



Preliminary Results for the year ended 31 December 2010

23 March 2011



Agenda



- Financial Highlights
- Operational Highlights
- U.S Operation
- Summary and Outlook
- Appendix – projects overview



Financial Highlights



- Total assets of €1.4 billion (31 December 2009: €1.06 billion)
- Net Asset Value up 2.4% to €675 million (31 December 2009: €659 million) mainly due to gain from accretive purchase in the US
- Net Asset Value per share £1.96 (31 December 2009: £2.02), a small decline of 3%, attributable mainly to strengthening of GBP spot rate against the EUR compared to 31 December 2009
- Revenues doubled to €38 million (31 December 2009: €16 million) mainly due to increased rental income. No material asset sales were made during the period
- Profit for the year attributable to owners of the company of €10 million (31 December 2009: €65 million loss) arising from the increased income derived from the operation of recently opened assets and investment properties acquired throughout the year
- Basic and diluted EPS of €0.03 (31 December 2009: basic and diluted loss per share €0.23)



Financial Highlights (cont.)



- Strengthened cash position (including restricted bank deposits, short term deposits and available for sale financial assets) of €195 million (31 December 2009: €179 million) with working capital of €713 million (31 December 2009: €710 million)
 - Current cash position increased to circa €254 million following bond issuance after the period end
- Ongoing appetite and support demonstrated by successful bond issuance and approved credit rating during the reporting period:
 - Additional issuances of Series B bonds in January and February 2010 for cash consideration of NIS 330 million (circa €62.8 million). These bonds are rated ilA/Negative by S&P Maalot and A2/Negative by MIDROOG Ltd., the Israeli Credit Rating Agency and an affiliate of Moody's Investors Service
 - Completion of first tranche of bond offering to Polish institutional investors in November 2010. The Company raised a total of PLN 60 million (circa €15.2 million) of bonds, with a three year maturity bearing an interest rate of six month Polish Wibor plus a margin of 4.5%



Financial Highlights (cont.)



- Ongoing support from lenders, with loan agreements signed for financing 70% (circa €33 million) of the development costs for a new shopping centre at Kragujevac, Serbia (22,000 sqm GLA) and a development loan covering 70% (€52.5 million) of the construction of a 40,000 sqm GLA shopping centre at Torun in Poland
- Conservative gearing position maintained with debt comprising only 56% of balance sheet (31 December 2009: 46%)



Financial Overview

Results



	<u>2010</u>	<u>2009</u>
	€ '000	€ '000
Revenues ⁽¹⁾	37,641	16,045
Impairment loss of trading properties⁽²⁾	6,710	33,893
Cost of operations ⁽³⁾	20,853	12,970
Gross profit (loss)	10,078	(30,818)

- (1) **2010:** US rental income- €12.5m, rent in Europe- €12m, Fantasy Park - €7.5m, fair value adjustment of Investment property- €4.5m, revenue from selling trading property - €1m. **2009:** Fantasy Park - €7.3m, rent - €8.5m.
- (2) **2010:** – impairment arising from assets in Latvia (€1m), Czech Republic (€4m), Romania (€1.3m), Poland (€0.3m uplift) and Hungary (€0.7m) **2009** – impairment in Latvia (€10m), Czech Republic (€13.7m), Romania (€7.9m), Poland (€0.9m) and Hungary (€1.4m).
- (3) **2010** – US property operations- €5.4m, property operations in Europe – €7.5m, initiation cost – €0.9m, Fantasy Park operation – €6m, value of trading property sold -€1.1m. **2009** - Property operations - €13m.



Financial Overview (Cont.)



	<u>2010</u>	<u>2009</u>
	€ '000	€ '000
Administrative expenses ⁽¹⁾	17,923	19,054
Other income, net ⁽²⁾	42,343	241
Results from operating activities ⁽³⁾	34,498	(49,631)
Finance expenses, net ⁽⁴⁾	(21,177)	(18,120)
Share in loss of associate	(381)	(780)
Tax benefit ⁽⁵⁾	1,308	3,819
Profit (loss) for the year	14,248	(64,712)
Non controlling interests	(3,975)	57
Profit (loss) attributable to owners of the company	10,273	(64,769)



Financial Overview (Cont.)



