PLAZA CENTERS N.V.

Principles of the restructuring plan
Company Presentation
To Bondholders

May 2014

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1. General

General – About the Company

Plaza Centers is a leading emerging markets developer of shopping and entertainment centers, focusing on developing western style centers with operations in Central Eastern Europe and India.

- Plaza Centers N.V. (the Company) is incorporated in the Netherlands and it is dual listed on the Main Board of London Stock Exchange (LSE) and the Warsaw Stock Exchange (WSE). The control of the Company is held indirectly (62.5%) by Elbit Imaging Ltd. a public Israeli company whose shares are traded on both the Tel Aviv Stock Exchange and NASDAQ Global Market in the United States.

- The Company is an emerging market developer operating in nine countries (Romania, Poland, Latvia, Hungary, the Czech Republic, Serbia, Bulgaria, Greece and India) with a portfolio of 29 assets and a strong track record of successfully developing, constructing, operating, leasing and selling shopping and entertainment centers.

- The Dutch court has agreed to the Company’s request for a restructuring plan (which includes suspension of payment proceeding), granted a limited time period to continue its business activities, and to reach an agreement with its creditors ahead of the creditors originally meeting scheduled for April 17, 2014, which has now been postponed to June 26, 2014.

- The arrangement formalization was completed following the negotiations held between the trustees, their expert and the Company’s representatives. On May 27, 2014, the Company’s prospectus in connection with the arrangement to which the arrangement's plan and its appendices were attached, was published (including the deeds of trust proposed for Series A and Series B).

2. The Company’s Profile

Plaza Centers - Business Card

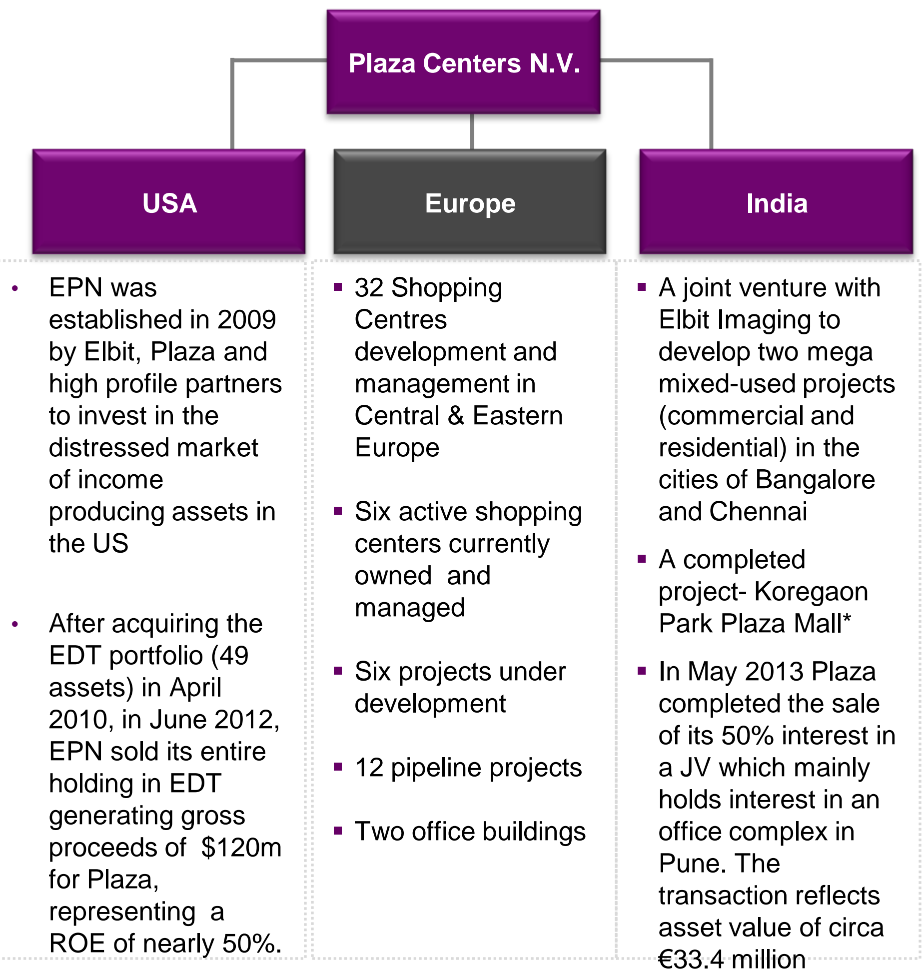
Plaza Centers is a leading emerging markets property developer, focusing on western-style shopping and entertainment centers

Business Description

- 18-year track record of developing shopping & entertainment centres in CEE - Plaza Centers has been active in the region since 1996 and was the first to develop western-style shopping and entertainment centre 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 2007 the Group extended its area of operations beyond the CEE into India
- 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

  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 26 have been sold with an aggregate gross value of €1.16 billion. Plaza owns 20 assets in the development stage, seven active shopping and entertainment centers and two office buildings
- 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
- The Company is an indirect subsidiary (62.5%) of Elbit Imaging Ltd., a public Israeli company, whose shares are traded on both the Tel Aviv Stock Exchange and NASDAQ in the United States

