PLAZA CENTERS N.V.

Company Presentation
Bondholders Meeting

February 2014

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1. General

General – About the Company

Plaza Centers is a leading emerging markets developer of shopping and entertainment centers, focusing on developing western style centers, having a diverse platform of activities in India.

- Plaza Centers N.V. (the Company) is incorporated in the Netherlands and it is dual listed on the Main Board of London Stock Exchange (LSE) and the Warsaw Stock Exchange (WSE). The control of the Company is held indirectly (62.5%) by Elbit Imaging Ltd. a public Israeli company whose shares are traded on both the Tel Aviv Stock Exchange and NASDAQ Global Market in the United States.

- The Company is an emerging market developer operating in nine countries (Romania, Poland, Latvia, Hungary, the Czech Republic, Serbia, Bulgaria, Greece and India) with a portfolio of 29 assets and a strong track record of successfully developing, constructing, operating, leasing and selling shopping and entertainment centres.

- The Dutch court agreed to the Company's request for a restructuring plan (which includes suspension of payment proceeding) and granted a limited time period to continue its business activities and to reach an agreement with its creditors until the creditors meeting scheduled for April 17, 2014.

- The Company, subject to appropriate business proceedings, will be probably able to sell assets (before or after enhancement) at proper prices and will create a sufficient cash flow to serve all its debts.

2. The Company’s Profile

Plaza Centers - Business Card

Plaza Centers is a leading emerging markets property developer, focusing on western-style shopping and entertainment centres

Business Description

- 18-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 centre 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
- The company has an experienced and established management team in each operational country, with proven experience in developing shopping centres on schedule and budget, obtaining bank finance, letting to tenants and selling to international funds

  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 26 have been sold with an aggregate gross value of €1.16 billion. Plaza owns 20 assets on development stage, seven active shopping and entertainment centres and two office buildings
- The company has strong relationships with the banks accompanying the projects in the operational regions, as well as with international and local retail brands, which rent spaces in the shopping centres and also with international real estate funds, which invest in assets in different countries
- The company is an indirect subsidiary (62.5%) of Elbit Imaging Ltd., a public Israeli company, whose shares are traded on both the Tel Aviv Stock Exchange and NASDAQ in the United States

Real Estate Portfolio

Plaza Centers N.V.

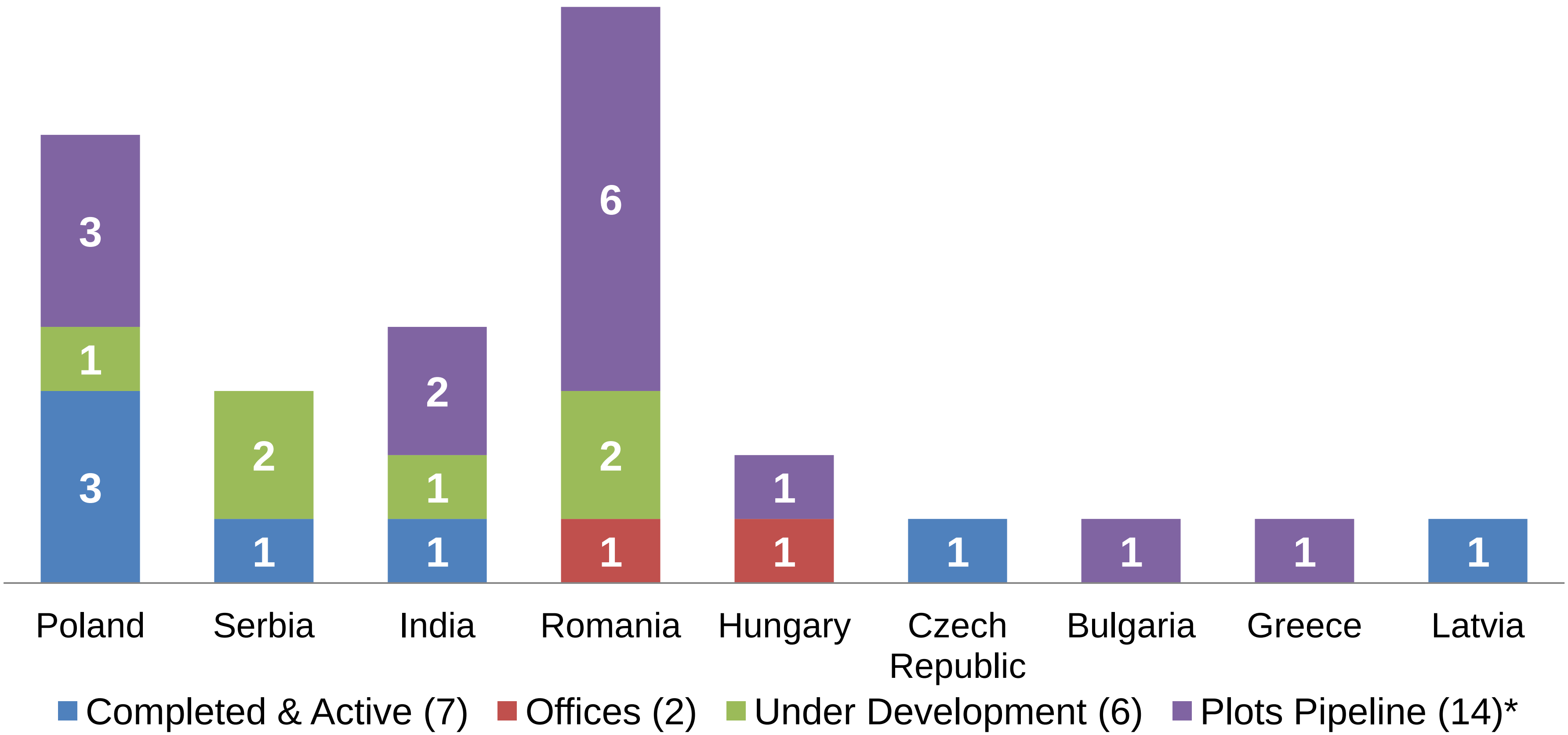
USA	Europe	India
• EPN was established in 2009 by Elbit, Plaza and high profile partners to invest in the distress market of income producing assets in the US • After acquiring the EDT portfolio (49 assets) in April 2010, in June 2012, EPN sold its entire holding in EDT generating gross proceeds of $120m for Plaza, representing a ROE of nearly 50%.	▪ 32 Shopping Centres development and management in Central & Eastern Europe ▪ Six active shopping centres currently owned and managed ▪ Five projects under development ▪ 12 pipeline projects ▪ Two office buildings	▪ A joint venture with Elbit Imaging to develop three mega mixed-used projects in the cities of Bangalore, Chennai and Kochi ▪ A completed project- Koregaon Park Plaza Mall* ▪ In May 2013 Plaza completed the sale of its 50% interest in a JV which mainly holds interest in an office complex in Pune. The transaction reflects asset value of circa €33.4 million

