



**Results for the six months ended 30 June 2015**

**18 August 2015**



# Agenda



- SECTION 1**      Company Overview
- SECTION 2**      Financial Highlights
- SECTION 3**      Operational Highlights



# Company Overview

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



## Business Description

- 19-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 center 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 centers. In 2006 the Group extended its area of operations beyond the CEE into India
- To date, the company has developed 33 shopping and entertainment centers in the CEE (more than any other company in the region) and India, of which 28 have been sold with an aggregate gross value of €1.235 billion. Plaza owns 17 assets under development and pipeline projects, five active shopping and entertainment centers and two office buildings
- Currently Plaza is focusing on the development of two new shopping centers- one in Belgrade, Serbia and one in Timisoara, Romania

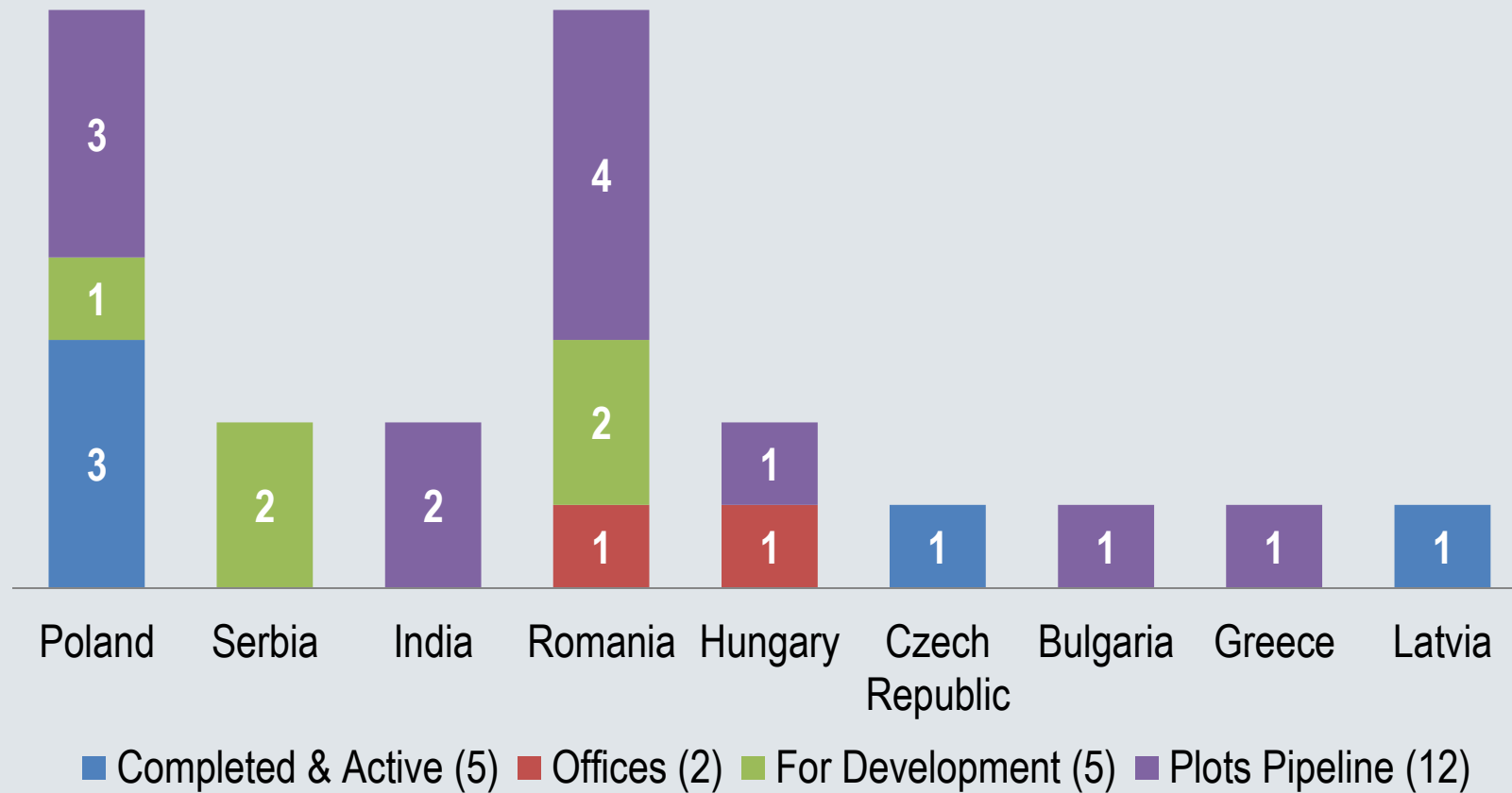
## Real Estate Portfolio



## Portfolio Summary – by Country



### Total portfolio of 24 assets in nine countries



# Plaza Centers - Operating Assets



<b>Location</b>	Torun, Poland
<b>Concept</b>	Shopping and entertainment centre
<b>GLA (sqm)</b>	40,000
<b>Occupancy</b>	93%

- Operating shopping and entertainment centre
- Located in Central Poland
- Opened to the public in November 2011
- External Valuation 12/2014: €96.3M
- Outstanding Debt 6/2015: €46.3M



<b>Location</b>	Suwalki, Poland
<b>Concept</b>	Shopping and entertainment centre
<b>GLA (sqm)</b>	20,000
<b>Occupancy</b>	96%

- Operating shopping and entertainment centre
- Located in North East Poland
- Opened to the public in May 2010
- External Valuation 12/2014: €43.1M
- Outstanding Debt 6/2015: €28.8M



<b>Location</b>	Zgorzelec, Poland
<b>Concept</b>	Shopping and entertainment centre
<b>GLA (sqm)</b>	13,000
<b>Occupancy</b>	89%

- Operating shopping and entertainment centre
- Located in South West Poland
- Opened to the public in March 2010
- External Valuation 12/2014: €13.5M
- Outstanding Debt 6/2015: €21.5M



# Plaza Centers - Operating Assets



<b>Location</b>	Riga, Latvia
<b>Concept</b>	Shopping and entertainment centre