Real Estate Portfolio

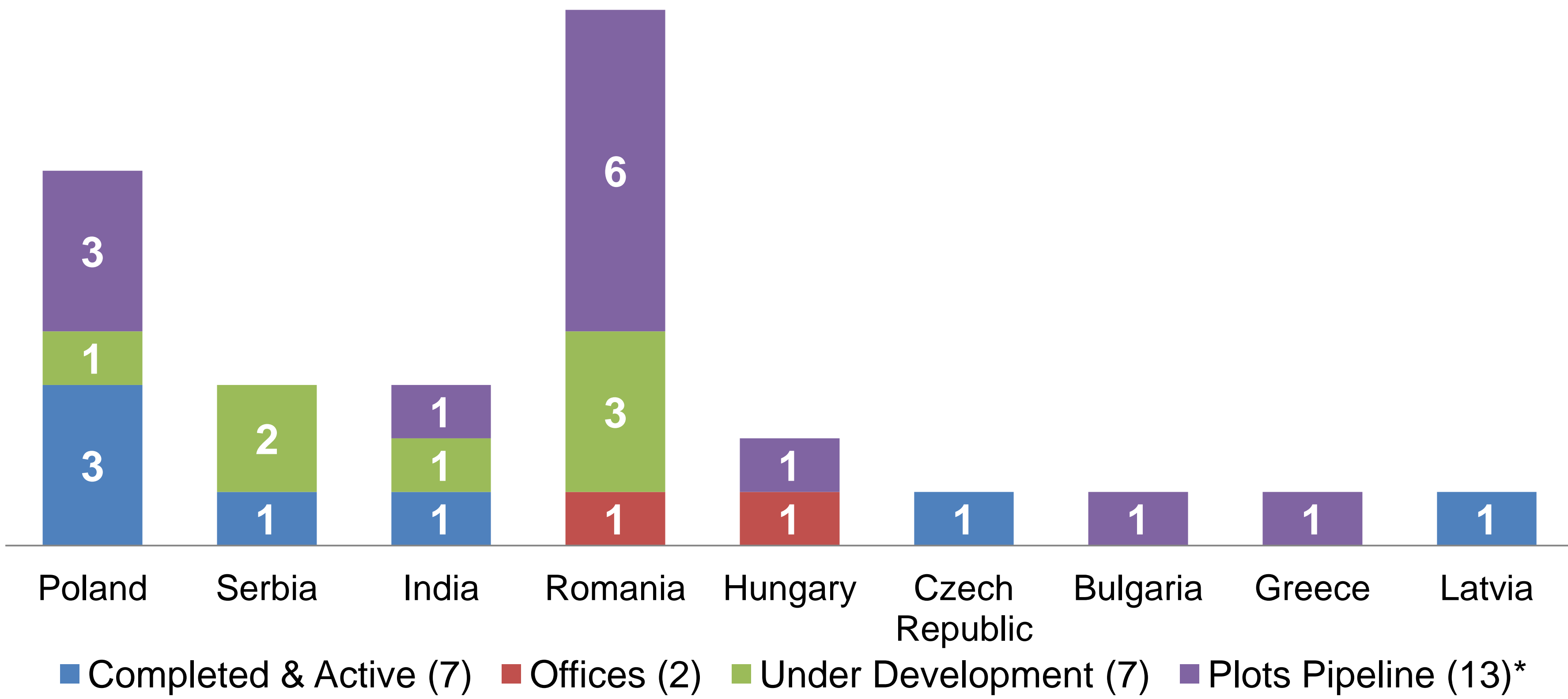


* Koregaon Park Plaza is under sale procedure

Asset Portfolio

The Company has future growth potential through its attractive development assets and a number of yielding assets designated for sale (for a full list of main assets - see Appendix A)

Total 29 Assets in nine countries



* Including plots and projects designated for future development or sale

The Company's Consolidated balance sheet

The Company's consolidated balance sheet as of December 31, 2013 (in € thousands)

ASSETS	
Cash and cash equivalents	26,157
Restricted bank deposits	6,319
Held for trading financial assets	1,246
Trade receivables	3,372
Other receivables and prepayments	4,871
Prepayment s and advances	1,393
Trading properties	40,333
Total current assets	**83,691**
Trading properties	454,841
Equity accounted investees	33,102
Loan to equity accounted investees	7,039
Property and equipment	6,520
Other non-current assets	573
Total non-current assets	**502,075**
Total assets	**585,766**

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Interest bearing loans from banks	175,338
Debentures at fair value through profit or loss	97,983
Debentures at amortized cost	70,636
Trade payables	2,432
Related parties	944
Provisions	15,597
Derivatives	910
Other liabilities	11,219
Total current liabilities	**375,059**
Non-current liabilities	
Deferred tax liabilities	379
Total non-current liabilities	**379**
Equity	
Share capital	2,972
Translation reserve	(40,651)
Capital reserve due to transaction with non-controlling interests	(20,706)
Other reserves	35,133
Share premium	261,773
Retained earnings	(28,799)
Total equity attributable to equity holders of the Company	**209,722**
Non-controlling interests	606
Total equity	**210,328**
Total equity and liabilities	**585,766**

3. Report

The Restructuring Plan - Report

Main Events Since Applying to Court – Promoting the arrangement

• The Company requested a restructuring plan (including suspension of payment proceedings) from the District Court of Amsterdam as it is a Dutch company operating according to the Dutch law, its entire activity and assets are located outside of Israel and it also has creditors outside of Israel.

• The court approved the Company's request and granted a limited time period for reaching an agreement with its creditors at the creditors meeting scheduled for April 17, 2014, which was postponed to June 26, 2014 due to technical constraints. If the company has not reached by this date, it will switch to a liquidation procedure, which it believes will significantly damage the Company, its creditors and its shareholders.

• At the same time as the application approval, the court appointed two officers on its behalf:

- a special manager ("administrator") – who works with the Company's management, and approves every transaction, liability assumption or expense and is supposed to render its opinion regarding the proposed plan.

- a supervisory judge who supervises the procedure.

The recommendation of the administrator will be transferred to the court only if he is convinced that the restructuring plan is fair and equal for all creditors. The administrator has appointed PWC Netherlands in order to check the restructuring plan (economically) on his behalf.

• Since the day of the Company's announcement about addressing the District Court of Amsterdam:

- The trustees, the expert and the Company's representatives concluded the proposed restructuring plan for the bondholders.

- On May 27, 2014 the Company's prospectus in connection with the arrangement to which the arrangement's plan and its appendices were attached, was published (including the deeds of trust proposed for Series A and Series B) and On May 27, 2014 all of the arrangements' documents were handed to the Dutch court.

- An explanation meeting for both Israeli bond series was held and pre-voting meetings were summoned in both Israeli bond series .

The Restructuring Plan - Report

The Company Management's Vision

- The income generating assets are qualitative and may be improved further.
- Land reserves (purchased with equity) represent a potential for initiation and betterment.
- The Company (as a developer) has the capabilities to realize the potential of its assets (betterment, development, sale etc.) in an informed action without pressure in order to maximize the value generated from the asset.
- The Company and its management maintain good and long term relations with a number of the financing banks. Until now, in all of the 33 shopping centers built by the Company (of which 26 were already sold) all bank loans were duly repaid by the Company.
- Continuing improvement of conditions in the countries in which the Company operates will enable sale of assets in fair prices.
- Deferral of debt maturities will facilitate the development of selective sites to maximize the value with no material equity investment.

