (Dambovica), the largest development plot available in central Bucharest. It will comprise approximately 600,000 sqm of GBA, including a 160,000 sqm GBA shopping mall and leisure centre (one of the largest in Europe), offices, hotel, casino, hypermarket and convention and conference hall. Construction works commenced in 2007 and the completion is expected over 2011-2012.

During 2007, the group continued its rapid expansion in Romania, with the purchase of four sites located in Timisoara, Iasi, Miercurea Ciuc and Slatina. Miercurea Ciuc is under construction and is expected to be completed in mid 2009. Timisoara is in the final stages of design and planning which are expected to be completed in late 2008. In Iasi, the Company expects to start demolition works in the near future and in Slatina the design was agreed, the majority of permits secured and construction is due to commence in late 2008.

In the first half of this year Plaza acquired two further projects, located in Hunedoara and Targu Mures. In Hunedoara, Plaza is set to build a shopping centre with 20,000 sqm of lettable space. It is located alongside the main road to the city centre, and has a large catchment area of 500,000 people in the region. In Targu Mures, the Company is set to deliver 32,000 sqm of lettable retail space, comprising more than 120 units and will also include 2,600 sqm of office space and 1,000 car parking spaces. The proposed development is ideally located near to the city centre.

In addition, Plaza has a 50.1% stake in the Plaza-BAS joint venture. Currently the joint company holds seven projects in Bucharest, Brasov and Ploiest with a budget of €327.8 million and expected sales value of €462 million:

	Fountain Park	**Acacia Park**	**Primavera Tower**	**Green Land**	**Poiana Brasov**	**Primavera Tower**	**Pinetree Glade**	**Total**
Location	Bucharest	Ploiest	Ploieast	Ploieast	Brasov	Brasov	Brasov	-
Plaza-Bas Share	25%	50%	50%	50%	50%	50%	50%	-
Nature	Residential	Residential	Offices	Residential	Residential	Offices	Residential	-
Size (sqm)	18,200	29,800	9,600	24,000	150,000	10,000	50,000	291,600
Budget (MEUR) (100%)	20.3	31.1	18.4	20.7	169.2	16.7	51.4	327.8
Sales value (MEUR) (100%)	22.4	40	29.1	27.7	259.2	20.7	62.9	462

Any additional value above book value of the Plaza-BAS venture assets was not included in the year end NAV and was not valued by King Sturge. In light of this, and as stated in our report to shareholders in May 2008, we believe they offer a future potential uplift in value for shareholders.

Latvia
Construction works started in March 2007 on the Riga Plaza project comprising approximately 49,000 sqm of GLA in Riga, Latvia (a 50% holding). The scheme is located on the western bank of the river Daugava by the Sala Bridge and Plaza expects this project to be completed in mid 2009. The Company has experienced very strong retailer demand and the centre is already over 80% pre-let..

Serbia
Plaza believes that the Belgrade market offers particular potential, with a catchment area of approximately 2.5 million people. Plaza successfully established its presence in Serbia in 2007 with the acquisition of three plots. The first of these was a state-owned plot and building in Belgrade, which Plaza secured in a competitive tender. The building was formerly occupied by the federal ministry of internal affairs in the former Yugoslavia, and is located in the centre of Belgrade in a neighbourhood of government offices and foreign embassies. On completion, the scheme, Belgrade Plaza, will comprise a hotel, offices and shopping gallery totalling circa 90,000 sqm of GBA.

In December 2007, the Company won a second competitive public auction announced by the Government of Serbia for the development of a new shopping and entertainment centre called Sport Star Plaza with a total GLA of approximately 40,000 sqm in Belgrade.

An additional development in Serbia is located in Kragujevac, a city of 180,000 inhabitants. The planned shopping and entertainment centre will comprise approximately 26,000 sqm GLA and construction is expected to commence in Q3 2008.

Greece
Plaza owns a 15,000 sqm plot of land centrally located in Piraeus Avenue, Athens. Plaza is currently working on securing building permits for the construction of a shopping centre, or alternatively an office complex, totalling approximately 35,000 sqm of GLA.

Bulgaria
The Group owns a 20,000 sqm plot of land in Shumen, the largest city in Shumen County, which it intends to develop into a new shopping and entertainment centre with a total GLA of 18,000 sqm. The Company is currently finalizing the design, and construction is expected to commence in 2009.

