



Presentation for Bondholders Meeting

06 September 2017



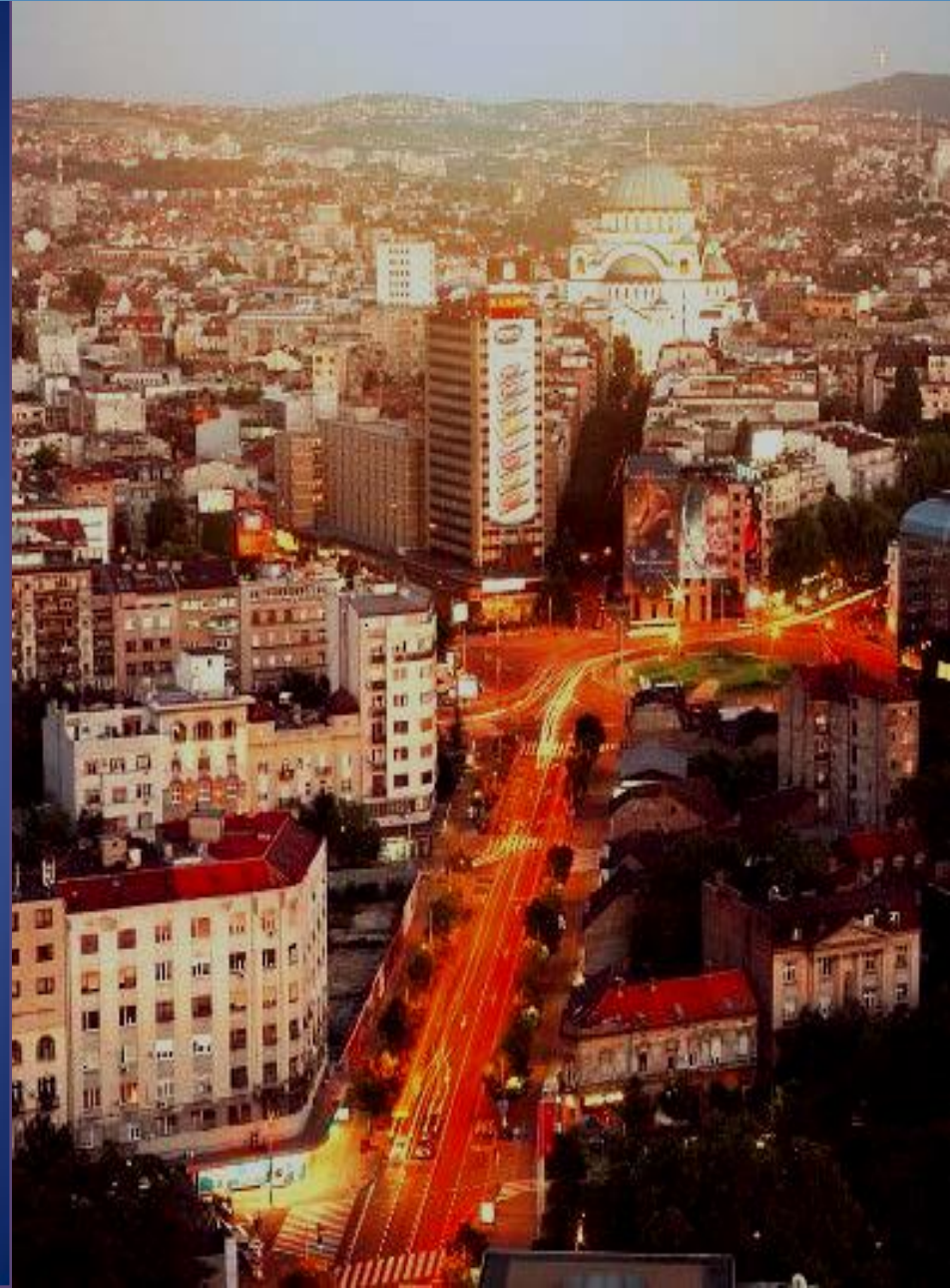
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AGENDA

