SKYLINE
INVESTMENTS

Capital Market Presentation

Bonds issuance backed with
first mortgage collateral
July 2016

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Cautionary Statement

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This presentation is not intended to replace the need to review the formal reports published by the Company to the public, on the Tel-Aviv Stock Exchange, including, in the prospectus dated November 11, 2013 and the shelf prospectus dated February 23, 2015 before making a decision regarding an investment in securities of the Company. In the event of a conflict between this presentation and the contents of the reports of the Company as required by law, the provisions of the said reports shall prevail. Additional information about the Company is available on SEDAR at www.sedar.com.

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Forward-looking information in this presentation is based on current estimates and assumptions made by the Company's management, including, without limitation, a reasonably stable North American economy, the strength of the U.S. lodging industry, and the competitive ability of the Company. Although the forward-looking information contained in this presentation is based on what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information involves risks and uncertainties, including factors that are not within the Company's control, each of which, or a combination of them, may materially affect the Company's operating results and cause the actual results to substantially differ from the forward-looking information.

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NOI (EBITDA) is a non-GAAP defined as Profit from Operations, after sharing profit with condo owners, before depreciation, before intercompany management fees paid to affiliates that manage various properties.

Corporate Overview

- Skyline specializes in Real Estate investments in North America, with a focus on cash-flow producing properties and upside. Skyline is an experienced Hotels and Resorts operator and real estate developer.
- Skyline was established and started its activities in the Canadian real estate market in 1998. Skyline's Business activities are concentrated on cash-flow producing assets – holding, operating and managing income producing assets.
- Deloitte BEST MANAGED COMPANIES award winner – two years in a raw (2013-2014)

- Mishorim Development (controlled by Gil Blutrich 52.68%) is the controlling shareholder of the Company, holding about 50%
- As of March 31, 2016 the Company's equity is $170 million (45% of the total assets)
- The annual NOI as of March 31, 2016 was $27 million, while the stabilized NOI of the income producing assets was $31 million.

- As of March 31, 2016 Skyline's total assets were $374 million
- As from March of 2014 the Company's shares are traded on the Tel Aviv Stock Exchange (SKLN.TA) and reporting issuer in Ontario, Canada
- As of March 31,2016 the Company has land reserves of approx. 5,200 residential units for future development
- **During the last 2 years Skyline has begun a strategical change, reducing the development operations while focusing on the income producing properties**

* As per third party independent appraisals

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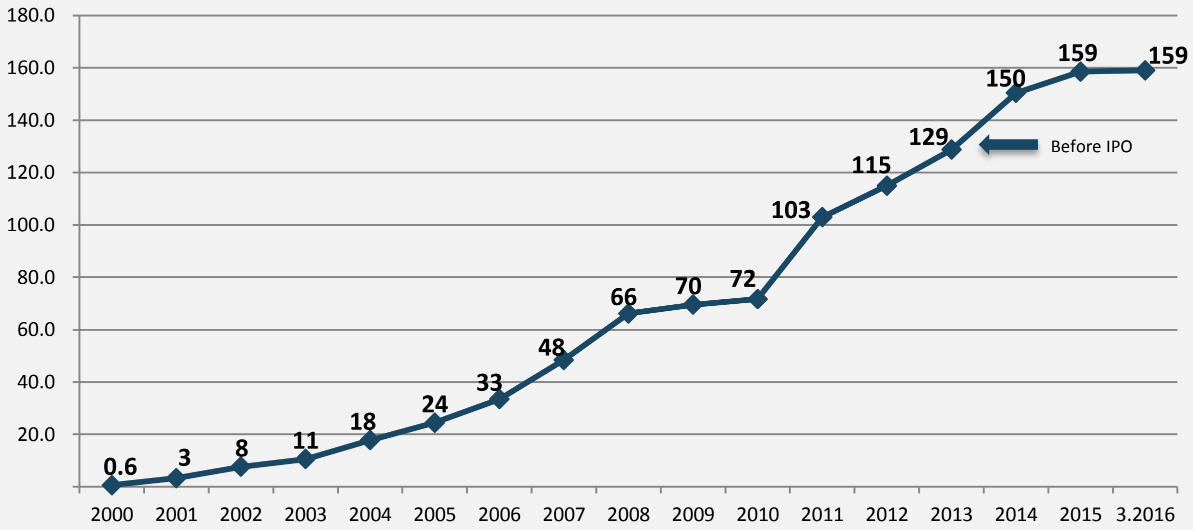
Development of Equity (attributed to the shareholders, in millions of CAD)