Russia and Ukraine
New country directors and teams have been appointed to these countries to focus on possible investments and to gain deeper understanding of the local market. Negotiations are currently underway to purchase plots in major cities of these countries and it is currently expected that the first investments will be made in the second half of 2008.

India
Plaza has identified strong potential in emerging India and, during 2007, acquired two additional development projects in 50-50 Joint Venture in the Kharadi district of Pune, totalling approximately 225,000 sqm of GBA and in Trivandrum, the capital city of the State of Kerala, of approximately 195,000 sqm GBA. Both projects are for mixed use development (shopping centre, offices, hotel and serviced apartments), with Kharadi featuring a shopping area of 120,000 sqm, office space of approximately 81,000 sqm and 24,000 sqm of serviced apartments. The project in Trivandrum will provide retail space of some 67,000 sqm, an office complex of 90,500 sqm and 37,500 sqm of serviced apartments.

Following the period end, Plaza signed a $3.4 billion (of which the JV will be responsible for circa US$1.9 billion) joint venture with Elbit Imaging to develop three mega mixed-use projects in India, located in the cities of Bangalore, Chennai and Kochi. 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 an initial $126 million (circa €85 million), reflecting the share of the land purchase and related expenses. The acquisition of the locations is done in parts, with an approximate end cost of US$410 million for the three locations (the JV's share).

These three projects are as follows:

<u>Bangalore</u> - 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 comprise luxury residential units (Villas and Multi-level), office complexes, a major retail facility, hotel complex, hospital, golf course, club houses and ancillary amenity facilities..

<u>Chennai</u> - 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.

<u>Kochi Island</u> - 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 2009-2010. 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 centre led 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.

Prospects

The Group continues to examine additional developments to acquire assets across its target region as well as examining other future emerging market opportunities, which it considers will offer strong potential consumer demand for Plaza’s development projects.

Current market conditions and the global slowdown create many opportunities for Plaza to acquire assets and portfolios at attractive values. Despite the problems in the global credit markets, the Company continues to experience strong confidence from its financing banks who seek to lend to quality developers with a strong track record.

FINANCIAL REVIEW

Results

As Plaza focuses its business more on the development and sale of shopping and entertainment centres, the Group is classifying its current projects under development as trading properties rather than investment properties. Accordingly, revenues from the sale of trading properties are presented at gross amounts.

Revenues for the period ended at June 30, 2008 were €80 million (H1 2007: €95 million), attributable mainly to the sale of Plzen Plaza (€61.4 million) and a positive price adjustment from projects sold previously, as well as to rental income and income from entertainment activities.

Gains from the sale of investment property decreased to nil (H1 2007: €2.4 million), consistent with the Group's policy to classify properties as trading properties rather than investment properties. The gain in H1 2007 represented the net result from the sale of the Duna Plaza Offices in Budapest. Currently the Group owns only one investment property located in Prague, Czech Republic.

The cost of operations is attributable mainly to the cost of projects sold mentioned above (Plzen, €42.8 million) which were classified as trading properties (inventories), as well as assets' operational costs and costs resulting from entertainment activities and six month operating expenses of the Plzen shopping centre.

In addition, €2 million was provisioned due to uncertain amounts the Company might incur in respect of the development of the Plzen Plaza project. Accordingly, the purchaser has withheld these amounts until the uncertainty is removed.

Administrative expenses increased to €10.1 million (H1 2007: €8.2 million), due to the increase in the Company's volume of activities and penetration of new markets.

Net finance was positive in H1 2008 at €24 million (H1 2007: €3.3 million) due to higher cash balances and interest on receivables (€10 million), foreign exchange gains (€7 million) as well as a result of gain realised on the hedging transactions entered into in relation with the bonds issuance (€7 million).

The Company has a total tax burden of only €10,000 (H1 2007: €93,000), resulting from the Group's favourable tax structure.

Profit for the period amounted to €44.5 million in H1 2008, above market expectations, compared to €22.6 million in H1 2007.

Basic and diluted earnings per share for H1 2008 were €0.15 per share (H1 2007: €0.08).

Balance sheet and cash flow

The balance sheet as at 30 June 2008 showed current assets of €817 million compared to current assets of €721 million at the end of 2007. This rise primarily results from investment in acquisition of new projects net of Plaza's realization of Plzen, as well as the raising of series B bonds.