- **Company Overview**
- **Capital Markets & Debt Restructuring**
- **Company's Activities in 2016-2017**
- **Financial Highlights**



Company Overview

Current Portfolio Summary by Country

Total portfolio of 11 assets in six countries



Poland

Serbia

India

Romania

Hungary

Greece

■ Completed & Active (1)

■ For Development (1)

■ Plots Pipeline (9)

* In June 2017 the Company has signed preliminary agreement to sale part of the plot in Łódź. (see slide 10)

** In August 2016 a JDA was signed for Chennai (see slide 13)

*** In December 2015, a Sale Agreement to sell 100% of Plaza's holding in the Indian SPV, which holds the property in Bangalore, to a local investor. In June 2017, the Purchaser and EPI have signed revised agreement and agreed that the purchase price will be amended to INR 338 Crores (approximately €47 million)

**** In April 2016 Preliminary sale Agreement was signed to sale Piraeus plot in Greece (see slide 9)

Company Overview

Current Portfolio Summary by Assets***

Project	Country	Type	Book Value December 31, 2016 (EUR M)
Casa Radio	Romania	Development	60.1*
Ciuc	Romania	Plot	1.0
Brasov	Romania	Plot	1.1
Arena Extension	Hungary	Plot	1.5
Torun Plaza	Poland	Operating	68.9**
Lodz	Poland	Plot	5.1
Lodz Residential	Poland	Plot	0.5
Helios	Greece	Plot	3.3
Krusevac	Serbia	Plot	1.0
Bangalore	India	Plot	19.1
Chennai	India	Development	10.4
TOTAL			172

- 100% (due to material shareholder loans), net of commitment for PAB construction in an amount of €13.2 million

** There is a bank loan of 43.6 M EUR as of now

*** Excluding 2 sold assets in Belgrade/Serbia which is expected to bring approx. 23 M EUR in following years



Capital Markets & Debt Restructuring

Plaza's debt restructuring plan was approved by the Dutch court in July 2014 and became final in November 2014 with the Rights Issuance approval. Since then (until September 6, 2017), Plaza has paid circa NIS 390.4 Million (€95.1 Million) and allocated 13.21% of its shares to its bondholders and secured one year deferral

Payments to Bondholders since beginning of debt restructuring plan:

Interest	NIS 137.3 million (€32.7 million) paid (1.5% addition to annual interest rate; interest payments accrued and not paid till 12/2013 were added to principal)
Interest upon restructuring closing (2014)	NIS 67.2 million (€14.3 million) paid on account of interest
Principal	NIS 390.4 million (€95.1 million) paid mainly upon disposal of assets



Capital Markets & Debt Restructuring

Outstanding balance as of September 6, 2017 (adjusted par value including interest)

Series A Bonds: € 51 million (NIS 216.6 million)

Series B Bonds: € 74.8 million (NIS 317.74 million)

Polish Notes: € 6.7 million (PLN 28.6 million)

Total outstanding debt to Bondholders: circa € 132.5 million



Capital Markets & Debt Restructuring

History of corporate debt raisings and bond repayments by the Company

The Company raised debt in Israel by issuing marketable bonds and in Poland by private issuance

	Series A Israeli Bonds	Series B Israeli Bonds	Polish Bonds
	NIS		EUR*
Bond raising	401,850,451	1,483,126,346	15,085,058
Interest accrued and capitalised 31/12/2013	6,652,927	16,055,759	665,575
Directly purchased by Plaza - Removed from the cycle	(8,253,378)	(108,993,111)	0
Bond raising, net	400,249,999	1,390,188,994	15,750,633
Principal payments over the years	(242,798,567)	(1,209,458,113)	(7,973,465)
Interest payments	(152,023,078)	(454,149,156)	(6,351,615)
Total payments	(394,821,645)	(1,663,607,269)	(14,325,080)
Total payments over the years as percentage of total raising, net (%)	98,64%	119,67%	90,9%