NOTES TO THE RESULTS

- (1) Administrative expenses decreased mainly due to decrease in non-cash share based payments to €2.5 million (2009: €2.8 million) as well as reduction in professional expenses and general costs due to cost cutting programme
- (2) 2010 - includes gain from the bargain purchase in respect of the US portfolio of €42 million
- (3) 2010 operating profit is due to gain from the bargain purchase, offset mainly by non cash finance expenses, as well as administrative expenses. 2009 operating loss was mainly generated from the impairment of real estate inventories, as well as administrative expenses
- (4) Financial expenses are mainly due to changes in the fair value and related FX differences of the bonds issued in 2007 and 2008 (revaluation causing an accounting loss in both 2010 and 2009) offset by related derivatives gains incurred in both 2010 and 2009
- (5) Tax benefit arose from deferred tax liability changes mainly in respect of accounting gain or loss mentioned in point 4 above



Financial Overview (Cont.)

Balance sheet and cash flow



- Net assets of €624.4 million (31 December 2009: €574.7 million), with increase primarily due to Plaza's profit from bargain purchase for US acquisition less finance and administrative expenses, as well as positive change in translation reserve
- Gearing position remained conservative with debt comprising only 56% of balance sheet (31 December 2009: 46%)
- Cash and short term deposits (including restricted cash and available for sale financial assets) increased to €195 million (2009: €179 million) mainly due to:
 - receiving approximately €146 million from raising of bonds in Israel and Poland and bank loans
 - offset mainly by investment in the US joint venture, as well as ongoing development of existing schemes (approximately €87 million) and repayment to financial institutions and bond holders of interest and principal amount (approximately €46 million)

Current cash balances following additional bonds issuance in 2011 - €254 million



NAV



- The main impact on the increase in NAV came mainly from gain from bargain purchase in the US and from increase in the value of the two completed shopping and entertainment centres in Suwalki and Zgorzelec in Poland which were completed and opened during H1 2010

USE	€ ('000)
Market value of land and projects as valued by King Sturge LLP	840,741
Assets minus liabilities as at December 31, 2010 ⁽¹⁾	(165,598)
Total	675,143

(1) Excluding book value of assets which were valued by King Sturge LLP , but including Plaza's proportionate share of the US portfolio at market value valued by external the valuer (46 % of the total portfolio value) and the management of EDT

The resulting NAV per issued share was £1.96 as at 31 December 2010, a 3% decrease compared to 31 December 2009



Operational Highlights 2010



Ongoing progress with expansion plan for the United States:

- Launch of Elbit Plaza USA, L.P. ("Elbit Plaza USA"), a real estate investment venture jointly formed by Plaza and its parent, Elbit Imaging Ltd. ("Elbit"). Co-investment agreement signed with Eastgate Property ("Eastgate") to form EPN Real Estate Fund, LP (the "US Fund", "EPN"). Agreement between Elbit Plaza USA and Eastgate to invest an aggregate amount of \$200 million (split 50:50), to take advantage of opportunities in the U.S. retail and commercial real estate sectors
- In June 2010 the US Fund successfully raised \$31 million of additional capital commitments from Menora Mivtachim Insurance Ltd. ("Menora"), one of Israel's leading insurance companies
- Completion of the the US Fund's first investment in the USA, with a circa USD 114 million investment in Macquarie DDR Trust ("Trust"), an Australian publicly traded trust (ASX:EDT) which, as at 31 December 2010, owned and managed two US REIT portfolios totalling 48 retail properties located across 20 states. EPN holds an approximate 48% ownership interest in the Trust, which was subsequently renamed the EDT Retail Trust ("EDT"). On 24 February 2011, EDT reported net property income of USD 50 million for the six months ended December 31, 2010
- On 29 December 2010 Plaza's US joint subsidiary, EPN, signed a Real Estate Purchase and Sale Agreement, to acquire seven retail shopping centres located in the US for a total purchase price of \$75 million, from certain affiliates of Charter Hall Retail REIT



Operational Highlights 2010 (cont.)