<b>GLA (sqm)</b>	49,000
<b>Occupancy</b>	96%

- Operating shopping and entertainment centre
- Located in the capital of Latvia
- Opened to the public in March 2009
- Plaza Centers' share: 50%
- External Valuation 12/2014: €90.0M (100%)
- Outstanding Debt 6/2015: €55.8M (100%)



<b>Location</b>	Liberec, Czech Republic
<b>Concept</b>	Shopping and entertainment centre
<b>GLA (sqm)</b>	17,000
<b>Occupancy</b>	83%

- Operating shopping and entertainment centre
- Located in north Czech Republic
- Opened to the public in March 2009
- External Valuation 06/2015: €10.8M
- Outstanding Debt 6/2015: €20.7M





## Company Overview

Plaza has the ability to identify new growth opportunities, constantly targeting attractive returns in fast growing emerging markets



### Competitive Strengths

- **Flexibility and ability to anticipate and adapt to market trends** — Plaza is well positioned to satisfy the significant retail demand resulting from rapidly growing household incomes as well as increasingly westernised tastes and habits of emerging market populations. Decisions to dispose of portfolio properties are based on an in-depth analysis of market conditions
- **Highly skilled management team** — The company has an experienced and established management team in each operational country, with proven experience in developing shopping centers on schedule and budget, obtaining bank finance, letting to tenants and selling to international funds
- **Extensive network** — 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 centers and also with international real estate funds, which invest in assets in different countries
- **Strong brand name** — Plaza Centers has become a widely recognised brand name for successful property development in CEE which is beneficial at all stages of project execution (e.g. following portfolio sales to Klépierre, Dawnay Day and aAIM, the purchasers continue to use the “Plaza Centers” brand name under license)
- **Thorough project evaluation** — prior to each project, Plaza goes through a carefully developed, structured evaluation process involving each of the relevant disciplines (economics, engineering, marketing, etc)
- **Successful project management** — almost all projects to date finished on time and within budget



