



Results for the six months period ended 30 June 2012

22 August 2012



Agenda



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



Financial Highlights



- Total assets of €1.14 billion (31 December 2011: €1.3 billion); reduction driven by completion of sale of 47 out of 49 assets within US portfolio
- Revenues from operations increased by 42% to €33.7 million (30 June 2011: €23.7 million) as a result of higher rental income derived from the increased number of shopping malls operating throughout the period
- Net loss for the period of €7 million (30 June 2011: €32 million profit) arising from a primarily non-cash net finance costs of €12.9 million during the period (30 June 2011: €29.7 million income)
- Basic and diluted loss per share of €0.02 (30 June 2011: profit of €0.11)
- Strong cash position at period end (including restricted bank deposits, short term deposits and available for sale financial assets) of €191 million (31 December 2011: €108 million) with working capital of €737 million (31 December 2011: €585 million); current cash position of circa €110 million
- Reduction in gearing with debt comprising 53% of balance sheet (31 December 2011: 59%), due to the bond buyback and US exit



Financial Overview

Results



	<u>H12012</u>	<u>H12011</u>
	€ '000	€ '000
Total revenues ⁽¹⁾	31,336	28,623
Write-down of trading properties⁽²⁾	2,799	3,096
Cost of operations ⁽³⁾	15,505	12,525
Gross profit	13,032	13,002

- (1) 2012: Fantasy Park - €3.3m, CEE rent and management fee - €12.4m, US rent - €13.6m, US revaluation of investment property – (€2.3m); Revenue from Indian operation - €4.3m , 2011: Fantasy Park - €3.7m, CEE rent - €7.6m, US rent - €12.3m, US revaluation of investment property – €5m
- (2) 2012 – impairment arising from assets in India (€1.1m) and Bulgaria (€1.7m). 2011 - impairment arising from an asset in Poland (€3m)
- (3) 2012 – US property operations- €5.8m, property operations in CEE– €4.6m, Indian cost of revenues – €2m, Fantasy Park operation – €3.1m. 2011 – Operational costs of shopping centres in CEE - €3.8m, Fantasy Park operation - €3.5m, US property operations - €5.2m



Financial Overview *(Cont.)*



	<u>H12012</u>	<u>H12011</u>
	€ '000	€ '000
Administrative expenses ⁽¹⁾	11,457	8,628
Other income (expenses), net ⁽²⁾	81	(1,487)
Results from operating activities	1,656	2,887
Net finance income (costs) ⁽³⁾	(12,868)	29,684
Share of loss of equity accounted investees	(14)	(137)
Tax benefit ⁽⁴⁾	4,076	47
Profit (loss) for the period	(7,150)	32,481
Non controlling interests	68	3,916
Profit (loss) attributable to owners of the company	(7,218)	28,565



Financial Overview *(Cont.)*



NOTES TO THE RESULTS

- (1) Administrative expenses increase in 2012 due to the rise in cost of non cash share-based payments to €3.2 million (2011: €0.7 million)
- (2) 2012 – Include accounting gain in respect of the sale of US assets – €0.4 million
- (3) 2012 – Net finance loss attributed to fair value increase of debentures (€12 million), and interest expenses on bank facilities (€11 million), offset mainly by income recognised on call options activity (€5.3 million) and gain from repurchase of own bonds (€3.5 million). 2011 – finance income mainly attributed to FX income from NIS linked bonds, as well as finance income from decrease in fair value of NIS linked bonds totalling €41 million, offset mainly by expenses resulted from decrease in value of derivative (€8 million), as well as FX loss on NIS linked deposits (€3 million)
- (4) 2012 – Tax benefit recorded due to increase in fair value of NIS denominated bonds, as well as carried forward trading losses



Financial Overview (Cont.)

