26 March 2007

PLAZA CENTERS N.V.

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

Plaza reports strong growth and progress with its portfolio of 21 current development schemes

Plaza Centers N.V. (“Plaza” / “Company” / “Group”), a leading emerging markets property developer, today announces preliminary results for the year ended 31 December 2006.

The Company successfully raised gross proceeds of L166 million in its IPO on the London Stock Exchange (“LSE”) in October 2006.

Financial highlights:

- Gross revenues and net gains from sale and operating of real estate of €74 million (2005: €55.7 million)
- Profit before tax of €16.3 million (2005: €35.2 million) owing to acquisitions of projects and funding of the Company’s construction programme during the year
- Cash position of €219 million (2005: €50 million) and working capital of €324 million (2005: €84 million)
- A total of €105 million, representing 45% of the gross IPO proceeds has already been utilized; the Company expects to be fully invested within the next 12 months
- Increase in value to €160 million of real estate trading properties developed for future sale
- Total assets of €475 million (2005: €211 million)
- Basic and diluted EPS of €0.27

Operational highlights in the reporting period:

- Opening of the Novo Plaza shopping centre in Prague in March 2006 and sale of the centre in June 2006 at an asset value of €50 million and recording a net profit of €6.5 million for the Company
- Receipt of an additional price adjustment payments of €13.7 million principally for the four Polish shopping centres previously sold in 2005
- Securing of the landmark Casa Radio project in Bucharest in November 2006, with an estimated post development value of US$1 billion
- Purchase of two additional developments in the Czech Republic in the cities of Liberec (for 21,000 sqm gross lettable area (“GLA”)) and Opava (for approximately14,200 sqm GLA)
- Two additional development projects acquired in Poland in the cities of Suwalki (for approximately 16,000-18,000 sqm GLA) and Zgorzelec (for approximately 16,000 sqm GLA)
- First transaction in India with a Joint Venture (“JV”) project in Koregaon Park, Pune (for approximately 107,500 sqm Gross Built Area (“GBA”)

Key highlights since the year-end:

- Acquisition of scheme for the development of a shopping centre project in the city of Torun, Poland (for approximately 30,000 sqm GLA)
- Acquisition of additional project in Romania in Timisoara (for approximately 30,000 sqm GLA) and advanced negotiations for several other projects
- A second JV deal in India was agreed for the development of a mixed used development (shopping centre, offices and serviced apartments) in the Kharadi district of Pune, totalling approximately 225,000 sqm GBA
- Successful opening of the Rybnik Plaza in Rybnik, Poland on March 15 and expected opening of Sosnowiec Plaza in Sosnowiec, Poland scheduled for March 29. Both centres have been pre-sold to Klepierre
- Successful ongoing deployment of the IPO proceeds, including €43 million spent on acquisitions of pipeline projects in Central and Eastern Europe ("CEE") and €23 million committed to expanding the Company's presence in India

Commenting on the results, Mordechay Zisser, Chairman of Plaza Centers N.V., said:

"We continue to witness strong consumer and tenant demand for our high quality retail and entertainment centres in Central and Eastern Europe ("CEE"), and we are ready to leverage our ten year track record and experience into other countries in this region as well as new markets such as India. During 2006 we continued to invest in our existing portfolio and acquire a future pipeline of assets, which we expect to bring to fruition during 2007.

"In line with our strategy for 2007, we expect to open four shopping centres to the public - three in Poland and one in Hungary. I am confident that the Company will achieve these goals and anticipate delivering on our stated aim to complete at least four to five developments each year in order to expand our portfolio and therefore provide our shareholders with a strong potential for income and capital growth.

"In conclusion, Plaza has considerable opportunity and potential. With the backing of an expert management team with a proven track record and highly successful business model, sound financial foundations and an enviable portfolio of existing and pipeline assets, we look forward to the future with both confidence and excitement."

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Notes to Editors

Plaza Centers N.V. 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. ("EMI"), 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 10 years.

CHAIRMAN’S STATEMENT

I am delighted to be writing my first statement on behalf of the board of Plaza Centers N.V. since the successful flotation of the Company on the London Stock Exchange in October 2006.

Plaza 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 has been active in emerging markets in the CEE since 1996, when it opened the first western-style shopping and entertainment centre in Hungary and began to implement its vision of offering western-style retail and entertainment facilities to a growing middle class and an increasingly affluent consumer base. Over the past 10 years, the Company has expanded its operations in central Europe and eastwards into Poland, the Czech Republic Romania, Latvia and Greece and, more recently, India and has proven its ability to anticipate market trends and deliver innovative large scale projects.

India is a unique sub-continent, where the initial operating conditions are very similar to those we experienced in the CEE 10 years ago; high interest rates and heavy regulation and only a few international brands active in the retail market. With Plaza’s 10 years of experience of penetrating and operating in such markets, the Company can create significant competitive advantage. In India, there are approximately 250 million middle class people and it is our belief that this serves as a sound base for many years of Plaza operating profitably in that emerging market.

To date, the Company has developed, let and sold 21 shopping and entertainment centres. Seventeen of these centres were acquired by Klépierre, one of the largest shopping centre owner/operators in Europe, which owns more than 230 shopping centres in ten countries. An additional four shopping and entertainment centres were sold to the Dawnay Day Group, one of the leading UK institutional property investors. As well as the 21 centres we have sold, an additional four were forward sold to Klepierre and will be delivered to them during 2007/8.

Due to the Company’s reputation for successful property development, “Plaza Centers” has become a widely recognised brand name. Following the acquisition of the shopping and entertainment centres by Klépierre and the Dawnay Day Group, the purchasers continue to use, under licence granted to them by the Company, the “Plaza Centers” Community and Hungarian trade marks.

