



Full Year Results for the year ended 31 December 2013

13 March 2014



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Agenda



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



Financial Highlights



- Reduction in total assets to €586 million (31 December 2012: €886 million restated – as a result of changes in the accounting presentation of joint venture Special Purpose Vehicles ('SPVs') (due to changes in IFRS)), and primarily due to impairment of trading properties and equity accounted investees as well as debt repayments.
- Book value of the Company's trading properties reduced by 19% over the year, or by €117 million, primarily due to impairments recorded.
- Rental income slightly increased to €23.7 million (31 December 2012: €23.1 million), due to the improvement in the performance of the CEE shopping centres. The rental income performance would have been even stronger, had there not been a loss of income caused by a fire incident in India.
- Net Asset Value decreased by 40% to €274 million (31 December 2012: €459 million) primarily as a result of impairment of assets, mainly in Serbia, Romania and India. Net Asset Value per share of £0.79 (31 December 2012: £1.26), a decline of 37%, attributable mainly to the abovementioned impairments.



Financial Highlights contd.



- Loss for the year of €218 million (31 December 2012: Loss of €86 million), stemming from a non-cash €186 million impairment of trading properties, equity accounted investees, investment property and pre-payments (31 December 2012: €83.7 million of impairments), and an overall net finance cost of €39 million compared to a net finance cost of €17 million in 2012. Impairment of real estate assets in the fourth quarter of 2013 totalled circa €43 million. Basic and diluted loss per share of €0.73 (31 December 2012: loss per share of €0.29).
- Consolidated cash position at year end (including restricted bank deposits, short term deposits and held for trading financial assets) of €33.7 million (31 December 2012: €65.8 million) and current cash position of circa €35.2 million (€7 million restricted).
- Gearing increased to 64% (31 December 2012: 50%) as a result of impairment losses and finance costs incurred during the year.



Financial Overview

Results (in Thousand EUR)



	2013	2012 (*)
<u>Continuing operations</u>		
Rental income	23,678	23,112
Revenues from entertainment centers ⁽¹⁾	3,345	6,911
	<u>27,023</u>	<u>30,023</u>
Cost of operations ⁽²⁾	-9,408	-9,384
Cost of operations – entertainment centers ⁽¹⁾	-4,025	-8,267
	<u>13,590</u>	<u>12,372</u>

(1) Income from the Group's Fantasy Park operation decreased to €3.3 million from €6.9 million in 2012 following the closure of underperforming units

(2) The cost of marketing expenses were classified as part of operating cost rather than administrative expenses, and comparative figures for 2012 were also restated

(*) Restated due to the application of IFRS 11



Financial Overview

Results (in Thousand EUR) cont.



	2013	2012 (*)
Loss from disposal of undeveloped Trading Property	-346	-65
Write-down of Trading Properties ⁽¹⁾	-117,913	-60,293
Write-down of equity-accounted investees ⁽²⁾	-56,417	-23,443
Loss from disposal of equity accounted investees (holding undeveloped Trading Properties)	-3,724	-
Share in results of equity-accounted investees	952	1,475
Administrative expenses, excluding restructuring costs ⁽³⁾	-9,435	-11,432
Restructuring costs	-702	-
Other income ⁽⁴⁾	413	8,970
Other expenses ⁽⁴⁾	-11,468	-1,122
Results from operating activities	-185,050	-73,538

(1) Relating mainly to projects in Serbia (€37 million), Romania (€24.6 million), India (€15.6 million), Czech Republic (€15 million), Greece (€12 million), Poland (€11 million) and Bulgaria (€2.4 million)

(2) Majority relates to projects in India (Bangalore, Chennai, Kharadi)

(3) Administrative expenses decreased as a result of a decrease in payrolls and related expenses as part of the Company's efforts to reduce costs during the year.

(4) Other expense recorded mainly due to the impairment of certain prepayments (app €7 million) and fair value adjustment of investment property (app €4.3 million).



Financial Overview

Results (in Thousand EUR) cont.



