

5 July, 2007

PLAZA CENTERS N.V. ANNOUNCES RESULTS OF A PRIVATE ISSUANCE OF DEBENTURES IN ISRAEL

Plaza Centers N.V. ("Plaza" or the "Company"), a leading emerging markets property developer, today announces that it has agreed with Israeli institutional investors to issue an aggregate principal amount of approximately New Israeli Shekels ("NIS") 305 million (approximately €53.3 million) Par Value of series one of unsecured non-convertible debentures to institutional investors in Israel. The debentures are rated by Maalot - The Israel Securities Rating Company Ltd., an affiliate of Standard & Poor's - at a local rating of A+/Positive.

The debentures are payable in eight equal annual installments, on December 31 of each of the years 2010 to 2017, inclusive. The debentures bear an annual interest rate of 4.5%, payable in semi-annual installments on December 31 and July 1 of each of the years 2007 to 2017 (the first installment to be effected on December 31, 2007 and the last installment to be effected on December 31, 2017). Both the principal and interest of the debentures are linked to changes in the Israeli Consumer Price Index. As described more fully below, the interest rate on the Debentures will be increased so long as the debentures are not registered for trade on the Tel Aviv Stock Exchange (the "TASE").

As the Company's functional currency is the Euro, the Company will hedge the future expected payments in NIS (principal and interest) to correlate with the Euro.

The debentures also provide that the debentures will be prepaid by the Company, inter alia, at the option of the trustee or the holders of the debentures if the Company delays the publication of its financial reports for more than 60 days from the dates provided by applicable law or if the debentures cease to be rated for a period of more than 60 days.

The debentures will be listed for trade on the Institutional Retzef System, which is a trading system for institutional investors in Israel. The Company may also, in its sole discretion, register the debentures for trade on the TASE. So long as the Debentures are not registered for trade on the TASE, the Company has undertaken (i) to pay an additional interest at an annual rate of 0.5% (namely 5%) until a prospectus is published for the registration of the debentures for trade on the TASE; (ii) to pay an additional interest rate at an annual rate of 0.25% in the event the rating of the debentures decreases to (BBB+) rating on a local scale by Maalot - The Israel Securities rating Company Ltd. or an equivalent rating by another Rating Company and (iii) to prepay the debentures at the option of the trustee or the holders of the debentures if made a special resolution on their general meeting upon the occurrence of each of the following events: (A) Should the rating of the debentures in Israel decrease below the BBB+ investment level rating of Maalot - The Israel Securities Rating Co. Ltd. or other equivalent rating by another rating company; (B) if the Company is required to prepay another series of debentures issued by the Company; or (C) if the holdings of Elbit Medical Imaging Ltd., the indirect parent of the Company, fall below 25% of the Company's issued and outstanding share capital. Such undertakings would be terminated upon the registration for trade of the debentures on the TASE.

Commenting on the approval, Ran Shtarkman, President and CEO, Plaza Centers N.V. said:

"As we indicated to shareholders in our announcement on 30 May, our A+/Positive rating from Maalot has enabled us to issue corporate bonds in the Israeli Institutional Market to finance our growth. Maalot's rating is based on issuance of up to US\$400 million, and following the registration of our debentures on the TASE we can issue additional debentures at these favorable interest rates. This will provide us with significant financial flexibility and firepower both to drive our ongoing development programme and to further diversify and enrich the Company's portfolio through the development of high quality shopping and entertainment centers and other 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) 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 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 active in real estate development in emerging markets for over 10 years