4. Debt restructuring – the Company's Proposed Arrangement to the Bondholders

Debt Restructuring Process

The arrangement's uniqueness

Complexity

The arrangement was concluded under the supervision and approval of the Dutch court and within a limited time period, the Company's shares are traded in England and Poland, the bonds were issued in Poland and Israel, and under the arrangement the Company has accepted the ISA's requirement to register the Company's shares also in Israel.

The Company's other creditors

Most of the Company's active assets are pledged in a first degree pledge to the banks. Parallel to the negotiations, it was necessary to maintain "industrial peace" with the banks in order to maintain the assets' value.

Lack of involvement of the controlling shareholders in the negotiations to reach an agreement

The controlling shareholder did not participate in the negotiations for the arrangement terms, but in issues concerning the shareholders equity injection and shares allocation by way of rights issue.

The negotiations were held only from the debt holders and the Company's perspective and eventually produced the best way to enhance the Company's cash flow with maximum security for the bondholders rights.

The cash flow is the source for the repayments to the bondholders.

Debt Restructuring

A summary of the arrangement's fundamental principles

- **The Company was handed the necessary tools to improve and sell its assets**
  - creating an ideal working environment for assets sale (outwardly, the Company will continue to be as active in its business as in the past).
  - Deferral of the principal payments for 3.5 years with an early repayment mechanism (in case of creating net cash flow) and a repayments postponement mechanism in case of early repayments of part of the debt deriving mainly from quality sale of the improved assets.
- **Improved securities for the bondholders**
  Negative pledge on all of the real estate assets of the Company and its subsidiaries.
- **Shareholders contribution by cash injection to the Company and shares allocation to the bondholders**
  - injection of €20 million (circa 50% of the Company's market value) by the shareholders is a condition for the arrangement coming into force.
  - the shareholders will be diluted by 13.21% of the Company's shares in respect of share allocation (after the capital injection and the allocation).
- **Bondholders protection against decrease in the assets' value**
  Coverage ratio components of the Company's assets to the unsecured debt were defined. Failure to maintain the minimal ratio beyond the consecutive period that was determined creates cause for a call for an immediate repayment of the debt.
- **Compensation to the bondholders in interest and upside**
  The bondholders will benefit from the increase of 1.5% in the annual interest and shares (NOT options) allocation of 13.21% of the Company's shares following the shareholders injection (€20 million).

Debt Restructuring

A summary of the arrangement's fundamental principles

- **Determining tracking, supervision and control procedures on the Company's cash flow**
  - general restrictions on the Company's activity on the level of minimal cash balance and LTC ratios in projects financing/performing.
  - unique exit mechanism for the four active assets with the highest value.
  - reporting procedures to the trustees and the bondholders.
  - the Company will act to maintain a reasonable and low G&A expenses level.

- **Generated net cash flow surplus will be used mainly for reducing the debt**
  - in case of generating cash flow surplus, for example from assets sale or refinance, an early repayment will be carried out under which the entire accumulated interest on the bonds until the date of the exit/refinance will be paid, and 75% of the remaining cash following the interest payment (or after the deduction of part of the interest payment, in certain cases), will be used for early principal repayment.
  - no dividend distribution will be made prior to repayment of 75% of the principal balance of the bonds in cycle on the effective date of the trust deeds and compliance with a coverage ratio of 150% following the distribution.

- **Increased transparency to the bondholders in Israel**
  The Company will register its shares for trade in Israel and will publish also quarterly financial statements.

- **Besides the defined risk level, the Company's future will be determined by the bondholders**
  Covenants were defined in order to allow the debt holders to prevent ahead a deterioration of the Company to unwanted situations.

Debt Restructuring

The arrangement can be compared with a table based on three legs: the bondholders, the shareholders and the Company

Debt Restructuring

The Proposed Arrangement to the Bondholders

Capital / monetary injection by shareholders
The shareholders will inject capital / money to the Company in a financial scope of approximately €20 million, as a condition for the validation of the debt restructuring through rights issuance.

Creditors included in the arrangement
The group of creditors included in the debt restructuring consists of the following lenders: the bondholders in Israel, the bondholders in Poland and the banks on the level of assets with a right of recourse to the parent company.

Release and mutual waiver from claims
The proposed arrangement includes a release and mutual waiver from claims according to which, the Company, Elbit Imaging and the Company's officeholders in the group (past and present) will be released from claims, employees of the Group and anyone acting on its behalf on the one hand and the bondholders, the trustees and their representatives, on the other hand, are released from claims which cause of action preceded the effective date of the trust deeds, except claims the cause of action of which is based on fraud, malicious acts, or other grounds for which a release is not permitted by law.

Debt restructuring

The Proposed Arrangement to the Bondholders

Israeli bond holders and the institutional holders in Poland

Principal payments – all principal payments of only the bondholders (Bonds (Series A), Bonds (Series B) and bonds held by institutional holders in Poland) for the years 2013, 2014 and 2015, at the amount of €178 million will be deferred for 3.5 years from their original date. The aforesaid debt including the unpaid accrued interest to the end of 2013 is defined as the "Deferred Debt".

Interest payments – interest payments accrued and not paid until the end of 2013 will be added to the principal and paid together with it. Following the restructuring's closing, interest payments will be paid on their due dates.

Interest rate – starting on January 1, 2014, an addition of 1.5% to the annual interest rate will be paid.

Payment upon restructuring's closing – the Company will pay the Israeli and Polish bondholders, after the arrangement's closing date, an amount of at least €11.6 million on account of interest according to the determined mechanism (pari passu to the accumulated interest).

Upside – the bondholders (not including the subsidiary holding bonds) will be allocated circa13.21% of the Company's shares following the shareholders' injection and allocation. This allocation of shares shall be performed according to each series' share in the Deferred Debt as of December 31, 2013.