	2013	2012 (*)
Finance income ⁽¹⁾	1,288	20,358
Finance costs ⁽²⁾	-40,632	-37,531
Net finance costs	-39,344	-17,173
Loss before income tax	-224,394	-90,711
Tax benefit ⁽³⁾	6,256	6,592
Loss from continuing operations	-218,138	-84,119
<u>Discontinued operation</u>		
Profit (loss) from discontinued operation, net of tax	65	-2,044
Loss for the year	-218,073	-86,163



Financial Overview *(Cont.)*



NOTES TO THE RESULTS

- (1) Finance income decreased to €1.3 million from €20.4 million in 2012 mainly due to no income being recorded in connection to its buyback programme (2012: €4.3 million income) as the Company ceased this activity in order to preserve short term liquidity. In addition, no income resulted from hedging activity through selling currency options (2012: €11.7 million) as hedging activity was reduced also in order to preserve short term liquidity.
- (2) Finance expenses increased from €37.5 million to €40.6 million (after capitalization of borrowing costs of €6.5 million in 2013 and €19.1 million in 2012). The main reasons for this increase were:
 - discontinuing of capitalization of interest on debentures in H2 2013, resulting in additional € 3 million of expenses to be remained in the profit or loss
 - loss on the reissuance of bonds previously bought back (2013 -€5.7 million, 2012 - nil)
 - increase in foreign exchange loss on bonds (2013 - €5.4million, 2012 - €2.0 million)This was partly offset by the decrease in the expense recorded due to the increase in fair value of bonds (2013 - €13.2 million, 2012 - €19.0 million)
- (3) A tax benefit of €6.3 million recorded in the consolidated income statement mainly represents the decrease in the deferred tax liability, primarily in connection with the fair value changes of the debentures measured through the profit or loss.



Financial Overview (Cont.)

Balance sheet and cash flow



- Net Asset Value decreased by 40% to €274 million (31 December 2012: €459 million) primarily through impairment of assets, mainly in Serbia, Romania and India.
- Consolidated cash position at year end (including restricted bank deposits, short term deposits and available for sale financial assets) of €33.7 million (31 December 2012: €65.8 million) and current cash position of circa €35.2 million (€7 million restricted).

**Current consolidated cash balance –
€35 million**



Company NAV



- Net Asset Value per share of £0.79 (31 December 2011: £1.26), a decline of 37%, attributable mainly to the impairments in Serbia, Romania and India.
- Serbia (€37 million), Romania (€27 million), India (€76 million), Czech Republic (€20 million), Greece (€12 million), Poland (€11 million), Bulgaria and Hungary (€4.5 million) and Latvia (€3 million).

USE	€ ('000)
Market value of land and projects by Cushman Wakefield ⁽¹⁾	545,142
Assets minus liabilities as at 31 December 2013 ⁽²⁾	(271,370)
Total	273,772

(1) Except for Targu Mures (Romania) project, where the company has applied a more conservative value

(2) Excluding book value of assets which were valued by Cushman and Wakefield



Key Highlights 2013 – Operational



- On 31 October 2013, a consortium of shareholders of Dream Island, in which Plaza holds a 43.5% stake, completed the sale of its Dream Island project land holding to the Hungarian State for circa €16.5 million (HUF 5 billion). The proceeds of the transaction were used by the Consortium to repay a proportion of the securitised related bank debt held against the asset. As a result of a previous non-cash, market driven writedown, no accounting loss was incurred.
- On 8 November 2013, the Company's Latvian 50% subsidiary signed a new €59.3 million investment loan with a consortium comprising two banks for its shopping and entertainment centre in Riga, Latvia. The new facility has duration of four years and therefore substantially lengthens the duration of the debt compared to the previous loan facility, which was due for repayment on 30 June 2014.
- On 14 November 2013, Plaza announced that it had reached an agreement to sell Koregaon Park Plaza, a retail, entertainment and office scheme located in Pune, India, subject to the satisfaction of certain closing conditions. The transaction valued the asset at circa €40 million, the asset's current book value. Following the repayment of the outstanding related bank loan, Plaza expects to generate aggregate cash proceeds from the purchaser totaling circa €18 million, before taxes and transaction costs, which should be paid in installments over the coming 2 years. The transaction is subject to fulfillment of certain conditions, including consent from the financing banks.



Key Highlights 2013 – Operational (cont.)



