

The International Institute of Real Estate Valuation (A.C.) Ltd.

March 21, 2013

Valuation of MY Mall Limassol, Cyprus Prepared for Tiffany Investments Ltd.

Adina Cooper, MRICS

EXECUTIVE SUMMARY



Aerial Photo



Main Entrance



Ice rink



View from first floor

Subject Property

The subject property construction was completed in 2009 and serves as one of two large shopping malls on the island of Cyprus. The building is of framed reinforced concrete construction, comprising two above ground floors, and a partial underground floor.

Location

The subject property is located in the West end of Limassol within the Zakaki district. It is a short distance from the main port of Cyprus and the planned new highway connecting Paphos in the west to Larnaca in the east and Nicosia to the north.

Tenure

Freehold.

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Accommodation	<p>The subject property is a shopping mall, which offers a total of net leasable retail area of 28,853 Sq.m (31,522 Sq.m GLA) and 1,600 surface parking places. Total gross built and covered area is approximately 40,000 Sq.m.</p> <p>The property sits on a site of 108,145 Sq.m. (Net land area for development plot 214 - 70,710 Sq.m. and plots 29, 31, 33 - 11,362 Sq.m.)</p>				
Tenancies	<p>At the date of valuation, the subject property had a 15% vacancy rate (non-vacant space).</p>				
Gross Rental Income	<p>€ 6,834,697 excluding income from turnover.</p>				
NOI	<p>€ 6,202,197</p>				
Market Value	<p>€ 88,500,000 Exclusive of VAT. Vendor transfer costs are taken into account in determination of market value.</p>				
Yield Profile	<p>The Market Value based on an average net effective rental rate¹ of € 21.30 per Sq.m.</p> <table><tr><td>Yield on stabilized income</td><td>10.2%</td></tr><tr><td>Discount Rate</td><td>12.50%</td></tr></table>	Yield on stabilized income	10.2%	Discount Rate	12.50%
Yield on stabilized income	10.2%				
Discount Rate	12.50%				
Valuation Date	<p>31 December 2012</p>				

¹ Comprising revenue for the whole 12 months and including payments starting *within* that year; for example, units with concessions and new leases.

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1 General Information

1.1 Client

Tiffany Investment Ltd.
285 Franklin Roosevelt Blvd
Limassol, Cyprus

&

Gibor-BSR Europe BV
Rietlandpark 125
1019 DT Amsterdam
The Netherlands

Represented by Eyal Bezalel - CFO.

1.2 Valuation Team Qualifications

Mrs. Adina Cooper

Mrs. Cooper has a B.A. in History and minor in Economics from the University of California, Berkeley, and advanced studies in Real Estate Consulting and Law through the Tel Aviv University Law School. In addition, Mrs. Cooper has certification in Real Estate Valuation and Management from the Technion Institute of Technology. Mrs. Cooper is a registered Real Estate Appraiser in Israel and a Member of the Royal Institute of Chartered Surveyors, RICS.

Professional Experience

- 2008-Present- Managing Director International Institute of Real Estate Valuation (A.C.)
- 2010-Present- Head of Israel Desk, DTZ and member of Global Valuation and Advisory Team, London.
- 2006-2010 Co-Chair Colliers EMEA Valuation Business Team
- 2006-2008 Manager of International Valuation Department Ehud Hameiri and Co.

Professional Activity

- Valuation Practice includes valuation for finance for Israeli and International Banks.
- Valuation for Fair Market Value for Accounting Purposes and IPO's on the Israeli and International stock exchanges.
- Valuation for the purpose of determining market rent including major corporations in Israel and abroad.

1.3 Order

The International Institute of Real Estate Valuation (A.C) Ltd. has been instructed by the client to carry out a valuation of the investment property My Mall in Limassol Cyprus as specified in the written instruction dated 23 December 2012. The objective of the valuation is to determine Fair Value (Market Value) for the

determining date of 31 December 2012 the freehold rights in My Mall for the purpose of financial reporting to the Israeli Stock Exchange.

1.4 Fair Value (Market Value)

According to the International Financial Reporting Standards 40 set by the International Accounting Standards Board, the Fair Value is defined as follows:

"Fair Value. The amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction (IAS 16, para. 6)"

Where an entity opts to account for investment property directly using the fair value model, IVSC considers that the requirements of this model are met by the Valuer adopting Market Value. (International Valuation Application section 5.5)

Our valuation has been carried out in accordance with the definition of Market Value relevant to international property valuations. The definition of Market Value is set by the International Valuation Standards Committee (International Valuation Standards IVS 2007) and adopted by the European Group of Valuers' Associations (European Valuation Standards EVS 2003) as well as the Royal Institution of Chartered Surveyors (Appraisal and Valuation Standards VS 3.2 7th edition). Therein the market value is defined as:

" The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The expression Market Value and the term Fair Value as it commonly appears in accounting standards are generally compatible, if not in every instance exactly equivalent concepts. Fair Value, an accounting concept, is defined in International Financial Reporting Standards and other accounting standards as the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable, willing parties in an arm's-length transaction. Fair Value is generally used for reporting both Market and Non-Market Values in financial statements. Where the Market Value of an asset can be established, this value will equate to Fair Value.

1.5 On-site Inspection

18 December 2012

Mr. Opher Barzilay acting on behalf International Institute of Real Estate Valuation (A.C) Ltd. inspected the subject property.

The inspection of the subject property was both in the interior and exterior. Pictures enclosed were taken of the subject property during the course of the inspection in digital format or had been approved by the inspection team.

The inspection of the subject property for valuation and the immediate vicinity were carried out by random sampling and without claim to completeness. For hidden components, a condition free of defects was assumed. The data is not exhaustive and does not represent any technical inspection of the building or potential damages.

1.6 Valuation Date

31 December 2012

1.7 Owner

Tiffany Investment Limited.

1.8 Consignee

The International Institute of Real Estate Valuation (A.C.) Ltd. has appointed Mr. Pavlos Loizou from Consultant at Leaf Research to assist in gathering market research for this valuation.

1.9 Conflict of Interest

We confirm that The International Institute of Real Estate Valuation (A.C.) has acted as external appraisers and have no conflict of interest in acting on your behalf in this matter.

We confirm that The International Institute of Real Estate Valuation (A.C.) Ltd. has no other fee earning relationship with the Client, its directors or the property and that our fees are not contingent upon the results of the valuation.

1.10 Liability

It should be noted that the undersigned has signed an indemnity agreement with the Client limiting the appraiser's liability as per the following in brief:

The appraiser has PI insurance for the maximum sum of ILS 3,5 Million, which is the full extent of insured liability per event and per period. The Appraiser is obligated to revert to the insurer regarding any claims made against the appraiser regarding professional liability up to the insured sum. If the claims are beyond the insured sum, claims that are a direct result of the information provided by the client will be the full responsibility of the client. In this case the

client will fully indemnify the appraiser. The appraiser will bear full responsibility for any acts of negligence in preparing the valuation.

1.11 Intended Utilization

The undersigned confirms that the purpose of the valuation is for the purpose of financial reporting and will be published for the use of the public.

1.12 Copyright

This valuation report compiled by The International Institute of Real Estate Valuation (A.C.) Ltd and potential subsequent revisions, remain the intellectual property of The International Institute of Real Estate Valuation (A.C.) Ltd.

1.13 Principles of Valuation

All statements made by the Valuer in terms of the construction and actual characteristics of improvements and plot have been exclusively taken from documentation provided by the Client, which were assessed for the purposes of the report, and the findings of the local inspection.

During the local inspection; no measurements were taken, or functional tests carried out on the building or other technical services. All statements made by the Valuer are based on the findings of the local inspection (visual inspection only).

Destructive examinations were not carried out hence; specifications of hidden components or building materials are based on information obtained, documents provided or assumptions.

A professional investigation of potential building defects or structural damage was not undertaken. It is assumed that without examination there are no building materials, components or features of the soil or subsoil that could possibly affect or compromise the sustainable suitability of the property or the health of residents and users.

On the date of valuation, it is assumed, without verification, that all public charges, contributions and fees etc., which may have an impact on the value, have been levied and paid unless specifically outlined in the valuation.

On the date of valuation, it is assumed, without verification, that the subject property is covered by an insurance policy, appropriate both in terms of the types of potential damages and a reasonable amount insured.

According to law, comments from official sources, particularly information, cannot be regarded as binding. The Valuer is unable to accept any guarantee for the use of such comments and information in the report; however, the nature of the information will be described in the valuation.

For the purposes of the Valuation and in accordance with instructions, it has been assumed that use of the improvements on the date of valuation will continue in terms of type and dimensions for the period of the remaining economic useful lifespan and/or a similar use will be possible.

Rights, charges and restrictions have been considered only where it has been recognized that these will impact the value of the subject property.

1.14 Special features of the valuation

The subject property is a shopping mall in Limassol, Cyprus, operating 31,522 Sq.m. GLA². During the site visit, we inspected the major parts of the building. The property has been operating for 3 years. The mall benefits from the occupancy of many international retailers and appears in good working order. The project is a relatively newly operated shopping mall, wherein several stores have turned over to new tenancies and several units are currently under advanced negotiations.

The subject property is located on the outer reaches of Limassol, and is adjacent to residential neighborhood expansion plots. Until recently the direct access road to Limassol has been blocked due to road works which temporarily impaired footfall in the subject property.

As a result of the above stage of development, we believe the property will gradually gain a better place in Limassol's retail and commercial position, with a potential for improvement in turnover and occupancy in the coming years. Therefore the leading methodology chosen in determining fair value is based on a ten-year projected cash flow.

1.15 Previous Valuations

The undersigned provided a valuation for the following:

Determining Date	Fair Value ³ € MLN
31/12/2009	129
30/8/2010	124
30/9/2011	103
31/3/2012	98.4
30/6/2012	98.4

The primary reasons for the change in value from 2009 to 2010 was the reported running deficit of the MIM mall management company rather than a

² Source: Tiffany Mall Rent Roll and projections provided 31/12/2012

³ Fair Value was calculated *net of outstanding construction costs*. To date, these investments have been made in the subject property.

running profit as reported in the previous valuation. In addition, gross rental income declined slightly due to reduced tenant turnover.

The significant change in value from 2010 to 2011 is due to the financial crisis which has affected Cyprus due to the financial crisis in Greece. Until July 2010, Cypriot government bonds were trading at relatively low and stable interest rate of 4.6%. The interest rate for Cypriot government bonds in August 2011 rose to 7%. Due to the financial crisis which has affected Cypriot banks, there the rating of Cypriot Sovereign debt has declined and lending for real estate of this magnitude by local and foreign banks has been severely curtailed.

The Client provided the undersigned with a previous valuation from 30 March, 2009 for the determining date 31, December 2008 as carried out by American Appraisal Hellas. The valuation of Fair Value at 31/12/2008 was €94,577,000. At this determining date the property was under construction with additional €32,000,000 in outstanding construction costs and a majority of leases were not secured.

The change in value to date is due to the deepening financial crisis in Cyprus especially in the banking sector. Despite the stable performance of the subject property, the country risk in Cyprus has lead to a sharp rise in interest on Cypriot Sovereign debt and limited credit at the major Cypriot banks.

1.16 Share Transactions of Tiffany

During 2012 there were three transactions carried out regarding shares in the mall holding company.

1. Put option by Gibor BSR Europe BV of company's shares in Tiffany Investments Ltd (The SPV holding company of the subject property) equal up to €3 million (subject to the deficit of the 2012 bond repayment at November 2012). The option can be exercise till 30 Nov 2012 subject to fulfillment of certain conditions. The purchase will be carried out personally by the controlling shareholders in BSR Europe, Nachshon Kiviti, Eitan Elder and Roy Gil. The purchaser will have a put option between 1st Dec 2012 and 31st March 2013 for the same consideration plus 10% annual interest subject to fulfillment of certain conditions.⁴ According to the company's reports to the Israel Securities Authority (ISA), the transaction was based on an asset value of €98 MLN.
2. Tiffany agreed with the project contractor to settle a debt of €2.5 MLN for the construction of the mall in exchange for 6% shares in the mall, based on an asset value of €98 MLN. The remainder of the debt (€4 MLN) was paid in cash.
3. Third party sale of 15% of shares in mall holding company to a third party was agreed on 25 July 2012 for the consideration of €3 MLN. This was based on an asset value of €80 MLN. The purchaser has the right to sell back his shares in three years or upon the dissolution of BSR Europe for the consideration of €4.55 MLN.
4. In addition we have been notified of a potential third party sale of all BSR Europe holdings in the company (35.4%) from 23 February, which is after the determining date. This offer reflects an asset value of €78 MLN.

⁴ Transaction as described by the Client.

While the above transactions might be indicative of market sentiment, they alone do not reflect market value for the subject property as a whole. Transaction #1 and #3 above relate to the transfer of minority shareholding with special terms and conditions. Transaction #2 is for a minority share to a party with ongoing business relations with the vendor. Transaction #4 is after the determining date and is only an offer to purchase at present.

1.17 Documentation

The client provided the following documents as basis for valuation:

- Copy of an un-scaled site plan, undated
- Excel tables of building area and unsigned drawings of built area.
- Building permit showing building rights for the contiguous and non-contiguous plots
- Copy of sample lease agreements.
- Copy of new lease agreements from past months
- Excel file describing current and projected rent income
- Copy of management agreement between Tiffany Ltd. And MIM mall Management.
- Copy of Mall Management and Operating budget for 2012 as well as actual performance.
- Copy of Rent Roll to date (31/12/2012) and tenant concessions.
- Cadaster and Planning Documents regarding the land area that the property was erected from 11/4/2012.
- Marketing Materials for the Mall
- Visitor data from January to December 2011 and January to December 2012
- Phase 2 planning for potential building rights calculations and architects' letter regarding new town planning published plan for the property.
- Email from Tiffany's Lawyer regarding the relationship between Tiffany and Pearland.
- Letters from the Client outlining the rights in the property and the companies.

Information Provided by Leaf Research Ltd.

- Cyprus Property Market Overview .
- Cyprus Report-Economy_Q3 2012

Information Provided by Antonis Loizou Associates

- General real estate market information
- Information regarding the title and planning documents provided by the Company

We assume that the property information provided to us by the client is correct and complete as of the date of valuation. The International Institute of Real Estate Valuation (A.C.) Ltd, have not reviewed the information provided in respect of completeness and accuracy in relation to the purpose of our appraisal, however any information that diverges from information gathered

during the course of our work, will be noted and assessed regarding its potential impact on the valuation.

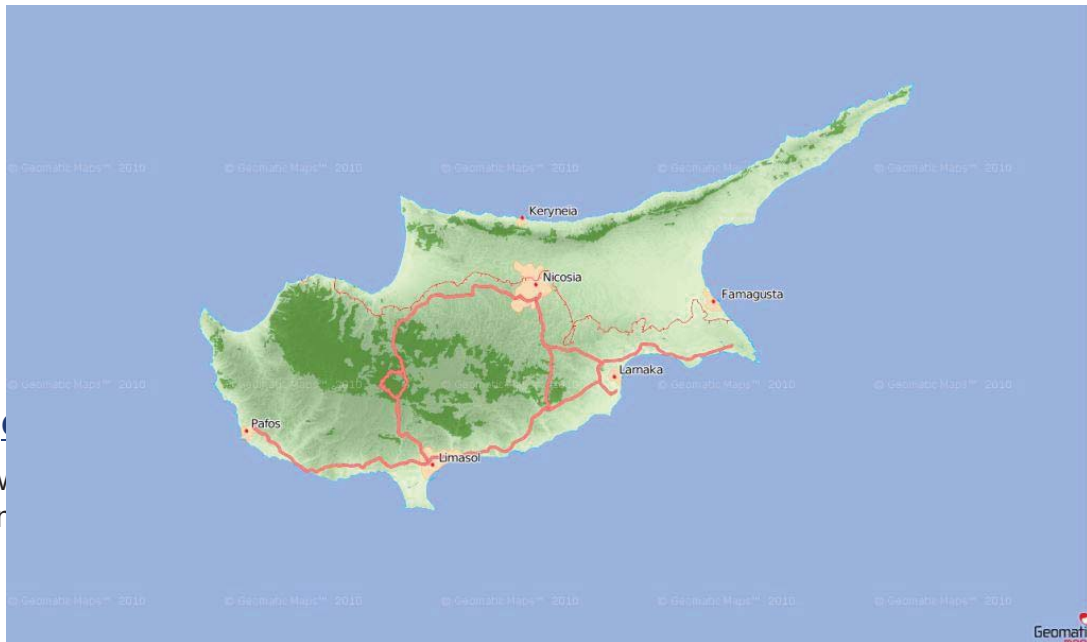
2 Location

2.1 Macro Location

Cyprus is the third largest island in the Mediterranean Sea with an area of 9,250 square kilometers. It is situated south of Turkey and to the west of Syria. Cyprus is divided into two parts, the North and the South. The Northern part of the island is Turkish and Southern is Greek, whereby they are separated by a "green line" boundary.