Significant development milestones achieved:

- Zgorzelec Plaza in Poland was completed and opened in March 2010. The 13,000 sqm GLA shopping centre was circa 75% let on opening, with tenants including H&M, KappAhl and Douglas
- Completion of Plaza's 30th shopping centre in CEE, with the opening of Suwalki Plaza, Poland in May 2010, which comprises 20,000 sqm of GLA and 450 parking spaces. The centre was circa 80% let on opening to major international and local brands such as H&M, New Yorker, Douglas, and Deichman
- Construction of Plaza's ninth retail scheme in Poland, the 40,000 sqm GLA Torun Plaza, commenced in late 2010 and is expected to complete in Q4 2011. The centre is currently 55% pre-let
- Along with its 50:50 Indian joint venture partner, Plaza has made good progress with the construction of the first phase of the Kharadi project in Pune, a 28,000 sqm office building known as 'Matrix One'. To date, Plaza has pre-sold 70% of the saleable area



Operational Highlights 2010 (cont.)



Significant development milestones achieved:

- Encouraging progress was made during 2010 on the construction and letting of the 110,000 sqm built up area mixed-use scheme in Pune, the Koregaon Park Plaza, which will comprise a shopping centre and office space. During the year, finance for the project was secured totalling approximately USD 45 million, to fund 50% of the total project costs. Approximately 50% of the 48,000 sqm GBA mall (excluding parking) is pre-let with memoranda of understanding signed for a further 10% of the space. Completion of the shopping and entertainment centre is expected in H2 2011



Key Highlights since the period end



- Plaza issued an additional principal amount of approximately NIS 267 million (approximately €58 million) of Series A and B bonds for an aggregate consideration of approximately NIS 300 million (approximately €65 million) by way of a private placement
- EPN made an off-market takeover bid to acquire all of the outstanding units of EDT on March 10, 2011. EPN's unconditional offer is to buy all outstanding units of EDT that EPN's affiliate does not already own (approximately 52%), for AUS\$ 0.078 cash per EDT unit. The total consideration, which will be paid by EPN, assuming full take up of EDT units, is approximately US\$ 190 million



U.S Operation – EDT Portfolio



- **Total Owned Square Feet (Thousands):** 10,942
- **Rentable area:** over 1.02 million sqm; highly diversified tenant base
- **Average Occupancy:** 88.8% (% leased today)
- **Average Yearly Rent Per Square Foot :** \$11.76 (*current rents*)
- **Net operation income of over USD 100 million**
- **The Trust's rental revenue** remains relatively stable with 78% of its Annual Base Rent derived from large and junior anchor retailers which predominantly have a national presence and are secured by relatively long-term leases



The decrease in the NOI between 2008 - 2010 was mainly caused by the sale of some assets by EDT.



