



Full Year Results for the year ended 31 December 2014

19 March 2015



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Agenda



- SECTION 1** Financial Highlights
- SECTION 2** Operational Highlights
- SECTION 3** Summary and Outlook
- APPENDIX A** Liquidity structure
- APPENDIX B** Projects Overview



Financial Highlights



- Reduction in total assets to €466 million (31 December 2013: €586 million), primarily due to the impairment of trading properties and equity accounted investees, and to the strategic disposal of Kragujevac Plaza, Serbia.
- A 3.5% increase in 2014 in NOI from the operation of shopping centers (from €17 million to €17.6 million, including company share in NOI from commercial center of Riga, Latvia). Excluding the impact of the commercial center Kragujevac, which was sold in the summer of 2014, the Group recorded a 13% increase in NOI from the operation of shopping centers (from €13.2 million to €14.9 million).
- Net Asset Value decreased by 44% to €153 million (31 December 2013: €274 million) primarily as a result of the impairment of assets, mainly in Romania, Greece and India.
- Net Asset Value per share of £0.17 (31 December 2013: £0.79), a decline of 78%, attributable to dilution (increase in the number of shares by 130%) and the abovementioned impairments.
- Losses in the year of €120 million (2013: Loss of €218 million), stemming from a non-cash €89 million impairment of trading properties and equity accounted investees (2013: €186 million of impairments), and an overall mostly non-cash net finance cost of €36 million (2013: €39 million).



Financial Highlights contd.



- Basic and diluted loss per share of €0.39 (31 December 2013: loss per share of €0.73).
- Consolidated cash position at year end (including restricted bank deposits, short term deposits and held for trading financial assets) of €41.7 million (31 December 2013: €33.7 million) and current cash position of circa €39.5 million (€7 million restricted).
- Gearing increased to 74% (31 December 2013: 64%) as a result of impairment losses and net finance costs incurred during the year.



Financial Overview

Results (in Thousand EUR)



For the year ended
December 31,

	2014	2013
Continuing operations		
Revenue from disposal of trading property ⁽¹⁾	38,600	-
Rental income ⁽²⁾	22,112	23,678
Revenues from entertainment centers ⁽³⁾	1,713	3,345
	<u>62,425</u>	<u>27,023</u>
Cost of trading property disposed ⁽¹⁾	-38,600	-
Cost of operations ⁽²⁾	-8,491	-9,408
Cost of operations – entertainment centers ⁽³⁾	-2,169	-4,025
Gross profit	<u>13,165</u>	<u>13,590</u>

(1) Selling of Kragujevac Plaza

(2) Slightly decrease as a result of disposal of Kragujevac Plaza – refer also to above financial highlights

(3) Closure of further units of Fantasy Park. Currently, the group has only one operating unit in its own shopping centres



Financial Overview

Results (in Thousand EUR) cont.



	2014	2013
Loss from disposal Trading Property	-573	-346
Write-down of Trading Properties ⁽¹⁾	-87,489	-117,913
Write-down of equity-accounted investees, net ⁽²⁾	-1,687	-56,417
Loss from disposal of equity accounted investees (holding undeveloped Trading Properties)	-4,048	-3,724
Share in results of equity-accounted investees	1,641	952
Administrative expenses, excluding restructuring costs ⁽³⁾	-7,434	-9,435
Restructuring costs	-2,388	-702
Other income ⁽⁴⁾	2,484	413
Other expenses ⁽⁵⁾	-2,507	-11,468
Results from operating activities	-88,836	-185,050

(1) Relating mainly to projects in Romania (€51 million); India (€12 million); Greece (€11 million); Serbia (€6 million); Poland (€6 million)

(2) Mainly due to Chennai project in India

(3) Administrative expenses decreased as a result of a decrease in payrolls and related expenses as part of the Company's efforts to reduce costs during the year.

(4) Mainly insurance refund in connection of Koregaon Park fire incident

(5) Other expense recorded mainly due to the impairment and selling of other assets



Impairment of trading properties

Results (in Thousand EUR) cont.



