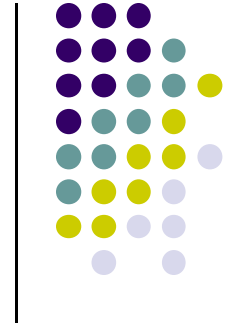


# XXX Group

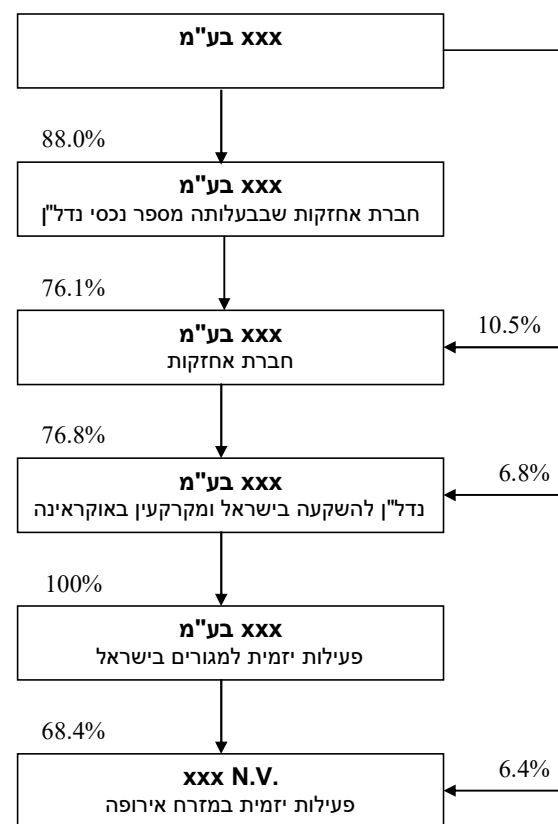


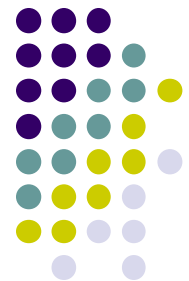


# Holding Structure

## Significant companies in the group

Holding structure  
(effective holdings rate)





## General Information

- **Mr. XXX XXX purchased 61.8% of XXX Holdings for NIS XXX M (i.e. at a value of NIS XXX million).**
- **The group's total balance sheet is app. NIS XXX billion.**
- **The Group is a well-known and highly reputable Israeli Real Estate firm; excellent platform.**
- **The Group is involved in development and rental of real estate / commercial and residential properties.**
- **The Group owns properties in Israel, Eastern Europe and Canada.**



## The Business Opportunity

- **Negotiations are currently being conducted by XXX XXX/ XXX XXX / XXX XXX with the representatives of Bond Holders for the acquisition of the Control of XXXfor NIS XX– XX M**
- **The settlement with the institutional Bond Holders will contain the following elements:**
  - **(1) Amount of money to be injected.**
  - **(2) Portion of the debt to be written off.**
  - **(3) Equity to be held by the Investor / Bond Holders**

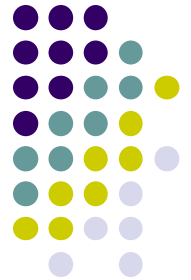


## **The business opportunity**

**Currently Bond Holders are under severe pressure to reach settlement:**

- **Severe managerial problems.**
- **Cash –flow difficulties; The company is not able to settle the payment of interests to Bonds Holders.**
- **Due to downgrade of the Bond’s credit rating - the Bond Holders have the right for immediate payment**
- **General feeling in the group:**
  - **lack of ability and motivation to rehabilitate XXX.**
  - **Company has been “abandoned” by its controlling shareholder (XXX).**

# Assets of the Group Israel



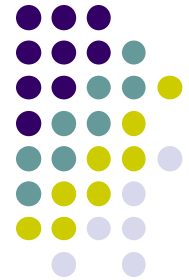
xxx Ltd					
Rental Property in xxx					
	Property	Purpose	Holding company	Sq. m. for rent	Occupancy rate
1	Housing complex - xxx	Housing complex	xxx Ltd	xxx	100%
2	Housing complex - xxx	Housing complex	xxx Ltd	xxx	100%
3	Housing complex - xxx	Housing complex	xxx Ltd	xxx	100%
4	Housing complex - xxx	Housing complex	xxx Ltd	xxx	100%
5	Housing complex - xxx	Housing complex	xxx Ltd (50%)	xxx	100%
6	Building - xxx	High tech industry	xxx Ltd	xxx	100%
7	Buildings for rent - xxx	Industry	xxx Ltd	xxx	85%
8	Ashdar Center - xxx	Office building	xxx Ltd	xxx	100%

# Assets of the Group Israel



Engel Recourses and Development Ltd					
Land Allocated for Rental Property in Israel					
	Name of property	Book Value (NIS K)	Commitments to the day xxx (NIS K)	Securities to bank	Capital rate (%)
1	xxx	xxx	xxx	-	-
2	xxx	xxx	xxx	Hapoalim	100%
3	xxx	xxx	xxx	Hapoalim	36%
4	xxx	xxx	xxx	Leumi	35.5%
	<b>Total</b>	<b>0</b>	<b>0</b>		