- Plaza's 70% subsidiary reached an agreement in December 2013 to sell its 50% equity stake (together with the other 50% Joint Venture partner) in the Uj Udvar shopping mall in Budapest, Hungary. As a result of the transaction, proceeds of €2.35 million in cash were received by Plaza for its share in the asset.
- Improved occupancy levels achieved across the Company's existing shopping and entertainment centres in the CEE, with the overall portfolio occupancy rate increasing from 89% in 2012 to 93% as at the reporting date, with the following notable successes:
 - At Torun Plaza, Poland, occupancy increased to 89% (2012: 84%). A contract with TK Maxx, the multinational fashion retailer, was signed at Torun Plaza (Poland) for 2,700 sqm, creating a new two level store which was opened on 5 March 2014. The letting represents circa 7% of the total lettable area of the mall
 - At Riga Plaza, Latvia, occupancy increased to 97% (2012: 94%). H&M, a multinational fashion retailer, signed a contract for 2,700 sqm in Riga Plaza (Latvia). The store is scheduled to open in April 2014 and it is expected that the mall will be nearly fully let by mid-2014
 - At Suwalki Plaza, Poland, occupancy increased to 91% (2012: 90%)
 - At Zgorzelec Plaza, Poland, occupancy increased to 91% (2012: 89%), and the centre achieved a 58% growth in turnover on year to year basis
 - At Liberec Plaza, Czech Republic, occupancy increased to 86% (2012: 80%).



Markets of Operation - Active shopping and entertainment centres



Poland
<ul style="list-style-type: none"> • Population - 38.4 million • 2013 Inflation Rate - 1% • 2013 GDP per capita - US\$ 21,100
Operating Malls - 3
Current Value - €158.2m

Latvia
<ul style="list-style-type: none"> • Population - 2.2 million • 2013 Inflation Rate - 0.2% • 2013 GDP per capita - US\$ 19,100
Operating Malls - 1
Current Value - €43.9m (50%)



Czech Republic
<ul style="list-style-type: none"> • Population - 10.6 million • 2013 Inflation Rate - 1.6% • 2013 GDP per capita - US\$ 27,200
Operating Malls - 1
Current Value - €17.7m

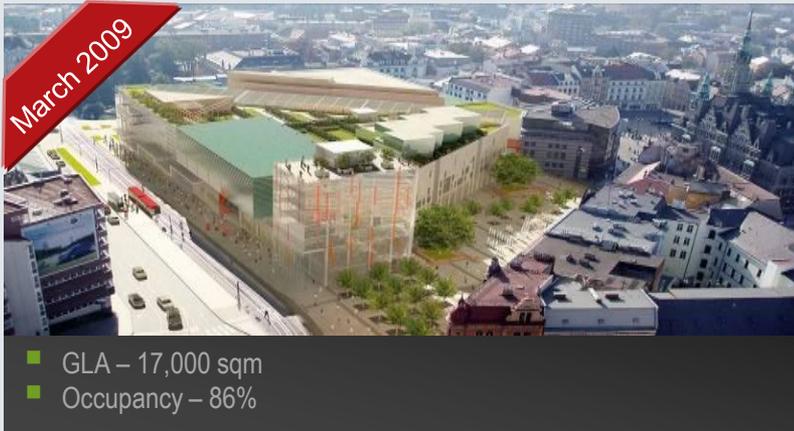
Serbia
<ul style="list-style-type: none"> • Population - 7.2 million • 2013 Inflation Rate - 8.2% • 2013 GDP per capita - US\$ 11,100
Operating Malls - 1
Current Value - €41.8m



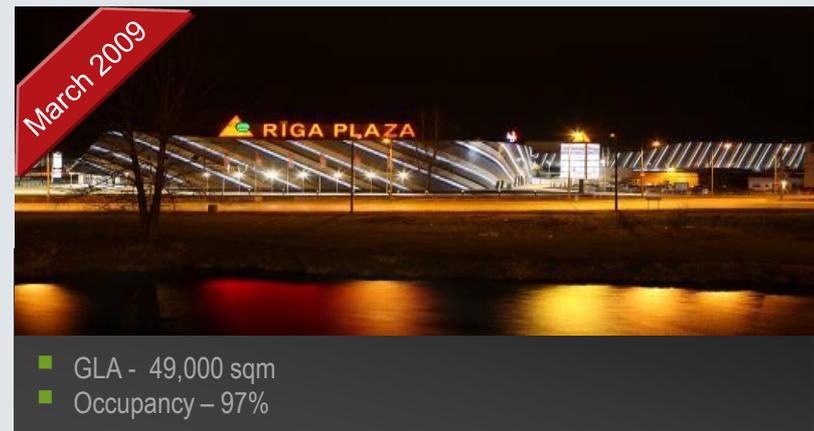
Active shopping and entertainment centres