The gross proceeds of the Company’s IPO were approximately L166 million (including the exercise of an over-allotment option). We were delighted to have successfully completed the Offer and to be able to welcome a varied international institutional investor base to the Company. As a result of the IPO, our Company has a strong financial base from which it can continue both its development of the assets in its existing portfolio and the ongoing acquisition of sites and pipeline projects and Mega projects.

With the Offer now successfully behind us, we look forward 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 new shareholders.

Strategic direction

We look forward to capitalising on the skills of our experienced management team and our local presence to deliver our initial development portfolio and to further diversify and grow the Company’s portfolio through the development of high quality retail and entertainment property assets across multiple geographic regions.

As detailed in the Company's Admission Document, our strategy is to:

- develop four to five modern western-style shopping and entertainment centres per year in the capital and regional cities of selected countries, primarily in CEE (focusing on the medium term in Poland, Czech Republic, Romania, Slovakia, Ukraine, Russia and Greece) and mixed use developments in 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 GBA which will be developed as a major hotel, recreation, casino, business and leisure complex and is located on the southern end of Obuda Island in the Danube River in central Budapest. Another is the Casa Radio mixed use project which comprises a total of 360,000 sqm GBA in the city centre of Bucharest and will include one of the largest and prestigious shopping centres in the CEE.

Results

We ended 2006 with a net profit of €14.7 million, resulting mainly from the sale of our shopping centre in Prague and additional adjustment for the four Polish shopping centres we sold in 2005.

Following our strategic decision to focus more on assets to be built for sale, 2006 was a year of investing in existing assets under construction as well as acquiring a future pipeline. Our total investment in real estate inventories under construction ("trading properties") increased to €160 million and we expect to present significant revenues out of these inventories from 2007 onwards.

Our very successful IPO has provided a sound financial position which will enable us to expand our activities and investments for future growth and income. With a cash position of approximately €219 million at the year end, we have a strong foundation for fulfilling our potential, securing additional investment pipeline projects and thereby creating substantial value for our shareholders.

Portfolio progress

2006 was an exceptional year for the Company in which we made strong progress with our portfolio of existing assets and made a number of exciting acquisitions of pipeline projects.
The Company currently owns 24 assets and projects under development located across the Central and Eastern European region and, more recently, in India. The current location of the assets under development, as well as office buildings, is summarised as follows:

	Number of assets	
Location	**Under development**	**Offices**
Hungary	4	2
Poland	7	-
Czech Republic	4	1
Romania	2	-
Latvia	1	-
Greece	1	-
India	2	-
Total	**21**	**3**

Operational highlights during the year included:

- The opening of the Novo Plaza shopping centre in Prague in March 2006 and its subsequent sale in June 2006 at an asset value of €50 million and net profit of €6.5 million.
- Receipt of an additional overage payment of €13.7 million for the four Polish shopping centres previously sold in 2005
- Acquisition of the landmark Casa Radio project in Bucharest in November 2006, with an estimated post development value of US$1 billion
- Purchase of two additional developments in the Czech Republic in the cities of Liberec (for approximately 21,000 sqm GLA) and Opava (for approximately 14,200 sqm GLA)
- Two additional development projects acquired in Poland in the cities of Suwalki (for approximately 16,000-18,000 sqm GLA) and Zgorzelec (for approximately 16,000 sqm GLA)
- First transaction in India with a JV project in Koregaon Park, Pune (for approximately 107,500 sqm GBA)

The momentum of 2006 has continued strongly into 2007, with €43 million of acquisitions already completed in the CEE, including retail development schemes in Torun, Poland (for approximately 30,000 sqm GLA) and Timisoara (for approximately 30,000 sqm GLA) in Romania. In addition, we were pleased to announce to shareholders on 26 February 2007 the agreement of a second joint venture project in India for the development of a mixed use development (shopping centre, offices and serviced apartments) in the Kharadi district of Pune, totalling approximately 225,000 sqm GBA.

In addition, we also opened the Rybnik Plaza in Rybnik, Poland on March 15, which was 100% let to international and local tenants on opening. We also expect to complete and open the Sosnowiec Plaza in Sosnowiec on March 29 2007 and the Lublin Plaza in Lublin in May. All three centres have been pre-sold to Klepierre. In late October we expect to open the Arena Plaza Mall in Budapest which will be one of the biggest in the CEE.

To date, we have utilized approximately 45% of the gross IPO proceeds as follows:

Use	**EUR (m)**
Finance of current developments	20
Acquisition of pipeline projects in the CEE	43
Replace existing loan facilities that are incompatible	19
Expand operations in India	23
Total	**105**

Dividend Policy

As explained in the Company's Admission Document, the Directors intend to adopt a dividend policy which will 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.

Subject to all of these factors, and where it is otherwise appropriate to do so, the Directors intend to make distributions out of the annual net profits of the Group starting with the 2007 financial year. Dividends are expected to be paid at the rate of 25% on the first €30 million of such 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. The dividends will be paid on or about 31 March following the publication of the financial results on the basis of the aggregate of the annual net profits accumulated during the preceding financial year. The first dividend will be paid in 2008 following the 2007 results.

Outlook
We continue to develop our existing assets, secure the acquisition of pipeline assets and work towards expanding our investment portfolio with additional high potential assets.

We continue to witness strong consumer and tenant demand for our high quality retail and entertainment centres in Central and Eastern Europe (“CEE”), and we are ready to leverage our ten year track record and experience into other countries in this region as well as new markets such as India. During 2006 we continued to invest in our existing portfolio and to acquire future pipeline of assets, which we expect to bring to fruition in 2007 and onwards.

In line with our strategy for 2007, we expect to open four shopping centres to the public - three in Poland and one in Hungary. I am confident that the Company will achieve these goals and anticipate delivering on our stated aim to complete at least four to five developments each year in order to expand our portfolio and therefore provide our shareholders with a strong potential for income and capital growth.

