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**PLAZA CENTERS N.V.
("Plaza" or the "Company")**

NOTICE OF AND BACKGROUND TO EXTRAORDINARY GENERAL MEETING

Plaza Centers N.V., a leading emerging markets property developer, announces that an Extraordinary General Meeting of the Company's shareholders ("EGM") will take place on Friday, 28 November 2014 at 10:30 (CET) / 09:30 (UK) at the Park Plaza Victoria Hotel Amsterdam, Damrak 1-5, 1012, LG Amsterdam, the Netherlands.

The background to the Company calling the EGM is set out in the Additional Information provided below.

The Notice of Meeting, including agenda and proxy voting cards in English, will be issued today to Plaza's shareholders and Depositary Interests Holders registered at the Company's UK registrar (Capita Asset Services).

Documents made available by the Company for the purpose of the EGM may be inspected during normal working hours at the Company's registered office at Prins Hendrikkade 48-s, 1012 AC Amsterdam, the Netherlands. Copies of the documents are also available on the Company's website at http://www.plazacenters.com/index.php?p=general_meetings_os_2014.

The agenda for the EGM includes a proposal for the amendment of the Company's articles of association (*statuten*).

Copies of the Company's Notice of Extraordinary General Meeting have been submitted today to the UK Listing Authority.

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ADDITIONAL INFORMATION

BACKGROUND TO THE EGM AND IMPORTANCE OF THE SHAREHOLDER VOTE

Background

On 14 November 2013, the Company announced that it had made the decision to withhold material payments to Bondholders, specifically a circa EUR 15 million payment due to Polish bondholders on 18 November 2013 and a circa EUR 17 million payment due to Israeli bondholders on 31 December 2013. Despite on-going efforts to complete a number of asset sales and secure some alternative financing transactions, the Company had been unable to conclude these transactions within a timeframe that would have enabled it to meet those payment obligations.

Therefore, to ensure the long term viability of the business, the Board agreed to approach the Company's creditors with a restructuring plan so that a formalised restructuring process could be implemented. Subsequently, on 18 November 2013, the Company applied for a provisional suspension of payments (*voorlopige surseance van betaling*) under Dutch law that was granted by the Amsterdam District Court. The Board has, following engagement with its creditors, adopted a Restructuring Plan (that was approved by its creditors) aimed at strengthening its capital base and financial position and resolving its ability to meet its payment obligations to the Bondholders. This will be achieved primarily through the following (which form part of the Restructuring Plan):

- a deferral of principal payment obligations to creditors of the Company for a period of three and a half years with an additional one year deferral if certain conditions are met;
- deferral of obligations under guarantees issued as security for liabilities of subsidiaries for a period of four years;
- 1.5% per annum interest to be paid to Bondholders in addition to regular interest;
- early repayment of the Company's outstanding bonds in certain events upon the realisation or refinancing of certain assets with 75% of the net cash flows (subject to certain adjustments);
- a capital injection of at least EUR 20 million by way of a rights offering;
- an issue to Bondholders of Ordinary Shares representing 13.2106% of the outstanding share capital of the Company following the rights offering; and
- agreeing to a "negative pledge", "no new financial indebtedness" and "coverage ratio" covenants (subject to certain exceptions) and certain limitations or distributions (including dividends).

The Company also agreed, as part of the Restructuring Plan, to list the Bondholders' Shares on the Tel Aviv Stock Exchange. Accordingly, the Company, to comply with this requirement, will seek to list its Ordinary Shares, including the Bondholders' Shares and any Additional Placing Shares when these have been issued, on the Tel Aviv Stock Exchange. The Board believes that the Restructuring Plan will enable the Group to retain substantial value for its stakeholders and to repay all its creditors in full.

