# Updated Company Presentation for Upcoming Bondholders Meeting

PLAZA CENTERS

**17 November 2016**

# DISCLAIMER

**The information detailed in this presentation is subject to the general reservations and the risk factors detailed herein.**

•This presentation does not constitute a proposal and/or an offer and/or invitation by or on behalf of Plaza Centers N.V. (the "**Company") and/or any of its affiliates to acquire and/or to issue securities (including shares and notes).**

• This presentation has been prepared to provide summary information to the relevant recipient, but it does not, however, purport to present all information regarding the Company (material or otherwise), and it is not a substitute for a thorough due diligence investigation. In particular, the Company makes no warranty, representation assurance, or inducement, express or implied, as to adequacy, sufficiency, or freedom from defect of any kind, of the information contained herein. This information might not be contained in the financial or other statements issued by the Company as published or that its manner of presentation in this presentation is different than the manner in which this information is included in the aforesaid publications. This presentation includes a summary of the issues addressed therein, in the context at which they appear, and not the full information that the Company has on those matters. This presentation does not include the entire results and financial information of the Company and notes thereof, and/or the Company's business plans or a description of its entire activities, and it is not intended to supersede and/or replace the need to review reports and statements published by the Company in accordance with the provisions set forth by law, including the Company's statements and announcements issued by the Company (the "**Reports" and/or the "Company's Reports"), and the full financial statements of the Company included therein. In any event of discrepancy between information and figures contained in this presentation and the information and figures contained in the Company's Reports and/or financial statements attached thereto, information and figures contained in the Company's Reports and/or financial statements shall be deemed as prevailing.**

•This presentation includes estimations and forecasts of the Company in connection with the Company's debt restructuring and its implications on the Company's operations and its ability to repay its debt towards its creditors. Such estimations and forecasts are based on information existing in the Company as of the date of this presentation. The said estimations and forecasts may not be fulfilled, wholly or partially, or may be fulfilled differently than expected by the Company, including significantly so, as a result of changes in the assumptions that formed the basis for such estimations and forecasts, including among other things failure of the Company to successfully implement the debt restructuring, non-recovery of the markets in which the Company operates, difficulties in obtaining financing for the Company's operations and the fulfillment of any or all of the risk factors in the Company's annual report for 2015 and in the Company's last prospectus.

•An information that is not a forward looking information is correct as of the date of preparing this presentation. The Company is not obliged to update and/or make any amendments to this presentation after its publication.

•The Company is not obliged under any law or regulation to publish this presentation and/or the information included herein, therefore, the Company is not committed to publish similar presentations (in scope and/or content) in the future.

•This presentation is the proprietary of the Company. You may not, without our express written consent copy (whether by printing off onto paper, storing on disk, downloading or in any other way), distribute (including distributing copies), publish, broadcast, reproduce, alter or tamper with in any way, or otherwise use any material contained in this presentation.

# AGENDA

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

# Company Overview

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

### Business Description

- 20-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 (more than any other company in the region) and India, of which 31* have been sold with an aggregate gross value of circa €1.36 billion. Plaza owns 15** assets under development and pipeline projects, two* active shopping and entertainment centres and one office building
- Belgrade Plaza is currently under construction – Opening is expected in the first half of 2017 (see slide 22)

### Real Estate Portfolio

**Plaza Centers N.V.**

**Europe (CEE)**

- 32 Shopping centres developed and managed in Central & Eastern Europe, of which 30 were sold
- two active shopping centres currently owned and managed*
- Three projects for development
- 10 pipeline projects**
- One office building

**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 October 2016, the Company has signed a non-binding Letter of Intent for the sale of Suwalki Plaza in Poland (see slide 19)
** In March 2016, the Company has signed a binding pre-agreement for the sale of the plot in Piraeus, Greece (see slide 18). In September 2016, the Company has signed a preliminary sale agreement for the sale of the 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 19)
*** In August 2016 a JDA was signed for Chennai (see slide 22)

# Company Overview

**20 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% grosst 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

**20 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 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 | Signed an agreement for 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 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. The sale agreement with a third party developer is subject to certain conditions being met, including due diligence which should be completed till the end of 2016 |
| 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 €15.9 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 | Signed LOI with an investment fund for the sale of Suwalki Plaza shopping and entertainment centres in Poland for €42.3 million |
| 2016 | The SPV in which Plaza holds a 50% stake has signed a Joint Development Agreement (“JDA”) relating to its plot in Chennai, India |