In conclusion, Plaza has considerable opportunity and potential. With the backing of an expert management team with a proven track record and highly successful business model, sound financial foundations and an enviable portfolio of existing and pipeline assets, we look forward to the future with both confidence and excitement.

Mordechay Zisser
Chairman
26 March 2007

BUSINESS OVERVIEW

During 2006, Plaza was involved in the development of 19 schemes, of which four are located in Hungary, six in Poland, five in the Czech Republic, one in Romania, one in Latvia, one in Greece and one in India.

The 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 has negotiated to purchase sites for the development of several additional schemes throughout the CEE region and India (see updates in 2007 for additional information).

The assets and pipeline projects at year end 2006 are summarised in the table below:

Asset/Project	**Location**	**Nature of asset**	**Size sqm (GLA)**	**Plaza ownership %**	**Status**
Arena Plaza	Budapest, Hungary	Retail and entertainment scheme	66,000	100	Construction commenced in 2006; completion scheduled for Q4 2007
Arena Plaza extension	Budapest, Hungary	Mixed use of Retail, residential and other	19,500 (for rent and sale)	100	Under planning
Dream Island (Obuda)	Budapest, Hungary	Major business and leisure resort	350,000 (GBA) (for rent and sale)	30	Under planning. Construction will commence in mid 2007; completion scheduled for 2012
David House	Budapest, Hungary	Headquarters/Office	2,000	100	Operational
Duna Plaza Offices	Budapest, Hungary	Office	12,000	100	Operational
Duna Plaza extension	Budapest, Hungary	Retail and entertainment scheme	15,000	Development rights	Under planning
Rybnik Plaza	Rybnik, Poland	Retail and entertainment scheme	18,000	100	Opened on 15 March, 2007
Sosnowiec Plaza	Sosnowiec, Poland	Retail and entertainment scheme	13,000	100	Opening on 29 March, 2007
Lublin Plaza	Lublin, Poland	Retail and entertainment scheme	26,000	50	Opening in May, 2007
Suwalki Plaza	Suwalki, Poland	Retail and entertainment scheme	16,000-18,000	100	Construction will commence in 2007; completion scheduled for 2009
Lodz	Lodz, Poland	Retail and entertainment or office/residential scheme	29,000	100	Under planning, construction scheduled to commence in late 2007
Zgorzelec Plaza	Zgorzelec, Poland	Retail and entertainment scheme	16,000	100	Construction will start in 2007; completion scheduled for 2009
Plzen Plaza	Plzen,	Retail and	20,000	100	Construction

	Czech Rep.	entertainment scheme			started in 2006; completion scheduled for 2008
Prague 3	Prague, Czech Rep.	Office, for future use for residential	61,600 (for sale)	100	Currently operational as an office building, re-zoning for future use for residential is in progress
Opava Plaza	Opava, Czech Rep.	Retail and entertainment scheme	14,200	100	Construction will start in 2007; completion scheduled for 2009
Liberec Plaza	Liberec, Czech Rep.	Retail and entertainment scheme	21,000	100	Construction will start in 2007; completion scheduled for 2008
Casa Radio	Bucharest, Romania	Mixed-use retail and leisure plus residential/office scheme	360,000 (GBA)	75	Construction will commence in 2007; completion scheduled during 2009-2012
Riga Plaza	Riga, Latvia	Retail and entertainment scheme	47,000	50	Construction started in 2007; completion scheduled for 2009
Helios Plaza	Athens, Greece	Retail and entertainment or office scheme	35,000	100	Under planning
Koregaon Park	Pune, India	Retail, entertainment and office scheme	107,500 (GBA)	50	Construction started in 2007, expected completion in 2009

Details of these activities by country are as follows:

Hungary

During 1996-2005, Plaza built, managed and eventually sold 16 shopping centres throughout Hungary. During 2006, Plaza continued to develop the Arena Plaza, its landmark shopping centre scheme in central Budapest, comprising approximately 66,000 sqm GLA which will make it one of the biggest in the CEE.

In addition, Plaza holds a 30% stake in Dream Island, an ambitious development on the Obuda Island in central Budapest, with land area of 320,000 sqm which is intended to be developed as a major resort area including hotels, recreation facilities, casino, business and leisure complex with a development budget of over € 1 billion and 350,000 sqm GBA. Preliminary design and excavation works are already underway.

Two further projects are in feasibility and planning stages, namely the extension of the Duna Plaza and the Arena Plaza, both of which are located in central Budapest.

The group continues to own its two office buildings in Budapest, the David house on Andrassy ut and the Duna Plaza offices.

Poland
Between 2000 and 2005, Plaza built, managed and, in 2005, sold four shopping centres located across Poland. During 2006, the Company continued the construction of three shopping centres in Rybnik (approximately 18,000 sqm GLA), Sosnowiec (approximately 13,000 sqm GLA) and Lublin (50% held, approximately 26,000 sqm GLA). All three were pre sold to Klepierre.

In addition, Plaza continued the feasibility and planning of the development in Lodz (designated for shopping centre or alternatively for residential/office use), as well as an acquisition of two additional plots of land for future shopping centres in Suwalki (for approximately 16,000-18,000 sqm GLA) and in Zgorzelec (for approximately 16,000 sqm GLA).

Czech Republic
In March 2006, Plaza opened the Novo Plaza in Prague (25,955 sqm GLA) and sold it in June for €50 million (inclusive of final price adjustment). During the year, Plaza also purchased two plots of land in the cities of Liberec and Opava with the aim to build shopping centres comprising approximately 21,000 sqm GLA and 14,200 sqm GLA, respectively. Construction of the Plzen Plaza mall (approximately 20,000 sqm GLA) commenced in February 2007 and is currently expected to be completed at the beginning of 2008. The Company continued to own an income-yielding office 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 which has entered into a public-private partnership agreement with the Government of Romania to develop the approximately US$1 billion Casa Radio (Dambovica) scheme in Bucharest, the largest development plot available in the city centre. The Romanian Government will remain a 15% partner in the scheme. The development of Casa Radio comprises approximately 360,000 sqm GBA, including a 110,000 sqm GLA shopping mall and leisure centre (one of the largest in Europe), residential units, offices, hotel, casino, hypermarket, convention and conference hall.

