



Results for the 6 months ended 30 June 2017

17 November 2017



DISCLAIMER

The information detailed in this presentation is subject to the general reservations and the risk factors detailed herein.

- This presentation does not constitute a proposal and/or an offer and/or invitation by or on behalf of Plaza Centers N.V. (the “Company”) and/or any of its affiliates to acquire and/or to issue securities (including shares and notes).
- This presentation has been prepared to provide summary information to the relevant recipient, but it does not, however, purport to present all information regarding the Company (material or otherwise), and it is not a substitute for a thorough due diligence investigation. In particular, the Company makes no warranty, representation assurance, or inducement, express or implied, as to adequacy, sufficiency, or freedom from defect of any kind, of the information contained herein. This information might not be contained in the financial or other statements issued by the Company as published or that its manner of presentation in this presentation is different than the manner in which this information is included in the aforesaid publications. This presentation includes a summary of the issues addressed therein, in the context at which they appear, and not the full information that the Company has on those matters. This presentation does not include the entire results and financial information of the Company and notes thereof, and/or the Company's business plans or a description of its entire activities, and it is not intended to supersede and/or replace the need to review reports and statements published by the Company in accordance with the provisions set forth by law, including the Company's statements and announcements issued by the Company (the "Reports" and/or the "Company's Reports"), and the full financial statements of the Company included therein. **In any event of discrepancy between information and figures contained in this presentation and the information and figures contained in the Company's Reports and/or financial statements attached thereto, information and figures contained in the Company's Reports and/or financial statements shall be deemed as prevailing.**
- This presentation includes estimations and forecasts of the Company in connection with the Company's debt restructuring and its implications on the Company's operations and its ability to repay its debt towards its creditors. Such estimations and forecasts are based on information existing in the Company as of the date of this presentation. The said estimations and forecasts may not be fulfilled, wholly or partially, or may be fulfilled differently from expected by the Company, including significantly so, as a result of changes in the assumptions that formed the basis for such estimations and forecasts, including among other things failure of the Company to successfully implement the debt restructuring, non-recovery of the markets in which the Company operates, difficulties in obtaining financing for the Company's operations and the fulfillment of any or all of the risk factors in the Company's annual report for 2016 and in the Company's last prospectus.
- Information that is not a forward looking information is correct as of the date of preparing this presentation. The Company is not obliged to update and/or make any amendments to this presentation after its publication.
- The Company is not obliged under any law or regulation to publish this presentation and/or the information included herein, therefore, the Company is not committed to publish similar presentations (in scope and/or content) in the future.
- This presentation is the property of the Company. You may not, without our express written consent copy (whether by printing off onto paper, storing on disk, downloading or in any other way), distribute (including distributing copies), publish, broadcast, reproduce, alter or tamper with in any way, or otherwise use any material contained in this presentation.

Company Overview

Portfolio Summary by Country as of June 30, 2017



Company's Activities in 2016-2017

Sales of assets since approval of the Restructuring Plan

- January 2016: Completed the sale of a 5,200 sqm residential plot in **Lodz, Poland** for €0.7 million
- March 2016: Completed the sale of **Liberec Plaza** Shopping and Entertainment Centre in Liberec, Czech Republic for €9.5 million. Following net asset value adjustments the company received net €9.37 million. €8.5 million of the proceeds from the sale was paid to a wholly owned subsidiary of Plaza on account of the bank loan of Liberec Plaza it managed to buy in September 2015 for €8.5 million.
- March 2016: Completed the sale of a 23,880 sqm plot in **Slatina, Romania** generating cash proceeds of €0.66 million.
- March 2016: Signed a binding pre-agreement to sell the plot in **Piraeus, near Athens, Greece** for €3.4 million. The long stop date of this transaction has been extended a few times and the sum was updated to €3.5 million
- June 2016: Completed the sale of the wholly owned subsidiary, which holds the “**MUP**” plot and related real estate in Belgrade, Serbia, for €15.75 million, which is paid in a few instalments.
- July 2016: Completed the sale of an 18,400 sqm plot in a suburb of **Ploiesti, Romania** for €280,000.
- September 2016: Completed the sale of a 20,700 sqm plot of a residential plot in **Lodz, Poland**, to a residential developer, for €2.4 million. Plaza received an initial payment of €1.04 million, followed by €180,000 in November 2016, €220,000 in December 2016 and a final instalment of €0.96 million received in June 2017.
- September 2016: Completed the sale of **Riga Plaza** shopping and entertainment centre in Riga, Latvia to a global investment fund. The agreement reflects a value for the business of circa €93.4 million.