Liberec Plaza, Czech Republic



Riga Plaza, Latvia



Zgorzelec Plaza, Poland



Suwalki Plaza, Poland



Active shopping and entertainment centres



Torun Plaza, Poland



Kragujevac Plaza, Serbia



Proven business model



- 18-year track record of developing , constructing, operating, maintaining , letting and selling shopping and entertainment centres in CEE
 - Plaza has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centre in Hungary.
- In 2006 the Group extended its area of operations beyond the CEE into India and, between 2011 and 2013, Plaza completed a highly profitable first investment into the US market.
- The Company has a highly skilled, experienced and established management team in each operational country, with a proven track record of developing shopping centres on schedule and budget, obtaining bank finance, letting to tenants and selling to international funds.
- Plaza maintains its extensive network and strong relationships with leading international retailers, highlighted by the signing of two new significant anchor tenants at Torun Plaza in Poland and Riga Plaza in Latvia.
- 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.



Outlook



- Plaza continues to believe in long-term fundamentals of CEE, supported by the signs of recovery the region is experiencing.
 - Poland and the Czech Republic both reported increased investment activity in 2013. However, there are marked differences between the countries north of the region, which have proved more resilient, and the struggling southern economies, including Romania and Bulgaria.

- Financial institutions in CEE remain well financed, but continue to take a cautious approach to lending, while investors continue to be wary of moving up the risk curve. Therefore transaction volumes in CEE continued to be constrained.
 - Plaza will therefore continue to recycle capital from its non-core assets to its core yielding assets enabling it to benefit from the rental income they produce, until the Company can achieve sale prices which reflect their current and existing potential.

- Occupier demand in a number of our major markets proved resilient with many international retailers continuing to drive their expansion into CEE.
 - Represented by occupancy levels across the portfolio during 2013 increasing to 92%.
 - Major lettings to TK Maxx and H&M.



Outlook



- Management of the restructuring process, which continues to make good progress, is a key priority for Plaza. The programme was initiated in order to resolve the liquidity situation, safeguard the continuity of the business and thereby protect the long term interest of the Company's investors, creditors and shareholders.
- In parallel with the restructuring plan, the Company continues to look to the long term objectives of the business by:
 - Progressing with the initiation of projects and investment as appropriate, including actively managing the income generating assets in preparation for their ultimate sale.
 - Continuing to evaluate opportunities to realise optimal value from its remaining non-core assets and thereby reallocating capital to the core yielding assets.
 - Deleveraging the balance sheet
- By using the extensive skills of Plaza's excellent management team, the deep relationships it has with its tenants and finance providers and maintaining its cautious but opportunistic approach, the Company is positioning itself, on completion of the restructuring, to be able to return the rewards of capital appreciation and income growth to its shareholders.



Outlook



“Plaza’s clear priority is to conclude our restructuring process whilst continuing to leverage the ability and expertise of its management team and the quality of our income generating assets to achieve success in the Company’s day-to-day operations.”





Appendix A: Liquidity Structure

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Bond Repayment Schedule



Debt & Liquidity Structure as at 31 December 2013



Debt Structure – 31 December 2013			€ million
Debt	Debentures ⁽¹⁾		202
	Bank Loans	CEE - operating malls ⁽³⁾	182
		CEE - projects under development and others ⁽⁴⁾	9
		India ⁽⁵⁾	22
Total Debt			415
Resources	Liquid balances -Consolidated		26
	Financial Instruments and restricted bank deposits		8
	Total sources		34
Net Financial Debt			381
Share holders' equity (Non-revalued)			210
Net Debt / Net CAP ⁽²⁾			64%
Total NET Debt to Balance Sheet (LTV)			65%

