



Presentation for Bondholders Meeting

18 June 2017



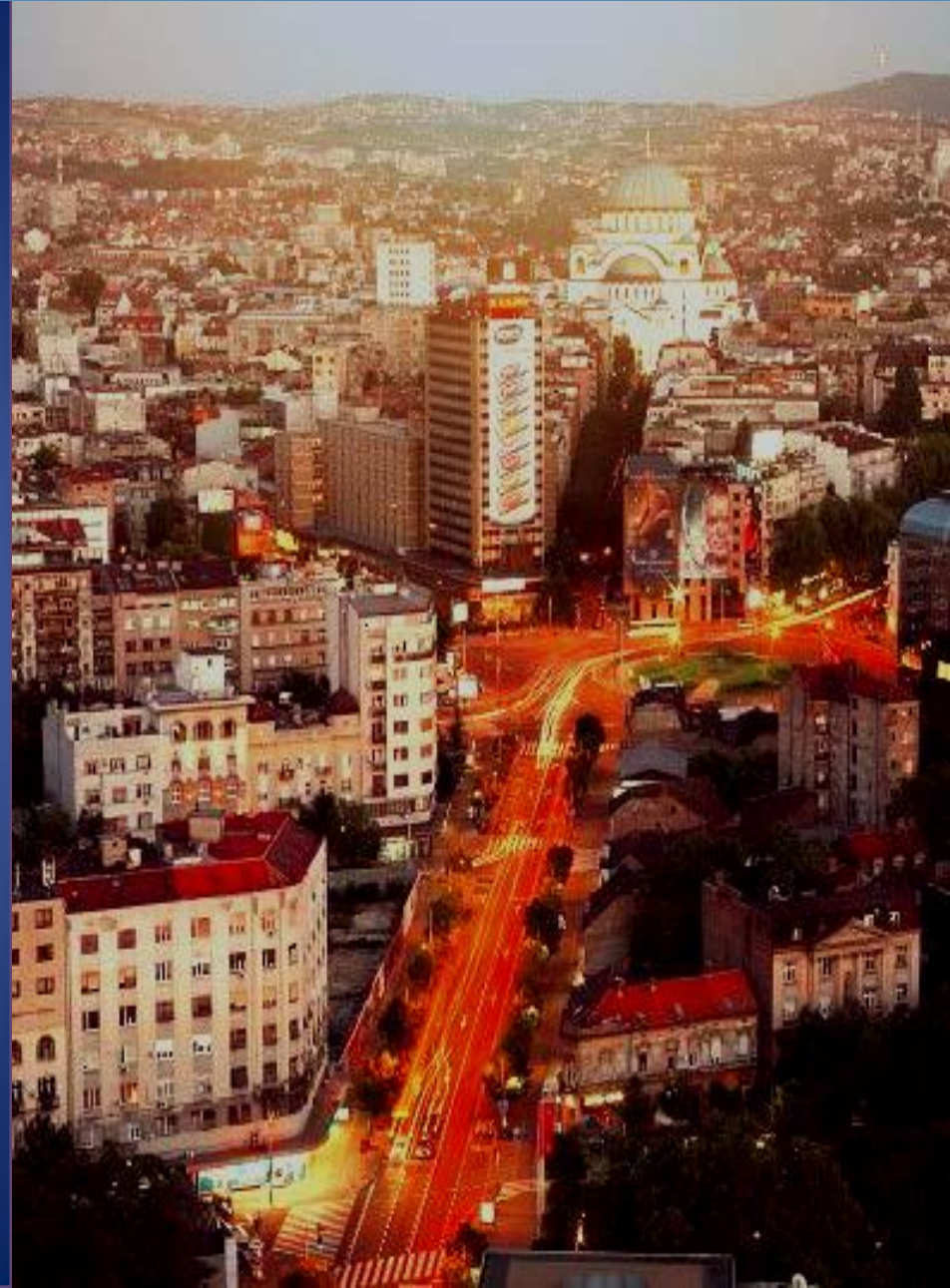
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AGENDA