Balance sheet and cash flow



- Net assets of €534.4 million (31 December 2011: €550.2 million), with decrease primarily due to 2012 losses, as well as utilisation of EUR USD foreign currency translation reserve
- Cash and short term deposits (including restricted cash and available for sale financial assets) increased to €191 million (31 December 2011: €108 million) mainly due to:
 - Proceeds received from US transaction (approximately €83 million)
 - Offset primarily by buyback of bonds (approximately €10 million)

Current cash balances - €110 million



Key Highlights 2011 - Grand opening of Torun Plaza



Key Highlights 2012 – Operational



- Plaza's first retail scheme in Serbia, Kragujevac Plaza, was completed and opened to the public on 20 March 2012. The 22,000 sqm GLA centre was 90% let on opening, since when a further 8% of space has been leased and strong interest expressed in the remaining units. Kragujevac Plaza is the first shopping centre to be completed outside Serbia's capital, Belgrade, and enjoys a catchment area of approximately 590,000 inhabitants within a 30 minute journey. Early trading has been extremely encouraging with over 800,000 visitors in the first three months
- Phase one of the Kharadi Plaza project known as "Matrix One", a 50:50 joint venture with a local partner, was completed in February 2012. Located in Pune, India, Matrix One, a 28,000 sqm GLA office, was 70% pre-sold upon opening
- Koregaon Park Plaza mall, also located in Pune, India, was completed and a successful soft public opening was held on 2 March 2012. The 48,000 sqm total built area (excluding parking) shopping centre is circa 85% let with a further 5% committed under memoranda of understanding



Key Highlights 2012 - Grand opening of Kragujevac Plaza



The first western style shopping and entertainment centre outside the capital Belgrade



Key Highlights 2012 – U.S Exit transaction



- In January 2012, EPN reached an agreement to sell 47 of its 49 US based shopping centres in a deal totalling US\$1.428 billion
- The centres were acquired by BRE DDR Retail Holdings LLC, a joint venture between Blackstone and DDR
- Transaction details:
 - Plaza Centers' share – 22.7%
 - Plaza Centers' gross proceeds - US\$120 million*
 - Plaza Centers' cash surplus - US\$44 million*
 - Return on Equity (ROE) – nearly 50%*
- The transaction was successfully completed in June 2012

* Pre tax and transaction costs



Key Highlights since the period end



- As a part of its efforts to deleverage, the Company has disposed of the Ramstore development in Sofia, Bulgaria, therefore extinguishing €6m of bank loan debt from the balance sheet
- Completion of the sale of EPN's two remaining US based shopping centres for US\$41.8 million out of which US\$13 million was settled by the assumption of debt.



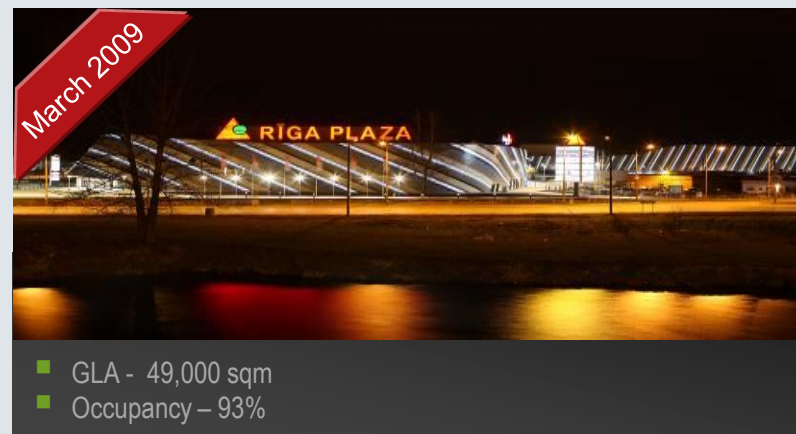
Active shopping and entertainment centres