(1) Adjusted Par Value + accrued interest

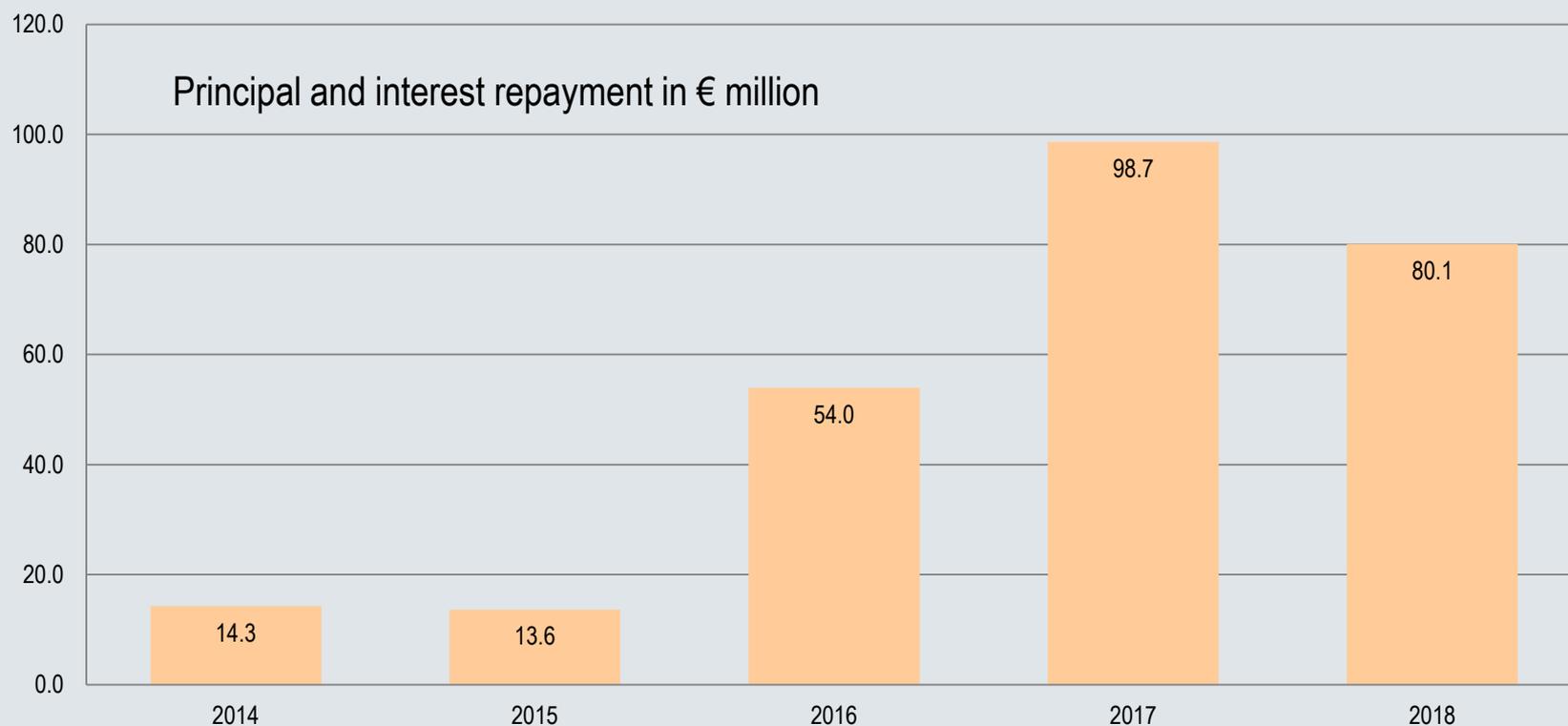
(2) Net CAP= Net Debt + Equity

€ million		€ million	
(3) CEE - Operating malls		(4) CEE - Projects under development	
Riga	29		
Liberec	21		
Kragujevac	29	Bas	6
Suwalki	32	Other	3
Zgorzelec	22		9
Torun	48		
IRS SWAP	1		
	182		

(5) Koregaon Park Plaza loan



Debentures Repayment Schedule



According to the plan the next three years scheduled principle payments will be postponed in three years with an additional interest of 1.5%. The chart above doesn't take into consideration early repayments according to future exits.