# Company Overview

## 20 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 € 2.8 million |
| 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 |
| 2016 | Signed a nonbinding Letter of Intent ("LOI") with BIG Shopping Centers Ltd., regarding a possible forward sale of Belgrade Plaza shopping and entertainment center ("Belgrade Plaza") in Belgrade, Serbia. The LOI binds the Purchaser to a strict timeline for committing a comprehensive Due Diligence and finalizing a detailed binding agreement which determines that the transaction should conclude by the end of the year. |

# Company Overview

## Portfolio Summary by Country

# Company Overview

## Operating Shopping and Entertainment Centers

### Torun Plaza


| | |
|---|---|
| **Location** | Torun, Poland |
| **Concept** | Shopping and entertainment center |
| **GLA (sqm)** | 40,000 |
| **Occupancy (10/2016)** | 96% |

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

### Suwalki Plaza


| | |
|---|---|
| **Location** | Suwalki, Poland |
| **Concept** | Shopping and entertainment center |
| **GLA (sqm)** | 20,000 |
| **Occupancy (10/2016)** | 98.7% |

- Operating shopping and entertainment center
- Located in North East Poland
- Opened to the public in May 2010

*** See slide 19 regarding the sale of Suwalki Plaza**

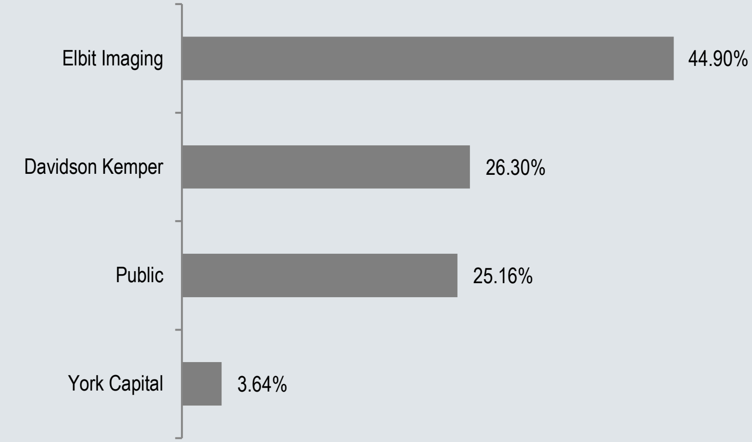
# Capital Markets & Debt Restructuring

## 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.

### Key Financials as of June 30, 2016 (€m)

| | |
|---|---|
| Market Capitalization | 22.8 |
| Total Equity (Book Value) | 75.9 |
| Market Cap./BV | 0.30x |
| Total Revenues (6 months) | 18.0 |
| Total Liabilities (Book Value)* | 312.4 |
| Total Assets (Consolidated) | 388.4 |

# 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 October 1st , 2016), Plaza has paid circa NIS 320.5 Million (€70.7 Million) and allocated 13.21% of its shares to its bondholders**

**Upside:**

The bondholders (excluding the subsidiary holding bonds) 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 110.8 million (€24.5 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 of certain cases). ***Accordingly, as of today the Company has paid circa NIS 142.5 million (€31.9 million).***

**Deferral of payments:**

In the case that in two years from the effective date of the trust deeds (until December 1st, 2016), the Company repays the principal of the bonds (of the three series) in prepayments of at least NIS 434 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 32.84% of the abovementioned amount.***

| | |
|---|---|
| Shares | **13.21% of Plaza's shares allocated** to bondholders |
| Interest | **NIS 110.8 million (€24.5 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 142.5 million (€31.9 million) paid** upon disposal of assets |

# 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) | - |
| Bond raising, net | 400,249,999 | 1,390,188,994 | 15,750,633 |
| Principal payments over the years (until 30/09/2016) | (188,929,931) | (1,036,312,207) | (2,667,793) |
| Interest payments over the years (until 30/09/2016) | (141,008,333) | (433,210,329) | (5,797,058) |
| Total payments (**) | (329,938,264) | (1,469,522,536) | (8,464,851) |
| **Total payments over the years as percentage of total raising, net (%)** | **82.43%** | **Above 105%** | **53.7%** |

* 60,000,000 PLN

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

# Capital Markets & Debt Restructuring

## Advantages to Bondholders in case of granting one year deferral of principal repayment under the restructuring plan

**(*) per the original restructuring plan the company would be granted a 1 year deferral if NIS 434 million are repaid**

**The Bondholders can benefit from one year deferral as follows:**

- Reasonable and necessary time frame for assets realization in 2017 and forward significantly increases the chances of full repayments of PLN and NIS Bonds series. The one year deferral will entitle the bondholders to receive additional interest payments and to repay about EUR 60M of the principal during 2017;

- In case of failure to achieve one year payments deferral - non deferral will leave the company with a significant burden of debt repayments in the coming 6 months to PLN and NIS bondholders.