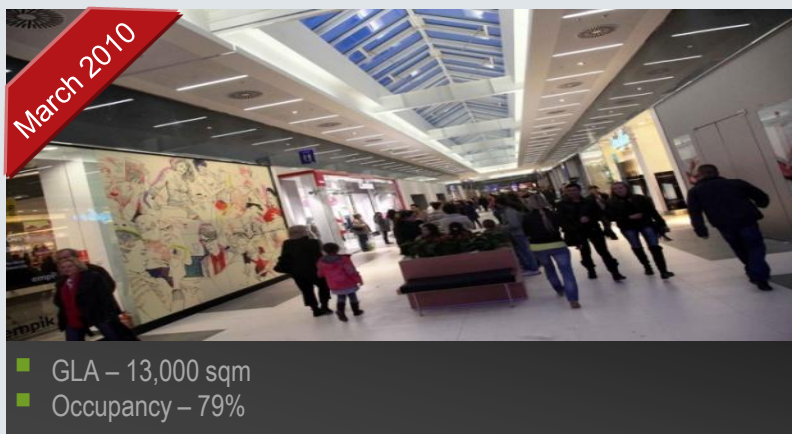
Liberec Plaza, Czech Republic



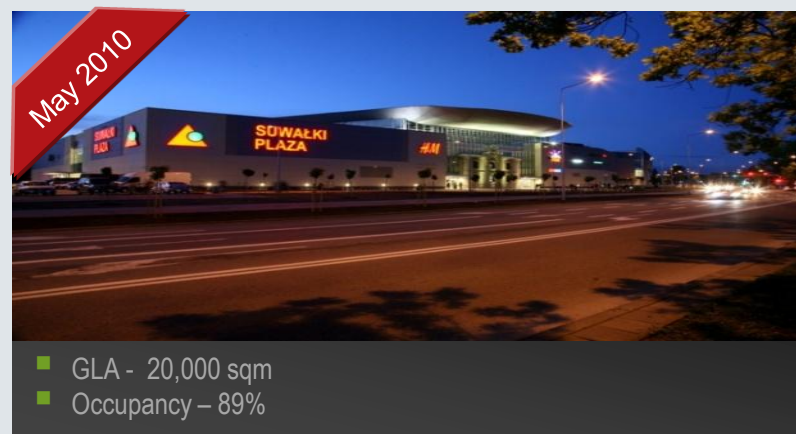
Riga Plaza, Latvia



Zgorzelec Plaza, Poland



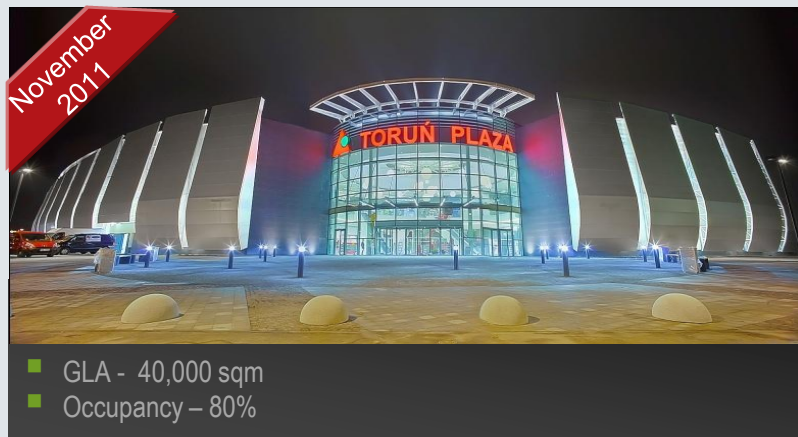
Suwalki Plaza, Poland



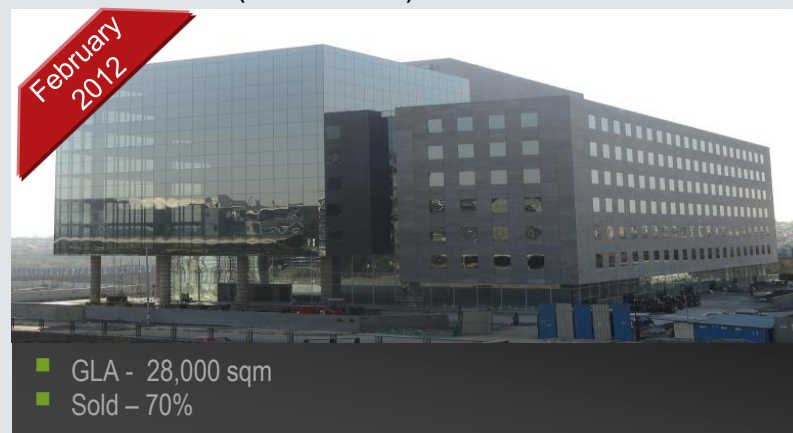
Active shopping and entertainment centres



