



Results for the six months period ended 30 June 2013

23 August 2013



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Key Highlights 2013 – Operational



- Plaza has successfully completed its first exit in India with the sale of its 50% stake in a vehicle which primarily owns interests in an office complex project located in Pune, Maharashtra. The transaction valued the assets collectively at €33.4 million and, as a result, Plaza received gross cash proceeds of circa €16.7 million in line with its holding
- Improved occupancy levels achieved across the Company's existing shopping and entertainment centres, with the overall portfolio occupancy rate increasing to 89% (31 December 2012: 88%) as at the reporting date, with the following notable successes:
 - At **Zgorzelec Plaza**, Poland, three contracted anchor tenants opened their stores in the second quarter, increasing the turnover by 65% and footfall by 42% compared to June 2012
 - At **Kragujevac Plaza**, occupancy reached 100% within a year of opening and turnover increased by 23% compared to June 2012
 - At **Riga Plaza**, H&M was signed as a new anchor tenant (for 2,900 sqm of GLA), bringing the mall to almost full occupancy. Turnover and footfall at the centre has increased by 14% compared to June 2012
 - At **Torun Plaza**, Poland, turnover increased by 24% and footfall rose by 20% in June compared to the corresponding period last year



Key Highlights 2013 – Operational (cont.)



- As reported in 2012, Koregaon Park Plaza was substantially damaged by a fire caused by a tenant's faulty electrical equipment. Although roughly two-thirds of the mall's rentable area was reopened in August 2012, the remainder of the centre required extensive renovation and these works were finally completed in Q2 2013. Plaza is also pleased to report that, during this reporting period, the project received approximately €6.9 million from the insurance policy which has covered all the renovation costs
- Plaza received €32 million from the subsidiary of the US holding entity, which was dissolved



Key Highlights 2013 – Operational (cont.)



Key highlights since the period end:

- Plaza has successfully completed the sale of 100% of its stake in a vehicle which owns the interest in the Prague 3 project (“Prague 3”), a logistics and commercial centre in the third district of Prague. Earlier this year, Plaza completed a successful application to change the zoning use of Prague 3 to a residential scheme. The transaction valued the asset at circa €11 million and, as a result, further to related bank financing and other balance sheet adjustments, Plaza has received net proceeds of circa €7.5 million in cash
- Plaza has also sold its interest in a SPV which owns a site in Roztoky, Czech Republic being held for a potential residential development. The site was sold for circa €2 million, resulting in net cash proceeds of €1.3 million after debt-related deductions

These sales were conducted in line with the Company’s strategy to deleverage and reallocate capital realised from the disposal of stabilised completed projects and non-core assets to the core yielding assets across our portfolio



Financial Highlights



- Reduction in total assets to €793 million (31 December 2012: €886 million), mainly as a result of non-cash, predominantly market-related impairment adjustments of €61 million booked in the period (decrease in the value of trading properties to €561 million (31 December 2012: €612 million))
- Total revenues more than doubled following the €16.7 million disposal of an Indian investment, and an increase in revenue from operating shopping centres, to €14.3 million (H1 2012: €14.1 million), despite a decrease in revenue at Fantasy Park (decrease of €1 million due to the closure of some gaming and entertainment units) and Koregaon Park, which was partly closed for the majority of the period
- Loss for the six months of €81 million (30 June 2012: €10 million loss), stemming from the non-cash €61 million impairment of trading properties (of which 42% relates to assets in Serbia, 21% to Czech Republic, 26% to India and 11% to Greece), fair value adjustments and the share in loss of associated companies
- Basic and diluted loss per share of €0.27 (30 June 2012: €0.03 loss per share)



Financial Highlights (cont.)



