

DRAFT RESTRUCTURING PLAN

(ontwerpakkoord)

proposed by

PLAZA CENTERS N.V.

a public company incorporated in the Netherlands,
registered with the Dutch Chamber of Commerce, no. 33248324 (the “**Company**”)

in accordance with Article 252 of the Dutch Bankruptcy Code

to

The holders of unsecured Israeli Series A Notes issued by the Company

The holders of unsecured Israeli Series B Notes issued by the Company

The holders of unsecured Polish Bonds issued by the Company

All other unsecured non-preferred creditors of the Company

18 November 2013

TABLE OF CONTENTS

1. EXPLANATORY STATEMENT TO PLAN	3
1.1. The Company	3
1.2. Background of the Plan	3
1.3. Purpose and Summary of the Plan	4
2. DEFINED TERMS AND INTERPRETATION	5
2.1. Defined Terms	5
2.2. Rules of Interpretation and Annexes	9
3. TERMS OF THE PLAN	9
3.1. Terms Applicable to Bondholders	9
3.2. Options to Bondholders	11
3.3. Terms Applicable to Guarantee Creditors	13
3.4. Terms Applicable to Other Creditors	14
3.5. Terms Applicable to All Plan Creditors	14
3.6. Miscellaneous	16

Annexes

Annex	1	Amended Terms Series A Notes
Annex	2	Amended Terms Series B Notes
Annex	3	Amended Terms Polish Bonds
Annex	4	Option Letter

1. EXPLANATORY STATEMENT TO PLAN

1.1. The Company

1.1.1. The Company (www.plazacenters.com) is a leading emerging markets developer of shopping and entertainment centres in central and eastern Europe. It focuses on constructing new shopping and entertainment centres and, where there is significant redevelopment potential, redeveloping existing centres in capital cities and important regional centres. The Company's shares are admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange plc and, as of 19 October 2007, on the Warsaw Stock Exchange (LSE:"PLAZ", WSE:"PLZ/PLAZACNTR"). The Company is an indirect subsidiary of Elbit Imaging Ltd., an Israeli public company whose shares are traded on both the Tel Aviv Stock Exchange in Israel and on the NASDAQ Global Market in the United States. The Europe Israel Group has been active in real estate development in emerging markets for over 17 years.

1.2. Background of the Plan

1.2.1. The Company has been faced with challenging market conditions for some years. Adverse market conditions have primarily been caused by the underlying economic situation in many of the countries in which the Company operates, combined with the lack of transactional liquidity in the investment markets for assets such as those owned by the Company and the on-going lack of traditional bank financing available to real estate developers and investors.

1.2.2. Although the Company's management team has made considerable progress in re-positioning the Company's business model to ensure that it is focused on the deleveraging of its balance sheet and the recycling of capital, primarily through the disposal of its non-core assets, the Company has not been able to complete these transactions within a timeframe that will enable it to meet its short term obligations towards Bondholders (as defined herein). As a result, the Company is faced with significant liquidity problems.

1.2.3. Notwithstanding the liquidity issues, the Company continues to have a strong balance sheet, with a significant positive current net asset value, and owns assets and development opportunities that offer significant potential to deliver returns over the medium to long term.

1.2.4. Accordingly, the Company believes that, on a going concern basis, it retains substantial value for its stakeholders and will be able to repay its creditors in full, while the Company is certain that a forced liquidation would cause creditors and shareholders to incur significant losses.