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



Company Overview

Portfolio Summary by Country

Total portfolio of 14 assets in six countries



Poland

Serbia

India

Romania

Hungary

Greece

■ Completed & Active (1)

■ For Development (1)

■ Plots Pipeline (12)

* In September 2016, the Company has signed a preliminary sale agreement for the sale of plot in Leszno, Poland (see slide 11)

In June 2017 the Company has signed preliminary agreement to sell part of the plot in Łódź. (see slide 12)

** In August 2016 a JDA was signed for Chennai (see slide 14)

*** In April 2016 Preliminary sale Agreement was signed to sell Piraeus plot in Greece (see slide 10)

Company Overview

Current Portfolio Summary by Assets (CEE)

Project	Country	Type	Book Value December 31, 2016 (EUR M)
Casa Radio	Romania	Development	60.1*
Constanta	Romania	Plot	1.3
Ciuc	Romania	Plot	1.0
Timisoara	Romania	Plot	7.0
Brasov	Romania	Plot	1.1
Arena Extension	Hungary	Plot	1.5
Torun	Poland	Operating	68.9
Lodz	Poland	Plot	5.1
Lodz Residential	Poland	Plot	0.5
Leszno	Poland	Plot	0.8
Helios	Greece	Plot	3.3
Krusevac	Serbia	Plot	1.0
TOTAL			151.6

* 100% (due to material shareholder loans), net of liability for PAB construction in an amount of €13.2 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, 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).***



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

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.

Shares	13.21% of Plaza's shares allocated to bondholders
Interest	NIS 126.2 million (€30 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 383 million (€93.1 million) paid mainly upon disposal of assets
One-time payment (General)	Plaza will pay, on 31 March 2018, one-time payment of 0.25% of the Company's outstanding debt (circa €0.5 million) as of proposed amendment approval date
One-time payment (Casa Radio)	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 €45 million (the " Minimum Proceeds "), 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 €1 and circa €11 million



Capital Markets & Debt Restructuring

Outstanding balance as of June 13, 2017 (adjusted par value including interest)

Series A Bonds: € 55.5 million (NIS 216.7 million)

Series B Bonds: € 82.1 million (NIS 320.1 million)

Polish Notes: € 6.7 million (PLN 28.9 million)

Total outstanding debt to Bondholders: circa € 144 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 (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)
Total payments over the years as percentage of total raising, net (%)	97.27%	118.82%	88.9%

* 60,000,000 PLN

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



Company's Activities in 2016-2017

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.

<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 expected 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

Sale of assets – 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 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.



Company's Activities in 2016-2017

Sale of assets – Cont.

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.

June 2017:

Signed a final 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. Now that the final agreement has been signed, the remaining €1,815,000 has been paid.



Company's Activities in 2016-2017

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: 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.



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;
 3. The company will consider execution of **Timisoara** project depending on availability of equity, external finance and sufficient tenant demand – **Decision taken not to develop**.

- 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**.
 2. Sale of plots which are not part of the Company's core business or not suitable for development in the short/medium term – **Material efforts are ongoing and preliminary agreements signed** (e.g. signing LOI for the sale of Timisoara plot in Romania for approx. EUR 7M).

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 significantly continuing strong cost control initiatives e.g. reduction of manpower, cutting cost of suppliers, advisors etc. (excluding non-recurring items).