<u>Project name (location)</u>	The year ended December 31,	
	2014	2013
Iasi (Iasi, Romania)	4,280	1,582
Koregaon Park (Pune, India)	10,059	15,564
Belgrade Plaza (Belgrade, Serbia)	2,500	29,347
Helios Plaza (Athens, Greece)	10,901	12,267
Liberec (Liberec, Czech Republic)	2,080	11,578
Belgrade Plaza Visnjicka (Belgrade, Serbia)	175	6,825
Lodz Plaza (Lodz, Poland)	829	6,400
Casaradio (Bucharest, Romania)	33,583	6,305
Zgorzelec (Zgorzelec, Poland)	3,868	2,013
Constanta (Constanta, Romania)	3,813	4,972
Ciuc (Ciuc, Romania)	3,653	4,414
Kragujevac (Kragujevac, Serbia)	3,395	751
Timisoara (Timisoara, Romania)	2,027	3,968
	-	3,500
Roztoky (Prague, Czech Republic)		
Kielce (Kielce, Poland)	-323	828
Other, aggregated	6,649	7,599
	87,489	117,913



Financial Overview

Results (in Thousand EUR) cont.



	2014	2013
Gain from restructuring plan(*)	3,443	-
Finance income (1)	1,263	1,288
Finance costs (2)	-36,839	-40,632
Net finance costs	-35,576	-39,344
Loss before income tax	-120,969	-224,394
Tax benefit (3)	1,282	6,256
Loss from continuing operations	-119,687	-218,138
<u>Discontinued operation</u>		
Profit from discontinued operation, net of tax	-	65
Loss for the year	-119,687	-218,073

(*) Accounting gain on de-recognition of old bonds and first registration of bonds with amended terms.



Financial Overview *(Cont.)*



NOTES TO THE RESULTS

- (1) Finance income remained at the same level (€1.3 million) with 2014 income attributable mainly to the settlement of the airplane loan (with a gain recorded of €0.6 million) and hedging activities.
- (2) Finance expenses decreased from €40.6 million to €36.8 million (in 2013 borrowing costs of €6.5 million were capitalised). The main components of the expenses were:
 - Interest expense on debentures presented at amortized cost (€5.3 million compared to €9.6 million in 2013)
 - €9.6 million interest expense on bank borrowings compared to €10.7 million in 2013
 - Change in the fair value of debentures measured at fair value (€21.3 million in 2014 while €13.2 million in 2013).
 - €0.5 million of foreign exchange loss vastly due to movements in NIS/EUR exchange rate compared to €5.4 million in 2013
- (3) A 2014 tax benefit of €1.3 million recorded in the consolidated income statement largely represents the creation of deferred tax assets attributed to the Polish operations.



Financial Overview (Cont.)

Balance sheet and cash flow



- Net Asset Value decreased by 44% to €153 million (31 December 2013: €274 million) primarily as a result of the impairment of assets, mainly in Romania, Greece and India.
- Consolidated cash position at year end (including restricted bank deposits, short term deposits and held for trading financial assets) of €41.7 million (31 December 2013: €33.7 million) and current cash position of circa €39.5 million (€7 million restricted).

**Current consolidated cash balance –
€39.5 million**



Company Net Operating Income (“NOI”)



The following table presents the 2014 NOI performance of shopping centres:

Shopping centre name	NOI 2014 (€M)	NOI 2013 (€M)	Remarks
Torun	7	6	TK Maxx major tenant opened in late March 2014.
Suwalki	3.5	3.2	
Zgorzelec	1.4	1.1	
Liberec	0.7	1	
Koregaon Park	-1.1	-0.7	
Kragujevac Plaza	2.7	3.9	Was sold in 2014, 2014 results represents 8 months. 12 months estimated €4.1 M.
Subtotal	14.2	14.5	
Riga (50%)	3.5	2.9	Not included as part of gross profit due to IFRS requirements, but rather as part of Equity Accounted Investees.
Total	17.7	17.4	



Company Trading property breakdown



Asset name	Value Dec. 31, 2014 (€M)	Remarks
Casa Radio (Romania)	116.1	100% of the asset
Torun (Poland)	68	
Suwalki (Poland)	39.2	
Koregaon Park (India)	33.8	
Visnjicka (Serbia)	18.9	
Liberec (Czech Republic)	15.7	
Zgorzelec (Poland)	13.5	
Belgrade MUP (Serbia)	13.7	
Subtotal	318.9	
Other plots, aggregated	51.9	
Total recorded in financial statements	370.8	
Riga (Latvia)	45	Included in EAI
EPI (Bangalore+Chennai)	24.2	Included in EAI
Total trading property	460.9	



Company NAV



- Net Asset Value per share decreased to 0.22 €/share from 0.92 €/share at year end 2013, mainly as a result of further impairments and dilution as a result of rights issuance below market value (basic NAV/share 0.51 €/share).
- Romania (€51 million); India (€12 million); Greece (€11 million); Serbia (€6 million); Poland (€6 million); Czech Republic (€2 million); and Bulgaria (€1 million).

