

## Competitive strengths

Plaza is strongly positioned to capitalize on its unrivaled track record by selectively delivering projects and creating high levels of retailer interest and utilizing our expertise to reposition portfolios of high-yield properties. This position is strengthened further by our ability to continue to raise bank financing and debt on competitive terms despite the relatively illiquid markets.

As the CEE markets continue to recover from the financial turmoil of 2008, Plaza has positioned its development program to ensure that it can deliver shopping centers into markets with the highest retail demand. Plaza has delivered another year of excellent operational and strategic progress through a number of development milestones, most notably the completion of its 31st shopping center in the CEE region, Toruń Plaza, Poland. Toruń Plaza represents Plaza's tenth shopping center, and our third currently owned and managed asset in Poland, a country which, although not immune to the wider European economic context, has continued to demonstrate its resilience during the recent downturn. We also continued our geographical expansion, with the completion of two projects in Pune, India - Matrix One and the soft opening of Koregaon Park Plaza as well as the completion and opening of Kragujevac Plaza in Serbia. The other key event of the year and the beginning of 2012 was the realization of the majority of our investment in EDT, through which Plaza achieved its aim of utilizing its expertise to reposition a portfolio of high-yielding properties in the US. The subsequent agreement to sell these assets is anticipated to generate a pre-tax return on equity (ROE) of nearly 50%.

### Proven track record

Plaza continues to benefit from its unrivaled track record across CEE, having been active in the region for more than 16 years. Whilst the economic situation in the region remains somewhat challenging, the long-term fundamentals of the market remain attractive. Our continued belief in the strength of this market was underlined this year by the achievement of a major milestone for Plaza, the completion of our 31st CEE shopping center. To date, 26 of the completed centers have been subsequently sold with an aggregate gross value of circa €1.16 billion. These disposals comprise 17 shopping centers in Hungary, seven in Poland and two in the Czech Republic, with the remaining seven shopping centers currently being held as operational assets, of which three are located in Poland, one in the Czech Republic, one in Latvia, one in Serbia and one in India.

Plaza focuses upon creating an attractive tenant mix, including fashion, hypermarkets, food courts, electronics, sports and other retailers, with a special focus on entertainment. Most centers include a cinema multiplex, as well as a Fantasy Park, a state-of-the-art entertainment and amusement facility operated by Plaza's subsidiary, which includes bowling alleys, billiard tables, video arcades, internet cafés, children's playgrounds, bars and discos.

### Flexible business model

During the years 1996-2004, when exit yields were high, the Group retained and operated shopping centers on completion and earned rental income. Once property yields decreased, between 2004-2008, the Group sold 26 shopping centers in line with the Company's commercial decision to focus its business more on development and sale rather than operational management.

Whilst the conditions in the investment market in CEE remain uncertain, with the limited availability of debt suppressing transactional activity, Plaza continues to implement its focused development strategy. It will continue to attempt to sell completed developments but will hold them on its balance sheet and benefit from the rental income until sufficient sale prices are achieved.

### Diversification

The Group is well diversified and active in eight countries in CEE and India, while additional countries are examined for further expansion.

Plaza sees strong importance in its investment in India, which has been less affected by the current global crisis and will offer Plaza attractive development prospects for at least 15 years. Plaza has maintained its long-term view of the strong potential demand for commercial Indian real estate, especially for well-located large-scale development projects. The sentiment towards the Indian real estate market remains extremely positive, underpinned by fundamentals which are driving the country's long-term economic growth. With five developments in India due to be delivered in the next five years, the Company's substantial local platform means Plaza is strategically placed to create shareholder value from this growth market.

Having monitored the US real estate market for a number of years, Plaza announced its first transaction in the region in 2010 through the acquisition of a strategic stake in EDT Retail Trust with its joint venture partners. During 2011, Plaza achieved its aim of repositioning the portfolio through reducing debt levels, improving occupancy rates as well as lengthening lease maturities. Consequently, in January 2012 an agreement was reached to sell 47 of 49 assets in a deal totaling US\$1.43 billion, resulting in a ROE for Plaza of nearly 50% in a period of little over 18 months.

#### Limited number of projects

In light of market conditions, Plaza took the strategic decision in the second half of 2008 to scale back on project starts and to focus on projects with availability of external financing or strong tenants demand. Currently, Plaza is focusing on the following projects: Łódź Plaza, Sport Star Plaza, Belgrade Plaza, Casa Radlo and Timișoara Plaza.

#### Strong cash position

Plaza continues to have a strong cash position of approximately €108 million at the period end (and circa €100 million as current cash position). This ensures Plaza remains on a solid financial footing to continue its development program and make opportunistic investments or acquisitions where there is clear potential to create shareholder value.

