

30 June 2016

## **PLAZA CENTERS N.V.**

### **DEBT REPAYMENT AGREEMENT WITH FINANCING BANK OF ZGORZELEC PLAZA SHOPPING CENTER IN POLAND**

Plaza Centers N.V. (“Plaza” or the “Company”), a leading emerging markets property developer, announces that it has signed a Debt Repayment Agreement (“DRA”) with the financing bank (the “Bank”) of Zgorzelec Plaza Shopping Center in Poland.

As part of the DRA, Plaza will make a payment of €1.1 million (in escrow) to the financing bank of the Shopping Center and the financing bank will deposit (in escrow) Release Letters for:

- (i) releasing a mortgage in favour of the Bank from a plot of land of Plaza in the city of Leszno, Poland;
- (ii) releasing of a recourse right obligation (of €1.1 million) under the corporate guarantee of Plaza and an additional subsidiary of Plaza;
- (iii) subordination agreement; and
- (iv) submission for enforcement on the loan.

The DRA also states that Plaza is obliged to make its best effort and cooperate with the Bank in trying to sell Zgorzelec Plaza Shopping Center. Simultaneous with this, the financing bank will seek a third party to be an Appointed Shareholder to purchase the shares of Zgorzelec Plaza Shopping Center for €1.

If a buyer or Appointed Shareholder is not found by 15 September 2016 the following steps will take place:

- the management of Zgorzelec Plaza Shopping Center will be transferred to an Appointed Manager elected by the Bank;
- the €1.1 million payment held in escrow will be transferred to the Bank; and
- the Release Letters will be given to Plaza and Plaza will stay as a silent shareholder in Zgorzelec Plaza Shopping Center until the end of the 2016.

On conclusion of the transaction, Plaza expects to recognise an accounting profit of circa €10 million.

**Dori Keren, Acting Chief Executive Officer of Plaza Centers N.V., said:**

“This agreement paves the way for a significant reduction in our liability for this asset and supports our strategy to focus on our core business. At 30 March 2016 results, the total loan (including accumulated

interest) against the asset was circa €23 million and the asset was valued at circa €12 million. The successful completion of the transaction will see the Company released from an effective recourse guarantee and mortgage right held by the Bank whilst removing the Company's liability associated with the asset. Furthermore, the sale of the asset will not impact on the Company's net cash income receipts and therefore the disposal of the asset will generate a circa €10 million accounting profit for Plaza, further de-leverage our balance sheet and allow us to focus on the core assets in our portfolio.”

## **Ends**

### ***For further details, please contact:***

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### ***Notes to Editors***

Plaza Centers N.V. ([www.plazacenters.com](http://www.plazacenters.com)) is a leading property developer and investor with a significant presence across Central and Eastern Europe and operations in India. It focuses on constructing new shopping and entertainment centres and, where there is significant potential, redeveloping existing centres in both capital cities and important regional centres. The Company is listed on the Main Board of the London Stock Exchange, the Warsaw Stock Exchange and, as of 27 November 2014, the Tel Aviv Stock Exchange (LSE: PLAZ, WSE: PLZ / PLAZACNTR, TASE: PLAZ). Plaza Centers N.V. is an indirect subsidiary of Elbit Imaging Ltd. (“EIL”), an Israeli public company whose shares are traded on both the Tel Aviv Stock Exchange in Israel and the NASDAQ Global Market in the United States. It has been active in real estate development in emerging markets for over 20 years.