Use	EUR (Thousand)
Market value of land and projects by Cushman Wakefield	448,844
Assets minus liabilities as at 31 December 2014 ⁽¹⁾	(295,577)
Total	153,267

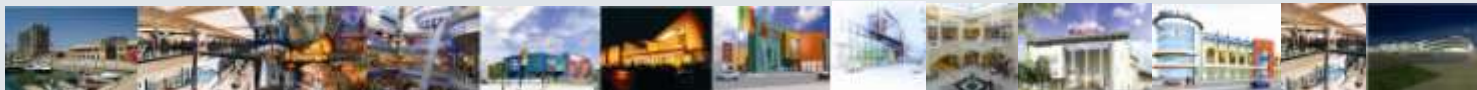
(1) Excluding book value of assets which were valued by Cushman and Wakefield



Key Highlights 2014 – Operational



- During the period, Plaza made significant headway in the repositioning of its portfolio, disposing of a number of non-core assets:
 - In the fourth quarter of 2014, 18 months ahead of schedule, Plaza successfully completed the disposal of Kragujevac Plaza in Serbia for €38.6 million, in line with the asset's last reported book value. Following the repayment of related bank debt of c. €28.2 million, 75% of the net cash proceeds (c. €12.4 million, including the released restricted cash deposit of c. €2 million) were distributed to the Company's bondholders as an early repayment of the bonds, in line with the Company's stated restructuring plan.
- Successful disposals of non-core sites in Romania, at Targu Mures (September 2014) and Hunedoara (December 2014), for €3.5 million and €1.2 million respectively, consistent with the assets' last reported book values. 75% of the net cash proceeds of the two transactions was distributed to the Company's bondholders in December as an early repayment of the bonds.



Key Highlights 2014 – Operational (cont.)



- Improved occupancy and turnover were recorded across the Company's existing shopping and entertainment centres in the CEE, with the overall portfolio occupancy level increasing to 94% as of 31 December 2014.
 - At Torun Plaza, Poland, occupancy increased to 92.5% (2013: 89%). An additional 4,100 sqm of GLA was opened during the year, and asset management initiatives contributed to a 21.2% increase in turnover and 6.3% increase in footfall compared to 2013.
 - In Latvia, Riga Plaza's occupancy level increased to 99.5% (2013: 97%) and the shopping centre recorded the second highest increase in turnover in the portfolio (15.6%) along with a 7.2% increase in footfall.
 - Occupancy at Suwalki Plaza, Poland increased to 97.7% (2013: 91%) and it continues to perform well, with a 7% increase in turnover in 2014.
 - Zgorzelec Plaza, Poland also experienced strong occupancy growth, reaching 95.2% (2013: 91%), attributable to the opening of a 547 sqm store for Carry and a number of smaller fashion and service stores. The centre reported a 14.1% increase in turnover and 8.4% in footfall.
 - Liberec Plaza, Czech Republic reported a 7.5% increase in turnover in 2014. Occupancy remains steady at 84% (2013: 86%), the slight decrease due to lease agreement expiries, which were in part offset by the opening of a 1,611 sqm Sports Direct store in April.



Markets of Operation - Active shopping and entertainment centres



Poland

- Population - 38.4 million
- 2013 Inflation Rate - 1%
- 2013 GDP per capita - US\$ 21,100

Operating Malls - 3

Current Value - €152.8m

Latvia

- Population - 2.2 million
- 2013 Inflation Rate - 0.2%
- 2013 GDP per capita - US\$ 19,100

Operating Malls - 1

Current Value - €45m (50%)

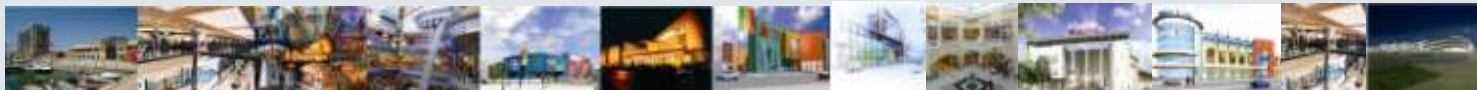


Czech Republic

- Population - 10.6 million
- 2013 Inflation Rate - 1.4%
- 2013 GDP per capita - US\$ 26,300