#### Low and conservative leverage

The Group's debt position remains conservative, with gearing of 59% at the year end. Given the strength of Plaza's balance sheet, it has been successful in securing further financing during the year from a wide range of sources, including bank development finance totaling around €80 million and issuance of long-term debentures around €65 million. Plaza also took advantage of the opportunity presented by market conditions to repurchase €30 million of previously issued bonds during 2011. The vast majority of the debt is long term, maturing mainly between 2012 and 2017.

#### Clearly identified pipeline and acquisitions

Plaza is engaged in 27 development projects, and owns two office buildings and seven operational assets, located across the CEE region and in India. The Group has the ability to identify new growth opportunities, constantly targeting attractive returns in fast-growing emerging markets.

#### Timing for delivery

As the majority of the developments will mature from 2012 onwards, and due to its financial strength, Plaza is not required to execute forced sales of projects at current market conditions. Once the projects are completed, Plaza will therefore use its extensive operational and asset management experience to hold and manage, where needed, completed projects as income-generating investments in the portfolio until the investment market improves. Currently Plaza owns seven operating shopping and entertainment centers in Poland, Czech Republic, Serbia, Latvia and India.

#### Supportive financing banks

The Group maintains good relations with financing banks who remain supportive of companies such as Plaza with a strong track record.

During 2011 loan agreements were utilized for financing 70% (circa €33 million) of the development costs for the Kragujevac Plaza shopping center in Serbia and a development loan covering 70% (€52.5 million) of the development costs of the Toruń Plaza shopping center in Poland.

#### Capital markets

Ongoing support demonstrated by successful bond issuance during the reporting period:

- Additional issuances of Series A and B bonds in 2011 for cash consideration of NIS 300 million (circa €65 million)
- As of December 31, 2011 repurchase of NIS 168 million par value (with adjusted value of NIS 194 million) of bonds at NIS 152 million (circa €30 million) delivering a gain of NIS 41 million (€8 million)

#### Strong brand name

Plaza Centers has become a widely recognized brand name for successful property development in CEE which is beneficial at all stages of project execution (e.g. following portfolio sales to Klépierre, Dawnay Day and aAIM, the purchasers continue to use the "Plaza Centers" trade name under license).

#### Highly skilled management team

Extensive local and business knowledge with a proven ability to source strategic development sites as well as purchasing yielding assets at an attractive price and design projects that meet the demands of the local market. A significant proportion of management team members have been with us for several years.

#### Extensive network

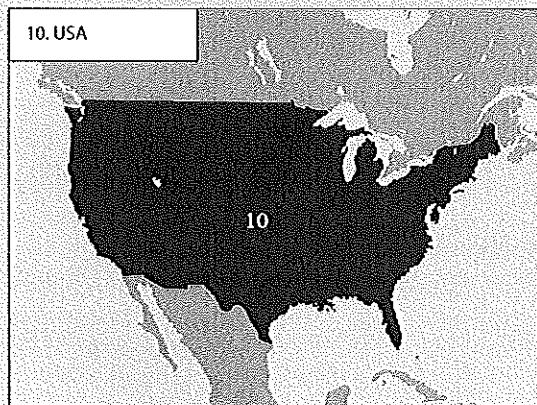
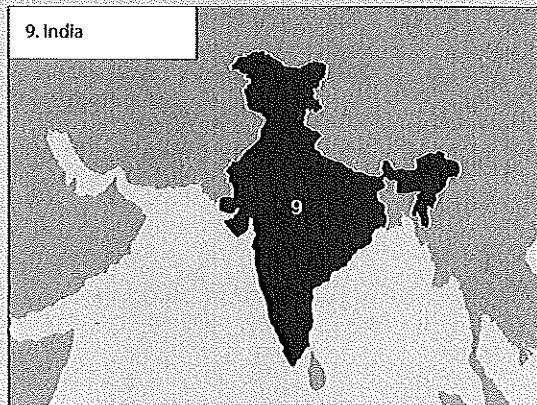
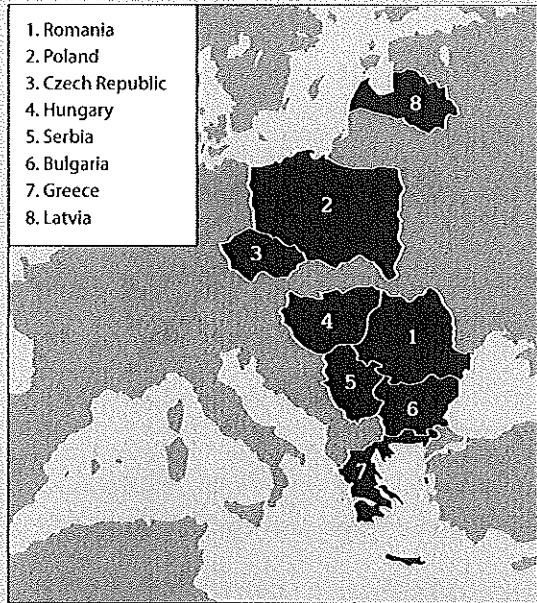
A vast and extremely well-established network of business connections with most anchors and large international tenants and extensive business relationships with large international funds and real estate market participants. This has been demonstrated by our proven ability to pre-sell projects (before or during the construction) and achieve high levels of pre-lets.