Company's Activities in 2016-2017

Sales of assets since approval of the Restructuring Plan – Cont.

- September 2016: Signed a preliminary sale agreement for the disposal of a 1.8 hectare plot in the centre of **Leszno, Poland** for €810,000.
- February 2017: Completed the sale of **Suwałki Plaza** shopping and entertainment center for € 42.3 million. The Company has received circa €16.5 million net cash, after the repayment of the bank loan (circa €26.6 million), and other working capital adjustments.
- February 2017: Completed sale of **David House** office building in Hungary for € 3.2 million.
- February 2017: Completed sale of **Shumen Plaza** plot in Bulgaria for € 1 million.
- March 2017: Completed the sale of the **Belgrade Plaza** shopping and entertainment centre. Upon completion of the transaction, Plaza received an initial advance payment of €28 million (plus €3.7 million customary NAV adjustments) from the Purchaser for the sale of 100% of the SPV, which will be followed by further payments during the first year of operation subject to certain operational targets and milestones being met. On 20 April 2017 the centre opened and was 97% let. Plaza has received €2 million for fulfilling its conditions around the successful leasing milestone at the opening of the centre.
- June 2017: Signed a preliminary sale agreement for the disposal of a 1.3 hectare plot at its second land holding in **Łódź, Poland** for €1.2 million. As part of the agreement, the purchaser will pay advance payments totalling 10% of the sale price, comprising an immediate instalment of €35,000 followed by an instalment of €85,000 when the purchaser obtains zoning. The remaining balance will be paid once a building permit has been obtained for development of the land which is expected to be granted within 12-15 months from the signing of this preliminary sale agreement.



Company's Activities in 2016-2017

Sales of assets since approval of the Restructuring Plan – Cont.

June 2017:

Completed the sale agreement for the disposal of a 2.47 hectare plot in the centre of **Kielce, Poland**, for €2.28 million. Plaza received a down payment of €465,000 when the preliminary sale agreement was signed in October 2016. Now that the final agreement has been signed, the remaining €1,815,000 has been paid.

June 2017:

Signed a revised agreement in relation to the sale of 50% interest in a special purpose vehicle which holds a site in **Bangalore, India**. It was agreed that the purchase price of 100% stake will be amended to INR 338 Crores (approximately €47 million) instead of the INR 321 Crores (approximately €44.6 million) agreed in the previous agreement. As part of the agreement, INR 110 Crores (approximately €15.3 million) will be paid by the Purchaser in installments until Final Closing. The Final Closing will take place on 1 September 2018 when the final installment of INR 228 Crores (approximately €31.7 million) will be paid to EPI. Plaza has 50% interest in this and the other 50% are owned by Elbit Imaging Ltd.

July 2017:

Completed the final sale agreement for the disposal of a 1.8 hectare plot in **Leszno, Poland** for €810,000

August 2017:

Signed an agreement for the disposal of a plot totalling approximately 32,000 sqm in **Timisoara, Romania**, for €7.25 million and proceeds were received.

August 2017:

Completed the sale of a plot totalling approximately 30,000 sqm in **Constanta, Romania**, for €1.3 million

October 2017:

Signed agreement on the termination of land use rights over a circa 21,788 sqm land plot adjoining **Arena Plaza in Budapest**. The transaction also includes the termination of the preliminary easement agreement, which provided K5 with certain easement rights over the plot. As a result of the agreement, K5 will receive a net sum of **€2,500,000**. At least 75% of the net proceeds received from the disposal will be distributed to the Company's bondholders in the next quarterly payment.



Company's Activities in 2016-2017

Bank Loans- Refinancing and Discounts

September 2016: Completed the sale of the shares in **Zgorzelec Plaza**. A Share Purchase Agreement has been signed with an Appointed Shareholder nominated by the Bank, after which the remainder of the DRA process was completed, including delivery of the Release Letters to the Company, and removing a mortgage over the asset of the Company in Leszno, Poland (valued at €0.8 million), as described in the announcement on 30 June 2016. Plaza recognised an accounting profit of circa €9.2 million, stemming from the release of €23.0 million of the outstanding (and partially recourse) loan (including accrued interest thereof), against an outstanding asset valued at €12.7 million.

December 2016: Plaza's Subsidiary (PC Enterprises) has acquired a bank loan of circa EUR 10 Million, which was held against the Company's **plot in Romania**, for a total consideration of EUR 1.35 million. The transaction represents a discount of over 86.5% on the bank loan amount and the Lender has transferred all collateral associated with the project related to the loan to Plaza, while also releasing the Company from its recourse loan. As part of the terms of the transaction, the Lender has been granted a purchase option for a term of three years, to acquire the plot for EUR 1.1 million.