Operating Malls - 1

Current Value - €15.7m



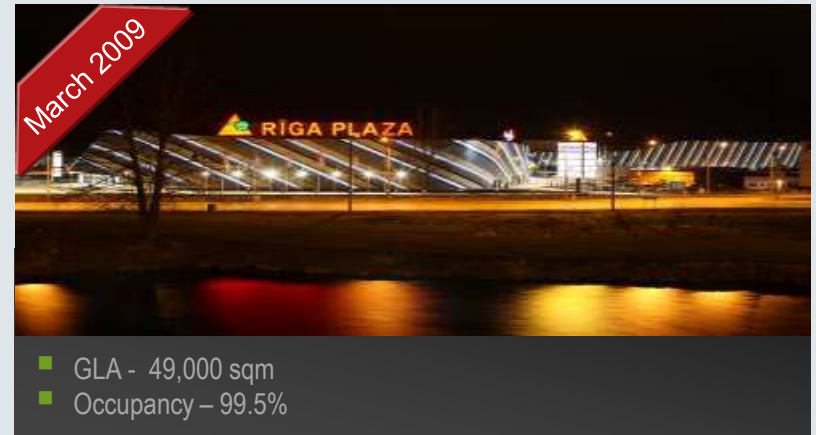
Active shopping and entertainment centres



Liberec Plaza, Czech Republic



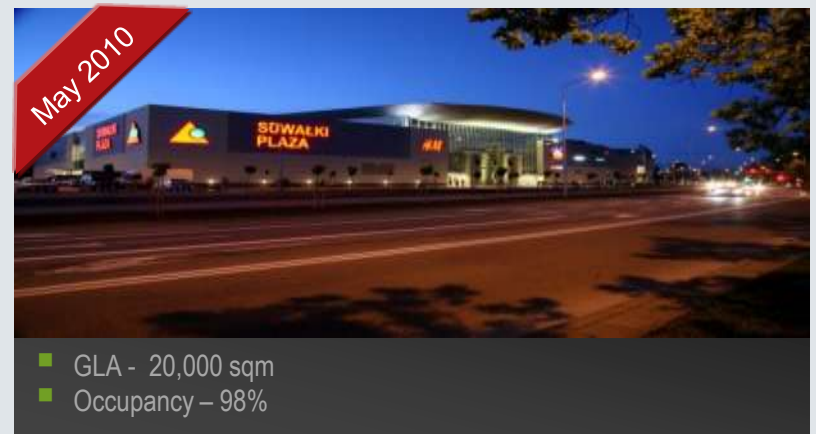
Riga Plaza, Latvia



Zgorzelec Plaza, Poland



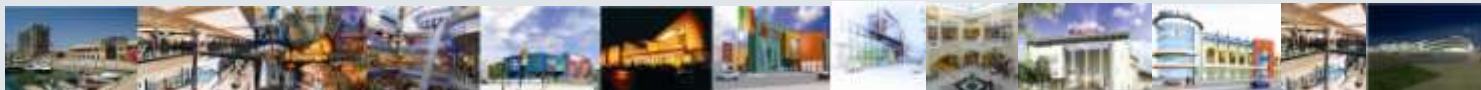
Suwalki Plaza, Poland



Active shopping and entertainment centres



Torun Plaza, Poland



Proven business model



- 19-year track record of developing , constructing, operating, maintaining , letting and selling shopping and entertainment centres in CEE
 - Plaza has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centre in Hungary.
- In 2006 the Group extended its area of operations beyond the CEE into India and, between 2011 and 2013, Plaza completed a highly profitable first investment into the US market.
- The Company has a highly skilled, experienced and established management team in each operational country, with a proven track record of developing shopping centres on schedule and budget, obtaining bank finance, letting to tenants and selling to international funds.
- Plaza maintains its extensive network and strong relationships with leading international retailers, highlighted by the signing of two new significant anchor tenants at Torun Plaza in Poland and Riga Plaza in Latvia.
- To date, the Company has developed 33 shopping and entertainment centres in the CEE (more than any other company in the region) and India, of which 27 have been sold with an aggregate gross value of €1.19 billion.