#### Thorough project evaluation

Prior to each project, Plaza goes through a carefully developed, structured evaluation process involving each of the relevant disciplines (economics, engineering, marketing, etc).



# Our markets



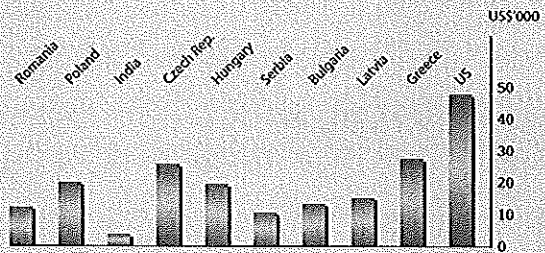
## Market data

### Current market

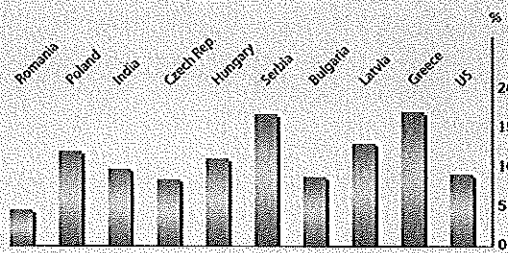
#### Population (m)

■ Romania	21.8	■ Serbia	7.3
■ Poland	38.4	■ Bulgaria	7
■ India	1,205	■ Latvia	2.2
■ Czech Republic	10	■ Greece	11
■ Hungary	10	■ United States	314

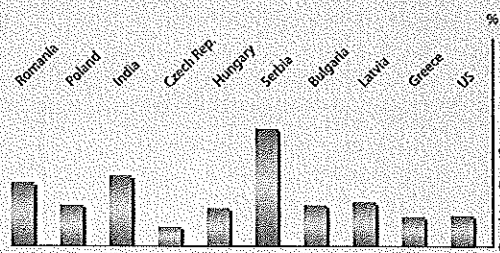
#### GDP per capita



#### Unemployment



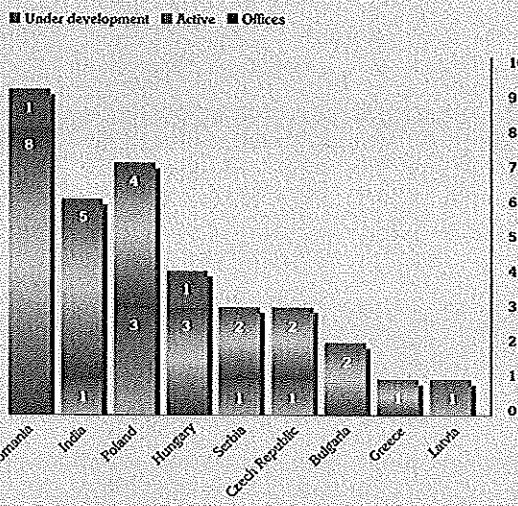
#### CPI – Change in 2011



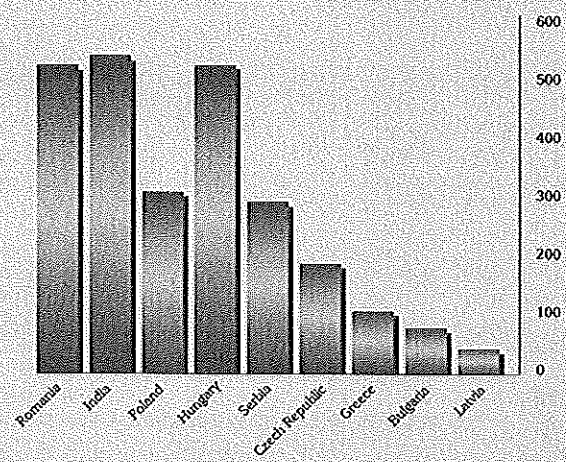
# Our portfolio at a glance

Total of 36 assets located across CEE region and in India.  
 Estimated value of €2,626.5 million on completion.