Debt restructuring

The Proposed Arrangement to the Bondholders

Prepayments – the Company will be allowed at any time to prepay any debt balance at the adjusted par value of the bond, but it will have to execute prepayment upon disposal, raising new financial debt or refinancing of assets.
The cash flow (net) received by the Company in reality following an exit or raising new financial debt (except if taken for the purpose of purchase, investment or development of real estate asset) or refinancing of real estate assets after the full repayment of the asset's related debt that was realized or in respect of a loan paid in case of debt recycling (and in case where the exit occurred in the subsidiary – amounts required to repay liabilities to the creditors of that subsidiary) and direct expenses in respect of the asset (any sale and tax costs, as incurred) , will be used for repayment of the accumulated interest till that date in all of the series (in case of an exit which is not one of the four shopping centers only 50% of the interest) and 75% of the remaining cash (following the interest payment) will be used for an early repayment of the close principal payments for each of the series (A, B, Polish) each in accordance with its relative share in the deferred debt. Such prepayment will be repayment in reality and not in bond purchase(1) .
The Company will execute prepayment only when the prepayment amount accumulated as a result of one or more transactions exceeds €2 million. Prepayment will be executed, as necessary, within a quarter, and no more than once in a calendar quarter.

Deferral of payments – in case that in two years from the effective date of the trust deeds, the Company repays the principal of the bonds (of the three series) in prepayments of at least NIS 436 million, then all remaining principal payments will be deferred by an additional year (on that day and month of each series).

(1) The Company reserves the right to repay from its own sources a larger amount of the accumulated interest, and by that to repay larger principle amounts from the net cash flow received.

Debt restructuring

The Proposed Arrangement to the Bondholders

Restriction of Payments to Shareholders – no dividend distribution will be made before repayment of at least 75% of the principal balance of bonds in cycle on the effective date of the trust deeds (bonds that were sold by the Company's subsidiary after the effective date of the notes will not be included) and the assets to debt coverage ratio on the distribution decision day will be at least 150% after the distribution. A distribution of a dividend in case of noncompliance with the foregoing conditions will require the approval of all creditors included in the debt restructuring, with a 67% majority of the debt balance held by the creditors voting in the meeting.

Collateral and Protection

Restriction on taking financial debt:

The Company and its subsidiaries may not obtain "new financial debt" (as defined in the trust deeds including by refinancing) except in the following cases:

(1) The new financial debt was purported to invest in the development of a real estate asset held by the Company or the subsidiaries subject to complying with a minimum LTC ratio and the minimum cash requirement (as detailed below) and that the new financial debt was obtained by the Company owning the asset or by another company in the Group; or

(2) The new financial debt was purported to purchase new real estate assets held by the relevant Company subject to complying with a the minimum cash requirement (as detailed below); or

(3) At least 75% of the net cash flows deriving from the new financial debt (including refinance) is used for early repayment of the bonds according to the mechanism determined in the trust deeds.

Restrictions on guarantees/cross pledges between the subsidiaries and between the subsidiaries and the parent company were determined.

Debt restructuring

The Proposed Arrangement to the Bondholders

Collateral and Protection - Provisions with respect to the unpledged assets
Negative pledge on real estate assets

Each of the subsidiaries may record a pledge on a real estate asset it holds only in the following cases:

- A pledge recorded for securing the obtainment of new finacial debt designated for the purposes of purchase and/or investment and development of real estate asset pledged by the same subsidiary (subject to extraordinary case of cross pledge);
- A pledge recorded on real estate asset for securing the obtainment of new finacial debt that replaces an existing financial debt (refinancing) when the real estate asset was pledged prior to the obtaining of the new financial debt.
- A pledge recorded on holding of a subsidiary in a corporation under its control securing debt taken by the same corporation according to the first section, as above.
- A pledge recorded for the purpose of obtaining of new finacial debt not for the purposes of purchase and/or investment and development of real estate asset pledged subject to that at least 75% of the net cash flows deriving from the new finacial debt is used for early repayment of bonds according to the mechanism determined in the trust deeds.

•The Company may pledge its holdings in a subsidiary securing a debt taken by the same subsidiary or corporations under its control according to the first section in this page, as above.

•The Company may pledge lands to a bank, in a first ranking pledge, for the purpose of a construction loan, with an LTC ratio that will not fall below 50%. This ratio will be reduced to 40% in case the project will include a partner for at least 20% of the project subject to complying with minimum cash requirement

Debt restructuring

The Proposed Arrangement to the Bondholders

Collateral and Protection - Provisions with respect to pledged assets

- The Company may obtain refinancing or new loans with respect to each of the pledged assets provided that the net cash flow deriving from the extra financing, namely the difference between the new debt to the old debt net of expenses incurred will be used for repayment (100% in the sale of the four operating shopping centers and 50% in the rest of the assets) of the current interest of the entire debt and at least 75% of the principal.

- The Company will be allowed to sell any of its pledged assets (excluding the four shopping malls Torun, Suwalki, Kragujevac and Riga, to which the provision of the following paragraph will apply) with no restriction, as long as the consideration received by the Company from the sale of the pledged asset (after return of the asset's related debt to the bank, sale expenses and tax) is used for prepayment (100% in the sale of the four shopping malls and 50% for the rest) of the accumulated interest of the entire debt and at least 75% of the remaining for principal repayment. Notwithstanding the foregoing, all income from the Koregaon Park project in India will be used by the Company for current operations, and the principles of prepayment detailed above in this section will not apply to this income. In addition, other transactions carried out until May 14, 2014 will not be included in the early repayment section.

- Provisions with respect to the four shopping malls (Torun, Suwalki, Kragujevac and Riga) – the Company will be allowed to sell the four shopping malls (Torun, Suwalki, Kragujevac and Riga) or to perform refinancing for any of these (hereinafter: "**Disposal Event**"), subject to the cumulative net cash flow in the Disposal Event in respect of these four shopping malls being no less than €70 million. In case no Disposal Event occurs for the four shopping malls together, the Company will be allowed to perform a special purpose Disposal Event only if after execution of the special purpose Disposal Event, the surplus value of shopping malls not sold (according to the valuation deducting the specific debt to banks) is no less than €70 million, deducting the net cash flows received from previous Disposal Events and deducting the net cash flows from the special purpose Disposal Event.

