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**ELBIT PLAZA USA ANNOUNCES COMMITMENT BY INTERNATIONAL REAL ESTATE INVESTMENT FUND TO INVEST US\$100 MILLION FOR CO-INVESTMENT IN THE US REAL ESTATE MARKET**

**Strategic joint venture to focus on investments in the US commercial real estate sector**

Plaza Centers N.V. ("Plaza" or the "Company"), announces that, Elbit Plaza USA, L.P. ("Elbit Plaza USA"), a new real estate investment joint venture with its parent company, Elbit Imaging Ltd. ("Elbit"), has entered into a framework and co-investment agreement with Eastgate Property LLC ("Eastgate") to take advantage of real estate opportunities in the United States, primarily in the retail sector.

Under the terms of the new strategic joint venture, Elbit Plaza USA and Eastgate have jointly committed to invest a total of US\$200 million in one or more dedicated US real estate investment platforms, which will focus on investments in the US commercial real estate sector (collectively, the "Fund"). Elbit Plaza USA's investment into the Fund, totalling US\$ 100 million, will be invested by Plaza and Elbit in equal shares.

The Fund will seek to identify potential investments and make both direct purchases and enter into joint ventures with local business partners over a two year acquisition period. Once assets have been acquired, Elbit and Plaza will use their extensive experience in the retail sector to undertake asset management initiatives to maximise income and capital value growth from the properties, with the objective of selling the assets and dissolving the Fund within a five to-seven year period from the initial closing of the Fund.

Eastgate is an affiliate of NCH Capital Inc. ([www.nchcapital.com](http://www.nchcapital.com)), an established US based international real estate fund manager with over \$3 billion of capital under management. Eastgate will take an active role in the joint management of the Fund utilising its extensive experience of fund management and capital raising activities in the US.

This new joint venture is part of Elbit Plaza USA's broader strategy of securing additional capital commitments from third party investors, to take advantage of the attractive pricing currently being seen in the region. Elbit Plaza USA intends to raise a total of US\$400 million, providing total investment power of up to US\$1 billion to place in its target market.

In addition, Plaza confirms that Elbit Plaza USA has appointed senior real estate executive Alex Berman as chief executive officer. He will be responsible for Elbit Plaza USA's strategy, investment activities and operations. He has over 25 years of management, investment, finance and business development experience in the United States and internationally. Prior to joining Elbit Plaza USA, Mr. Berman was an executive with General Growth Properties, Inc. ("GGP"), one of the largest US mall owners, developers and operators, where he founded and led GGP's international expansion as Head of GGP International and previously served as GGP's Senior Vice President of Capital Markets and Finance.

**Ran Shtarkman, President and CEO of Plaza Centers, said:**

“The \$100 million capital commitment by Eastgate, a well respected real estate investor with an impressive track record, clearly demonstrates its confidence in our ability to create value for our shareholders by acquiring attractively priced assets in the US. We continue to seek to raise further equity from investors and have seen strong interest from a number of international institutions, as we aim to reach a target of US\$400 million of committed equity.

“We firmly believe that the new Fund will be ideally placed to take advantage of the current dislocation in the US financing and real estate markets. We currently have a unique opportunity to acquire high quality operating properties at very attractive valuations not seen in the recent past, with potential for significant appreciation. Furthermore, we believe that, as the global and US markets recover, the Fund should be well positioned to deliver significant value growth on its investments, through applying the asset management experience of Plaza and Elbit in the retail sector.

“In addition, we are delighted to have appointed Alex Berman as Chief Executive of Elbit Plaza USA. His track record and broad knowledge of the US market will be crucial in both securing acquisition opportunities and delivering value for investors.”

**Plaza**

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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 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, the Warsaw Stock Exchange (LSE:“PLAZ”, WSE: “PLZ/PLAZACNTR”). Plaza Centers N.V. is an indirect subsidiary of Elbit Imaging Ltd. (“EIL”), 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 active in real estate development in emerging markets for over 14 years.