Portfolio composition – by country (excluding US)



Estimated market value on completion €m (excluding US)



Project	Market value on completion (€m) <sup>(1)</sup>	Market value of the land and project (€m) <sup>(1)</sup>	Total GLA (m <sup>2</sup> ) <sup>(2)</sup>
Shopping and entertainment center developments <sup>(3)</sup>	472.9	110.1	326,000
Dream Island	452.7	51.3	350,000 (GBA)
Casa Radio <sup>(4)</sup>	331.7	170.3	600,000 (GBA)
Indian mixed-use projects <sup>(3)</sup>	466.4	91.5	2,325,000
Mixed use projects	281.4	43.8	176,000
Other projects and developments <sup>(3)</sup>	232.9	43	198,300
Active shopping and entertainment centers	388.5	368	271,000
<b>Total as at December 31, 2011</b>	<b>2,626.5</b>	<b>878</b>	<b>4,086,300</b>

1 Value of Plaza Centers' stake by Jones Lang LaSalle.  
 2 All figures reflects 100%.  
 3 Some of the assets were valued with the comparative sales price method, no value at completion was estimated.  
 4 Value on completion reflects the value of phase 1 only since the rest of the project was evaluated by comparable method.

## Group NAV at December 31, 2011

	€ 000
Market value of land and projects by Jones Lang LaSalle <sup>(1)</sup>	864,080
Assets minus liabilities as at December 31, 2011 <sup>(2)</sup>	(263,127)
<b>Total</b>	<b>600,953</b>
<b>NAV per Issued share</b>	<b>£1.69</b>

1 Value of Plaza Centers' stake by Jones Lang LaSalle.  
 2 Excluding book value of assets which were valued by Jones Lang LaSalle, but including Plaza's proportionate share of the US portfolio at market value which was based upon the purchase price offer presented to and accepted by EPN Group from a third-party post-year end. The two remaining US properties not purchased were valued by the management of EDT.



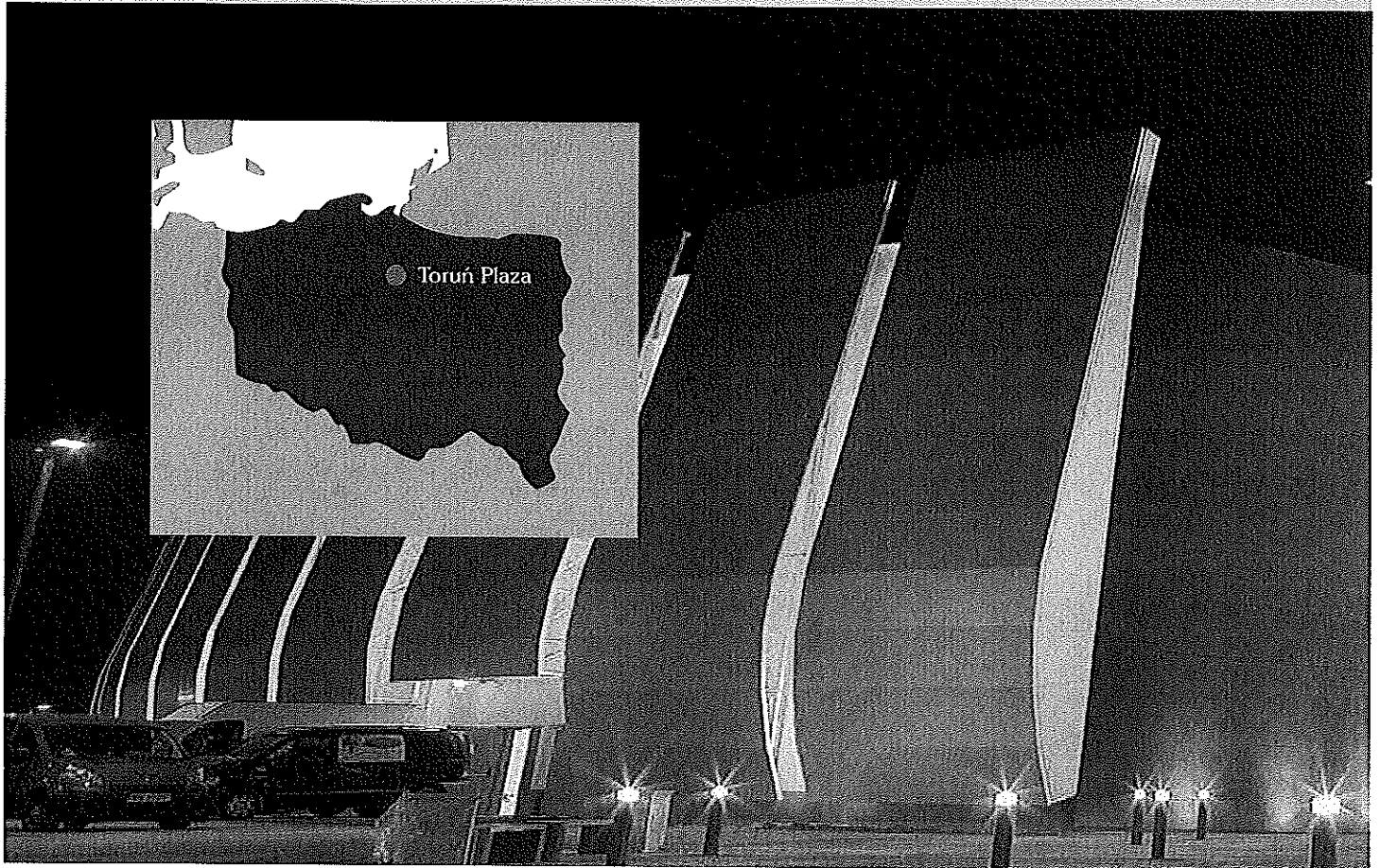
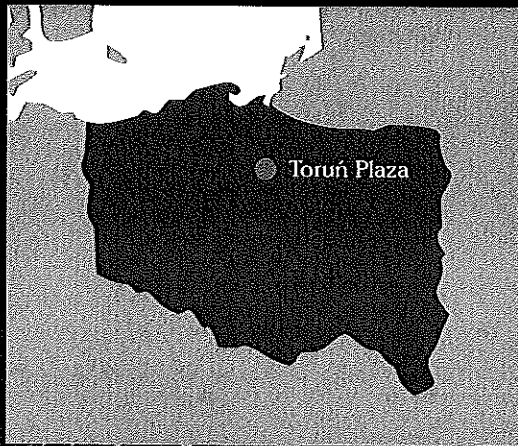
## Development focus

