



Preliminary Results for the year ended 31 December 2012

14 March 2013



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# Agenda



- SECTION 1**      Financial Highlights
- SECTION 2**      Operational Highlights
- SECTION 3**      Summary and Outlook
- APPENDIX A**    Forecasted Cash Flow
- APPENDIX B**    Projects Overview



# Financial Highlights



- Reduction in total assets to €958 million (31 December 2011: €1.3 billion), primarily due to the disposal of the Company's US assets of €263 million
- Increase of 45.3% in the value of completed trading properties due to the completion of Kragujevac Plaza and Koregaon Park Plaza
- Book value of the Company's landbank reduced by 11% over the year, or by €60 million, primarily due to impairments recorded mainly within the Romanian and Hungarian land portfolio
- Increase in gross revenue of 77% to €41.6 million (2011: €23.5 million) due to additional rental income received during the year from shopping centres completed and opened to the public during 2012 and late 2011. (The rental income along with all the elements related to US activities in the Financial Statements as of 31 December 2011 were restated due to reclassification of income from discontinued operations resulting from the sale of company's activities)
- Net Asset Value decreased by 24% to €459 million (31 December 2011: €601 million) primarily through the impairment of assets in Romania and Hungary



# Financial Highlights (cont.)



- Net Asset Value per share of £1.26 (31 December 2011: £1.69), a decline of 25%, attributable primarily to the above mentioned impairments
- Loss for the year of €85.9 million (31 December 2011: €13.9 million profit), which stems from a non-cash €79 million impairment of trading properties, of which 59% related to landbank impairments and an overall net finance cost of €16.5 million compared to a net finance income of €74 million of 2011. The prior year net finance income figure of €74 million was based on the substantial decrease in fair value debentures and related foreign exchange gains measured through the profit or loss account
- Basic and diluted loss per share of €0.29 (31 December 2011: €0.03 earnings per share)
- Cash position at year end (including restricted bank deposits, short term deposits and available for sale financial assets) of €102 million (31 December 2011: €108 million) with working capital of €558 million (31 December 2011: €585 million); current cash position of circa €90 million
- Gearing reduced to 53% (31 December 2011: 59%) through a €138 million net repayment of debt as well as assumption of part of the US assets related bank loans (app €114 million )



# Financial Overview

## Results



	<u>2012</u>	<u>2011</u>
	€ '000	€ '000
<b>Revenues <sup>(1)</sup></b>	<b>41,593</b>	<b>23,462</b>
<b>Impairment loss of trading properties<sup>(2)</sup></b>	<b>78,833</b>	<b>47,987</b>
<b>Cost of operations <sup>(3)</sup></b>	<b>20,385</b>	<b>14,849</b>
<b>Gross loss</b>	<b>(57,625)</b>	<b>(39,374)</b>

- (1) 2012: CEE and India rent and management fee - €28.3m, Fantasy Park - €6.9m, Sale of trading property India- €6.4m. 2011: Fantasy Park - €7.1m, CEE rent and management fee - €16.3m.
- (2) 2012 – impairment arising from assets in Romania (€34.1m), Hungary (€12.4m), India (€10.7m), Czech Republic (€3.1m), Poland (€6.8m), Bulgaria ( €2.6m) and Serbia (€9.1m). 2011 – impairment arising from assets in Romania (€26.5m), Latvia (€8.5m), Czech Republic (€2.5m), Poland (€7m), Bulgaria (€3m) and Greece (€0.5m).
- (3) 2012 – property operations in Europe – €10.3m, Fantasy Park operation – €6.2m, value of trading property sold - €3.9m: 2011 – property operations in Europe – €7.4m, initiation cost – €0.4m, Fantasy Park operation – €6.4m, value of trading property sold - €0.6m.



# Financial Overview *(Cont.)*



	<u>2012</u>	<u>2011</u>
	€ '000	€ '000
Administrative expenses <sup>(1)</sup>	(16,848)	(18,856)
Other income (expense), net	1,641	(1,614)
<b>Results from operating activities</b>	<b>(72,832)</b>	<b>(59,844)</b>
Net finance income (cost) <sup>(2)</sup>	(16,540)	73,986
Share in loss of equity accounted investees	(68)	(153)
Tax benefit (Tax expense) <sup>(3)</sup>	5,463	(12,910)
<b>Profit (loss) from continuing operations</b>	<b>(83,977)</b>	<b>1,079</b>
Profit (loss) from discontinuing operation <sup>(4)</sup>	(1,950)	12,785
<b>Profit (loss) for the year</b>	<b>(85,927)</b>	<b>13,864</b>
Non controlling interests	(236)	(4,518)
<b>Profit (loss) attributable to owners of the company</b>	<b>(86,163)</b>	<b>9,346</b>