Outlook



- 2014 marked a year of progress for Plaza as the Company successfully completed the Dutch restructuring plan, with 92% of creditors approving the plan in June and the Dutch court's formal and irrevocable approval being granted in July, just seven months after the Company made its initial announcement. The successful Rights Offering, which concluded in December, provided the Company with a welcome €20 million cash injection and the completion of this considerable activity provided us with a strengthened platform to start the new year.
- Going into 2015, the economic outlook is relatively positive in the Company's core geographies. This trend is expected to continue and the effect of lower oil prices, together with the knock-on impact of Quantitative Easing and the wider Eurozone recovery, should prove beneficial.
- Transactional activity has been stronger, as evidenced by the sales of Kragujevac in Serbia and non-core land in Romania, reflecting the improvement in investor sentiment. In the year ahead, the Company will continue to drive the reshaping of the portfolio with the disposal of further non-core assets in order to deleverage the balance sheet and advance key development projects in core geographies including Timisoara in Romania, Belgrade in Serbia and Lodz in Poland. In Poland, the Company expects to deliver a master plan for the planned retail and entertainment scheme, Lodz Plaza, by the end of this year and has secured a number of pre-lets for Timisoara Plaza in Romania and Belgrade Plaza (Visnjicka) in Serbia, where construction is planned to commence later this year, subject to securing bank financing and sufficient levels of pre-lets.



Outlook



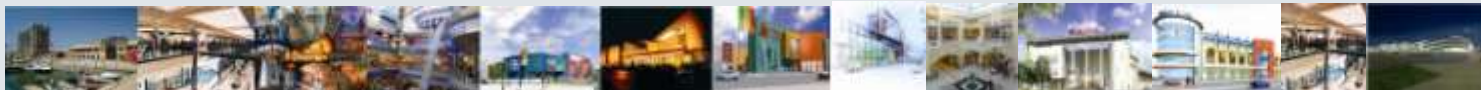
- Day to day, we will continue to pursue our intensive asset management strategy which has seen clear success at our income-generating centres in the CEE, where our focus remains on initiatives that will drive occupancy levels, footfall and turnover to maximise income and deliver value.



Outlook



“While there remains a lot to do in the short and medium term, we have confidence in the long term future growth of the Company and the management is resolute in its belief that, with the ongoing support of our bondholders and shareholders, the delivery of the strategy, together with the brightening economic outlook, will result in the delivery of value and growth to our investors.”





Appendix A: Liquidity Sturcure



Debt & Liquidity Structure as at 31 December 2014



Debt Structure - 31.12.2014 (EUR M) Estimation

Debt	Debentures ⁽¹⁾		192
	Bank Loans	CEE - Operating Malls	149
		CEE - Other	10
		India ⁽²⁾	23
	Total Debt		374
Resources	Liquid balances -Consolidated		31
	Finacial Instruments and restricted bank deposits ⁽³⁾		8
	Total sources		39
	Net Financial Debt		335
	Shareholders' equity (Non-revalued)		120
	Net Debt / Net CAP ⁽⁴⁾		74%
	Total Net Debt to Balance Sheet (LTV)		72%

(1) Adjusted par value

(2) Koregaon Park Plaza loan

(3) Excludign €2 million advance payment received for Iasi plot

(4) Net CAP=Net Debt + Equity

CEE - Operating malls	Riga	28
	Liberec	21
	Suwalki	30
	Zgorzelec	22
	Torun	47
	IRS SWAP	1
Total		149