### Spotlight on – Toruń Plaza

During 2011, Plaza achieved the notable milestone of completing its tenth shopping center in Poland and 31st in the CEE region. Toruń Plaza is located in Toruń, a c. 800-year-old city located in the north-west of Poland with a catchment area of approximately 280,000 inhabitants within a 30 minute driving distance.

Completed in November 2011, Toruń Plaza comprises 40,000 sqm of GLA over two floors, with approximately 1,100 parking spaces. The center includes an eight screen cinema of Cinema City, a Fantasy Park entertainment center and a Delima delicatessen, as well as over 120 shops including major international brands such as H&M, C&A, Massimo Dutti, Mango and Zara.

Visitor numbers to Toruń Plaza since its opening have exceeded expectations, with over 500,000 visitors reported in the first month alone. The center is currently 80% let with strong levels of interest in the remaining space.

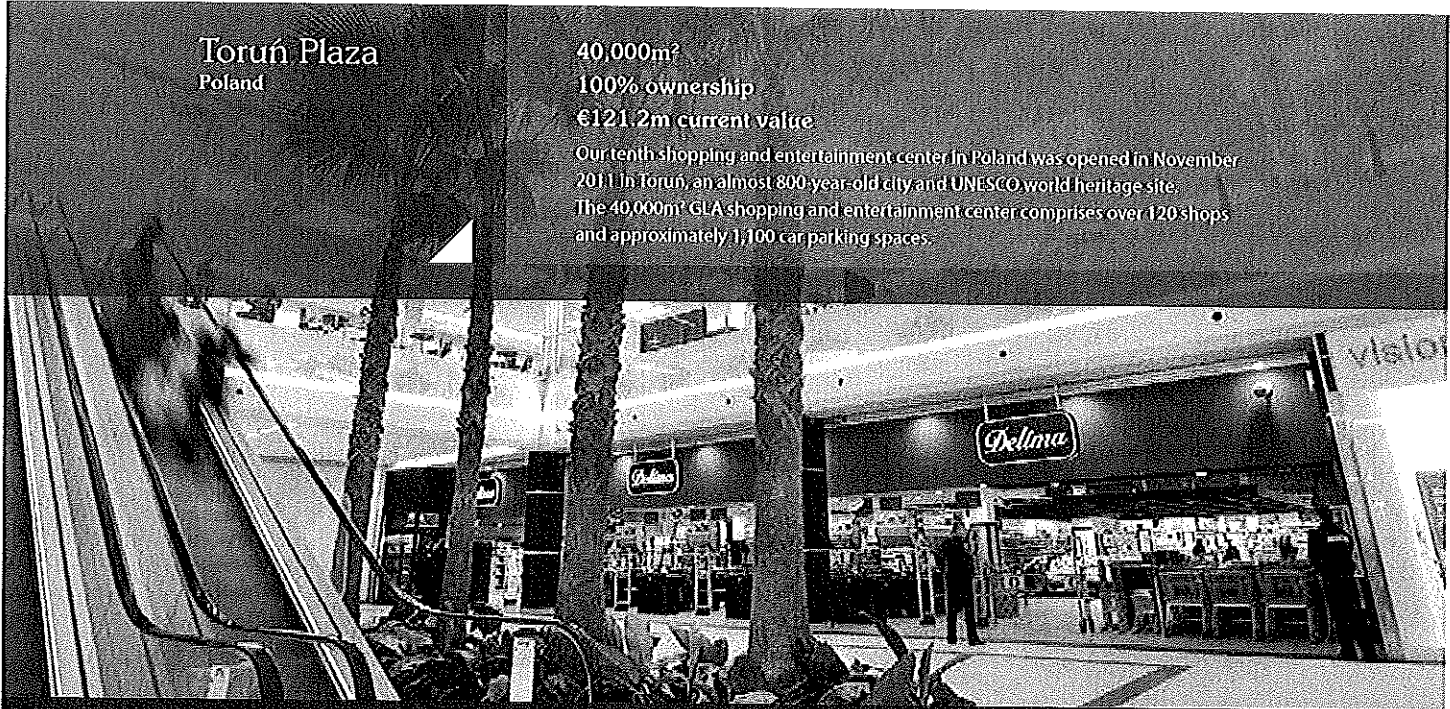


# Toruń Plaza

Poland

40,000m<sup>2</sup>  
100% ownership  
€121.2m current value

Our tenth shopping and entertainment center in Poland was opened in November 2011 in Toruń, an almost 800-year-old city and UNESCO world heritage site. The 40,000m<sup>2</sup> GLA shopping and entertainment center comprises over 120 shops and approximately 1,100 car parking spaces.





## Current developments

### Poland

Project	City	Ownership	GLA (m <sup>2</sup> )	Market value on completion December 31, 2011 (€m)	Market value of the land and project December 31, 2011 (€m)	Expected completion
Toruń Plaza	Toruń	100.0%	40,000	121,200,000	121,200,000	Operating
Suwalki Plaza	Suwalki	100.0%	20,000	48,600,000	48,600,000	Operating
Zgorzelec Plaza	Zgorzelec	100.0%	13,000	21,400,000	21,400,000	Operating
Łódź (Residential)	Łódź	100.0%	80,000**	n/a*	11,000,000	–
Łódź Plaza	Łódź	100.0%	45,000	105,200,000	8,700,000	2014
Kielce Plaza	Kielce	100.0%	33,000	15,200,000	4,800,000	2014-2015
Leszno Plaza	Leszno	100.0%	16,000	n/a*	1,800,000	2015-2016

\* Assets were valued with the comparative sales price method, no value at completion was estimated.

\*\* GBA

Plaza has already completed 10 shopping and entertainment centers in Poland of which seven have already been sold. In November, 2011 the Company opened to the public its tenth shopping and entertainment center in Poland, Toruń Plaza. Currently the Group operates three shopping and entertainment centers in Poland and has three sites for the development of shopping and entertainment centers and one additional site for residential development.