# Assets of the Group Israel



Engel Recourses and Development Ltd						
Residential Land in Israel - General Information						
	Name of property	Location	Number of RUs planned	Group's share	Rights to property	Building permits required before beginning of construction
1	xxx	xxx	xxx	100%	Ownership	Construction permit
2	xxx	xxx	xxx	100%	Ownership	Validation of zoning ordinance
3	xxx	xxx	xxx	100%	Ownership	Construction permit
4	xxx	xxx	xxx	100%	Ownership	Construction permit
5	xxx	xxx	xxx	100%	Lease	Construction permit
6	xxx	xxx	xxx	80%	Clearing of built area	Construction permit
	<b>Total</b>		<b>0</b>			



# Assets of the Group Ukraine



Engel Resources and Development Ltd								
List of Projects in Ukraine								
	Location	Purpose	Name of Project	Company's share	Sq. m. for rent	Number of RUs	Stage of execution	Cost to day 31/03/09 (NIS K)
1	Kiev	Offices and commerce	Studenskaya	79%	13,360	N/A	Zoning validation procedures	45,892
2	Kiev	Offices and commerce	Fomenenko	79%	33,708	N/A	Zoning validation procedures	25,575
3	Kiev	Shopping Centre	Kharkovsky	79%	28,800	N/A	Zoning is approved before obtainment of construction permit	52,079
4	Kiev	Commerce	Koltzevaya	79%	27,600	N/A	Zoning is approved	41,783
5	Kiev	Residential	Kalinovka	39.5%	-	Starting from 1,250 cottages	Zoning is approved before obtainment of construction permit	37,277
6	Lvov	Residential and offices	Braben	39.5%	-	480	Zoning is approved before obtainment of construction permit	4,071
<b>Total</b>					<b>103,468</b>			<b>206,677</b>

# Assets of the Group Eastern Europe



Engel Resources and Development Ltd							
EEE - List of Ongoing Projects							
	Name of project	Location	Holdings percent	Number of RUs	Book value to day 31/03/09 (NIS K)	Sold RUs	Percent of execution
1	Gyor Plot 38	Hungary	50%	213	37.5	52	90%
2	Punko	Hungary	40% *	257	17.0	156	94%
3	Vokovice 1	Czech Republic	50%	125	41.2	83	96%
4	Safranka (phase 3)	Czech Republic	50%	130	36.2	106	83%
5	Emili Plater	Poland	50%	82	34.1	17	89%
6	Zabki A2-3	Poland	50%	89	14.0	84	93%
7	Panorama	Bulgaria	40% *	59	10.9	16	98%
	<b>Total</b>			<b>955</b>	<b>190.9</b>	<b>514</b>	
* In a process of negotiation with Hightman, according to which in joint projects in Hanman the company's share will be reduced to 25% and in the Troja project its share will be raised to 50%. The data for these projects is according to these percentages.							

# Assets of the Group Eastern Europe



Engel Resources and Development Ltd				
EEE - List of Building Lots				
	Name of project	Location	Holdings percent	Book value to day 31/03/09 (NIS K)
1	Marina	Serbia	95%	165.3
2	Safranka (phase 4)	Czech Republic	50%	6.1
3	Veleslavin	Czech Republic	40%	14.8
4	Troja	Czech Republic	40% *	12.7
5	Wilanow 2	Poland	100%	31.3
6	Zabki (phase 2)	Poland	50%	2.6
7	Krakow	Poland	100%	35.9
8	Pipera	Romania	40%	11.8
9	Siset	Romania	40%	11.0
10	Bragadiru	Romania	100%	9.8
11	Trianon sur le Golf	Canada	20%	8.3
12	Le Chagall	Canada	20%	
13	La Quartier Parisien	Canada	20%	
	<b>Total</b>			<b>309.6</b>
* In a process of negotiation with Hightman, according to which in joint projects in Hanman the company's share will be reduced to 25% and in the Troja project its share will be raised to 50%. The data for these projects is according to these percentages.				



## **Reorganization following the acquisition**

**Significant steps are to be taken, immediately following the acquisition:**

- **Replacement of the senior management.**
- **Reorganization of the activity in Eastern Europe (significant reduction in operational expenses).**
- **Bank refinancing re: Israeli assets.**
- **renewal of activity in building projects : after the settlement with the institutional bond holders, the company will be able to receive bank funding for projects and to restart its activity.**
- **Reorganization of the debt to banks.**



## The nucleus of the purchase group

The nucleus of the purchase group includes a professional managerial team with extensive connections, including connections in banks and financial institutions. In addition the purchase group has strong connections with the authorities and in particular with relevant licensing bodies, and more.

The nucleus of the group includes the following individuals:

- **XXX XXX** - owner of an Israeli real estate corporation “XXX”, a corporation engaged in property management; member of the board of directors of the “XXX fund” real estate group - a group active in eastern Europe and currently involved in establishment of projects totaling approximately XX XX sq. meters.
- **XXX XXX** -
- **XXX XXX** -



## The proposed deal

### First option:

- **An offer to an investment bank for non-recourse financing of XX to XX million Euro.**
- **In exchange, a return of approximately XX% annually for XX years and equity of XX% to XX%.**



## The proposed deal (continued)

### Second option:

- **Addition of an investor in a sum of XX to XX million Euro.**
- **In exchange, XX% of the holdings in “XXX” – the company that will execute the settlement with the institutional bond holders and that will purchase XXX Ltd.**