



# Presentation for Bondholders Meeting

3 April 2017



# DELAY IN PUBLICATION OF PRELIMINARY RESULTS

On March 31, 2017 the Company announced that the audit process of its annual financial statements is still ongoing and therefore there will be a delay in the publication of its financial results for the year ended 31 December 2016.

Work is being undertaken to address the situation with a view to announcing the financial results as soon as possible. Without any connection to the abovementioned delay, the annual financial statements, when published, will include a “going concern” note.

# DISCLAIMER

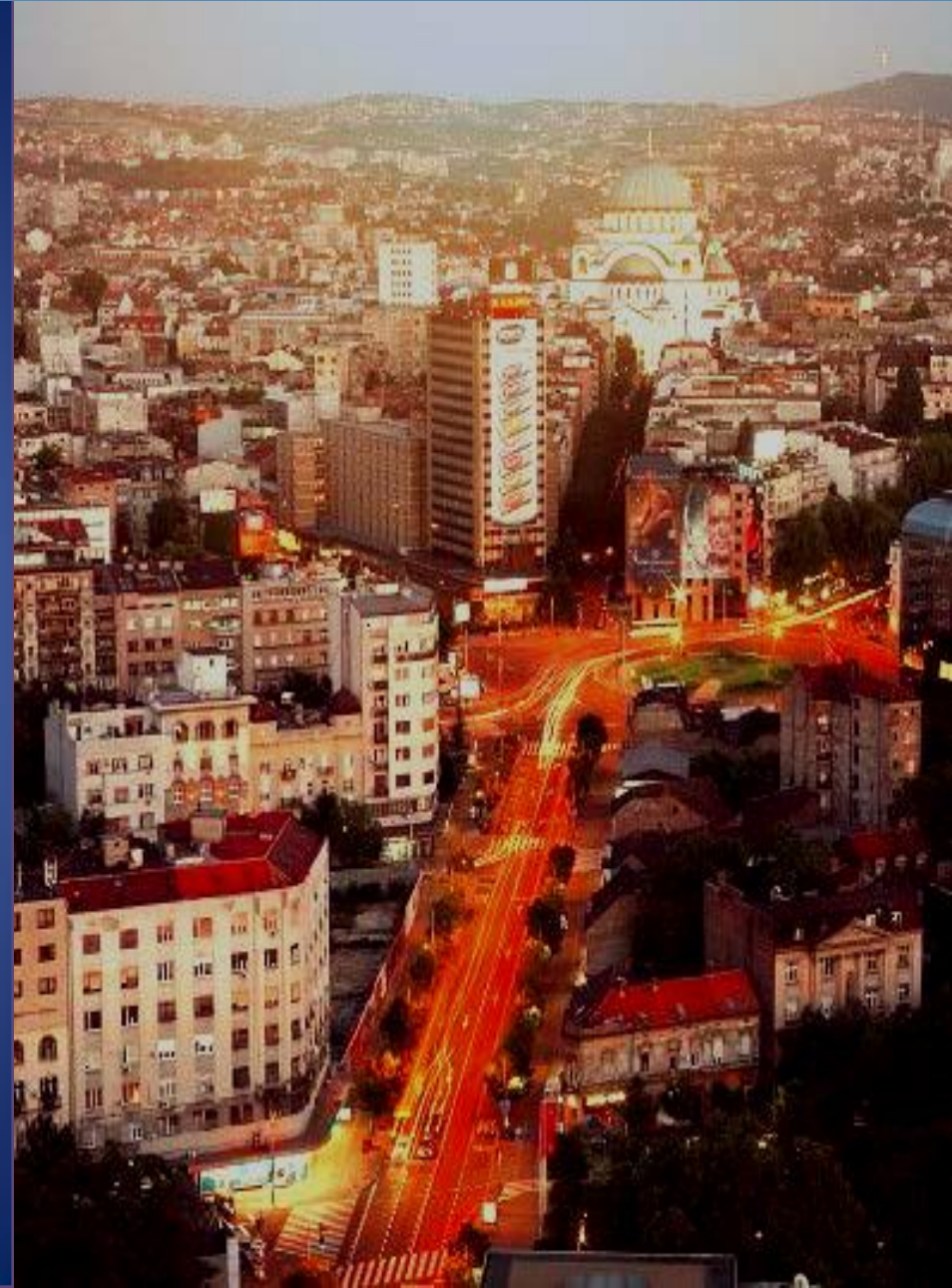
It is hereby stated that up to date the Annual Financial Statements of the Company for 2016 were not signed by the auditors and published to the public. Part of the data and information included in this presentation was taken from the existing paper work and drafts of the 2016 annual financial statements, and, therefore, such data and information might be changed when the 2016 financial statements finally published. The Company is not undertaking and not obliged to publish any update to this presentation.