Suwalki Plaza



Zgorzelec Plaza



Łódź Plaza

#### Suwalki: completed, opened to the public

Suwalki Plaza is located in Suwalki, a city crossed by expressway E67(8), which links Augustow with the Lithuanian border. The expressway is to be a part of a larger road network called "via Baltica".

The creation of Suwalki Special economic zone offers new opportunities for trade and commerce. Suwalki is also becoming a tourist destination.

Suwalki Plaza is located in the main commercial and residential district of the city and is fronted by an important arterial route to

the east. It is also located on a junction of a street which links directly into the city center. The PKS bus terminal and main railway station are located approximately 1km from the shopping and entertainment center.

Suwalki Plaza is a three floor shopping and entertainment center with approximately 20,000m<sup>2</sup> of GLA anchored by Delima delicatessen, H&M, KappAhl, Deichman, Douglas and Emplk. The entertainment area comprises a three screen cinema and bowling and entertainment center.

Currently 89% of the Center leasable area is leased.

### **Zgorzelec: completed, opened to the public**

Zgorzelec Plaza is located in Zgorzelec in south west Poland, near the German border.

Thanks to two roads border crossing (including one of the largest in Poland), a railway border crossing and the restored old town bridge which connects the old towns of Zgorzelec and Goerlitz (58,000 citizens on the German side), Zgorzelec is called "gate" between Germany and Poland.

In the vicinity of Zgorzelec there is a spedition terminal, road and railway (freight) border crossing with the Czech Republic and a freight border crossing with Germany.

The shopping and entertainment center is situated less than five minutes walking distance from the railway station.

Zgorzelec Plaza comprises approximately 13,000m<sup>2</sup> of GLA and 300 parking spaces anchored by H&M, KappAhl and Douglas with a Fantasy Park entertainment area.

Currently 79% of the Center leasable area is leased.

### **Toruń Plaza: completed, opened to the public**

Toruń Plaza is located in Toruń, an almost 800-year-old city of approximately 200,000 inhabitants.

Toruń is one of the most beautiful cities of Poland located at the intersection of ancient trade routes. Gothic buildings of Toruń's old town won the designation of the world heritage site from UNESCO in 1997.