As noted above, conditions of the Restructuring Plan, which was approved by the Company's creditors on 26 June 2014, included a requirement that an amount of at least EUR 20 million be injected into the Company against the issuance of New Ordinary Shares and that Bondholders receive Ordinary Shares representing 13.2106% of the outstanding share capital of the Company following any capital injection. Bondholders' Shares will be issued to Bondholders at par value. Accordingly, pursuant to the terms of the Restructuring Plan, (i) the trustee of the Bondholders will subscribe for a given number of Ordinary Shares at par value (the "**Escrow Shares**"); (ii) EI will acquire the Escrow Shares from the trustee at the Rights Offering Price; and (iii) the trustee will use the proceeds of the Escrow Shares received from EI to pay for the Bondholders' Shares and the Escrow Shares issued to them.

The Rights Offering has been initiated to meet the requirement under the Restructuring Plan to inject at least EUR 20 million into the Company. The Company believes that the proceeds received by it for the issue of the Escrow Shares and the Bondholders Shares will, for the purposes of the Restructuring Plan, be deemed to form part of the proceeds of the Rights Offering. The Company further believes that (i) as all conditions precedent to the Controlling Shareholder Agreement will be met prior to 30 November 2014 EUL will, pursuant to the Controlling Shareholder Undertaking, make available to the Company EUR 20 million prior to 30 November 2014; and (ii) Admission will occur prior to 31 December 2014 (after which date the monies paid by EUL or its nominees will need to be repaid). Accordingly the Company believes that it will have satisfied the requirement of the Restructuring Plan for a capital injection to have occurred by 30 November 2014.

The net proceeds of the Rights Offering (expected to amount to approximately EUR 18.06 million), the Placing (expected to amount to approximately EUR 1.06 million) and of any Additional Placing (which would amount to approximately EUR 3 million if all the Additional Placing Shares are issued), will be used by the Company for payment of the expenses related to the Rights Offering and Placing (amounting to approximately EUR 1 million), payment of unpaid accrued interest under the Bonds (amounting to approximately EUR 14.5 million) and for general corporate purposes.

The Company does not believe that 100 per cent. of the Shareholders will take up their Rights. If all Shareholders did so the Company would satisfy the requirement to raise at least EUR 20 million through a Rights Offering as per the Restructuring Plan. Accordingly, the Company believes it highly likely that it will need to rely on the undertakings given by EUL in the Controlling Shareholder Undertaking (whereby EUL undertook, subject to the Company launching the Rights Offering on or prior to 30 November 2014, to the extent that not all Shareholders take up their Rights to subscribe for New Ordinary Shares under the Rights Offering, to subscribe, and/or procure that other persons subscribe, for such number of Rump Shares at the Rights Offering Price such that the aggregate consideration to be received by the Company pursuant to the Rights Offering, together with the consideration received from the Bondholders (or their nominees) in respect of the Escrow Shares, shall not be less than EUR 20 million).

If the Restructuring Resolutions and the Related Party Resolutions are approved, the Company will be able to raise EUR 20 million by way of the Rights Offering and the Placing, which the Company believes, will satisfy the requirement for the Company to raise at least EUR 20 million under the Restructuring Plan.

Introduction

The Board announced that the Company proposes to raise at least EUR 20 million in aggregate (EUR 19.1 million net of expenses) by way of a 19 for 20 Rights Offering of New Ordinary Shares at a price of EUR 0.0675 per New Ordinary Share and a Placing at EUR 0.01 per Bondholders' Share and Escrow Share. The Company also announced that it may issue up to 44,444,445 Additional Placing Shares at a price of EUR 0.0675 per Additional Placing Share. Shareholders should note that the Rights Offering is not being fully underwritten. The Placing and the Rights Offering form part of the Company's Restructuring Plan.

The purpose of announcement is to:

- explain the background to, and reasons for, the Rights Offering, the Placing and the Additional Placing; and
- give notice of the extraordinary General Meeting to be held to consider and, if thought fit, to pass the Restructuring Resolutions and the Related Party Resolutions required to enable and authorise the Board to implement the Rights Offering, the Placing and the Additional Placing.

