

September 27, 2019

PLAZA CENTERS N.V.

**UPDATE REGARDING THE AGREEMENT TO SELL ITS HOLDINGS
IN THE PROJECT IN BANGALORE, INDIA**

Plaza Centers N.V. ("Plaza" or the "Company") announced today, further to its press release dated July 25, 2019 and August 30, 2019 regarding results for the six months ended June 30, 2019, that the SPV which holds the site in Bangalore, India (the "Plot"), has initiated insolvency proceedings against the Purchaser of the Plot for recovery of €45.4 million (INR 356 crores) due under the Agreement (as defined below) upon default to EPI.

As previously disclosed, there is no clarity on payment of the remaining amount under the agreement (the "Agreement") signed by Elbit Plaza India Real Estate Holdings Limited (a subsidiary held by the Company (50%) and Elbit Imaging Ltd. (50%)) ("EPI"), for the sale of a 100% interest in the SPV which holds the Plot to the Purchaser, and all necessary legal steps in order to protect its interests have been taken, including legal proceedings for dishonor of the cheques which were given as security for payment of certain installments.

As previously disclosed, Purchaser was required to pay INR 356 crores to EPI in tranches. However, as of the date hereof, the Purchaser paid to EPI approximately €11.2 million (INR 87 crores) (Plaza part approximately €5.6 million), which EPI is entitled to forfeit if the Purchaser does not close the transaction as per the Agreement. Further, the Purchaser has mortgaged approximately 8.7 acres of plots as security for completion of the transaction.

The Company will continue to take all measures warranted in the circumstances to protect its interest and will update regarding any new development.

Ends

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Notes to Editors

Plaza Centers N.V. (www.plazacenters.com) is listed on the Main Board of the London Stock Exchange, as of 19 October 2007, on the Warsaw Stock Exchange (LSE: "PLAZ", WSE: "PLZ/PLAZACNTR") and, on the Tel Aviv Stock Exchange. Plaza Centers has been active in real estate development in emerging markets for over 23 years.