CEE - Other (Projects under development)	BAS- Romania	9.7
Total		10





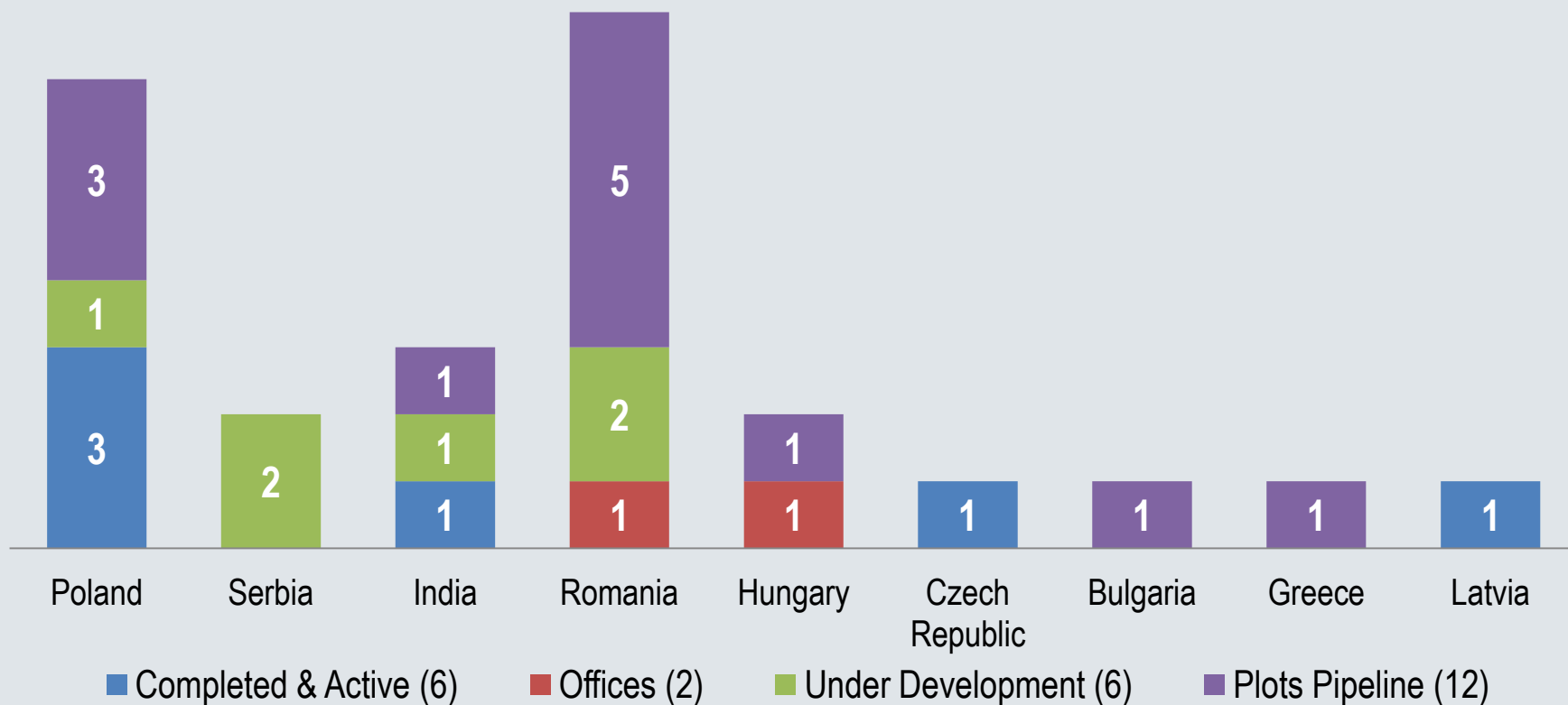
Appendix B: Current Projects



Portfolio Summary – by Country



Total 26 Assets in nine 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



Projects overview - Poland



Lodz Plaza



- City: Lodz
- Type: Shopping & entertainment centre
- Size: 35,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2017
- Status: Planning and permits stage

Leszno Plaza



- City: Leszno
- Plot size: 18,000 sqm
- Plaza Share: 100%

Kielce Plaza



- City: Kielce
- Plot size: 25,000 sqm
- Plaza Share: 100%



Projects overview – Serbia



Belgrade Plaza

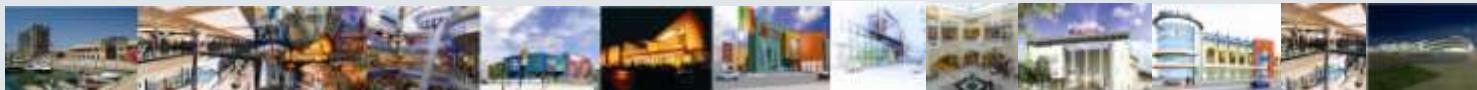


- City: Belgrade
- Type: Mixed use (offices, Hotel & retail)
- Size: 63,000 (GBA)
- Plaza Share: 100%
- Expected Completion Date: 2017
- Status: Planning and permits stage

Visnjicka Plaza



- City: Belgrade
- Type: Shopping & entertainment centre
- Size: 32,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2017
- Status: Planning and permits stage



