

26 March 2014

## **Plaza Centers N.V.**

### **RESTRUCTURING PROCESS UPDATE**

Further to the announcements made on 18 November 2013 regarding Plaza's debt restructuring process, the Company announces that it has agreed, based on comments and input provided by Hermetic and Reznik, Paz & Nevo, the trustees of the Israeli Series A and Series B Notes, respectively ("Trustees"), to make certain commercial amendments to the debt restructuring plan ("Amended Plan") that will be submitted to the competent court in the Netherlands in the near future and, immediately thereafter, published on the Company's website.

It is clarified that, although the Trustees support the Amended Plan, they are not in a position to bind the bondholders and actual approval of the Amended Plan and its terms remains subject to the creditors' voting, which is scheduled to be held on 26 June 2014, at 10:00 am CET, in the Herzberg Hall of the District Court of Amsterdam.

A general, high-level and non-exhaustive brief summary of the material agreed commercial terms are listed below:

- The Amended Plan shall be contingent upon the injection of a fresh €20 million into the Company ("Equity Contribution"), and will become effective only once the placing of the Equity Contribution shall have been occurred.
- The Company shall issue to holders of unsecured debt (i.e., outstanding debt under the Israeli Series A and B Notes and the Polish Notes) ("Unsecured Debt") 13.5% of the Company's shares (post the Equity Contribution) for no consideration. Such issuance of shares will be distributed among the holders of Unsecured Debt pro rata to the relative share of each relevant creditor in the Deferred Debt ("Deferred Debt Ratio").
- All principal payments due during the years 2013-2015 of any Unsecured Debt ("Deferred Debt") shall be deferred for three years from the date of approval of the Amended Plan by the court in the Netherlands ("Approval Date"). If within two years from the Approval Date the Company manages to repay 50% of the Deferred Debt, then the remaining principal payments of the Deferred Debt shall be deferred for an additional one year.
- Interest payments for the Unsecured Debt that were due during the suspension of payments period, will be added to the principal and paid together with it. Following the removal of the suspension of payments order ("Effective Date"), interest payments will be paid on their due dates.
- As of 1 January 2014, the annual interest rate of the Unsecured Debt shall be increased by 1.5%.
- Following the Effective Date, the Company shall pay to the holders of the Unsecured Debt an amount of €10.5 million on account of 2014 interest payments.
- The Company, its directors and officers and its controlling shareholder shall be fully released from claims.

- Following the Effective Date, the Company will have to assign 75% of the net proceeds received from the sale or refinancing of any of its assets to early repayment of the Unsecured Debt, to be allocated among the holders of Unsecured Debt in accordance with the Deferred Debt Ratio.
- The Company will be allowed to execute actual investments only if the Company's cash reserves contain an amount equal to general and administrative expenses and interest payments for the Unsecured Debt for a six-month period (for this purpose also receivables with a high probability of being collected in the subsequent six-month period will be taken in account for the required minimal cash reserve).
- The Amended Plan shall also include, inter alia: (i) certain limitations on distribution of dividends and incurring of new indebtedness; (ii) negative pledge on direct and indirect holdings of the Company on real estate assets; (iii) financial covenants and undertakings of the Company with respect to the sale and financing of certain projects and investment in new projects; and (iv) commitment to publish quarterly financial statements as long as the Unsecured Debt is outstanding.

Please note that the Amended Plan is yet to be finalised, therefore the above only provides a summary of the key material points without going into specific details. Full details of the Amended Plan, once submitted to the Dutch court, will be provided on the Company's website under Investor relations/ Debt restructuring. [http://www.plazacenters.com/index.php?p=debt\\_restructuring](http://www.plazacenters.com/index.php?p=debt_restructuring).

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***Notes to Editors***

**Plaza Centers N.V. (www.plazacenters.com)** is a leading emerging markets developer of shopping and entertainment centres. It focuses on constructing new centres and, where there is significant redevelopment potential, redeveloping existing centres in both capital cities and important regional centres. The Company is dual listed on the Main Board of the London Stock Exchange and, as of 19 October 2007, on the Warsaw Stock Exchange (LSE:"PLAZ", WSE: "PLZ/PLAZACNTR"). Plaza Centers N.V. is an indirect subsidiary of Elbit Imaging Ltd. ("EI"), 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. It has been active in real estate development in emerging markets for over 17 years.