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# AGENDA

- **Company Overview**
- **Capital Markets & Debt Restructuring**
- **Activities Following Approval of Restructuring Plan**
- **Operational Highlights**



# Company Overview

Plaza Centers is an emerging markets property developer, focused on western-style shopping and entertainment centres

## Business Description

- 21-year track record of developing shopping & entertainment centres in CEE - Plaza Centers has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centres in Hungary
- Plaza has pioneered this concept throughout the CEE whilst building a strong track record of successfully developing, constructing, operating, managing, letting and selling shopping and entertainment centres. In 2006 the Group extended its area of operations beyond the CEE into India
- To date, the Company has developed 33 shopping and entertainment centres in the CEE and India, of which 32 have been sold with an aggregate gross value of circa €1.4 billion. As of March 31, 2017 Plaza owns 15\* assets.
- Opening of Belgrade Plaza is scheduled for 20th of April, 2017 (see slide 21)

## Real Estate Portfolio

Plaza Centers  
N.V.

### Europe (CEE)

- 32 Shopping centres developed and managed in Central & Eastern Europe, of which 30 were sold
- One active shopping centre currently owned and managed
- Two projects for development
- 10 pipeline plots\*

### India

- Koregaon Park Plaza Mall was sold in 2015
- In May 2013 Plaza completed the sale of its 50% interest in a JV which mainly held interest in an office complex in Pune.
- Two plots in the cities of Bangalore and Chennai\*\* held by a joint venture with Elbit Imaging

\* In September 2016, the Company has signed a preliminary sale agreement for the sale of plot in Leszno, Poland (see slide 18)

In October 2016, the Company has signed a sale agreement for the sale of the plot in Kielce, Poland (see slide 18)

\*\* In August 2016 a JDA was signed for Chennai (see slide 21)

# Company Overview

**21-year track record of developing shopping & entertainment centres in CEE — Plaza Centers has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centres in Hungary**

1996	First investment in Hungary
1996–2004	Developed and managed a portfolio of 20 shopping and entertainment centres
2004	Sold 12 shopping and entertainment centres to Klépierre at a gross asset value of €278m (c. 9.3% net yield)
2005	Sold four shopping and entertainment centres to Dawnay Day at a gross asset value of €54m (c. 9.2% net yield)
2006	Sold four shopping and entertainment centres to Klépierre at a gross asset value of €204m (c. 8.4% gross yield)
2006	Forward sold five shopping and entertainment centres to Klépierre
2006	Raised £166.2m from issuing 92.3m ordinary shares listed on the Main Board of the LSE
2006	Sold one shopping and entertainment centre to Klépierre at a gross asset value of €50m (c. 7.9% gross yield)
2006	First acquisition in India
2007	Sold three shopping and entertainment centres to Klépierre at a gross asset value of €129m (c. 7.3% gross yield)
2007	Sold one shopping and entertainment centre to aAIM for approx. €387m (c. 5.9% gross yield)
2007	Introduction to Exchange trading shares of Plaza Centers on the main market on WSE
2007-2011	Gross proceeds raised of approximately €370m from bond issuance on the Tel Aviv stock exchange
2008	Sold one shopping and entertainment centre to Klépierre at a gross asset value of €61.4m (c. 7.3% gross yield)
2009	Opening of two new shopping and entertainment centres in Riga, Latvia and in Liberec, Czech Republic
2010	Opening of two new shopping and entertainment centres in Zgorzelec and Suwalki, Poland
2010	Raised a total of PLN 60m (€15.2m) from issuing bonds to Polish Institutional investors
2010	First transaction in the US retail market
2011	Opening of a shopping and entertainment centre in Torun, Poland
2012	Opening of two shopping and entertainment centres in Kragujevac, Serbia and in Pune, India
2012	Sold 49 US based shopping and entertainment centres to BRE DDR Retail Holdings LLC (a joint venture between Blackstone Real Estate and DDR Corp.) at a gross asset value of US\$1.47 billion
2013	Completed the sale of its 50% interest in a vehicle which mainly holds interests in an office complex project located in Pune, India, generating gross cash proceeds of circa €16.7 million
2013	Completed the sale of 100% of its interest in a vehicle which holds the interest in the Prague 3 project located in Prague, Czech Republic, generating net cash proceeds of circa €7.5 million. Also completed the sale of a 39,000 sqm plot in Roztoky, Czech Republic, generating cash proceeds of circa €1.3 million