* Koregaon Park Plaza is under sale procedure

Assets Portfolio

The company has future growth potential through its attractive development assets and a number of yielding assets designated for sale (for a list of main assets - see Appendix A)

Total 29 Assets in nine countries



* Including plots and projects designated for future development or sale

History of capital raising and bond repayments of 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		EURO
Bond raising	401,850,451	1,483,126,346	15,085,058*
Directly purchased by Plaza and were Removed from the cycle	(8,253,378)	(96,443,579)	-
Bond raising, net	393,597,073	1,386,682,767	-
Principal payments over the years	(158,664,391)	(935,892,762)	-
Interest payments	(93,208,979)	(325,001,189)	(2,830,616)
Total payments	(251,873,370)	(1,260,893,951)	(2,830,616)
Total payments over the years as percentage of total raising, net (%)	**64%**	**91%**	**19%**

* 60,000,000 PLN

The Company's Consolidated balance sheet

The Company's consolidated balance sheet as of September 30, 2013 (EURO in thousands)

ASSETS	
Cash and cash equivalents	24,233
Restricted bank deposits	5,833
Held for trading financial assets	2,098
Trade receivables	3,408
Other receivables and prepayments	8,518
Trading properties	534,226
Total current assets	**578,316**
Equity accounted investees	35,287
Loan to equity accounted investees	7,016
Property and equipment	6,668
Restricted bank deposits	221
Other non-current assets	443
Total non-current assets	**49,635**
Total assets	**627,951**

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Interest bearing loans from banks	176,728
Debentures at fair value through profit or loss	36,281
Debentures at amortized cost	38,237
Trade payables	2,980
Related parties	720
Provisions	15,597
Derivatives	1,060
Other liabilities	7,977
Total current liabilities	**279,580**
Non-current liabilities	
Debentures at fair value through profit or loss	57,470
Debentures at amortized cost	32,301
Deferred tax liabilities	384
Total non-current liabilities	**90,155**
Equity	
Share capital	2,972
Translation reserve	(39,939)
Other reserves	14,329
Share premium	261,773
Retained earnings	18,470
Total equity attributable to equity holders of the Company	**257,605**
Non-controlling interests	611
Total equity	**258,216**
Total equity and liabilities	**627,951**

3. Report

The Company Management's Vision

At a long term vision, for a fully repayment of the debts and the continued activity of Plaza, it is strongly recommended to maintain certain rules under the debt restructuring process:

A company with a positive prospect (which is active in projects' initiation and investments)	=	Encouraging investments of shareholders
A fully functioning company (establishing, developing and managing assets)	=	Ability to sell assets and raise capital
A company with non-blocking dividend distribution (but with restrictions)	=	Ability to raise equity
Restrictions on operating decisions (assets sale methodology, rules for cash flow management)	=	In the board of directors level (and not in the shareholders or bondholders level)
Assigning the company for debt service only	=	Lead to losses for the company and its creditors

The Company Management's Vision

- The income generating assets are qualitative and may be improved further.
- Land reserves represent a potential for initiation and betterment.
- The company (as a developer) has the capabilities to realize the potential of its assets (betterment, development, sale etc.) in an informed action without pressure in order to maximize the value generated from the asset.
- The Company and its management maintain good and long term relations with a number of the financing banks. Until now, in all of the 33 shopping centres built by the Company (26 of which were already sold) all bank loans were duly repaid.
- Continuing improving conditions in the countries in which the Company operates will enable sale of assets in fair prices.
- Deferral of debt maturities will facilitate the development of selective sites to maximize the value with no material equity investment.