# Financial Overview *(Cont.)*



## NOTES TO THE RESULTS

- (1) The General and administrative expenses decreased from €16.4 million in 2011 to €12.7 million in 2012, due to decreased cost of non cash share-based payments (2012 €0.2 million, 2011: €3.1 million after restatement), with the remainder decrease of €0.8 million resulting from cost efficiency measures implemented. The Selling and marketing expenses increased from €2.4 million in 2011 to €4.1 million in 2012 as a result of increased operating activity throughout the year and promote new opened shopping centres
- (2) 2012 – Net finance costs mainly attributed to costs incurred from debentures presented at fair value and related foreign exchange losses (€21 million) as well as costs incurred in respect of bank facilities (€12 million), partially offset by income from hedging activities (€12 million income); 2011 – Net finance income mainly attributed to income from the fair value decrease of debentures and related foreign exchange gains (€79 million combined), partially offset by loss recognized on fair value changes of derivatives (€17 million loss);
- (3) 2012 – Decrease in current income tax expenses due to changes in deferred tax liabilities in connection with fair value changes of the debentures in note (2) above;
- (4) US operation was reclassified in 2012 as discontinued operations, with comparative figures reclassified accordingly.





# Financial Overview (Cont.)

## *Balance sheet and cash flow*



- Net assets of €449.1 million (31 December 2010: €550.2 million), with decrease primarily due to 2012 impairments amounting to €79 million, primarily to Romanian, Hungarian and Indian assets
- Cash and short term deposits (including restricted cash and available for sale financial assets) decreased to €102 million (31 December 2011: €108 million) mainly due to:
  - Repayment of principal and interest and buyback of debentures amounting to approximately €105 million;
  - Offset primarily by receipts of approximately €97 million from the US transaction

**Current cash balance - €90 million**



# Company NAV



- NAV per share decreased by 24%, primarily attributable to the €79 million impairment of trading property and disposal of US assets
  - 59% of the write down related to landbank assets in Romania and Hungary, reflecting depressed rental levels in those countries as well as suppressed transaction volumes stemming from constrained supply of debt
  - The decrease was partially offset by the completion of Koregaon Park Plaza and Kragujevac Plaza during the year

USE	€ ('000)
Market value of land and projects as valued by Jones Lang LaSalle	748,345
Assets minus liabilities as at December 31, 2011 <sup>(1)</sup>	(289,587)
<b>Total</b>	<b>458,758</b>

(1) Excluding book value of assets which were valued by Jones Lang LaSalle



# Key Highlights 2012 – Operational



- Overall Portfolio occupancy increased to 88.5% from 85% in 2011, with the following notable successes;
  - At Torun Plaza, Poland, occupancy increased to 84% (2011: 80%)
  - At Suwalki Plaza, Poland, occupancy increased to 90% (2011: 89%)
  - At Zgorzelec Plaza, Poland, occupancy increased to 89% (2011: 79%), in addition to a 14% increase in footfall compared to the prior year
  - At Liberec Plaza, Czech Republic, occupancy increased to 80% (2011: 78%)
  - At Riga Plaza, Latvia, occupancy increased to 94% (2011: 90%) and footfall by 21% on year to year basis
  
- The construction of Plaza's first retail scheme in Serbia, Kragujevac Plaza, was completed and opened to the public on 20 March 2012. The 22,000 sqm GLA centre was 90% let on opening and a further 8% of space has been let since with strong interest expressed in the remaining units. Early trading has been extremely encouraging with over 3,000,000 visitors in its first year of operation



# Key Highlights 2012 – Operational (cont.)



- In June 2012, EPN Group, Plaza's US based joint venture, completed the sale of 47 of its 49 US based assets to BRE DDR Retail Holdings LLC, a joint venture between Blackstone Real Estate and DDR Corp. in a transaction valued at US\$1.428 billion. The transaction generated a gross cash inflow of circa US\$120 million (€93 million) to the Company before taxes and transaction costs
- In July 2012 EPN Group completed the disposal phase of the Company's highly successful first venture in the US with the sale of its two remaining US assets for US\$41.8 million out of which US\$13 million was settled by assumption of debt. The transaction generated a gross cash inflow of circa US\$6.6 million (€5 million) to the Company
- Phase one of the Kharadi Plaza project known as "Matrix One", a 50:50 joint venture with a local partner, was completed in February 2012. Located in Pune, India, 'Matrix One', a 28,000 sqm GLA office, was 70% pre-sold upon opening. The construction of the second office building, out of a total of four offices planned for the development, commenced in Q3 2012 and 37% of the space available has been pre-sold to date