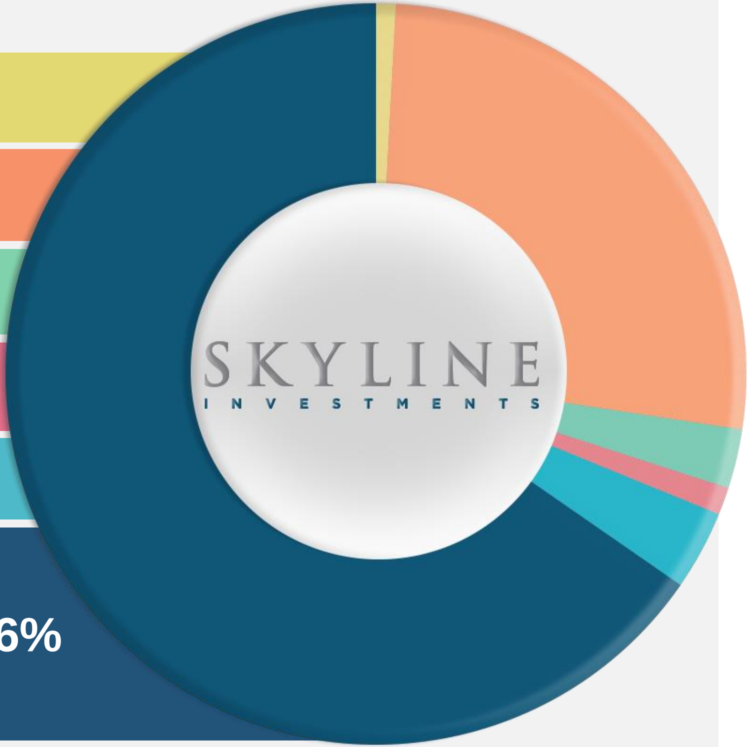
* During last 15 years, the company raised approximately $70 mil CAD in private placements and IPO on Israeli stock exchange

** As of March 31, 2016, the equity does not include the gains on the recent assets sales, that are yet to be closed

SKYLINE INVESTMENTS

Ownership Structure

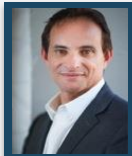
Shareholder	Holding
הכשרת הישוב	0.86%
Public	26.54%
Gil Blutrich*	2.58%
Blake Lyon	1.20%
מישורים חברה לפיתוח בע"מ MISHORIM Development Group LTD.	3.46%
SKYLINE CANADA ISRAEL LTD. (70.31% מישורים חברה לפיתוח בע"מ MISHORIM Development Group LTD.; 29.69% הכשרת הישוב)	65.36%



* The controlling shareholder in the Company and in Mishorim Development Ltd, through a holding company Blutrich Holdings Inc.
** Mishorim holds directly and indirectly 50% of Skyline Investments shares

SKYLINE INVESTMENTS

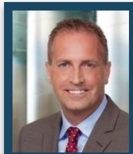
Senior Management Team



Gil Blutrich

Chairman and President

Founded Mishorim in 1990 and Skyline in 1998. President and Main Business Development Officer



Blake Lyon CA, CPA

CEO

Blake Lyon has an extensive experience in hotel and resort asset management in Canada and Internationally. With his Chartered Professional Accountant designation, Mr. Lyon was formerly with Brookfield Asset Management as its VP Finance and CFO.

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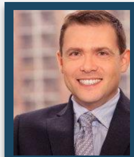
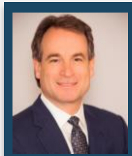


Vadim Shub CA, CPA

CFO

Over 20 years of experience in managing funds for public companies. CPA in Canada, Israel and the US



Chris Lund

Senior VP Hotels and Resorts

Chris Lund has an extensive experience in managing hotels. Serving as the CEO of the Deerhurst Resort for more than 4 years. Prior to joining the company served as regional vice president of the Delta hotels.

Paul Mondell

VP Development

In the last 6 years, served as VP Business Development in two leading companies (Brookvalley Development and Management, and Walton Development

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Business Strategy

- The Company focuses on the purchase of income-producing hospitality and resort real estate in Canada and the US, mainly properties at significant discount to replacement cost
- To maintain high financial and business flexibility and to maximize the ability to improve the lands value, the Company is sourcing a wide variety of financing instruments
- Holding and managing income producing assets in Canada and US
- The Company creates value in land development by increasing development rights through regulatory approvals
- The Company focuses on improving the operations of its income producing assets through operational efficiency, synergies, and marketing
- As part of its risk management and to extract its invested equity, the Company may choose to sell portions of the originally acquired asset
- Upon joint acquisition of properties, the Company becomes asset manager for its partners

IDENTIFYING OPPORTUNITIES

01

SHORT TO MEDIUM TERM

02

LONG TERM

03

Location of hotel/resort with a significant potential for improvement and upside

Improvement of Hotels and Resorts operations by adding value to it

Continue to increase cash-flow at the hotel/resort operation until advantages sale opportunity arises

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Material dispositions occurred during the last year

During the last 12 months, the Company reported asset realizations in the amount of $118* million CAD

5.2015

Skyline accepted an offer to sell 65 lots for $8 million CAD located at the Blue Mountain Resort

7.2015

The Cosmopolitan hotel sale for $13 million CAD was closed. The book value of the hotel was $9 million CAD. The Company recognized a capital gain of $3.2 million CAD.

10.2015

The Company sold its interest in the King Edward Hotel, located in downtown Toronto for a total consideration of $5.2 million CAD, representing a gain before tax of $550K CAD

4.2016

Skyline signed three purchase and sale agreements to sell lots for $17 million CAD located at the Blue Mountain Resort

5.2016

Skyline accepted an offer to sell the Pantages Hotel for $34 million CAD, a sale that is expected to result a gain of $8.5 million CAD (free cash-flow of $18 million CAD)

6.2016

Skyline signed a purchase and sale agreements to sell the Port McNicoll project, to a third party for a total consideration $41 million CAD

* $92M of it are transactions that are yet to be closed

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Other events occurred during the last year

9.2015

A change of Zoning-by-law for agricultural land at Deerhurst for 640 units and 4,500 sq.m of retail space

10.2015

The Renaissance Hotel acquisition was closed with a 50% Partner. The 491 rooms hotel is located in downtown Cleveland, Ohio, US.