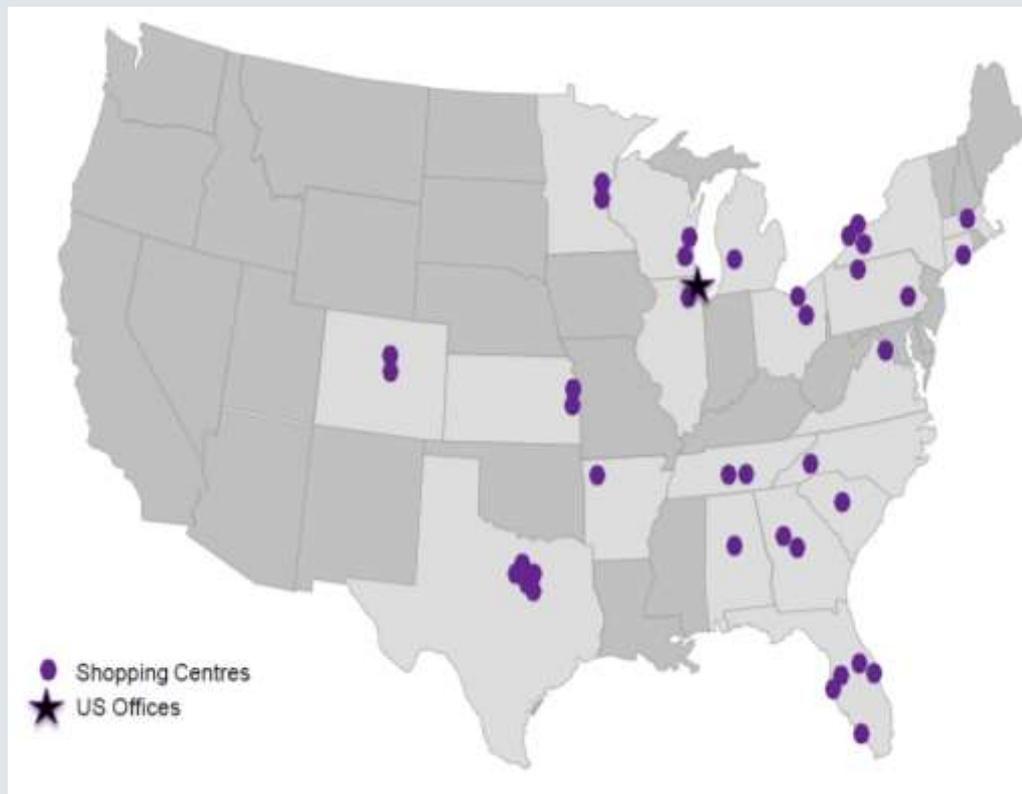
U.S Operation – EDT Portfolio

EDT – Top Ten Tenants

TJX Companies	5.9%
PetSmart	4.7%
Kohl's	4.7%
Best Buy	3.3%
Dick's Sporting Goods	2.6%
Bed Bath & Beyond	2.5%
Wal-Mart	2.2%
Jo-Ann Stores	2.1%
Home Depot	2.0%
Schottenstein Stores	2.0%
Top Ten Tenants	32.1%

Top ten states by Annual Base Rent

Massachusetts	12.9%
Ohio	10.7%
New York	9.3%
Minnesota	9.1%
Texas	7.0%
Illinois	6.4%
Florida	6.3%
Connecticut	5.3%
Colorado	4.8%
Kansas	4.5%



EDT – Geographical Diversification



U.S Operation – EDT Portfolio



- Since acquiring EDT, we have implemented a programme of improvements, which included the extension of long term credit related to the assets, the rental of available space and the reorganization of the management structure
- Among our first actions in EDT:
 - The entire corporate company level debt of USD 108 million was repaid
 - Major refinancing of two portfolios of assets were closed for a sum of USD 380 million with long maturities and attractive rates of interest
 - Management location transformed from Australia to the US
- We are investing in the improvement of the rented premises to achieve enhanced returns ranging from 12% to 20%
- It is our intention to increase the NOI by a further USD 5 million



U.S Operation – Grocery Anchored Centres Portfolio



- In December 2010, EPN entered into an agreement with Charter Hall, an Australian company, to purchase seven commercial centres of grocery anchored shopping centres in the US with a property value of USD 75 million
- The Grocery Anchored Centers Portfolio comprises five grocery anchored centers, two grocery/big box hybrid centres, one pharmacy anchored centre and one unanchored strip centre. Assets within the portfolio range from 25,394 square feet to 201,979 square feet
- Totaling 648,301 square feet, the 91% leased portfolio includes assets located in three markets throughout the United States. Four of the assets are located in Georgia, two in Oregon and one in Florida
- Nationally recognized grocery and big box anchors including Office Max, PetSmart, Marshalls and CVS occupy approximately 400,000 square feet (more than 55% of the total portfolio). One of the grocery centres is anchored by Kroger, one by Publix and one by Safeway. One grocery/big box hybrid includes Albertson's and another includes Trader Joe's
- As evidence of the demographic strength of the submarkets in which the assets are located, the portfolio boasts average household incomes within a 3-mile radius of the properties that significantly exceed the average for the United States at \$89,500 per household
- The commercial centres generated net operating income of approximately USD 7 million in 2010, representing a return of 9.2% on the purchase price



Building upon our successful business model



- Continue to build on successful track record of developing, letting and selling shopping & entertainment centres in CEE for over 15 years
- Geographic expansion beyond CEE now well advanced through US acquisition and Indian projects
- Strong ability to identify new growth opportunities in existing as well as new countries
- Flexibility and ability to anticipate and adapt to market trends
- Highly skilled management team with extensive local property expertise, knowledge and a proven ability to source strategic development sites and design projects
- Extensive network and strong relationships with leading international retailers
- Strong and evolving brand name aids letting and pre-sales
- Thorough project evaluation prior to sourcing and commencing each development opportunity
- Successful project management - almost all projects to date finished on time and within budget