# Company Overview - Capital Markets Milestones

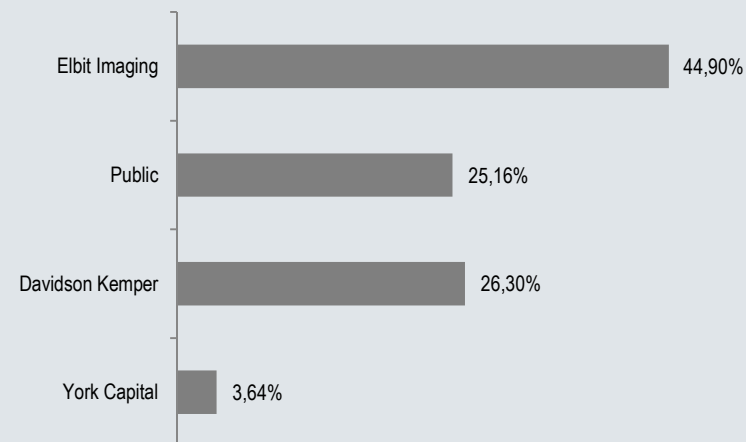
Plaza's shares are traded on the Main Board of the London Stock Exchange (LSE), listed on the Warsaw Stock Exchange (WSE) and on Tel-Aviv Stock Exchange



## 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 in 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 right 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 June 30, 2015 (€m)

Market Capitalization	30.0
Total Equity (Book Value)	93.4
Market Cap./BV	0.32x
Total Revenues (H1-2014)	44.8
Total Debt	334.3
Total Assets (Consolidated)	427.8





## Company Overview - Historical Business Cycle (1996-2015)

19 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



1996	First investment in Hungary
1996–2004	Developed and managed a portfolio of 20 shopping and entertainment centers
2004	Sold twelve shopping and entertainment centers to Klépierre at a gross asset value of €278m (c. 9.3% net yield)
2005	Sold four shopping and entertainment centers to Dawnay Day at a gross asset value of €54m (c. 9.2% net yield)
2005	Sold four shopping and entertainment centers to Klépierre at a gross asset value of €204m (c. 8.4% gross yield)
2005	Forward sold five shopping and entertainment centers 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 center 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 centers to Klépierre at a gross asset value of €129m (c. 7.3% gross yield)
2007	Sold one shopping and entertainment center to aAIM for approx. €387m (c. 5.9% gross yield)
2007	Introduction to Exchange trading shares of Plaza centers in the main market on WSE
2007-2011	Gross proceeds raised of approximately €300m from bond issuance on the Tel Aviv stock exchange
2008	Sold one shopping and entertainment center to Klépierre at a gross asset value of €61.4m (c. 7.3% gross yield)
2009	Opening of two new shopping and entertainment centers in Riga, Latvia and in Liberec, Czech Republic
2010	Opening of two new shopping and entertainment centers in Zgorzelec and Suwalki, Poland
2010	First transaction in the US retail market
2011	Opening of a shopping and entertainment center in Torun, Poland



## Company Overview - Historical Business Cycle (1996-2015) – cont.

19 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



- 2012 Opening of two shopping and entertainment centers in Kragujevac, Serbia and in Pune, India
- 2012 Sold 49 US based shopping and entertainment centers 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% interests 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 in line with its holding
- 2013 Completed the sale of 100% of its interests in a vehicle which holds the interest in the Prague 3 project located in Prague, Czech Republic, generating cash proceeds of net circa €7.5 million. In addition completed the sale of a 39,000 sqm plot in Roztoky, Czech Republic, generating cash proceeds of circa €1.3 million
- 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 €3.5million
- 2014 Completed the sale of a plot in Hunedoara, Romania, generating cash proceeds of €1.2 million
- 2014 Completed the sale of a Kragujevac Plaza Shopping and Entertainment center 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 Center located in Pune, India for circa €35 million. The Net Cash Proceeds from the sale are circa €7.2 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.