1.3. Purpose and Summary of the Plan

- 1.3.1. The Plan is addressed to all ordinary unsecured creditors of the Company.
- 1.3.2. The purpose of the Plan is to provide the Company with the ability to preserve value for its creditors by giving it time to resolve its liquidity situation and thereby avoiding a liquidation scenario. This will primarily be achieved through a deferral of payment obligations. Apart from the proposed payment deferral, the terms of the Plan do not require Bondholders to take a loss on the par value of their outstanding exposures.
- 1.3.3. Under the proposed terms of the Plan the principal payments under the Bonds will be deferred for a period of 3 – 4 years, or shorter if the Company's cash-flow permits. The Company shall use 75% of the net cash flow that it receives from sales or new financings to make early repayments on the Bonds and will be entitled to make further or other early repayments on the Bonds at any time without incurring a penalty.
- 1.3.4. As compensation the Bondholders will receive an additional 1.5% interest payable on the Bonds and options to purchase shares in the Company representing an aggregate maximum of 9.99% of the outstanding share capital of the Company. The exercise period of the options will be four years from the Plan becoming effective. The exercise price will be GBP 0.25 in the first two years from the Plan becoming effective and GBP 0.30 in the two years thereafter.
- 1.3.5. Under the proposed terms of the Plan, Guarantee Claims (as defined below) will be deferred for a period of four years and will only be enforceable after the collateral granted as security for the underlying loan has been realized. The amount of the Guarantee Claim will be reduced to the extent that the collateral is sold at a price below 90% of the fair market value as determined by a reputable appraiser. It is expected that creditors of Guarantee Claims will effectively be repaid in full with priority from the proceeds of the collateral provided for the underlying loans.
- 1.3.6. Claims of all other ordinary unsecured creditors will be deferred for a period of four years.
- 1.3.7. The Plan will only bind ordinary unsecured creditors. The only secured creditor of the Company is a lender who has financed the Company's airplane on which the lender has received a right of mortgage. After realisation of this right of mortgage, the eventually remaining unsecured part of the claim will be subject to the terms of the Plan.

- 1.3.8. The Plan includes “negative pledge” and “no new financial indebtedness” covenants in favour of all creditors bound by this Plan and a provision to ensure that no distributions are made to shareholders until the Bonds have been repaid in full, unless the majority of the creditors that are subject to this Plan consent to such distribution.
- 1.3.9. The Company is confident that, upon implementation of the Plan, the long term viability of the Company will be secured and the Company will be able to repay its creditors in full in accordance with the terms of the Plan.

2. DEFINED TERMS AND INTERPRETATION

2.1. Defined Terms

- 2.1.1. In this Plan, the following words and expressions have, unless the context otherwise requires, the meanings set out below:

Amended Bond Terms	Has the meaning as defined in Section 3.1.11;
Annex	An annex to this Plan;
Bondholders	Plan Creditors with claims arising out of Bonds;
Bonds	The Series A Notes, the Series B Notes and the Polish Bonds jointly;
Company Shares	Ordinary shares in the Company of EUR 0.01 par value each, which are admitted to the London Stock Exchange and the Warsaw Stock Exchange;
DBC	The Dutch Bankruptcy Code (<i>Faillissementswet</i>);
Effective Date	The date on which the Plan becomes effective and binding on all Plan Creditors, being the date as of which the confirmation decision (<i>homologatiebeslissing</i>) of the Amsterdam District Court becomes irrevocable (<i>in kracht van gewijsde gegaan</i>);
Encumbrance	Any in rem security interest under any applicable law, including without limitation any mortgage,

	pledge or title retention;
Exercise Date	Has the meaning as defined in Section 3.2.8;
Exercise Notice	A notice signed by the Grantee in form attached as schedule to the annex to the Option Letter;
Exercise Price	Has the meaning as defined in Section 3.2.2;
Exercise Shares	Has the meaning as defined in Section 3.2.7;
Expiry Date	Has the meaning as defined in Section 3.2.2;
Grantee	Has the meaning as defined in Section 3.2.1;
Group	The Company together with all Subsidiaries;
Guarantee Claim	Any claim of a Plan Creditor against the Company guaranteeing or otherwise securing one or more claims that such Plan Creditor has against a Subsidiary or third party;
Guarantee Creditor	a Plan Creditor with a Guarantee Claim;
London Stock Exchange	London Stock Exchange, plc.;
Net Cash Flow	The net proceeds received by the Company after the Effective Date from (i) a sale of any of the assets of the Group or of any entities in which the Company holds an economic interest, or (ii) the incurrence of any new financial indebtedness by the Group other than for the purpose of a refinancing. For the avoidance of doubt: net proceeds means the proceeds after satisfaction of the creditors with a security interest in the relevant asset;
Option Letter	Has the meaning as defined in Section 3.2.3;
Options	Has the meaning as defined in Section 3.2.1;