# Company Overview

**21-year track record of developing shopping & entertainment centers in CEE — Plaza Centers has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centres in Hungary**

- 2013 Completed the sale of its share (43.5%) in the Dream Island project in Budapest, Hungary. The deal represented a gross asset value of circa €16.5 million (100%)
- 2014 Sold its 35% stake in Uj Udvar project in Budapest, Hungary for cash proceeds of €2.35 million
- 2014 Completed the sale of a plot in Targu Mures, Romania, generating cash proceeds of €3.5 million
- 2014 Completed the sale of a plot in Hunedoara, Romania, generating cash proceeds of €1.2 million
- 2014 Completed the sale of Kragujevac Plaza shopping and entertainment centre for a total consideration of €38.6 million. The Net Cash Proceeds from the sale were €12.2 million
- 2015 Sold Koregaon Park Plaza Shopping and Entertainment Centre located in Pune, India for circa €35 million. The Net Cash Proceeds from the sale were circa €7.4 million
- 2015 Completed the sale of a 1,200 sqm plot in Ploiesti, Romania for a total consideration of €0.24 million
- 2015 Completed the sale of a 17,000 sqm plot in Brasov, Romania generating cash proceeds of €0.33 million
- 2015 Completed the sale of a 46,500 sqm plot in Iasi, Romania generating cash proceeds of €7.3 million
- 2015 Completed the sale of an office building in Bucharest, Romania (823 sqm GLA) for €1.1 million
- 2015 Completed the sale of part of a residential plot in Lodz, Poland for €0.5 million
- 2015 Completed the transaction to waive its leasing rights of the Cina property in Bucharest, Romania, which has been sold by its owner. The gross proceeds from the transaction were circa €2.7 million
- 2016 Completed the sale of Liberec Plaza, Czech Republic for €9.5 million (upon completion of the disposal the Company received €8.5 million)
- 2016 Completed the sale of a 5,200 sqm residential plot in Lodz, Poland for €0.7 million
- 2016 Completed the sale of a 23,880 sqm plot in Slatina, Romania generating cash proceeds of €0.66 million
- 2016 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 was recently set at the middle of April 2017
- 2016 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
- 2016 Completed the sale of the wholly owned subsidiary, which holds the “MUP” plot and related real estate in Belgrade, Serbia, for €15.75 million
- 2016 Signed an agreement for the sale of a 20,700 sqm residential plot in Lodz, Poland for €2.4 million
- 2016 Completed the sale of an 18,400 sqm plot in a suburb of Ploiesti, Romania to a local investor for €280,000
- 2016 The SPV in which Plaza holds indirectly a 50% stake has signed a Joint Development Agreement (“JDA”) relating to its plot in Chennai, India

# Company Overview

**21-year track record of developing shopping & entertainment centers in CEE — Plaza Centers has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centres in Hungary**

- 2016** Signed a preliminary agreement for the sale of a plot in Kielce, Poland for € 2.28 million. As part of the sale process, Plaza has received a down payment of € 0.465 million, while the remaining € 1.815 million will be paid within 8 months of this agreement
- 2016** Signed a preliminary sale agreement of a plot in Leszno, Poland for €810,000. The sale is conditional to securing a permit for the development of the site
- 2016** Concluded the Debt Repayment Agreement (“DRA”) with the financing bank of Zgorzelec Plaza shopping centre in Poland and completed the sale of Zgorzelec Plaza in Poland
- 2017** Completed the sale of Suwałki Plaza shopping and entertainment center for a gross value of € 42.3 million
- 2017** Completed the sale of David House office building in Hungary for € 3.2 million
- 2017** Completed the sale of Shumen Plaza plot in Bulgaria for € 1 million
- 2017** Completed the sale of Belgrade Plaza shopping and entertainment center (“Belgrade Plaza”) in Belgrade, Serbia. Belgrade Plaza is currently 90% pre-let and opening is scheduled for 20th April. Plaza has received an initial advance payment of circa €31.5 million from the buyer for the sale of 100% of the SPV. This payment will be followed by further payments during the next 12-36 months of operation