Toruń Plaza which was open in November 2011 is Plaza's tenth completed development in Poland.

The 40,000m<sup>2</sup> of GLA two-floor shopping and entertainment center was approximately 80% let on opening including local and international brands such as Cinema City, H&M, C&A, KappAhl, Zara, Bershka, Stradivarius, Pull & Bear and Massimo Dutti as well as bowling and entertainment area.

### **Łódź Plaza: under planning**

Łódź Plaza is located in Łódź, the second largest city in Poland with approximately 750,000 inhabitants.

Łódź is recognized as an important academic and cultural center in Poland, hosting cultural events such as Camerimage Festival and Dialogue of four cultures festival.

The site is located in a residential district of the city with a catchment area of 270,000 people.

Łódź Plaza will be a three-floor shopping and entertainment center with approximately 45,000m<sup>2</sup> of GLA anchored by a supermarket, a department store as well as a multi screen cinema and bowling and entertainment area.

### **Łódź (Residential): Under planning**

The Group owns part of a development site and has a use right over the remaining part of the site, located in the city center of Łódź, which is suitable for use as a residential area.

The site is located in the central university district of Łódź, within 500 meters of a popular Piotrkowska pedestrian street, at the intersection of two of the main arteries into the city.

The planned development will comprise built area of approximately 80,000m<sup>2</sup>.

### **Kielce Plaza: under planning**

Kielce Plaza is located in Kielce, a city of approximately 200,000 inhabitants and catchment area of approximately 350,000 people.

The shopping and entertainment center will be located on a 30,000m<sup>2</sup> plot alongside a major road and 2km from the heart of Kielce.

Kielce Plaza will be a two floor shopping and entertainment center with 33,000m<sup>2</sup> of GLA and approximately 1,000 car parking spaces.

### **Leszno Plaza: under planning**

Leszno Plaza is ideally located in the center of Leszno, a city with approximately 65,000 inhabitants.

Leszno is situated in western Poland between the two big economic centers of Poznan and Wroclaw, and is close to central railway and bus stations.

The planned scheme will comprise approximately 16,000m<sup>2</sup> of GLA providing more than 70 units and 450 car parking spaces.



# Current developments

continued

## Serbia

Project	City	Ownership	GLA (m <sup>2</sup> )	Market value on completion December 31, 2011 (€m)	Market value of the land and project December 31, 2011 (€m)	Expected completion
Kragujevac Plaza	Kragujevac	100.0%	22,000	44,700,000	35,000,000	Operating
Belgrade Plaza	Belgrade	100.0%	70,000*	142,700,000	21,700,000	2015
Sport Star Plaza	Belgrade	100.0%	40,000	107,200,000	20,300,000	2014-2015

\* GSA

In March 2012, Plaza completed its first shopping and entertainment center in Serbia, Kragujevac Plaza. It is the first western style shopping and entertainment center to be opened outside of the capital Belgrade. Currently the Group has two additional sites for the development of mixed-used and shopping and entertainment projects in the capital Belgrade.



Kragujevac Plaza



Sport Star Plaza



Belgrade Plaza

### Kragujevac Plaza: completed, opened to the public

The Group has purchased a 24,500m<sup>2</sup> plot of land in Kragujevac, the fourth largest city in Serbia with a population of 180,000 inhabitants.

Kragujevac is the largest city in the Sumadija region and the administrative center of the region.

Kragujevac Plaza comprises 22,000m<sup>2</sup> of GLA and is already over 90% let to tenants including Nike, Adidas, Aldo, New Yorker, Deichmann, TerraNova, Fashion and Friends, H&O, Oviessa, Fox, Chicco and Home Center.

Kragujevac Plaza is the first shopping center to have been completed outside the capital Belgrade, and therefore enjoys a catchment area of approximately 590,000 inhabitants.

### Sport Star Plaza: under planning

The Group has purchased a 31,000m<sup>2</sup> plot of land in Belgrade, the capital city of Serbia.

Plaza plans to build a new shopping and entertainment center on the land, with a total GLA of 40,000m<sup>2</sup> which will comprise 100 units including a cinema, fashion retailer, a food court, restaurants and parking spaces for approximately 600 cars.

### Belgrade Plaza: planning and permits stage

The new complex will be located on the prominent site of the former Federal Ministry of Internal Affairs, situated on the main street which runs through the center of Belgrade. The area is home to foreign embassies, Serbian Government and the Ministry of Finance. Belgrade chamber of commerce and Belgrade's largest public hospital are also nearby as well as the city fair and the future railway station.

Serbia is one of the south-eastern European nations where Plaza sees strong potential for future investment opportunities. Plaza also believes that the Belgrade market offers particular potential, with its large populated catchment area of approximately 2.5 million people.

Belgrade has not, to date, benefited from "institutional grade" investment in retail or commercial real estate.