Latvia
Construction works started in March 2007 on the Riga Plaza project in Riga, Latvia (50% held, approximately 47,000 sqm GLA). The scheme is located on the western bank of the river Daugava by the Sala Bridge and Plaza expects this project to be completed at the beginning of 2009.

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 GLA.

India
As outlined in its Admission Document, Plaza has identified strong potential in emerging India and during the reporting period acquired a 50% stake in a joint venture with established local Indian developers to build a shopping centre with a gross built up area of approximately 75,500 sqm GBA and additional office space of approximately 32,000 sqm GBA in Pune, India.

Progress to date in 2007
A number of additional investments have already been made to broaden the Company’s portfolio in 2007:

- Plaza secured an additional plot of land for the development of a future shopping centre in Torun, Poland (for approximately 30,000 sqm GLA). Advanced negotiations are underway for additional plots in Poland

- Acquisition of additional plots for future shopping centres in Romania in Timisoara (for approximately 30,000 sqm GLA) and advanced negotiations for several others, emphasizing the strong penetration of Plaza in Romania with the aim to achieve a substantial number of landholdings within the next year

- A second JV deal was finalized in India for a project in Kharadi, Pune for a mixed used development comprising a shopping centre (for approximately 120,000 sqm GBA), offices (for approximately 81,000 sqm GBA) and serviced apartments (for approximately 24,000 sqm GBA), totalling approximately 225,000 sqm GBA. Negotiations are already underway for securing additional sites in India

- Rybnik Plaza in Rybnik, Poland was successfully opened to the public on 15 March 2007, the expected opening of Sosnowiec Plaza in Sosnowiec, Poland is scheduled for 29 March and the Lublin Plaza in Lublin is expected to be opened in May. All three centres have been pre-sold to Klepierre and are currently 100% let

- Plaza is pleased to announce that it is experiencing strong demand from several international real estate funds to acquire the Arena shopping centre in Budapest and negotiations are advanced. Arena is scheduled to open to the public in Q4 2007 and all construction works are on schedule and within budget

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

FINANCIAL REVIEW

Results

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. In accordance, revenues from the sale of trading properties are presented at gross amounts.

Revenues for the year 2006 increased to €60.2 million (2005: €15 million), mainly due to the sale of the Novo Plaza shopping centre in Prague for a gross asset value of €50 million.

Gains from the sale of investment property increased to €13.7 million (2005: €1 million), mainly due to the final price adjustment on account of the Poznan shopping centre (€9 million) and additional price adjustment on account of the waiving of offset rights due to electricity licences for Polish shopping centres sold in 2005 (€5.4 million).

The rapid increase in the cost of operations is attributable to the cost of Novo Plaza (€ 44 million) mentioned above, which was classified as trading property (inventory).

Administrative expenses increased to €8.2 million (2005: €6.6 million), mainly due to non cash share based payments (€1.2 million) and increase in volume of activities.

Operating profit before financing costs in 2006 was €16 million, well ahead of expectations although a decline compared with the €42.6 million of 2005. The decline reflects the exceptional level of gains in 2005 from the revaluation of investment properties and sale of four of Plaza's shopping centres in Poland and other price adjustment payments for previously sold centres, amounting to €40.8 million. Plaza expects to sell three to four shopping centres in 2007.

Net finance was positive in 2006 at €0.7 million (2005: expenses of €7.6 million) due to higher cash balances and more favourable lending terms achieved.

Tax expenses continue to remain low at €1.6 million (2005: €5.9 million), reflecting 6.5% (2005: 16.6%) of profits before tax and resulting from the group's favourable tax structure.

Profit for the year amounted to €14.7 million in 2006, above market expectations, compared to €29.3 million in 2005 and again reflected the decrease in operating income in 2006 as explained above.

Basic earnings per share for 2006 were €0.27 per share.

Balance sheet and cash flow

The balance sheet as at 31 December 2006 showed net assets of €364.7 million compared to net assets of €96 million at the end of 2005. This rise primarily results from Plaza's net proceeds of €234.5 million from its share offering and listing on the London Stock Exchange in October 2006.

The cash position of cash and short term deposits increased to €219 million (2005: €50 million) due to the share issuance mentioned above and to the sale of the Novo Plaza and other price adjustments (proceeds of €23.3 million), having deducted investments in trading properties (€92 million).

Other accounts receivables and prepayments increased to €29.2 million (2005: €4.8 million), mainly as a result of prepayment on account of the Casa Radio project acquired in Bucharest (€19.4 million).

Total bank borrowings (long and short term) decreased to €57.1 million (2005: €70.6 million) reflected by the repayment of the loan used to construct the Novo Plaza and its subsequent its sale.

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 €6.8 million (liability), the majority of which was settled at the beginning of 2007.