* 60,000,000 PLN



Company's Activities in 2016-2017

Sales of assets since approval of the Restructuring Plan

<u>January 2016:</u>	Completed the sale of a 5,200 sqm residential plot in Lodz, Poland for €0.7 million
<u>March 2016:</u>	<p>Completed the sale of Liberec Plaza Shopping and Entertainment Centre in Liberec, Czech Republic for €9.5 million. Following net asset value adjustments the company received net €9.37 million.</p> <p>€8.5 million of the proceeds from the sale was paid to a wholly owned subsidiary of Plaza on account of the bank loan of Liberec Plaza it managed to buy in September 2015 for €8.5 million.</p>
<u>March 2016:</u>	Completed the sale of a 23,880 sqm plot in Slatina, Romania generating cash proceeds of €0.66 million.
<u>March 2016:</u>	Signed a binding pre-agreement to sell the plot in Piraeus, near Athens, Greece for €3.4 million. The long stop date of this transaction has been extended a few times and the sum was updated to €3.5 million
<u>June 2016:</u>	Completed the sale of the wholly owned subsidiary, which holds the “MUP” plot and related real estate in Belgrade, Serbia, for €15.75 million, which is paid in a few instalments.
<u>July 2016:</u>	Completed the sale of an 18,400 sqm plot in a suburb of Ploiesti, Romania for €280,000.
<u>September 2016:</u>	Completed the sale of a 20,700 sqm plot of a residential plot in Lodz, Poland , to a residential developer, for €2.4 million. Plaza received an initial payment of €1.04 million, followed by €180,000 in November 2016, €220,000 in December 2016 and a final instalment of €0.96 million received in June 2017.
<u>September 2016:</u>	Completed the sale of Riga Plaza shopping and entertainment centre in Riga, Latvia to a global investment fund. The agreement reflects a value for the business of circa €93.4 million.



Company's Activities in 2016-2017

Sales of assets since approval of the Restructuring Plan – Cont.

September 2016:

Signed a preliminary sale agreement for the disposal of a 1.8 hectare plot in the centre of **Leszno, Poland** for €810,000.

February 2017:

Completed the sale of **Suwałki Plaza** shopping and entertainment center for € 42.3 million. The Company has received circa €16.5 million net cash, after the repayment of the bank loan (circa €26.6 million), and other working capital adjustments.

February 2017:

Completed sale of **David House** office building in Hungary for € 3.2 million.

February 2017:

Completed sale of **Shumen Plaza** plot in Bulgaria for € 1 million.

March 2017:

Completed the sale of the **Belgrade Plaza** shopping and entertainment centre. Upon completion of the transaction, Plaza received an initial advance payment of €28 million (plus €3.7 million customary NAV adjustments) from the Purchaser for the sale of 100% of the SPV, which will be followed by further payments during the first year of operation subject to certain operational targets and milestones being met. On 20 April 2017 the centre opened and was 97% let. Plaza has received €2 million for fulfilling its conditions around the successful leasing milestone at the opening of the centre.

June 2017:

Signed a preliminary sale agreement for the disposal of a 1.3 hectare plot at its second land holding in **Łódź, Poland** for €1.2 million. As part of the agreement, the purchaser will pay advance payments totalling 10% of the sale price, comprising an immediate instalment of €35,000 followed by an instalment of €85,000 when the purchaser obtains zoning. The remaining balance will be paid once a building permit has been obtained for development of the land which is expected to be granted within 12-15 months from the signing of this preliminary sale agreement.



Company's Activities in 2016-2017

Sales of assets since approval of the Restructuring Plan – Cont.

June 2017:

Completed the sale agreement for the disposal of a 2.47 hectare plot in the centre of **Kielce, Poland**, for €2.28 million. Plaza received a down payment of €465,000 when the preliminary sale agreement was signed in October 2016. Now that the final agreement has been signed, the remaining €1,815,000 has been paid.