# Markets of Operation - Active shopping and entertainment centres



## Poland

- Population - 38.4 million
- 2012 Inflation Rate - 3.6%
- 2012 GDP per capita - US\$ 21,000

Operating Malls - 3

Current Value - €175.3m

## Latvia

- Population - 2.2 million
- 2012 Inflation Rate - 2.5%
- 2012 GDP per capita - US\$ 18,100

Operating Malls - 1

Current Value - €42.4m (50%)



## Czech Republic

- Population - 10.2 million
- 2012 Inflation Rate - 3.3%
- 2012 GDP per capita - US\$ 27,200

Operating Malls - 1

Current Value - €29.4m

## Serbia

- Population - 7.3 million
- 2012 Inflation Rate - 6.2%
- 2012 GDP per capita - US\$ 10,500

Operating Malls - 1

Current Value - €42.1m





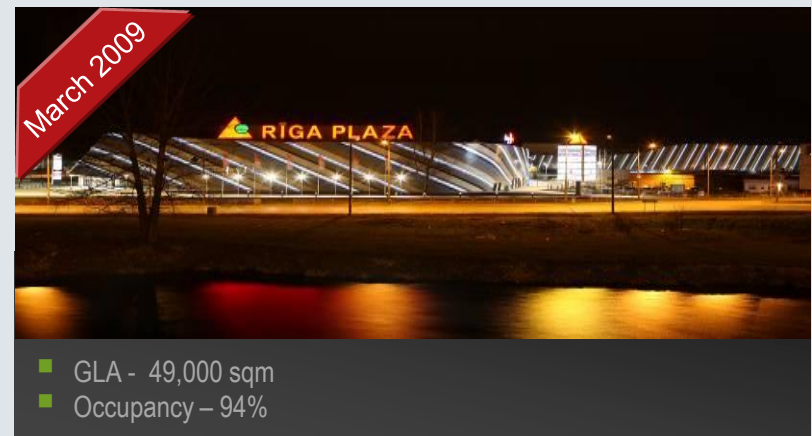
# Active shopping and entertainment centres



Liberec Plaza, Czech Republic



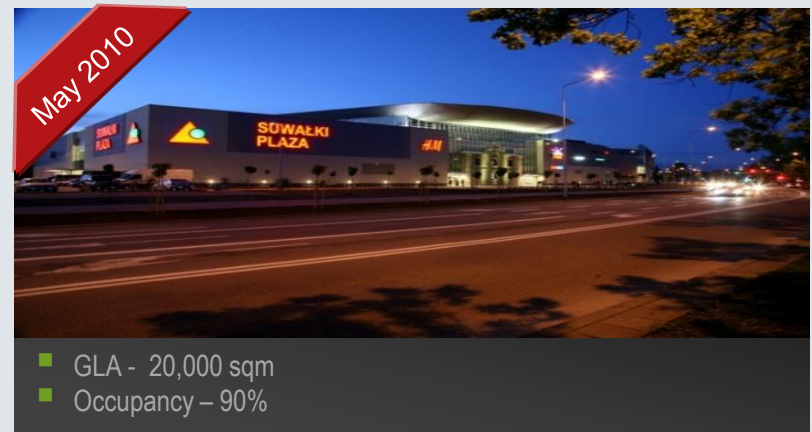
Riga Plaza, Latvia



Zgorzelec Plaza, Poland



Suwalki Plaza, Poland





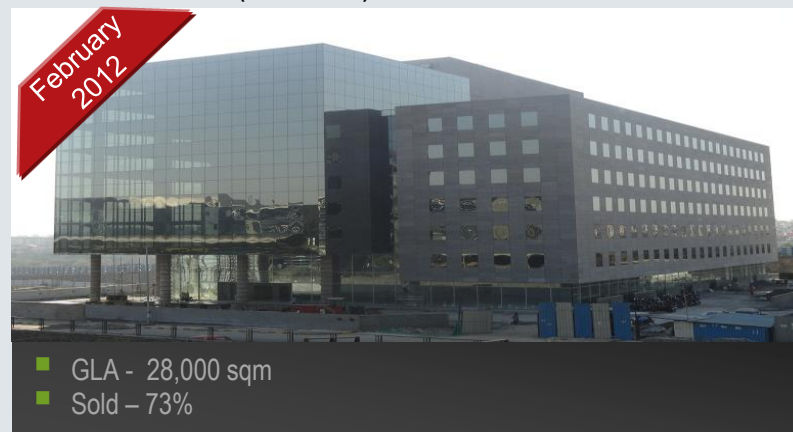
# Active shopping and entertainment centres