This development will have particular significance in terms of providing a new commercial and cultural destination for both domestic and international visitors.

The 70,000m<sup>2</sup> scheme will comprise an apartment hotel, business center and shopping gallery as well as 700 car parking spaces.

**Belgrade Plaza**  
Serbia

**70,000m<sup>2</sup> (GBA)**

**100% ownership**

**€142.7m estimated value on completion**

The building is located in the center of Belgrade in a neighborhood of government offices and foreign embassies. On completion, Belgrade Plaza will comprise a shopping gallery, an apartment hotel and business center. Construction is planned to commence in 2013 and completion is scheduled for 2015.





# Current developments

continued

## India

Project	City	Ownership	GBA (m <sup>2</sup> )	Market value on completion December 31, 2011 (€m)	Market value of the land and project December 31, 2011 (€m)	Expected completion
Koregaon Park Plaza	Pune	100.0%	110,000	78,800,000	68,000,000	Operating (mall)
Chennai	Chennai	38.0%	1,060,000	169,145,000	21,069,000	2014-2018
Kochi Island	Kochi	23.75%	575,000	n/a*	4,876,000	–
Bangalore	Bangalore	23.75%	320,000	178,665,000	40,077,000	2013-2018
Kharadi Plaza	Pune	50.0%	250,000	70,870,000	18,100,000	2015
Trivandrum Plaza	Trivandrum	50.0%	120,000	47,707,000	7,618,000	–

\* Asset was valued with the comparative sales price method, no value at completion was estimated.

In 2008, Plaza formed a joint venture with Elbit Imaging to develop three mega mixed-use projects in India located in the cities of Bangalore, Chennai and Kochi. In March 2012, Plaza completed its first shopping and entertainment center in India, Koregaon Park Plaza with the grand opening expected in June 2012. Also in the first quarter of 2012 Plaza completed its first office building in the Kharadi project which is part of a four office buildings development.

In addition, the Group has three sites for mega residential developments and another site for a smaller residential scheme. The four residential schemes will comprise, in total, over 2 million m<sup>2</sup> of built area.



Koregaon Park Plaza



Kharadi Plaza



Kharadi Plaza (Matrix One)

### Koregaon Park Plaza

In 2007 Plaza purchased a plot of land of approximately six acres (24,000m<sup>2</sup>) in Koregaon Park, an up market area of Pune, Maharashtra State, India.

The planned scheme will comprise a 93,000m<sup>2</sup> built area of shopping and entertainment center and 17,000m<sup>2</sup> of office space inclusive of underground parking.

The first phase of the project, the shopping and entertainment center was completed and opened to the public on March 2, 2012 and currently 85% of the GLA is leased to local and international retailers and further 5% committed under memoranda of understanding.

The mall grand opening is scheduled for H2 2012.

Koregaon Park shopping and entertainment center is the company's first completed project in India.

### Kharadi Plaza

Plaza Centers is party to a 50:50 Joint venture with a local Indian developer which holds 14 acres of land (56,000m<sup>2</sup>) in the Kharadi area of Pune, Southern India.

The planned scheme will include four office building with 250,000m<sup>2</sup> built area.

The construction of the first building (28,000m<sup>2</sup>) known as "Matrix One" was completed in February 2012 and 70% of the office space was already sold.

Construction of phase two is due to commence in Q2 2012.

### Trivandrum Plaza

The Group has a site in the city of Trivandrum (with direct linkage to the bypass road which is adjacent to the project premises) on which it intends to develop a residential project with 120,000m<sup>2</sup> built area.

Trivandrum which is a major city in South India, is the capital of state of Kerala and houses many central and state government offices, organizations and IT companies. Apart from being the political center of Kerala, it is also a major academic hub and is home to several educational institutions. It has a population of over three million people.

### Bangalore

The JV has 50% stake in a company which holds a 165 acre plot in Bangalore.

The site is located on the eastern side of Bangalore, India's fifth largest city, with a population of over seven million people.

The JV intends to develop the plot into a mega residential project with a built area of 320,000m<sup>2</sup>.

The project will comprise over 1,000 residential luxury villas.

### Chennai

The JV has 80% stake in a company which holds 90 acre plot in Chennai.

Chennai is India's fourth largest city with a population of over 10 million people.

The site will be developed into an integrated mixed-use project consisting of high-rise residential units and high-quality villas with a built area of over 1,060,000m<sup>2</sup>.

### Kochi Island

The JV has 50% stake in a company which holds a 41 acre plot in Kochi.

The site is located on a backwater island adjacent to the administrative, commercial and retail hub of the city of Kochi, in the state of Kerala, with local population of more than three million people.

The planned mixed-use project will comprise over 575,000m<sup>2</sup> of high-end residential apartment buildings, office complexes, a hotel and serviced apartment complex, retail area and marina.