Main Events Since Applying to Court – Promoting the Restructuring Plan

- The company has requested a restructuring plan (including suspension of payment proceedings) from the district court of Amsterdam as it is a Dutch company acting according to the Dutch law, its entire activity and assets located outside of Israel and it has creditors outside of Israel as well.

- The court approved the Company's request and granted a limited time period for reaching an agreement with its creditors until the creditors meeting scheduled for April 17, 2014. If until this date the Company will not reach an agreement it will probably switch to a liquidation procedure, which will cause significant damages to the Company, its creditors and its shareholders.

- Parallel to application approval, the court appointed:
  - a special manager ("administrator") – who works with the Company's management and approves every transaction, liability assumption or expense and is suppose to recommend to the court to summon creditors meetings in order to vote for approving the restructuring plan;
  - a supervisory judge who supervises the procedure.

  The recommendation of the administrator will be transferred to the court only if he is convinced that the restructuring plan is fair and equal for all of the creditors. The administrator has appointed PWC Netherlands in order to check the restructuring plan (economically) on his behalf.

- Since the day of the Company's announcement about applying the district court of Amsterdam:

  - The Company's management is continuously cooperating with the trustees of both of the bond series, and assisting them and their representatives in every issue in order to promote the agreement and stay in the schedule set by the court. The trustees and their representatives held meetings in the Netherlands with the administrator and the Company's representatives in order to check the legal aspects and procedures customary in the Netherlands ;

  - These days, the economic expert on behalf of the Israeli bond holders ("MNS", Mr. Sharon Zaubach) is completing his opinion following closely examination of the main projects including a tour and the Company's office, where he was granted any information which was requested by him.

- The company believes that the proposed agreement is the optimal for allowing the Company to serve its debt for its creditors, and the Company's management is doing its best in order to reach an agreement within the time frame that was granted by the court.

Main Events Since Applying to Court – Operational Activities

- **Long Term Vision** – the Company's management believes in the Company's abilities and its assets, and therefore continues to manage the business in a long run view as done in the past. In addition, the management assume that the creditors would prefer to reach a debt arrangement that will allow the Company to continue operating for their benefit and for the Company's benefit.

- **Supervision on the Company's activities** – since the day of the announcement about the arrangement, the management is required to share all of its decisions and required expenses with the assigned administrator.

- **Betterment and Exit** – since the day announcement day about the agreement the Company has succeeded to increase the occupancy rate in its operating projects. The company succeeded to finalize another exit of its holding in Uj-Udvar project in Hungary for proceeds of EUR 2.35M. This is an additional exit to a number of exits that were already finalized during 2013.

- **Employees Preservation** – none of the functionaries left the Company despite the existing uncertainty in it's continuing operation, out of a sense of responsibility and assumption that an arrangement can be reached. This fact enables the Company to preserve the knowledge and experience acquired by its employees over the years for the future sake.

- **Preserving the Relationships with the Banks Accompanying the Projects** - meetings were held with the banks in order to assure them that the company is obligated to continue the successful management of the operating centres and that the debt restructuring process will be concluded in the upcoming months.

- **Preserving Tenants in General and Anchor Tenants Specifically** – as done with the banks, meetings were held with significant tenants as well in order to assure that the daily management will continue with no change and the debt arrangement will be reached soon.

Report

Cash Balance

- The cash balance of the Company (standalone) is circa EUR 24M (in addition to a circa EUR 10M held in the centres, most of it is restricted).

- The continuous operation of the Company requires a significant cash balance at any time.

- The cash balance of the company is designated for the following purposes:
  - Current expenses (employees, advisors, maintenance, financing etc.);
  - Expenses derived by the debt arrangement process;
  - Overcoming the gaps between timing difference of incomes and expenses;
  - Betterment of assets only until/including the planning/engineering phase (plans, approvals, permits etc.).

- The cash balance which may be collected is limited since according to the proposed arrangement, 75% of the proceeds (net) from selling assets will be transferred to the bondholders under the arrangement.

- The company will pay the interest payments to the bond holders (circa EUR 15M per year) even if neither asset will be sold nor prepayment will be made.

4. Debt restructuring – the Company's Proposal

Debt Restructuring – the Company's Proposal

The Company's guiding principles

- Most of the Company's assets are in process of being intensively managed and improved prior to their sale. Transferring the assets for realization in their current condition to receiver/liquidator will significantly cause significant loss in respect of the consideration to be received by the creditors.

- The creditors will be requested to defer the principal payments and interest accrued till November/December 2013 for which a reasonable and fair compensation will be granted.

- A pre-defined mechanism set up to shorten the payment deferral period and might precedes the original repayments schedule, if possible.

- The Company applied to the District Court of Amsterdam seeking stay of proceedings and a proposal for an arrangement with the creditors in the countries it operated (bonds in Israel and Poland and banks throughout the countries of operations).