June 2017:

Signed a revised agreement in relation to the sale of 50% interest in a special purpose vehicle which holds a site in **Bangalore, India**. It was agreed that the purchase price of 100% stake will be amended to INR 338 Crores (approximately €47 million) instead of the INR 321 Crores (approximately €44.6 million) agreed in the previous agreement. As part of the agreement, INR 110 Crores (approximately €15.3 million) will be paid by the Purchaser in installments until Final Closing. The Final Closing will take place on 1 September 2018 when the final installment of INR 228 Crores (approximately €31.7 million) will be paid to EPI. Plaza has 50% interest in this and the other 50% are owned by Elbit Imaging Ltd.

July 2017:

Completed the final sale agreement for the disposal of a 1.8 hectare plot in **Leszno, Poland** for €810,000

August 2017:

Signed an agreement for the disposal of a plot totalling approximately 32,000 sqm in **Timisoara, Romania**, for €7.25 million and proceed were received.

August 2017:

Completed the sale of a plot totalling approximately 30,000 sqm in **Constanta, Romania**, for €1.3 million



Company's Activities in 2016-2017

Bank Loans- Refinancing and Discounts

September 2016: Completed the sale of the shares in **Zgorzelec Plaza**. A Share Purchase Agreement has been signed with an Appointed Shareholder nominated by the Bank, after which the remainder of the DRA process was completed, including delivery of the Release Letters to the Company, and removing a mortgage over the asset of the Company in Leszno, Poland (valued at €0.8 million), as described in the announcement on 30 June 2016. Plaza recognised an accounting profit of circa €9.2 million, stemming from the release of €23.0 million of the outstanding (and partially recourse) loan (including accrued interest thereof), against an outstanding asset valued at €12.7 million.

December 2016: Plaza's Subsidiary (PC Enterprises) has acquired a bank loan of circa EUR 10 Million, which was held against the Company's **plot in Romania**, for a total consideration of EUR 1.35 million. The transaction represents a discount of over 86.5% on the bank loan amount and the Lender has transferred all collateral associated with the project related to the loan to Plaza, while also releasing the Company from its recourse loan. As part of the terms of the transaction, the Lender has been granted a purchase option for a term of three years, to acquire the plot for EUR 1.1 million.



Company's Activities in 2016-2017

Recent Developments

Belgrade Plaza:

Belgrade Plaza was constructed on a 31,000 sqm plot of land in Belgrade, the capital of Serbia. Belgrade Plaza (currently called BIG FASHION following its sale in March 2017) is the most modern and the largest shopping & entertainment center in the old part of Belgrade.

The shopping and entertainment center has a GLA of approximately 32,000 sqm on three floors and circa 800 parking spaces. Construction commenced in 2015 and the center was opened to the public on April 20th, 2017 with 97% leased area.

The main anchors are Cineplexx, IDEA, H&M, Inditex, LC Waikiki, Terranova, Reserved, Lindex, McDonalds, KFC, Sephora, Calzedonia Group, Cortfiel Group and many other internationally renown retailers. The tenant mix is characterized by many brands who are new to the Serbian market such as Reserved, Tezenis, CCC, Galileo, Funky Buddha and others.

Joint Development Agreement for a plot in Chennai, India

An Indian subsidiary ("SPV") of Elbit Plaza India Real Estate Holdings Limited (in which Plaza holds a 50% stake with its joint venture partner, Elbit Imaging Ltd.) signed a Joint Development Agreement relating to its 74.7 acre plot in Chennai, India, to confer the property development rights to a reputable local developer. The SPV will receive 73% of the total revenues from the plotted development and 40% of the total revenues from the eventual sale of the fully constructed residential units.

As of December 31, 2016 EPI holds 100% of equity and voting rights in Chennai project SPV.