3.2016

Skyline obtained a financing of $29 million US (Libor + 2.5-2.75%) for the acquisition and renovation of the Renaissance hotel in downtown Cleveland.

6.2016

As of today, the Company delivered 49 condo units of the 56 sold at the Copeland House project located in Horseshoe Resort.

6.2016

Skyline entered into Tel-Aviv 50 index, at TASE

6.2016

The Company obtained financing of up to $32 million CAD and began the construction of Lakeside Lodge project, at Deerhurst Resort

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Business Segments (as at March 31, 2016-in $Mil CAD)

Hotels & Resorts Canada	Hotels & Resorts USA	Investment Properties	Development
Horseshoe Resort	Hyatt Arcade	Blue Mountain - Retail	CONDITIONALLY SOLD Port McNicoll
Deerhurst Resort	Renaissance	Pantages -Retail CONDITIONALLY SOLD	Deerhurst
CONDITIONALLY SOLD Pantages Hotel	Bear Valley Resort	Hyatt Arcade - Retail	CONDITIONALLY SOLD Blue Mountain
			Horseshoe
Real Estate Assets (book value) as for March 31, 2016			
78	76	31	130
Rate of total assets			
25%	24%	10%	41%

Income producing 59%

*   The amounts are rounded to the closest million
** Not including non real estate assets of the company, totaling $58M CAD and comprising primarily of Cash, Accounts and Other receivables, and Deferred taxes

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Summary of Hospitality and Income Producing Assets ($Mil CAD)

	DEERHURST A SKYLINE RESORT MUSKOKA	HORSESHOE A SKYLINE RESORT BARRIE	PANTAGES A SKYLINE HOTEL TORONTO (CONDITIONALLY SOLD)	HYATT REGENCY CLEVELAND	RENAISSANCE CLEVELAND HOTEL	BEAR VALLEY A SKYLINE RESORT CALIFORNIA	BLUE MOUNTAIN VILLAGE DEVELOPMENTS BLUE MOUNTAIN	
Site | Properties	**DHR**	**HSR**	**Pantages Hotel**	**Hyatt Hotel**	**Renaissance (2) Hotel**	**BVR**	**(1) BMT**	**Total**
Location	Ontario, Canada	Ontario, Canada	Ontario, Canada	Cleveland, USA	Cleveland, USA	California, USA	Ontario, Canada	
Use/designation	HOTELS & RESORTS							
Net book Value of revenue producing assets (exclusive of developable land component)	23	37	21	37	33	6	26	183
Fair value according to the most recent assessment	67	54	22	44	33	5	26	251
Actual NOI flow for 3/2015-3/2016 (4)	5	3	2	5	(3) 7	3	2	27

(1) Company's portion is 60%
(2) The acquisition was closed in October 28, 2015 for a total consideration of $19.1 million US. The Company's portion is 50%.
(3) As per the financial statements provided by the seller, prepared by their asset manager – Marriott
(4) The financial data is for each asset separately, before intercompany management fees, and before other adjustments required for financial statements consolidation

All the figures in this slide are rounded to the near million

Main assets in Canada

Deerhurst Resort

- General: luxury resort in the district of Muskoka located near the city of Huntsville. The Resort includes about 400 rooms (100 rooms owned by Skyline), two golf courses, conference rooms, a spa, swimming pools, restaurants, and a private airport. The site hosted the G-8 Summit. Its previous owners invested $70 million in the resort.
- As of December 31, 2015, the appraised value of the income producing portion (excluding lands and development activity) was $67.5 million. CAD, per international appraiser CUSHMAN

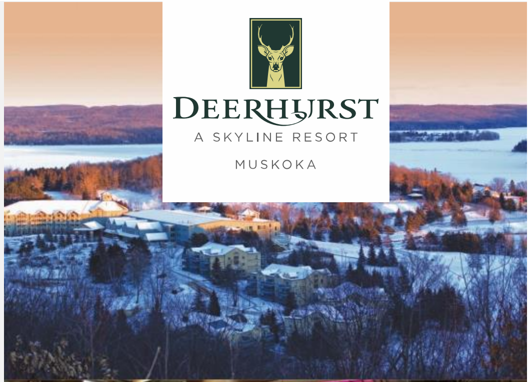
Historical and projected results for 2016:

In millions CAD	2012*	2013	2014	2015	2016**
Revenue	26.9	26.4	26.1	26.8	28.8
NOI	2.4	2.4	4.7	4.7	5.1

- The Company expects an increase of 110% in NOI from 2012 and by the end of 2016
- As from Q3-2018, the rooms inventory is expected to increase by 80 units (Lakeside Lodge), which will be managed by the Company.
- The revenue includes: Rooms revenue (owned by the Company and others), Food and Beverage, Golf, Conventions, Spa, retail stores etc.