Outlook



- Continue to adapt business strategy and maintain financial strength to ensure Plaza remains well positioned for future growth
- Retain stringent investment criteria for new developments and remain cautious in initiating developments in some CEE territories which have been most impacted by the economic climate
- Strength of Plaza brand, excellent relationships with a broad range of retailers, combined with the high quality of end product leaves Plaza well placed to meet occupational demand
- Whilst investor demand for assets in the CEE remains subdued, Plaza will continue to hold operating assets and utilise extensive experience in managing retail assets to hold developed projects as income generating investments
- Reduced investor appetite in the CEE still offers strong acquisition opportunities for Plaza
- Through new joint venture, Elbit Plaza USA, we continue to evaluate further acquisitions, where exceptional opportunities may arise to enhance capital and income at entry prices at historic lows. Expansion of existing US portfolio already underway through recent acquisition of seven grocery anchored centres from Charter Hall
- Excellent progress with projects in India



The evolution of our business model, combined with the financial strength of the Company, leaves us ideally positioned for growth and our prospects for delivering future value for shareholders remains strong





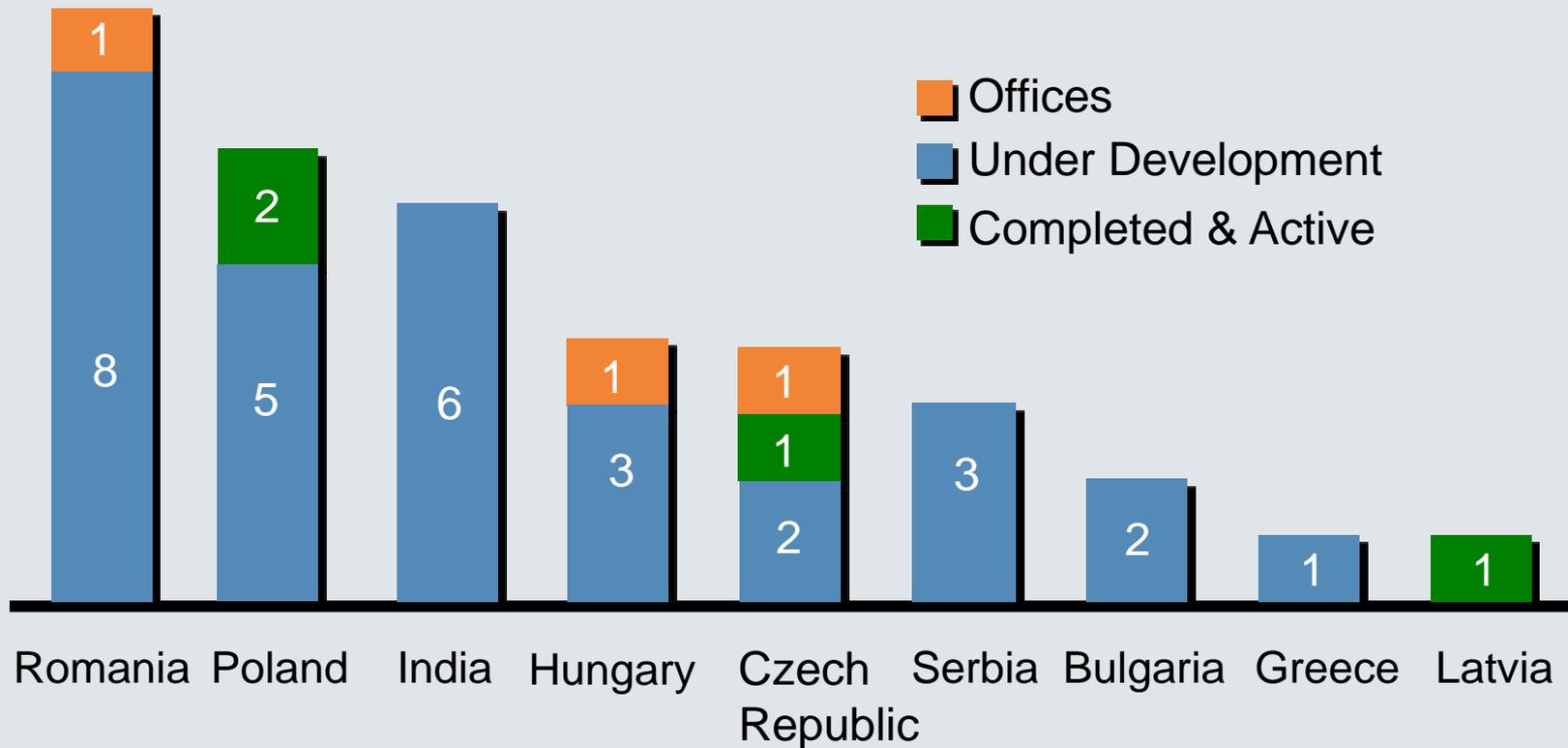
Appendix A: Current Projects



Portfolio Summary – by Country (excluding U.S)



Total portfolio of 37 assets in 9 countries



Projects overview – Completed Projects



Liberec Plaza (Czech Republic)



- City: Liberec, Czech Republic
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Riga Plaza (Latvia)



- City: Riga, Latvia
- Type: Shopping & entertainment centre
- Size: 49,000 (GLA)
- Plaza Share: 50%
- Status: Operating

Zgorzelec Plaza (Poland)



- City: Zgorzelec, Poland
- Type: Shopping & entertainment centre
- Size: 13,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Suwalki Plaza (Poland)



- City: Suwalki
- Type: Shopping & entertainment centre
- Size: 20,000 (GLA)
- Plaza Share: 100%
- Status: Operating



Projects overview – Serbia