The temperate climate of Cyprus, mountainous, and beach areas make the island a year round tourist attraction.

The island has five major urban centers, with its capital in Nicosia.



2.2

Below
Decer

PRELIMINARY RESULTS

POPULATION

DISTRIBUTION OF THE POPULATION BY DISTRICT IN THE 2011 AND 2001 CENSUSES

The International Institute of Real Estate Valuation (A.C.) Ltd.

District	Population 1/10/2011	Population 1/10/2001	Increase (%) 2011/2001
Total	838.897	689.565	21,7%
Lefkosia	325.756	273.642	19,0%
Ammochostos	46.452	37.738	23,1%
Larnaka	143.367	115.268	24,4%
Lemesos	235.056	196.553	19,6%
Pafos	88.266	66.364	33,0%

- The population reached **838.897** persons on the 1st of October 2011 compared to 689.565 in the previous census in 2001, i.e. recording an increase of **21,7%** in the last 10 years.
- The distribution of the population by district in 2011 is as follows:

Lefkosia	38,8%	of the total population
Lemesos	28,0%	
Larnaka	17,1%	
Pafos	10,5%	
Ammochostos	5,5%	
- At district level, the largest population increase in 2011 compared to 2001 was recorded in **Pafos** with a growth rate of **33,0%**, followed by **Larnaka** with **24,4%**, **Ammochostos** with **23,1%**, **Lemesos** with **19,6%** and finally **Lefkosia** with **19,0%**.

DISTRIBUTION OF THE POPULATION BY DISTRICT AND CITIZENSHIP, 2011

District	Citizenship					
	Total		Cypriot		Other	
	Number	%	Number	%	Number	%
Total	838.897	100	659.350	78,6	179.547	21,4
Lefkosia	325.756	100	264.221	81,1	61.535	18,9
Ammochostos	46.452	100	37.016	79,7	9.436	20,3
Larnaka	143.367	100	114.103	79,6	29.264	20,4
Lemesos	235.056	100	186.536	79,4	48.520	20,6

Pafos	88.266	100	57.474	65,1	30.792	34,9
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Source: Statistical Service

DISTRIBUTION OF FOREIGN CITIZENS BY COUNTRY OF CITIZENSHIP, 2011

Country of Citizenship	Number	Percentage %
Total	179.547	100
EE(26)	112.424	62,6
Greece	31.044	17,3
United Kingdom	26.659	14,8
Romania	24.376	13,6
Bulgaria	19.197	10,7
Poland	2.951	1,6
Germany	1.162	0,6
Other EU countries	7.035	4,0
Third countries	67.123	37,4
Philippines	9.744	5,4
Russia	8.663	4,8
Sri Lanka	7.350	4,1
Vietnam	7.102	4,0
Syria	3.235	1,8
Ukraine	3.023	1,7
India	2.955	1,6
Georgia	2.113	1,2
Others	22.938	12,8

Source: Statistical Service

- The increased proportion of foreign citizens which reached **21.4%** of the total population contributed to the overall population growth. The corresponding figure in 2001 was 9,4%.
- In total, **179.547** of the enumerated population are foreign citizens. Of these, **112.424** individuals (**62,6%**) come from **EU** countries and the remaining **67.123 (37,4%)** from **non-European countries**.
- The largest number of foreign citizens enumerated is from EU countries: more specifically **31,044** foreign citizens come from **Greece**, **26,659** from **the United Kingdom**, **24,376** from **Romania** and **19,197** from **Bulgaria**.
- As regards foreign citizens from third countries, the majority (or **9,744**) comes from **the Philippines**, **8,663** come from **Russia**, **7,350** come from **Sri Lanka** and **7,102** come from **Vietnam**.

Source: Statistical Service

HOUSING UNITS

- The number of **housing units** enumerated on the 1st of October 2011 was **432.736** compared to 293.985 in the 2001 census, i.e. recording an increase of **47,2%** in the last 10 years.
- Out of a total of 432.736 housing units enumerated, **69,0% are occupied** and used as a regular place of residence. The remaining **31,0% are vacant/secondary dwellings**.
- The largest increase in the number of housing units, compared to 2001, is observed in the district of **Pafos with 88,0%**, followed by **Ammochostos with 79,5%**.
- It is worth noting that the number of **vacant/secondary dwellings** increased by **90,1%** compared to 2001, thus showing a significant increase in this category of housing units. Particularly in the districts of **Pafos** and **Ammochostos**, the figure has more than doubled and reached **156,2%** and **149,8%** respectively.

HOUSEHOLDS- NUMBER OF HOUSEHOLDS BY DISTRICT, 2011 AND 2001

District	Households 1/10/2011	Households 1/10/2001	Increase (%) 2011/2001
Total	302.619	223.790	35,2
Lefkosia	118.713	89.415	32,8
Ammochostos	15.771	11.619	35,7
Larnaka	50.096	36.302	38,0
Lemesos	85.038	64.279	32,3
Pafos	33.001	22.175	48,8

Source: Statistical Service

- The number of **households** enumerated on the 1st of October 2011 amounts to **302,619** compared to 223.790 in the 2001 Census of Population, i.e. recording an increase of **35.2%** in the last 10 years.
- The **average household size** in the 2011 Census of Population is **2.76 persons**. At district level, the largest average household size was recorded in **Ammochostos** and it is **2.94 persons**, in **Larnaka** it is **2.85 persons**, in **Lemesos 2.75 persons**, in **Nicosia 2.73 persons** and in **Pafos 2.67 persons** per household.
- Compared to the 2001 Census of Population, the average household size has **decreased significantly from 3.06 to 2.76 persons**.

Source: Statistical Service

2.3 Cyprus Tourism

Tourists represent three times the local population figures. Due to the local climate, incoming tourism figures are relatively stable throughout 7 of 12 months of the year, averaging approximately 200,000 a month.

STATISTICS ON TOURISM



PERIOD	Arrivals of tourists				Revenue (€mn)				% Change					
	2009	2010	2011	2012	2009	2010	2011	2012	2012/11		2012/10		2012/09	
									Arrivals	Revenue	Arrivals	Revenue	Arrivals	Revenue
JANUARY	47,066	45,952	44,442	47,610	31.2	29.7	29.8	30.0	7.1%	0.7%	3.6%	1.1%	1.2%	-3.9%
FEBRUARY	56,626	55,250	62,294	55,420	36.3	33.9	36.9	32.3	-11.0%	-12.4%	0.3%	-4.7%	-2.1%	-10.8%
JANUARY - FEBRUARY	103,693	101,202	106,736	103,030	67.5	63.6	66.7	62.3	-3.5%	-6.5%	1.8%	-2.0%	-0.6%	-7.6%
MARCH	90,434	103,803	98,964	-	57.4	65.6	66.4	-	-	-	-	-	-	-
APRIL	181,395	139,658	199,762	-	107.4	89.0	136.7	-	-	-	-	-	-	-
MAY	246,546	258,014	267,487	-	158.1	164.8	187.1	-	-	-	-	-	-	-
JUNE	260,931	275,280	300,817	-	175.4	195.3	220.0	-	-	-	-	-	-	-
JULY	304,126	306,106	359,104	-	232.5	231.1	274.4	-	-	-	-	-	-	-
AUGUST	291,583	304,264	337,013	-	234.8	241.1	267.0	-	-	-	-	-	-	-
SEPTEMBER	276,178	289,126	304,260	-	200.2	220.5	235.8	-	-	-	-	-	-	-
OCTOBER	230,431	241,698	259,863	-	156.3	175.5	188.8	-	-	-	-	-	-	-
NOVEMBER	89,670	92,643	92,878	-	61.0	62.4	64.8	-	-	-	-	-	-	-
DECEMBER	66,201	61,199	65,339	-	42.7	40.9	41.6	-	-	-	-	-	-	-
JANUARY-DECEMBER	2,141,193	2,172,998	2,392,228	-	1,493.2	1,549.8	1,749.3	-	-	-	-	-	-	-
% Change	-10.9	1.5	10.1	-	-16.7	3.8	12.9	-	-	-	-	-	-	-

(Last Updated 27/03/2012)

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Since the economic crisis we note an increase in tourism and revenues from tourism over the past two years.

With more than 300 days of sunshine per year, the lowest crime rate in Europe, a low cost yet high standard of living, it is not surprising that tourism has bounced back after the global downturn. The UK continues to make up the lion's share of visitors – just over 56%, and their numbers rose by more than the average – 10.2%. Germany, Greece, Sweden and Russia are the next largest markets and are growing. However, it is not just the levels of tourism, but also its composition that is affecting rental returns.

Whilst prestigious resorts, such as the Aphrodite Hills integrated golf and leisure development near Paphos and numerous 5 star hotels already exist, there has been a concentration of activity to upgrade tourist facilities, including the achievement of Blue Flag status for 49 beaches & UNESCO World Heritage status for Paphos.

Plans include the development of 14 new golf courses, elevating Cyprus to 'the' golf destination of Eastern Europe, four new marinas to meet the demand for 2,000 berths (current capacity is 450) and a number of up-market holiday resorts with world-class accommodation and recreational facilities. With these upgrades in mind, rental returns will remain healthy, whilst revenue generated from high-spending travellers will positively affect the economy.

Not only the marina, but Paphos' property market will also be affected by a new airport and large mixed use commercial property developments. Beautiful beaches, golf courses, the Arkamas National Park and numerous cultural sites complete the make-up of the picturesque town.

2.4 Cyprus Districts

The city of Nicosia, known locally as Lefkosia, is the capital and largest city of Cyprus. It is located almost in the centre of the island; it is the seat of government as well as the main business centre. The capital has been divided between the island's Greek Cypriot and Turkish Cypriot communities in the south and north respectively, following the Turkish invasion on 1974. It is divided by a lengthy string of land, administered by United Nations and it is known as the Green Line. South of the Green Line, the population of the city is 236,200 (end 2009) while a further 84,893 live in the north. Nicosia is important commercially, with many shops, two shopping malls, restaurants and entertainment. The city is a trade centre and manufactures textiles, leather, pottery, plastic, and other products. Copper mines are nearby. Nicosia is the seat of the University of Cyprus (UCY) and four other universities.

The city of Larnaca is situated on the southern coast of Cyprus. The island's largest airport, Larnaca International Airport is located on the outskirts of the city. The population totals 83,200 residents (2009) and is the island's second commercial port as well as an important tourist resort. To the north of the town, lies the island's oil refinery, which is now only a storage facility as the refinery itself has been sold (2008) while to the south is situated the Larnaca International Airport. The city of Larnaca is well known for its seafront, which includes rows of palm trees and has the Larnaca Marina, one of the four official entry points by sea, to the island.

The city of Paphos is a coastal city in the southwest of Cyprus and the capital of Paphos District. It has a population of about 56,700 (end of 2009), it has a popular sea coast and a fast developing tourist resort, home to an attractive fishing harbour. It is divided into two major quarters: Ktima, on the sea terrace, is the main residential district, and Kato Paphos, by the sea, is built around the medieval port and contains most of the luxury hotels and the entertainment infrastructure of the city. Apostolou Pavlou Avenue (St. Paul's Ave.), the busiest road in Paphos, connects the two quarters of the city. It begins near the city centre at Kennedy Sq. and ends outside the Medieval Fort at the harbour.

The city of Limassol is the second-largest city on Cyprus, with a population of 187,100 and 230,800 persons in the region, it is the largest city in geographical size with, and the biggest municipality on the island. The city is located on Akrotiri Bay, on the island's southern coast and it is the capital of Limassol District. Limassol is the biggest port in the Mediterranean transit trade. It has also become one of the most important tourism, trade and service-providing

centres in the area. Limassol is renowned for its long cultural tradition. A wide spectrum of activities and a great number of museums and archaeological sites are available to the interested visitor. Consequently, Limassol attracts a wide range of tourists mostly during the summer season to be accommodated in its several luxurious hotels and apartments. In addition to the existing sights and attractions, a world-class marina is currently being built, that will offer a wide range of services and attractions unsurpassed anywhere in Cyprus. The project will be called Limassol Marina and will consist of 1000 berths for small and larger yachts and the entire operation will be managed and operated by high quality, experienced operators.

2.5 Road Communications

The highway system is well developed for transport between the major urban populations. Currently the EU is funding an additional highway connection adjacent to the subject property that will link up the area to the main Pafos-Limassol highway. The construction of the road adjacent to the subject property was completed this year. This will provide improved accessibility to the property linking it to the town of Limassol via the highway.

The relatively high standard of roadways and proximity between cities, enable accessibility to most urban areas within an hour's drive from the subject property.

The in-town roadways are less developed, presenting issues of congestion during high tourist season.

2.6 Airports

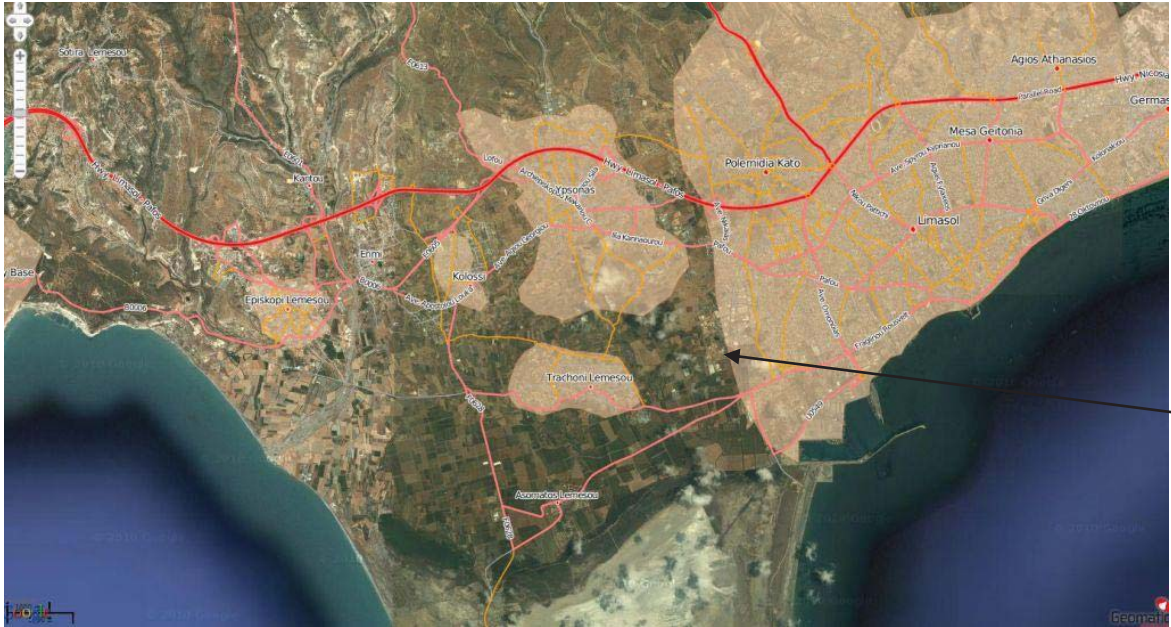
There are two fully operational international airports in Cyprus. For those looking to fly into the southern part of the island, there is the option to fly into the most popular of the Cyprus Airports, the newly built Larnaca International Airport. Located in the southeast corner of the island, this airport provides good access to the resort of Larnaca, as well as onward transport options to all of the popular Cypriot holiday resorts.

An alternative is the airport at Paphos, which is situated to the east of the resort of Paphos. Although this airport receives fewer visitors per year than the alternative of Larnaca, it is popular with holidaymakers arriving on charter flights as part of holiday package deals.

Tourists are now choosing to fly into Turkish-governed Cyprus. The North Cyprus airport of Ercan is served by several regular flights, although all flights have to be made via Turkey.

2.7 Micro Location

The subject property is located on the Eastern side of Limassol, in the area known as Zakaki. The Mall is located on Franklin Roosevelt Boulevard, near the commercial port and the boundary of the Royal Air Force base. The site has frontage on a roadway that is being expanded into a major route linking the area with the Pafos- Limassol highway, marked in red below.