- Cash position at period end (including restricted bank deposits, short term deposits and available for sale financial assets) of €100 million (31 December 2012: €66 million) with working capital of €390 million (31 December 2012: €391 million); current cash position of circa €32 million following a €67 million bond principal and interest repayment on 1 July 2013
- Whilst €18 million of debt was repaid during the period, the level of debt increased to 50% of the balance sheet (31 December 2012: 45%) primarily as a result of the impairment losses booked in the period. The Company continues to prioritise the deleveraging of its balance sheet, seeking a variety of financing options alongside traditional bank debt and additionally pursuing avenues to lengthen the date of its debt facilities
- On 22 July 2013 Standard & Poor's Maalot ("S&P Maalot"), the Israeli credit rating agency which is a division of International Standard & Poor's Rating Services, updated the credit rating of Plaza's two series of Notes from "iBB+" on a local Israeli scale to "iB", with a negative outlook. The re-rating reflects the persistent challenging economic environments in which Plaza operates



Financial Overview

Results



	H1/2013 (unaudited)	H1/2012^(*) (unaudited)
	€ '000	€ '000
Revenues ⁽¹⁾	14,298	14,148
Proceeds from disposal of equity accounted investee⁽²⁾	16,699	-
Write-down of trading properties⁽³⁾	(60,906)	(1,688)
Cost of equity accounted investee disposed⁽²⁾	(21,842)	-
Cost of operations ⁽⁴⁾	(5,490)	(6,551)
Gross Profit (Loss)	(57,241)	5,909

(*) Restated following the adoption of IFRS 11

- (1) 2013: CEE and India rent and management fee - €11.3m, Fantasy Park - €2.3m, Other revenues – €0.7m (2012: CEE rent and management fee - €10.8m, Fantasy Park - €3.3m)
- (2) 2013: €16.7m generated from the sale of an Indian JV; € 21.8m cost of the Indian vehicle which was sold, includes €4.5m of foreign currency exchange differences
- (3) 2013: impairment arising from assets in Serbia (€25.7m), Czech Republic (€13.1m), India (€15.7m), Greece (€6.4m) (2012: impairment arising from assets in Bulgaria (€1.7m))
- (4) 2013: cost of operations in Europe – €3.2m, Fantasy Park – €1.5m, India – €0.8m (2012: cost of operations in Europe – €4.3m, Fantasy Park – €1.7m, India - €0.5m)



Financial Overview *(Cont.)*



	<u>H1/2013</u> (unaudited)	<u>H1/2012^(*)</u> (unaudited)
	€ '000	€ '000
Administrative expenses⁽¹⁾	(6,212)	(7,538)
Other expenses (net)⁽²⁾	(4,453)	(309)
Results from operating activities	(67,906)	(1,938)
Net finance cost⁽³⁾	(8,965)	(9,091)
Share in loss of equity accounted investees, net of tax	(4,472)	(935)
Tax benefit	754	4,048
Loss from continuing operations	(80,589)	(7,916)
Loss from discontinuing operation, net of tax⁽⁴⁾	(454)	(1,892)
Loss for the period	(81,043)	(9,808)
Loss attributable to owners of the Company	(81,043)	(9,808)

(*) Restated following the adoption of IFRS 11



Financial Overview *(Cont.)*



NOTES TO THE RESULTS

- (1) Administrative expenses amounted to €6.2 million (H1 2012: €7.5 million after restatement). General and administrative expenses, decreased from €5.8 million in H1 2012 to €5.1 million in H1 2013 as a result of further optimization of the Company's operations. Sales and marketing expenses decreased from €1.7 million in H1 2012 to €1.1 million for the six month period ended 30 June 2013 as no promotion of newly opened shopping centres occurred in the period
- (2) Other expenses in 2013 includes fair value negative adjustment of Investment property in CEE of €3.4 million
- (3) A net finance cost of €9 million was recorded in H1 2013 (H1 2012: €9.1 million net finance loss). The main components of the loss were the:
 - Interest expense on bank loans and debentures (€7.4 million), an increase compared to the H1 2012 expense of €7.1 million where the interest on bank loans was increasing in line with the higher volume of investment financing loans while, on the other hand, the interest expense on bonds was decreasing as a result of principal repayments
 - Net costs related to the Company's debentures (revaluation, hedge and loss of reissuance) of €3.9m
 - Net income for interest on deposits, foreign exchange differences and hedging by IRS related to bank loan interest of €2.3m
- (4) US operation was reclassified in 2012 as a discontinued operation, with comparative figures reclassified accordingly



Financial Overview (Cont.)