The asset will be used as a collateral to the bonds

* Proximate to the date of acquisition
** As per the appraisal



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Deerhurst Resort - Lakeside Lodge

- The Company obtained financing of up to $32 million CAD and began the construction of Lakeside Lodge 162 condo units project

Date	Expected revenue in millions CAD	Total FIRM units
March 2016	23.3	67
June 2016	27.4	79

Horseshoe Resort

- The resort was purchased in 2008 for about $37 million CAD (Ski and Golf resort)
- As of December 31, 2015, the appraised value of the income producing portion (excluding lands and development activity) was $55.6 million CAD, per international appraiser CUSHMAN

Historical and projected results for 2016:

In millions CAD	2012	2013	2014	2015	2016*
Revenue	19.3	20.0	19.7	18.6	20.8
NOI	3.5	3.8	4.2	4.3	4.3

- The Company expects an increase of 23% in NOI from 2012 and by the end of 2016
- As from December 2016, the rooms inventory is expected to increase by 22 units (Copeland House), which will be managed by the Company.
- Following the expected renovation and sale of a 40 units building, which is used today to accommodate bigger families and sports groups, the Company expects 20 of the renovated units will be transferred to the rental pool by their purchasers ad from December 2018.
- The revenue includes: Rooms revenue (owned by the Company and others), Ski, Food and Beverage, Golf, Conventions, Spa, retail stores etc.

* As per the appraisal

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Main assets in United States

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Renaissance Cleveland Hotel[1]

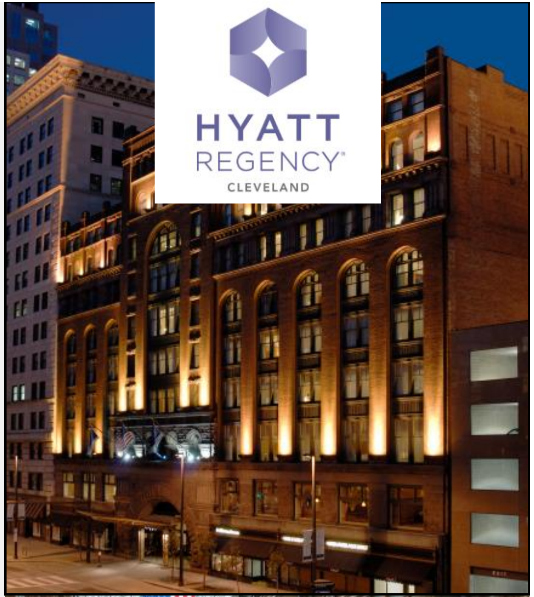
- Historical heritage asset built in 1918. The property is located in the business center of downtown Cleveland US, near the city's main square. (sized 860,000 sq.f)
- 491 room, 34 conference spaces (64,000 sq.f well positioned in the area) and more than 300 parking stalls
- Public square is undergoing a significant renovation of approx. $40 million US
- A 20 year franchise agreement was signed with Marriott, the hotel will be managed by Aimbridge which manages over 300 hotels in the United States.
- An agreement was signed with a partner (50%) - the Company will asset manage the hotel and will be entitled to appoint the majority of board members. On the closing date, the Company received $ 3.5 million US commission from the partner.
- The hotel is expected to undergo a significant renovation during the next 3-4 years

Acquired for $19.1 million US → Average NOI for the last four years $5[2] million US → During the last 10 years $20[3] million US were invested in the Hotel → Financing of $29 million US for acquisition and renovation

(1) The acquisition of the hotel was completed on October 28, 2015
(2) As per the financial statements provided by the seller, prepared by Marriott
(3) Per seller's representation

Hyatt Regency Arcade

- General: historical heritage site built in 1890. Located in the central business district of Cleveland, USA. The property includes a 293-room hotel, managed by Hyatt, an indoor mall of about 4,200 sq.m., and conference rooms, a spa, a fitness club and restaurants
- Pre-acquisition history of the property: operated until 1999 as an office building and as the first indoor shopping mall in the USA. From 1999 to 2001 $60(1) million US of additional investments transformed the property into hotel and retail mall.
- The property was purchased by Skyline in February 2012 for about $7.6 million US (a net acquisition cost of $3.1 million US, after deduction of cash available in the hotel's accounts at the time of purchase) compared to the current fair value of approximately $34 million US
- The stabilized NOI, as per appraisal performed for December 31, 2015 is $3.8 million US, while the annual NOI for the period ended March 31, 2016 was $3.6 million US
- Improvement made: NOI increased from $1.4 million US to about 3.6 million US



Paid $7.6 million US for the property NOI on the date of purchase $1.4 million

Found $4.5 million US in the hotel's bank account

Present stabilized NOI of $3.8 million US

Financing of $12.7 million US from Barclays bank

Current fair value $34 million US

(1) As per seller representation
(2) Stabilized NOI as per the appraisal made on December 31, 2015


Cleveland Ohio
Ontario St
Rockwell Ave
E Roadway
Superior Ave
E 3rd St
Huntington Bank
Starbucks
US Post Office
Tea House Noodles
Porcelli's Bistro
Crisis Center
Hyatt Regency Cleveland at The Arcade
536
The Arcade
Euclid Ave
E 4th St
Cleveland Public Square
W Superior Ave
Noodlecat
House of Blues Cleveland
S Roadway
W Roadway
Pura Vida by Brandt Evans
Mirch Masala
Jake's
Renaissance Cleveland Hotel
713
Horseshoe Casino Cleveland
Ontario Street Cafe
Lola
Flannery's Pub
Tower Court
Tilted Kilt Cleveland
Prospect Ave E
322
20
422