The area to the West of the subject property is characterized by open green-field sites for residential development. According to discussions with local authorities, and from our research, the areas to the West are under development as golf communities and other vacation home projects. The city center of Limassol lies to the East of the subject property. This area is characterized by residential construction for both the local population and many tourist apartments and hotels along the beachfront. The City of Limassol is densely built, with older low construction in the city center. There is one major retail street in the city that encompasses two city blocks. There are several more modern office buildings in the city center, including one new project under construction. These buildings are low rise up to 4-5 stories.

Access to the area is reached via the main highway marked in red above, and a series of roadways that surround the city that are linked by traffic circles. The final roadway junctions linking to the area of the subject property to the highway was completed during 2012.

The City of Limassol has decided to proceed with construction of the Aktau road which is the new coastal road of Limassol⁵. The road will connect the old with the new port city, and is designed as a low traffic street passing by the dock where there will be spaces for shipwrights and boat launch ramps at sea. There will be wide sidewalks and along the road, for bicycles and pedestrians beginning at Amathus, and terminating at the new port. This will complete the longest uninterrupted pedestrian and bike path in Cyprus near the sea.

⁵ According to an internet article published February 21, 2011 on Sigma Live. Com

3 Subject property

The subject property is comprised of two above ground levels and a sublevel basement. The building is constructed with a circular center with two protruding wings. The two wings are characteristic of a typical mall with shops on either side along its length and capped on the end with an anchor spaces; the ground floor is a traditional corridor while the first floor is connected from one side to the other via a series of pedestrian bridges. The mezzanine floor provides internal storage and office space to the ground floor units, and has an undeveloped area with elevator access intended for future occupancy. The floor plate of the basement does not span the entire length of the wings, as on the above ground levels, it has three separate parts: the middle (circular center) and non connected segments at the far ends of each wing (directly under the ground level segments of the anchor spaces). The circular center is complete in floor area in the basement level (which serves as an ice skating rink), while on the upper levels the NLA is comprised of the circumference of the circular space.

The structure extends parallel to a road leading from Franklin Roosevelt Avenue in the north to the harbor in the southeast. Franklin Roosevelt Avenue, which extends from the old town centre in the east, is 450 meters from the Mall's entrance.

Primary access to the mall is from the east side of the circular middle section. One enters through two sets of automatic glass doors, which lead directly into a principle reception area. Other entrances are from the western side of the circular area as well as from the northern and southern wings. Access to the rear of the shops for the purpose of docking and unloading is accessible via a gated entrance from both the eastern and western parking areas.

Photographs of the internal elevations and exterior, form Appendix I to this report.

3.1 Age

The construction of the subject property was completed at the end of 2009. It is well maintained and its appearance is suitable to its age and use.

3.2 Construction

The building is of concrete framed construction, with some parts of the roof made of glass, such as the dome above the centre of the mall and in the centre above the ground floor and the first floor main corridors.

3.3 Façade/ Walls

The façade has natural polished stone on most of the outside walls of the project. On the first floor of the rounded middle section, on both the eastern and western sides is a glass curtain wall. On the Façade along length of the building (excluding the rounded section described above) the section on which billboards are adhered, the wall is made up of ceramic tiles of various shade and colors.

3.4 Floors and Staircases

The floors of the public areas and most of the shops are covered with ceramics tiles. There are escalators between linking the basement to the first level located on both sides of the center section. At the end tails are two sets of escalators connecting the ground and the first floors. In addition, there are emergency staircases, reinforced concrete construction with cast stone coverings and stainless steel handrails.

3.5 Ceilings

Above most of the first floor's common area is a glass sky light. At basement level, the ceiling has plain painted surfaces with surface mounted lighting.

3.6 Basement

The underground level is partially open to the centre atrium and serves as a skating rink. The basement level also has a bowling alley. In addition, a gaming area is operational. The mall management offices currently occupy part of this floor along with public restrooms, and the storage facilities for the stores above.

3.7 Flexibility

Currently, the shopping mall is designed for more than 150 shops. The area of the shops ranges from 20 to 3000 Sq.m. It is possible to re-divide shops in order to maximize revenue and to fit market demand as the mall evolves over the coming years. Except for the large anchor spaces at the ends of the mall, most of the leasable area can be divided with relative ease.

3.8 Technical Installations

The property is centrally air-conditioned. It has two glass passenger lifts. Both lifts are situated at the centre of the mall facing the ice skating ring (on the basement floor). These two lifts serve all floors including the mezzanine of shops on ground floor. As mentioned above, Escalators connecting the underground and ground floors along with Escalators connecting the ground and first floors run continuously to move the shoppers within the mall.

3.9 Services

Water and electricity are supplied to the property from the mains of the respective utility companies in addition to services, drains and drainage installations.

3.10 Car Parking

Outside open parking space surrounds the mall. Most of the parking space is in the east of the mall. The total parking capability is approximately 1,600 spaces plus designated space for trucks and service.

3.11 External Areas

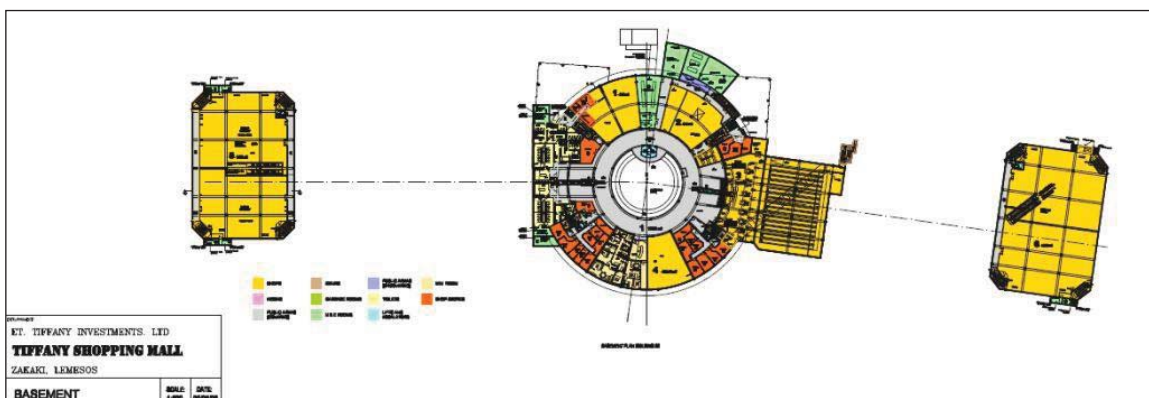
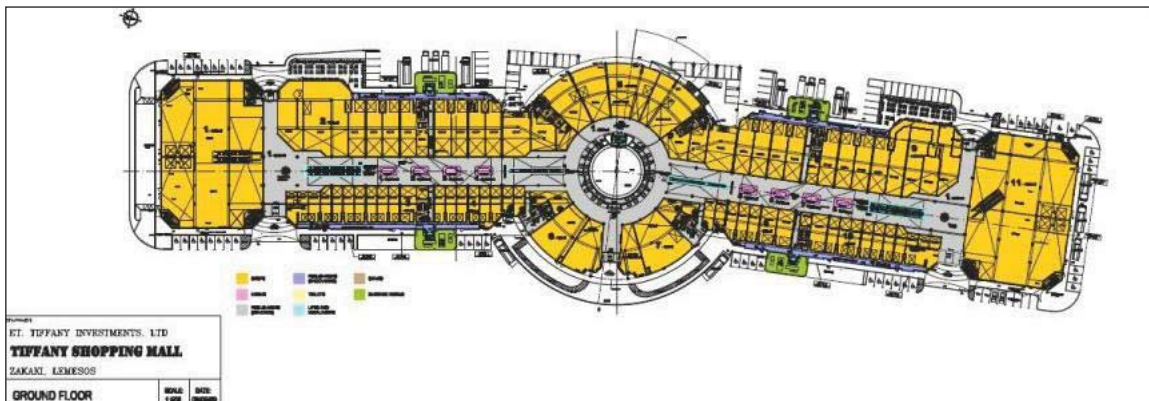
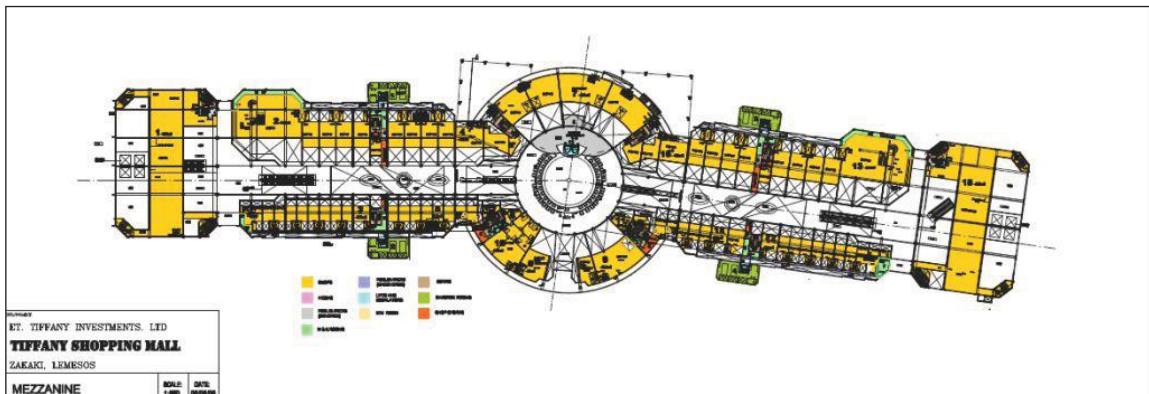
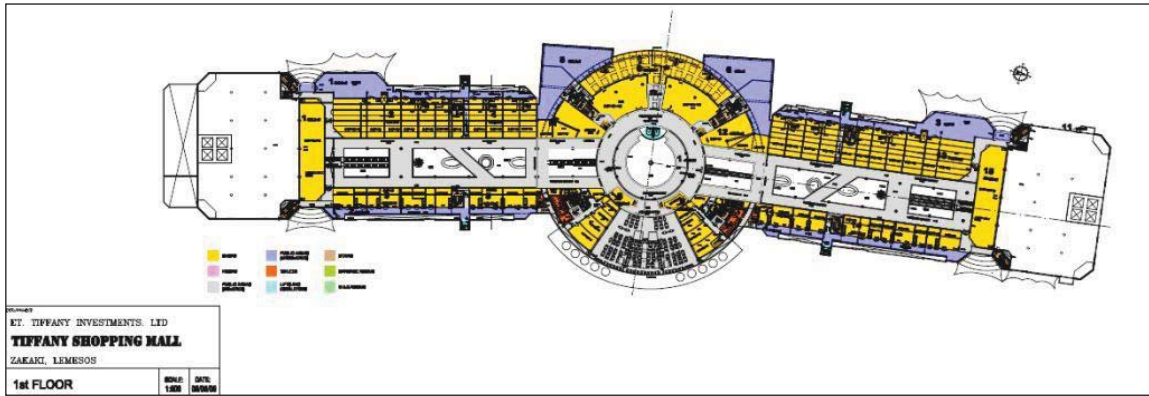
The front of the property is bordered by a small fence. The west has green areas on the border adjacent to the parking area. There is vehicle access via a gated entrance leading to the rear of the shops. Opposite to the road leading to the mall are some new residential buildings. The main harbor of Cyprus is within a short drive from the Mall. The area west of the property include of new residential neighborhood under development.

Within the southern parking lot a main and final bus station for some lines serving the area has been established in 2012.



A view of bus station at the Mall's parking area.

3.12 Floor drawings



4 Accommodation

4.1 Built Area

Built space as provided by Gibor B.S.R. Europe B.V.

Level	Basement	Ground	Mezaznine	First	Total
Shops	5,551	11,320	6,052	5,446	28,369
Shops storages	617	-	57	-	674
Kiosks	-	157	-	-	157
Public areas - Covered	1,385	4,601	230	-	6,216
Public areas - Uncovered	32	2,257	570	1,883	4,742
Toilets, Changing rooms, First Aid etc.	553	22	-	147	722
Lifts and Escalators	96	249	114	319	778
mim	322	-	220	-	542
M&E rooms (elec., Communication, water, etc.)	575	-	207	28	810
Staircases	258	344	346	328	1,277
Garbage Areas	-	369	-	-	369
Total	9,389	19,319	7,796	8,150	44,655 m2

4.2 Leasable area

Net Leasable Areas and Gross Leasable Areas are derived from Tiffany's Target Rentroll and verbal explanation by the mall's general manager Mr. Yoram Kedem, is the total area of Shops + kiosks on all levels.

Gross Leasable Area is the space including common areas which is leased to tenants or which can potentially be leased to tenants totaling 31,522 Sq.m.

Net Leasable Area is the space excluding common areas which can potentially be leased to tenants totaling 28,853 Sq.m. this criteria reflects the common knowledge for the space inside the shop that can be leased for rent.

The difference between the two is the space that is calculated for Management fee to be paid by the tenant but not for rent.

4.3 Additional building rights

According to a letter from the Architect, Georg Th. Mavrommatis dated 9 September 2011, there is the following agreement with the local planning committee for new building rights in the subject property, as follows:

ADDITIONAL DEVELOPMENT AT MY MALL, LIMASSOL					
No.	DESCRIPTION	GROUND LEVEL	MEZZANINE	FIRST FLOOR	OVERALL
		Sq.m.	Sq.m.	Sq.m.	Sq.m.
1	PETROL STATION	100			100
2	MY MALL	Existing Building - 28,362 Sq.m			
3	SUPERMARKET	3,000	1,000		4,000
4	SUPERSTORE	2,500	250		2,750
6	CINEMA CITY			2,300	2,300
9	CAR DEALERSHIP	2,850	650		3,500
				General Summary	12,650

The Fair Value of these buildings rights was calculated by Residual methodology. (see Appendix IV)

The undersigned assumed a 3 year period until completion of construction and occupancy by the tenants. The owner has already started negotiations with potential tenants. We assume that this project will be "built to suit" only after closing pre-leases for built to suit premises.

Total Net Fair Value of the additional building rights is €4.8 Million

5 Condition

5.1 Technical Due Diligence

We have not undertaken a Structural Survey, as this was outside the scope of our instructions, but noted during the course of our inspection that the building appeared to be new and in good working condition.

In general, the subject property is reported as being in good condition and no material defects were identified. With regard to required capital expenditure, the licensee agreements allow a physical depreciation fund to be funded by the tenants through the management company. In our valuation, we have allowed for non-recoverable costs relating to the repair and maintenance of the

property. The Company has maintained the subject property and has made capital investments in its renewal.

5.2 Deleterious materials

The property is newly built and we did not note the use of any deleterious materials in the construction of the subject property and assume that the use of such materials does not exist.

5.3 Environmental and Earth Related Matters

We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings, and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any in depth investigation into past uses, either of the property or any adjacent land to establish whether there is any potential for contamination from such uses or sites, and have therefore assumed that none exists.

From our initial study of the property, the existing use as a Shopping Mall was the only built use of the land.

6 Legal & planning

6.1 Legal Due Diligence

We have not undertaken legal due diligence. Our valuation is based upon the documentation provided by the client and their lawyer. The undersigned does not undertake any responsibility for errors and omissions regarding information provided by third parties.

6.2 Property Holding Company

A fully detailed description of the rights in the property are detailed in Appendix III below (dated 30.4.2012).

In an email letter dated 2 August 2010, Lia Dependrou, Lawyer from Chryssess Demetriades and Co LLC, confirms that all shares of Tiffany Investments Ltd

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(200.000) shares are owned by AML Malls Holding Ltd. The shares of AML Holding Ltd. (1000 shares) and Pearland Investments Ltd. (1000 shares), are owned by the same entities/ persons i.e. Gibor B.S.R. Europe B.V. (290 shares), Guy Moshe Shayah (110 shares), Xorencome Enterprises Ltd. (200 shares), and Hadar Investments Ltd. (400 shares).

In our meetings with the owners of the subject property, we were provided with a land lease between Tiffany and Pearland from 1/6/2009 for one year renewable without an end date. This lease entitles Tiffany to hold the plots 214, 29, 31,33 from sheet 59 plan 090104 dept.7 and plot 95. Tiffany shall pay Pearland rent of 35,000 Euro per month for the use of the plots during the lease term. The lease can be terminated by Tiffany by written notice 90 days in advance. Tiffany undertakes to carry all expenses related to the use of the plots and will vacate the plots upon termination of the lease.

Due to the current shareholding relationship between the parties, for the purposes of the valuation, we have assumed that the continued right to use the plots will be maintained by Tiffany Investments Ltd. According to the Client, Tiffany and Pearland have signed a merger agreement, and the merger process will be completed shortly.

All land lease payments are assumed as transfers for internal accounting purposes based on verbal representations by the company, and do not impact on the net operating income of the shareholders in the property. It should be noted that if the ownership interests change with regard to Pearland, the rights of Tiffany Investments in the land must be reassessed.