Consolidated income statements

	Note	For the year ended December 31, 2006 € '000	2005 € '000
Revenues	11	60,219	14,955
Gain from the sale of investment property, net	12	13,715	1,089
Changes in fair value of investment property		257	39,726
		74,191	55,770
Cost of operations	13	50,034	6,613
Gross profit		24,157	49,157
Administrative expenses	14	8,173	6,572
Operating profit		15,984	42,585
Finance income		4,000	972
Finance expenses		(3,336)	(8,557)
Finance income / (expenses), net	15	664	(7,585)
Other income		287	394
Other expenses		(457)	(233)
Share in profit / (loss) of associate		(150)	40
Profit before tax		16,328	35,201
Income tax expenses	16	1,608	5,859
Profit for the year		**14,720**	**29,342**
Basic and diluted earnings per share (in EURO)	10	0.27	16.17

Consolidated balance sheets

	Note	December 31, 2006 € ‘000	December 31, 2005 € ‘000
ASSETS			
Current assets			
Cash and cash equivalents	2	212,683	46,699
Restricted bank deposits		616	6,164
Short-term deposits		6,154	2,977
Trade accounts receivables, net		1,059	638
Other accounts receivable and prepayments	3	29,222	4,802
Other debtors and related parties	4	4,283	2,033
Trading properties	5	159,961	104,717
		413,978	168,030
Non Current assets			
Investment in associate		1,148	1,298
Long-term balances and deposits		2,257	2,938
Other debtors and related parties	4	22,027	3,512
Property, plant and equipment		7,550	8,210
Investment property	6	26,654	26,354
Restricted bank deposits		350	349
Other non-current assets		933	413
		60,919	43,074
Total assets		**474,897**	**211,104**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Interest bearing loans from banks	7	51,201	53,403
Trade payables		15,703	6,532
Other liabilities		3,088	7,099
Amounts due to related parties	8	17,771	15,693
Creditor due to selling of investment property	8	2,418	1,648
		90,181	84,375
Non-current liabilities			
Interest bearing loans from banks	7	5,875	17,244
Amounts due to related parties	8	8,474	9,133
Other long term liabilities		1,551	1,214
Deferred tax liabilities		4,139	3,131
		20,039	30,722
Share capital		2,923	18
Translation reserve		(1,895)	(2,059)
Other reserves		1,840	(181)
Share premium		248,860	-
Retained earnings		112,949	98,229
Shareholders' equity	9	364,677	96,007
Total shareholders’ equity and liabilities		**474,897**	**211,104**

Consolidated cash flow statements

	For the year ended December 31, 2006	2005
	€ '000	€ '000
Cash flows from operating activities		
Profit for the year	14,720	29,342
Adjustments necessary to reflect cash flows used in operating activities:		
Depreciation	773	868
Change in fair value of investment property	(257)	(39,726)
Finance expenses / (income), net	(595)	6,954
Loss / (Gain) on sale of property plant and equipment	18	(69)
Company's share in loss / (profit) of associate	150	(40)
Gain on sale of investment property subsidiaries	(13,630)	(1,089)
Gain on sale of trading property subsidiaries	(7,008)	-
Income tax expenses	1,009	5,793
Increase in trade accounts receivable	(786)	(2,055)
Increase in other accounts receivable	(6,087)	(1,950)
Payments on account for projects to be acquired	(19,401)	-
Increase in trading properties (2006 - see also appendix A, Note 16)	(92,200)	(44,889)
Increase / (decrease) in trade accounts payable	14,241	(291)
Increase in other liabilities	3,187	490
Net proceeds from selling of trading property subsidiaries (see appendix B, Note 16)	6,016	-
Share based payment	1,186	-
Net cash used in operating activities	(98,664)	(46,662)
Cash from investing activities		
Purchase and development of investment property (2006 - other assets)	(1,422)	(24,131)
Proceeds from sale of plant, property and equipment	167	204
Investment in associate	(115)	(153)
Acquisition of subsidiaries (2005 - see appendix A, Note 16)	-	4,977
Short term deposits, net	2,393	1,887
Long term deposits decreased	1,047	13,271
Long term deposits increased	(2,374)	(7,907)
Net proceeds from disposal of other subsidiaries (see appendix B, Note 16)	17,297	77,427
Long term loans granted to partners in Joint controlled company	(21)	(2,663)
Net cash from investing activities	16,972	62,913
Cash from financing activities		
Short term loans from banks, net	21,001	1,164
Issuance of ordinary shares, net	234,501	-
Long term loans received from banks	-	61,117
Long term loans repaid to banks	(8,604)	(3,922)
Loans granted from (repaid to) related parties	778	(37,747)
Net cash from financing activities	247,676	20,612
Increase in cash and cash equivalents during the year	165,984	36,863
Cash and cash equivalents at the beginning of the year	46,699	9,836
Cash and cash equivalents at the end of the year	**212,683**	**46,699**

Notes to the consolidated financial information:

NOTE 1 - Basis of Accounting and Presentation of Financial Information

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the European Union ("EU").

The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports. A full set of the consolidated Financial Statements will follow.

The financial information contained in this announcement does not constitute Dutch statutory accounts which will be submitted in due course.

NOTE 2 - CASH AND CASH EQUIVALENTS

	Interest rate as of December 31, 2006	December 31, 2006	December 31, 2005
		€ '000	€ '000
Bank deposits - in EUR	2.5%-3.71%	209,292	43,402
Bank deposits - in Hungarian Forints	~6%	2,782	2,899
Bank deposits - in Polish Zlotys	~3.5%	416	186
Bank deposits - in Czech Crowns	~1.5%	64	54
Bank current accounts - in U.S.Dollar	Mainly 0%	129	48
Bank deposits - in other currencies		-	110
Balance at 31 December		212,683	46,699

NOTE 3 - OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

	December 31, 2006	December 31, 2005
	€ '000	€ '000
Advance in respect of plot purchase (*)	19,401	-
Prepaid expenses	1,314	1,307
VAT authorities	7,561	2,694
Partners in companies under joint venture	199	377
Companies in the EMI Group and other related parties	168	284
Others	579	140
Balance at 31 December	29,222	4,802

(*) Advance payment for a purchase of plot of land in Bucharest in the amount of EUR 19.4 million.