Company's Activities in 2016-2017

Former Developments

Belgrade Plaza:

Belgrade Plaza was constructed on a 31,000 sqm plot of land in Belgrade, the capital of Serbia. Belgrade Plaza (currently called BIG FASHION following its sale in March 2017) is the most modern and the largest shopping & entertainment center in the old part of Belgrade.

The shopping and entertainment center has a GLA of approximately 32,000 sqm on three floors and circa 800 parking spaces. Construction commenced in 2015 and the center was opened to the public on April 20th, 2017 with 98% leased area.

The main anchors are Cineplexx, IDEA, H&M, Inditex, LC Waikiki, Terranova, Reserved, Lindex, McDonalds, KFC, Sephora, Calzedonia Group, Cortfiel Group and many other internationally renown retailers. The tenant mix is characterized by many brands who are new to the Serbian market such as Reserved, Tezenis, CCC, Galileo, Funky Buddha and others.

Joint Development Agreement for a plot in Chennai, India

An Indian subsidiary ("SPV") of Elbit Plaza India Real Estate Holdings Limited (in which Plaza holds a 50% stake with its joint venture partner, Elbit Imaging Ltd.) signed a Joint Development Agreement relating to its 74.7 acre plot in Chennai, India, to confer the property development rights to a reputable local developer. The SPV will receive 73% of the total revenues from the plotted development and 40% of the total revenues from the eventual sale of the fully constructed residential units.

As of December 31, 2016 EPI holds 100% of equity and voting rights in Chennai project SPV.

The JDA may be terminated in the event that the required governmental approvals for establishment of access road to the Property has not been achieved within 12 months period from the execution date of the JDA. The required approvals have not yet been obtained at the target date, but none of the parties has canceled the agreement at this juncture



Company's Activities in 2016-2017

Plaza's Main Focus in 2017 - updates

Developments: 1. Continuing construction of **Belgrade Plaza** ("Visnjicka") in Belgrade until the opening in April – **Completed**.

2. Advancing related permits and approvals for the **Casa Radio** project in Bucharest, Romania and exploring opportunities for financing and/or partnerships for the development – **The decision is to go into selling transaction.**

Asset sales: 1. Sale of **Torun Plaza** (yielding asset) where value potential is or is close to being established and where sale price is appealing – **PSPA was signed on 03.11.2017, Closing will take place soon.**

2. Sale of plots which are not part of the Company's core business or not suitable for development in the short/medium term

David House, Hungary – sale completed in February for €3.2 million

Shumen, Bulgaria – sale completed in February for €1.0 million

Kielce, Poland – sale completed in June for €2.28 million

Leszno, Poland – sale completed in July for €810,000

Timisoara, Romania – sale completed in August for €7.25 million

Constanta, Romania – sale completed in August for €1.3 million

Arena Plaza, Budapest – sale completed in October for €2.5 million

Debt: Continuing to reduce corporate debt by early repayments following sale of assets according to the Company's debt restructuring agreement, following the one year deferral achieved on March 15, 2017 – **on going intensively**

General Expenses: Continue with efficiency measures and cost reduction where possible. At the end of 2017, G&A expenses phase shall be reduced significantly continuing strong cost control initiatives e.g. reduction of manpower, cutting cost of suppliers, advisors etc. (excluding non-recurring items) – **unexpected additional costs due to Financial Statements Audit and Bond Holders**



Financial Highlights

Summary

- Reduction in total asset value to €222 million (31 December 2016: €322 million) mainly due to the sale of Suwalski Plaza shopping center in Poland, Belgrade Plaza shopping center in Serbia, sale of plots in Bulgaria and Poland and sale of David House office building in Hungary.
- Book value of the Company's trading properties decreased by 38% (€99.5 million) over the period, primarily due to the sale of Suwalski Plaza and Belgrade Plaza shopping centers.
- The Net Operating Income ("NOI") performance of the shopping centers decreased in the first half of 2017 to €2.8 million (in H1/2016: €5.9 million), mainly due to disposal of the Suwalski Plaza shopping center. Since February 2017 Plaza owns only Torun Plaza shopping center in Poland.



Financial Highlights

Summary- cont.