Torun Plaza, Poland



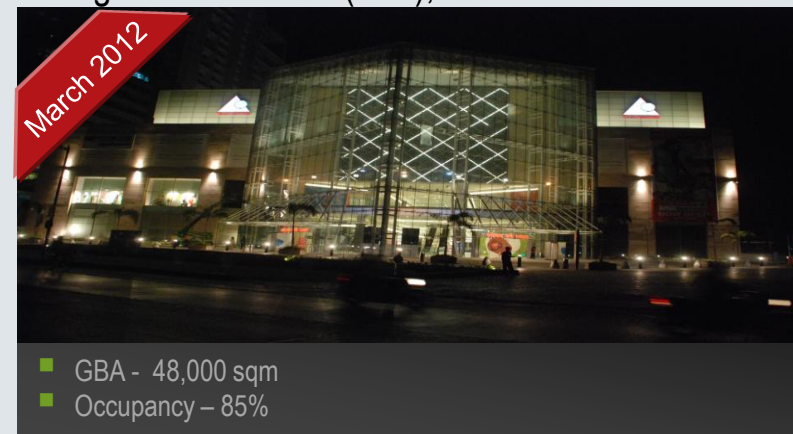
Kharadi Plaza (Matrix 1), India



Kragujevac Plaza, Serbia



Koregaon Park Plaza (Mall), India



# Building upon our successful business model



- Continue to build on successful track record of developing, letting and selling shopping & entertainment centres in CEE over the last 17 years
- Geographic expansion beyond CEE is now well advanced through successful and established Indian projects and completion of a highly profitable first investment into the US market
- Strong ability to identify new growth opportunities in existing as well as new countries
- Flexibility and ability to anticipate and adapt to market trends
- Highly skilled management team with extensive local property expertise, knowledge and a proven ability to source strategic development sites and design projects
- Extensive network and strong relationships with leading international retailers
- Strong and evolving brand name supports lettings and pre-sales, as evidenced by increasing occupancy across the portfolio
- Thorough project and risk evaluation prior to sourcing and commencing each development opportunity
- Successful project management - almost all projects to date finished on time and within budget



# Outlook



- Continued belief in long-term fundamental of CEE
  - IMF estimates from January 2013 indicate GDP grew by 1.8% in 2012 in CEE region. Contrasted against a -0.4% reduction in the Euro area
- **However**, transaction volumes in CEE fell by 35% in 2012 compared to 2011, due to a lack of finance to support transactions
  - **Confirms** our strategy to hold and asset manage completed developments, enjoying the rental income they produce, until sale prices which reflect their current and existing potential are achieved
- Encouraged by the resilience and strength of occupier demand in our major markets. Many international retailers are continuing to drive their expansion into CEE
  - Evidenced by 3.5% increase in portfolio occupancy during 2012 to 88.5%



# Outlook



- Mindful of the impact of the ongoing issues of the Eurozone on the economies in which we operate, Plaza will progress a selected number of projects in the most resilient countries of the CEE, such as Poland and Serbia where GDP growth and forecasts remain above the averages for Europe
  - Construction will commence next on Visnjicka Plaza in Belgrade, Serbia and Lodz Plaza, Poland
- Continue to actively manage the investment property portfolio, comprising three shopping centres in Poland, one in India, one in the Czech Republic, one in Latvia and one in Serbia. Continuing to drive occupancy at these shopping centres remains a key priority
- The Company will continue to seek to deleverage during 2013, after a reduction in gearing from 59% to 53% in 2012



**“The company will continue to find the optimal blend of reducing our levels of gearing whilst progressing our limited developing programme into the strongest economies of the CEE. Our cautious but opportunistic approach is set to unlock significant value on behalf of our shareholders”**





