

21.12.2016

**Press Release**

**Skyline is changing the accounting policy for reporting of its  
hospitality assets:**

**The company moves to present its resorts and hotels real  
estate under the "fair value" model, changing from the  
current "depreciated cost" model.**

**As a result of the change in accounting, Skyline shareholders' equity is  
expected to increase by approximately \$59 million CAD**

**Skyline Investments Inc.**, which specializes in investments in yield-generating real estate in Canada and the U.S. as well as select land development in Canada, reports that, as from the financial statements dated 31 December 2016, the company will present its hotels and resorts real estate assets under the "fair value model", according to International Accounting Standard IAS 16, changing it from the "depreciated cost" model used to date. The change in accounting is expected to allow investors to evaluate the company in a more simple way, while presenting more up-to-date data reflecting the current economic value embodied by the company's assets.

In accordance with the December 2015 appraisals, the property plant and equipment, as presented in the company's financial statements dated 30 September 2016, is expected to increase by approximately \$70 million CAD. In addition, the equity attributed to the shareholders is expected to increase by approximately \$59 million CAD (\$3.55 CAD per share).

In conjunction with the company's 2016 year-end financial statements, the company has engaged independent appraisers from the office of Cushman & Wakefield to obtain up-to-date appraisals which will serve as a basis for reporting its real estate property plant and equipment as of 31 December 2016.

**Regarding the change of the accounting policy, CPA Blake Lyon, CEO of Skyline, said today:** "Currently, there is a difficulty in analyzing the company's performance and its assets due to the application of two major accounting methods on the real estate assets owned by the company – the “depreciated cost” method for hospitality real estate and the “fair value” method for its investment real estate. The depreciated cost method makes it more difficult for investors to analyze the current economic value of the company's assets. Beginning with the 2016 annual periodic report, it is our intention to apply the fair value model on our Hospitality real estate, just as many active real estate companies in Israel do. We believe that this change should allow

investors to analyze the company in a more simple way and will value the current economic value of the company's assets."

**Skyline Investments Inc.** is a Canadian company specializing in investments in yield-generating real estate in Canada and the U.S. The company's holdings include retail, hospitality and adjacent land banks for select development at a scope of approximately 5,400 housing units in four principal areas. The company is traded on the Tel Aviv Stock Exchange (ticker: SKLN). For more information, please go to our website at [www.skylineinvestments.com](http://www.skylineinvestments.com).

### ***Cautionary Note Regarding Forward-looking Statements***

This press release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws concerning Skyline Investments Inc. (the "company"). Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to the increase in the company's shareholders' equity. Forward-looking statements are frequently, but not always, characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate," "estimate" and other similar words, or statements that certain events or conditions "may" or "will" or "should" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks, both known and unknown, and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the company and there is no assurance whatsoever they will prove to be correct. The risk factors are discussed in greater detail in the company's most recent Annual Information Form and in the most recent Management's Discussion and Analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com). New risk factors may arise from time to time and it is not possible for management of the company to predict all of those risk factors. Investors and others who base themselves on forward-looking statements should carefully consider the uncertainties they represent and the risk they entail. The company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given whatsoever that these expectations will prove to be correct and, accordingly, given the risks and uncertainties, the forward-looking statements included in this press release should not be unduly relied upon whatsoever. These statements speak only as of the date of this press release. The company disclaims any intention or obligation whatsoever to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as expressly required by Canadian securities law. The forward-looking statements and forward-looking information contained in this press release are expressly qualified by this cautionary statement.