- The long term strong relationships with the banks and the banks' recognition of the high competence of the Company's management in managing shopping centres will probably result in the banks' cooperation (most of the shopping centres have a distinct surplus value supporting the bank loans against it).

Debt Restructuring – the Company's Proposal

The Company's address to the shareholders and creditors

To the shareholders

The Company will address the shareholders requesting capital/monetary inflow to the Company by way of issuing rights in a scope of EUR 20 million. Negotiations are held in order to confirm that the mentioned inflow will constitute a condition for the coming into force of the arrangement.

To creditors with non-collateral backed debts

- The group of creditors with non-collateral backed debts include the following lenders: bondholders in Israel, the bondholders in Poland and the banks with fixed charges with a recourse right.
- The principle of the request from creditors with non-collateral backed debts is based on deferring principal payment dates (and accrued interest for Novemeber/December 2013) against intensifying collaterals (negative pledge on all of the Company's assets), the grant of compensation on interest payment and participation in the Equity Upside.
- The Company intends to invest all efforts so as to avoid damages to the creditors, as practicable, from the situation that has resulted in the countries of operations, and due to the change in the flavors of capital markets.
- The Company and its officers will not be held responsible against any claims, except claims for violation of fiduciary duty, fraud or claims for which a waiver cannot be granted under the law.

Debt restructuring – the Company's proposal

The Company's address to the shareholders and creditors

Israeli bond holders and the institutional holders in Poland

Principal payments - all principal payments of non-collateral backed debts (bonds (series A) bonds (series B) and bonds held by institutional in Poland including unpaid interest due November/December 2013) for 2013, 2014 and 2015 in the amount of EUR 181.9 million ("**the deferred debt"**) will be deferred to 2016, 2017 and 2018 (at the same date and month of each series).

Interest payments – after the arrangement, interest payments will be made as due.

Interest rate – effective January 1, 2014, an additional 1.5% interest will be paid in addition to compensation in interest to be received from option exercise as detailed in the Equity Upside section in the next page.

Early repayment – the Company is entitled to make early repayments at any time of any debt balance which is according to the adjusted Par value price of the bonds but it **must** make an early repayment upon realization or refinancing of assets in a scope of 75% of the net cash flows that will be received by the Company. Upon making the early repayment, the debt in respect of the cumulative interest will be paid and thereafter the next principal payments. Out of the amount paid as an early repayment, 21.1% will be paid for bonds (series A), 70.7% will be paid for bonds (series B) and 8.2% will be paid for Polish bonds. (each will be paid according to its relative share in the deferred debt- without the accumulated interest).

Debt restructuring – the Company's Proposal

The Company's address to the shareholders and creditors

Payment Deferral – This would occur in the event that in two years from the arrangement date, if the Company made early repayments over 50% of the deferred debt (such that the balance of bonds (series A) will be lower than NIS 170 million par value and the balance of bonds (series B) will be lower than NIS 250 million par value), then the remaining deferred principal payments will be deferred in an additional year (at the same date and month of each series).

Equity Upside - to enable the creditors enjoy the 'Equity Upside' feature, the Company will allocate to the representatives of the non- collateral backed debts options for 9.99% of the Company's shares (2.11% to the bond trustees (series A), 7.06% to bond trustees (series B) and 0.82% to the Polish holders) at no consideration.
The options are exercisable into shares in the first and second year following the arrangement date with an exercise price of 25 pence per share (the average share price in the 90 day period preceding the notice date of the arrangement and at discount of 80% of the NAV) and effective from the third year exercise price at 30 pence per share (constituting a premium of 20% of the average share price in the 90 day period preceding the notice date of the arrangement and at discount of 75% of the NAV).
The proceeds received from selling the options or the shares deriving from the options will be transferred to the creditors as an addition to the interest. The options will expire four years from the arrangement date.

Restriction of Payments to Shareholders – the Company undertakes that as long as the deferred debt balance is not paid in full, no dividend (DIVIDEND STOPPER) will be distributed without the majority bondholders' consent.

Debt restructuring – the Company's Proposal

The Company's address to the shareholders and creditors

Collaterals - a negative pledge on all of the Company's assets. The asset value included in the negative pledge according to their book value (net of debt, if any) as of September 30, 2013 is EUR 423 million (assets less liabilities that are not bonds).

❖ Key instructions on unpledged assets

- The Company may not take new loans against pledging existing unpledged assets and/or non collateral loans. Despite these restrictions, the Company may obtain financing against a pledge and/or existing assets and/or non collateral loans provided that 75% of the financing will be used for early repayment.
- The Company may pledge lands, first in priority, for a construction loan in favor of a bank, with an LTC ratio that will not fall below 60%.

❖ Instructions on pledged assets

- The Company may obtain refinancing or new loans with respect to each of the pledged assets provided that at least 75% of the extra financing in respect of that asset will be used for early repayment.
- Upon selling an asset of the pledged assets, at least 75% of the consideration to received by the Company from selling the asset (after debt repayment to the bank, selling expenses and tax, if required) will be used for early repayment.
- The Company may obtain new loans to purchase/build new assets provided that the loans will be of non-recourse type and the equity component in the purchase will not exceed 40%.