Debt restructuring

The Proposed Arrangement to the Bondholders

Provisions with respect to new assets

- The Company will be allowed in invest in new assets subject, to compliance with the minimum cash balance (as defined in the covenants) after the investment.

- The Company will be allowed to receive loans for the purchase of new assets with a LTC ratio ≥ 50%, unless a partner enters the project (no less than 20%), in which case the aforesaid ratio will be reduced to 40%, this subject to compliance with a minimal cash balance.

Debt restructuring

The Proposed Arrangement to the Bondholders

Covenants

Order of priorities in payments – (payment waterfall)

The Company's payments on any day will be in the following order:

1. Current expenses and taxes.
2. Payment interest to the Israeli and Polish bonds.
3. Repayment of Israeli and Polish bonds pursuant to the amortization schedules.
4. Filling a minimal cash reserve.
5. Investment in asset and land development.

Minimal cash reserve

The Company will be allowed to execute cash injections in respect of investments in existing or new real estate assets for the purpose of development or purchase only if the Company's cash reserve contains in the consolidated financial statements of the Company in the line item of cash and cash equivalents, short term deposits, financial assets held for trading and long term deposits (provided that they may be realized immediately unlimitedly in the Company and the subsidiaries) an amount equal to administrative and general expenses and interest payments for the Israeli and Polish bonds for the protection period, deducting proceeds receivable for a protection period in advance from signed transactions, for which closing was performed and there is a high probability, in the management's estimate, of receiving the proceeds in the protection period for the purpose of their inclusion in the minimal cash reserve. The protection period was determined as 6 months and it will be shortened to 3 months in case of an additional injection to the Company of at least €20 million. in addition, in case when the Company will repay principal payments of no less than NIS 434 million in the first two years from the effective date, the reserve amount (as calculated above) will be reduced by 50%.

The Proposed Arrangement to the Bondholders

Covenants (cont.)

"Net asset value" coverage ratio

In case the up-to-date and adjusted "net asset value" coverage ratio against debt is lower than 118% (**"Minimal Coverage Ratio"**) in two consecutive examination dates after the first examination date (in which a decline under the minimal coverage ratio was created) then cause for immediate prepayment will be created. In the period in which the coverage ratio declined below the minimal coverage ratio for the first time and as long as did not revert to the minimal ratio, the Company and the subsidiaries are not allowed to dispose of real estate assets or perform new investments in new real estate assets except for the investment of money in existing projects, limited to a ratio of no more than 20% of the construction cost approved by the lending bank, and subject to the foregoing LTC ratios.

The "net asset value" coverage ratio is the ratio between: (a) the value of all assets including balances of cash and cash equivalents (2) deducting preceding / specific bank debts, and (b) the Group's debts that are not preceding / specific and/or debts subordinate to the debts included in the restructuring.

The "net asset value" coverage ratio will be examined four times a year, on the date of the approval of the Company's annual financial statements and on the date of approval of the Company's quarterly financial statements. The value of the assets for the purpose of the examination will be in accordance with the most up-to-date valuations as these are on the examination date, and insofar as on the examination date a devaluation occurs in the management's opinion (with respect to the up-to-date valuation) with regard to any asset, the value of the asset will be updated accordingly for the purpose of calculating the coverage ratio. The "net asset value" coverage ratio for the Financial Statements for December 31, 2013 is 170%.

(2) Including restricted cash and tradable securities as detail in "coverage ration" Annex of the trust deeds.

Debt restructuring

The Proposed Arrangement to the Bondholders

Covenants (cont.)

"Net asset value" coverage ratio (cont.)

The value of Casa Radio project for the matter of this ratio will be €50 million. The value of Casa Radio will be updated to the value of an asset in quick disposal (distress) according to an up-to-date valuation, and the minimum coverage ratio will increase to 120% upon the occurrence of any of the following circumstances: (a) a transaction will be consummated under which an investor or partner entitled to at least 20% of the project will enter Casa Radio; or (b) reaching a binding arrangement with the relevant authorities in Romania with respect to the timetable for executing the project, or reaching an agreement on the extension of the lease period (the Company will report only to the trustees on the occurrence of this event); or (c) entering into a finance agreement for Casa Radio at a financial scope of no less than €25 million.

9 months after the occurrence of events (a) or (c), the value of Casa Radio will be updated according to an up-to-date valuation (not in quick disposal).

Debt restructuring

The Proposed Arrangement to the Bondholders

Adjustment of covenants and limitations

a. Injection of additional capital (beyond the issuance of rights) in cash against issuance of shares in the Company or as subordinate loan to the Company's liabilities towards the bondholders whether from the creditor level and from aspect of payment dates (which is beyond the current injection) of at least €20 million will release the Company from the foregoing sections in the following manner: minimal cash reserve – a decrease to 50% of the original demand, the "minimal asset coverage" ratio will decrease to 115%, with respect to the new money no restriction of ratio of investment in assets and/or equity will apply to projects, and it will be possible to make any use of it, including distribution of a dividend of up to 50% of the injection amount, at least one year after the injection, subject to distribution rules by law.

b. Upon the occurrence of such capital injection and repayment of 60% or 50% of the unsettled principal balance of the bonds (the three series) (and for the avoidance of doubt, the calculation of the repaid bonds will not include bonds sold by a subsidiary of the Company after the effective date of the trust deeds), the Company's undertaking to perform principal prepayments after interest payments for the entire debt will decline from a minimal rate of 75% to a rate of 50% or 60% (respectively).

Debt restructuring

The Proposed Arrangement to the Bondholders

To banks with Recourse right

Debt balance to banks – the debt balance in the Company's books with a right of recourse as of 31.12.13 amounts to €50.2 million against assets valued at €82.4 million which are pledged, with first priority, to the banks.

Recourse to the Company – deferring recourse possibility for four years.

If the Company fails to meet its current payments and a debt balance to the banks remains after asset realization, the banks may demand the above debt balance only after four years from the arrangement date.

The recourse right will be at the debt level before asset realization net of the highest between the received consideration from asset realization and 90% of the value of an external appraiser (to be agreed upon by the parties) in a time period of not more than three months before the realization date.