Torun Plaza, Poland



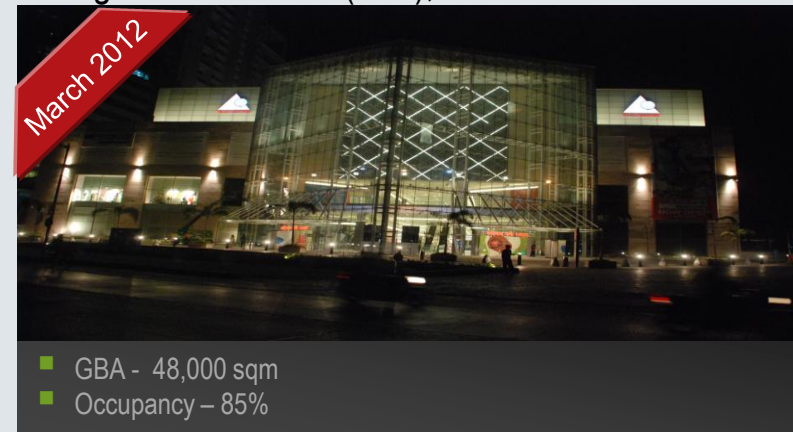
Kharadi Plaza (Matrix One), India



Kragujevac Plaza, Serbia



Koregaon Park Plaza (Mall), India



Building upon our successful business model



- 16 year track record of successfully developing, letting and selling shopping & entertainment centres in CEE now extended to new geographies through the Group's activities in India and the US
- Ongoing ability to identify new opportunities to deliver shareholder value in existing as well as new countries
- Flexibility and ability to anticipate and adapt to market trends, owing to financial strength
- Highly skilled management team with extensive local property expertise, knowledge and a proven ability to source strategic development sites and design projects
- Extensive network and strong relationships with leading international retailers
- Strong and evolving brand name supports lettings and pre-sales
- Thorough project and risk evaluation prior to sourcing and commencing each development opportunity
- Successful project management - almost all projects to date finished on time and within budget



Operational Outlook



- Continuing focus on three key strategic aims - progress on targeted development programme, the active management of the investment portfolio and ongoing search for opportunities in the US market to acquire high-yielding properties which can be repositioned to enhance value
- Benefit from the proceeds of US portfolio sale by paying down debt and funding the next phase of our development programme
- Three new developments already completed in the last six months
- Plaza has seven active shopping and entertainment centres in the CEE and India
- Active letting programme underway to increase revenues and drive further capital growth
- Ongoing evaluation of the scope and timing of our extensive development pipeline, which Plaza believes will offer considerable opportunities in the future



Market Outlook



- Ongoing resilience in some of Plaza's key operational territories, underpinned by the strength of occupier demand in our major markets; the acceleration of the Group's development programme will only take place in the strongest markets
- With five developments in India due to be delivered in the next five years, Plaza is strategically placed to create shareholder value from this growth market through development, management and, ultimately, the disposal of well-located, well-let assets
- Clear focus on identifying further opportunities in the US
- Recent market uncertainty, driven by mixed macro economic data, means Plaza will continue to take a prudent approach to managing its business and will hold completed developments until sales prices reflect their current and existing potential
- Strong financial management ensures Plaza is positioned to weather any further market turmoil



“Whilst we remain mindful of the challenging global economic conditions, our cautious yet opportunistic approach will provide us with solid prospects to deliver value for our shareholders”





Appendix A: Forecasted Cash Flow



Expected cash flow for the coming two years



	H2 2012 €(m)	2013 €(m)	H1 2014 €(m)
Cash - Opening Balance - Headquarter level	86	34	34
<u>Sources</u>			
Proceeds from selling trading and investment properties	84	103	41
Cash flows from operating activities ⁽¹⁾	14	40	21
Issuance of new debentures	-	40	-
Total Sources	184	217	96
<u>Uses</u>			
Debentures - principal	74	88	-
Debentures - interest	14	11	-
Bank loans - principal	3	7	3
Bank loans - interest	7	13	4
Additional equity investments in current projects	5	20	10
Debenture buy back programme, NET	10	-	-
Operational expenses	7	14	7
Total Uses	120	153	24
Cash - Closing Balance	64	64	72
Dividend ⁽²⁾	30	30	-