Option Value	Has the meaning as defined in Section 3.2.6;
Original Polish Bond Terms	The original terms and conditions of the Polish Bonds set forth in that certain Offering Memorandum dated 16 November 2010 for the issuance by the Company of up to 600 series A unsecured, dematerialized, bearer bonds with a nominal value of PLN 100,000 per bond;
Original Series A Terms	The terms and conditions of the Series A Notes set forth in that certain Trust Deed dated 4 July 2007 by and between the Company and Hermetic Trust (1975) Ltd. as trustee as amended by Amendment No. 1 to that Trust Deed dated 31 January 2008;
Original Series B Terms	The terms and conditions of the Series B Notes set forth in that certain Trust Deed dated 31 January 2008 by and between the Company and Reznik Paz Nevo Ltd. as trustee as amended by Amendment No. 1 to that Trust Deed dated 17 February 2008;
Original Bond Terms	The Original Polish Bond Terms, the Original Series A Terms and the Original Series B Terms jointly;
Other Claims	All unsecured non-preferred claims against the Company other than claims arising out of Bonds or Guarantee Claims;
Other Creditors	All creditors with Other Claims;
Outstanding Bond Debt	The aggregate amount of principal, interest and - with respect to the Series A Notes and the Series B Notes - any linkage differentials on the principal and the interest, outstanding at any relevant time in respect of the Bonds;
Plan	This (draft) plan (<i>ontwerpakkoord</i>) including all Annexes as it becomes binding and effective per the Effective Date;

Plan Claims	All unsecured non-preferred claims against the Company that are subject to this Plan as of the Effective Date pursuant to Article 273 DBC;
Plan Creditors	All creditors with Plan Claims;
Polish Bondholders	Plan Creditors that are holders of Polish Bonds;
Polish Bonds	All bonds issued and outstanding pursuant to the Original Polish Bond Terms;
Polish Option Bondholder	A Polish Bondholder who has been recorded as Polish Bondholder on the voting record date determined for the purpose of voting on the Plan by the Polish Bondholders;
Reference Bond Debt	The aggregate adjusted par value amount of the principal payments under the Bonds pursuant to the Original Bond Terms due in 2013, 2014 and 2015 on the Reference Date denominated in EUR based on the mid exchange rate as published on Bloomberg Fx fixing (BFIX) screen at 18:00 hours CET on the Reference Date, representing a total aggregate amount of EUR 177,191,522;
Reference Date	15 November 2013, being the business day prior to the date on which the Company filed an application with the Amsterdam District Court for suspension of payments (<i>surseance van betaling</i>);
Series A Noteholders	Plan Creditors that are holders of Series A Notes;
Series B Noteholders	Plan Creditors that are holders of Series B Notes;
Series A Notes	All notes issued and outstanding pursuant to the Original Series A Terms;
Series B Notes	All notes issued and outstanding pursuant to the Original Series B Terms;

Subsidiary All corporations, limited liability companies, partnerships, joint ventures, joint stock companies and other entities wholly owned, directly or indirectly, by the Company;

Suspension of Payment Proceedings The suspension of payment proceedings (*surseance van betaling*) applicable to the Company.

2.2. Rules of Interpretation and Annexes

2.2.1. For purposes of this Plan, unless otherwise provided herein:

- (i) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural;
- (ii) any option granted under this Plan to Series A Noteholders or Series B Noteholders will be a right granted to the trustee of the Series A Noteholders or Series B Noteholders, respectively;
- (iii) the Annexes form a binding and integral part of this Plan and any reference to this Plan shall include a reference to the Annexes.

3. TERMS OF THE PLAN

3.1. Terms Applicable to Bondholders

As of the Effective Date the Original Bond Terms shall be amended as follows:

Deferral of principal payments and waiver

- 3.1.1. Each principal payment under the Bonds pursuant to the Original Bond Terms due in the years 2013, 2014 and 2015 will be deferred by exactly three years and will become due in 2016, 2017 and 2018, respectively.
- 3.1.2. Any ground that might have arisen under the Bonds before the Effective Date causing obligations under the Bonds to become immediately due and payable or giving rise to the right to make such obligations immediately due and payable, shall be waived and remain without effect.