Balance sheet and cash flow



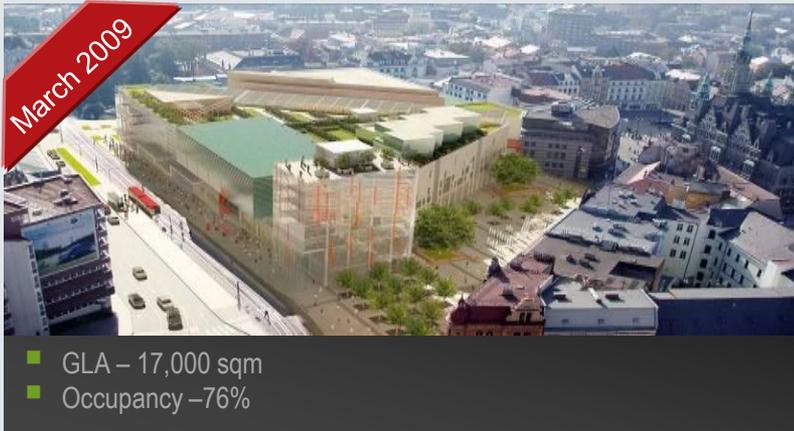
- The balance sheet as at 30 June 2013 showed total assets of €793 million compared to total assets of €886 million at the end of 2012, largely as a result of the decrease in the value of trading properties due to impairment adjustments
- The value of trading properties decreased from €612 million as at 31 December 2012 to €561 million at end of the period after the impairment losses related to projects in Serbia, Czech Republic, India and Greece were recorded
- The Company's cash position (deriving from cash, restricted bank deposits, short term deposits and available for sale financial assets) increased to €100 million (31 December 2012: €66 million), as a result of proceeds from the sale of an Indian investment and the dissolution of our US venture
- The gearing position stood at 50% of the balance sheet (31 December 2012: 45%) as a result of losses realised from the impairment of trading properties. After the end of the period Plaza collected the proceeds from the sale of Prague 3 and the Roztoky projects (in Prague, Czech Republic) and paid a €67 million bond principal and interest repayment, leaving the Company with a current cash position of circa €32 million