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Bear Valley

- Ski Resort located in California, USA
- The resort acquisition was closed in December 19, 2014, for a total consideration of $**3.7** million US, funded from Company's equity
- During a period of 10 years prior to acquisition, $27* million US were invested in the property
- As from the date of acquisition, Skyline management invested significant efforts to reduce operational costs, which along with an increase in resort's revenue during 2015/2016 winter (compared to 2015/2014 winter) resulted in $**2.1** million US NOI for the 12 month period ended in March 31, 2016

During a period of 10 years prior to acquisition $27* million US were invested in the property

Acquisition for a total consideration $3.7 million US

Company's well established hospitality experience led to efficient operation

The NOI for the 12 month period ended in March 31, 2016 was $2.1 million US

* Per seller representation

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Financial Information

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Main Balance Sheet Data (03/31/16 – in $Mil CAD)

Section	Value	Note
Current assets	104	of which about $32M for inventory, $31M property held for sale and about $13M for cash and cash equivalent
% of the total balance sheet	28%	
Investment Properties and long term real estate inventory	119	
% of the total balance sheet	32%	
Fixed assets (mainly hotels and income-producing resorts)	140	
% of the total balance sheet	37%	
Gross financial debt	134	Including $6.7M loans payable to related parties (mainly Mishorim and ILDC). The loan to related parties was repaid in April 2016. Excluding unutilized line of credit in the amount of $10.8M.
Debt net to CAP net* ratio	42%	
Equity (including minority rights)	170	Of which: minority rights amounts to $11M
Capital to balance ratio	45%	

* Debt net: Financial debt net of liquid balances (cash and cash equivalents and line of credit), CAP net: Equity (including non controlling interest) added to financial debt net of liquid balances (cash and cash equivalents and line of credit).

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Assets not fully presented in the balance sheet (in $Mil CAD)

SITE	NET BOOK VALUE 12/31/2015	FAIR VALUE	DEFFERNCE	NOTES
DEERHURST A SKYLINE RESORT MUSKOKA	-	7.3**	7.3	Developable land for 162 condo units
HORSESHOE A SKYLINE RESORT BARRIE	-	6.2*	6.2	40 units building which was previously used for Time Share
DEERHURST A SKYLINE RESORT MUSKOKA; HORSESHOE A SKYLINE RESORT BARRIE	59.5	121.6**	62.1	Resorts that are accounted as cost model
HYATT REGENCY CLEVELAND	37	44**	7	Hotel that is accounted as cost model
Total			82.6	

* Fair value are per management assumption
** Fair value are per independent appraiser

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Summary of the Financial Reports – Profit and Loss ($Mil CAD)

	March 31, 2016	March 31, 2015	December 31, 2015
Revenue	48	25	97
Cost of sales	(42)	(22)	(83)
Profit before sales, marketing and administrative and general expenses	**6**	**3**	**14**
Gain from fair value adjustments	-	-	1
Selling and marketing expenses	(1)	(1)	(2)
Administrative and general expenses	(1)	(1)	(5)
Profit from operations	**4**	**1**	**8**
Financing expenses (net)	(2)	(2)	(7)
Gain on bargain purchase and sale of investment	-	-	12
Profit (loss) before income taxes	**2**	**(1)**	**13**
Income tax expenses	(1)	-	(5)
Net profit	**1**	**(1)**	**8**

* The balances are rounded to the closest million

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Summary

Unique business model creating optimal synergy between hospitality resort activities and development opportunities

Significant cash flow from income producing properties

Financial stability and conservative capital structure

Large land reserves purchased at bargain prices

Supportive business environment

Experienced management team with a proven track record.

Thank you!

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Questions? Please contact Vadim Shub, CFO at: 416-368-2565 ext: 2263 or by email: ir@skylineinvestments.com

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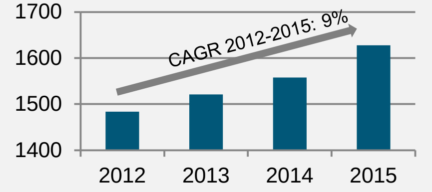
Appendixes

Economic Environment in Canada and Ontario

Canadian PPP (in milliard CAD)



Canada is the second largest country in the world, with a population of about 35 million

Canadian policy encourages positive immigration for populations with means – **a significant growth engine in the economy**

Considered one of the 10 largest economies in the world, and a member, inter alia, of the Organization for Economic Cooperation and Development (OECD), and the Organization of the Eight Industrialized Countries (G-8)

According to comparative international indices of quality of life, **it is included among the leaders in the world**

Toronto is the capital of Ontario, and **is the financial, economic and banking** center of Canada; the province also includes Ottawa, Canada's capital city

Ontario is the **most populous province in Canada** (about 13.7 million residents as of 2015) and the forth in the it's size (out of 10)

Demonstrated economic strength **and successfully managed the great recession**

Credit rating (S&P): AAA

Property Portfolio

All the Canadian properties are located in Southern Ontario, less than 2 ½ hours drive from Toronto

All the properties are close to medium size (and larger) towns and have a developed infrastructure (clinics, shopping centers, etc.)