## Latest Transactions (2013-2015)



### India

May 2013: Completed the sale of Plaza's 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

May 2015: **Sold Koregaon Park Plaza Shopping and Entertainment Center located in Pune, India for circa €35 million. The Net Cash Proceeds from the sale are circa €7.2 million.**

### Czech Republic

July 2013: Completed the sale of 100% of Plaza's interest in a vehicle which holds the interest in the Prague 3 project, a logistics and commercial center in the third district of Prague. The transaction values the asset at circa €11 million and, as a result Plaza has received cash proceeds of net circa €7.5 million

July 2013: Completed the sale of a residential plot in Roztoky, generating cash proceeds of €1.3 million

### Hungary

November 2013: Completed the sale of the Dream Island project in Budapest to the Hungarian state for circa €16.5 million (Plaza's share 43.5%). The proceeds of the transaction were mainly used to repay a proportion of the securitised related bank debt held against the assets

January 2014: Sold its 35% stake in Uj Udvar project in Budapest, Hungary. As a result of the transaction, proceeds of €2.35 million in cash were received by Plaza



## Latest Transactions (2013-2015)



### Romania

September 2014: Completed the sale of a 31,500 sqm plot in Targu Mures, Romania, generating cash proceeds of €3.5 million.

December 2014: Completed the sale of a 41,000 sqm plot in Hunedoara, Romania generating cash proceeds of €1.2 million.

May 2015: 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.

### Serbia

October 2014: Completed the sale of a Kragujevac Plaza Shopping and Entertainment center for a total consideration of €38.6 million. The Net Cash Proceeds from the sale were €12.2 million.