The JDA may be terminated in the event that the required governmental approvals for establishment of access road to the Property has not been achieved within 12 months period from the execution date of the JDA. The required approvals have not yet been obtained at the target date, but none of the parties has canceled the agreement at this juncture



Company's Activities in 2016-2017

Plaza's Main Focus in 2017 - updates

- Developments:**
1. Continuing construction of **Belgrade Plaza** ("Visnjicka") in Belgrade until the opening in April – **Completed**.
 2. Advancing related permits and approvals for the **Casa Radio** project in Bucharest, Romania and exploring opportunities for financing and/or partnerships for the development;

- Asset sales:**
1. Sale of **Torun Plaza** (yielding asset) where value potential is or is close to being established and where sale price is appealing – **LOI received, due diligence in process**.
 2. Sale of plots which are not part of the Company's core business or not suitable for development in the short/medium term

David House, Hungary– sale completed in February for €3.2 million

Shumen, Bulgaria – sale completed in February for €1.0 million

Kielce, Poland – sale completed in June for €2.28 million

Leszno, Poland – sale completed in July for €810,000

Timisoara, Romania – sale completed in August for €7.25 million

Constanta, Romania – sale completed in August for €1.3 million

Debt: Continuing to reduce corporate debt by early repayments following sale of assets according to the Company's debt restructuring agreement, following the one year deferral achieved on March 15, 2017 – **on going intensively**

General Expenses: Continue with efficiency measures and cost reduction where possible. At the end of 2017, G&A expenses phase shall be reduced significantly continuing strong cost control initiatives e.g. reduction of manpower, cutting cost of suppliers, advisors etc. (excluding non-recurring items) – **unexpected additional costs due to Financial statements Audit**



Financial Highlights

Projected Cash Flows (€ Millions)

		Cash flow							
		Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Q2/2018	Q3/2018	Q4/2018
Source	Cash - Opening Balance - HQ	2.5	7.3	5.7	9.0	16.2	16.6	13.0	17.0
	Proceeds from selling trading properties (net amounts to be received by the company) ⁽¹⁾	56.5	4.6	24.8	32.3	8.6	3.1	19.8	0.5
	Cash flows from operating Activities and other income	1.5	1.5	3.0	0.3	-	-	-	-
	Total Sources	60.5	13.4	33.4	41.5	24.8	19.7	32.9	17.4
Use	Debentures - principal	49.2	1.8	17.9	22.3	5.8	4.6	14.0	9.0
	Debentures - interest	2.6	2.7	2.2	1.9	1.5	1.4	1.3	1.1
	Compensation to Bondholders	-	-	-	-	0.3	-	-	-
	Bank loans - principal	0.3	0.4	0.4	0.4	-	-	-	-
	Bank loans - interest	0.4	0.4	0.4	0.4	-	-	-	-
	Additional Equity investments in current projects	-	-	-	-	-	-	-	-
	Operational expenses	1.4	1.4	1.0	1.2	0.6	0.6	0.6	0.6
	Additional accounting costs	-	0.4	0.4	-	-	-	-	-
	Total Uses	54.0	7.0	22.2	26.2	8.2	6.6	15.9	10.7
	NOI from shopping centers (net of finance costs) - offset	-0.7	-0.7	-2.2	0.8	-	-	-	-
	Cash release from shopping centers	1.5	-	-	-	-	-	-	-
Cash - Closing Balance		7.3	5.7	9.0	16.2	16.6	13.0	17.0	6.8



Financial Highlights

Projected Cash Flows (€ Millions) – cont.

Cash flow		Q1/2019	Q2/2019	H2/2019	H1/2020
Source	Cash - Opening Balance - HQ	6.8	6.5	3.3	-4.9
	Proceeds from selling trading properties (net amounts to be received by the company) ⁽¹⁾	0.03	29.0	10.4	27.8
	Cash flows from operating Activities and other income	-	-	-	-
	Total Sources	6.8	35.5	13.7	22.9
Use	Debentures - principal	0.0	30.0	17.1	12.4
	Debentures - interest	0.0	1.9	1.0	0.4
	Compensation to Bondholders	-	-	-	-
	Bank loans - principal	-	-	-	-
	Bank loans - interest	-	-	-	-
	Additional Equity investments in current projects	-	0.0	-	-
	Operational expenses	0.3	0.3	0.6	0.6
	Additional accounting costs	-	-	-	-
	Total Uses	0.3	32.2	18.6	13.4
	NOI from shopping centers (net of finance costs) - offset	-	-	-	-
	Cash release from shopping centers	-	-	-	-
Cash - Closing Balance		6.5	3.3	-4.9	9.5

Last expected principal repayment

* Based on exchange rates: EUR-NIS:4.2; EUR-PLN:4.2



Financial Highlights

Projected Cash Flows (€ Millions) – cont.