Majority of the Company's assets are income producing hospitality and retail real property. the Company owns two resorts and retail in Ontario (Deerhurst, Horseshoe & Blue Mountain), two hotels located in Cleveland, USA (Hyatt and Renaissance), a hotel located in the center of Toronto (Pantages), as well as in a ski resort located in California

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Deerhurst Resort

Highlights

- General: luxury resort in the district of Muskoka located near the city of Huntsville. The Resort includes about 400 rooms (100 rooms owned by Skyline), two golf courses, conference rooms, a spa, swimming pools, restaurants, and a private airport. The site hosted the G-8 Summit. Its previous owners invested $70(1) million in the resort.
- The resort was purchased in March 2011 for $27 million (including costs).
- The annual NOI from hotel activities was $2.7 million on purchase and $4.7 million in 2015 (before intercompany management fees)

Development

Since acquisition, more than $50 million of real estate sales have been made :

- 120 housing units in the Summit Lodges project
- 29 lots and houses in the Highland and Sanctuary projects
- 67(2) condominium units in the Lake Side Lodge project (as for March 31, 2016)

In 11.2014 a secondary plan was approved for 640 units and 4,500 sq.m. of retail space. In 9.2015 the Zoning-by-law was approved.

Future potential

The continued sale of residential units and lots to increase available rooms for the hotel. Sale of land reserves to builders.

Obtaining additional development rights for the remaining land reserves owned by the Company.

The asset will be used as a collateral to the bonds

- Purchase for $27 million NOI on the date of the acquisition $2 million
- 120 condominiums sold for appropriately $21 million
- Repayment of high interest debt of $13 million
- 29 lots and cottages sold for about $10 million
- 67(2) condominiums sold for $23.3 million
- Approval of a secondary plan for 640 units & 4,500 sq.m. retail space (Zoning-by-law)

(1) As per seller representation
(2) Stabilized NOI as per the appraisal made on December 31, 2015

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Deerhurst Resort

A

- LAKESIDE LODGES -

B

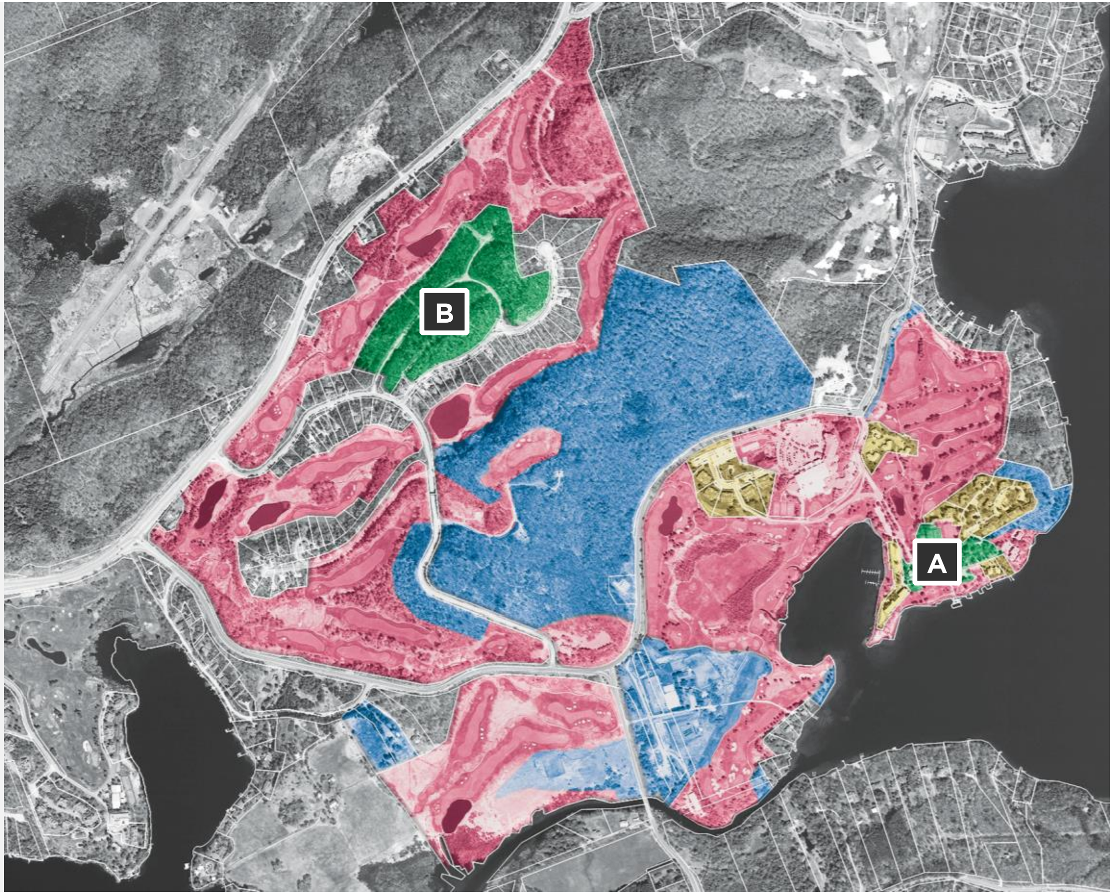
- GOLF COTTAGES -

Future development lands

Resort Operations

Third Party

Under Development



Horseshoe Resort

Highlights

A ski, golf, adventure park and hospitality resort operating year round, located a 1 hour drive of Toronto. The site includes:

- 2 of the leading golf courses in Canada, of about 220 acres
- 25 alpine ski runs and 67.5 km of cross-country trails
- 141 hotel rooms, 5 restaurants.

The site was purchased in 2008 for about $37 million.

Annual NOI(2) for the period ended March 31, 2016 was - $3.2 million. (excluding income from development and improvements).