Debt restructuring – the Company's Proposal

The Company's address to the shareholders and creditors

To banks with Recourse right

Debt balance to banks – the debt balance in the Company's books with a right of recourse as of 30.9.13 amounts to EUR 48 million against assets valued at EUR 87 million which are pledged, with first priority, to the banks

Recourse to the Company – deferring recourse possibility for four years.

If the Company fails to meet its current payments and a debt balance to the banks remains after asset realization, the banks may demand the above debt balance only after four years from the arrangement date.

The recourse right will be at the debt level before asset realization net of the highest between the received consideration from asset realization and 90% of the value of an external appraiser (to be agreed upon by the parties) in a time period of not more than three months before the realization date.

Debt restructuring – scheduling principal payments to asset realization dates

Expected Cash Flow under the assumption of reasonable market conditions

		H2/2013	H1/2014	H2/2014	H1/2015	H2/2015	H1/2016	H2/2016	H1/2017	H2/2017	H1/2018
	Cash - Opening Balance(1)	**94**	**32**	**49**	**50**	**48**	**56**	**49**	**33**	**61**	**97**
Sources											
	Proceeds from selling trading and investment properties	12	35	55	30	51	0	48	44	36	261
	Cash flows from operating Activities (2)	9	14	10	10	10	7	8	7	7	6
	Right issuance	0	20	0	0	0	0	0	0	0	0
	Total Sources	**115**	**100**	**115**	**90**	**110**	**63**	**104**	**84**	**103**	**365**
Uses											
	Debentures - principle (3) (4)	60	26	42	22	39	0	62	17	0	0
	Debentures - interest (3) (4)	6	7	6	5	4	3	2	1	0	0
	Bank loans - principal	3	3	3	2	1	1	1	1	1	1
	Bank loans - interest	5	4	3	2	1	1	1	1	1	1
	Additional Equity investments in current projects	2	7	7	7	5	5	0	0	0	0
	Operational expenses	6	5	5	5	5	5	5	5	5	5
	Total Uses	**83**	**51**	**65**	**42**	**54**	**14**	**71**	**23**	**6**	**6**
	Cash - Closing Balance	**32**	**49**	**50**	**48**	**56**	**49**	**33**	**61**	**97**	**359**
	Principal Debentures outstanding at period end	**207**	**181**	**140**	**118**	**79**	**79**	**17**	**0**	**0**	**0**

(1) Including cash at active shopping and entertainment centres, cash and cash equivalents, deposits (both restricted and unrestricted) and liquid financial instruments.
(2) including income from operating malls, Indian residential activities and financial income
(3) EUR 60.3M of bonds principle was paid July 1, 2013; EUR 6.3M of bonds interest was paid in July 1, 2013.
(4) The deferred repayments following the proposed restructuring will be paid earlier upon sale of assets (75% of the net proceeds from sale). The undeferred debt is presented under the assumption of early repayment as well.

4. Appendix A – Details of the Company’s assets

Plaza Centers - Operating Assets

Poland

Torun Plaza

Location	Torun, Poland
Concept	Shopping and entertainment centre
GLA (sqm)	40,000
Occupancy	88%*

- Operating shopping and entertainment centre
- Located in Central Poland
- Opened to the public in November 2011
- Current annual revenue from rent – €6.5M (Expected - €7.5-7.8M)

*** Under advanced negotiations to sign additional 5% of space to bring total occupancy to 93%**

Poland

Suwalki Plaza

Location	Suwalki, Poland
Concept	Shopping and entertainment centre
GLA (sqm)	20,000
Occupancy	91%*

- Operating shopping and entertainment centre
- Located in North East Poland
- Opened to the public in May 2010
- Current annual revenue from rent – €3.3M (Expected - €3.4-3.7M)

*** Under advanced negotiations to sign additional 5.5% of space to bring total occupancy to 96%**

Poland

Zgorzelec Plaza

Location	Zgorzelec, Poland
Concept	Shopping and entertainment centre
GLA (sqm)	13,000
Occupancy	93%*

- Operating shopping and entertainment centre
- Located in South West Poland
- Opened to the public in March 2010
- Current annual revenue from rent – €1.5M (Expected - €1.8-2.2M)

Plaza Centers - Operating Assets

Serbia

Kragujevac Plaza

Location	Kragujevac, Serbia
Concept	Shopping and entertainment centre
GLA (sqm)	22,000
Occupancy	100%

- Operating shopping and entertainment centre
- Located in Central Serbia
- The first western style shopping center built outside the capital city
- Opened to the public in March 2012
- Current annual revenue from rent – €3.7M (Expected - €3.8-4.1M)

Latvia

Riga Plaza

Location	Riga, Latvia
Concept	Shopping and entertainment centre
GLA (sqm)	49,000
Occupancy	97%

- Operating shopping and entertainment centre
- Located in the capital of Latvia
- Opened to the public in March 2009
- Plaza Centers' share: 50%
- Current annual revenue from rent – €6.6M (Expected - €7.6-8.4M) (100%)