6.3 Property Management Company

Tiffany Investment Ltd ("owner") entered into a management agreement with MIM Services Ltd. ("Management Company") on 25.5.2009 for the purpose of receiving management services of the mall.

The following is a summary of the principles of the agreement. The management company assumes full responsibility for the provision of all services required for the management and operation of the mall "services" including the repair, restoration, maintenance of the machinery, security, control, cleaning and gardening of the common-areas, insurance, promotion, and advertisement of the Mall.

The Management Company shall sign management agreements with all licensees and the owner.

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The Management Company undertakes to fulfill all obligations placed on the company under the management agreements and becomes a party to all management agreements signed prior to this agreement.

Fees- the management company services are compensated by the fees paid to the management company by the licensees.

The management company is to pay the owners 15% from its yearly profits for the right to manage the mall.⁶

The management company is to insure itself against all issues connected with mall management and include the owners as additional insures including the waver by the insurance company of any rights of subrogation against the owners.

The term of the contract is from 30.5.2009 until written notification by one party requesting termination at least 90 days in advance.

Management fees collected from tenants are expected to cover the expenses of the management company.

6.4 Current Planning

According to architect George th. Mavrommatis and Associates the official Limassol Town Plan was published on 31.7.2011

According to this plan plot 214 is included in a commercial zone Eβ9, with 40% density and 25 % ground cover. Plots 29, 31 & 33 are included in a residential ΖΟΠΘ Ka8 with 60% density and 35% coverage.

Taking into account the above coefficients the development areas of the Mall property are formulated as follows:

Total available density for development:	28,284+6,872=	35,156 m²
Less Built density		<u>27,140 m²</u>
Net available commercial density		8,016 m²,
The above figure can be increased by the inclusion of transferable density from plot 95 and is calculated to be approximately 2,600 m ²		
		<u>2,600 m²</u>
Total available commercial density		10,616 m²

Deriving from this analysis program to develop this added space comprises:

floor (sq.m)			Gross (sq.m)
Ground	Mezz	First	total
8,350	1,900	2,300	12,550

⁶ In practice there has not been a transfer of the 15% to the owners.

In order to realize the above rights a building permit for the designated uses is required.

In letters to the planning authority, the Company has requested to raise the building density, of the additional rights. The Company has requested to receive similar rights to those appropriated in other plots in the area of 40% density. The local planning authority has registered this pending application.

Conversation with the Planning Authorities

According to information from the local building authorities, acquired by telephone interview on 3/2/2010 by Antonius Louizou Associates, we confirmed that there is a process to change the planning and zoning criteria for the greater "Zakaki" area but nothing is official yet as of the valuation date. Moreover, a planned road will connect the Roosevelt Road with highway Limassol to Paphos, and has been completed.

Planning Authorities

The Minister of Interior defines spacial planning and urban policy, which in turn must be applied and monitored by the following authorities of planning:

1. Municipalities
2. Department of Town Planning and Housing with its Local Planning Authorities (District Offices)
3. Planning Board (advisory body).

The following plans must be considered, according to the scale of application:

Spacial plans at different scales

"Island Plan," which refers to the national territory and the regional distribution of resources and development opportunities

"Local Plan," which refers to major urban areas, areas of exceptional importance or areas undergoing intensive development pressures and rapid physical development.

"Area Scheme," at the lower end of the hierarchy, which in general refers to areas of a smaller scale and is more detailed and specifically project oriented.

"Development Plans" drawn by the Department of Town Planning and Housing contain a broad range of urban policy measures and provisions, which refer to land use, development types, infrastructure networks, development standards, quantitative limitations and development intensities.

"Policy Statement for the Countryside" (PSC) is a legally binding document in the form of an adapted regional plan for the control of development and the protection of the environment in villages and rural areas. Series of **zoning plans** have been published for the majority of rural settlements, while areas of

outstanding natural value, selected coastlines and nature protection areas, as well as areas of protected landscapes are all delineated on a detailed cadastral inventory, which complements the guidelines of the PSC.

Planning applications must be submitted and **planning permission** must be obtained for all types of development from the local Town Planning Authority. This permit for the development defines what you can be built, its usage, the access, the giving up of part of the property (usually land) for public use, the layout/appearance of a building, the density, height, coverage etc. Legal time required for a reply is 3 months, but the actual time, depending on if there are no problems, is 6-9 months. Once a Planning Permit has been issued, an application is made for a **building permit**. This checks the structural stability of the building, the provision of public services, health & safety, the fire adequacy of the building, sewage and drainage etc. Although there is no legal time limit required for this process, Building Permits should be received within 3 - 4 months. However, in some parts of Cyprus they can take 12 - 18 months (source: <http://www.cyprus-property-buyers.com>).

6.5 General Planning for Current Construction Prior to New Urban Plan

The subject property falls under the following zoning plan as a Tourist Zone:

Zone: T3b, Building Coefficient - BC for:

Intended Use	Max BC	Nr. Floors	Max Height	Coverage Coefficient
Hotel	0.3	3	13.1	0.2
Touristic Village/ Touristic Villas	0.25	2	8.3	0.2
Second home - Residential	0.2	2	8.3	0.2

6.6 Permitting

Building Permit Nr. 0929 from 19.05.2009 valid until 5.10.2010 provides the general information as follows:

Addressed to Tiffany Investments and Pearland investment for the development of Plots 214, 29,30,31, and 95 approval for modifications as per modified drawings for a shopping mall with a volume of $(67.404+119.527=186.931)$ and Area $(14.060+26.732=40,792\text{Sq.m.})$.

7 Tenure And Tenancy

In a letter from 2 August 2010, Lia Petridou details the title and rights of the companies in the properties. See below, Appendix III for the detailed letter.

Current Land Registry documents were provided by the Company dated 11/4/2012.

7.1 Tenure Details

The subject property is held freehold on several plots, four plots are contiguous and plot 95 is a non-contiguous plot purchased for the transfer of building rights as in the above permit (6.5).

Below are the details of the Cadaster as provided to us from 11 April 2012. A new cadaster has not been provided and the owners have not informed us of any material changes in the land registry.

Registry Certificate from Land Plot 214

County: Limassol

Municipality: Limassol

Village: Zakaki

Neighborhood: Paliochorafa

Registration Number: 5/205

Cadastre Data

Plan/Sheet	58 / 160303
Sector	5
Plot Number	214
Area (m ²)	88.832
Year of Registration	11/04/2012
Registration number	146855/3/21
Owner	Tiffany Investments Limited
Stake	83795/88832

Registry Certificate for Land Plot 33

County: Limassol

Municipality: Limassol

Village: Zakaki

Neighborhood: Paliochorafa

Cadastre Data

Plan/Sheet	58 / 160303
Sector	5
Plot Number	33
Area (m ²)	4.466
Year of Registration	11/04/2012

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Registration number	198655/3/21
Owner	Pearland Investments Limited
Stake	1/1

Registry Certificate for Land Plot 31

County: Limassol

Municipality: Limassol

Village: Zakaki

Neighborhood: Paliochorafa

Cadastre Data

Plan/Sheet	58 / 160303
Sector	5
Plot Number	31
Area (m ²)	4.831
Year of Registration	11/04/2012
Registration number	198655/3/21
Owner	Pearland Investments Limited
Stake	1/1

Registry Certificate for land plot 29

County: Limassol

Municipality: Limassol

Village: Zakaki

Neighborhood: Paliochorafa

Cadastre Data

Plan/Sheet	58 / 160303
Sector	5
Plot Number	29
Area (m ²)	5.258
Year of Registration	11/04/2012
Registration number	198655/3/21
Owner	Pearland Investments Limited
Stake	1/1

Registry Certificate from land Plot 95

County: Limassol

Municipality: Limassol

Village: Zakaki

Neighborhood: Paliochorafa

Cadastre Data

Plan/Sheet	59/090104
Sector	7
Plot Number	95
Area (m ²)	4.758
Year of Registration	11/04/2012
Registration number	198655/3/21
Owner	Pearland Investments Limited
Stake	1/1

Notes: there are buildings that are not referred to in the registration, part of them are located in plot Nr. 96) as noted on the cadastre data of plot 95 (see it also in the respective plan).

Subject to a right of way on its north border of width 5.30 meter.

7.2 Tenancies

We reviewed several new tenancy agreements with licensees and the following is a brief description of the general terms and conditions:

Tenant	Zaoura Accessories
Agreement Date	September 2012
Commencement Date	1/11/2012
Lease Term	36 Months plus 36 Months
Unit	G44
Unit Size/Measure	52 sq. m. plus 26 sq. m. Mezzanine. +15% load factor=90 sq. m.
Minimum Rent	€3,500 Plus VAT (€38.8)sq. m. rentable space
Turnover Percentage	10%
Indexation and Uplifts	Yes fully indexed plus standard 2% annual uplift from 1.1.2016
Concessions	No indexation or uplifts until 1.1.2016

Tenant	Steve Madden Brand Shoes
Agreement Date	27 June 2012
Commencement	1.9.2012

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Date	
Lease Term	36 +36 months
Unit	G 69
Unit Size/Measure	86 sq. m. + mezzanine 40 sq. m. Total 126 sq.m. contract no load factor
Minimum Rent	€5000 (€39.68) on net space
Turnover Percentage	8%
Indexation and Uplifts	Yes including 2% p.a.
Concessions	No load factor. Standard measure 144.9 sq. m. effective concession €36.6 per sq. m. effective rent.

Tenant	Swatch Watches
Agreement Date	16.2.2012
Commencement Date	1.4.2012
Lease Term	36 +36 months
Unit	Kiosk C
Unit Size/Measure	20 sq. m. net rent and management fee based on 40 sq. m.
Minimum Rent	€3,000
Turnover Percentage	10%
Indexation and Uplifts	Yes including 2% annual uplift from 1.1.2013
Concessions	none

Tenant	Taco Bell (LOI- not signed lease)
Agreement Date	10.1.2013
Commencement Date	31.5.2013
Lease Term	5+5=5 years with minimum 24 months thereafter 90 day termination notice
Unit	Fast food court 147
Unit Size/Measure	50 sq. m. plus 24 storage plus load factor of 15% (85.1 sq. m.)
Minimum Rent	€3,500 (€41) paid from 1.6.2013
Turnover Percentage	5% rising to 8% on 3.5.2016
Indexation and Uplifts	Not apparent
Concessions	Rent free until 1.6.2014 Initial rent €1,500 (€17.6) until 31.5.2015. then €1,750 until 3.5.2016

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Tenant	Inglot (LOI)
Agreement Date	9.0.2012
Commencement Date	31.3.2013
Lease Term	5 + 5 years
Unit	G9
Unit Size/Measure	40 ground 20 mezzanine load of 15% on ground
Minimum Rent	€2,400 (€52) until 31.3.2015 then €3,000
Turnover Percentage	10%
Indexation and Uplifts	Indexation yes no uplifts
Concessions	Yes no uplifts and minimum rent until 2015

Tenant	MTN Cyprus
Agreement Date	24.9.2012
Commencement Date	1.1.2012
Lease Term	60 +60 months
Unit	G84 and G85
Unit Size/Measure	36 ground 17 mezzanine plus ground load of 15% total 61 sq. m.
Minimum Rent	€3,500 (€57.3)
Turnover Percentage	4.5%
Indexation and Uplifts	Yes from 1.1.2015
Concessions	Uplifts from 1.1.2015 no load on the mezzanine

Tenant	Oxette and loisir
Agreement Date	5.10.2012
Commencement Date	1.10.2012
Lease Term	36 +36 months
Unit	G73
Unit Size/Measure	50 sq. m.+26 mezzanine with 15% load on ground floor and 50% measure of mezzanine total rentable 70 contract rentable sq. m.
Minimum Rent	
Turnover Percentage	10%
Indexation and Uplifts	Yes including 2% p.a. uplift from 1.1.2016
Concessions	Based on standard rentable area would be 87.4 sq. m. instead of 70 sq. m. (Net effective rent €40)

Tenant	Gustatus- Cold Stone Ltd.
Agreement Date	6.6.2012
Commencement Date	15.6.2012
Lease Term	24 +24 months
Unit	Kiosk F
Unit Size/Measure	20 sq. m. +200% load factor total 40 sq. m.
Minimum Rent	€2,500
Turnover Percentage	10%
Indexation and Uplifts	Indexation only no uplifts
Concessions	1 st indexation 1.1.2014

8 Market overview

8.1 Cyprus Economic Overview

Cyprus is a small, open economy. The largest sector, representing about 70% of GDP, is services, i.e. tourism, financial services and real estate. Cyprus joined the European Union on 1 May 2004 and a year later it joined the European Exchange Rate Mechanism II, eventually adopting the Euro on 1 January 2008. During the decade 2000-2010, real GDP growth averaged 3% per annum while CPI inflation averaged 2,7%, unemployment 4,5%, the fiscal deficit 2,7% of GDP and the current account deficit 6,9% of GDP.

Currently there is a serious credit crisis in the country. The three major banks are under threat of insolvency and sovereign debt is at an all-time high. Russian banks and other foreign financial institutions have remained active in the market and are currently funding certain ventures.

In the past months worsening conditions in the country's economy included: (1) Marfin Bank (the lender of My Mall) has been nationalised (it's a state run bank now), (2) the largest bank on the island (Bank of Cyprus) has asked for the government's assistance, (3) the country has asked for aid from the EU (effectively a bailout, the same as Greece, Ireland, Spain, and Portugal). In addition to these events, the unemployment rate has risen further (close to 12% now) and a couple of companies/ retailers have gone under.

The impact of the above on the property market has been: (1) there is no debt available in the market, (2) vacancy rates have risen, (3) there is almost no

interest from investors (only for holiday homes and land for renewable energy – photovoltaics).

Recent Performance and Forecast

INDICATOR	VALUE	PERIOD
Consumer Price Index	120,26	Dec-12
Inflation	1,1%	Dec 12/11
HICP	119,63	Nov-12
	1,4%	Nov 12/11
Employment Rate 20 - 64 years old (Labour Force Survey)	70,0%	Jul-Sep 12
Unemployment (Labour Force Survey)	12,1%	Jul-Sep 12
Registered Unemployed	45.933	Jan-13
GDP at Current prices	€4.572,7 mn	Jul-Sep 12
GDP growth rate at constant prices	-2,0%	Jul-Sep 12/11
Tourist arrivals	54.772	Dec-12
	-16,2%	Dec 12/11
Revenue from tourism	€211,5 mn	Oct-12
	12,1%	Oct 12/11
Trade balance	-€3.995,5 mn	Jan-Nov 12
	-€4.512,3 mn	Jan-Nov 11
Industrial Production Index	79,7	Nov-12
	-11,3%	Nov 12/11
Turnover Value Index of Retail Trade	124,0	Nov 12 (prov)
	-2,0%	Jan-Nov 12/11 (prov)
Turnover Volume Index of Retail Trade	106,2	Nov 12 (prov)
	-3,4%	Jan-Nov 12/11 (prov)
Building Permits (area of permits in thousand square metres)	143,8	Nov-12

8.2 Cyprus Real Estate Development

The Chart below was recently published by the Cyprus Statistical Services.

BUILDING PERMITS



Comparison of the most recent period of 2012 with the corresponding period of 2011

DISTRICT	JANUARY 2012				JANUARY 2011			
	Number	Area (m ²)	Value (€000'ς)	Dwelling Units	Number	Area (m ²)	Value (€000'ς)	Dwelling Units
LEFKOSIA	196	43,698	43,046	193	208	59,849	51,779	239
Urban	114	29,545	28,810	135	118	41,471	33,316	161
Rural	82	14,153	14,236	58	90	18,378	18,463	78
AMMOCHOSTOS	30	6,021	5,948	20	35	4,898	5,455	20
Rural	30	6,021	5,948	20	35	4,898	5,455	20
LARNAKA	86	17,381	16,509	70	102	28,766	27,414	143
Urban	36	9,140	9,143	44	45	12,020	10,646	46
Rural	50	8,241	7,366	26	57	16,746	16,768	97
LEMESOS	154	47,160	47,172	148	163	55,395	55,036	277
Urban	78	38,088	37,009	109	82	34,049	33,969	166
Rural	76	9,072	10,163	39	81	21,346	21,067	111
PAFOS	89	12,818	12,773	37	130	18,343	18,154	108
Urban	32	3,767	4,124	16	49	8,308	7,114	46
Rural	57	9,051	8,649	21	81	10,035	11,040	62
TOTAL	555	127,078	125,448	468	638	167,251	157,838	787
Urban	260	80,540	79,086	304	294	95,848	85,045	419
Rural	295	46,538	46,362	164	344	71,403	72,793	368

(Last Updated 28/03/2012)

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From the above data, we note that in the region near the subject property, Pafos- Limassol, there is a decline in construction of new residential units, from 787 in January 2011 to 468 in January 2012.