The Proposed Arrangement to the Bondholders

General provisions

Transparency

Following the arrangement completion, the Company will register its shares for trade in Israel and the Company will publish quarterly financial statements. In addition the Company will report every quarter on its compliance or non compliance with the covenants and the material liabilities under the arrangement as determined in the trust deeds.

Efficiency

The Company will do its best to ensure that the scope of administrative expenses, on the Company's current level of operations, does not exceed an amount of €7.5 million per year.

Adjustment to amendments to the Securities Law

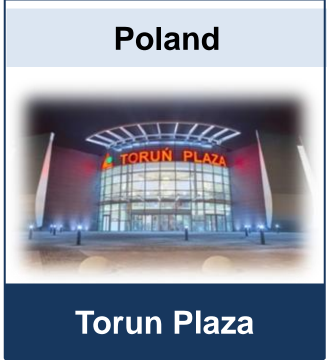
The deeds of trust are in Hebrew, and the required changes were made in light of amendments made in the Securities Law (for example, mandatory causes for call for immediate repayment).

Buffer deposits

Upon the date of closing the debt restructuring, the Company will deposit each of the trustees for the bond series an amount of NIS 25,000 to be returned upon their final repayment.

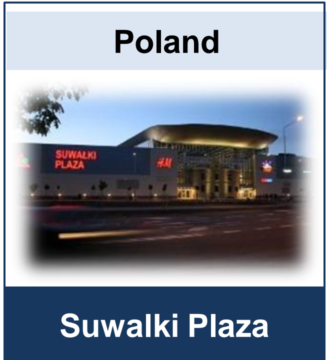
4. Appendix A – Details of the Company's assets

Plaza Centers - Operating Assets (1)



Location	Torun, Poland
Concept	Shopping and entertainment centre
GLA (sqm)	40,000
Occupancy	94%

- Operating shopping and eentertainment centre
- Located in Central Poland
- Opened to the public in November 2011
- Current annual revenue from rent – €6.9M (Expected - €7.2M)



Location	Suwalki, Poland
Concept	Shopping and entertainment centre
GLA (sqm)	20,000
Occupancy	92%

- Operating shopping and eentertainment centre
- Located in North East Poland
- Opened to the public in May 2010
- Current annual revenue from rent – €3.4M (Expected - €3.7M)

Location	Zgorzelec, Poland
Concept	Shopping and entertainment centre
GLA (sqm)	13,000
Occupancy	92%

- Operating shopping and eentertainment centre
- Located in South West Poland
- Opened to the public in March 2010
- Current annual revenue from rent – €1.3M (Expected - €1.6M)

Plaza Centers - Operating Assets (2)

Serbia

Kragujevac Plaza

Location	Kragujevac, Serbia
Concept	Shopping and entertainment centre
GLA (sqm)	22,000
Occupancy	100%

- Operating shopping and eentertainment centre
- Located in Central Serbia
- The first western style shopping center built outside the capital city
- Opened to the public in March 2012
- Current annual revenue from rent – €3.4M (Expected - €3.8M)

Latvia

Riga Plaza

Location	Riga, Latvia
Concept	Shopping and entertainment centre
GLA (sqm)	49,000
Occupancy	97%

- Operating shopping and eentertainment centre
- Located in the capital of Latvia
- Opened to the public in March 2009
- Plaza Centers' share: 50%
- Current annual revenue from rent – €6.6M (Expected - €7M) (100%)

Czech Republic

Liberec Plaza

Location	Liberec, Czech Republic
Concept	Shopping and entertainment centre
GLA (sqm)	17,000
Occupancy	84%

- Operating shopping and eentertainment centre
- Located in north Czech Republic
- Opened to the public in March 2009
- Current annual revenue from rent – €0.7M (Expected - €0.8M)

Plaza Centers - Operating Assets (3)

India

Koregaon Park

Location	Koregaon Park, Pune
Concept	Shopping and Entertainment Centre
GLA (sqm)	41,000
Occupancy	85%*

* Signed leases

- Operating shopping and eentertainment centre
- Located in Pune, India
- Opened to the public in March 2012
- The company's first completed project in India.
- Future representing NOI– €5.4M
- The Centre is under sale procedure

Plaza Centers - Current Developments (1)

Poland

Lodz

Location	Lodz, Poland
Concept	Commercial
GLA (sqm)	35,000
Value upon completion*	74 (€m)
Exp. Completion	2017
Percentage Holding	100%

- The planned scheme will include a shopping and entertainment centre project
- Located in one of Poland's largest cities with 750,000 inhabitants
- The Company is currently obtaining permits.
- Plaza Centers' share: 100%
- Project budget – €61.3M
- Annual revenue from rent - €6.5M

Serbia

Belgrade Plaza (Visnjicka)

Location	Serbia
Concept	Commercial
GLA (sqm)	32,000
Value upon completion*	108 (€m)
Exp. Completion	2015-2016
Percentage Holding	100%

- The planned scheme will include a shopping and entertainment centre
- Located in the centre of Belgrade - the capital and main city of Serbia
- Plaza Centers' share: 100%
- Project budget – €79M
- Annual revenue from rent - €8M

Serbia

Belgrade Plaza

Location	Belgrade, Serbia
Concept	Mixed Use
GBA (sqm)	70,000
Value upon completion*	146 (€m)
Exp. Completion	2018
Percentage Holding	100%

- The planned scheme will include a commercial gallery, hotel and office areas
- Located in a prominent location in Belgrade - the capital and main city of Serbia
- Plaza Centers' share: 100%
- Project budget – €124.3M
- Annual revenue from rent - €13M

*Evaluated by Cushman & Wakefield as at 31 December 2013 (Plaza's share)

Plaza Centers - Current Developments (2)

Romania

Casa Radio Shopping Center, Bucharest

Location	Bucharest, Romania
Concept	Commercial
GLA (sqm)	76,000
Value upon completion*,**	623 (€m) – Plaza share
Exp. Completion	2017
Percentage Holding	75%

- The scheme will include a shopping and entertainment centre, main underground car park and Public Authority Building (PAB)
- The Romanian Government is a 15% partner in the scheme alongside an additional third party investor (10%)
- The Casa Radio development site located in Sector One, in central Bucharest
- Project Budget - €242.9M
- Annual revenue from rent - €22M