# Appendix A: Forecasted Cash Flow





# Expected cash flow for the coming two years



	2013 €(m)	2014 €(m)
<b>Cash - Opening Balance - Headquarter level<sup>(1)</sup></b>	<b>64</b>	<b>55</b>
<b><u>Sources</u></b>		
Proceeds from disposals of trading and investment properties	115	58
Cash flows from operating activities <sup>(2)</sup>	33	37
<b>Total Sources</b>	<b>212</b>	<b>150</b>
<b><u>Uses</u></b>		
Debentures - principal	99	67
Debentures - interest	11	6
Bank loans - principal	8	6
Bank loans - interest	12	7
Additional equity investments in current projects	16	11
Operational expenses	12	12
<b>Total Uses</b>	<b>157</b>	<b>109</b>
<b>Cash - Closing Balance</b>	<b>55</b>	<b>41</b>
<b>Principal Debentures outstanding at year end</b>	<b>150</b>	<b>84</b>

(1) Including cash at active shopping and entertainment centers, cash and cash equivalents, deposits (both restricted and unrestricted) and liquid financial instruments

(2) Including income from operating malls, Indian residential activities and financial income



# Expected NOI from properties



Period	2013	2014 (post anticipated disposals)	Representing NOI	Total related debt at year end
	€(m)	€(m)	€(m)	€(m)
Operating shopping and entertainment centres	20.1	14.6	27.9	220
<b>Total</b>	<b>20.1</b>	<b>14.6</b>	<b>27.9</b>	<b>220</b>



# Debt & Liquidity Structure as at 31 December 2012



## Debt structure

	€(m)
<b>Debt</b>	
Debentures	189 <sup>(1)</sup>
CEE – operating malls	189 <sup>(2)</sup>
Bank Loans	
CEE – projects under development and others	33
India	34
Debt related to financial instruments	17
<b>Total Debt</b>	<b>462</b>
<b>Resources</b>	
Liquid balances – consolidated	64
Financial instruments and restricted bank deposits	38
<b>Net financial debt</b>	<b>360</b>
Shareholders equity (non-revalued)	449
Net debt / Net CAP <sup>(3)</sup>	45%
Net debt to balance sheet	38%

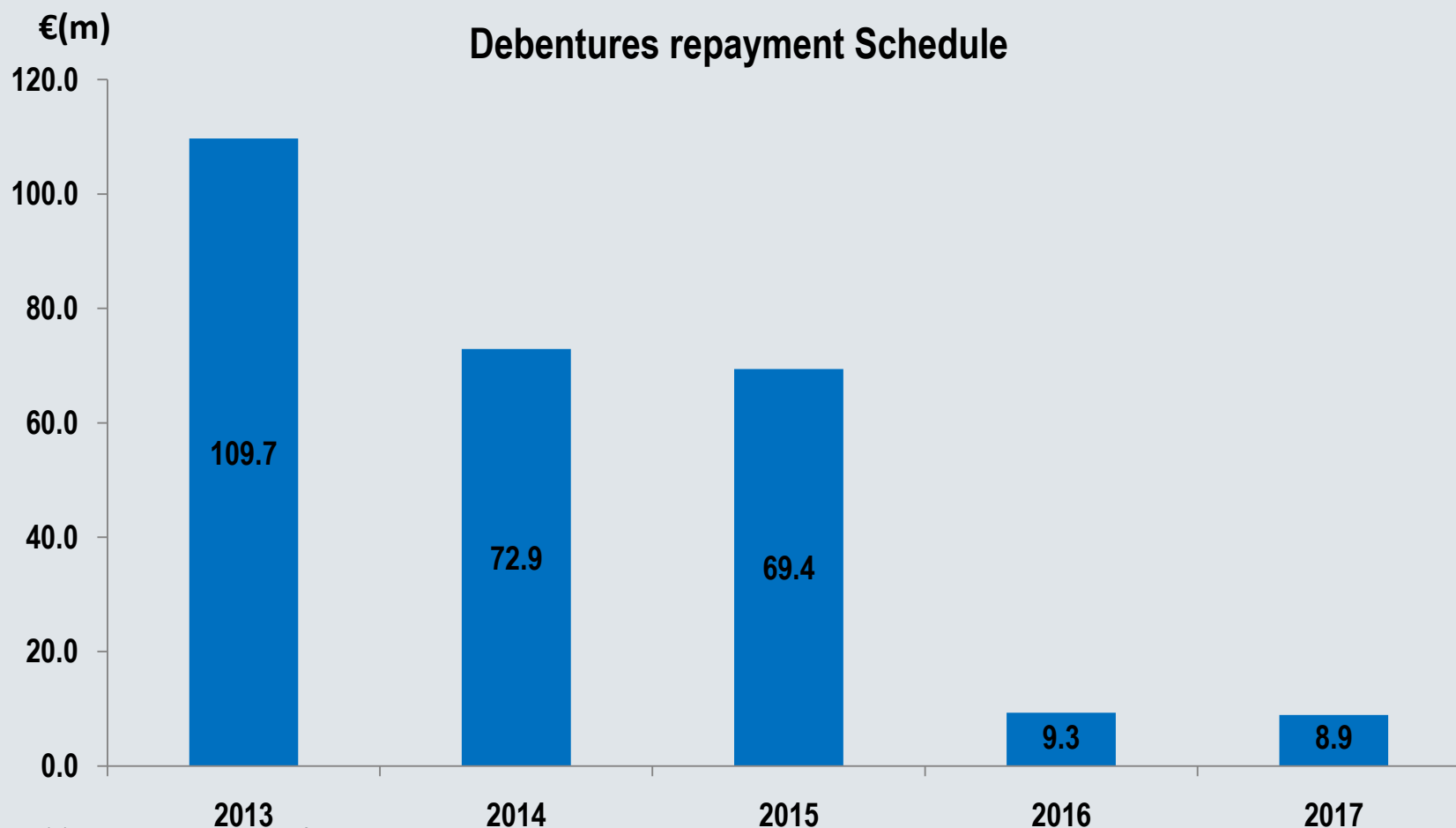
(1) Figure includes debentures presented in the financial statement at their fair value based on the quoted stock exchange price, total debentures adjusted to par value amounts to c. €226 million