Active shopping and entertainment centres

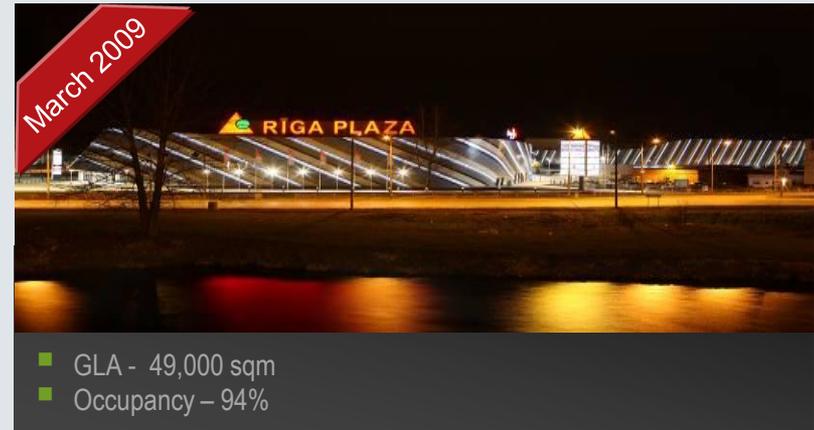


Liberec Plaza, Czech Republic



- GLA – 17,000 sqm
- Occupancy – 76%

Riga Plaza, Latvia



- GLA - 49,000 sqm
- Occupancy – 94%

Zgorzelec Plaza, Poland



- GLA – 13,000 sqm
- Occupancy – 89%

Suwalki Plaza, Poland



- GLA - 20,000 sqm
- Occupancy – 85%



Active shopping and entertainment centres



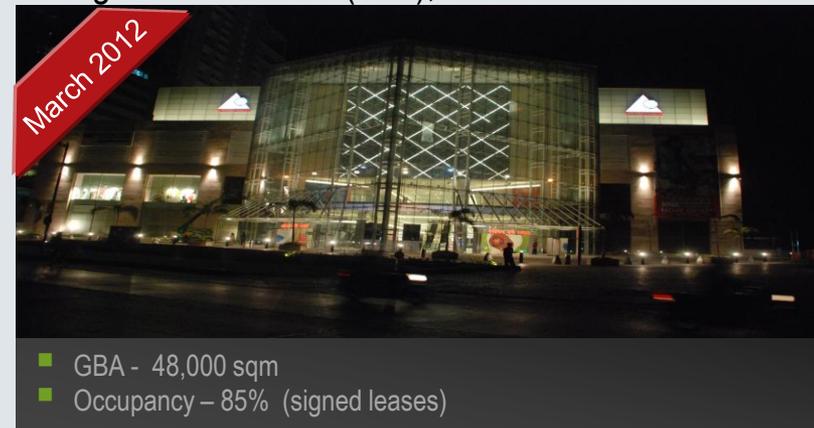
Torun Plaza, Poland



Kragujevac Plaza, Serbia



Koregaon Park Plaza (Mall), India



Building upon our successful business model



- Continue to build on our successful track record of developing, letting and selling shopping & entertainment centres in CEE over the last 17 years, while retaining the flexibility to adapt our strategy to evolving market conditions
- Strong ability to identify new growth opportunities in existing as well as new markets
- Flexibility and ability to anticipate and adapt to market trends
- 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, as evidenced by increasing occupancy across the portfolio
- 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



Strategic Focus



- The Group will continue to limit the commencement of new construction projects, and focus on the intensive management of its core active assets and the paying down of debt to ensure the Group remains conservatively geared and strongly positioned to resist any further macroeconomic shocks
- Continuing the success of our realisations during the period the Company will seek to optimise opportunities to further reduce its levels of gearing whilst advancing our limited development programme into the strongest economies of the CEE
- We will remain committed to our strategic objectives of improving the performance of our active operational assets, while selling non-core and completed assets to enable us to continue to deleverage
- We will also continue to seek alternative financing options to extend and diversify our funding sources, which we believe will better position the Company for further growth

It is through this combination of factors, underpinned by our expert management skills, which will ensure that we will remain well positioned to create significant future value for our shareholders



Outlook



- We remain convinced of the underlying fundamentals of the regions in which we operate and, despite ongoing challenges that are still present in our core markets, we will continue to meet a number of our key objectives during the period, illustrated by improvements in occupancy, footfall and turnover
- Although improvements in business sentiment and growth in European GDP suggest that a gradual recovery will continue into H2 2013, we are certain that a pragmatic yet opportunistic approach is still the right approach for the Company
- We will continue to sell non-core and completed assets to enable us to continue to deleverage and reallocate realised capital to the core yielding assets in the portfolio, thereby creating additional capital value and driving income growth
- The Company will seek to optimise opportunities to further reduce its levels of gearing whilst advancing our limited development programme into the strongest economies of the CEE
- We will also continue to seek alternative financing options to extend and diversify our funding sources, whilst maintaining our cautious approach to development, only progressing with our pipeline of projects when external funding becomes available, which we believe will better position the Company for further growth





Appendix A: Forecasted Cash Flow



Expected cash flow for the coming two years (€M)



	<u>H2/2013</u>	<u>2014</u>	<u>H1/2015</u>
Cash - Opening Balance - Headquarter level⁽¹⁾	94	26	55
Proceeds from selling trading and investment properties	24	122	51
Sources Cash flows from operating activities ⁽²⁾	11	22	8
Refinancing	11	-	-
Total Sources	140	169	114
Debtures – principal ⁽³⁾	87	74	61
Debtures – interest ⁽³⁾	12	8	3
Uses Bank loans - principal	3	5	2
Bank loans - interest	5	6	2
Additional Equity investments in current projects	1	9	3
Operational expenses	6	12	6
Total Uses	115	114	76
Cash - Closing Balance	26	55	38
Principal Debtures outstanding at period end	183	109	48

- (1) Including cash at active shopping and entertainment centres, cash and cash equivalents, deposits (both restricted and unrestricted) and liquid financial instruments. Not including €6.5m of Koregaon insurance proceeds which were included in the cash balance, since the refurbishment loan was repaid at the beginning of July
- (2) Including income from operating malls, Indian residential activities and financial income
- (3) Bond principle payments of €60.3m and interest of €6.3m were paid 1 July 2013



Expected NOI from properties (€M)



Period	H2/2013	2014	H1/2015	Representing NOI	Total related debt 30.6.2013
Operating Shopping and entertainment centres	9.8	16.0	3.1	28.0	215.2
Total	9.8	16.0	3.1	28.0	215.2