Projects overview – India



Bangalore

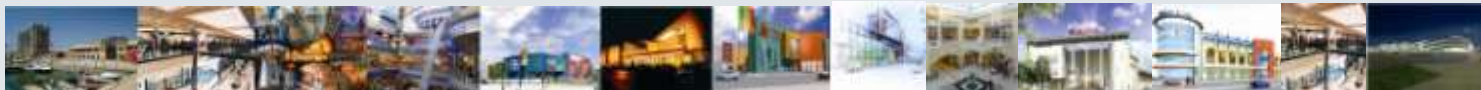


- City: Bangalore
- Type: Residential
- Plot Size: 218,500
- Plaza Share: 25%
- Status: Planning and permits stage

Chennai



- City: Chennai
- Type: Residential
- Size: 172,000 (for sale)
- Plaza Share: 40%
- Expected Completion Date: 2016-2020
- Status: Planning and permits stage



Projects overview - Romania



Casa Radio



- City: Bucharest
- Type: Mixed use
- Size: 467,000 (GBA) (including parking)
- Plaza Share: 75%
- Expected Completion Date Phase 1: 2017
- Status: Under Planning

Timisoara Plaza



- City: Timisoara
- Type: Shopping & entertainment centre
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

Iasi Plaza

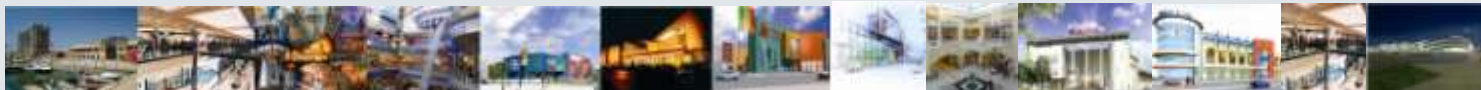


- City: Iasi
- Type: Mixed Use
- Plot Size: 46,500
- Plaza Share: 100%

Slatina Plaza



- City: Slatina
- Type: Shopping & entertainment centre
- Plot Size: 24,000
- Plaza Share: 100%



Projects overview - Romania



Csiki Plaza

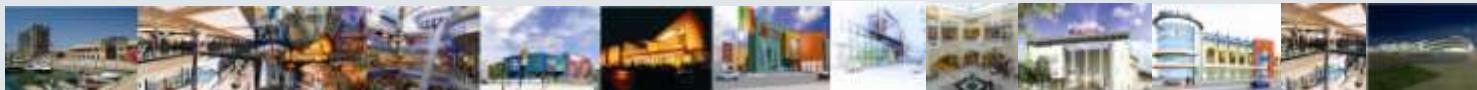


- City: Miercurea Ciuc
- Type: Shopping & entertainment centre
- Plot Size: 36,500
- Plaza Share: 100%

Constanta Plaza



- City: Constanta
- Type: Shopping & entertainment centre
- Plot Size: 26,500
- Plaza Share: 100%



Projects overview - Hungary



Arena Extension



- City: Budapest
- Type: Office
- Plot Size: 22,000
- Plaza Share: 100% (land use rights)



Projects overview – Bulgaria



Shumen Plaza



- City: Shumen
- Type: Shopping & entertainment centre
- Plot Size: 26,000
- Plaza Share: 100%



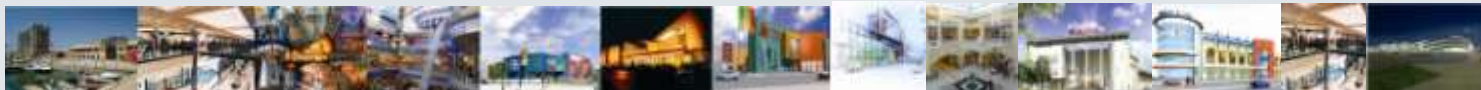
Projects overview – Greece



Pireas Plaza



- City: Athens (Greece)
- Type: Offices
- Plot Size: 15,000
- Plaza Share: 100%



Projects overview – Residential Projects

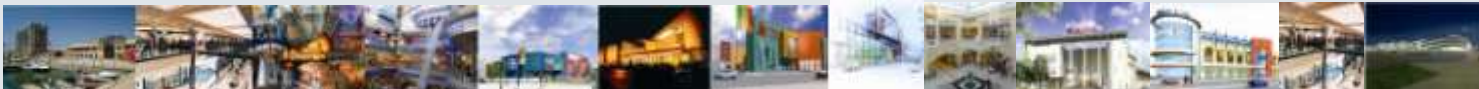


Lodz Residential (Poland)



Plaza Centers

- City: Lodz, Poland
- Type: Residential
- Plot Size: 33,000
- Plaza Share: 100%



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