# Company Overview

## Portfolio Summary by Country as of March 31, 2017

Total portfolio of 15 assets in six countries



# Company Overview

## Portfolio Summary by Assets (CEE) as of March 31, 2017

Asset	Country	Type	Asset Value December 31, 2016 (EUR M)
Casa Radio	Romania	Development	60.1*,**
Constanta	Romania	Plot	2.0**
Ciuc	Romania	Plot	1.6**
Timisoara	Romania	Plot	7.6**
Brasov	Romania	Plot	1.1***
Arena Extension	Hungary	Plot	2.5**
Torun	Poland	Operating	76.3**
Lodz	Poland	Plot	5.1**
Kielce	Poland	Plot	2.2***
Lodz Residential	Poland	Plot	0.5***
Leszno	Poland	Plot	0.8***
Helios	Greece	Plot	3.3***
Krusevac	Serbia	Plot	1.0***
<b>TOTAL</b>			<b>164.1</b>

\*100%, net of liability for PAB construction

\*\* External valuation by Jones Lang LaSalle

\*\*\* Internal valuation by the Company's management



# Company Overview

## Operating Shopping and Entertainment Centers

### Torun Plaza



**Location**

Torun, Poland

**Concept**

Shopping and entertainment center

**GLA (sqm)**

40,000

**Occupancy (03/2017)**

93.49%

- Operating shopping and entertainment center
- Located in Central Poland
- Opened to the public in November 2011

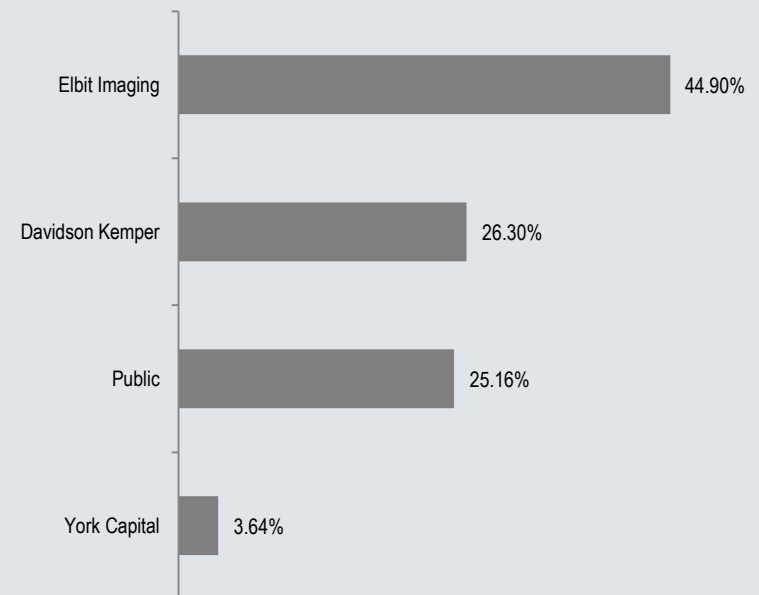
# Capital Markets & Debt Restructuring

Plaza's shares are traded on the Main Board of the London Stock Exchange (LSE), listed on the Warsaw Stock Exchange (WSE) and on Tel-Aviv Stock Exchange (TASE)

## Capital Markets

- On 1 November 2006, Plaza raised £166m (€247m) from its IPO and began trading on the Main Board of the London Stock Exchange (LSE)
- Plaza Centers' shares have been traded on the Warsaw Stock Exchange since 19 October 2007 – the first property company to achieve a London-Warsaw dual listing
- Between July 2007 – January 2011, Plaza issued €370m of bonds on the Tel Aviv Stock Exchange
- In November 2010 the Company raised a total of PLN 60m (€15.2m) from issuing bonds to Polish Institutional investors
- As of 27 November 2014, following the completion of the debt restructuring and rights issuance, Plaza Centers N.V.'s shares are also traded on the Tel-Aviv Stock Exchange under the ticker "PLAZ".

## Shareholding Structure



\* Davidson Kemper and York Capital hold 14.3% and 19.76% in Elbit Imaging, respectively.



