



Results for the 9 months ended 30 September 2016

2 December 2016



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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 19)

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 16)
** In March 2016, the Company has signed a binding pre-agreement for the sale of the plot in Piraeus, Greece (see slide 15). In September 2016, the Company has signed a preliminary sale agreement for the sale of the plot in Leszno, Poland (see slide 15). In October 2016, the Company has signed a sale agreement for the sale of the plot in Kielce, Poland (see slide 16)
*** In August 2016 a JDA was signed for Chennai (see slide 19)

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% 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

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

Total portfolio of 18 assets in seven countries



Company Overview

Operating Shopping and Entertainment Centers

Torun Plaza



Location	Torun, Poland
Concept	Shopping and entertainment center
GLA (sqm)	40,000
Occupancy (09/2016)	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 (09/2016)	98.7%

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

* See slide 16 regarding the sale of Suwalki Plaza

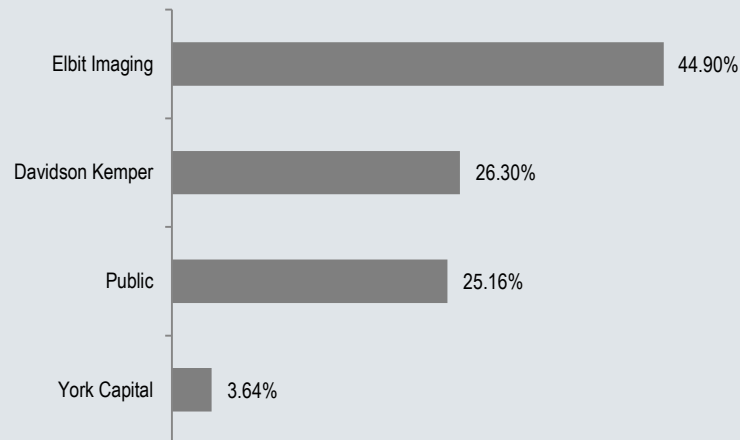
Capital Markets & Debt Restructuring

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 September 30, 2016 (€m)

Market Capitalization	19.9
Total Equity (Book Value)	71.8
Market Cap./BV	0.28x
Total Revenues (9 months)	21.8
Total Liabilities (Book Value)*	308.0
Total Assets (Consolidated)	379.8



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 (refer to the next slide for updates):

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

Approval of Proposed Amendments Under the Restructuring Plan

- The Company announced on December 1, 2016 that the holders of the Company's Series A Notes, Series B Notes and Polish Notes (collectively, the "Notes") have approved certain proposed amendments to an early prepayment term under the Company's restructuring plan (the "Proposed Amendments"), by the required majorities.
- The approval of the Proposed Amendments shall enter into force immediately. The Proposed Amendments include, inter alia, the postponement of the early prepayments term by up to four (4) months, and the reduction of the early prepayments term's total amount to at least NIS 382,000,000.
- As part of the Proposed Amendments, the Company will pay, on 31 March 2018, onetime payment of 0.25% of the Company's outstanding debt. In addition, the Company agreed with the Noteholders that in the event of successful sale of the Casa Radio project in Bucharest, Romania (the "Project"), including by way of sale of the Company's holdings in the Project (but excluding the injection of monies into the Project by a third party), 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 "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 EUR 1 and circa EUR 11 million.
- The Company further announces that in light of a technical error in the amended deed of trust of Series B Notes in connection with the minimum repayment amount that will result in an early redemption of the Series B Notes, it plans to convene an additional meeting of Series B Noteholders to amend the said amount.



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	<u>(8,253,378)</u>	<u>(108,993,111)</u>	—
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)	<u>(141,008,333)</u>	<u>(433,210,329)</u>	<u>(5,912,120)</u>
Total payments (**)	(329,938,264)	(1,469,522,536)	(8,579,913)
Total payments over the years as percentage of total raising, net (%)	82.43%	Above 105%	54.5%

* 60,000,000 PLN

** Before the company entered to Restructuring plan it repaid principal and interest amount of circa EUR 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 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, 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.
- 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
 4. Following an in-depth assessment of the opportunity, and taking into consideration the City Council's decision to reject proposals for a shopping centre development, the Board of the Company has taken the strategic decision not to develop Lodz Plaza shopping centre in Lodz and will instead look to crystallise the value of the asset through a disposal.