(1) Including income from operating malls, Indian activities, US venture and financial income

(2) Subject to the principles which were published on 23 September, 2011



Expected NOI from properties (excluding US)



Period	H2 2012	2013	H1 2014	Representing NOI	Total related debt upon completion
	€(m)	€(m)	€(m)	€(m)	€(m)
Operating shopping and entertainment centres	12.3	27.7	9.3	30.3	201.6
Total	12.3	27.7	9.3	30.3	201.6



Debt & Liquidity Structure as at 30 June, 2012



Debt structure

	€(m)
Debt	
Debentures	255 ⁽¹⁾
CEE – operating malls	178
CEE – projects under development and others	45
Bank Loans	
US	2
India	28
Debt related to financial instruments	17
Total Debt	525
Resources	
Liquid balances – consolidated	176
Financial instruments and restricted bank deposits	18
Net financial debt	331
Shareholders equity (non-revalued)	534
Net debt / Net CAP ⁽²⁾	38%
Net debt to balance sheet	29%

(1) Some of the debentures are presented in the financial statement at their fair value based on the quoted stock exchange price, total debentures adjusted to par value amounts to c. €301 million

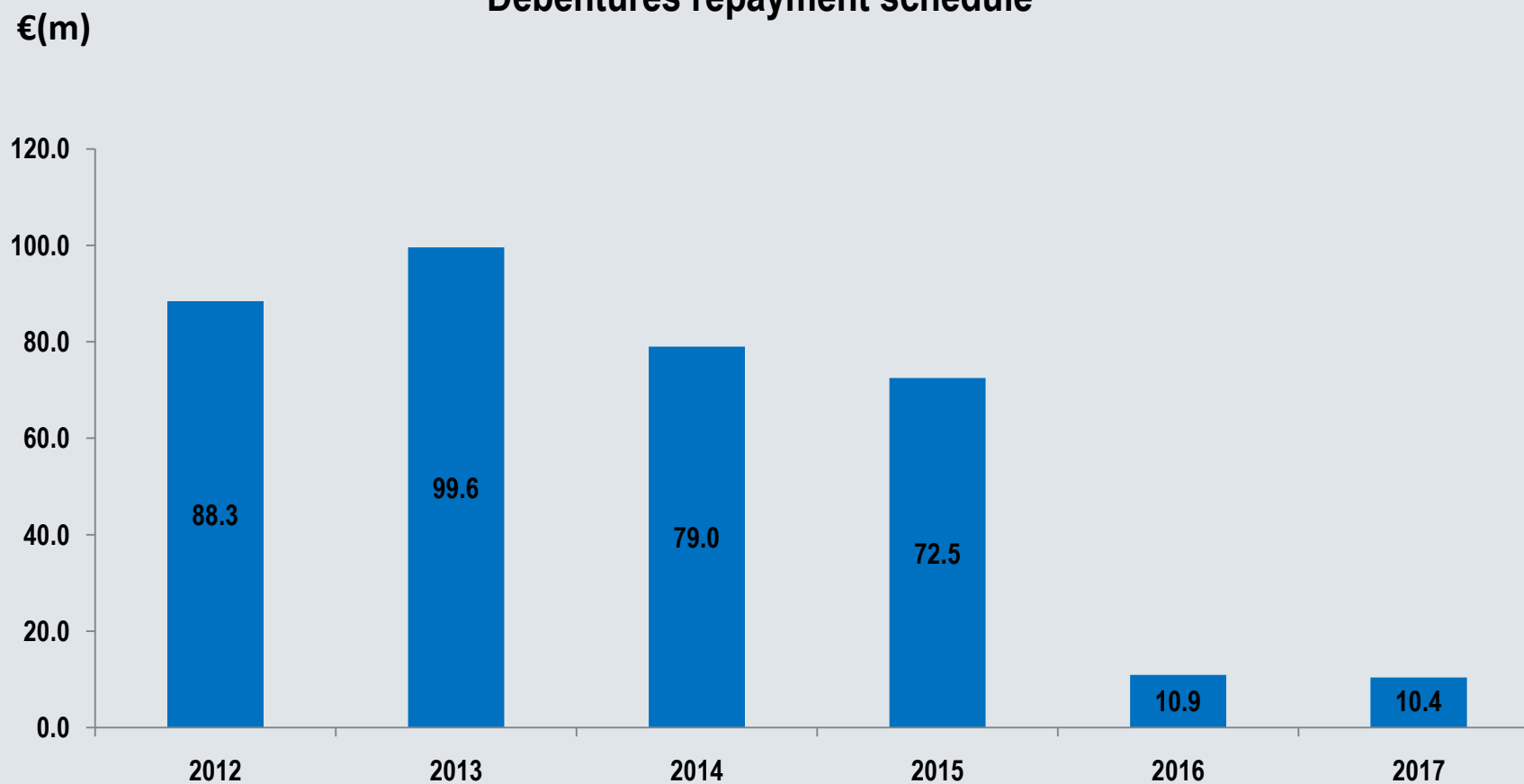
(2) Net CAP= Net Debt + Equity



Debentures Repayment Schedule



Debentures repayment schedule



(1) Including repayment of principal and interest on Israeli and Polish debentures