# 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 March 15, 2017), Plaza has paid circa NIS 383 Million (€93.1 Million) and allocated 13.21% of its shares to its bondholders and secured one year deferral

## Upside:

The bondholders (excluding the subsidiary holding bonds at that time) were allocated circa 13.21% of the Company's shares following the EUR 20 million shareholders' injection and allocation. This allocation of shares was performed according to each series' share in the Deferred Debt as of December 31, 2013.

## Interest payments:

Interest payments accrued and not paid until the end of 2013 were added to the principal and are paid together with it. Following the restructuring plan's closing, interest payments are paid on their due dates.

## Interest rate:

Starting on January 1, 2014, an addition of 1.5% to the original annual interest rate is paid.

## Payment upon restructuring's closing:

The Company paid the Israeli and Polish bondholders, following the Debt Restructuring closing date at end 2014, an amount of **€14.3 million (NIS 67.2 million) on account of the 2014 accrued interest** according to the determined mechanism (pari passu to the accumulated interest).

## Interest payments:

**As of today the Company paid circa NIS 126.2 million (€30 million) for all series of bonds (excluding January 7, 2015 payment).**

## Principal Prepayments:

The Company is obliged to execute a 75% prepayment upon asset disposals, raising new financial debt or refinancing of assets (except certain cases). **Accordingly, as of today the Company has paid circa NIS 383 million (€93.1 million).**

## Outstanding balance as of March 31, 2017 (adjusted par value including interest):

**Series A Bonds:** € 55.4 million (NIS 216.1 million)

**Series B Bonds:** € 81.9 million (NIS 319.4 million)

**Polish Notes:** € 6.7 million (PLN 29.0 million)

**Total outstanding debt to Bondholders: circa € 144 million**



# 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 March 15, 2016), Plaza has paid circa NIS 383 Million (€93.1 Million) and allocated 13.21% of its shares to its bondholders and secured one year deferral

## Deferral of payments (as amended):

In the case that until April 1, 2017 the company pays the principal of the Bonds (of the three series) in prepayment of at least NIS 382 million, then all remaining principal payments will be deferred by an additional year (on that day and month of each series). As of today, the company has paid circa 100.26% of the above mentioned amount and secured the one year deferral.

<b>Shares</b>	<b>13.21% of Plaza's shares allocated</b> to bondholders
<b>Interest</b>	<b>NIS 126.2 million (€30 million) paid</b> (1.5% addition to annual interest rate; interest payments accrued and not paid till 12/2013 were added to principal)
<b>Interest upon restructuring closing (2014)</b>	<b>NIS 67.2 million (€14.3 million) paid</b> on account of interest
<b>Principal</b>	<b>NIS 383 million (€93.1 million) paid mainly</b> upon disposal of assets
<b>One-time payment (General)</b>	Plaza will pay, on 31 March 2018, one-time payment of 0.25% of the Company's outstanding debt (circa EUR 0.5 million) as of proposed amendment approval date
<b>One-time payment (Casa Radio)</b>	In the event of successful sale of the Casa Radio project in Bucharest, prior to the full repayment of the relevant Notes, and in no event later than December 31, 2019, and provided that the net proceeds actually received by the Company from such sale exceed Euro 45 million (the " <b>Minimum Proceeds</b> "), the Company will pay to the Noteholders additional one-time payment which is derived from the net proceeds actually received by the Company on top of the Minimum Proceeds, which can be in a range of between EUR 1 and circa EUR 11 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	Series B	Polish Bonds
	Israeli Bonds	Israeli 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 (until 15/03/2017)	(241,188,429)	(1,204,282,765)	(7,815,425)
Interest payments over the years (until 15/03/2017)	(148,142,322)	(447,555,877)	(6,194,302)
Total payments (**)	(389,330,751)	(1,651,838,642)	(14,009,727)
<b>Total payments over the years as percentage of total raising, net (%)</b>	<b>97.27%</b>	<b>118.82%</b>	<b>88.9%</b>

\* 60,000,000 PLN

\*\* Before the company entered to Restructuring plan it repaid principal and interest amount of circa NIS 311 million



# Activities Following Approval of Restructuring Plan

## Sales of assets since approval of the Restructuring Plan

In line with the Company's stated restructuring plan, 75% of the net cash proceeds from Plaza's asset sales are distributed to the Company's bondholders as an early principal repayment.