- 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.



Financial Highlights

Summary

- Reduction in total asset value to €380 million (31 December 2015: €392 million) mainly due to Zgorzelec transaction and repayment of interest and principal of bonds according to restructuring plan.
- Book value of the Company's trading properties decreased by 7.1% (€23 million) over the period, primarily due to the sale of Liberec Plaza and Zgorzelec Plaza shopping centers, and MUP plot in Belgrade.
- The Net Operating Income ("NOI")* performance of current operational shopping centres (excluding Riga shopping centre) slightly decreased in first nine months of 2016 to €9.1 million (same period in 2015: €9.7 million), mainly due to disposal of the Liberec Plaza shopping center effective 31.03.16, as well as discounts granted to new and renewed tenants in several shopping centers across the portfolio of assets held. The total NOI of Plaza's five malls was circa €11.4 million.

(*) In respect of NOI performance of shopping centres, refer to slide 27 of this presentation.



Financial Highlights

Summary- cont.

- Loss in the first nine months of 2016 totaled €10.2 million (same period in 2015: loss of €26.6 million), the 2016 loss stemming mainly from a €10.8 million non-cash finance costs (as a result of bonds discount amortization). Basic and diluted loss per share reduced to €1.49 (September 30, 2015: loss per share of €3.88) following the conclusion of a Reverse Share Split in 1:100 ratio.
- Consolidated cash position as at September 30, 2016 (including restricted bank deposits, short term deposits) of €29 million (31 December 2015: €20.4 million) and current consolidated cash position of circa €28.8 million (of which €8.9 million is restricted).
- Gearing slightly increased to 81% (31 December 2015: 79%) mainly due to non-cash finance costs mentioned above.



Financial Highlights

Results (€ 000)

Nine months ended September 30		
	2016	2015
Revenue from disposal of Shopping Centres	9,632	34,684
Rental income	12,251	14,202
Revenues from entertainment centres	-	504
	21,883	49,390
Cost of Shopping Centres disposed	(9,632)	(34,684)
Cost of operations	(3,796)	(5,056)
Cost of operations – entertainment centres	-	(631)
Loss from disposal of Trading property SPV	(355) ⁽¹⁾	(8,802)
Gross profit ⁽²⁾	8,100	217

(1) Due to the Liberec Plaza SPV sale – attributed to price adjustments of receivables in the SPV and cost of transaction

(2) Refer also to slides 21 and 27 for more information regarding NOI from operating shopping centres



Financial Highlights

Results (€ 000)- cont.

Nine months ended September 30		
	2016	2015
Write-down of Trading Property	(3,641)	(8,495)
Share in results of equity-accounted investees ("EAI"), net of tax	214	669
Administrative expenses ⁽¹⁾	(4,485)	(5,271)
Other income ⁽²⁾	13,329	6,898
Other expenses ⁽³⁾	(2,345)	(748)
Results from operating activities	11,172	(6,730)

(1) Sharp decrease in line with Group policy of cost cutting.

(2) Main 2016 income – due to sale of Zgorzelec (€9.2 million) and of MUP Belgrade (€2.4 million).

(3) Main 2016 expenses – provision in respect of arbitration results of €2.1 million– mostly deferred debt expected to be settled in 2018



Financial Highlights

Results (€ 000)- cont.

Nine months ended September 30		
	2016	2015
Finance income ⁽¹⁾	3,459	20,423
Finance costs ⁽²⁾	(24,408)	(39,920)
Net finance costs	(20,949)	(19,497)
Loss before income tax	(9,777)	(26,227)
Income tax expense	(467)	(352)
Loss for the period	(10,244)	(26,579)