NOTE 4 - OTHER DEBTORS AND RELATED PARTIES

	December 31, 2006 € '000	December 31, 2005 € '000
Short term Debtor balances with:		
Klepierre group - due to sale of shopping centres	4,283	2,033
Balance at 31 December	4,283	2,033
Long term Debtor balances with:		
Related party - EMI	18,226	-
Partners in companies under joint venture	3,801	3,512
Balance at 31 December	22,027	3,512

The above mentioned balances bear no interest (with the exception of EMI loan, linked to the EUR and bears interest of three months Libor plus a margin of 1.8%), with no scheduled repayment date. In respect of the long term receivable from partners in companies under joint ventures the Group estimates that repayment will be received in 2007 or 2008. For EMI and EUL loans in credit, refer to note 8.

NOTE 5 - TRADING PROPERTIES

	December 31, 2006 € '000	December 31, 2005 € '000
Balance at 1 January	104,717	-
Additions during the period	98,819	44,889
Transfer from property under construction	-	59,828
Trading property sold	(43,574)	-
Balance at 31 December	159,962	104,717

As of the balance sheet date, The Company has trading properties in Hungary, Poland, Czech Republic, Latvia, Greece and India.

NOTE 6 - INVESTMENT PROPERTY

	December 31, 2006 € '000	December 31, 2005 € '000
Balance at 1 January	26,354	175,884
Additions	43	34
Acquisitions in respect of business combination	-	18,209
Disposals	-	(886)
Disposals of subsidiaries	-	(249,539)
Transfer from property under construction	-	42,926
Fair value adjustments	257	39,726
Balance at 31 December	26,654	26,354

Investment property at year end comprises mainly office buildings that are leased to third parties. Generally leases contain an initial period of 5 to 10 years. Subsequent renewals are negotiated with the lessee. The contracts are denominated in, or linked, to the EUR.

NOTE 7 - INTEREST BEARING LOANS FROM BANKS

	Maturity date	December 31, 2006	December 31, 2005	Interest rate December 31, 2006
		€ '000	€ '000	
Current maturities of long term loans				
In PLN		3,361	-	WIBOR + 1.4%
In EUR		47,840	53,188	EURIBOR + 1.65%-2.0%
In USD		-	215	N/A
Total		51,201	53,403	
Long term Credit				
In EUR	2015	5,875	14,380	EURIBOR + 1.75%
In USD		-	2,864	N/A
		5,875	17,244	
Total loans from banks		57,076	70,647	

All loans outstanding are floating. Re-pricing is done on quarterly basis. The average effective interest rate as at December 31, 2006 and as at December 31, 2005 is 5.9%, and 5.2% per year respectively.

Below is the repayment schedule of outstanding bank loans for each period:

	December 31, 2006	December 31, 2005
	€ '000	€ '000
First year - Current Maturity	51,201	53,403
Second year	459	2,683
Third year	459	1,245
Fourth year	459	1,260
Fifth year	459	1,277
Sixth year and thereafter	4,039	10,779
Total long term	5,875	17,244
Total	57,076	70,647

NOTE 8 - LOANS AND AMOUNTS DUE TO RELATED PARTIES AND OTHERS

		December 31,	
		2006	2005
	Currency	**€ '000**	**€ '000**
Short term			
EMI Group- ultimate parent Company	EUR	7,655	1,563
Other related parties (2)	Mainly Indian Rupee	1,202	-
EUL- parent Company (1)	EUR	8,914	14,130
		17,771	15,693
Klepierre group	EUR	2,418	1,648
Total		20,189	17,341
Long term			
EUL- parent Company (4)	EUR	7,975	8,520
Other related parties (3)	EUR	499	613
		8,474	9,133

(1) The loans received from Elbit Ultrasound B.V. (the main shareholder) ("EUL"), bear interest at 3 month 3 months USD Libor (or 3 months EUR Euribor) plus a margin of between 1.5% and 2.0% (effective interest rate as of December 31, 2006, and for December 31, 2005 is 5.3% and 4.2% respectively). Loans are financing trading properties of the Group.

(2) Other related parties in the short term include the liability to the Company's Indian partner in the joint venture company in India.

(3) Other related parties in the long term include liability to the Control Centres group, a group of companies which provides project management services, controlled by the ultimate parent company controlling shareholder.

(4) The loans received from Elbit Ultrasound B.V. (the main shareholder) ("EUL"), bear an interest of 3 month 3 months USD Libor (or 3 months EUR Euribor) plus a margin of between 1.5% and 2.0% (effective interest rate as of December 31, 2006, and for December 31, 2005 is 5.3% and 4.2% respectively). Loans are estimated to be repaid in the long term, as EUL has declared its intention not to demand earlier repayment.

NOTE 9 - EQUITY

	Remarks	December 31, 2006	December 31, 2005
		Number of shares	
Authorised:			
Ordinary shares of par value EUR 0.01 each	See (1) below	1,000,000,000	1,815,120
Issued and fully paid:			
At the beginning of the period		1,815,120	1,815,120
Issued for forgiveness of loan to parent Company	See (2) below	2,684,880	-
Issued for forgiveness of loan to parent Company	See (2) below	195,500,000	-
Issued for cash to the Public	See (2) below	92,346,087	-
At the end of the period		**292,346,087**	**1,815,120**

1) The number of shares authorized as of 31.12.05 was 40 (of 453.8 EUR par value).In September 2006 the authorized share capital was revised as follows:

   a) 40 shares of EUR 453.8 were subdivided into 1,815,120 shares of 0.01 EUR.
   b) The authorized share capital was increased to 1 milliard shares of 0.01 EUR.