Financial Highlights

Trading Properties Breakdown (€ Millions)

Asset	Book Value December 31, 2016 (€M)	Remarks
Casa Radio (Romania)	73.2	100%, Excluding offset of PAB provision
Torun (Poland)	68.9	Valuation as at 31 December 2016: €76.3M
Suwalki (Poland)	39.9	
Belgrade Plaza (Visnjicka) (Serbia)	55.9	Valuation as at 31 December 2016: €72.1M
Subtotal	237.9	
Other plots, aggregated	25.8	
Total recorded in financial statements	263.7	
EPI (Bangalore+Chennai)	30.1	Included in Equity Accounted Investees
Total trading properties	293.8	



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	5.5	7.1	15.8	16.4	16.4	16.3
	Proceeds from selling trading properties (net amounts to be received by the company) ⁽¹⁾	56.5	4.7	19.5	39.1	1.7	27.1	4.8	2.3
	Cash flows from operating Activities and other income	1.5	1.5	1.5	1.5	-	-	-	-
	Total Sources	60.5	13.5	26.4	47.7	17.5	43.5	21.1	18.6
Use	Debentures - principal	49.2	1.9	14.0	27.1	-	23.3	3.0	11.0
	Debentures - interest	2.6	2.9	2.4	2.1	-	3.3	1.3	1.2
	Compensation to Bondholders	-	-	-	-	0.5	-	-	-
	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	-	0.45	0.45	-	-	-	-	-
	Total Uses	54.0	7.4	18.6	31.2	1.1	27.1	4.8	12.8
	NOI from shopping centers (net of finance costs) - offset	-0.7	-0.7	-0.7	-0.7	-	-	-	-
	Cash release from shopping centers	1.5	-	-	-	-	-	-	-
Cash - Closing Balance		7.3	5.5	7.1	15.8	16.4	16.4	16.3	5.8



Financial Highlights

Projected Cash Flows (€ Millions) – cont.

Cash flow		Q1/2019	Q2/2019	H2/2019	H1/2020
Source	Cash - Opening Balance - HQ	5.8	5.5	0.7	7.5
	Proceeds from selling trading properties (net amounts to be received by the company) ⁽¹⁾	0.03	29.0	32.1	2.0
	Cash flows from operating Activities and other income	-	-	-	-
	Total Sources	5.8	34.5	32.8	9.5
Use	Debentures - principal	0.0	31.0	23.6	9.8
	Debentures - interest	0.0	2.1	1.1	0.3
	Compensation to Bondholders	-	-	-	-
	Bank loans - principal	-	-	-	-
	Bank loans - interest	-	-	-	-
	Additional Equity investments in current projects	-	0.5	-	-
	Operational expenses	0.3	0.3	0.6	0.6
	Additional accounting costs	-	-	-	-
	Total Uses	0.3	33.9	25.3	10.7
	NOI from shopping centers (net of finance costs) - offset	-	-	-	-
	Cash release from shopping centers	-	-	-	-
Cash - Closing Balance		5.5	0.7	7.5	-1.2

Last expected principal repayment

* Based on exchange rates: EUR-NIS:3.9; 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	3.9	16.0	0.1	0.1	0.1	0.1	0.1	0.03	0.0	0.0	0.0
Preliminary agreement**	0.0	0.8	1.4	5.0	0.0	1.1	4.0	0.0	0.0	3.0	0.0	2.0
Not signed yet***	0.0	0.0	2.1	34.0	1.6	26.0	0.7	2.2	0.0	26.0	32.1	0.0
Total	56.5	4.7	19.5	39.1	1.7	27.1	4.8	2.3	0.03	29.0	32.1	2.0

* Belgrade Plaza, Riga Plaza, Kielce, MUP, Lodz (partly), Lodz Residential (partly)

** Leszno, Lodz (partly), Constanta, Ciuc, Piraeus, Belgrade Plaza (price adjustments)

*** Arena Extension, Lodz (partly), Lodz Residential (partly), Torun, Timisoara, Casa Radio, Krusevac, Kochi, Brasov, Chennai, Varthur

(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 debt according to the repayment schedule

Forward-looking statements

This presentation may contain forward-looking statements with respect to Plaza Centers N.V. future (financial) performance and position. Such statements are based on current expectations, estimates and projections of Plaza Centers N.V. and information currently available to the company. Plaza Centers N.V. cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and position to differ materially from these statements. Plaza Centers N.V. has no obligation to update the statements contained in this presentation, unless required by law.



THE END