8.3 Cyprus Retail Market Overview

8.3.1 Shopping Malls

The first shopping mall in Cyprus opened in 2007 setting new standards in retail market of the island. Prior to 2007 there were no shopping malls but small department stores and strip malls scattered in big urban areas. Their total GLA ranges between 1,000 m² - 7,300 m² and are located at high streets. Hereunder, we present the details of major shopping centers and department stores in Cyprus.

The **Mall of Cyprus** is located on the southern outskirts of Nicosia, the capital of Cyprus within a seven minute driving distance from the capital's (Nicosia) centre, 30 minutes from Larnaka and its international airport and 45 minutes from Limassol, the second largest city in Cyprus. The project, being adjacent to the Nicosia – Limassol and Nicosia – Larnaka motorway connecting the capital Nicosia with all other towns and villages of Cyprus, airports and ports, is strategically located with easy access to and from all directions. It has an area of 27,000 Sq. meters, and it is arranged into a basement and two floors. It houses 23 shops, ten cafés and fast food restaurants, five cinema screens and a children's playing ground. It offers a parking space of 1,500 cars, of which 1,100 are covered. Average rental rates average €28 per sm. the high end including turnover, parking and other sources of income. A wide variety of well known fashion and other retail brands, a supermarket chain, restaurants and coffee shops, a cinema operator and many other services offer their products and services in 27,000Sq.m. of retail space as follows: Fashion by Debenhams, Zara, Next, Bershka, Cortefiel, Kickers, Lacoste, Nine West, Mango, Massimo Dutti, Oviessa, Oysho, Pull and Bear and Stradivarius. Technology, music and entertainment by Puplic, Germanos, Metaaxas and Otenet. Accessories by Accessorize, Paris Hilton, Grand Optical, Swarovski, Oxette, Swatch and Zara Home. Sportswear and equipment by Intersport, children's wear and items by Du pareil Au Meme and Early Learning Centre and other specialized shops such as Glow cosmetics, Biz art paintings, Arte Magistrato flower shop, the Mall kiosk, Volta Fun Park children' s playground, key cutting and shoe repair services as well as small kiosks offering various items.

Also there are well known restaurants such as McDonald's, TGI Fridays, KFC, Pizza Hut, Chopsticks by Pagota, Almyro Glyko crepie, Delicious souvlaki and Starburks, Gloria Jeans Coffees and Haagen Dazs. Last but not least, the global supermarkets chain Carrefour and a K-cineplex cine operator with five screens

offering a capacity of nearly 900 seats. Together with IKEA there are 2,500 parking spaces available, which includes disabled parking. There is easy access with the use of escalators, travelators and lifts and other services are available such as baby changing facilities, a nursing room, first aid room, ATM's free wireless internet connection, taxi pick up points and finally a customer information point. There are on average 75,000 visitors every week.

Next to the shopping mall, there is an IKEA store built by the occupiers on land leased from ITTL, the owner company of the mall. The store is a big box development and it has a total area of 20,000Sq.m..

In 2009 The Mall of Cyprus had 3.7 million visitors representing 7% increase over 2008. For the first 7 months of 2010, The Mall of Cyprus together with IKEA had 3.2 million visitors.

Key points of Mall of Cyprus

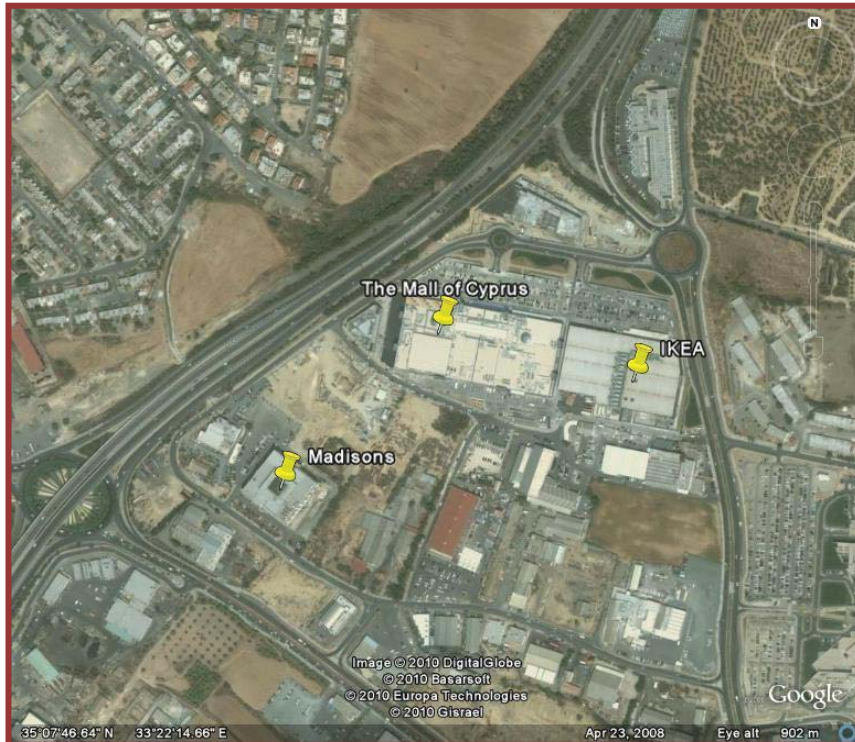
General

- 65 shops & kiosks
- 27.000Sq.m of commercial space
- 4 years operational
- 5 million visits per annum
- €100m – total turnover of shops

Compared to last year

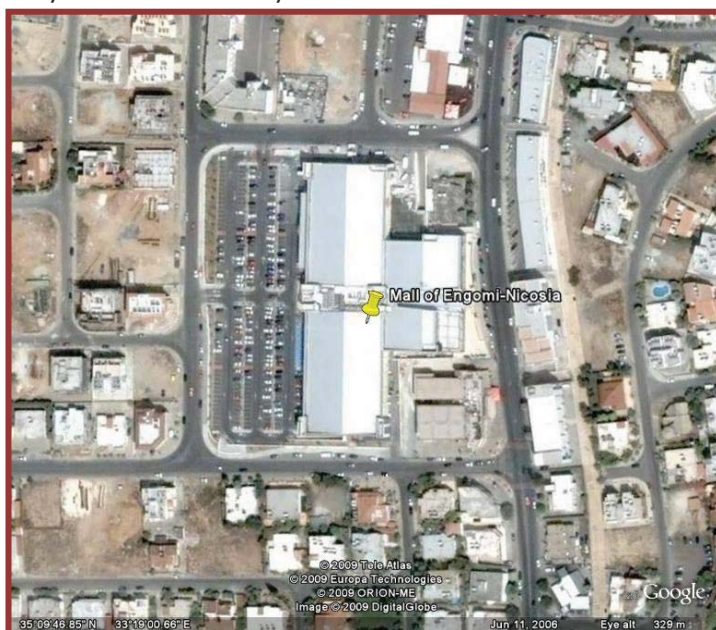
- Visits up.
- Total turnover the same.
- Some shops report slightly lower turnover.

Madisons is a new shopping centre, which commenced operations on 16th December 2009. Prior to being a mall, the premises was the home of the Cyprus Stock Exchange. It is located next to The Mall of Cyprus. This mall has recently reported to the Cyprus Stock Exchange that it has experience a severe drop in earnings. It has vacated most of the shops and has let the space to a discount furniture chain. Madisons Mall is currently under distress and imminent threat of closure.



Aerial view of "The Mall of Cyprus" – "Madisons" – "IKEA"

The Engomi Commercial Centre is developed in a large piece of land with a total area of 20,100 Sq.m which has a total leasable area of 13,600 Sq.m. In the commercial centre there is a large Hypermarket Store operated by a well-known multinational chain and a Super Home Centre D.I.Y. There is also a DEBENHAMS Store, an electrical appliances store, coffee shop and other smaller shops. The Mall is served by a parking area in the basement and the ground floor of 500 spaces. Woolworth Commercial Centre Ltd had an approximate cost of development of €20 million. The average rental rate tends to range between €18/GLA m² to € 20/GLA m².



Aerial view of "Mall of Engomi"

Nicosia Mall under construction in Western Nicosia has a an NLA of 32,000 Sq. M. It is slated to be completed in 2014. Upon our most recent visit, we found the frame had been partially constructed and no active construction team was on site. The Mall has reported tenancies of Marks and Spencer and the Inditex group.

Department Stores

Departments' stores in Cyprus are represented by Debenhams firm, which is based in United Kingdom and is a chain of department stores. Debenhams department stores are owned by Woolworth Cyprus Properties Plc with focus on the retail and commercial real estate sector.

Debenhams Central:

The Debenhams Central Department Store is located in a unique location in Nicosia at the corner of Makariou Avenue and Griva Digenis Avenue with access also from the parallel road of Annas Komninis Street. The land has a total area of 3,700 Sq.m. the store has a total gross building area of 4,000m², GLA of 3,000m² and 105 parking spaces

Debenhams Apollon:

The Debenhams Apollon Department Store is located by Makarios Avenue in Limassol. The land covers an area of 8,700m² with a building area of 6,900m², GLA of 4,817m² and total parking space serving 174 cars.

Debenhams Olympia:

The Debenhams Olympia Department Store is located in a prime location by the Limassol main coastal road. The land covers 10,100m² with a building area of 9,200m², GLA of 7,300m² and 250 parking spaces.

Debenhams Zenon:

The Debenhams Zenon Department Store in Larnaka by Strategou Timayia Avenue has a land area of 10,300m² buildings area of 9,000m², GLA of 5,500m² and 246 parking spaces.

Korivos Commercial Power Centre:

The Korivos Commercial Centre in Pafos is near the Korivos football stadium and the roundabout at the entrance to the city. In the Commercial Centre operates a Debenhams Department Store, a Super Home Centre D.I.Y. Store and a NEXT shop. The total land area is 42,000m² and the buildings have an Area of

9,200m² with GLA of 5,250m². There is scope for further expansion on this property. There is a total parking area for 450 cars.

Kings Mall in Paphos is currently under construction. It has an estimated area of 48,000 Sq. M. including underground parking levels. It is located in the centre of Paphos. Upon our recent visit we found that the shell was partially completed and that there were no construction teams on site.

8.4 Demand

The main streets of the city centers attract a large amount of pedestrian flow. Except from retailers, high demand for shopping space stems from restaurants and cafes. Recently there was an opening of a Costa Coffee café at Makariou Avenue in Nicosia. Significant brand names have entered the market in the last 10 years. They include Goody's, Timberland, Zara, Gucci, Louis Vuitton, Accessorize, Nautica, Fendi, Zara etc. This inflow coupled with higher consumer spending has strengthened demand for retail space.

It must be noted that the success of the Cyprus mall has influenced negatively the demand for shops in the shopping streets of Nicosia. Demand for big retail space (showrooms) outside the city centers stems for car dealers, and companies which sell furniture, household goods electronics etc. According to estate agents a number of local and foreign companies are searching for land for a shopping centre development. There are a few big box developments, which are used by DIY shops.

According to Mr. Pavlos loizou from Antonis Loizou & Associates, retailers that have gone into financial administration include Coffee Bean and Tea Leaf (coffee shops), Orphanides (supermarkets), Stephanis (cars/ air conditions/ etc), and numerous small companies (mainly local). Rents have dropped significantly (15-30% in some cases).

There have been no major retail purchases or lettings in the past six months. The retail real estate market has progressively deteriorated with retailers reducing their presence across all districts, e.g. Debenhams and Marks & Spencer in Makarios III Avenue, banks closing down branches, etc. There is also increased renegotiation of leases, with retailers demanding (and achieving) for rents to be lowered by 10-30% even for existing contracts.

8.5 Supply

According to the table below, during the last year there has been a drop in the projected area of the building permits authorized for wholesale and retail buildings.



BUILDING PERMITS

Comparison of the most recent period of 2012 with the corresponding period of 2011

Code CC 1996	TYPE OF PROJECT	JANUARY 2012				JANUARY 2011			
		Number	Area (m ²)	Value (€000'ς)	Dwelling Units	Number	Area (m ²)	Value (€000'ς)	Dwelling Units
11	Residential buildings	376	107,407	102,907	468	469	129,697	117,654	787
111	Single houses	308	81,862	80,008	304	389	83,517	77,188	370
112	Buildings with two or more housing units	67	24,678	22,139	164	80	46,180	40,466	417
	Buildings with two housing units	14	1,149	1,421	13	21	13,106	11,981	77
	Residential apartment blocks	39	13,218	10,818	126	48	22,898	20,083	295
	Residential/commercial apartment blocks	14	10,311	9,900	25	5	8,064	6,638	17
	Cottage apartment complexes	0	0	0	0	6	2,112	1,764	28
113	Residencies for communities	1	867	760		0	0	0	
12	Non-residential buildings	99	19,606	15,194	95	37,360	34,694		
121	Hotels and similar buildings	8	143	234		19	1,816	3,982	
	Hotels	0	0	0		2	1,790	2,298	
	Tourist apartments and villages	0	0	0		4	0	1,327	
	Restaurants, coffee shops and bars	8	143	234		13	26	357	
	Other tourist accommodation	0	0	0		0	0	0	
122	Office buildings	12	5,908	5,665		8	15,805	15,180	
123	Wholesale and retail trade buildings	9	2,393	2,272		6	71	1,252	
124	Transport and communication buildings	0	0	0		0	0	0	
125	Industrial buildings and warehouses	17	6,488	3,684		17	14,775	9,356	
126	Public entertainment buildings and buildings used for recreational, educational or medical purposes	11	484	728		11	4,315	3,981	
127	Other non-residential buildings	42	4,190	2,611		34	578	943	
2	Civil engineering projects	34	65	2,266		25	194	729	
3	Division of plots	42		4,784		41		4,220	
4	Road construction	4		297		8		541	
	TOTAL	555	127,078	125,448	468	638	167,251	157,838	787
	Big projects	45	59,845	54,418	191	47	82,354	68,652	307
	Small projects	510	67,233	71,030	277	591	84,897	89,186	480

Note: Big projects are those with an area greater than 900 m²

(Last Updated 28/03/2012)

The international brands and chains lease their space while many of the local businesses are owner occupied. The owners occupy the hypermarkets and most of the retail units outside the centre.

The retail units and shops provide a ground floor and mezzanine. The areas of the shops in the centre range between 50 to 150 Sq.m. Retail units (showroom) outside the centre range between 200 and 500sq.m

According to real estate professionals from Nicosia and Limassol based Antonis Louizou and Associates, there is a dearth of large plots of land for large scale development. In addition, there are few locations suitable for big box retail in Limassol.

The shopping mall segment remains the best performing when compared to the rest of the retail market, as consumers are attracted to malls due to the availability of a range of products, the ease in finding car parking, and the

controlled environment (both in terms of temperature, but also in terms of confined space and mix of tenants).

The success of shopping malls as an asset class and as an "experience" for consumers has led to the development of two additional malls which are currently under construction - Kings Mall in Kato Paphos (currently at the foundation/ structure phase) and Nicosia Mall in West Nicosia (currently at the foundation/structure stage). In addition, the Orphanides shopping arcade in East/ Centre Nicosia is being refurbished in order to be converted into a small shopping mall (due to be completed by end 2012) and Mall of Cyprus (Shacolas) in East Nicosia has applied for planning permit to increase its footfall by circa 4,000sqm.

The increase in supply appears to be ill-timed, due to the worsening of the overall economy, the deterioration in employment and salary levels, and the increase in taxes (VAT, petrol/fuel, and real estate taxes are due to increase from 01/2013 and government sector and banking sector salaries are to be reduced by 6-15%). Consumers are reducing spending due to the worsening of the economy resulting in a further increase in unemployment, and the increase in taxation to a fall in disposable income (see table below as to retail spending - source is Cyprus Statistical Service).

This has had a knock on effect on small businesses and particularly retailers, with a number of businesses closing down. Whilst the impact on real estate is more pronounced along secondary roads, prime shopping areas/ streets such as Makarios III Avenue in Nicosia, Makarios III Avenue, Kolonakiou Avenue, and Anexartisias St in Limassol, etc have also seen an increase in vacancy rates and a reduction in rents.

8.6 Development Pipeline

Limassol marina will be located west of the old port, taking over the entire seaside area from the old to the current port.

