



August 26, 2016

SKYLINE INVESTMENTS INC. CLOSED THE SALE OF THE PANTAGES HOTEL LOCATED IN DOWNTOWN TORONTO

TORONTO (August 26, 2016) - Skyline Investments Inc. ("Skyline" or the "Company") (Symbol: SKLN.TA) announced that on August 22, 2016 it closed the sale of the 82-room boutique Pantages Hotel & Spa (the "Hotel"). The Hotel is located in the heart of Downtown Toronto, just steps away from the best shopping, dining and entertainment the city has to offer and is rated 4 Stars by Trip Advisor.

The Hotel was sold for a total consideration of \$34 million, which the management considers to be a strong price for the property (cap rate of 5.5%). As a result of this transaction, the Company is expected to recognize a gain of \$8.3 million in its consolidated financial statements for the quarter ending on September 30, 2016. The transaction generated approximately \$17.8 million in free cash flow, after repayment of the property financing.

About Skyline Investments Inc.

Skyline owns over two million square feet of real estate, nearly 1,100 rooms in its holdings, has over 2,600 acres with development and rights for almost 5,400 residential units, employing more than 1,500 staff. Skyline's hotels include the 293 room Hyatt Arcade Hotel, and the 491 room Renaissance in Cleveland, Ohio, in addition to the Bear Valley Ski Resort in California. Skyline's resort assets in Canada include landmark Deerhurst Resort with 45,000 sq. ft. of meeting space lakeside in Muskoka and Horseshoe Resort, home for Toronto's closest ski area and Adventure Park. Skyline also owns significant commercial and development assets adjacent to some of its properties.

In early 2014, Skyline became a public company trading on the Tel Aviv Stock Exchange. 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 gain that is expected to be recognized. 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

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forward looking statements or information to reflect new events or circumstances, except as required by applicable Canadian securities laws.