(2) Inclusive of hedge related to the loan

(3) Net CAP= Net Debt + Equity



# Debentures Repayment Schedule



(1) Including repayment of principal and interest on Israeli and Polish debentures and also related debt on bond repurchased and net of bonds held by Plaza's subsidiary





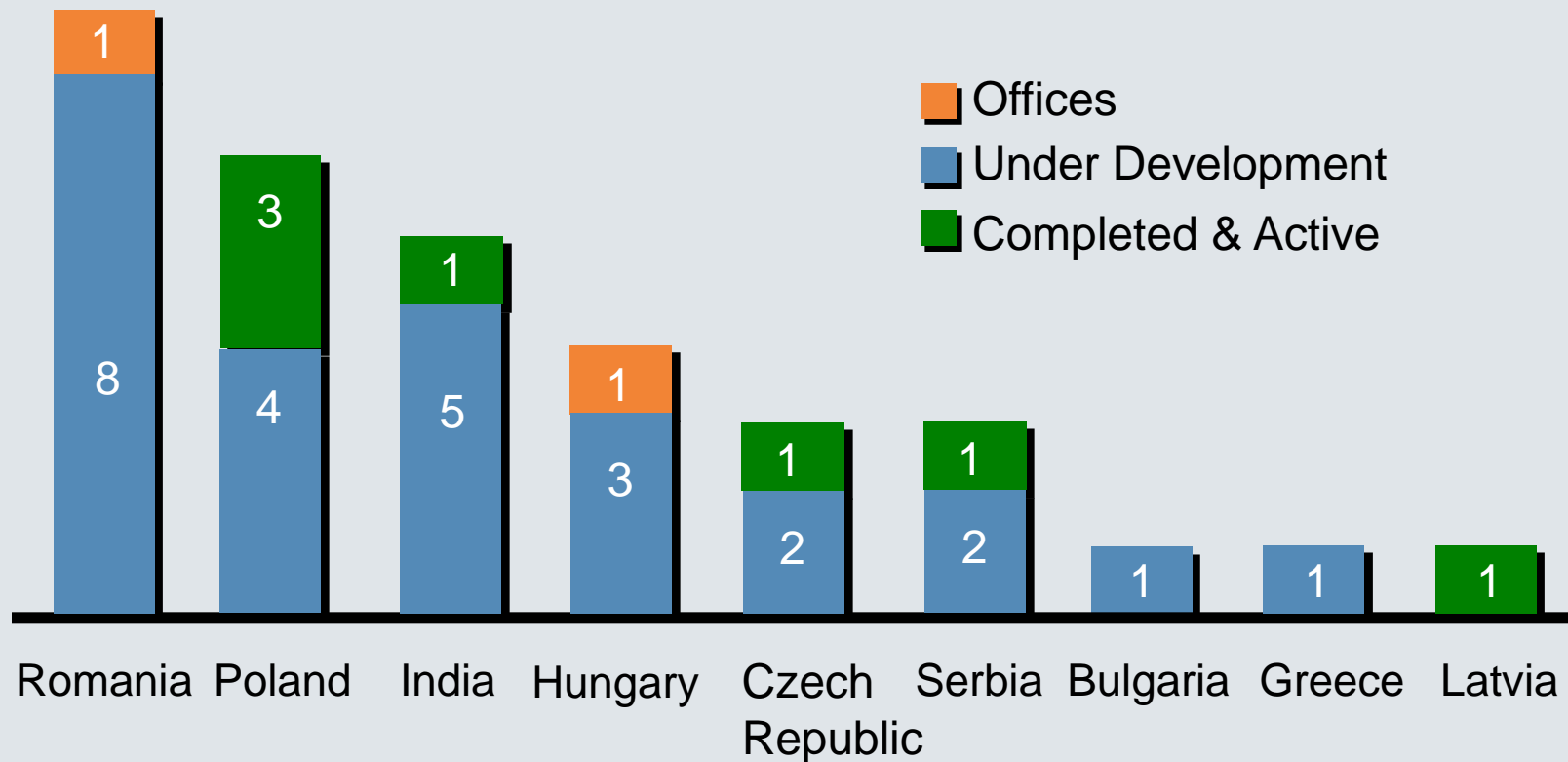
## Appendix B: Current Projects



# Portfolio Summary – by Country



Total portfolio of 35 assets in 9 countries





# Projects overview – Completed Projects



Torun Plaza (Poland)



- City: Torun, Poland
- Type: Shopping & entertainment centre
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Kragujevac Plaza (Serbia)



- City: Kragujevac (Serbia)
- Type: Shopping & entertainment centre
- Size: 22,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Zgorzelec Plaza (Poland)



- City: Zgorzelec, Poland
- Type: Shopping & entertainment centre
- Size: 13,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Suwalki Plaza (Poland)



- City: Suwalki, Poland
- Type: Shopping & entertainment centre
- Size: 20,000 (GLA)
- Plaza Share: 100%
- Status: Operating



# Projects overview – Completed Projects



## Liberec Plaza (Czech Republic)



- City: Liberec, Czech Republic
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Status: Operating

## Riga Plaza (Latvia)



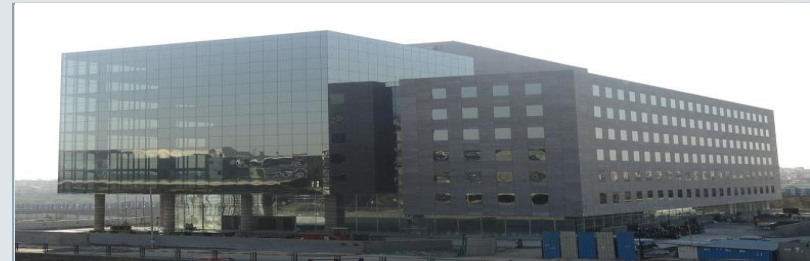
- City: Riga, Latvia
- Type: Shopping & entertainment centre
- Size: 49,000 (GLA)
- Plaza Share: 50%
- Status: Operating

## Koregaon Park Plaza mall (Pune, India)



- City: Pune