(1)

	Proceeds from selling trading properties											
	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	H2/2019	H1/2020
Final signed agreement*	56.5	4.6	24.7	3.2	3.4	2.5	16.1	0.0	0.0	0.1	0.0	0.0
Preliminary agreement**	0.0	0.0	0.0	27.0	3.1	0.0	2.3	0.0	0.0	2.8	0.0	2.8
Not signed yet***	0.0	0.0	0.1	2.1	2.1	0.6	1.4	0.0	0.0	26.2	10.4	25.0
Total	56.5	4.6	24.8	32.3	8.6	3.1	19.8	0.0	0.0	29.1	10.4	27.8

Final signed agreement Suwalki, Shumen, David House, Riga (PA), Belgrade, Kielce, Lodz (partly), Varthur, Timisoara, Lodz resi. (partly), Leszno, Contanta, MUP, Kochi
Preliminary agreement Piraeus, Belgrade (PA)
Not signed yet Lodz (Partly), Lodz resi. (partly), Ciuc, Krusevac, Casa Radio, Chennai, Brasov, Arena Extension (LOI), Torun (LOI)

- (1) Casa Radio – please refer to Note 8(5) in the Company's consolidated financial statements regarding certain issues in respect of the project
- (2) The board and management estimate that there are significant doubts regarding the Company's ability to serve its whole debt according to the repayment schedule



Financial Highlights

Projected Cash Flows* – cont.

Expected Payments to Bondholders in Q3/2017**:

	Principal	Interest	Total
Bond A (M NIS)	16.2 (€3.9)	3.2 (€0.8)	19.4 (€4.7)
Bond B (M NIS)	52.3 (€12.5)	5.4 (€1.3)	57.7 (€13.8)
Polish (M EUR)	1.5	0.1	1.6

Expected Payments to Bondholders in Q4/2017:

	Principal	Interest	Total
Bond A (M NIS)	20.2 (€4.9)	3.0 (€0.7)	23.2 (€5.6)
Bond B (M NIS)	65.2 (€15.5)	4.5 (€1.0)	69.7 (€16.6)
Polish (M EUR)	1.9	0.1	2.0

Expected Payments to Bondholders in Q1/2018:

	Principal	Interest	Total
Bond A (M NIS)	5.2 (€1.3)	2.6 (€0,6)	7.8 (€1.9)
Bond B (M NIS)	16.8 (€4.0)	3.3 (€0,8)	20.1(€4.8)
Polish (M EUR)	0.5	0.1	0.6

Expected Remaining payments as of 01/04/2018:

	Principal	Interest	Total
Bond A (M NIS)	173.2(€41.2)	14.5(€3.5)	187.7 (€44.7)
Bond B (M NIS)	180.5(€42.9)	15.0(€3.6)	195.5 (€46.5)
Polish (M EUR)	2.9	0.03	2.93

Last repayment of
Polish bonds in
May 2018

* The repayments estimations are subject to changes due to exchange rates, CPI and unexpected delays in assets realization.

** Including repayment of 75% of expected EUR 13.5M (from the sale of Belgrade) which is still pending.



DISCLAIMER

Disclaimer of Opinion of Auditors re 2016 Annual Financial Statements

The financial data included in this presentation is based on the 2016 annual Financial Statements of Plaza Centers N.V. which includes an independent auditors' report by KPMG Hungary with a disclaimer of opinion

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THE END