- Loss in the first half of 2017 totalled €6.8 million (in H1/2016: loss of €6 million), mainly due to interest expense on bonds and foreign exchange rate losses on bonds. Basic and diluted loss per share increased to €0.99 (in H1/2016: loss per share of €0.89).
- Consolidated cash position as at June 30, 2017 (including restricted bank deposits, short term deposits) of €10.9 million (31 December 2016: €12.8 million) and cash position as of November 1, 2017 of circa €21.7 million (of which €3.3 million is restricted).
- Gearing increased to 87% (31 December 2016: 89%) mainly due to non-cash finance costs mentioned above and material write-down of trading properties.



Financial Highlights

Results (€ 000)

	6 months ended June 30	
	2017	2016 (*)
Revenues and gains		
Revenue from disposal of trading properties	67,159	26,908
Total Revenues	67,159	26,908
Gains and other		
Rental income	4,554	8,409
Share in results of equity accounted investees, net of tax	-	1,144
Other income	611	238
Total Gains	5,165	9,791
Total Revenues and Gains	72,324	36,699

(*) Reclassified



Financial Highlights

Results (€ 000)- cont.

	6 months ended June 30	
	2017	2016 (*)
Expenses and Losses		
Cost of trading properties disposed	(62,733)	(24,764)
Cost of operations	(1,759)	(2,522)
Share in results of equity accounted investees, net of tax	(170)	-
Write-down of Trading Properties	(464)	-
Administrative expenses	(3,612)	(3,056)
Other expenses	(34)	(2,226)
Finance income ⁽¹⁾	428	3,369
Finance costs ⁽²⁾	(11,072)	(13,297)
Total Expenses and Losses	(79,416)	(42,496)
Loss before income tax	(7,092)	(5,797)
Tax benefit (Income tax expense)	314	(266)
Loss for the period	(6,778)	(6,063)

(*) Reclassified



Financial Highlights

Notes to the results

- (1) Finance income decreased to €0.4 million from €3.3 in H1/2016 - in 2016 a gain of €2.6 million was recorded from FOREX on bonds and €0.5 million gain from EUR-ILS forward contract transactions, while in 2017 there were no such gains.
- (2) Finance costs decreased from €13.2 million in H1/2016 to €11 million in H1/2017. The main components of the costs were:
 - NIS strengthening vs. EUR during 2016 – the effect on the debentures totaled €4.3 million of expense (H1/2016 – €2.6 million income).
 - Interest expenses booked on bank loans and debentures totaled €6.2 million (H1/2016 - €8.6 million expenses recorded).
 - €0.4 million recorded as an expense (non-cash), associated with amortization of discount on debentures (H1/2016 - €7 million).
 - €0.6 million of finance costs were capitalized (H1/2016 - €2.4 million).



Financial Highlights

Trading Properties 30.06.2017

Project	Country	Type	Book Value June 30, 2017 (EUR M)
Casa Radio	Romania	Plot	73.3*
Timisoara	Romania	Plot	7.0
Constanta	Romania	Plot	1.3
Ciuc	Romania	Plot	1.0
Brasov	Romania	Plot	1.1
Torun Plaza	Poland	Operating	68.6**
Lodz	Poland	Plot	4.8
Lodz Residential	Poland	Plot	0.5
Leszno	Poland	Plot	0.8
Helios	Greece	Plot	3.3
Krusevac	Serbia	Plot	1.0
Arena Extension	Hungary	Plot	1.4
TOTAL			164.1

• 100% (due to material shareholder loans)

** There is a bank loan of 43.6 M EUR as of 30 June 2017



Financial Highlights

Debt Structure of the Group

Debt Structure – June 30, 2017		€ million
Debt	Debentures (Adjusted Par Value)	140
	Bank Loans (Torun Plaza)	44
	Total Debt	184
Resources	Liquid balances - Consolidated	7
	Restricted bank deposits	2
	Total sources	9
Net Financial Debt		175
Shareholders' equity (Non-revalued)		29
Net Debt / Net CAP ⁽¹⁾		86%
Total Net Debt to Balance Sheet		79%

(1)Net CAP= Net Debt + Equity

Bonds as at June 30, 2017			
	Original currency (M ILS/PLN)	fx rate	liability (M EUR)
Bond A	215.3	3.98	54.1
Bond B (net of treasury bonds)	315.6	3.98	79.3
Polish bond	28.2	4.22	6.7
Total			140.1



Debt

Outstanding balance as of November 16, 2017 (adjusted par value including interest)

Series A Bonds: € 48.3 million (NIS 200.1 million)

Series B Bonds: € 70.7 million (NIS 293.1 million)

Polish Notes: € 5.0 million (PLN 21.7 million)

Total outstanding debt to Bondholders: circa € 124 million



THE END