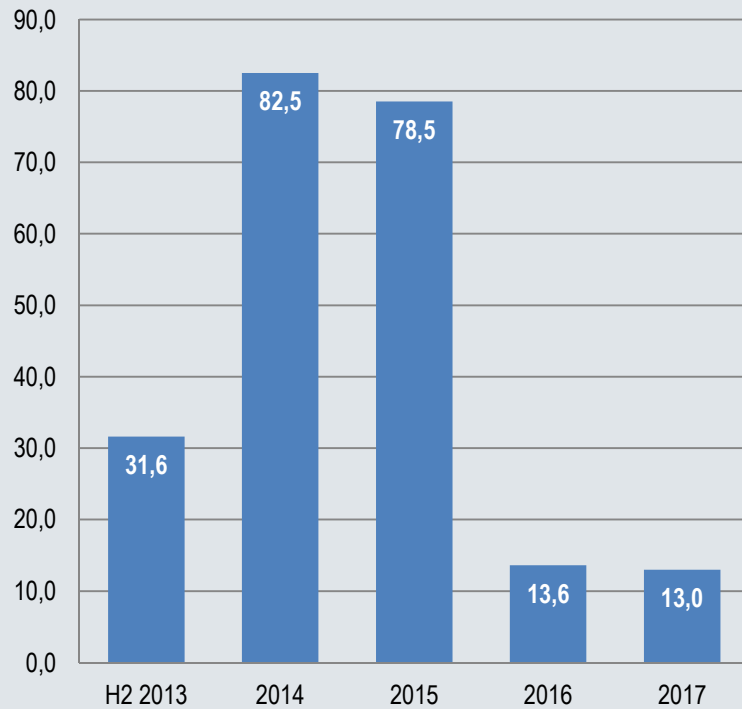


# Company Overview – Company's Debt

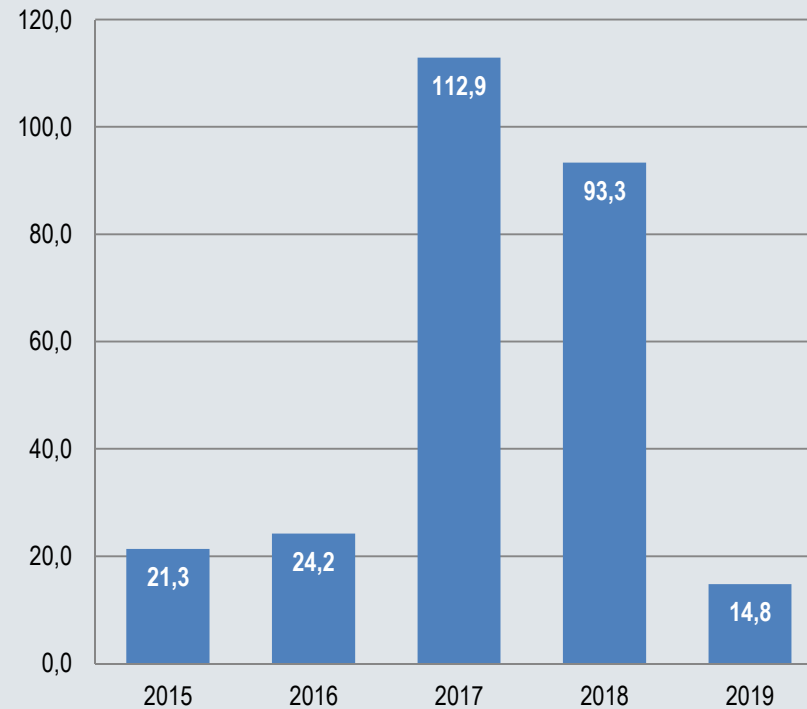
## Debentures repayment schedule before and after restructuring



**Original Debentures Repayment Schedule – Principle & Interest (€ M)**



**Debentures Repayment Schedule post restructuring\* – Principle & Interest (€ M)**



\* the above schedule considers the mandatory repayments, and does not take into consideration early principle repayments (except of the one made in January 2015 and the one expected in September 2015 due to recent assets sales) and additional one year postponement of principle repayments -according to the agreement with the bondholders



## Financial Highlights



- Successful sale of non-core assets saw total assets reduce to €428 million (31 December 2014: €466 million), primarily due to the divestment of Koregaon Park Plaza
- Book value of the Company's Trading property decreased by 12% (€46 million) over the period, primarily due to the disposals and focus on income-producing assets
- Net Operating Income ("NOI") (\*) (excluding Riga Plaza shopping centre which is accounted for as an equity accounted investee) for the Company in the first six months of 2015 slightly decreased to €6.5 million (first six months of 2014: €7.9 million), mainly due to the Kragujevac disposal (effective end August 2014) with 2014 comparatives including NOI to June 2014 of circa €1.9 million

(\*) In respect of NOI performance of shopping centres, refer to slide 21 of this presentation.





## Financial Highlights cont.



- Across our core shopping centres (excluding Riga Plaza), NOI rose by circa 8% compared to the first six months of 2014
- Loss narrowed in the first half of 2015 to €36 million (first half of 2014: loss of €98.5 million), stemming from €28 million of mostly non-cash net finance costs (Forex and Bonds discount amortisation), as well as impairments and losses in connection with selling Trading property for a total net amount of €15 million in 2015 compared to a net (and mostly non-cash) finance costs of €27 million and impairments of €70 million in the first half of 2014. Basic and diluted loss per share of €0.05 (June 30, 2014: loss per share of €0.33)
- Consolidated cash position as at June 30, 2015 (including restricted bank deposits, short term deposits and held for trading financial assets) rose to €46.5 million (31 December 2014: €41.7 million) and current cash position of circa €41.4 million (€11.4 million restricted).
- Gearing increased to 78% (31 December 2014: 74%) due to non-finance costs incurred during the first six months of 2015



## Financial Overview

### Results (€ 000) cont.



	Six months ended June 30,	
	2015	2014
<b><u>Continuing operations</u></b>		
Revenue from disposal of Trading Property	34,684	-
Rental income	9,785	11,693
Revenues from entertainment centres	368	870
	44,837	12,563
Cost of Trading Property disposed	(34,684)	-
Cost of operations	(3,545)	(4,033)
Cost of operations – entertainment centers	(486)	(1,198)
Loss from disposal of Trading property SPV <sup>(1)</sup>	(8,802)	-
	<b>(2,680)</b>	<b>7,332</b>

(1) Due to the Koregaon park SPV sale – attributed to Foreign currency translation reserve (€6.5 million), as well as impairment of receivables and transaction costs (€2.3 million)

(2) Refer also to slides 15 and 21 for more information on NOI from operational shopping centers