It will accommodate up to 1,000 vessels and will offer a range of services including dining, residential, shopping and conference space. A park will surround the marina, while all buildings within it will adhere to old Limassol's traditional architecture standards.

The marina will be constructed and managed under a built operate and transfer (BOT) agreement. In this case, the strategic investor will execute the plan and manage the marina for 53 years, and retain profit rights for 37 additional years. Limassol Marina Ltd comprises J&P Avax A.E., Cybargo PLC, Fraggoudi & Stefanou, Ioannou & Paraskevaidi, Athena ATE, Cads, Holding Ltd and the Limassol Chamber of Commerce and Industry (EBEL) through the Limassol Marina Development Company.

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It is expected that once launched, construction will be completed in two years for the marina itself, and in six to seven years for the surrounding residential area.

Another project in the pipeline is Dolphin Capital Investors' Apollo Heights Resort in Cyprus. Apollo Heights Resort is expected to be the first polo-integrated residential resort in the region. The project is located in between the cities of Paphos and Limassol and accessible in less than an hour from both International airports of the island. The project company, which will develop a premier master-planned resort, integrated with polo, equestrian and potentially golf facilities on a wholly owned site of approximately 4.6 million square metres. Mall in West Nicosia (to be built by K. Athienitis Contractors & Developers) To be constructed on a plot with a surface area of 61.261sq.m. The mall will be developed on the western outskirts of Nicosia, in the parish of Archangelos/ Anthoupoli. It will consist of approximately 82.000Sq.m of total retail/ big box space (of which 20.000sq.m of internal leasable area) and 1,700 car parking spaces.



Above -new mall site in Paphos

The new mall in Paphos will be located in the tourist area, close to the Tombs of the Kings Road and St. Paul's Avenue on a 46,181 Sq. M. plot of land. It will also include several department stores, supermarket(s), various shops, restaurants, covered playground and underground parking spaces for 1,100 vehicles. The total indoor area of the new mall will be approximately 48,000sq.m.

The following companies have signed to join King Avenue Mall, Paphos: K Cineplex (the largest cinema operator in Cyprus), Jumbo (large toy store chain). The above may have a negative impact on the Mall.

It should be noted that the two malls (in Nicosia and Paphos) that are under construction have reportedly signed-up a number of anchor tenants (see separate documents). However there is increased uncertainty as to whether other (small) retailers will be attracted to these malls and if they are, at what rents. Furthermore the refurbishment of the Orphanides shopping arcade is at a standstill as Orphanides (the largest local supermarket owner and operator - 23 supermarkets and circa 1,500 employees) went into liquidation on 14/12/2012. This is also expected to have significant knock-on effects on various suppliers, small businesses, etc and on unemployment. Furthermore, of the eleven shops added by Mall of Cyprus in 2011 some are now vacant (1-2 units) and some of original tenants have left reportedly due a mismatch between the number of visitors, spending, and rent.

8.7 Limassol Retail Market

Limassol's main shopping areas/ streets are Anexartisias Street, Makarios Avenue (Eastern side) and Kolonakiou Street .

Anexartisias street is the 'traditional' shopping street of Limassol, situated within the original development area of the city. It has a length of circa 700m intersecting Glastonos Street to the north and the tourist road (28th October St) to the south. There are about 160 shops, mainly selling clothes and footwear. Anexartisias street is the busiest street of the city having the highest passing/ pedestrian trade. Retail rental levels are in the range of €30-€40/Sq.m/month .

The Eastern side of Makarios avenue is the second busiest commercial road of the city. It extends for circa 2km, beginning at the intersection with Dodekanison street and extending up to the Ayios Nicolaos round about (where the District Court is located). It characterized by modern commercial buildings, with shops at ground floor and offices above. Retail rental levels are in the range of €25-€30/Sq.m/month. Office rentals are in the range of €10-€17/Sq.m/month. The Cypriot real estate market lacks full transparency making analysis of rental and investment transaction difficult.

Kolonakiou Street is a newly developed commercial street situated within the eastern periphery of the city. Comparing with other two other areas it has the advantage of ample parking. Retail rental levels are in the range of €20-€25/Sq.m/month.

Retail space is in high demand in central and eastern Limassol. The main factor is location and accessibility of the majority of households residing in the town of Limassol. Central and eastern Limassol, have a better road network and transportation links than western Limassol, which are advantages. Moreover, there is a higher concentration of the population living in these areas, there are more businesses, more employers, more educational institutions and government services. Another factor is the income and consuming patterns of

people living in central and eastern Limassol, which can be classified as medium to high comparing to the west which is low to medium.

For these reasons occupancy levels as well as rents are much higher in eastern than western Limassol.

In the past year a higher vacancy rate was observe.

8.8 Transactional Data

Based on a survey carried out by Antonis Loizou and Associates, the following are examples of recent transactions and properties under offer.

Leases

Kolanakiou Street.

Kolonakiou Street is one of Limassol busiest commercial road located at the eastern periphery of the town. It is a newly developed commercial road and it begins from Linopetra traffic lights and ends to Germasoyia roundabout. Kolonakiou street is developed with low-rise commercial buildings 2-3 floors, with shops with mezzanine at ground floor and offices.

We did our research in the area and we have found the following actual rents and asking rents for shops and offices:

Actual rents

- Shop – Ground floor 224Sq.m and Mezzanine 112Sq.m - Currently rented for €5,359/month or €19/Sq.m/month.
- Shop – Ground floor 140Sq.m and Mezzanine 77Sq.m - Currently rented for €3,600/month or €21/Sq.m/month.
- Shop – Ground Floor 180 Sq.m and mezzanine 60 Sq.m. Currently rented for €4300/month or €21.50/Sq.m/month.
- Shop – Ground Floor 70 Sq.m and mezzanine 35 Sq.m. Currently rented for €2,450/month or €30/Sq.m/month.
- Shop – Ground Floor 80 Sq.m and mezzanine 25 Sq.m. Currently rented for €2,200/month or €25/Sq.m/month.
- Shop – Ground Floor 90 Sq.m and mezzanine 30 Sq.m. Currently rented for €2,730/month or €27/Sq.m/month.
- Shop – Ground Floor 40 Sq.m and mezzanine 15 Sq.m. Currently rented for €1,400/month or €31/Sq.m/month.
- Shop – Ground Floor 75 Sq.m and mezzanine 30 Sq.m. Currently rented for €2,050/month or €24/Sq.m/month.

Asking rents

- Shop – Ground floor 180 Sq.m and Mezzanine 90Sq.m – Asking rent €5,000/month or €24/Sq.m/month. ALA opinion €21/Sq.m/month
- Shop – Ground floor 170 Sq.m and Mezzanine 85Sq.m - Currently rented for €5,500/month or €28/Sq.m/month. ALA opinion €25/Sq.m/month.
- Office – Covered area 320Sq.m, asking rent €3,200/month

Sales

Actual sale - Interlink tower

Location: Orphanides/ Kato Polemidia roundabout

Description: The building occupies a corner plot, abutting the "Orphanides/ Kato Polemidia" round-about. It is a grade A commercial building having the highest specifications, comprising of a ground floor retail showroom area with mezzanine, four floors with offices above and an underground parking area.

Transactions: The entire building was sold in 2011 for €7,700,000. This amounts to circa €3,300/Sq.m for offices and €5,500/Sq.m for shops.

The above comparable data provides limited evidence due to the nature of the properties, which are different in type, location and lot size from the subject property.

Land

Comparable land values – Due to the financial and economic crisis there were no significant transactions of notable commercial plots across Limassol over the past three quarters. However, there has been interest for certain plots which have the potential to be developed either as a hypermarket or as a small shopping center. Some of these plots are:

- Ypsonas- Western Limassol. Terraced plot abutting onto "Paphos Street", having an area of 14,087 Sqm. There is a planning permit in place for a small shopping center. Asking price for the property is €7,000,000.
- Ayias Phylaxeos Street- Northeastern Limassol. Terraced plot abutting onto "Ayias Phylaxeos Street", having an area of 6,465Sq.m. Asking price for the property is €8,000,000.
- Ayios Athanasios-Linopetra- Eastern Limassol. Corner plot abutting on to Ayios Athanasios avenue and Kolonakiou street. It has an area of 10,815 Sq.m. and asking price of €16,000,000.

Currently on the market for sale having the potential to be developed either as a hypermarket or as small shopping center:

- located at the eastern periphery of Limassol, Mouttagiaka area, abutting Limassol- Nicosia motorway. It has an area of approximately 13,635Sq.m. Asking price €10,500,000. Planning zone: T1b 60% building density 25% coverage to 3 floors.
- near Orphanides hypermarket. It has an area of approximately 6,538 Sq.m. Asking price €6,500,000 Planning zone: Eb6 100% building density 50% coverage to 3 floors.

8.9 Cap Rates and Investment Yields

According to Nicosia and Limassol based Antonis Louizou and Associates, there are few income producing assets sold in Cyprus, as most properties are owner occupied. The average asking initial yields for investment property range from 7.5%-9% though very few transactions have been completed. It was reported

that the Nicosia Mall was being marketed at a 9% Net Initial yield, however no transaction has been completed to date. The current offer includes vendor rental guarantees.

There is limited evidence for property yields. According to RICS price index commercial properties in Limassol report a yield of 7% for shops. These yields refer to small units in prime areas in the city centre (200Sq.m for offices and 100Sq.m+50Sq.m mezzanine for shops).

9 Rental Value and Prospects

9.1 Analysis

The average net effective rental rate per Sq.m. GLA per month in the subject property is € 21.30⁷. This is in line with the (adjusted) market rents as per our market study. The initial average rent takes into account License Fee income including revenues from non spaced activities and step-ups as well as expected T/O rent above license fee net of concessions, rent free/tenant turnover loss and without uncollected bills/legal. The initial average rent takes into account an 18 month remaining discount/rental grace afforded the Inditex group (Zara etc.) of more than €300,000 p.a. + initial Rent concessions for other tenants which end in 2013

9.2 Annual Licence Fee

We have presented the annual license fee including revenues from non spaced activities and step-ups net of concessions. The above mentioned figure is the annual rental income from license fees net of concessions- for the mall. We assume step-ups for the tenants in-line with signed agreements. The concessions marked in the agreements were taken into account. We assumed an increases in these fees based on the built in rental escalations, and increased tenant take up of space.

9.3 Expected Turnover income Above licence fee

Based on signed agreements with tenants and information provided by the Company, we assumed income based on the shop turnover above a certain level in addition to monthly rate (where applicable).

9.4 Uncollected bills/legal

We have made an allowance for potential legal and uncollected payments, which is taken to account from 2014. Our 2013 net rental projections have taken into account non-yielding tenancies.

⁷ Including spaces to be firstly occupied within the next year.

9.5 Total rent

This figure is summarized in the above mentioned data.

9.6 Management Company

In 2012 tenant payments to the management company did not cover the actual expenses (proximally Euro 2.3 MIL). The estimated shortfall for the foreseeable future takes into account management projections and marketing considerations such as lease pricing. Thus, it is assumed that the deficit will be (including contingencies) Euro 220,000.

9.7 Depreciation/sinking fund

The sinking fund estimation of €370,000 takes into account the good condition of the public space. This figure remains the same as in our last valuation.

9.8 Occupancy Rate

Occupancy rates are assumed to rise gradually over the next 3 years. Until 2015 the occupancy rates will rise to 97%. This is based on actual rent roll data provided by the client for the period until 2016 and our estimations of take up based on the current performance of the property and market.

Based on the information provided by the Company, the GLA that was vacant as of the determining date is 4,634 Sq.m.

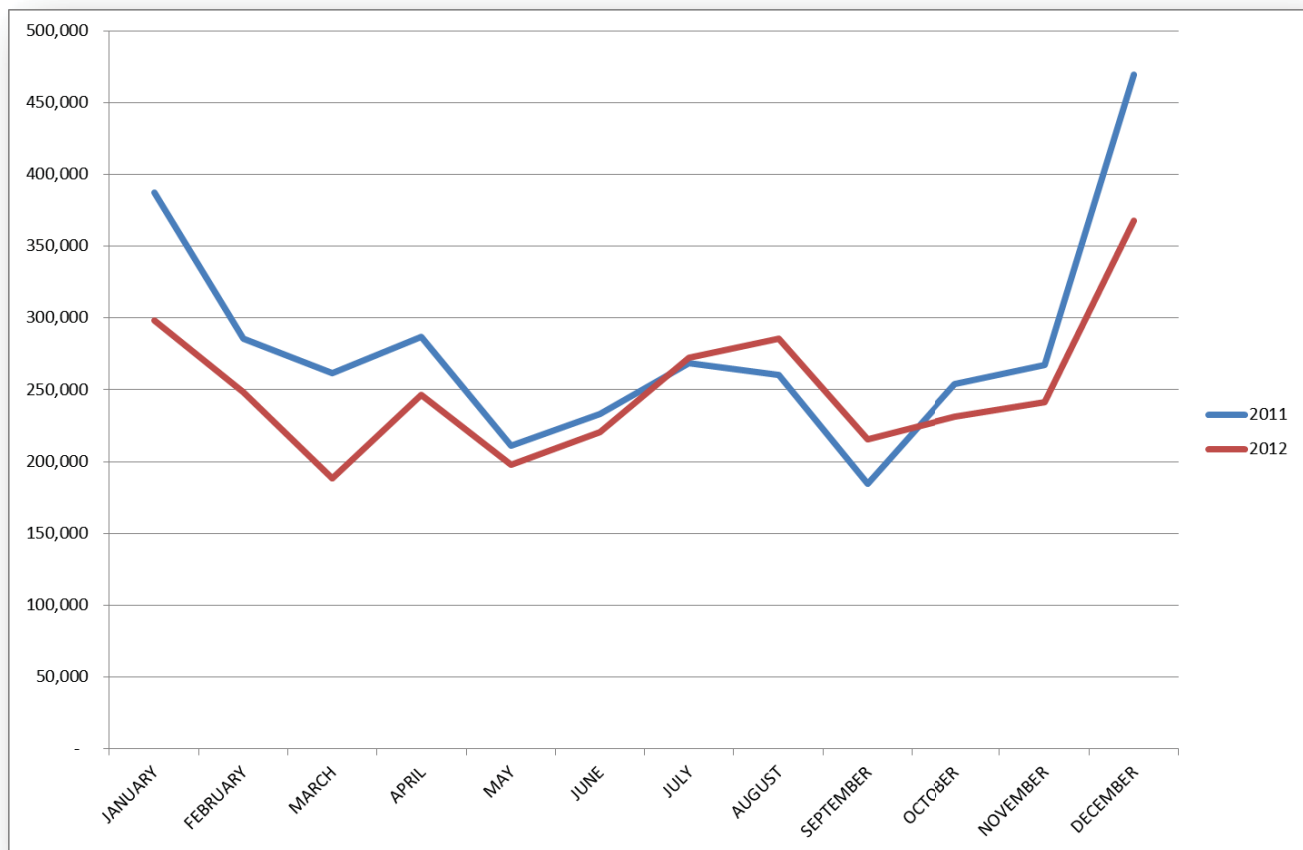
The average net effective rental rate adopted for occupied space in the long term (97% of GLA) is € 26.2 .

9.9 Prospects

For the letting outlook for the Mall are relatively positive considering the poor economic conditions. Many new tenants are negotiating with the Mall Management and the stronger brands have maintained their presence in the mall throughout this crisis. .

The visitors counter report provided by the mall management shows a decrease of 11% in visitors from last year during most of the period except for tourists season; July to October where there was an increase. This in turn impacted income from turnover.

Visitor count at Mymall



10 SWOT Analysis

Strengths:

Location: The subject property is located in the most popular Cypriot vacation destination of Limassol. In addition, the property is near the Paphos – Limassol highway, and the areas for further expansion of Limassol.

Size: The size of this project makes it a destination location. Its size also serves as an advantage in making it an attractive investment to foreign investors in retail schemes.

Tenant Mix: The tenant mix, which includes international brands, and entertainment opportunities, make the mall a destination location for both locals and tourists. It provides entertainment for the entire family. The tenant mix provides middle range brands suitable for both locals and middle class tourist trade.

Parking: The mall affords a large free parking lot, which is an advantage in Limassol, where there is a dearth of parking within the urban center.

Weaknesses:

Limited Hours: Due to the Cypriot laws limiting retail hours, the mall is limited in its opening hours. Expanded hours would allow for a higher turnover.

Location: Not within walking distance of tourist hotels, and removed from town center. Until opening of the highway north of the mall only one direct way connects the town to the mall.