Interest payments

- 3.1.3. All unpaid interest accrued on the Series A Notes and the Series B Notes until and including 31 December 2013 will be added to the principal amount outstanding under the Series A Notes and the Series B Notes, respectively. All interest accrued on the Series A Notes and the Series B Notes between 1 January 2014 and the first interest payment date under the relevant Amended Terms falling after the Effective Date, will be paid on that interest payment date.
- 3.1.4. All unpaid interest accrued on the Polish Bonds until and including 31 December 2013 shall be paid on the earlier of (i) the early redemption date, (ii) the call option redemption date or (iii) the redemption date as defined in the amended terms of the Polish Bonds together with all annually compounded interest as from the Effective Date calculated with the same interest periods and rates as applicable to the principal due under the Polish Bonds. All interest accrued on the Polish Bonds between 1 January 2014 and the first interest payment date under the amended Polish Bond terms falling after the Effective Date, will be paid on that interest payment date.
- 3.1.5. Interest payments falling due under the Amended Bond Terms after the Effective Date will become due and be payable on the same bi-annual intervals as under the Original Bond Terms.

Interest rate

- 3.1.6. Effective from 1 January 2014, the interest rate of the Bonds shall increase by 1.5% per annum.

Prepayment

- 3.1.7. The Company is allowed to make early repayments on any Outstanding Bond Debt without any penalty becoming due.
- 3.1.8. The Company undertakes to apply at least 75% of any Net Cash Flow towards early repayment of the Outstanding Bond Debt.
- 3.1.9. Any amount that is early repaid in accordance with Sections 3.1.7 or 3.1.8 shall be repaid to the Bondholders in proportion to their share in the Reference Bond Debt, namely in the following proportions:
- (i) 21.1% will be paid to the Series A Noteholders,
 - (ii) 70.8% will be paid to the Series B Noteholders; and
 - (iii) 8.1% will be paid to the Polish Bondholders.

Second deferral of principal payments

- 3.1.10. If and when the Company, within two years from the Effective Date, succeeds to repay at least 50% of the Reference Bond Debt, all remaining principal payments under the Bonds will be deferred by one additional year.
- 3.1.11. As of the Effective Date, the Original Bond Terms shall be amended and restated to incorporate the terms of the Plan that are applicable to the Bonds (the “**Amended Bond Terms**”), as set forth in **Annex 1** (Amended Terms Series A Notes), **Annex 2** (Amended Terms Series B Notes) and **Annex 3** (Amended Terms Polish Bonds).
- 3.1.12. The Amended Bond Terms should be interpreted in conjunction with the terms of the Plan. In the event of a conflict between the terms of the Plan and the Amended Bond Terms, the Amended Bond Terms shall prevail.

3.2. Options to Bondholders

- 3.2.1. Within two months after the Effective Date, the Company shall grant to the Polish Option Bondholders, the trustee of the Series A Notes and the trustee of the Series B Notes (jointly the “**Grantees**”) rights to purchase such amount of Company Shares representing, on an aggregate basis, 9.99% of the Company Shares issued and outstanding on the Effective Date (the “**Options**”, each “**Option**” constituting the right to purchase one Share), which Options will be allocated in proportion to the Grantees’ (represented) share in the Reference Bond Debt, meaning that:
- (i) Options to purchase 2.11% of the Company Shares will be granted to the trustee of the Series A Notes;
 - (ii) Options to purchase 7.07% of the Company Shares will be granted to the trustee of the Series B Notes; and
 - (iii) Options to purchase 0.81% of the Company Shares will be granted to the Polish Option Bondholders.
- 3.2.2. The Options will expire following the lapse of four years from the Effective Date (the “**Expiry Date**”). The Grantees will be entitled to exercise the Options at any time prior to the Expiry Date (but only after the Options have been granted) at an exercise price (the “**Exercise Price**”) of:

- (i) GBP 0.25 per Company Share if the Options are exercised during the first two years following the Effective Date; and
- (ii) GBP 0.30 per Company Share if the Options are exercised during the third or the fourth year following the Effective Date.