*** Under advanced negotiations to sign additional 2.5% of space to bring total occupancy to 99%**

Czech Republic

Liberec Plaza

Location	Liberec, Czech Republic
Concept	Shopping and entertainment centre
GLA (sqm)	17,000
Occupancy	76%*

- Operating shopping and entertainment centre
- Located in north Czech Republic
- Opened to the public in March 2009
- Current annual revenue from rent – €1.6M (Expected - €2M)

*** Under advanced negotiations to sign additional 5% of space to bring total occupancy to 81%**

Plaza Centers - Operating Assets

India

Koregaon Park

Location	Koregaon Park, Pune
Concept	Shopping and Entertainment Centre
GLA (sqm)	41,000
Occupancy	85%*

* Signed leases

- Operating shopping and entertainment centre
- Located in Pune, India
- Opened to the public in March 2012
- The company's first completed project in India.
- Future representing NOI– €5.4M
- The Centre is under sale procedure

Plaza Centers - Current Developments

Poland

Lodz

Location	Lodz, Poland
Concept	Commercial
GLA (sqm)	35,000
Value upon completion*	83 (Euro m)
Exp. Completion	2015
Percentage Holding	100%

- The planned scheme will include a shopping and entertainment centre project
- Located in one of Poland's largest cities with 750,000 inhabitants
- The company is currently obtaining permits.
- Plaza Centers' share: 100%
- Project budget – €61.3M
- Annual revenue from rent - €6.5M

Serbia

Belgrade Plaza (Visnjicka)

Location	Serbia
Concept	Commercial
GLA (sqm)	32,000
Value upon completion*	107 (Euro m)
Exp. Completion	2014-2015
Percentage Holding	100%

- The planned scheme will include a shopping and entertainment centre
- Located in the centre of Belgrade - the capital and main city of Serbia
- Plaza Centers' share: 100%
- Project budget – €79M
- Annual revenue from rent - €8M

Serbia

Belgrade Plaza

Location	Belgrade, Serbia
Concept	Mixed Use
GBA (sqm)	70,000
Value upon completion*	139 (Euro m)
Exp. Completion	2015-2016
Percentage Holding	100%

- The planned scheme will include a commercial gallery, hotel and office areas
- Located in a prominent location in Belgrade - the capital and main city of Serbia
- Plaza Centers' share: 100%
- Project budget – €124.3M
- Annual revenue from rent - €13M

*Value by Jones Lang LaSalle as at 31 December 2012 (Plaza's share)

Plaza Centers - Current Developments

Romania

Casa Radio Shopping Center, Bucharest

Location	Bucharest, Romania
Concept	Commercial
GLA (sqm)	76,000
Value upon completion*	331 (Euro m) – Plaza share
Exp. Competion	2017
Percentage Holding	75%

- The scheme will include a shopping and entertainment centre, main underground car park and Public Authority Building (PAB)
- The Romanian Government is a 15% partner in the scheme alongside an additional third party investor (10%)
- The Casa Radio development site located in Sector One, in central Bucharest
- Project Budget - €242.9M
- Annual revenue from rent - €27M

Romania

Casa Radio Offices, Bucharest

Location	Bucharest, Romania
Concept	Offices
GLA (sqm)	219,000
Value upon completion**	N/A
Percentage Holding	75%

- The scheme will include three office buildings
- The Romanian Government is a 15% partner in the scheme alongside an additional third party investor (10%)

Romania

Casa Radio Hotel Complex, Bucharest

Location	Bucharest, Romania
Concept	Hotel Complex
GLA (sqm)	59,600
Value upon completion**	N/A
Percentage Holding	75%

- The scheme will include a hotel complex, apartment hotel, energy centre and front parking
- Located in central Bucharest
- The group enjoys the vast hotel development experience of its parent Elbit Imaging as the developer and owner of leading hotels in Europe (and specifically in Bucharest, where it holds the most successful hotel in the country)

*Value by Jones Lang LaSalle as at 31 December 2012 (Plaza's share)
** Assets were valued with the comparative sales price method, no value on completion was estimated

Plaza Centers - Current Developments

Romania

Timisoara

Location	Timisoara, Romania
Concept	Commercial
GLA (sqm)	36,000
Value upon completion*	68 (Euro m)
Exp. Completion	2015
Percentage Holding	100%

- The planned scheme will include a shopping and entertainment centre
- Located in West Romania in a city with over 300,000 inhabitants
- Plaza Centers' share: 100%
- Project Budget - €64.7M
- Annual revenue from rent - €6.8M

India

Chennai

Location	Chennai, India
Concept	Commercial
GBA (sqm)	230,000
Value upon completion*	43 (Euro m) – PC share
Exp. Completion	2015-2018
Percentage Holding	38%

- The planned scheme will include a residential project with a land mix of approximately 33% for Villa units and 67% for self development
- Plot size is 83 acres (336K sqm)
- Located in India's fourth largest city with a population of over 8 million people
- Project duration: 36-48 months
- Plaza Centers' share: 38%
- Negotiating a joint development agreement which expected to yield future cash flows to Plaza of €28.7M

*Value by Jones Lang LaSalle as at 31 December 2012 (Plaza's share)

