



August 2, 2016

SKYLINE INVESTMENTS INC. RAISED BONDS IN ISRAEL

TORONTO, ONTARIO, CANADA (August 2, 2016) - Skyline Investments Inc. ("Skyline" or the "Company") (TASE: SKLN) announces that on July 27, 2016, it closed its previously announced bond offering in Israel (the "Bond Offering"). Pursuant to a shelf prospectus issued by the Company on February 24, 2015, the Company offered up to 140,000 bond units (Series A) pursuant to the Bond Offering and received offers to issue 264,454 bond units, an oversubscription of 220% for the institutional round of financing. As a result of the over-subscription, the Company issued 128,240 bond units at a determined interest rate of 5.20% (fixed) and raised 128,240,000 New Israeli Shekels, gross before fees (approximately CAD\$43,200,000). The bonds commenced trading on the Tel Aviv Stock Exchange on July 19, 2016. The funds raised from the Bond Offering were released to the Company in two tranches, and the Company received the final tranche on July 27, 2016.

The Debentures (Series A) are redeemable (principal) in 12 payments that shall be made on January 15 and July 15 of each year with the first payment being on July 15, 2017 and the last payment being on January 15, 2023. Each payment shall redeem 2.5% of the par value of the principal of the Debentures (Series A) except the final payment, which shall be in the amount of the balance of the principal to be redeemed, at the rate of 72.5% of the par value of the principal of the Debentures (Series A).

The unpaid balance of the principal of Debentures (Series A) shall bear a fixed annual interest. The interest on the Debentures (Series A) shall be paid in semi-annual payments on January 15 and on July 15 of each year with the first payment of interest to be made on January 15, 2017, and the last payment of interest to be made on January 15, 2023.

The bonds are supported by a general guarantee of the Company and are backed by a first mortgage on the Deerhurst Resort (excluding the surrounding developable lands).

The main financial covenants, as set out in the deed of trust include the requirement of the Company to maintain a maximum outstanding balance of the bonds to Property value ratio (LTV) of not more than 72.5% and a minimum shareholders' equity of \$100,000,000. As of the date hereof, the LTV was 64%.

About Skyline Investments Inc.

A leading Toronto-based developer of hospitality properties and destination communities, [Skyline Investments Inc.](#) owns over two million square feet of real estate, has over 2,600 acres with development rights for almost 6,000 residential units and nearly 1,100 rooms in its holdings, employing more than 1,500 staff. Its unique asset mix includes ownership of, under the [Skyline Hotels & Resorts](#) brand, the city's contemporary boutique [Pantages Hotel and Spa](#). Skyline's resort assets include landmark [Deerhurst Resort](#) with 45,000 sq. ft. of meeting space lakeside in Muskoka and [Horseshoe Resort](#), home to Toronto's closest ski area and an adventure park. The Company is also creating residential communities at Deerhurst, Horseshoe and, at the historic lakefront of [Port McNicoll](#), Ontario, a

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restored gateway to the 30,000 Islands, a UNESCO World Biosphere Reserve. In April 2013, Skyline acquired 50% of the retail component in both the village and surrounding the golf course at [Blue Mountain](#) and the remaining developable land. In late 2014 the Company acquired [Bear Valley Ski Resort](#) in California, expanding its American asset base that included an ownership of the iconic [Hyatt Regency Arcade](#) hotel and shopping center in Cleveland, Ohio. In early 2014, Skyline became a public company trading on the Tel Aviv Stock Exchange as (TASE: SKLN). For more information, please visit: www.skylineinvestments.com.

Caution Regarding Forward-Looking Statements

This press release contains forward-looking statements or information, within the meaning of applicable Canadian securities laws, which reflect our current view of future events. Forward-looking statements can often be identified by the use of forward looking terminology such as “may”, “will”, “would”, “could”, “should”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe” or “continue” or the negatives of such terms or variations of them or similar terminology. In this press release, forward-looking statements include, but are not limited to, the redemption of the Debentures (Series A) and the payment of interest thereon. All forward-looking statements that we make are based on the opinions and estimates of our management as of the date such statements are made and represent management’s best judgment based on facts and assumptions that we consider reasonable at the time of issuing this press release. In addition, forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, including the risks associated with the industry in which the Company operates in general, failure of the Company to close the financing on the terms of the shelf prospectus or at all and general economic and business conditions. These forward-looking statements and information are made as of the date of this press release, and we have no intention and assume no obligation to update or revise any forward looking statements or information to reflect new events or circumstances, except as required by applicable Canadian securities laws.