2) In the course of the last quarter of 2006 the following share capital increases occurred:

   a) 2,684,880 shares of EUR 0.01 were issued to Elbit Ultrasound B.V, the parent company of the Company, on October 2006, upon the change of the Company from B.V status to N.V status. The capital increase was effected in exchange for the forgiveness of a loan, and the shares were issued at no share premium.

   b) 195.5 million Shares of EUR 0.01 were issued to Elbit Ultrasound B.V in October 2006, in order to create a share capital structure which will allow the Company to initiate the IPO. The capital increase was effected through the contribution of loans, and the shares were issued with a share premium of approximately EUR 15.3 million.

   c) 92,346,087 shares of EUR 0.01 were issued to the Public, in October and November 2006 (including the “Green Shoe” option exercised), as a result of the IPO which took place in the London Stock Exchange (“LSE”) (see also note 30). The share premium recorded in the flotation (net of IPO costs) was EUR 233.6 million.

   d) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

Capital reserve due to share option plan

Capital reserve created as a result of the Employee Share Option Plan which was introduced in October 2006 was recorded and totalled EUR 2.0 million, as at December 31, 2006.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

NOTE 10 - EARNINGS PER SHARE

Profit attributable to ordinary shareholders

	December 31, 2006 € '000	December 31, 2005 € '000
Profit for the year	14,720	29,342
Profit attributable to ordinary shareholders	14,720	29,342

Weighted average number of ordinary shares
In thousands of shares with a EUR 0.01 par value

	December 31, 2006	December 31, 2005
Issued ordinary shares at 1 January	1,815	1,815
Effect of shares issued in October 6th, 2006	633	-
Effect of shares issued in October 24th, 2006	36,422	-
Effect of shares issued in November 1st, 2006	14,090	-
Effect of shares issued in November 24th, 2006	672	-
Weighted average number of ordinary shares at 31 December	53,632	1,815

Diluted earning per share is the same as basic earnings per share since options or securities had no dilutive effect.

NOTE 11 - REVENUES

	For the year ended December 31, 2006 € '000	For the year ended December 31, 2005 € '000
Revenue from selling trading properties (*)	51,276	-
Rental income from tenants	3,766	9,262
Management fees	284	3,013
Operation of entertainment centres	3,980	2,617
Other	913	63
Total	**60,219**	**14,955**

(*) Includes mainly revenues from selling the Asset in Prague (Novo shopping centre) – EUR 50.3 million.

NOTE 12 - GAIN FROM SALE OF INVESTMENT PROPERTY

The gain from the sale of investment property, as reflected in the consolidated income statement (EUR 13.7 million) is comprised mainly of the following:

- Part of the proceeds in the amount of EUR 5.4 million was subject to obtaining utilities licenses by the Company in respect of the sold centres and accordingly has been deferred for recognition in the financial statement for the year ended December 31, 2005. Within the framework of a settlement agreement signed between the Company and Klepierre on November 16, 2006 it was agreed that the Company shall be unconditionally and irrecoverably released from its obligations to obtain such utilities licenses and that Klepierre will assume full and sole responsibility for the obtaining of these utilities permits. Accordingly the Company recorded in these financial statements an additional gain of EUR 5.4 million.

- Furthermore, the Company and Klepierre agreed to conclude a final purchase price adjustment in respect of the sold centres in accordance with the provisions set forth in the sale agreement and accordingly the Company recorded in these financial statements an additional gain of EUR 8.2 million which is mainly due to the Poznan shopping centre on account of the price adjustment, based on the updated gross rentals.

NOTE 13 - COST OF OPERATIONS

	For the year ended December 31,	
	2006	**2005**
	€ '000	**€ '000**
Direct expenses:		
Cost of sold trading properties (*)	44,804	-
Salaries and related expenses	736	1,344
Initiation costs	244	710
Municipality taxes	8	107
Property taxes	195	437
Property operations and maintenance	2,968	3,564
	48,955	6,162
Other operating expenses	915	361
	49,870	6,523
Depreciation and amortization	164	90
	50,034	**6,613**

(*) Includes mainly cost of asset from selling the Asset in Prague (Bes Tes shopping centre) - EUR 43.9 million.

NOTE 14 - ADMINISTRATIVE EXPENSES

	For the year ended December 31,	
	2006	**2005**
	€ '000	**€ '000**
Selling and marketing expenses		
Advertising and marketing	889	943
Salaries and relating expenses	757	26
Doubtful debts	4	285
Amortization of deferred charges	1	375
	1,651	1,629
General and administrative expenses		
Salaries and related expenses (*)	2,661	1,883
Depreciation and amortization	260	306
Management fees	706	500
Professional services	1,611	1,108
Impairment - Other assets and debit balances	-	283
Travelling	591	200
Offices	281	336
Others	412	327
	6,522	4,943
Total	**8,173**	**6,572**

(*) In 2006 - including salaries due to share option plan in the amount of EUR 1.2 million.

NOTE 15 - FINANCE INCOME (EXPENSES)

	For the year ended December 31,	
	2006	2005
	€ '000	€ '000
Interest received on bank deposits and loans to related parties	2,595	894
Foreign exchange gains	1,405	78
Total finance income	4,000	972
Interest paid on bank loans	(3,542)	(3,475)
Interest on loans from related parties	(1,133)	(1,864)
Foreign exchange losses	-	(5,085)
Other finance expenses	(508)	(639)
	(5,183)	(11,063)
Less-		
Finance expenses capitalized to properties under development	1,847	2,506
Total finance expenses	(3,336)	(8,557)
Total	**664**	**(7,585)**

NOTE 16 - INCOME TAXES

	For the year ended December 31,	
	2006	2005
	€ '000	€ '000
Current tax	170	67
Deferred tax	1,009	5,792
Prior year's taxes	429	-
Total	**1,608**	**5,859**

The main tax laws imposed on the Group companies in their countries of residence:

a. The Netherlands

a. Companies resident in the Netherlands are subject to corporate income tax at the general rate of 29.6% for the fiscal year of 2006. Starting 2007 the general corporate income tax rate has been reduced to 25.5%. Under the amended rules effective January 1 2007 tax losses may be carried forward and set of against income of the immediately preceding tax year and the nine subsequent tax years. Transitional rules apply for tax losses on account of tax years up through 2002 which may be carried forward and set of against income up through 2011.