Development

- The Company owns a hospitality building of 40 units carried on the books at no value. Presently the building serves as an additional hotel and vacation club units.
- The Company owns rights for development of about 1,500 units.
- Continued sale of units in the Copeland House project.
- Phase 2 of the Copeland House (58 condo units) Project is under consideration.

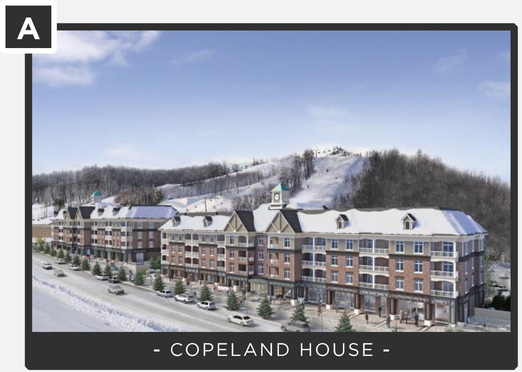
Improvements

- The NOI for 12 months ended March 31, 2016 was $3.2 million (before intercompany management fees). During the time the Company holds the resort, it was substantially improved through renovation of the hospitality and adventure park.
- Decrease the seasonal impact on the resort by adding to the adventure park (an investment of about $4 million).
- Sale of 54(1) condominiums out of 67 presently developed by the Company. The expected revenue is $15 million. The occupancy started in March 2016 and 36 units have been delivered.

- Purchase for $37 million. NOI on the date of purchase: $3.6 million including rights to 915 units
- Approval of master plan including 1,500 units
- Renovation of all hotel rooms. Establishment of an adventures park for about $4 million
- Receipt of a time share building comprising 40 units. Registered at a value of 0
- Completed building phase 1 of the Copeland House project (67 units)

(1) As for March 31, 2016
(2) Stabilized NOI as per the appraisal made on December 31, 2015

Horseshoe Resort



Future development lands

Resort Operations

Timber Ridge 120

Highland Course

SKYLINE INVESTMENTS

Blue Mountain Village

Highlights

- A ski resort, a leading hotel and resort area of Ontario, operates throughout the four seasons
- The Resort is located near the Collingwood and the Georgian Bay, two hours away from Toronto
- The Company holds 60% of 4,500 square meters of retail space, 800 units Rights of developed land for construction (including infrastructure) and approximately 1,800 square meters of retail space
- Was acquired in 2013 for a total consideration of $21 million.
- The 12 months NOI as for March 31, 2016, before intercompany management fees, was $2 million.

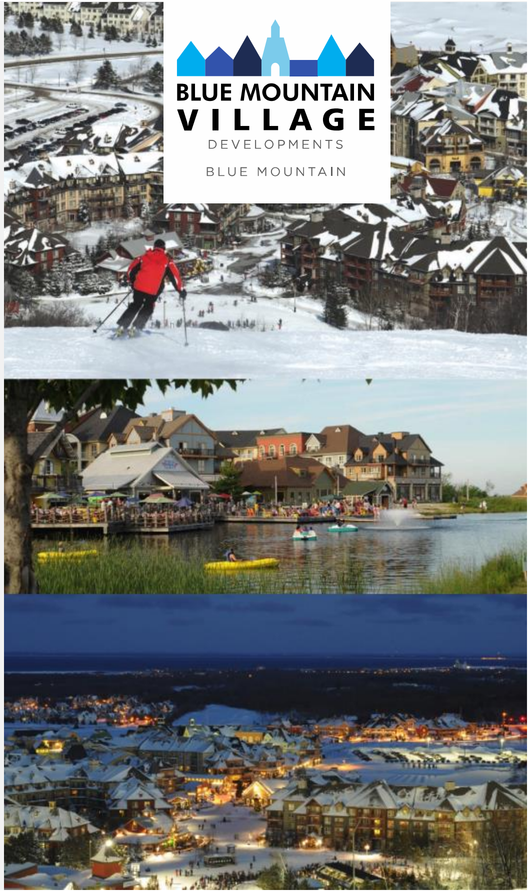
Development and disposition

As for March 31, 2016, the Company has sold parcels of land a total consideration of $9 million:

- In 2014 9 lot parcel was sold for $1 million
- In May 2015 25 townhouse lot parcel was sold for $2.2 million. The sale was closed in February 2016.
- In May 2015, 39 detached house lot parcel was sold for $5.7 million. The closing is expected in the summer of 2016.
- In April 2016, 400+ residential unit parcels were sold conditionally for $17 million.

Future Potential

- Sale of lots and land parcels to local developers
- Sale and/or development of retail spaces.



SKYLINE INVESTMENTS

Port McNicoll

Highlights

Historic port and land for development on Georgian Bay, adjacent to the 30,000 Islands tourist area.

- The property consists of about 850 acres of waterfront land along 11 km of shoreline, and about 296 acres of land at the entrance to the town
- The project is located a 25-minute drive from Horseshoe and is a 90 minute drive from Toronto.
- The main project lands were purchased in 2007 for about $7M. The additional 296 acres of agricultural land for development were purchased in 2010, for $1.2M.

Improvements and dispositions

- In February 2014 the planning authorities approved development of 174 units (out of about 1,900 housing units in the master plan).
- Since acquiring the project 49 lots were sold for about $22 million CAD.
- From the date of acquisition, over $5 million CAD has been invested in improving the site.