The cash position of cash and short term deposits increased to €309 million (2007: €93 million), and to date circa €280 million, mainly due to the payment for Arena Plaza sold in November 2007 and issuing series B bonds in the amount of approximately €71 million, as well as the collection of the proceeds of the Plzen sale, net of payment of dividends in an amount of €57 million and the entry into the Indian JV with Elbit.

Investment properties remained at the same level of €13 million as, in line with Group policy, according to which new assets are classified as trading property. Only the Prague 3 logistics building is classified as an investment property.

Total bank borrowings (long and short term) increased to €51 million (2007: €6 million) reflecting the increase of construction and investment activities.

Apart from bank financing Plaza has on its Balance Sheet a liability of €210 million from issuing bonds on the Tel Aviv Stock Exchange. These bonds are presented at their market value. Plaza has hedged the future expected payments in New Israeli Shekels (principal and interest linked to the Israeli CPI index) to correlate with the EUR, using a cross currency interest rate swap.

Trade payables decreased to €17 million and other liabilities has decreased to €38 million, (2007: €19 million and €52 million, respectively). Other liabilities have decreased chiefly due to payment of obligations in respect of purchase of plots of land by the group.

Related Party balances are presented gross (both in the assets and in the liabilities sections of the balance sheet) as the balances are with different Plaza group subsidiaries and therefore netting was not possible under IFRS. However, the net balance of the Plaza Group with its controlling shareholders is approximately €3.3 million (payable), chiefly due to provision for managements and supervision services which were paid subsequently.

Condensed consolidated interim income statement

	For the six months ended 30 June 2008	2007
	Unaudited	**Unaudited**
	€ '000	**€ '000**
Revenues	79,886	94,571
Gain from sale of Investment property, net	-	2,471
	79,886	97,042
Cost of operations	48,441	69,131
Gross profit	31,445	27,911
Administrative expenses (*)	10,146	8,191
Operating profit	21,299	19,720
Finance income	32,276	3,858
Finance expenses	(8,282)	(586)
Finance income, net	23,994	3,272
Other income	198	126
Other expenses	(664)	(441)
Share in loss of associate	(285)	(33)
Profit before tax	44,542	22,644
Income tax expense	10	93
Profit for the period	44,532	22,551
Attributable to:		
Equity holders of the Company:	44,532	22,546
Minority interest	-	5
	44,532	**22,551**
Basic and diluted earnings per share attributable to the equity holders of the Company (in EUR)	0.15	0.08

(*) Including non-cash share based payments of EUR 2.8 million for the six months period ended 30 June 2008 (for the six months period ended 30 June 2007 – EUR 3.6 million)

Condensed consolidated interim balance sheet

ASSETS	30 June 2008 Unaudited € '000	31 December 2007 Audited € '000
Current assets		
Cash and cash equivalents	194,435	66,381
Restricted bank deposits	13,413	25,155
Short-term deposits	101,261	1,033
Trade accounts receivables, net	63,337	262,595
Other accounts receivable and prepayments	23,701	48,102
Related parties	20,116	19,525
Trading properties	400,827	298,339
	817,090	721,130
Non current assets		
Long term financial instruments investments	50,155	-
Investment in associate	887	1,129
Derivative	23,012	2,228
Long-term balances and deposits	2,899	1,987
Property, plant and equipment	13,379	16,465
Investment property	12,970	12,970
Restricted bank deposits	18,162	5,302
Other non-current assets	165	-
	121,629	40,081
Total assets	938,719	761,211
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Interest bearing loans from banks	8,668	409
Trade payables	17,171	19,432
Amounts due to related parties	21,529	23,103
Creditor due to selling of trading and investment property	8,825	786
Other liabilities	37,507	51,950
	93,700	95,680
Non-current liabilities		
Interest bearing loans from banks	42,247	5,461
Long term debentures at fair value through profit or loss	210,492	53,821
Amounts due to related parties	1,916	1,871
Other long term liabilities	310	355
Deferred tax liabilities	597	552
	255,562	62,060
Share capital	2,924	2,924
Translation reserve	(7,079)	(1,727)
Other reserves	17,299	13,498
Share premium	248,860	248,860
Retained earnings	327,453	339,916
Total equity	589,457	603,471
Total shareholders' equity and liabilities	938,719	761,211