- Type: Shopping & entertainment centre
- Size: 48,000 (GBA)
- Plaza Share: 100%
- Status: Operating

## Kharadi Matrix one (Pune, India)



- City: Pune
- Type: Office
- Size: 28,000 (GLA)
- Plaza Share: 50%
- Status: Operating (73% sold)



# Projects overview - Poland



## Lodz Plaza



- City: Lodz
- Type: Shopping & entertainment centre
- Size: 45,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2014
- Status: Planning and permits stage

## Leszno Plaza



- City: Leszno
- Type: Shopping & entertainment centre
- Size: 16,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

## Kielce Plaza



- City: Kielce
- Type: Shopping & entertainment centre
- Size: 33,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015 - 2016
- Status: Planning and permits stage





# Projects overview – Serbia



## Belgrade Plaza



- City: Belgrade
- Type: Mixed use (offices, Hotel & retail)
- Size: 70,000 (GBA)
- Plaza Share: 100%
- Expected Completion Date: 2015
- Status: Planning and permits stage

## Visnjicka Plaza



- City: Belgrade
- Type: Shopping & entertainment centre
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2014 - 2015
- Status: Planning and permits stage



# Projects overview – India



## Trivandrum Plaza



- City: Trivandrum
- Type: Residential
- Size: 120,000 (GBA)
- Plaza Share: 50%
- Status: Planning and permits stage

## Kharadi Plaza



- City: Pune
- Type: Office
- Size: 250,000 (GBA)
- Plaza Share: 50%
- Expected Completion Date: 2012 - 2015
- Status: Under Construction