Opportunities:

New Mall: This is a new operation, and there are many opportunities to increase mall traffic and thereby increase turnover. In addition, due to the fact the most retail in Limassol is scattered along drive ways, we expect that in the coming years more and more customers will prefer the fine, comfortable and air conditioned environment of a shopping mall as the concept of “one stop shop” prevails. Thus we expect improvements in occupancy.

Threats:

Competition: A new smaller mall in Paphos is in early stages of development and in Nicosia there is one Shopping center in the planning stages. This could affect the number of visitors to the mall. It will depend on the type of mall and entertainment offered.

Economic: Though tourism to Cyprus has recovered, tourist spending has not yet returned to pre-crisis levels. Recent financial crisis in Greece and in the EU market might affect the solvency of the two largest banks in Cyprus “Marfin” and “Bank of Cyprus”. A slow-down in economic activities is therefor expected if financial crisis escalates.

11 Valuation

11.1 Valuation Approach

Customary methods of determining value

There are three main approaches for estimating the market value of a real estate property

The comparison (market) approach

This method is based on an estimate of the market value of a real estate property based upon transactions completed involving other properties that are similar to the property being assessed and in respect of location, character and level of tradability.

Income capitalization approach

In this method, the property value is established by capitalizing the income receivable or likely to be received over time. The capitalization process is undertaken according to an interest rate whose rate is set in accordance with the nature and level of the risk inherent in receiving uninterrupted income from the property.

There are two main methods for carrying out this approach: DCF and the direct capitalization method. The DCF method models the income derived from the property over the long term, whereas the direct capitalization method determines a rate of capitalization ad infinitum for the property based on current income, the state of the property, and all risks involved during the lifetime of the property.

The DCF method is the leading approach when valuing a property that is a "going concern" such as a shopping mall.

Reinstatement cost approach

In this method, the physical value of the property is appraised based on the total cost of construction and the underlying land value in addition to the developer's profit.

This method is mainly used in order to verify another approach, or in cases where there is a dearth of market data.

The leading method suitable for the valuation of the subject property is the income capitalization approach using DCF based on a modified market approach. The market rents and capitalization rates based on our market survey were taken into consideration when determining the discount rate, and terminal capitalization rate, along with market rents, and concessions.

11.2 Investment Market Commentary

Cyprus has a small local real estate investment community, mostly led by two local firms, who act more as developers than investors in income producing assets. As noted above, smaller transactions of income producing properties are being carried out by local and foreign investors as a refuge from the volatile

financial markets. However, in the current economic climate, the subject property will require a long period of marketing due to its size and the limited access to financing for such an asset.

11.3 Valuation Considerations

11.3.1 Rate of Capitalization

There is a lack of market evidence regarding transactions of commercial property and land in Cyprus. This has become more difficult since the financial crisis with Greece and the threat of failure of the Cypriot banks.

The cap rates/yields have been extracted according to indications provided by the market and disposable commercial space and taking into account asking prices and rental values that could imply the aforementioned range of yields. This was also verified by local developers, agents and investors.

Shopping Mall Discount Rate Development			
Cost of Equity	15,00%		
Cost of Debt	7,00%		
Corporate Tax Rate	10,00%		
After Tax Cost of Debt	6,30%		
Industry Capital Structure			
Equity	70%		
Debt	30%		
		SAY	
WACC	12,39%	12,40%	

According to the ECB website, primary market yields for Cyprus on 10-year Government Bonds rose from 4.65% to 6.28% in June 2011, and further increased to 7% in August 2011. Currently Cypriot Sovereign debt is trading at 12.5% on the secondary market.

Yield on future sale: With the stabilization of this asset and improvement in international investment market, for the purpose of this valuation we assumed a 8.00% net initial yield, commensurate with a quality international asset in the current market.

Based on the above data, and the macro economic conditions, we have adopted a discount rate of 12.5%, which reflects an increase of 350 basis points in the discount rate over the last reporting period.

11.3.2 Tenancies

The majority of tenancies are internationally known brands, and managed by international retailers. The local Cypriot tenants have operated several retail locations. In our model we allowed for turnover of tenancies and an operational vacancy of 3% upon stabilization of the property.

11.3.3 Sensitivity Considerations

We have performed a sensitivity analysis of the performance of the shopping mall to ascertain any changes in operating conditions and the potential impact on the current valuation. We used two key indicators: discount rate and rental rates.

	+10% rent	+5% rent	Basic rent scenario	-5% rent	-10% rent
11.5%	103.1	98.4	93.6	88.9	84.1
12%	100.2	95.6	91	86.4	81.8
Basic discount rate 12.5%	97.5	93	88.5	84.1	79.6
13%	94.9	90.5	86.2	81.8	77.4
13.5%	92.3	88.1	83.9	79.6	75.4

11.3.4 Other Considerations

All factors and conditions described in this report were taken into consideration when determining the market value.

11.3.5 Purchaser's Costs

Real Estate Transfer fees are imposed by the Lands Registry in order to transfer FREEHOLD ownership to the name of the purchaser. The transfer fees are due for payment when the transfer of the title deed in the name of the purchaser takes place. The Purchaser is solely responsible for the payment of the transfer fees. Therefore, these costs were not taken into account. The rates are on a graduated scale:

Value of property (€)	Transfer fee rate (%)
up to 85.430,07	3
from 85.430,08 to 170.860,14	5
from 170.860,15 and over	8

11.3.6 Disposition cost

Upon the sale of said property, the seller may incur additional disposition fees. Disposition fees may include applicable brokerage and legal fees. Said fees have been considered in determination of "market value" and estimated at a total of 3% of the sale consideration.

11.3.7 Saleability

The size of this property makes it difficult to finance in the current market. If in the past foreign banks would be willing to finance this type of asset for experienced mall operators, in today's current conditions there would be difficulty arranging financing. Therefore due to the current financial situation there is limited possibility of funding such an acquisition, which limits the purchasers to cash buyers.

12 Valuation Assumptions

12.1 Vacancy Rate

Current reported occupancy rate is 86% (in NLA terms). This is comprised of operational space, under legal dispute, and under construction. However, a significant portion of the units are currently under offer or being negotiated to be signed in the coming year. It is assumed that during the life of the property there will be a turnover of tenancies and void periods. In order to take into account the voids and vacancies we have assumed a 3% vacancy rate (of total GLA) for the long term.

12.2 Depreciation

Although the license agreements provide for full tenant obligation to finance the maintenance of building structures, based on our discussion with the Mall Management, and our site survey, we have assumed a sinking fund of €370,000 p.a. for the purpose of capital improvements. These are considered non-recoverable expenses. This is in line with the standard allowance by the Company for income producing properties other than Hotels. In the past, we made a higher allowance, but are now in line with the Company's practice.

12.3 Other Assumptions

The valuation is based on the explicit and implicit assumptions and information reported throughout the report.

13 Market value

Subject to the terms, conditions, and assumptions detailed herein, the market value of the freehold rights in the subject property as at 31 December 2012 is estimated at:

€ 88.5 Million
Eighty Million Five Hundred Thousand Euro

The financial markets have seen significant turbulence over the last year or so resulting in severe liquidity shortages. The turmoil in the credit markets had an immediate effect on the real estate investment market resulting in some transactions failing and/or prices being renegotiated downwards. This has caused a marked reduction in the volume of transactions with activity below the levels of recent years. The negotiation of price chips prior to the completion of transactions remains common. Generally, there is greater volatility in the evidence generated by comparable transactions and in these circumstances there is a greater degree of uncertainty than that which exists in a more active and stronger market in forming an opinion of the realization prices of property assets.

Whereas transaction evidence underpins the valuation process, the definition of Market Value, including the commentary in valuation standard 3.2.4, requires the valuer to reflect the realities of the current market. In this context valuers must use their market knowledge and professional judgment and not rely only upon historic market sentiment based on historic transactional comparables.

We are of the opinion that, in the market conditions which currently prevail, there is likely to be a greater than usual degree of uncertainty in respect of valuations. Until the number and consistency of comparable transactions increases, this situation is likely to remain.

Note:

It should be noted that if there is a change in the shareholder rights of Pearland Ltd. or the arrangement between Tiffany and Pearland regarding the land rights in plots 95, 29,31,33, or plot 214, the market value of Tiffany's rights in the subject property could be impacted.

The valuation pertains to the freehold rights in the entire property, and does not relate to the value of partial interests of the shareholders.

Value of Partial Interests: The valuation instruction was to estimate the value of MY Mall which is 100% owned by Tiffany Investments Ltd. As described above, there are several shareholders of Tiffany Investments Ltd. If an individual shareholder were to sell their holdings on the open market, the value of these

shares would not be directly proportional to the 100% value of the asset, but rather be discounted due to the limitations imposed by joint ownership.

Sincerely,



Adina Cooper, MRICS
Real Estate Appraiser, Israel

Appendix I -Photographs of the interior.





The International Institute of Real Estate Valuation (A.C.) Ltd.

Appendix II –DCF model calculation.

Year	1	2	3	4	5	6	7	8	9	10
Year's end	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Total income producing occupancy rate GLA	85%	95%	97%	97%	97%	97%	97%	97%	97%	97%
Annual Licence Fee inc. revenues from non spaced activities and stepups net of concessions	€ 6,834,697	7,698,670	8,681,683	9,366,934	9,366,934	9,366,934	9,366,934	9,366,934	9,366,934	9,366,934
EXPECTED T/O rent ABOVE licence fee	37,500	75,000	211,850	273,333	273,333	273,333	273,333	273,333	273,333	273,333
uncollected bills/legal		-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000	-50,000
Total rent	€ 6,872,197	7,723,670	8,843,533	9,590,266	9,590,266	9,590,266	9,590,266	9,590,266	9,590,266	9,590,266
Net management deficit/surplus	-300,000	-220,000	-220,000	-220,000	-220,000	-220,000	-220,000	-220,000	-220,000	-220,000
Depreciation/sinking fund	-370,000	-370,000	-370,000	-370,000	-370,000	-370,000	-370,000	-370,000	-370,000	-370,000
NOI	€ 6,202,197	€ 7,133,670	€ 8,253,533	€ 9,000,266	€ 9,000,266	€ 9,000,266	€ 9,000,266	€ 9,000,266	€ 9,000,266	€ 9,000,266
Sale										112,503,329
Transfer cost										-3,375,100
Cash Flow	6,202,197	7,133,670	8,253,533	9,000,266	9,000,266	9,000,266	9,000,266	9,000,266	9,000,266	118,128,496
DCF	5,847,487	5,978,390	6,148,350	5,959,661	5,297,476	4,708,868	4,185,660	3,720,587	3,307,188	38,583,863
discount rate	sale cap rate									
12.50%	8.00%									
Total DCF	€ 83,737,531									
Additional rights	€ 4,800,000									
Fair Value	€ 88,537,531									

The International Institute of Real Estate Valuation (A.C.) Ltd.

Appendix III Tiffany Mall Rights

MY MALL LIMASSOL 285 Franklin Roosevelt, Tel: 23 343 777
3153 Limassol, Cyprus Fax: 25 321 777
e-mail: info@mymall.com.cy



30 April 2012

Adina Cooper, MRICS
The International Institute of Real Estate Valuation (A.C.) Ltd

Re: Confirmation of BSR's Rights in MY MALL

Dear Mrs. Cooper,

BSR Europe Ltd holds the following rights in the Subject Property, MY MALL in Limassol, Cyprus

52.67% in Pearland Investments Ltd, which has the freehold rights of the following plots:

1. Nos. 29, 31 and 33. The property comprises of land at Zakaki, Limassol of a total of 14,555 sq. meters.
2. No. 95 of Sheet/Plan 59/090104, Block 7 at Zakaki, Limassol of total extent of 4,758 sq. meters.
3. Part of the plot No. 214 at Zakaki, Limassol of total extent of 5,037 sq. meters.

52.67% in Tiffany Investments Ltd, which has the freehold rights of Plot No. 214, of Sheet/Plan 58/16.3.III, IV, 16.6.I.II at Zakaki Quarter in Limassol of and extent of 83,795 sq. meters covered by the Certificate Of Registration No. 5/205.

In addition, according to the partnership agreement between the shareholders BSR Europe effectively controls and holds the exclusive right to manage the property and has controlling interest in MIM, the mall management company.

Sincerely,

TIFFANY INVESTMENTS LTD
Tiffany Investments Ltd



www.mymall.com.cy

Tiffany Investments Ltd



CHRYSSES DEMETRIADES & CO. LLC

Advocates and Legal Consultants

Head Office

Fortuna Court, 284 Makarios III Avenue, 3105 Limassol
Postal Address: P.O. Box 50132, 3601 Limassol, Cyprus

Telephone +357 25 800 000
Facsimile +357 25 587 191 or +357 25 588 055

E-mail info@demetriades.com
Website www.demetriades.com

Company's Registration No. HE242111

August 2nd, 2010

To,
B.S.R EUROPE LTD
7 Menachem Begin st.
Ramat-Gan, Israel

Shimonov, Rozenbuch & Co, Advocates
11 Menachem Begin Rd.
Ramat-Gan 52681
Israel

**RE: PEARLAND INVESTMENTS LTD (the "Company") and Plots Nos. 29,31 30, 95
and the remainder part of Plot No. 214 under Title Deeds Nos. 5/29, 5/30, 5/31,
7/78 and 5/205 respectively at Zakaki, Limassol (the "Property")**

Ladies and Gentlemen,

We are the Cyprus legal counsel to the Company in respect of their purchase of the Property,
and accordingly have been requested to deliver this opinion to you as follows:

Assets

1. The Company purchased the Property under Plots Nos. 29, 31 and 30 on 29.06.2007 and following a transfer of the Property on 23.07.2007 to the Company, the Company acquired direct Freehold rights in respect of the Property on 23.07.2007 in consideration of the purchase price of CYP. 2,300,000, equivalent to Euro3,929,783.

The location of the Property is at Zakaki in the District of Limassol.

The Property comprises of a land of a total of 14.555 sq. meters and is adjacent to the Property owned by Tiffany Investments Ltd.

Lawyers: Christos Mavrellis, Eliana Constantinidou, George Christodoulou, Chris Georgiades, Agis Agapiou, Michael McBride, Demetris Anagnostou, Pavlina Constantinides, Marion Cookidou-Madella, John Christodoulou, Alexandros Economou, Michalis Ntoshouras, Amanda Cocoyanni, Demosthenes Mavrellis, Katia Kakoulli, Andreas Charalambos, Thomas Christodoulou, Lina Soteriou-Loizidou, Leila Economou, Maria Malachtou-Pamballi, Charis Agapiou, Cynthia McBride, Rodoula Malikiidou, Anthea Nutt-Kesne, Evi Hadjipapa, Sofi Mylona, Michael Papadopoulos, Irina Leutchina, Skevi Roussou, Christina Papamarcou, Marios Kyriakos Ayiomamitis, Michaela Hadjibambi, Stala Margoal, Chrysses S. Demetriades, Spyroula Iasonos, Constantinos Mavrellis, Maria Dionysiou, Maria Katsikidou. **Consultants:** John Agapiou, Thomas Kesne, Lia Petridou, Adam Emilianou.

CHRYSSES DEMETRIADES & CO. LLC

The freeholder of the Property is the Company. Title to the Property is registered in the name of the Company with the Limassol District Lands Office (DLO) under titles numbers 5/29, 5/30 and 5/31, all dated 30.08.2007 and the relative Certificates of Registration have been supplied to you.

In 2008 the Company acquired the following additional Assets:-

- The freehold Property under Plot No. **95** of Sheet/Plan 59/090104, Block 7 at Zakaki, Limassol of a total extent of 4.758 sq. meters which is not far from the Shopping Mall and covered by the Certificate of Registration No. 7/78 and purchased for the purchase price of Euro2.074.367.

The Certificate of Registration No. 7/78 of the said Plot has already been sent to you.

- The freehold Property representing the 5037/88832 shares i.e. **part of Plot No. 214** (the other 83795/88832 shares owned by Tiffany Investments Ltd) at Zakaki, Limassol of an extent of 5.037 sq. m. purchased for the total purchase price of Euro2.400.000.

2. The building co-efficient of all the above Plots, was transferred and used in relation to the Shopping Mall.

The Certificate of Registration No. 5/205 of the said part of Plot No. 214 has also been sent to you.

3. Except as set forth in paragraph 5 below, the Company holds the Property free and clear of any liens.

4. The Company has already obtained all governmental and municipal permits, licenses and any similar authority necessary for the use of the Assets as herein stated.

- 4.1 The Property (with the exception of Plot No. 95 above) is adjacent to the Property owned by Tiffany Developments Ltd which had been developed by the erection thereon of a Shopping Mall and the Property owned by the Company has been developed in association with the said Mall.