Condensed consolidated interim statement of changes in shareholders' equity

	Attributable to equity holders of the Company					
	Share capital	**Share premium**	**Capital reserve**	**Translation reserve**	**Retained earnings**	**Total**
	€ '000					
Balance at 31 December 2007 (Audited)	2,924	248,860	13,498	(1,727)	339,916	603,471
Foreign currency translation adjustment	-	-	-	(5,352)	-	(5,352)
Share based payments	-	-	3,801	-	-	3,801
Dividends to equity holders					(56,995)	(56,995)
Profit for the period	-	-	-	-	44,532	44,532
Balance at 30 June 2008 (Unaudited)	**2,924**	**248,860**	**17,299**	**(7,079)**	**327,453**	**589,457**

	Attributable to equity holders of the Company							
	Share capital	**Share premium**	**Capital reserve**	**Translation reserve**	**Retained earnings**	**Total**	**Minority interest**	**Total equity**
	€ '000							
Balance at 31 December 2006 (Audited)	2,923	248,860	1,840	(1,895)	112,949	364,677	-	364,677
Foreign currency translation adjustment	-	-	-	1,544	-	1,544	-	1,544
Share based payments	-	-	5,591	-	-	5,591	-	5,591
First time consolidated minority interest	-	-	-	-	-	-	745	745
Profit for the period	-	-	-	-	22,546	22,546	5	22,551
Balance at 30 June 2007 (Unaudited)	**2,923**	**248,860**	**7,431**	**(351)**	**135,495**	**394,358**	**750**	**395,108**

Condensed consolidated interim statement of cash flow

	For the six months ended 30 June	
	2008 Unaudited	2007 Unaudited
	€ 000'	€ 000'
Cash flows from operating activities		
Profit for the period	44,532	22,546
Adjustments necessary to reflect cash flows used in operating activities:		
Depreciation	466	229
Advance payment on accounts of trading properties	(3,058)	-
Minority interest	-	5
Finance income, net	(23,994)	(3,272)
Interest received in cash	7,857	2,989
Interest paid in cash	(172)	(553)
Loss from sale of property, plant and equipment	664	-
Company's share in loss of associate	285	33
Gain on sale of trading property	(27,365)	(23,062)
Income tax expenses	10	93
Decrease (increase) in trade accounts receivable	270,849	(788)
Increase in other accounts receivable	(4,434)	(6,639)
Change in restricted cash for projects to be acquired	(2,270)	(9,099)
Increase in trading properties	(74,848)	(127,265)
Increase in trading properties companies (see appendix A)	-	(14,657)
Increase (decrease) in trade accounts payable	(11,125)	15,941
Increase (decrease) in other liabilities	(20,426)	8,825
Net proceeds from selling of trading property (see appendix B)	(1,388)	31,119
Share based payments	2,777	3,570
Net cash provided by (used in) operating activities	158,360	(102,456)
Cash flows from investing activities		
Purchase and development of property, plant and equipment	(832)	(908)
Proceeds from sale of property, plant and equipment	2,514	-
Short term deposits, net	(100,230)	7,066
Decrease in long term deposits	23	185
Increase in long term deposits	-	(527)
Long term investments	(64,832)	-
Net proceeds from disposal of other subsidiaries (see appendix B)	-	11,526
Long term loans granted to partners in jointly controlled company	-	(7,934)
Net cash provided by (used in) investing activities	(163,357)	9,408
Cash flows from financing activities		
Short term loans from banks, net	8,259	70,576
Dividend payment	(56,995)	-
Proceeds from issuance of long term debentures, net	150,212	-
Long term loans from (repaid to) banks, net	36,786	(6,908)
Loans repaid to related parties, net	(5,006)	(7,483)
Net cash provided by financing activities	133,256	56,230
Foreign currency translation adjustment	(205)	192
Increase (decrease) in cash and cash equivalents during the period	128,054	(36,626)
Cash and cash equivalents at the beginning of the period	66,381	212,683
Cash and cash equivalents at the end of the period	194,435	176,057

Condensed consolidated interim statement of cash flow (cont.)