b. Under the participation exemption rules income including dividends, capital gains and capital losses derived by Netherlands companies in respect of qualifying investments in the nominal paid up share capital of resident or non resident investee companies, are exempt from Netherlands corporate income tax provided the conditions as set under these rules have been satisfied. The participation exemption rules and more particularly the statutory conditions there under have been amended with effect of January 1, 2007. Such amended conditions require, among others, a minimum percentage ownership interest in the investee company and require the investee company to satisfy either of or both the newly introduced 'assets' test and the amended 'subject to tax' test.

b. Hungary

The corporation tax rate imposed on the income of the subsidiaries incorporated in Hungary is 16% (18% up to December 31, 2003). From 2007 capital gains can be considered exempted income provided that certain criteria are fulfilled. A special solidarity tax is levied on companies starting September 1, 2006, which is 4 percent of the accounting profit modified by certain items such as dividends received and donations. Dividends, interest and royalty paid out are not subject to withholding tax. Losses in the first three years of operation (in case of companies which were established before June 1998 - losses for the first two years) can be carried forward without limitation. Losses incurred afterwards (not start-up loss) can be carried forward for the period of five years, subject to certain limitations. Losses arising in 2005 and later may be carried forward indefinitely, subject to certain limitations.

c. Czech Republic

The corporation tax rate imposed on the income of the subsidiaries incorporated in the Czech Republic (including capital gains) is currently 24% (the rate was reduced from 26% in 2005). Tax losses can be carried forward up to seven years to offset future taxable income. Dividends paid out of net income are subject to a withholding tax of 25%, subject to the relevant double taxation treaty.

d. Poland

The corporation tax rate imposed on the income of the subsidiaries incorporated in Poland (including capital gains) is currently 19% (27% until December 31, 2003). Tax losses can be carried forward for the period of five years and only 50% of a loss can be offset in any one year. Dividends paid out of net income are subject to a withholding tax of 20%, subject to the relevant double taxation treaty.

e. Romania

The corporation tax rate imposed on the income of the subsidiaries incorporated in Romania (including capital gains) is currently 16% (25% until December 31, 2004). Tax losses can be carried forward and be offset against taxable income of the five years following the accounting year in which they were incurred. Dividends paid out of net income to the Netherlands are not subjected to any withholding tax.

f. Latvia

The corporation tax rate imposed on the income of the subsidiaries incorporated in Latvia (including capital gains) is currently 15% (2005 – the same). Tax losses can be carried forward and be offset against taxable income of the five years following the accounting year in which they were incurred. Dividends paid out of net income are subject to a withholding tax of 10%, subject to the relevant double taxation treaty or 0 % tax could be applied if the recipient is resident in another EU country.

g. Greece

The corporation tax rate imposed on the income of the subsidiary incorporated in the Greece (including capital gains) is currently 29% (In 2005- 32%, from 2007 onwards – 25%). Tax losses can be carried forward and be offset against taxable income of the five years following the accounting year in which they were incurred. Dividends paid out of net income are not subject to any withholding tax.

h. India

The corporate income tax applicable to the income of Indian subsidiaries is 33.66% with a minimum alternative tax of 11.2% on the accounting profits if the company does not have taxable profits. The paid amount will be credited if the company will have taxable profits in the following five years. Capital gains on sale of fixed assets and real estate assets are taxed at the rate of 21% provided that they were held for at least 36 months prior to the sale thereof or 33.66% if they were held for less than 36 months. Capital gains taxes on the sale of shares by an Indian company are ranging from 10.4% up to 41.8%

depend on the nature of the assets sold and the time they were held prior to the sale thereof. Dividends paid out of these profits are taxed at an additional 14%. Dividends distribution from India to Cyprus is exempt from withholding tax. Losses can be offset against taxable income for a period of eight years from the incurrence year end.

i. Cyprus

The taxation of companies is based on tax residence and all companies are taxed at the rate of 10%. A special levy of 10% is imposed on interest received and deemed interest income in certain cases. Dividend income and profits from the sale of shares and other titles of companies are exempt from taxation. There is no withholding tax on payments of dividends to non-resident shareholders or shareholders that are companies resident in Cyprus. Payments of dividends to shareholders that are persons physically resident in Cyprus are subject to a 15% withholding tax. Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. A special levy at 115% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year during the following two years. This special levy is payable for the account of the shareholders.

NOTE 16- CASH FLOW APPENDICES

	For the year ended December 31,	
	2006	**2005**
	€ ‘000	**€ ‘000**
Appendix A - Acquisition of subsidiaries (*)		
Cash and cash equivalents of subsidiaries acquired	22	342
Working capital (excluding cash and cash equivalents)	(6,809)	(85)
Investment property (2006 - trading property)	6,786	(15,401)
Long-term loans and liabilities	-	20,463
Less- Cash and cash equivalents of subsidiaries acquired	(22)	(342)
Acquisitions of subsidiaries, net of cash held	(23)	4,977
Appendix B - Disposal of Subsidiaries		
Cash and cash equivalents of subsidiaries disposed	463	2,655
Working capital (excluding cash and cash equivalents)	37,414	3,065
Long-term deposits	1,047	3,588
Investment property and other assets	-	247,072
Long-term loans and liabilities	(42,600)	(178,212)
Net identifiable assets and liabilities disposed	(3,676)	78,168
Cash from sale of subsidiaries	23,776	80,082
Less- Cash and cash equivalents of subsidiaries disposed	(463)	(2,655)
	23,313	77,427
<u>Non cash activities</u>		
Forgiveness of loans in consideration for issuance of ordinary shares	17,264	-
Interest paid	2,867	3,265
Interest received	1,857	788
Income taxes paid	13	19

(*) In 2006 – Company holding trading Properties acquired.

END