# Projects overview – India



## Bangalore



- City: Bangalore
- Type: Residential
- Size: 320,000 (GBA)
- Plaza Share: 23.75%
- Expected Completion Date: 2013-2020
- Status: Planning and permits stage

## Chennai



- City: Chennai
- Type: Residential
- Size: 230,000 (for sale)
- Plaza Share: 38%
- Expected Completion Date: 2013-2018
- Status: Planning and permits stage

## Kochi Island



- City: Kochi
- Type: Mixed use (residential, science park, retail, hospitality, infrastructure and marina)
- Size: 575,000 (GBA)
- Plaza Share: 23.75%
- Status: Planning and permits stage





# Projects overview - Romania



## Casa Radio



- City: Bucharest
- Type: Mixed use
- Size: 600,000 (GBA)
- Plaza Share: 75%
- Expected Completion Date: 2014-2017
- Status: Under Planning

## Timisoara Plaza



- City: Timisoara
- Type: Shopping & entertainment centre
- Size: 38,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015
- Status: Planning and permits stage

## Iasi Plaza



- City: Iasi
- Type: Mixed Use
- Size: 62,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

## Slatina Plaza



- City: Slatina
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage



# Projects overview - Romania



## Csiki Plaza



- City: Miercurea Ciuc
- Type: Shopping & entertainment centre
- Size: 14,000 (GLA)
- Plaza Share: 100%
- Status: Awaiting external finance

## Targu Mures Plaza



- City: Targu Mures
- Type: Shopping & entertainment centre
- Size: 30,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

## Hunedoara Plaza



- City: Hunedoara
- Type: Shopping & entertainment centre
- Size: 13,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

## Constanta Plaza



- City: Constanta
- Type: Shopping & entertainment centre
- Size: 18,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2014-2015
- Status: Planning and permits stage



# Projects overview - Hungary

## Dream Island



- City: Budapest
- Type: Business and leisure resort
- Size: 350,000 (GBA)
- Plaza Share: 43.5%
- Expected Completion Date: 2015-2017
- Status: Initial excavation and archeological works, casino license obtained

## Arena Extension



- City: Budapest
- Type: Office
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015
- Status: Planning stage

## Uj Udvar



- City: Budapest
- Type: Shopping & entertainment centre
- Size: 16,000 (GLA)
- Plaza Share: 35%
- Status: Existing shopping centre for refurbishment





# Projects overview – Bulgaria



## Shumen Plaza



- City: Shumen
- Type: Shopping & entertainment centre
- Size: 20,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage



# Projects overview – Greece



## Pireas Plaza



- City: Athens (Greece)
- Type: Shopping & entertainment centre
- Size: 26,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015 (subject to availability of external financing)
- Status: Planning stage



# Projects overview – Residential Projects

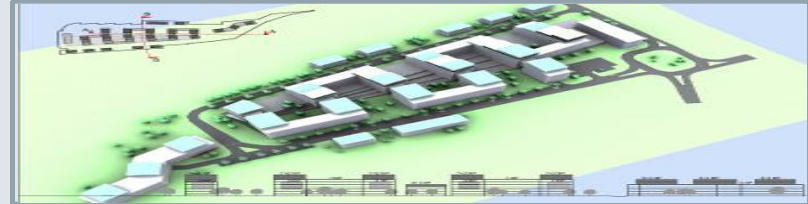


## Roztoky (Czech Republic)



- City: Prague, Czech Republic
- Type: Residential
- Size: 14,000 (GBA)
- Plaza Share: 100%
- Expected Completion Date: 2014-2015
- Status: Planning stage

## Prague 3 (Czech Republic)



- City: Prague, Czech Republic
- Type: Residential
- Size: 61,600 (GBA)
- Plaza Share: 100%
- Status: Re zoning for residential use obtained, currently yielding rent

## Lodz Residential (Poland)



# Plaza Centers

- City: Lodz, Poland
- Type: Residential
- Size: 80,000 (GBA)
- Plaza Share: 100%
- Status: Planning stage





# Projects overview – Office buildings



## David House (Hungary)



- City: Budapest, Hungary
- Type: Office
- Size: 2,000 (GLA)
- Plaza Share: 100%
- Status: Operating

## Palazzo Ducale (Romania)



- City: Bucharest, Romania
- Type: Office
- Size: 700 (GLA)
- Plaza Share: 100%
- Status: Operating

## Prague 3 (Czech Republic)



- City: Prague, Czech Republic
- Type: Office / warehouse
- Size: 44,300 (GLA)
- Plaza Share: 100%
- Status: Operating

