



June 13, 2007

To the holders of Ordinary Shares

Dear shareholder

Annual General Meeting of Plaza Centers N.V. (the "Company"): June 29, 2007

I am pleased to be writing to you with details of our Annual General Meeting ("AGM") which we are holding on June 29, 2007 at Noon (CET) at the Park Plaza Victoria Hotel Amsterdam, Damrak 1-5, 1012 LG Amsterdam, The Netherlands.

The notice of the AGM of the Company and the resolutions to be proposed at that meeting are set out on pages 1 and 2 of the attached convening notice.

If you cannot come to the AGM and would like to vote on the resolutions to be proposed at the meeting, please complete the proxy form sent to you with this notice and return it to the offices of the Company, as soon as possible.

The notice of the AGM is important and requires your immediate attention. If you are in any doubt as to what action to take in relation to the AGM, you should consult appropriate independent advisers. If you have already sold or otherwise transferred your shareholding in the Company, you should immediately send this document together with the accompanying Form of Proxy to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Resolutions

Resolutions 1 to 11 inclusive, which will each be proposed as ordinary resolutions, deal with the approval of the annual accounts and report being drawn up in the English language, the extension of the period for drawing up the annual accounts and report (see below), the election and re-election of directors, the appointment of PKF Accountants & Business Advisers as auditors and the authorisation of the directors to fix their remuneration.

Annual accounts and Annual report

The Dutch statutory annual accounts and report for the financial year ended December 31, 2006 have not yet been finalised. Dutch mandatory law provides that in principle the statutory annual accounts and the Annual report of the Company should be drawn up within five months after the end of each financial year. However, it is possible for a general meeting of shareholders to extend this period for a maximum of six months on account of special circumstances. The Board believes that the period for preparing the Dutch statutory annual accounts should be extended until November 30, 2007, to give the Board sufficient time to finalise the statutory annual accounts and report. The Board is of the opinion that the extension of the period is necessary as the Company's Ordinary Shares have only been traded on the London Stock Exchange since October 2006 and therefore, the Board has not had sufficient time to prepare the Company's audited Dutch statutory annual accounts. In March 2007, the Board approved the Company's annual consolidated statements for the year ended December 31, 2006, on the basis of IFRS.

Before the end of this year an Extraordinary General Meeting will be convened to approve the annual accounts of the Company for the financial year ended December 31, 2006 and to discharge the Board for its management for this financial year.

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Directors

At this year's AGM, Mr E Paap, a non-executive director of the Company, and Mr S Yitzchaki, an executive director of the Company, will be retiring by rotation. Being eligible, they both offer themselves for re-election. The Board considers that Mr E Paap and Mr S Yitzchaki continue to be effective and that they have demonstrated commitment to their roles. Accordingly, it recommends their re-election.

Each of Mr M Zisser, Mr R Shtarkman, Mr M H Wichers and Mr M W van Eibergen Santhagens are subject to approval of election as directors by the shareholders, this being the first Annual General Meeting of the Company since their appointment. The Board considers that the performance of each of these directors has, since their appointment, been effective and that they have demonstrated commitment to their role. Accordingly, it recommends the election of each of them.

Power to allot shares and disapply pre-emption rights

The purpose of resolution 12, which will be proposed as an ordinary resolution, is to put in place a new authority of the Company to allot relevant securities up to an aggregate nominal amount of €964,742, being approximately 33% of the issued share capital of the Company, as at the date of this letter.

The purpose of resolution 14, which will be proposed as a special resolution and will, under Dutch law, constitute a special instruction to the directors, is to put in place a new authority for the directors to allot equity securities for cash without first offering those equity securities pro rata to existing shareholders up to an aggregate nominal amount of €146,173, being approximately 5% of the issued share capital of the Company, as at the date of this letter.

The Board considers that it is in the best interest of the Company and its shareholders generally that the Company should have the flexibility conferred by the above authorities to make small issues of shares for cash as suitable opportunities arise, although the Board has no present intention of exercising either of these authorities except in connection with the Company's employee share schemes. If granted, both of these authorities will expire at the conclusion of the Annual General Meeting of the Company to be held in 2008.

Purchase of own shares

The purpose of resolution 13, which will be proposed as an ordinary resolution, is to put in place an authority to enable the Company to make market purchase of up to 29,234,60 Ordinary Shares, being approximately 10% of the issued share capital of the Company, as at the date of this letter. The Company's exercise of this authority will be subject to the stated upper and lower limits on the price payable. The purchase of shares by the Company under this authority would be effected by a purchase in the market. The Company will only exercise the power of purchase after careful consideration and in circumstances where, in the light of market conditions prevailing at the time, it is satisfied that it is in the best interests of the shareholders generally to do so and where there would be a resulting increase in earning per share. The directors intend to keep under review the potential to purchase ordinary shares. If granted, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2008.

Recommendations

Your Board considers that all of the resolutions in the Notice of Meeting are in the best interests of shareholders as a whole and recommends that you vote in favour of each of them, as each of the directors who hold shares in the Company, intend to do in respect of his own beneficial holdings.

Yours faithfully

Mordechay Zisser
Chairman