(2) Circa . €76 million was repaid in July 2012





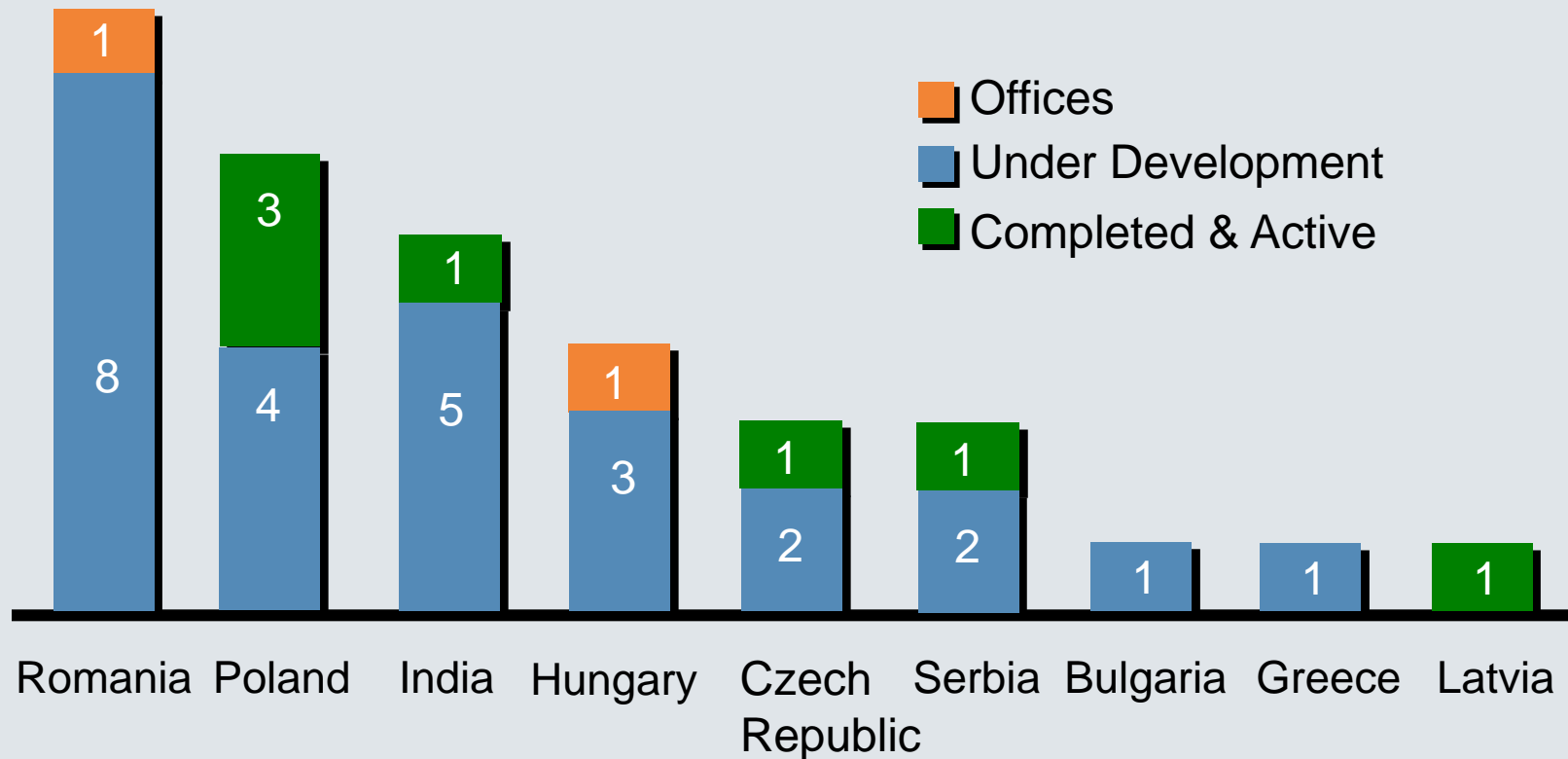
Appendix B: Current Projects



Portfolio Summary – by Country (excluding US)



Total portfolio of 35 assets in 9 countries



Projects overview – Completed Projects



Torun Plaza (Poland)



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

Kragujevac Plaza (Serbia)



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

Zgorzelec Plaza (Poland)



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

Suwalki Plaza (Poland)



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



Projects overview – Completed Projects



Liberec Plaza (Czech Republic)



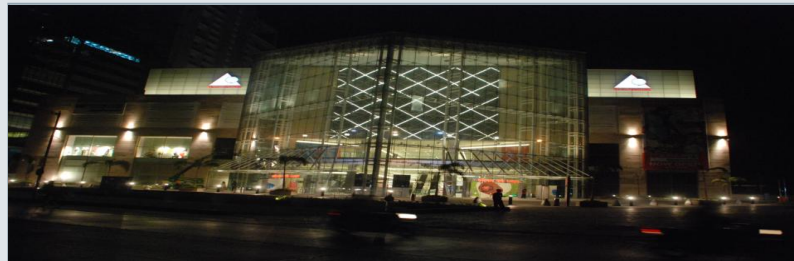
- City: Liberec, Czech Republic