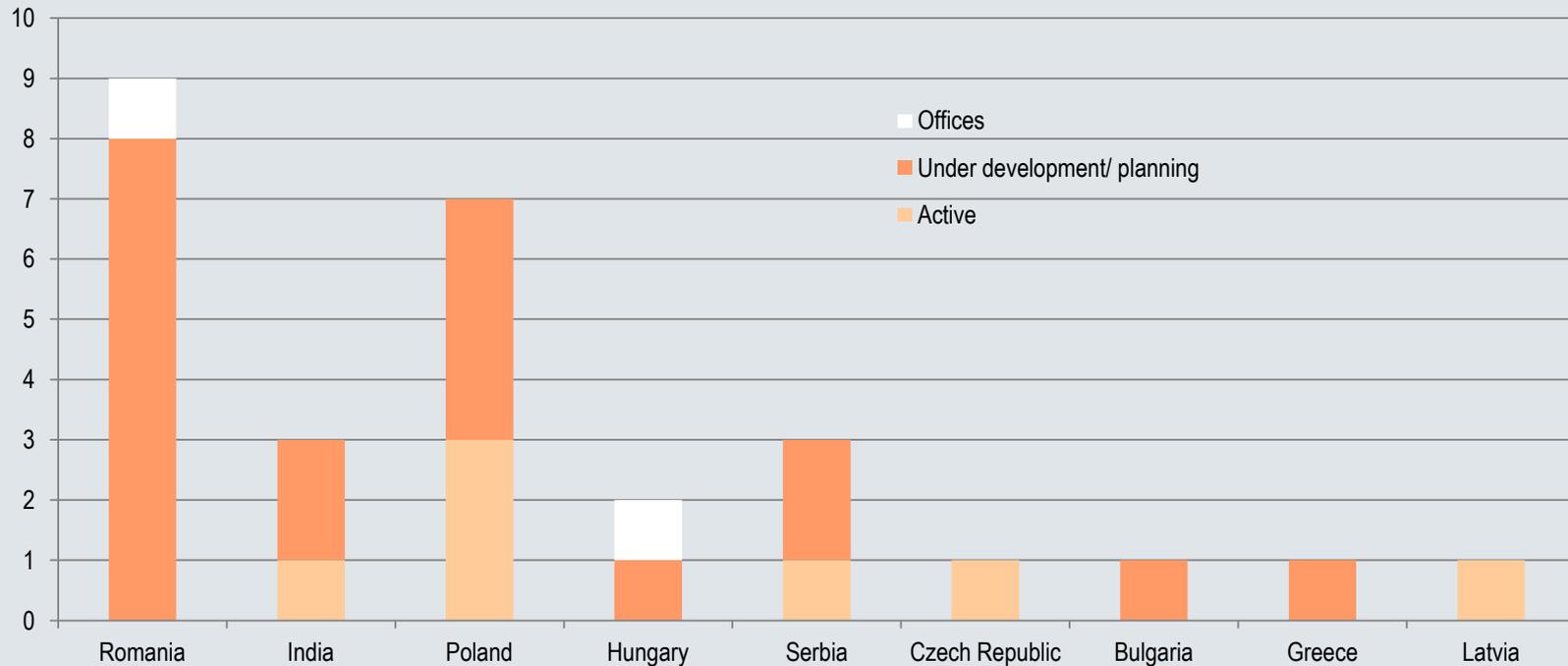
Appendix B: Current Projects



Portfolio Summary – by Country



Total portfolio of 29 assets in 9 countries



Projects overview – Completed Projects



Torun Plaza (Poland)



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

Kragujevac Plaza (Serbia)



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

Zgorzelec Plaza (Poland)



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

Suwalki Plaza (Poland)



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



Projects overview – Completed Projects



Liberec Plaza (Czech Republic)



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

Riga Plaza (Latvia)



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

Koregaon Park Plaza mall (Pune, India)