Purchase for $7M, including rights for 650 units → 49 lots sold for about $22M → A master plan has been endorsed for 1,900 units → Detailed approval received for 174 waterfront housing units

Seasonality in real estate marketing at the Resorts

The Resort	Main sales season	Comments
DEERHURST A SKYLINE RESORT MUSKOKA	Primarily during the third calendar quarter	The most active operation is during months of June – October
HORSESHOE A SKYLINE RESORT BARRIE	Mainly during the first and last quarters	Ski and Golf resort, mainly active in the winter
BLUE MOUNTAIN VILLAGE DEVELOPMENTS BLUE MOUNTAIN	Year round	Year round stay with primarily ski activities in winter and golf during summer
PORT McNICOLL A SKYLINE COMMUNITY GEORGIAN BAY (CONDITIONALLY SOLD)	Mainly during the third quarter	Mainly active in the summer

Sale of condo units, houses and lands

Site | Properties	Deerhurst – A Skyline Resort – Muskoka	Horseshoe – A Skyline Resort – Barrie	Blue Mountain Village Developments – Blue Mountain	Port McNicoll – A Skyline Community – Georgian Bay (CONDITIONALLY SOLD)	Total
Total book value (land component only)	30	17	(3) 21	50	119
Units available according to the master plan as at 03/31/16	(5) 1,321	(4) 1,674	(6) 800	1,900	5,695
Of which: in inventory; condos, houses and lots	287	129	39	(2) 794	1,249
Sales of units executed in 2012-2016 (1)	81	54	73	3	211
Revenues in 2012-2016 (1)	30	15	(7) 9	1	55
Of the above, sales not yet recognized as income in the financial statements	23	5	(7) 6	-	34

Note: In September 2015 a change of designation permit has been received (Zoning-by-law) for agricultural land at Deerhurst for 640 units and 4,500 sqm of retail space

(1) Agreements that were signed during those years, however could have not been recognized in those years as per accounting standards requirements. The data is as of March 31, 2016
(2) Includes 150 hotel units, including 779 units that are planned to be developed in the long term.
(3) Of this balance $9,500 is classified as held for sale
(4) As of March 31, 2016 the Company delivered 36 units of the balance
(5) As of March 31, 2016 the Company delivered 1 unit to a purchaser
(6) As of March 31, 2016 the Company delivered a land zoned to 25 units
(7) Not including the sale of lands for a total consideration of $17 million, at Blue Mountain Resort

SKYLINE INVESTMENTS

Cash flow results from income producing assets for 12 months ended on March 31, 2016

Section	In million* CAD	Note
Profit from operations	**11**	From Q2-2015 until Q1-2016
Profit excluding non reoccurring expenses:		
Sale of condos, lots and Timeshare	-	
Commissions and fees	-5	Mainly due to the commission received from the Renaissance Partner
(Gain) / Loss from fair value adjustments	-1	
Expenses from non-income producing assets:		
Depreciation	6	
Development periodic costs	1	
Sales and marketing of lots and Timeshare	2	
Administrative and general expenses	5	
Consolidation of the Renaissance Hotel (full year)	7	The Hotel is consolidated as from November 2015
NOI	**26**	

* Rounded to the nearest million

SKYLINE
INVESTMENTS

Cash flow results from income producing assets for 12 months ended on March 31, 2016

Section	In million CAD	Note
Consolidated annual NOI for the year ended March 31, 2016	+26	The stabilized NOI for income producing assets is 31 million CAD
Minus non-controlling interest in NOI	-4	50% of the Renaissance Hotel and 40% of the Blue Mountain Retail
Minus administrative and general expenses	-5	
Minus current cash inflow from Pantages Hotel	-2*	
Plus expected cash inflow from the sale of Port McNicoll	+5*	Taking into account the expected savings from property disposition
Cash inflow from new investments	-	
Cash inflow from sale of lands and condo units	-	
Total	**20**	

* Under the assumption that sales will be closed
** Expected cash inflow for 10 years
*** Rounded to the nearest million

SKYLINE
INVESTMENTS

Unpledged assets breakdown following the issuance

Asset	In million CAD	Note
Horseshoe resort	56	Based on an appraisal for December 31, 2015
Bear Valley resort	5	Based on an appraisal prepared in August 2014, close to the original acquisition date
Surrounding lands at Horseshoe resort	12	Based on an appraisal for December 31, 2015
Surrounding (excluded) lands at Deerhurst resort	15	Per the deed of trust, a mortgage will be registered on the asset, which will be removed following the re-parceling the property
Surrounding lands at Blue Mountain resort	5	The Company owns 60% of the property. Based on an appraisal for December 31, 2015
Surrounding lands at Port McNicoll	4	Based on an appraisal for December 31, 2015 The lands are located to the property that was conditionally sold for 41.3 million CAD
40 condo units building located at Horseshoe resort	6	Based on an appraisal draft from 2011. The asset is mainly used to accommodate bigger families and sports groups
Total	**103**	

* Rounded to the nearest million
** The table is based on the assumption that the Company will raise 40 million CAD, as part of a bonds prospectus, which will allow removing the mortgage from Horseshoe Resort and Port McNicoll
*** There is no intent for representation that the Company will not use the above mentioned assets as collateral in the future, as part of its regular operations
**** The conditionally sold assets, once closed, may provide the company with free cash on hand, that is not taken into account in the breakdown above