- Improving Performance: Continuing improvement of the occupancy levels and NOI of **Torun Plaza**, extending leases and establishing performance.
- September 2014: Completed the sale of a 31,500 sqm plot in Targu Mures, **Romania**, generating cash proceeds of €3.5 million.
- Completed the sale of Kragujevac Plaza Shopping and Entertainment centre in Kragujevac, **Serbia** for a total consideration of €38.6 million. The net cash proceeds from the sale were €12.2 million.
- December 2014: Completed the sale of a 41,000 sqm plot in Hunedoara, **Romania** generating cash proceeds of €1.2 million.
- February 2015: Completed the sale of part of a residential plot in Lodz, **Poland** for €0.5 million.
- May 2015: Completed the sale of Koregaon Park Plaza Shopping and Entertainment Centre located in Pune, **India** for circa €35 million. The net cash proceeds from the sale, circa €7.4 million, were put towards Plaza's future investments and used for general corporate purposes. The mall was underperforming and created negative NOI, and circa €14 million of its bank loan was with recourse to the parent company.
- Completed the sale of a 17,000 sqm plot in Brasov, **Romania** generating cash proceeds of €0.33 million.
- June 2015: Completed the sale of a 46,500 sqm plot in Iasi, **Romania** generating cash proceeds of €7.3 million.
- September 2015: Completed the sale of an office building in Bucharest, **Romania** (823 sqm GLA) for €1.1 million.
- December 2015: Completed the transaction to waive the Company's leasing rights to the Cina property in Bucharest, **Romania**, which has been sold by its owner. The gross proceeds from the transaction were circa €2.7 million.





# Activities Following Approval of Restructuring Plan

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

- January 2016: Completed the sale of a 5,200 sqm residential plot in **Lodz, Poland** for €0.7 million
- March 2016: 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.  
€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.
- March 2016: Completed the sale of a 23,880 sqm plot in **Slatina, Romania** generating cash proceeds of €0.66 million.
- March 2016: 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 was recently set at the middle of April 2017.
- June 2016: 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.
- July 2016: Completed the sale of an 18,400 sqm plot in a suburb of **Ploiesti, Romania** for €280,000.
- September 2016: 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 expected in June 2017.
- September 2016: 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.



# Activities Following Approval of Restructuring Plan

## 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. The sale is conditional on the purchaser securing a permit for the development of the site and, on that basis, the purchaser has the right to withdraw from the transaction within a window of eight months. As per the agreement, after eight months Plaza will receive a payment of €230,000 and the remaining €580,000 will be due within the following 12 months.

### October 2016:

Signed a preliminary sale agreement for the disposal of a 2.47 hectare plot in the centre of **Kielce, Poland**, for €2.28 million. As part of the sale process, Plaza has received a down payment of €465,000, while the remaining €1.815 million will be paid within eight months of this agreement.

### 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 **Belgrade Plaza** shopping and entertainment center in Belgrade, Serbia. Belgrade Plaza is currently 90% pre-let and is scheduled to open on 20th April. Plaza has received an initial advance payment of circa €31.5 million from the Purchaser for the sale of 100% of the SPV. This payment will be followed by further payments during the next 12-36 months of operation, subject to certain operational targets and milestones.



# Activities Following Approval of Restructuring Plan

## Bank Loans- Refinancing and Discounts

As part of the Company's plan to reduce its leverage, the following actions were taken:

- February 2014: Following the sale of its **airplane** for US\$1.9 million, the Company reached a settlement with the airplane financing bank for a reduced repayment of US\$1.1 million (out of the outstanding balance of US\$1.9 million). The settlement generated a gain of US\$0.81 million (€0.6 million) in the Company's books.
- May 2015: The Company concluded the sale of **Koregaon Park Plaza** in Pune, India, which eliminated a recourse component of the loan of circa €14 million (the recourse would have matured 4 years from the restructuring approval - July 2018).
- June 2015: The Company concluded the sale of an SPV holding a plot comprising a c. 1,200 sqm plot in **Ploiesti, Romania** for a total consideration of €240,000. The proceeds were used to repay an outstanding bank loan and no proceeds were obtained by the Group. A waiver was obtained for the remainder of the unpaid bank loan facility, totaling €1.4 million, and the Company therefore recorded a gain, included as finance income in its consolidated financial statements.
- September 2015: A subsidiary of the Company has won a tender to buy the loan of the wholly owned holding and operating company for **Liberec Plaza** shopping and entertainment centre in the Czech Republic. Plaza has agreed to buy the €20.4 million bank loan (which was provided by two commercial banks) for €8.5 million, reflecting a discount of 58%. The Company recorded a profit on the discount (circa €12 million) in its consolidated financial statements for the second half of 2015. The Liberec loan was a full recourse loan (the recourse would have matured 4 years from the restructuring approval - July 2018).