This announcement also explains why (i) the Directors (other than for Messrs. Hadassi, Kfir, Livni and Kelsi who are also directors of EI and who have therefore not taken part in the Board's consideration of these matters) consider the Related Party Resolutions to be proposed to the extraordinary General Meeting are in the best interests of the Company and Shareholders as a whole and recommend that Independent Shareholders vote in favour of all the Related Party Resolutions to be proposed at the extraordinary General Meeting; and the Directors consider the Restructuring Resolutions and the General Resolutions to be proposed to the extraordinary General Meeting are in the best interests of the Company and Shareholders as a whole and recommend that all Shareholders vote in favour of the Restructuring Resolutions and the General Resolutions to be proposed at the extraordinary General Meeting.

Prospectus

In connection with the Placing and the Rights Offering, the Company has prepared the Prospectus. The Prospectus has been approved by the AFM and been passported into the United Kingdom and Poland. The Prospectus, is available (other than to Excluded Shareholders) on the Company's website <http://www.plazacenters.com> and at the Company's registered office. Qualifying Shareholders should not subscribe for any New Ordinary Shares referred to in this announcement except on the basis of information contained or incorporated by reference into the Prospectus. Shareholders in the United States and the other Excluded Territories will not be permitted access to the Prospectus.

Action

The Restructuring Plan, having been approved by the Amsterdam District Court on 9 July 2014, will become effective following the raising of at least EUR 20 million of new equity capital by way of a Rights Offering, issuance of the Bondholders' Shares issuance of the Escrow Shares and listing of the Bondholders' Shares on the

Tel Aviv Stock Exchange. Accordingly, the approval of: (i) the Shareholders of the Restructuring Resolutions (giving the Board authority to issue New Ordinary Shares and Escrow Shares and disapplying pre-emption rights in relation to the issue of such shares); and (ii) the Independent Shareholders of the Related Party Resolutions (giving the Board authority to issue the Bondholders' Shares and any Additional Placing Shares, disapplying pre-emption rights in relation to the issue of such shares and approving EUL's obligation to partially underwrite the Rights Offering under the Controlling Shareholder Undertaking) is being sought an extraordinary General Meeting of the Company.

The extraordinary General Meeting is to be held at The Park Plaza Victoria Hotel, Amsterdam, Damrak 1-5, 1012 LG Amsterdam, The Netherlands on 28 November 2014 at 10:30 (CET) / 09:30 (UK).

The Placing and the Rights Offering comprise the final parts of the Company's Restructuring Plan.

Shareholders will note that (i) the passing of each of the Restructuring Resolutions is conditional upon the passing of both Restructuring Resolutions - if one of the Restructuring Resolutions is not passed the Restructuring Resolutions will not become effective; (ii) each of the Related Party Resolutions is conditional upon the passing of all other Related Party Resolutions - if any of the Related Party Resolutions is not passed none of the Related Party Resolutions will become effective; and (iii) the Restructuring Resolutions are conditional upon passing of all of the Related Party Resolutions.

There is no guarantee that all Shareholders will take up their Rights to facilitate the Company raising the amount required pursuant to the Restructuring Plan (at least EUR 20 million). Accordingly the Company believes that it is highly likely that the underwriting obligations proposed in the Controlling Shareholder Undertaking will need to be used to ensure that the required monies are raised in the Rights Offering and Placing. However, as the undertaking to underwrite by EUL in the Controlled Shareholder Undertaking is with a related party of the Company (EUL), EUL's undertaking to take up additional New Ordinary Shares and the Company's obligation to issue the Additional Shares can only be utilised if the Related Party Resolutions are passed. Accordingly, to ensure that the Restructuring Plan becomes effective all the Restructuring Resolutions and all the Related Party Resolutions need to be passed.

The Board considers that the Rights Offering and the Placing are in the best interests of the Shareholders taken as a whole and are vital to the survival of the Company and therefore recommends and urges that all Shareholders vote in favour of the Restructuring Resolutions.