	For the six months ended 30 June	
	2008	2007
	€ 000'	€ 000'
Appendix A - Acquisition of subsidiaries		
Cash and cash equivalents of subsidiaries acquired	-	(14)
Working capital (excluding cash and cash equivalents)	-	22,695
Trading property	-	(38,098)
Minority interest	-	746
Less- Cash and cash equivalents of subsidiaries acquired	-	14
Acquisitions of subsidiaries, net of cash held	-	(14,657)
Appendix B - Disposal of Subsidiaries		
Cash and cash equivalents of subsidiaries disposed	1,388	3,064
Working capital (excluding cash and cash equivalents)	35,349	52,446
Long-term deposits	-	547
Investment property and other assets	-	13,800
Long-term loans and liabilities	-	(49,681)
Net identifiable assets and liabilities disposed	36,737	20,176
Cash from sale of subsidiaries	-	45,709
Less- Cash and cash equivalents of subsidiaries disposed	(1,388)	(3,064)
	(1,388)	42,645
Non cash movements		
Share based payment capitalized	797	2,626
Suppliers and creditors for trading properties	20,790	-

Selective Notes to the condensed consolidated interim financial statements

1. Reporting entity

Plaza Centers N.V. ("the Company") is an emerging markets developer of shopping and entertainment centres, focusing on constructing new centres and, where there is significant redevelopment potential, redeveloping existing centres, in both capital cities and important regional centres. The Company has been present in CEE since 1996. The Company has extended its area of operations beyond CEE into India and may consider other development opportunities in Asia.

In line with the Group's commercial decision to focus its business more on development and sale of shopping and entertainment centres, the Group has classified its current projects under development as trading properties rather than investment properties.

The condensed consolidated interim financial statements of the Company as at 30 June 2008 and for the six month period then ended comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available on the Company's' website (www.plazacenters.com) and also upon request from the Company's registered office at Keizersgracht 241, 1016EA Amsterdam, The Netherlands.

The Company has its primary listing on the London Stock Exchange and, from October 2007, the Company has also been listed on the Warsaw Stock Exchange.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting,* as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2007.

The condensed consolidated interim financial statements were approved for issue by the board of directors on 25 August 2008.

3. Significant accounting policies

The accounting policies adopted by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2007.

Financial instruments

Designation at fair value through profit or loss

The Group has designated financial assets and liabilities at fair value through profit or loss when either:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

The fair value of cross currency and interest rate swap is based on external valuation. Those valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

4. Estimates

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates have been made in a basis consistent with the basis used in the 31 December 2007 financials statements.

5. Financial risk management

There have been no significant changes in the Group's financial risk management. Objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2007.

6. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual effective income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2008 was 0.02%.

7. Interest-bearing loans from banks

The following interest-bearing loans from banks relating either to trading properties or to structures transactions were received during the six months ended 30 June 2008:

	Currency	**Interest rate**	**Face value**	**Carrying amount**	**Year of maturity**
			Thousands Euro		
Balance at 1 January 2008				**5,870**	
Received loans					
Secured bank loan	Euro	3m Euribor+2.85%	5,083	5,083	2008
Secured bank loan	Euro	3m Euribor+1.8%	3,177	3,177	2014
Secured bank loan	Euro	3m Euribor+0.40%	10,000	10,000	2018
Secured bank loan	Euro	3m Euribor+0.40%	26,993	26,993	2023
				45,253	
Repayments					
Secured bank loan	Euro	3m Euribor+1,85%	208	208	2015
Balance at 30 June 2008				**50,915**	

8. Related parties

The Control Centers Group of companies, held by Mr. Mordechay Zisser, the main shareholder of Elbit Imaging Ltd. (“EI”), who is the indirect controlling shareholder of the Company, is providing project management services to various projects developed by the Company and has charged EUR 3.4 million for services provided in the six months period ended 30 June 2008.

Jet Link, a Company held by Mr. Mordechay Zisser, which provides aviation services for the Company has charged a total of EUR 0.5 million for services provided in the six months period ended 30 June 2008.

The Company estimates the liability arising from an agreement signed with the Executive Vice Chairman of EI, in an amount of EUR 442 thousands. This provision is in connection with the Vice Chairman of EI in India. A provision has been record in other liabilities – related parties and was included as administrative expenses in the consolidated income statement.

EI has charged EUR 200 thousands for accounting and legal services provided to the Company in the first six months of 2008.

9. Earnings per share

Earnings per share attributable to equity holders of the Company arise from continuing operations as follows:

	For the six month period ended 30 June 2008
Earnings per share for profit from continuing operations attributable to the equity holders of the Company (expressed in EUR per share)	
Basic:	0.15
Diluted:	0.15