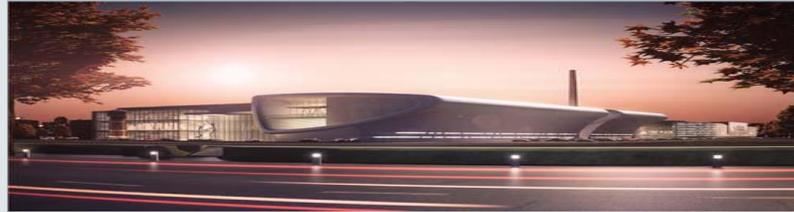
- City: Pune
- Type: Shopping & entertainment centre
- Size: 48,000 (GBA)
- Plaza Share: 100%
- Status: Operating



Projects overview - Poland



Lodz Plaza



- City: Lodz
- Type: Shopping & entertainment centre
- Size: 35,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2017
- Status: Planning and permits stage

Leszno Plaza



- City: Leszno
- Plot size: 17,000 sqm
- Plaza Share: 100%

Kielce Plaza



- City: Kielce
- Plot size: 30,000 sqm
- Plaza Share: 100%



Projects overview – Serbia



Belgrade Plaza



- City: Belgrade
- Type: Mixed use (offices, Hotel & retail)
- Size: 63,000 (GBA)
- Plaza Share: 100%
- Expected Completion Date: 2017
- Status: Planning and permits stage

Visnjicka Plaza



- City: Belgrade
- Type: Shopping & entertainment centre
- Size: 32,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2015 - 2016
- Status: Planning and permits stage



Projects overview – India



Bangalore



- City: Bangalore
- Type: Residential
- Size: 310,000 (GBA)
- Plaza Share: 25%
- Status: Planning and permits stage

Chennai



- City: Chennai
- Type: Residential
- Size: 230,000 (for sale)
- Plaza Share: 40%
- Expected Completion Date: 2015-2019
- Status: Planning and permits stage



Projects overview - Romania



Casa Radio



- City: Bucharest
- Type: Mixed use
- Size: 550,000 (GBA)
- Plaza Share: 75%
- Expected Completion Date Phase 1: 2017
- Status: Under Planning

Timisoara Plaza



- City: Timisoara
- Type: Shopping & entertainment centre
- Size: 38,000 (GLA)
- Plaza Share: 100%
- Expected Completion Date: 2016
- Status: Planning and permits stage

Iasi Plaza



- City: Iasi
- Type: Mixed Use
- Size: 46,500
- Plaza Share: 100%

Slatina Plaza



- City: Slatina
- Type: Shopping & entertainment centre
- Size: 24,000
- Plaza Share: 100%



Projects overview - Romania



Csiki Plaza



- City: Miercurea Ciuc
- Type: Shopping & entertainment centre
- Size: 36,500

Targu Mures Plaza



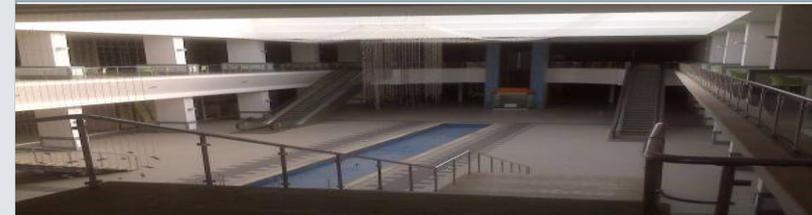
- City: Targu Mures
- Type: Shopping & entertainment centre
- Size: 31,500
- Plaza Share: 100%

Hunedoara Plaza



- City: Hunedoara
- Type: Shopping & entertainment centre
- Size: 41,000
- Plaza Share: 100%

Constanta Plaza



- City: Constanta
- Type: Shopping & entertainment centre
- Size: 26,500
- Plaza Share: 100%



Projects overview - Hungary



Arena Extension



- City: Budapest
- Type: Office
- Size: 22,000
- Plaza Share: 100%



Projects overview – Bulgaria



Shumen Plaza



- City: Shumen
- Type: Shopping & entertainment centre
- Size: 26,000
- Plaza Share: 100%



Projects overview – Greece



Pireas Plaza



- City: Athens (Greece)
- Type: Shopping & entertainment centre
- Size: 15,000
- Plaza Share: 100%



Projects overview – Residential Projects



Lodz Residential (Poland)



Plaza Centers

- City: Lodz, Poland
- Type: Residential
- Size: 33,000
- Plaza Share: 100%
- 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