# Financial Overview

## Results (€ 000) cont.



	Six months ended June 30,	
	2015	2014
Write-down of Trading Property <sup>(1)</sup>	(6,761)	(69,716)
Loss from disposal of equity accounted investees	-	(4,048)
Share in profit of equity-accounted investees ("EAI"), net of tax	171	414
Administrative expenses, excluding restructuring costs <sup>(2)</sup>	(3,943)	(4,162)
Restructuring costs	-	(2,519)
Other income <sup>(3)</sup>	6,567	2,336
Other expenses	(748)	(1,035)
<b>Results from operating activities</b>	<b>(7,394)</b>	<b>(71,398)</b>

(1) 2015 impairment mainly due to Liberec (€4.9 million) and Koregaon Park (€1.5 million). 2014 impairments were mainly due to Casaradio (€31 million), Koregaon Park, (€10.1 million) and Helios (Greece) (€10.9 million)

(2) 2015 Administrative expenses includes CEO termination of employment costs of €0.4 million.

(3) 2015 other income – mainly due to Kochin advanced settlement with the Elbit Group (€4.5 million), settlement reached with Indian partner (€0.7 million), as well as gain recognized from elimination of debt with the Elbit Group (€1.1 million). 2014 – due to reimbursement of rental income from insurer in India for Koregaon Park



## Financial Overview

### Results (€ 000) cont.



	<b>Six months ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
Finance income <sup>(1)</sup>	3,794	211
Finance costs <sup>(2)</sup>	(32,140)	(27,486)
Net finance costs	<u>(28,346)</u>	<u>(27,275)</u>
<b>Loss before income tax</b>	<b>(35,740)</b>	<b>(98,673)</b>
Tax benefit (income tax)	(253)	113
<b>Loss from continuing operations</b>	<u><b>(35,993)</b></u>	<u><b>(98,560)</b></u>
<b><u>Discontinued operation</u></b>		
Profit from discontinued operation, net of tax	-	59
<b>Loss for the period</b>	<u><b>(35,993)</b></u>	<u><b>(98,501)</b></u>



### NOTES TO THE RESULTS

- (1) Finance income increased to €2.4 million from €0.2 in 2014 mainly due to collection of premiums from selling of currency call options, as well as €1.4 million gain due to waiver agreement of a bank facility in one of the sold projects in Romania;
- (2) Finance costs increased from €27.5 million to €32.1 million. The main components of costs were:
  - NIS strengthening vs. EUR in 2015 as the effect on debentures totaled €17 million (2014 - €1.8 million).
  - Interest expense booked on debentures totaled €6.9 million (2014- €2.2 million expense recorded, as most debentures were presented at FVTPL in 2014).
  - In 2015 an additional €5.0 million was recorded as an expense, associated with amortization of a discount on bonds (2014- nil, as there was no amortization).
  - Interest expenses on bank borrowings totaled €3.1 million in 2015 (2014 - €4.7 million of expenses).
  - In 2014 the increase in value of debentures at Fair Value Through Profit or Loss (“FVTPL”) on borrowings resulted in €17.6 million of expenses (2015 – nil, as there are no debentures at FVTPL).



## Company Net Operating Income (“NOI”)



The following table presents the NOI performance of shopping centres for H1 2015:

Shopping centre name	NOI 6M 2015 (€M)	NOI 6M 2014 (€M)	Remarks
Torun	3.8	3.3	TK Maxx major tenant opening in late March 2014.
Kragujevac	-	1.9	The asset was sold effective 31.08.14.
Suwalki	1.7	1.8	
Zgorzelec	0.6	0.6	
Liberec	0.5	0.6	
Koregaon Park	(0.1)	(0.3)	
<b>Subtotal</b>	<b>6.5</b>	<b>7.9</b>	
Riga	1.8	1.6	Not included as part of gross profit due to IFRS requirements, but rather as part of Equity Accounted Investees.
<b>Total</b>	<b>8.3</b>	<b>9.5</b>	