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Status: Operating

Riga Plaza (Latvia)



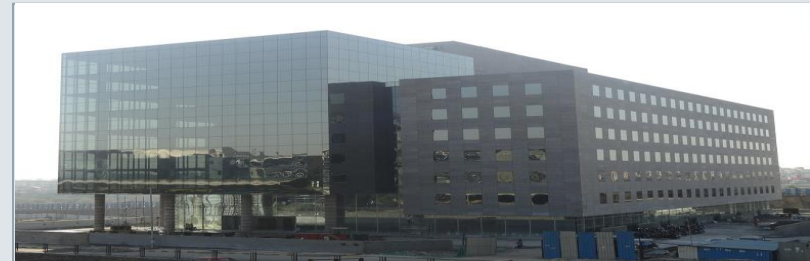
- City: Riga, Latvia
- Type: Shopping & entertainment centre
- Size: 49,000 (GLA)
- Plaza Share: 50%
- Status: Operating

Koregaon Park Plaza mall (Pune, India)



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

Kharadi Matrix One (Pune, India)



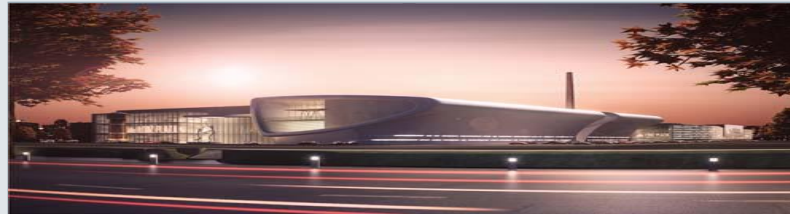
- City: Pune
- Type: Office
- Size: 28,000 (GLA)
- Plaza Share: 50%
- Status: Operating (70% sold)



Projects overview - Poland



Lodz Plaza



- City: Lodz
- Type: Shopping & entertainment centre
- Size: 45,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014 - 2015
- Status: Planning and permits stage