Debt & Liquidity Structure as at 30 June 2013



Debt Structure - 30.06.2013 (€M)			
Debt	Debentures ⁽¹⁾		206
	Bank Loans	CEE - Operating Malls ⁽³⁾	153
		CEE – Other	6
		India ⁽⁴⁾	31
	Total Debt		396
Resources	Liquid balances -Consolidated		87
	Financial Instruments and restricted bank deposits		13
	Total sources		100
Net Financial Debt			296
Shareholders' equity (Non-revalued)			355
Net Debt / Net CAP ⁽²⁾			45%
Total NET Debt to Balance Sheet (LTV)			37%

(1) Some of the debentures are presented in the financial statements at their fair value based on the stock exchange quote; total debentures adjusted par value amounts to c. €257m

(2) Net CAP= Net Debt+ Equity

(3) Excluding Riga loan of €31m

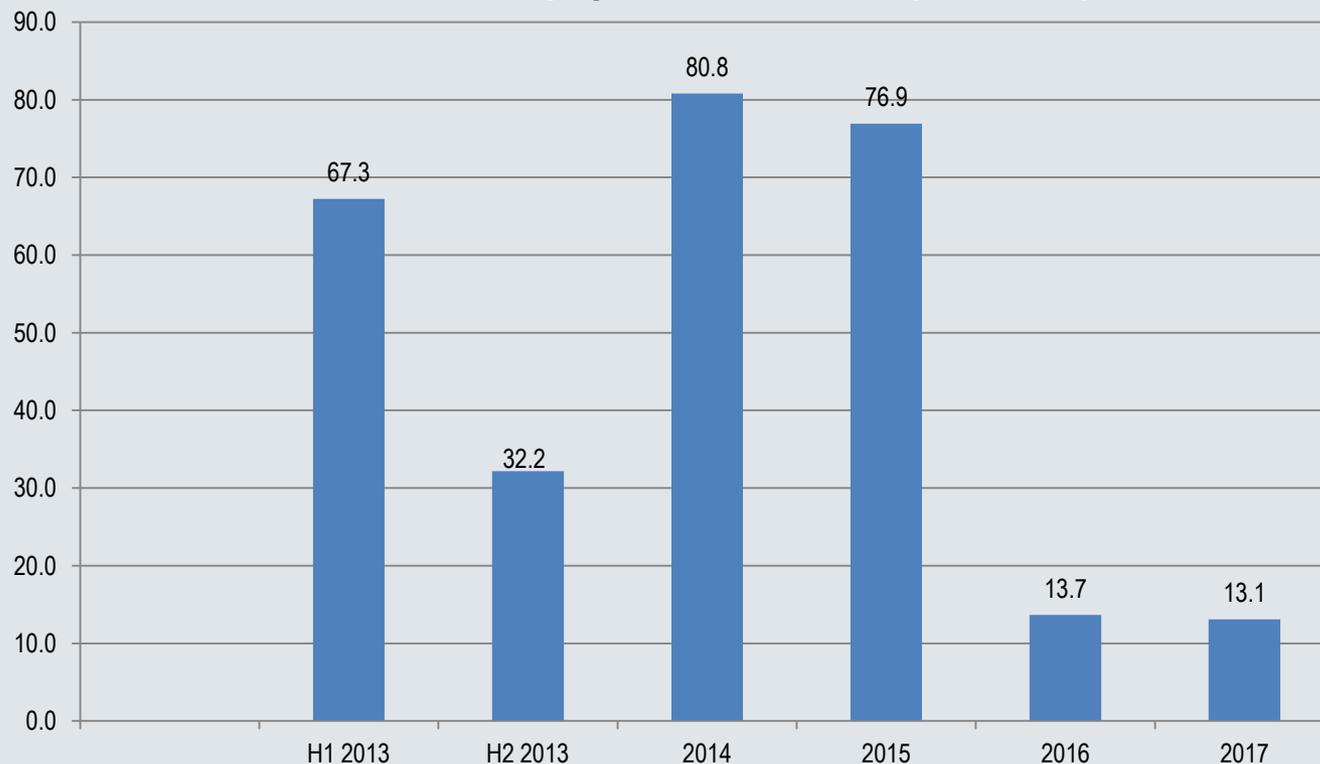
(4) before refurbishment loan repayment (€6.5m)



Debentures Repayment Schedule



Debentures Repayment Schedule (€ million) *



* Including repayment of principal and interest on Israeli and Polish debentures (net of bonds held by Plaza's subsidiary)