## Company Trading property breakdown



Asset name	Value June 30, 2015 (€M)	Remarks
Casa Radio (Romania)	116.2	
Torun (Poland)	68.7	
Suwalki (Poland)	39.5	
Visnjicka- Sport Star (Serbia)	18.9	
Liberec (Czech Republic)	10.8	
Zgorzelec (Poland)	13.5	
Belgrade MUP (Serbia)	13.3	
<b>Subtotal</b>	<b>280.9</b>	
Other plots, aggregated	43.9	
<b>Total recorded in financial statements</b>	<b>324.8</b>	
Riga (Latvia)	45	Included in EAI
EPI (Bangalore+Chennai)	26.2	Included in EAI
<b>Total trading property</b>	<b>396</b>	



# Debt structure of the Group



Debt Structure – June 30, 2015			€ million
<b>Debt</b>	Debentures <sup>(1)</sup>		212
	Bank Loans	CEE - operating malls <sup>(3)</sup>	145
		CEE - projects under development and others <sup>(4)</sup>	9
	<b>Total Debt</b>		<b>366</b>
<b>Resources</b>	Liquid balances - Consolidated		35
	Financial Instruments and restricted bank deposits		11
	<b>Total sources</b>		<b>46</b>
<b>Net Financial Debt</b>			<b>320</b>
Shareholders' equity (Non-revalued)			93
Net Debt / Net CAP <sup>(2)</sup>			77%
Total Net Debt to Balance Sheet (LTV)			75%

(1) Adjusted Par Value

(2) Net CAP= Net Debt + Equity

	€ million		€ million
(3) CEE - Operating malls	Riga	28	(4) CEE - Projects under development
	Liberec	20	
	Suwalki	29	
	Zgorzelec	21	
	Torun	46	
	IRS SWAP	1	
	<b>145</b>	Bas (Romania)	9
		Other	-
			<b>9</b>



## Operational Highlights



- Further to the announcement of 13 May, the Company has now completed the sale of Koregaon Park Plaza, the retail, entertainment and office scheme located in Pune, India for c. €35 million (2,500 million INR), as part of its ongoing strategy to refocus on the core geographies of Central and Eastern Europe (“CEE”). The price is consistent with the asset’s last reported book value and the net cash proceeds (after the repayment of the related bank loan, other liabilities and transaction costs) from the sale will be c. €7.2 million (516.5 million INR).
- On 24 June 2015, Plaza reached an agreement to sell its 46,500 sqm development site in Iasi, Romania, in two separate transactions (one for the sale of 37,334 sqm and the other for the sale of 9,166 sqm), for a gross consideration of €7.3 million. There was no bank debt secured against the property. In line with the Company’s stated restructuring plan, 75% of the net cash proceeds from the transactions will be distributed to the Company’s bondholders by the end of September 2015 as an early principal repayment.
- In July 2015, Plaza received building permits to develop two new shopping and entertainment centres: Belgrade Plaza (32,000 sqm GLA) and Timisoara Plaza (37,000 sqm GLA)
  - Belgrade Plaza will be the first modern, western style shopping and entertainment centre in the old part of Belgrade and Plaza expects to attract both local and international brand occupiers. Plaza is in the final stages of agreeing bank financing and construction is expected to commence by the end of 2015, with completion targeted for the first half of 2017.
  - Timisoara is the primary social, economic and cultural centre in the western part of Romania, with a population of 320,000 inhabitants and a catchment area of approximately 700,000. The new development will comprise around 120 retail units, including a hypermarket complex across a whole floor, international fashion retailers, a leisure and entertainment centre, and a food court.



## Operational Highlights (cont.)



- A stable occupancy level was recorded across the Company's existing shopping and entertainment centres in the CEE, with the overall portfolio occupancy level decreasing slightly to 93,11% as of 30 June 2015 compared to 94% at 31 December 2014. Footfall was strong across the portfolio as asset management initiatives continue to support the performance of the assets.
- Across the portfolio, considerable letting success was achieved and contracts agreed with a number of significant new tenants. This improved the overall tenant strength and mix in the portfolio, and included agreements with KIK, Kinder Planeta, Pink and Cliff Sport. In August, Adidas, Drogas and other well-known stores will open in Latvia at Riga Plaza. Both Suwalki Plaza and Zgorzelec Plaza successfully agreed to extend their first five-year term agreements, which helps to deliver sustainable income for the following years.