Leszno Plaza



- City: Leszno
- Type: Shopping & entertainment centre
- Size: 16,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2015 - 2016
- Status: Planning and permits stage

Kielce Plaza



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



Projects overview – Serbia



Belgrade Plaza



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

Sport Star Plaza



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



Projects overview – India



Koregaon Park Plaza



- City: Pune
- Type: Mixed use (Shopping, entertainment & office)
- Size: 110,000 (GBA)
- Plaza Share: 100%
- Status: Operating

Kharadi Plaza



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

Trivandrum Plaza



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



Projects overview – India



Bangalore



- City: Bangalore
- Type: Residential
- Size: 320,000 (GBA)
- Plaza Share: 23.75%
- Completion Date: 2013-2018
- Status: Planning and permits stage

Chennai



- City: Chennai
- Type: Mixed use (residential & retail)
- Size: 1,060,000 (GBA)
- Plaza Share: 38%
- Completion Date: 2014-2018
- Status: Planning and permits stage

Kochi Island



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



Projects overview - Romania



Casa Radio



- City: Bucharest
- Type: Mixed use
- Size: 600,000 (GBA)
- Plaza Share: 75%
- Completion Date: 2014-2016
- Status: Under Planning

Timisoara Plaza



- City: Timisoara
- Type: Shopping & entertainment centre
- Size: 38,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2014 - 2015
- Status: Planning and permits stage

Iasi Plaza



- City: Iasi
- Type: Mixed Use
- Size: 62,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2015
- Status: Planning and permits stage

Slatina Plaza



- City: Slatina
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2015
- Status: Planning and permits stage



Projects overview - Romania



Csiki Plaza



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

Targu Mures Plaza



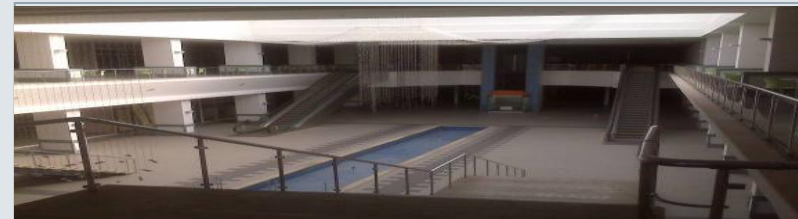
- City: Targu Mures
- Type: Shopping & entertainment centre
- Size: 30,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2015
- Status: Planning and permits stage

Hunedoara Plaza



- City: Hunedoara
- Type: Shopping & entertainment centre
- Size: 13,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2015
- Status: Planning and permits stage

Constanta Plaza



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



Projects overview - Hungary



Dream Island



- City: Budapest
- Type: Business and leisure resort
- Size: 350,000 (GBA)
- Plaza Share: 43.5%
- Completion Date: 2014-2016
- Status: Initial excavation and archeological works, casino license obtained

Arena Extension



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

Uj Udvar



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



Projects overview – Bulgaria



Shumen Plaza



- City: Shumen
- Type: Shopping & entertainment centre
- Size: 20,000 (GLA)
- Plaza Share: 100%
- Completion Date: 2015
- Status: Planning and permits stage



Projects overview – Greece

Pireas Plaza



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



Projects overview – Residential Projects

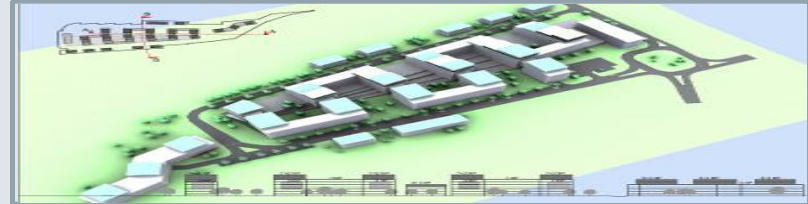


Roztoky (Czech Republic)



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

Prague 3 (Czech Republic)



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

Lodz Residential (Poland)



Plaza Centers

- City: Lodz, Poland
- Type: Residential
- Size: 80,000 (GBA)
- Plaza Share: 100%
- Status: Under planning to position f or sale



Projects overview – Office buildings



David House (Hungary)



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

Palazzo Ducale (Romania)



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

Prague 3 (Czech Republic)



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