Appendix B: Current Projects

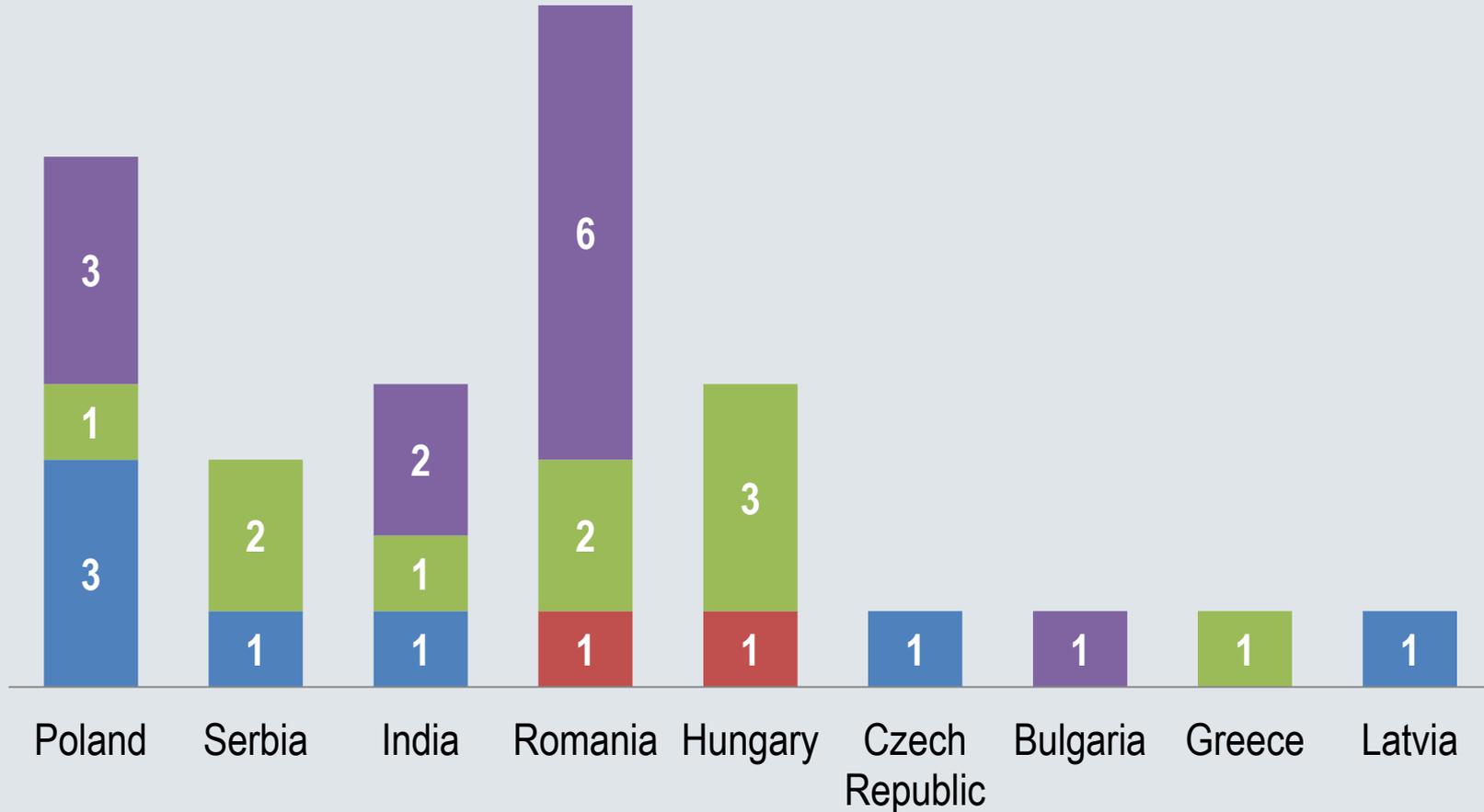


Portfolio Summary – by Country



Total portfolio of 31 assets in nine countries

■ Completed & Active (7) ■ Offices (2) ■ Under Development (10) ■ Plots Pipeline (12)



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)