CHRYSESSE DEMETRIADES & CO. LLC

5. Pledges, Liens, Restrictions & Guaranties

- 5.1 To the best of our knowledge, except as set forth hereinbelow, there are no pledges, liens, mortgages or restrictions (the "Securities") over or relating to the Company or the Asset which are subject to Cyprus law.

The Securities set forth hereinbelow have been duly registered with all necessary appropriate governmental authorities, i.e. the Registrar of Companies and the Limassol District Lands Office.

LIST OF SECURITIES

First Ranking Mortgage No. 5296/09 dated 13.7.2009 on part of the Company's shares on Plot No. 214 and on part of the Plots Nos. 29, 30, 31 and 95 in favor of Marfin Popular Bank Public Co. Ltd, securing the amount of Euro3,040,000.

First Ranking Mortgage No. 5301/09 dated 13.7.2009 over the other part of the Company's share on Plot No. 214 and on the remainder parts of Plots Nos. 29, 30, 31 and 95 in favor of OTP Bank NYRT, securing the amount of Euro2,960,000.

The above mortgages were registered on 13.7.2009 after the deletion of the previous mortgages on the Property of the Company as well as on the Property of Tiffany Investments Ltd registered in 2007 in favor of the same Banks.

Note: As further security to the above Banks securing the Loan of Euro63,900,000 granted to Tiffany Investments Ltd under the Credit Facility Agreement dated 6.7.2009 (which constitutes the 1st amended and restated version of the credit facility agreement dated 29.3.2007) the following security documents were signed on 6.7.2009:

- A Pledge of Shares Agreement between each of the shareholders of the Company and the Banks pursuant to which each shareholder of Pearl and Investments Ltd



CHRYSSES DEMETRIADES & CO. LLC

- pledged, charged and assigned in favor of the Banks all the shares owned by them.
- A **First Priority Floating Charge** and security Agreement establishing a charge over the present and future assets of the Company.
 - A **corporate Guarantee** by the Company.
 - **Owner's and Sponsor's Undertaking Agreement** signed by the Company as joint obligor together with AML Malls Holding Ltd as Owner and the Sponsor Gibor B.S.R. Europe BV (herein the "Obligors") in favor of the above Banks.

The exposure of the Obligors under the guaranties and undertakings of the said Agreement extends to the Equity as same is defined in the Credit Facility Agreement signed on 6.7.2009 between Tiffany Investments Ltd as Borrower and the said Banks (under which the Banks granted to Tiffany Investments Ltd the above facilities of EUR63.900.000), i.e. at least EUR17.100.000, plus the Additional Shareholders Loan totally to EUR3.000.000, plus any cost overrun regarding the Project i.e. the Shopping Mall.

The Pledges described above have been duly registered with the appropriate governmental authorities.

6. To the best of our knowledge and as confirmed by the Company, except as aforesaid, the Company is not the guarantor of any debt or obligation of another, nor has the Company given any indemnification, loan, security, or otherwise agreed to become directly or contingently liable for any obligation of any person, and except as stated above, no person has given any guarantee of or security for any obligation of the Company. For the purpose of this paragraph 6 "person" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization.



CHRYSSES DEMETRIADES & CO. LLC

We are aware that, B.S.R EUROPE LTD shall be relying on the accuracy of this opinion when publishing its prospectus, due to be published in August 2010 and we fully authorize the same.

Yours sincerely,



Lia Petridou

Chryssés Demetriades & Co. LLC

Law Offices



CHRYSSSES DEMETRIADES & CO. LLC

Advocates and Legal Consultants

Head Office

Fortuna Court, 284 Makarios III Avenue, 3105 Limassol
Postal Address: P.O. Box 50132, 3601 Limassol, Cyprus

Telephone +357 25 800 000
Facsimile +357 25 587 191 or +357 25 588 055

E-mail info@demetriades.com

Website www.demetriades.com

Company's Registration No. HE242111

August 2nd, 2010

To,
B.S.R EUROPE LTD
7 Menachem Begin st.
Ramat-Gan, Israel

Shimonov, Rozenbuch & Co, Advocates
11 Menachem Begin Rd.
Ramat-Gan 52681
Israel

**RE: TIFFANY INVESTMENTS LTD (the "Company") and Plot No. 214 under
Title Deed No. 5-205 at Zakaki, Limassol (the "Property")**

Ladies and Gentlemen,

We are the Cyprus legal counsel to the Company in respect of their purchase of the Property, and accordingly have been requested to deliver this opinion to you as follows:

Assets

1. The Company purchased the Property on 08.10.2004 and following a transfer of the Property on 30.09.2005 to the Company, the Company acquired direct Freehold rights in respect of the Property on 30.09.2005 in consideration of the purchase price of Cyprus Pounds Three Million Four Hundred and Fifty Thousand (CYP. 3.450.000) (equivalent to Euro 5.894.670).
2. The location of the Property is at Zakaki in the District of Limassol.
The Property comprises of a land of an extent of 83.795 sq. meters over a plot of an extent of 88.832 sq. meters ("the Plot"), ie the Company is since 30.09.2005 the registered owner of the 83.795 / 88.832 undivided shares of the plot.

Lawyers: Christos Mavrellis, Eliana Constantinidou, George Christodoulou, Chris Georghides, Agis Agapiou, Michael McBride, Dernetris Arsoou, Pavlou Constantinides, Marion Coukido-Madella, John Christodoulou, Alexandros Economou, Michael Mavrouziatis, Amanda Cacoyanni, Demosthenes Mavrellis, Kasia Kakeullis, Andreas Charalambous, Thomas Christodoulou, Lisa Soteriou-Loizidou, Lenia Economou, Maria Malachou-Pambali, Charis Agapiou, Cynthia McBride, Rodoula Malikidou, Aathia Nutt-Keane, Evi Hadjipapa, Sofi Mylona, Michael Papiadopoulos, Irina Loutchina, Skevi Roussou, Christina Papamarcou, Marios Kyriakos Ayiomamitis, Michael Hadjibambi, Stala Margeai, Chrysses S. Demetriades, Spyroula Iasonas, Constantinos Mavrellis, Maria Dionysiou, Maria Katsikidou. **Consultants:** John Agapiou, Thomas Keane, Lia Petridou, Adam Emilianou.

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3. The freeholder of the Property is The Company. Title to the Property is registered in the name of the Company with the Limassol District Lands Office (DLO) under title number 5-205 dated 30.09.2005.

Except as set forth in paragraph 6 below, the Company holds the Property free and clear of any liens.

A certified copy of the Certificate of Registration of the Property, both in Greek and English languages, as issued by Limassol District Lands Office under NO 5-205 has already been supplied to you.

- 4.1 The Company has obtained all governmental and municipal permits, licenses and any similar authority necessary for the construction of the Assets. The construction of the Assets is not in violation of any applicable law, regulation, order, decree, writ or judgment of any court or any governmental body.
- 4.2 The results of our searches did not disclose any breach of any of the licenses, permits, permissions, authorizations and consents obtained.
- 5.1 The Property together with Pearland's Investments Ltd property under Plots Nos. 29, 31, 30 and the part of Plot No. 214 i.e. coming to the total area of 104.000 sq. meters have been developed by the erection thereon of a unique Shopping Mall of approximately 44.000 sq. meters in size, consisting of a basement 1st and 2nd floor, comprising of about 150 Commercial Units, consisting of shops, café-bars, fast food and family restaurants, deli-super market, ice-skating ring, bowling, web café etc. plus 1.600 parking places. The Shopping Mall has been completed and is in operation since 30th May 2009, and about 80% of the aforesaid Units are under License Agreements.

For the construction of the said size of the Shopping Mall the building co-efficient of Pearland's Investment Ltd Plot No. 95 was transferred and used.



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The Shopping Mall known under its business name "MY MALL" is the largest shopping center in Cyprus and the biggest ever retail trade investment in Cyprus.

More information and particulars can be found at www.mymall.com.cy.

Tiffany Investments Ltd has entered and is entering into License Agreements with all interested Licensees for the use by them of units or spaces in the Mall.

All the Preliminary License Agreements, the License Agreements and Letters Of Intent are available in the Company's Offices.

The rights and obligations of the Company under the aforesaid Agreements and the material provisions of the same are the usual provisions in license agreements. The originals of the said Agreements are available in the Company's Offices.

- 5.2 In addition to the said License Agreements the Company has entered into a Management Agreement with MIM Services Ltd pursuant to which the Company entrusted the management of the Shopping Mall to MIM Services Ltd, an Agreement with Midlink Ltd (Fuzzy brush – vending machines in food court), with Perfetto Ltd (vending machines in the basement area and service corridors), with the Legal Firm Eyal Raz – Galili and with the Accountants Deloitte & Touch.
- 5.3 According to information received from the Company the following Policies of Insurance have been effected and are in force:
Fire insurance, Business interruption insurance, Terrorism and/or Sabotage Insurance, Management liability insurance, Public liability Insurance and Directors and Officer's liability insurance.
6. **Pledges, Liens, Restrictions & Guaranties**
- 6.1 To the best of our knowledge, except as set forth hereinbelow, there are no pledges, liens, mortgages or restrictions (the "Securities") over or relating to the Company or the Asset which are subject to Cyprus law.



CHRYSSES DEMETRIADES & CO. LLC

The Securities set forth hereinbelow have been duly registered with all necessary appropriate governmental authorities, i.e. the Registrar of Companies and the Limassol District Lands Office.

LIST OF PLEDGES

Mortgages

First Ranking Mortgage No. 5298/09 dated 13.7.2009 over part of the Company's Plot No. 214 – Certificate of Registration No. 5/205 (herein “**the said Property**”) in favor of Marfin Popular Bank Public Co. Ltd (**Laiki Bank**) securing EUR37.000.000.

First Ranking Mortgage No. 5297/09 dated 13.7.2009 over the remainder part of the above Plot No. 214 (herein “**the remainder Property**”) in favor of OTP Bank NYRT (**OTP Bank**) securing EUR35.000.000.

Second Ranking Mortgage No. 5299/09 dated 13.7.2009 over the said Property in favor of Laiki Bank securing EUR2.100.000.

Second Ranking Mortgage No. 5300/09 dated 13.7.2009 over the remainder Property in favor of OTP Bank securing EUR4.900.000.

The above mortgages were registered on 13.7.2009 after the deletion of the previous mortgages on the Property of the Company as well as on the Property of Pearland Investments Ltd registered in 2007 in favor of the said Banks.

Note: As further security to the above Banks for the facilities of EUR63.900.000 granted by the said Banks to the Company under the Credit Facility Agreement dated 6.7.2009 (which constitutes the 1st amended and restated version of the credit facility agreement dated 29.3.2007) the following security documents were signed by the Company on 6.7.2009:-



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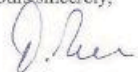
- A First Priority Deed of Assignment of Revenues Agreement
- A First Priority Deed of Assignment of Insurance Claims Agreement
- A First Priority Charge Over Bank Accounts Agreement
- A First Priority Floating charge and security Agreement establishing a charge over the present and future assets of the Company.

6.2 To the best of our knowledge and as confirmed by the Company, except as aforesaid, the Company is not the guarantor of any debt or obligation of another, nor has the Company given any indemnification, loan, security, or otherwise agreed to become directly or contingently liable for any obligation of any person.

For the purpose of this paragraph 6.2 "person" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization.

We are aware that, B.S.R EUROPE LTD shall be relying on the accuracy of this opinion when publishing its prospectus, due to be published in August 2010 and we fully authorize the same.

Yours sincerely,



Lia Petridou
Chryses Demetriades & Co. LLC
Law Offices

Appendix IV

Calculation of Residual Land Value

Cost Group	Description	Unit	Quantity		Unit Price (EUR)	Total Budget (EUR)
1000	Land (Plots 29,31,33 & 214*)	Sqm	19,313			-
2000	Development Costs	Sqm		add-on factor		10,430,625
	Big Box:					
	Ground floor	sq.m	5,500	15.00%	750	4,743,750
	Mezz	sq.m	1,250	15.00%	750	1,078,125
	First floor	sq.m	2,300	15.00%	750	1,983,750
	Showrooms:					
	Ground floor	sq.m	2,850	0.00%	750	2,137,500
	Mezz	sq.m	650	0.00%	750	487,500
			12,550			
6000	Miscellaneous					521,531
6100	Unforeseen		5.00%			521,531
5000	Financing & Closing Costs			finance		2,000,000
5100	Financing-land loan	rate	12.50%	50.00%	6,000,000	375,000
5200	Financing - construction loan	rate	10.50%	80.00%	10,430,625	876,173
5300	Fees					300,000
					16,430,625	
Total Net Project Costs						12,952,156
Income (Exc. Vat)						
Proceeds	Description	Unit	Quantity	Cap	Annual Income (EUR)	Capitalized Value@ 8% (EUR)
	supermarket	sq.m	4,000	8.0%	504,000	6,300,000
	superstore	sq.m	2,750	8.0%	378,000	4,725,000
	Cinemas	sq.m	2,300	8.0%	331,200	4,140,000
	car dealerships	sq.m	3,500	8.0%	457,200	5,715,000
			12,550			
Total Gross Sales					1,670,400	20,880,000
Profit						7,927,844
developer			15%			€ 6,893,777
time to finish construction			3 years			
interest			12.5%	1.423828125		€ 4,841,720
Fair value of undeveloped land Rights					rounded	€ 4,800,000

Appendix V - Estimated Land Value

17 March 2013

Addenda to Valuation 31 December 2012

Estimated Land Value

We have been instructed to estimate the underlying land value for the subject property for the purposes of financial reporting.

According to Pavlos Louizou MRICS, in a recent survey of the land sales tax reports in Cyprus no transactions have been reported of land sales of this scope. There have been no reports of land sales of over €2 Million in the past two years. Moreover there are few plots of land of this size in Cyprus and no reports of properties under offer of this type. Therefore the only methodology for assessing the land value of the subject property is the residual method.

The residual method assumes that a reasonable buyer and seller of land will purchase or sell the land at a price that allows for developer profit after assumed costs of construction and finance. Since the valuation of the subject land 30 August 2010, construction costs have declined by 10% whereas financing costs have increased to 9% p.a. and the market value of the mall (the developed property) has declined from €127 Million to €90.4 Million.

Since the 30 August 2010 determining date a new zoning plan with a higher density has been approved as per clause 6.4 in the valuation (31.12.2012).

"According to architect George th. Mavrommatis and Associates the official Limassol Town Plan was published on 31.7.2011

According to this plan plot 214 is included in a commercial zone Eβ9, with 40% density and 25 % ground cover. Plots 29, 31 & 33 are included in a residential ΖΟΠΘ Ka8 with 60% density and 35% coverage.

Taking into account the above coefficients the development areas of the Mall property are formulated as follows:

The International Institute of Real Estate Valuation (A.C.) Ltd.

Total available density for development:	28,284+6,872=	35,156 m²
Less Built density		<u>27,140 m²</u>
Net available commercial density		8,016 m²

The above figure can be increased by the inclusion of transferable density from plot 95 and is calculated to be approximately 2,600 m²

2,600 m²

Total available commercial density **10,616 m²**

Deriving from this analysis program to develop this added space comprises:

floor (sq.m)			Gross (sq.m)
Ground	Mezz	First	total
8,350	1,900	2,300	12,550

In order to realize the above rights a building permit for the designated uses is required."

In appendix IV to the valuation for the determining date 31 December 2012, the estimated value of the additional rights is €4,800,000.

Taking into consideration the above, we calculate the estimated land value as follows:

Market Value of Mall 31.12.2012		€ 83,737,531
total building cost	-10%	€ -45,324,097
financing costs p.a.	9%	€ -12,237,506
developer profit on costs	20%	€ -9,064,819
residual land value Mall		€ 17,111,109
Additional rights		€ 4,800,000
Total land value		€ 21,911,109

It must be noted that the residual method is not a preferred method of determining market value. The residual value method is dependent upon a variety of assumptions. A change in any one of the assumptions will alter the resultant determination of residual value.

Whereas transactional evidence underpins the valuation process, the definition of Market Value, including the commentary in valuation standard 3.2.4, requires the valuer to reflect the realities of the current market. In this context valuers must use their market knowledge and professional judgment and not rely only upon historic market sentiment based on historic transactional comparables.

We are of the opinion that, in the market conditions which currently prevail, there is likely to be a greater than usual degree of uncertainty in respect of valuations. Until the number and consistency of comparable transactions increases, this situation is likely to remain.

Subject to the above assumptions, we estimate the market value of the underlying land of My Mall to be €21,900,000 (Twenty One Million Nine Hundred Thousand).

Sincerely,



Adina Cooper, MRICS