3.2.3. The Options will be granted to each Grantee through and subject to the terms of an option letter with accompanying annexes and schedules substantially in the form attached hereto as **Annex 4** (the “**Option Letter**”). In case the Option Letter is not validly signed on behalf of the Grantee and received by the Company within four months following the Effective Date, the entitlement of the Grantee to the allocated Options shall expire.

3.2.4. Subject to the provisions of this Plan, applicable securities law and listing rules (included but not limited to insider trading provisions) the Grantee may exercise all or any of the Options by means of sending an Exercise Notice. An Exercise Notice shall be delivered to the Company only on trading days.

3.2.5. A Grantee may not exercise less than 1,000 Options in an exercise, other than where the exercise is of the remainder Options that were allocated for the benefit of the Grantee.

3.2.6. Options can only be exercised through cash settlement. Upon the exercise of an Option no shares shall be issued or transferred as a result of such exercise and the Company shall owe to the Grantee an amount that is equal to the opening price in GBP of the Company Share on the Stock Exchange on the Exercise Date minus the Exercise Price (the “**Option Value**”).

3.2.7. The Company shall satisfy its obligation to pay the Option Value to the Grantee by issuing new shares to the Grantee (the “**Exercise Shares**”).

3.2.8. On the date of receipt by the Company of the Exercise Notice (and where the Exercise Notice is received after 13:00hrs, on the trading day subsequent to receipt of the Exercise Notice by the Company) (the “**Exercise Date**”), the number of Exercise Shares to be issued to the Grantee shall be calculated in accordance with the following formula:

$$\frac{(A \times B) - (A \times C)}{B}$$

A = The number of Options which the Grantee wishes to exercise that is specified in the Exercise Notice;

B = The opening price in GBP of the Company Share on the London Stock Exchange on the Exercise Date;

C = Exercise Price in GBP per Option.

3.2.9. Fractions of Company Shares shall be rounded up for any fraction of a Company Share that is equal to or exceeds 0.5, and rounded down for any fraction of a Company Share that is lower than 0.5.

3.2.10. Notwithstanding any provision of this Plan, upon the exercise of Options by any Grantee, the Grantee will be required to pay to the Company the nominal value of the Exercise Shares, so that the Exercise Shares issued to such Grantee are fully paid. The Company will not issue Exercise Shares without first receiving the full payment of the nominal value of the Exercise Shares.

3.2.11. The trustee of the Series A Notes and the trustee of the Series B Notes may set-off the nominal value to be paid to the Company upon exercise of Options against the Outstanding Bond Debt at the mid exchange rate as published on Bloomberg Fx fixing (BFIX) screen at 18:00 hours CET on the Exercise Date.

3.2.12. The Company will use reasonable endeavours to make the relevant applications for the newly issued Exercise Shares to be admitted to trading on the London Stock Exchange and the Warsaw Stock Exchange.

3.3. Terms Applicable to Guarantee Creditors

3.3.1. Guarantee Creditors shall not exercise their rights under any Guarantee Claim for a period of four years from the Effective Date. After said four year period, a Guarantee Creditor is allowed to enforce its Guarantee Claim provided that:

- (i) all collateral granted as security for the underlying guaranteed obligation has been realised; and
- (ii) without prejudice to any further limitation contained in the relevant guarantee or undertaking, the remaining Guarantee Claim shall be reduced by the difference between 90% of the fair market value of the collateral as determined by an external appraiser (to be agreed between the relevant Guarantee Creditor and the Company and failing such agreement the President of the District Court of Amsterdam) within a period of not more than three months prior to the sale of the asset on the one hand and the actual

proceeds realized by the relevant Guarantee Creditor on the other hand, if the actual proceeds are lower than 90% of the fair market value of the realized collateral.

3.4. Terms Applicable to Other Creditors

3.4.1. All Other Claims will be deferred with a period of four years as of the Effective Date, including but not limited to any unsecured part of the claim of 3GEFA Gesellschaft für Absatzfinanzierung mbH.