Financial Highlights

Notes to the results

- (1) Finance income decreased to €3.5 million from €20.4 in 2015 mainly due to decrease to €2.7 million 2016 Forex income from NIS based debentures (2015 - €6.4 million income), and one-time settlements with a banks in Romania and the Czech Republic, generating a discount in a bank loan of €13.6 million (income) in 2015.
- (2) Finance costs decreased from €39.9 million in 2015 to €24.4 million in 2016. The main components of the costs were:
- NIS strengthening vs. EUR during 2015 – the effect on the debentures totaled €17.0 million of expense (2016 – €4.4 million).
 - Interest expenses booked on debentures totaled €10.1 million (2015- €10.5 million expenses recorded).
 - In 2016 an additional €10.8 million recorded as an expense (non-cash), associated with amortization of discount on debentures (2015- €7.8 million).
 - In 2016 Interest expenses on borrowings totaled €2.9 million (2015 - €4.1 million of expenses).
 - In 2016 €4.2 million of debentures finance costs were capitalized due to resume of construction in Belgrade (H1/2015 - nil).



Financial Highlights

Company's Shopping Centres' Net Operating Income ("NOI")

The following table presents the NOI performance of shopping centres for the 9 months period ended 30 September 2016:

Shopping Centre	NOI 9 months 2016 (€M)	NOI 9 months 2015 (€M)	Remarks
Torun	5.5	5.6	
Suwalki	2.7	2.6	
Zgorzelec	0.7	0.8	The SPV was sold in September 2016
Liberec	0.2	0.7	The SPV was sold in March 2016
Subtotal	9.1	9.7	
Riga	2.3	2.7	Not included as part of gross profit due to IFRS requirements, but rather as part of Equity Accounted Investees. Sold in beginning of September 2016.
Total	11.4	12.4	



Financial Highlights

Debt Structure of the Group

Debt Structure – September 30, 2016			€ million
Debt	Debentures ⁽¹⁾		192
	Bank Loans	CEE - operating malls ⁽³⁾	77
		CEE - others ⁽⁴⁾	8
	Total Debt		277
Resources	Liquid balances - Consolidated		23
	Restricted bank deposits		6
	Total sources		29
Net Financial Debt			248
Shareholders' equity (Non-revalued)			72
Net Debt / Net CAP ⁽²⁾			77%
Total Net Debt to Balance Sheet			65%

(1) Adjusted Par Value

(2) Net CAP= Net Debt + Equity

(3) CEE - Operating malls	€ million
Riga	-
Suwalki	27
Belgrade	4
Torun	45
IRS SWAP	1
	77
	€ million

(4) CEE - Projects under development

Bas (Romania)	8.2
	8.2

Bonds as at September 30, 2016			
	Original currency (ILS/PLN)	fx rate	liability (M EUR)
Bond A	269,223,573	4.20	64
Bond B (net of treasury bonds)	488,939,953	4.20	116
Polish bond	51,297,208	4.31	12
Total			192



Operational Highlights

Operating Shopping and Entertainment Centres

■ Stable performance at core CEE shopping centres during the Period:

Stable occupancy was recorded across the Company's existing shopping and entertainment centres in the CEE, with an overall portfolio occupancy level of 97.3% as of 30 September 2016, compared to 95% at 31 December 2015.

- At **Torun Plaza**, Poland, occupancy remained stable at 96% (2015 September: 94%). Although footfall decreased by 2.3%, turnover slightly increased by 1.1% compared to the same period in 2015. A new lease agreement was signed with Toys 'R' Us, while new lease renewals were completed during the third quarter, including with Orsay and Sowa..
- **Suwalki Plaza**, Poland, continues to deliver a strong performance, with turnover up by 24.7% in the nine months to 30 September. The occupancy has increased to 98.7% (30 September 2015: 95.4%), while footfall also increased by 11.1%, compared to the same period in 2015. In the third quarter new lease agreements were signed with Time Trend, Rainbow Tours and MK Bowling, following lettings to children's retailer, Ochnik and 50style which were signed at the end of June, as well as a lease renewal with KIK.
- In terms of active development projects, construction of Belgrade Plaza (Visnjicka) is progressing well and is on schedule. Plaza is experiencing strong tenant demand - over 60% of the shopping centre is now pre-let including lease agreements with international retailers including H&M and Inditex. Opening of the centre is expected in the second quarter of 2017.



THE END