Romania

Casa Radio Offices, Bucharest

Location	Bucharest, Romania
Concept	Offices
GLA (sqm)	148,000
Value upon completion**	N/A
Percentage Holding	75%

- The scheme will include three office buildings
- The Romanian Government is a 15% partner in the scheme alongside an additional third party investor (10%)

Romania

Casa Radio Hotel Complex, Bucharest

Location	Bucharest, Romania
Concept	Hotel Complex
GLA (sqm)	59,600
Value upon completion**	N/A
Percentage Holding	75%

- The scheme will include a hotel complex, aapartment hotel and front parking
- Located in central Bucharest
- The group enjoys the vast hotel development experience of its parent Elbit Imaging as the developer and owner of leading hotels in Europe (and specifically in Bucharest, where it holds the most successful hotel in the country)

* Evaluated by Cushman & Wakefield as at 31 December 2013 (Plaza's share)
** Value of the entire project (3 phases) on completion

Plaza Centers - Current Developments (3)

Romania

Timisoara

Location	Timisoara, Romania
Concept	Commercial
GLA (sqm)	38,000
Value upon completion*	77 (€m)
Exp. Completion	2016
Percentage Holding	100%

- The planned scheme will include a shopping and entertainment centre
- Located in West Romania in a city with over 300,000 inhabitants
- Plaza Centers' share: 100%
- Project Budget - €64.7M
- Annual revenue from rent - €6.8M

India

Chennai

Location	Chennai, India
Concept	Commercial
GBA (sqm)	230,000
Value upon completion*	39 (€m) – PC share
Exp. Completion	2015-2018
Percentage Holding	40%

- The planned scheme will include a residential project with a land mix of approximately 33% for Villa units and 67% for self development
- Plot size is 83 acres (336K sqm)
- Located in India's fourth largest city with a population of over 8 million people
- Project duration: 36-48 months

Romania

Cina

Location	Bucharest, Romania
Concept	Commercial
GLA (sqm)	4,986
Value upon completion	N/A
Exp. Completion	2015
Percentage Holding	100%

- The planned scheme will include a luxury retail scheme on the first and second floor of the building, as well as an office area.
- Located in the Romanian capital
- Plaza Centers' share: 100% (lease for 49 years, starting 12/2007)
- Project Budget - €10M
- Annual revenue from rent - €1.4M

* Evaluated by Cushman & Wakefield as at 31 December 2013 (Plaza's share)

Plots Pipeline

Plaza has a strong plots pipeline, with a total of additional 675,000 sqm of GLA/GBA to be built

Country	Project	Type	GLA/ GBA (sqm)	Percentage Holding	Value Upon Completion* (€m)	Current Value* (€m)
Romania	Targu Mures	Commercial	30,000	100%	72	6
Romania	Slatina	Commercial	17,000	100%	41	2
Romania	Constanta	Commercial	18,000	100%	**	6
Romania	Hunedoara	Commercial	13,000	100%	10	2
Romania	Miercurea Ciuc	Commercial	14,000	100%	15	6
Romania	Iasi	Commercial	58,000	100%	95	12
Poland	Kielce	Commercial	33,000	100%	76	5
Poland	Leszno	Commercial	16,000	100%	**	2
Poland	Lodz	Residential	80,000	100%	89	7
Hungary	Arena Extension	Mixed Use	40,000	100%	89	8
India	Varthur	Residential	310,000	23.75%	91	12
Greece	Pireas	Commercial	26,000	100%	95	15
Bulgaria	Shumen	Commercial	20,000	100%	31	2
Total			**675,000**		**704**	**85**

* Evaluated by Cushman & Wakefield as at 31 December 2013 (Plaza's share)
** Assets were valued with the comparative sales price method, no value on completion was estimated

6. Appendix B – Risk Factors

Risk Factors

The Company is exposed to certain risk factors as specified in the Company's Prospectus published on 27 May 2014 that may be material for the purpose of assessing the market risks associated with the transaction (s) and that may affect the outcome of its activities and/or its ability to realize its plans as oulined. Without derogating from the generality of the foregoing the following factors may have material influence on the Company's activities and business performance:

(a) *Risk factors that are related the Company's Real Estate Projects*: The real estate industry continues to be cyclical and affected by changes in general economic, or other business conditions that could materially adversely affect the Company's business or financial results; there is no assurance that the Company will successfully implement its "construct and dispose" strategy and in such event its results may be materially adversely affected; the valuation of real estate is inherently subjective due to the individual nature of each property. As a result, valuations are subject to uncertainty; finding a suitable location is critical to the success of a shopping and entertainment center; the Company's business is subject to numerous national and local government regulations, including those relating to the acquisition of real estate properties, building and zoning requirements. Any failure by the Company to comply with government regulation may adversely affect the Company's business and results of operations. Zoning restriction and local opposition can delay or prevent construction of a real estate project; reliance on contractors and subcontractors during the construction of shopping and entertainment centers may lead to high construction costs and loss of the Company's competitive edge; delay in the completion of projects of construction of shopping and entertainment centers might affect the success of the Company; the Company is dependent upon third parties for the purpose of entering lease contracts and especially agreements with anchor tenants for shopping and entertainment centers when, in the event that the Company cannot enter into the aforesaid agreements, it runs the risk of price reduction; the Company is exposed to a decrease in the prices of rent and/or sale prices of shopping and entertainment centers it owns; competition in its areas of activity becomes more intense; there is no guarantee that the Company will be able to implement its strategy to successfully build shopping and entertainment centers and such circumstances may result in serious damage to the performance of the Company; some of the shopping and entertainment centers are held with business partners and are exposed to risks relating to such business partners, which may lead to increased development and construction costs; transactions aimed at purchasing commercial centers, shopping and entertainment centers purchased by the Company are subject to inherent risks that are characteristic of real estate transactions such as, but not limited to, failure to discover flaws and defects in the framework of a due-diligence investigation or the ability to conduct due-diligence to a limited extent, flaws in the purchase rights, flaws and defects in the building or the ground, pollution and environmental nuisances; there might be dependency on business partners, cooperation and service providers; disputes with land owners and/or tenants and/or service providers, breach of agreements and/or insolvency by anchor tenants; failure to communicate that property management companies in general or under conditions that are desired by the Company; changes in the buying power or worsening of the economy of the relative state that harms the financial performance of the commercial centers; decrease in the value of assets; urban and/or demographic changes and/or changes in the mixture of the population constituting the primary target audience of the commercial center and affecting its profitability; changes in legislature or taxation limiting the activities of the commercial center and/or its profitability and/or the possibility of its realization; acquisition, development and renovation of commercial centers involves significant risks for the Company and lack of an option to predict the success of future projects;