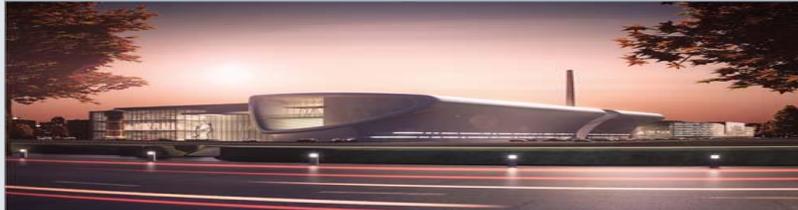
- Type: Shopping & entertainment centre
- Size: 48,000 (GBA)
- Plaza Share: 100%
- Status: Operating



Projects overview - Poland



Lodz Plaza



- City: Lodz
- Type: Shopping & entertainment centre
- Size: 35,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015
- Status: Planning and permits stage

Lodz Residential (Poland)



- City: Lodz, Poland
- Type: Residential
- Size: 80,000 (GBA)
- Plaza Share: 100%
- Status: Planning stage

Leszno Plaza



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

Kielce Plaza



- City: Kielce
- Type: Shopping & entertainment centre
- Size: 33,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015 - 2016
- Status: Planning and permits stage



Projects overview – Serbia



Belgrade Plaza (MUP)



- City: Belgrade
- Type: Mixed use (offices, Hotel & retail)
- Size: 70,000 (GBA)
- Plaza Share: 100%
- Expected Completion Date: 2015-2016
- Status: Planning and permits stage

Belgrade Plaza (Visnjicka)



- City: Belgrade
- Type: Shopping & entertainment centre
- Size: 32,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015
- Status: Planning and permits stage



Projects overview – India



Bangalore



- City: Bangalore
- Type: Residential
- Size: 310,000 (GBA)
- Plaza Share: 23.75%
- Expected Completion Date: 2014-2020
- Status: Planning and permits stage

Chennai



- City: Chennai
- Type: Residential
- Size: 230,000 (for sale)
- Plaza Share: 38%
- Expected Completion Date: 2014-2018
- Status: Planning and permits stage

Kochi Island



- City: Kochi
- Type: Mixed use (residential apartment buildings, office complexes, hotel, retail and a 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) - including parking
- Plaza Share: 75%
- Expected Completion Date: 2015-2018
- Status: Under Planning

Timisoara Plaza



- City: Timisoara
- Type: Shopping & entertainment centre
- Size: 36,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015
- Status: Planning and permits stage

Iasi Plaza



- City: Iasi
- Type: Mixed Use
- Size: 58,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

Slatina Plaza



- City: Slatina
- Type: Shopping & entertainment centre
- Size: 17,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- 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



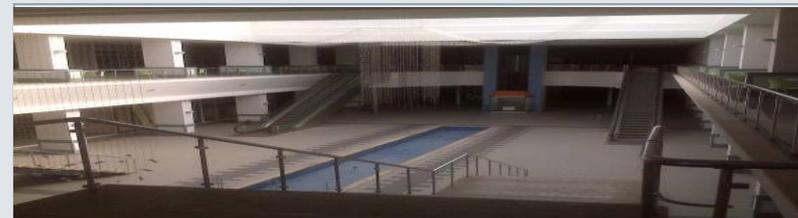
- City: Targu Mures
- Type: Shopping & entertainment centre
- Size: 30,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

Hunedoara Plaza



- City: Hunedoara
- Type: Shopping & entertainment centre
- Size: 13,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

Constanta Plaza



- City: Constanta
- Type: Shopping & entertainment centre
- Size: 18,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015-2016
- Status: Planning and permits stage



Projects overview - Hungary



Dream Island (Obuda)



- City: Budapest
- Type: Business and leisure resort
- Size: 350,000 (GBA) (for rent and sale)
- Plaza Share: 43.5%
- Expected Completion Date: 2015-2017
- Status: Initial excavation and archeological works, casino license obtained

Arena Extension



- City: Budapest
- Type: Office
- Size: 40,000 (GLA)
- Plaza Share: 100%
- Expected 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%
- Expected Completion Date: 2016
- Status: Planning and permits stage



Projects overview – Greece



Pireas Plaza



- City: Athens (Greece)
- Type: Shopping & entertainment centre
- Size: 26,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015-2016 (subject to availability of external financing)
- Status: Planning stage



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