- Assisting the management to keep the Company as going concern and by this to avoid risks of liquidation (and liquidation costs) and “fire sale”;

- In case of no deferral the company will have to sell assets in stressed prices, which may result in inability to repay part of the debt to Israeli and Polish bondholders;

- Sustainable debt burden - a reasonable distribution of debentures series repayments according to a rational assets sale schedule and actual market terms.

***During the past two years since restructuring, major efforts (and positive results) were in place for asset sales, elimination of bank recourse loans, both resulting in major benefits to bondholders***



# Capital Markets & Debt Restructuring

## Cash-Flow Forecast: One year deferral with 12% reduction on the NIS 434M requirement

**The forecast below assumes:**

1. **12% reduction on the requirement to pay NIS 434M to the bondholders in order to get the one year deferral (the company will pay total of NIS 382M); and**
2. **Four months additional deferral period from December 1st,2016**

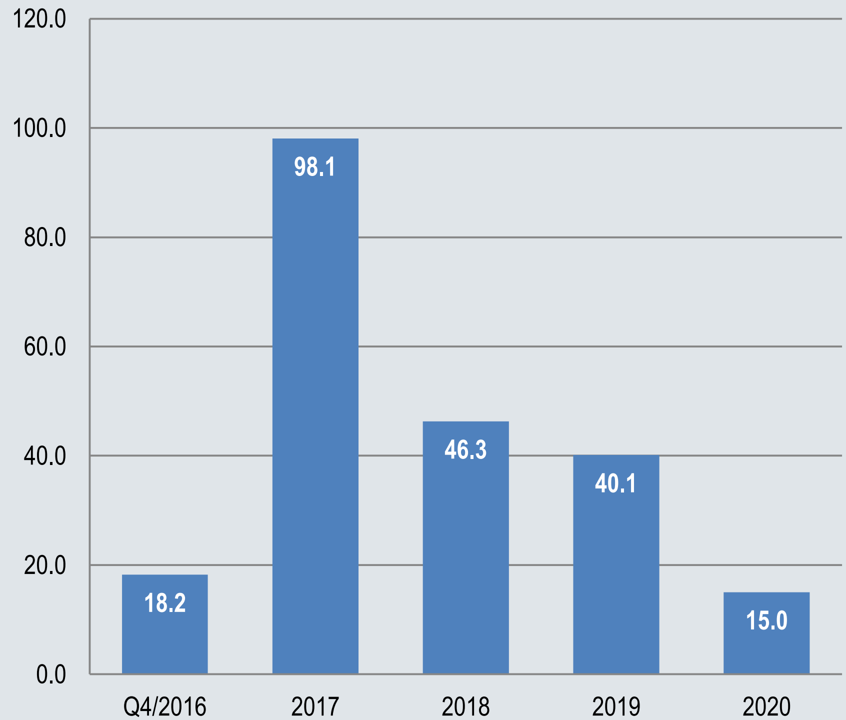
| | | H2/2016 | Q1/2017 | Q2/2017 | H2/2017 | H1/2018 | H2/2018 | H1/2019 |
|---|---|---|---|---|---|---|---|---|
| | | EUR Millions | | | | | | |
| Open Cash | **Cash - Opening Balance** | **23.9** | **3.3** | **7.9** | **7.2** | **14.6** | **16.5** | **7.5** |
| Source | Proceeds from selling trading properties | 24.3 | 50.7 | 7.6 | 53.9 | 32.9 | 10.3 | 26.0 |
| | Cash flows from operating Activities | 6.4 | 1.7 | 2.5 | 3.8 | 0.0 | 0.0 | 0.0 |
| | **Total Sources** | **30.8** | **52.4** | **10.1** | **57.7** | **32.9** | **10.3** | **26.0** |
| Use | Debentures - principal | 24.0 | 42.1 | 5.7 | 40.4 | 25.9 | 15.1 | 29.6 |
| | Debentures - interest | 6.8 | 3.0 | 2.4 | 4.4 | 3.1 | 2.2 | 1.7 |
| | Bank loans - principal | 1.2 | 0.3 | 0.4 | 0.7 | 0.0 | 0.0 | 0.0 |
| | Bank loans - interest | 1.2 | 0.4 | 0.4 | 0.8 | 0.0 | 0.0 | 0.0 |
| | Additional Equity investments in current projects | 6.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Operational expenses | 3.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| | **Total Uses** | **42.1** | **46.9** | **9.9** | **48.4** | **31.0** | **19.3** | **33.2** |
| Closing Cash | **Cash - Closing Balance** | **12.6** | **8.8** | **8.1** | **16.5** | **16.5** | **7.5** | **0.3** |
| | Restricted cash in Shopping Centers as of 30/9/2016 | -7.2 | | | | | | |
| | Income from Shopping Centers, Net | -3.9 | -0.9 | -0.9 | -1.9 | 0.0 | 0.0 | 0.0 |
| | Released cash from Shopping Centers | 1.7 | | | | | | |
| | **Cash - Closing Balance - HQ** | **3.3** | **7.9** | **7.2** | **14.6** | **16.5** | **7.5** | **0.3** |