# Activities Following Approval of Restructuring Plan

## Bank Loans- Refinancing and Discounts

As part of the Company's plan to reduce its leverage, the following action was taken:

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: PC Enterprises BV, has acquired a bank loan of circa EUR10 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.



# Activities Following Approval of Restructuring Plan

## New Developments

### Belgrade Plaza:

In June 2016, Plaza signed a €42.5 million loan agreement to support the development of Belgrade Plaza (Visnjicka) in the Serbian capital, Belgrade, from a consortium of banks led by the Hungarian bank “OTP Bank Plc”.

Belgrade Plaza is being developed on a 31,000 sqm plot of land owned by Plaza, a city with strong market demand and further future potential, given its large catchment area of approximately 1.7 million people.

The centre is scheduled to open on April 20, 2017. Belgrade Plaza, which is currently over 90% pre-let, will comprise circa 32,000 sqm of GLA and will be anchored by a supermarket, a multi-screen cinema complex and major international brands. Plaza will remain responsible for the development and leasing of the asset until the opening.

### 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.



# Activities Following Approval of Restructuring Plan

## Plaza's Main Focus in 2017

- Developments:**
1. Continuing construction of **Belgrade Plaza** ("Visnjicka") in Belgrade until the opening in April.
  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; and
  3. The company will consider execution of **Timisoara** project depending on availability of equity, external finance and sufficient tenant demand.

- 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;
  2. Sale of plots which are not part of the Company's core business or not suitable for development in the short/medium term.

**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.

**General Expenses:** Continue with efficiency measures and cost reduction where possible. At the end of 2017, G&A expenses phase shall be reduced to be below €5 million per annum continuing strongest cost control initiatives e.g. reduction of manpower, cutting cost of suppliers, advisors etc.



# Financial Highlights

## Projected Cash Flows (€ Millions)

		Cash Flows			
		Q2/2017	H2/2017	H1/2018	H2/2018
Source	Cash - Opening Balance*	7.5	5.9	15.9	18.2
	Proceeds from selling trading properties	5.4	53.4	32.9	8.0
	Cash flows from operating activities	1.6	3.5	0.0	0.0
	<b>Total Sources</b>	<b>14.5</b>	<b>62.8</b>	<b>48.8</b>	<b>26.2</b>
Use	Debentures - principal	2.9	36.7	25.4	15.4
	Debentures - interest	2.8	4.6	4.0	2.5
	Bank loans - principal	0.4	0.7	0.0	0.0
	Bank loans - interest	0.4	0.8	0.0	0.0
	Operational expenses	1.25	2.5	1.2	1.1
	<b>Total Uses</b>	<b>7.8</b>	<b>45.3</b>	<b>30.6</b>	<b>19.1</b>
	Income/Financing cost from shopping centers	-0.8	-1.6		
	<b>Cash - Closing Balance</b>	<b>5.9</b>	<b>15.9</b>	<b>18.2</b>	<b>7.1</b>

\* Not including cash in shopping centres



# Operational Highlights

## Operating Shopping and Entertainment Centres

- In **Torun Plaza**, Poland, following expiry of 5 year lease agreements (which was the initial period for many tenants) in November 2016, occupancy remained stable at 93,5% (2015: 96%). Most of the tenants prolonged agreements, some of them were replaced and a few of them had closed. Footfall yearly results for 2016 increase by 0.6% compared to 2015, turnover increased by 3.5%. In the fourth quarter ZOO Karina replaced Zwierzyniec, Cliff Sport's unit was under negotiations with footwear chain, Tally Weil was dedicated to be replaced by Reserved extension, Wojas and Rylko were relocated to closed Prima Moda and Venezia units. In addition, the following units were opened: Toys'R'Us, Beauty Studio, relocated Kantor.
- In terms of active development projects, construction of **Belgrade Plaza (Visnjicka)** is progressing well and is on schedule. The internal finishing works of the building have commenced and approx. 30% of the GLA is handed over to the anchor tenants. As of today more than 90% of the shopping centre is pre-let including lease agreements with international retailers like Inditex Group, H&M, Reserved, Cineplexx and many others. Opening is scheduled for April 20th, 2017.





# THE END

