

Prague, 27 September 2007

PLAZA CENTERS MAKES DEBUT IN SERBIA

Plaza Centers N.V. (“Plaza” or the “Company”), a leading Central and Eastern European emerging markets property developer, announces that it has won a competitive tender from the Government of Serbia for the development containing administrative buildings, 4 and 5-star hotel, shopping, entertainment and business centre on a total built up area of circa. 100,000sqm (with over 2000 parking spaces) in Belgrade, Serbia. This project represents Plaza’s first step into the Serbian market and continues the trend of the Company’s expansion in the countries of former Yugoslavia set out in its Prospectus.

The new complex will be located on the prominent site of the former Federal Ministry of Internal Affairs, situated on the main street which runs through the centre of Belgrade. The area is home to foreign embassies, including those of the United States, Canada, Germany, Poland among others. In addition the Serbian Government, Ministry of Finance, Belgrade chamber of commerce etc.

Plaza will partner local Serbian developer for the project, which is expected to have a gross development budget of €150 million. The local partner will be entitled to participate in up to 15% of the project, subject to certain conditions while the project management will be rendered solely by Plaza.

Serbia is one of the Eastern European nations where Plaza sees strong potential for future investment opportunities. Plaza also believes that the Belgrade market offers particular potential, with its large populated catchment area of approximately 2.5 million people. Additionally, as Belgrade has not to date benefited from ‘institutional grade’ investment in retail or commercial real estate, this development will have particular significance in terms of providing a new commercial and cultural destination for both domestic and international visitors.

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

“We are very excited to be taking our first steps into the Serbian market, where we believe our skills and experience in delivering large-scale mixed-use developments can produce significant value, both for our shareholders and for the centre’s tenants and visitors.”

“In addition, we look forward to playing a part in the delivery of a new commercial and cultural centre for Belgrade, which we hope will attract a range of high quality international and domestic tenants and thereby unlock the considerable potential we see within the Serbian market.”



Notes for editors:

Plaza Centers Czech Republic is subsidiary company and integral part of the Plaza Centers Europe N.V. Group, an international concern engaged in the development and operation of superior standard shopping and entertainment centers. It is a Dutch company with Israel capital (Elbit Medical – its stocks are negotiable on New York stock exchange). Currently Plaza Centers N.V. offers its shares also on the London Stock Exchange.

Plaza Centers Europe N.V. group realized a range of shopping-entertainment centre projects in Hungary, Poland, Latvia, Romania and Greece. Novodvorská Plaza was the 24th project and the first investment of the company in the Czech Republic.

The company is planning construction of a further four projects within two years. One of these is a modern shopping and entertainment complex on the site of the former exhibition grounds in Pilsen, the **Plzeň Plaza**. Currently main structure of the building is completed, development continues according the plan and the opening of Plzeň Plaza will be realized on 20 November 2007. The project, worth more than 1.2 billion Czech crowns, is located in the Pilsen city centre, offers not only shopping but also sport and relaxation zone and/or cultural facility in the newly reconstructed amphitheatre. The Centre will offer 20 000m² of leasing space (approximately 110 units). In total, Plzeň Plaza will occupy (together with the adjacent sport and relaxation ground and amphitheatre), an area of approx. 90 000m².

Another project is the **Liberec Plaza**. This multi-functional centre, located in the heart of a pedestrian precinct, will offer mostly fashionable boutiques and accessories, but a section will also be used for entertainment and other services. The Liberec Plaza project, with more than 15 000m² of the leasing area (approximately 115 units), should be finished already in 2008.

One of the newest projects is the construction of a shopping and entertainment centre **in Opava**. The contract for the new project area hire, located in the city centre, was signed with the City Hall last year. The area is approximately 14.000m² (70 units). During the next few years, the developer plans the construction of 50 new projects in Central Europe, including some in the Czech Republic and Slovakia.

Besides from development activities, Plaza Centers also owns and operates stock and office spaces in Prague 3. The area was formerly known as a Pramen chain storage and later as Julius Meinl storehouse, K Červenému dvoru 24, with an area of 40 000m². The current occupancy is over 50 %, thanks mainly to its perfect location, which allows tenants to supply the whole of Prague from one central location.

Plaza Centers is consistently looking for new investments. Its strategy is to focus on major cities in the Czech Republic with more than 50 000 habitants. Their intention is to source attractive locations in the city centers and to bring not only new shopping opportunities but also entertainment to its residents.

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