Plots Pipeline

Plaza has a strong plots pipeline, with a total of additional 1.25 million sqm of GLA/GBA to be built

Country	Project	Type	GLA/ GBA (sqm)	Percentage Holding	Value Upon Completion* (€m)	Current Value* (€m)
Romania	Targu Mures	Commercial	30,000	100%	N/A**	6
Romania	Slatina	Commercial	17,000	100%	N/A**	2
Romania	Constanta	Commercial	18,000	100%	14	10
Romania	Hunedoara	Commercial	13,000	100%	N/A**	3
Romania	Miercurea Ciuc	Commercial	14,000	100%	19	7
Romania	Iasi	Commercial	58,000	100%	94	13
Poland	Kielce	Commercial	33,000	100%	N/A**	5
Poland	Leszno	Commercial	16,000	100%	26	2
Poland	Lodz	Residential	80,000	100%	N/A**	8
Hungary	Arena Extension	Mixed Use	40,000	100%	68	8.5
India	Kochi	Residential	575,000	23.75%	N/A**	5
India	Varthur	Residential	310,000	23.75%	120	14.5
Greece	Pireas	Commercial	26,000	100%	99	21
Bulgaria	Shumen	Commercial	20,000	100%	N/A**	5
Total			**1,250,000**		**440**	**110**

*Value by Jones Lang LaSalle as at 31 December 2012 (Plaza's share)
** Assets were valued with the comparative sales price method, no value on completion was estimated

6. Appendix B – Risk Factors

Risk Factors

The Company is exposed to certain risk factors as specified in the Company's Reports that may be material for the purpose of assessing the market risks associated with the transaction (s) and that may affect the outcome of its activities and/or its ability to realize its plans as oulined. Without derogating from the generality of the foregoing the following factors may have material influence on the Company's activities and business performance:

(a) <u>*Risk factors that are related the Company's Real Estate Projects*</u>: The real estate industry continues to be cyclical and affected by changes in general economic, or other business conditions that could materially adversely affect the Company's business or financial results; there is no assurance that the Company will successfully implement its "construct and dispose" strategy and in such event its results may be materially adversely affected; the valuation of real estate is inherently subjective due to the individual nature of each property. As a result, valuations are subject to uncertainty; finding a suitable location is critical to the success of a shopping and entertainment center; the Company's business is subject to numerous national and local government regulations, including those relating to the acquisition of real estate properties, building and zoning requirements. Any failure by the Company to comply with government regulation may adversely affect the Company's business and results of operations. Zoning restriction and local opposition can delay or prevent construction of a real estate project; reliance on contractors and subcontractors during the construction of shopping and entertainment centers may lead to high construction costs and loss of the Company's competitive edge; delay in the completion of projects of construction of shopping and entertainment centers might affect the success of the Company; the Company is dependent upon third parties for the purpose of entering lease contracts and especially agreements with anchor tenants for shopping and entertainment centers when, in the event that the Company cannot enter into the aforesaid agreements, it runs the risk of price reduction; the Company is exposed to a decrease in the prices of rent and/or sale prices of shopping and entertainment centers it owns; competition in its areas of activity becomes more intense; there is no guarantee that the Company will be able to implement its strategy to successfully build shopping and entertainment centers and such circumstances may result in serious damage to the performance of the Company; some of the shopping and entertainment centers are held with business partners and are exposed to risks relating to such business partners, which may lead to increased development and construction costs; transactions aimed at purchasing commercial centers, shopping and entertainment centers purchased by the Company are subject to inherent risks that are characteristic of real estate transactions such as, but not limited to, failure to discover flaws and defects in the framework of a due-diligence investigation or the ability to conduct due-diligence to a limited extent, flaws in the purchase rights, flaws and defects in the building or the ground, pollution and environmental nuisances; there might be dependency on business partners, cooperation and service providers; disputes with land owners and/or tenants and/or service providers, breach of agreements and/or insolvency by anchor tenants; failure to communicate that property management companies in general or under conditions that are desired by the Company; changes in the buying power or worsening of the economy of the relative state that harms the financial performance of the commercial centers; decrease in the value of assets; urban and/or demographic changes and/or changes in the mixture of the population constituting the primary target audience of the commercial center and affecting its profitability; changes in legislature or taxation limiting the activities of the commercial center and/or its profitability and/or the possibility of its realization; acquisition, development and renovation of commercial centers involves significant risks for the Company and lack of an option to predict the success of future projects;