The above forecast is based on certain parameters including exchange rates, signing SPAs and receiving the expected amount at the assumed timing

# Capital Markets & Debt Restructuring

## Cash-Flow Forecast: One year deferral with 12% reduction on the NIS 434M requirement (cont.)

**Debentures Repayment Predicted Schedule post restructuring* (for the three series) – Principal & Interest (€ M) Based on the Company's forecast of asset sales resulting early principal repayments ***




* the above schedule considers early repayments (based on the Company's asset sales latest assumptions) and **including** the additional one year of principal repayments deferral – according to the trust deed

# Capital Markets & Debt Restructuring

## Cash-Flow Forecast: One year deferral with 12% reduction on the NIS 434M requirement (cont.)

**As the EUR currency has been devalued compared to the NIS currency with more than 14% the Company consider it appropriate to ask the bondholders for a reduction on the NIS 434M requirement**


| | |
|---|---|
| 28/11/2014 | 4.8487 |
| 14/11/2016 | 4.1327 |
| **Change** | **-14.77%** |
| Average | 4.321 |
| **Change** | **-10.88%** |

# 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 the malls, extending leases and stabilising 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.**

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 €4.7 million. The sale agreement with a third party developer is subject to certain conditions being met, including due diligence which should be completed by the end of 2016.

June 2016: Completed the sale of the wholly owned subsidiary, which holds the **"MUP" plot** and related real estate in Belgrade, Serbia, for €15.9 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 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.

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.



# Activities Following Approval of Restructuring Plan

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

October 2016: Signed a preliminary sale agreement for the disposal of a 2.47 hectare plot in the centre of **Kielce, Pol**and, 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.

October 2016: Signed a non-binding Letter of Intent (“LOI”) for the sale of **Suwalki Plaza** shopping and entertainment center in Poland for a value of €42.3 million. The LOI binds the purchaser to a set of strict timelines in order to conclude the transaction during the fourth quarter of the year.
Should the transaction complete as planned, following the repayment of the existing bank loan, the expected net proceeds to the Company are estimated at circa €15 million

November 2016: Signed a nonbinding Letter of Intent (“LOI”) with BIG Shopping Centers Ltd., regarding a possible forward sale of **Belgrade Plaza** shopping and entertainment center in Belgrade, Serbia. The LOI binds the Purchaser to a strict timeline for committing a comprehensive Due Diligence and finalizing a detailed binding agreement which determines that the transaction should conclude by the end of the year.



# 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 expects to recognise an accounting profit of circa €10 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 million as of 30 June 2016.



# Activities Following Approval of Restructuring Plan

## New Developments

Belgrade Plaza:

In June 2016, Plaza has 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 in Belgrade, a city with strong market demand and further future potential, given its large catchment area of approximately 1.7 million people.

Construction is already in advanced stages and the centre is scheduled to open in the first half of 2017. Belgrade Plaza, which is currently over 60% 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.

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.



# Activities Following Approval of Restructuring Plan

## Plaza's Main Focus in 2016

**Developments**:

1. Continuing construction of **Belgrade Plaza** ("Visnjicka") in Belgrade;
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 the yielding assets where value potential is or is close to being established and where sale prices are 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, in order to try and meet the requirements for a one year deferral period on bond principal repayments per the restructuring plan.

**General Expenses**: Continue with efficiency measures and cost reduction where possible. At the end of 2015, G&A expenses phase was reduced to below €6 million per annum following stringent cost control initiatives, e.g. the Board was reduced from 7 to 4 members.

# THE END