Risk Factors

(b) *The Company is highly dependent on realising cash proceeds from the sale of existing and pipeline projects in order to service its financial obligations*. The Company's primary business strategy is the construction, development and sale of shopping and entertainment centres in Central and Eastern Europe and other markets where it operates. Whilst the Company intends to continue to implement its "construct and sell" development strategy, it also holds completed developments on its balance sheet, until sales prices which appropriately reflect their potential are achieved. While the properties are held on the Company's balance sheet, it manages them deriving rental and other income from those assets. Such income is not comparable with the proceeds that may be received on a sale of such properties. For example, the Company recently divested its U.S. investment properties which generated cash proceeds of approximately U.S.$120 million (compared to approximately U.S.$82 million initially invested). Losing the income from the high yielding U.S. properties may cause cash flow problems. While the Company has recently raised substantial cash proceeds from the sale of its investment in the U.S. shopping centres, the Company will no longer benefit from the rental income generated from these investments, which represented a large share of the Company's income. The Company's current debt maturity profile indicates that significant principal repayments of senior secured and other debt obligations will come due. There is no assurance that the Company will be successful in either realising cash proceeds to service such debt obligations or, alternatively, re-negotiating and extending scheduled debt maturities in order to match its income on completed projects which have not been sold. The Company has significant debt service obligations, including bank debt, publicly traded debentures in Israel and debentures offered in a private offering in Poland, all of which require cash payments of principal and interest, in the short and medium term. In addition, the Company may incur additional debt from time to time to finance acquisitions or capital expenditures or for other purposes; The Company's financial instruments (mainly its loans and debentures) and its derivative financial instruments are subject to fluctuation in interest rates, currency exchange rates, changes in the Israeli consumer price index and/or changes in fair value, which may have a negative impact on its earnings, balance sheet and cash flows.

(c) *Risk factors related to Central and Eastern Europe*: in the framework of the Company's activities in Central and Eastern Europe, the Company is subject to a variety of risks such as economic risks, political instability and corruption and the lack of experience and unpredictability of the civil justice system.

(d) *Risk factors related to India: Hostility in India and other Asian countries* might have an adverse effect on the Company's performance and financial condition; changes in the economic policy implemented by the Indian government or political instability might have an adverse effect on the Company's business; the Company is new in the Indian market and there is no certainty that its skills or experience will suffice in these areas; limitations imposed by the Indian government concerning investments in India might have an adverse effect on the Company's business performance; uncertainty concerning ownership of lands in India might expose the Company to third party claims in connection with the acquisition of lands by the Company; regulatory limitations in India in connection with repatriating capital from the country might have an adverse effect on the Company's cash flow.

Risk Factors

(e) *Risks factors relating to the holdings structure of the Company*: One of the Company's shareholder, Elbit Imaging Ltd. ("Elbit") beneficially owns a substantial amount of the Company's ordinary shares and, therefore, has effective control over the Company's affairs. As a result, Elbit has sufficient voting power at a meeting of the shareholders of the Company to effectively control most matters concerning the Company that require shareholder approval. For example, Elbit Imaging may have the power to affect the Company's legal and capital structure, elect all of the directors, prevent or effect changes in control or management, influence the issue of shares and the exclusion of pre-emptive rights. In addition, due to the concentration of shareholding in Elbit Imaging and other major shareholders the Company is not in compliance with the Financial Services Authority (the "FSA") free float requirement that at least 25% of its outstanding shares be in public hands. If the free float requirement is not complied with, the Company may be required to de-list its shares from the London Stock Exchange (the "LSE"). The Company approached the FSA in this respect and updated that Elbit is not going to vote in favour of such delisting. The FSA decided to put the issue on hold for the time being. Any loss of the services of members of our senior management team could result in the loss of expertise necessary for us to succeed, which could cause our revenues to decline and impair our ability to meet our objectives; Certain of the Company's directors, officers and key employees are officers of Elbit. As a result, they may have real or apparent conflicts of interest on matters affecting both the Company and Elbit and in some circumstances may have interests adverse to the Company's interests. Currently, two members of the Company's board of directors are executive officers of Elbit. Change and/or transfer of control in Elbit, either voluntarily as a result from a wilful event, restructuring of Elbit's debt or as a result from a compulsory foreclosure event with respect to shares of Elbit Imaging that are pledged as security to lending banks (including, in particular, shares that were pledged by Europe-Israel (M.M.S.) Ltd. which is controlled by Mr. Mordechai Zisser to Bank Hapoalim B.M.), may result in a violation of contractual undertakings made by Company.

(f) *The Company's global operations expose it to additional and unpredictable risks:* The Company conducts its businesses on a global basis and constantly seeks new opportunities in various regions of the world. The Company's future results could be materially adversely affected by a variety of factors relating to international transactions, including changes in currency exchange rates, general economic conditions, regulatory requirements, tax structures or changes in tax laws or practices, and longer payment cycles in the countries in its geographic areas of operations. International operations may be limited or disrupted by the imposition of governmental controls and regulations, political instability and difficulties in managing international operations. There can be no assurance that one or more of these factors will not have a material adverse effect on the Company's international operations and, consequently, on the Company's business, financial condition and results of operations. A failure to effectively manage the expansion of the Company's business could have a negative impact on the Company's business. To accommodate its global expansion, the Company is continuously implementing new or expanded business systems, procedures and controls. There can be no assurance that the implementation of such systems, procedures, controls and other internal systems can be completed successfully

(g) Cross default: a decision of either series of the bondholders to call for immediate repayment of their bonds may trigger cross default provisions included in the Company's agreements with certain of its lending banks that are financing its real estate projects. If any or all of the banks decide to call for immediate repayment of their debt, this will result in material adverse effect on the Company's operations and financial results and its ability to repay its debt towards its creditors.