Risk Factors

(b) *The Company is highly dependent on realising cash proceeds from the sale of existing and pipeline projects in order to service its financial obligations*. The Company’s primary business strategy is the construction, development and sale of shopping and entertainment centres in Central and Eastern Europe and other markets where it operates. Whilst the Company intends to continue to implement its “construct and sell” development strategy, it also holds completed developments on its balance sheet, until sales prices which appropriately reflect their potential are achieved. While the properties are held on the Company’s balance sheet, it manages them deriving rental and other income from those assets. Such income is not comparable with the proceeds that may be received on a sale of such properties. For example, the Company recently divested its U.S. investment properties which generated cash proceeds of approximately U.S.$120 million (compared to approximately U.S.$82 million initially invested). Losing the income from the high yielding U.S. properties may cause cash flow problems. While the Company has recently raised substantial cash proceeds from the sale of its investment in the U.S. shopping centres, the Company will no longer benefit from the rental income generated from these investments, which represented a large share of the Company’s income. The Company’s current debt maturity profile indicates that significant principal repayments of senior secured and other debt obligations will come due. There is no assurance that the Company will be successful in either realising cash proceeds to service such debt obligations or, alternatively, re-negotiating and extending scheduled debt maturities in order to match its income on completed projects which have not been sold. The Company has significant debt service obligations, including bank debt, publicly traded debentures in Israel and debentures offered in a private offering in Poland, all of which require cash payments of principal and interest, in the short and medium term. In addition, the Company may incur additional debt from time to time to finance acquisitions or capital expenditures or for other purposes; The Company’s financial instruments (mainly its loans and debentures) and its derivative financial instruments are subject to fluctuation in interest rates, currency exchange rates, changes in the Israeli consumer price index and/or changes in fair value, which may have a negative impact on its earnings, balance sheet and cash flows.

(c) *Risk factors related to Central and Eastern Europe*: in the framework of the Company's activities in Central and Eastern Europe, the Company is subject to a variety of risks such as economic risks, political instability and corruption and the lack of experience and unpredictability of the civil justice system.

(d) *Risk factors related to India: Hostility in India and other Asian countries* might have an adverse effect on the Company's performance and financial condition; changes in the economic policy implemented by the Indian government or political instability might have an adverse effect on the Company's business; the Company is new in the Indian market and there is no certainty that its skills or experience will suffice in these areas; limitations imposed by the Indian government concerning investments in India might have an adverse effect on the Company's business performance; uncertainty concerning ownership of lands in India might expose the Company to third party claims in connection with the acquisition of lands by the Company; regulatory limitations in India in connection with repatriating capital from the country might have an adverse effect on the Company's cash flow.

Risk Factors

(e) _Risks factors relating to the holdings structure of the Company_: One of the Company's shareholder, Elbit Imaging Ltd. ("Elbit") beneficially owns a substantial amount of the Company's ordinary shares and, therefore, has effective control over the Company's affairs. As a result, Elbit has sufficient voting power at a meeting of the shareholders of the Company to effectively control most matters concerning the Company that require shareholder approval. For example, Elbit Imaging may have the power to affect the Company's legal and capital structure, elect all of the directors, prevent or effect changes in control or management, influence the issue of shares and the exclusion of pre-emptive rights. In addition, due to the concentration of shareholding in Elbit Imaging and other major shareholders the Company is not in compliance with the Financial Services Authority (the "FSA") free float requirement that at least 25% of its outstanding shares be in public hands. If the free float requirement is not complied with, the Company may be required to de-list its shares from the London Stock Exchange (the "LSE"). The Company approached the FSA in this respect and updated that Elbit is not going to vote in favour of such delisting. The FSA decided to put the issue on hold for the time being. Any loss of the services of members of our senior management team could result in the loss of expertise necessary for us to succeed, which could cause our revenues to decline and impair our ability to meet our objectives; Certain of the Company's directors, officers and key employees are officers of Elbit. As a result, they may have real or apparent conflicts of interest on matters affecting both the Company and Elbit and in some circumstances may have interests adverse to the Company's interests. Currently, two members of the Company's board of directors are executive officers of Elbit. Change and/or transfer of control in Elbit, either voluntarily as a result from a wilful event, restructuring of Elbit's debt or as a result from a compulsory foreclosure event with respect to shares of Elbit Imaging that are pledged as security to lending banks (including, in particular, shares that were pledged by Europe-Israel (M.M.S.) Ltd. which is controlled by Mr. Mordechai Zisser to Bank Hapoalim B.M.), may result in a violation of contractual undertakings made by Company.

(f) _The Company's global operations expose it to additional and unpredictable risks:_ The Company conducts its businesses on a global basis and constantly seeks new opportunities in various regions of the world. The Company's future results could be materially adversely affected by a variety of factors relating to international transactions, including changes in currency exchange rates, general economic conditions, regulatory requirements, tax structures or changes in tax laws or practices, and longer payment cycles in the countries in its geographic areas of operations. International operations may be limited or disrupted by the imposition of governmental controls and regulations, political instability and difficulties in managing international operations. There can be no assurance that one or more of these factors will not have a material adverse effect on the Company's international operations and, consequently, on the Company's business, financial condition and results of operations. A failure to effectively manage the expansion of the Company's business could have a negative impact on the Company's business. To accommodate its global expansion, the Company is continuously implementing new or expanded business systems, procedures and controls. There can be no assurance that the implementation of such systems, procedures, controls and other internal systems can be completed successfully

(g) Cross default: a decision of either series of the bondholders to call for immediate repayment of their bonds may trigger cross default provisions included in the Company's agreements with certain of its lending banks that are financing its real estate projects. If any or all of the banks decide to call for immediate repayment of their debt, this will result in material adverse effect on the Company's operations and financial results and its ability to repay its debt towards its creditors.