3.5. Terms Applicable to All Plan Creditors

No new financial indebtedness of the Company

3.5.1. The Company hereby undertakes not to incur any new financial indebtedness until the Outstanding Bond Debt has been repaid in full, except in the event that:

- (i) the proceeds of such new financial indebtedness are used to replace an existing financial indebtedness of the Company other than the Bonds, and provided that this new financial indebtedness is of a similar amount and has a similar loan to cost ratio (“LTC”) as the original financial indebtedness (which replacement may be effected within a period of up to 6 months from the payment date of the original financial indebtedness); or
- (ii) at least 75% of the Net Cash Flow resulting from any such new financial indebtedness is used to repay Outstanding Bond Debt.

No new financial indebtedness of Subsidiaries

3.5.2. The Company shall procure that its Subsidiaries shall not incur any new financial indebtedness until the Outstanding Bond Debt has been repaid in full, except in the event that:

- (i) the proceeds of such new financial indebtedness are used to replace an existing financial indebtedness of the relevant Subsidiary and provided that this new financial indebtedness is of a similar amount and with similar LTC as the original financial indebtedness (which replacement may be effected within a period of up to 6 months from the payment date of the original financial indebtedness);
- (ii) the proceeds of any such new financial indebtedness are used to finance the acquisition and/or construction of new property or projects, provided that the LTC is not less than 60%;
- (iii) at least 75% of the Net Cash Flow resulting from any such new financial indebtedness is used to repay Outstanding Bond Debt; or

- (iv) the new financial indebtedness is a result of the relevant Subsidiary utilizing any undrawn commitments under any financing arrangement existing on the Effective Date.

Negative Pledge on Assets of the Company

- 3.5.3. The Company undertakes that until the Outstanding Bond Debt has been repaid in full, it shall not create any Encumbrance on any of the Company's assets, except in the event that:
- (i) it is created to secure new financial indebtedness that is permitted under Section 3.5.1, or
 - (ii) it replaces an existing Encumbrance, the fair market value of which is similar to the fair market value of the replaced Encumbrance. "Similar" for the purpose of this section means a deviation of not more than 5%.

Negative Pledge on the Assets of Subsidiaries

- 3.5.4. The Company shall procure that until the Outstanding Bond Debt has been repaid in full, none of its Subsidiaries will create any Encumbrance on any of such Subsidiaries assets, except in the event that:
- (i) it is created to secure new financial indebtedness that is permitted under Section 3.5.2;
 - (ii) it replaces an existing Encumbrance, the fair market value of which is similar to the fair market value of the replaced Encumbrances. "Similar" for the purpose of this section means a deviation of not more than 5%, or
 - (iii) the Encumbrance is created as a result of an existing obligation of the relevant Subsidiary to create any such Encumbrance (including without limitation any obligation of such Subsidiary to provide additional security under existing financing arrangements).

No Distributions

- 3.5.5. In the event that the Company makes any distribution, dividend or dividend-like payment to the shareholders of the Company before the Outstanding Bond Debt has been repaid in full, all Plan Claims will become immediately due and payable, unless Plan Creditors representing more than 50% of the then existing liabilities owed to all the Plan Creditors consent to such payments being made.

Waiver

- 3.5.6. Each Plan Creditor hereby releases the current and former directors and officers of the Company from any and all liability under any applicable law other than liability that is a result of gross negligence or wilful misconduct.

3.6. Miscellaneous

3.6.1. Each Plan Creditor shall provide all cooperation and take all such further actions as may be required to give effect to, execute and implement this Plan and the debt restructuring contemplated thereby.

3.6.2. This Plan will not be binding and will not create any rights or obligations and no rights can be derived or inferred from the Plan before the Effective Date.

3.6.3. Any notice or request made to the Company in connection with this Plan shall be made in writing and made by courier or certified mail to:

Plaza Centers N.V.
Keizersgracht 241
1016 EA Amsterdam
The Netherlands
Attention: []
Email: []

In each case with copy (which shall not constitute notice hereunder) to:

RESOR N.V.
PO Box 75965
1070 AZ Amsterdam
The Netherlands
Attention: []
Email: []

3.6.4. The Plan, as well as all rights and obligations arising out of or in connection with this Plan, shall be governed by the laws of the Netherlands.

3.6.5. The Court of Amsterdam, the Netherlands shall have exclusive jurisdiction over any dispute directly or indirectly arising out of or in connection with the Plan.