Belgrade Plaza



- City: Belgrade
- Type: Mixed use (offices, Hotel & retail)
- Size: 70,000 (GBA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage

Sport Star Plaza



- City: Belgrade
- Type: Shopping & entertainment centre
- Size: 45,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage

Kragujevac Plaza



- City: Kragujevac
- Type: Shopping & entertainment centre
- Size: 22,000 (GLA)
- Plaza Share: 100%
- Completion Date: H1 2012
- Status: Under Construction



Projects overview – India



Koregaon Park



- City: Pune
- Type: Mixed use (Shopping, entertainment & offices)
- Size: 110,000 (GBA)
- Plaza Share: 100%
- Completion Date: H2 2011 (Mall)
- Status: Under construction

Kharadi



- City: Pune
- Type: Mixed use (Shopping, entertainment & offices)
- Size: 165,000 (GBA)
- Plaza Share: 50%
- Completion Date: 2011 - 2014
- Status: Under Construction

Trivandrum



- City: Trivandrum
- Type: Mixed use (Shopping, entertainment, offices and apartment hotel)
- Size: 195,000 (GBA)
- Plaza Share: 50%
- Status: Planning and permits stage



Projects overview – India



Bangalore



- City: Bangalore
- Type: Mixed use (residential, offices, retail, hotel, hospital and other infrastructure)
- Size: 320,000 (GBA)
- Plaza Share: 23.75%
- Completion Date: 2012-2017
- Status: Planning and permits stage

Chennai



- City: Chennai
- Type: Mixed use (residential, commercial, office and retail)
- Size: 800,000 (GBA)
- Plaza Share: 38%
- Completion Date: 2013-2015
- Status: Planning and permits stage

Kochi Island



- City: Kochi
- Type: Mixed use (residential, science park, retail, hospitality, infrastructure and marina)
- Size: 575,000 (GBA)
- Plaza Share: 23.75%
- Status: Planning and permits stage



Projects overview - Poland



Torun Plaza



- City: Torun
- Type: Shopping & entertainment centre
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Completion Date: Q4 2011
- Status: Under construction

Lodz Plaza



- City: Lodz
- Type: Shopping & entertainment centre
- Size: 45,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage

Leszno Plaza



- City: Leszno
- Type: Shopping & entertainment centre
- Size: 16,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage

Kielce Plaza



- City: Kielce
- Type: Shopping & entertainment centre
- Size: 33,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage



Projects overview - Romania

Casa Radio



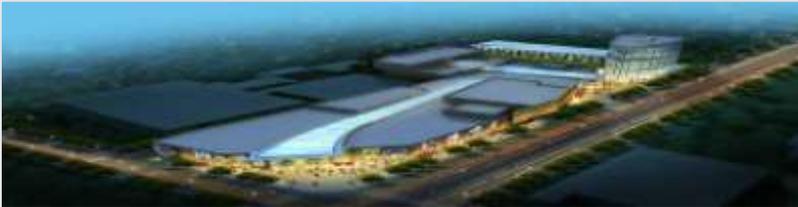
- City: Bucharest
- Type: Mixed use
- Size: 600,000 (GBA)
- Plaza Share: 75%
- Completion Date: 2013-2015
- Status: Initial construction

Timisoara Plaza



- City: Timisoara
- Type: Shopping & entertainment centre
- Size: 43,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage

Iasi Plaza



- City: Iasi
- Type: Mixed Use
- Size: 62,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning and permits stage

Slatina Plaza



- City: Slatina
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2013
- Status: Planning and permits stage



Projects overview - Romania

Csiki Plaza



- City: Miercurea Ciuc
- Type: Shopping & entertainment centre
- Size: 14,000 (GLA)
- Plaza Share: 100%
- Status: Awaiting external finance

Targu Mures Plaza



- City: Targu Mures
- Type: Shopping & entertainment centre
- Size: 30,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2013
- Status: Planning and permits stage

Hunedoara Plaza



- City: Hunedoara
- Type: Shopping & entertainment centre
- Size: 13,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2013
- Status: Planning and permits stage

Constanta Plaza



- City: Constanta
- Type: Shopping & entertainment centre
- Size: 18,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2013
- Status: Planning and permits stage



Projects overview - Hungary

Dream Island



- City: Budapest
- Type: Business and leisure resort
- Size: 350,000 (GBA)
- Plaza Share: 43.5%
- Completion Date: 2014-2016
- Status: Initial excavation and archaeological works, casino license obtained

Arena Extension



- City: Budapest
- Type: Office
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2013
- Status: Planning stage

Uj Udvar



- City: Budapest
- Type: Shopping & entertainment centre
- Size: 16,000 (GLA)
- Plaza Share: 35%
- Status: Existing shopping centre for refurbishment



Projects overview – Bulgaria



Shumen Plaza



- City: Shumen
- Type: Shopping & entertainment centre
- Size: 20,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2013-2014
- Status: Planning and permits stage

Sofia Plaza Business center



- City: Sofia
- Type: Mixed use (Retail & offices)
- Size: 44,000 (GLA)
- Plaza Share: 51%
- Status: Under Planning; currently let to hyper-market operator



Projects overview – Greece

Piraeus Plaza



- City: Athens (Greece)
- Type: Shopping & entertainment centre
- Size: 26,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014
- Status: Planning stage



Projects overview – Residential Projects



Roztoky (Czech Republic)



- City: Prague, Czech Republic
- Type: Residential
- Size: 14,000 (GBA)
- Plaza Share: 100%
- Completion Date: 2013-2014
- Status: Planning and permits stage

Prague 3 (Czech Republic)



- City: Prague, Czech Republic
- Type: Residential
- Size: 61,600 (GBA)
- Plaza Share: 100%
- Status: Permits to be obtained in 2011, currently yielding rent

Lodz (Poland)



Plaza Centers

- City: Lodz, Poland
- Type: Residential
- Size: 80,000 (GBA)
- Plaza Share: 100%
- Status: Planning and permits stage



Projects overview – Office buildings



David House (Hungary)



- City: Budapest, Hungary
- Type: Office
- Size: 2,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Palazzo Ducale (Romania)



- City: Bucharest, Romania
- Type: Office
- Size: 700 (GLA)
- Plaza Share: 100%
- Status: Operating

Prague 3 (Czech Republic)



- City: Prague, Czech Republic
- Type: Office / warehouse
- Size: 44,300 (GLA)
- Plaza Share: 100%
- Status: Operating