The Board (other than for Messrs. Hadassi, Kfir, Livni and Kelsi who are also directors of EI and who have therefore not taken part in the Board's consideration of these matters) considers that (i) the Additional Placing; and (ii) EUL's undertaking that to the extent that not all Shareholders take up their Rights to subscribe for New Ordinary Shares under the Rights Offering, to subscribe, and/or procure that other persons subscribe, for such number of Rump Shares at the Rights Offering Price such that the aggregate consideration to be received by the Company pursuant to the Rights Offering, together with the consideration received from the Bondholders (or their nominees) in respect of the Escrow Shares, shall not be less than EUR 20 million, are in the best interests of the Shareholders taken as a whole and are vital to the survival of the Company and therefore recommends and urges that Independent Shareholders vote in favour of the Related Party Resolutions.

The Board further considers that the General Resolutions are in the best interests of the Shareholders taken as a whole and recommends that all Shareholders vote in favour of the General Resolutions to be proposed at the extraordinary General Meeting.

Background to and reasons for the Rights Offering and the Placing

Background

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

Although the Board and senior management team have made considerable progress in re-positioning the Company's business model to ensure that it is focused on de-leveraging its balance sheet and the recycling of capital, primarily through the disposal of its non-core assets, the Company was not able to complete these transactions within a timeframe that would enable it to meet its short term obligations towards the holders of Series A Notes, the holders of Series B Notes, the holders of the Polish Bonds and other unsecured creditors. As a result, by the end of 2013, the Company was faced with significant liquidity challenges.

Notwithstanding the liquidity issues, the Company continues to have a strong balance sheet, with a significant positive current net asset value, and owns assets and development opportunities that offer significant potential to deliver returns over the medium to long term. Accordingly, the Board believes that, on a going concern basis, the Company will retain substantial value for its stakeholders and will be able to repay its creditors in full, while the Board is certain that a forced liquidation or a bankruptcy would cause creditors and shareholders to incur significant losses.

On 18 November 2013, the Company applied for suspension of payment proceedings (*surseance van betaling*) under Dutch law and simultaneously filed a draft restructuring plan (*ontwerpakkkoord*) (the "**Restructuring Plan**") with the district court of Amsterdam, The Netherlands (*Rechtbank Amsterdam*) (the "**Court**"). The Court had jurisdiction to open the suspension of payment proceedings since the center of main interests of the Company was situated in The Netherlands. The suspension of payment proceedings are governed by the Dutch Bankruptcy Code (*Faillissementswet*).

On 18 November 2013, the Court granted the Company a provisional suspension of payment, appointing Mr. J.L.M. Groenewegen as administrator (*bewindvoerder*) and Mrs. L. van Berkum as supervisory judge (*rechter-commissaris*). The Court determined that no hearing should take place to decide whether to grant a definitive suspension of payments and instead ordered that a creditor's meeting take place to vote on the Restructuring Plan. The Restructuring Plan was adopted by the Plan Creditors on 26 June 2014. On 9 July 2014, the Court confirmed the Restructuring Plan which became final and definitive (*in kracht van gewijsde*) on 18 July 2014.

As noted above, one of the conditions of the Restructuring Plan being approved by the Plan Creditors was that an amount of at least EUR 20 million be injected into the Company against the issuance of New Ordinary Shares. The Rights Offering has been initiated to meet this requirement. In addition, the Restructuring Plan also requires that the Company issues the Bondholders' Shares and the Escrow Shares.

The Restructuring Plan

A summary of the main terms of the Restructuring Plan are set out below:

- The Company is obliged to procure that an equity injection of at least EUR 20 million occurs before 30 November 2014 by means of a rights offering;
- a deferral of principal payment obligations to Bondholders for a period of between one and four and a half years;
- deferral of obligations under guarantees issued as security for liabilities of subsidiaries for a period of four years and the claims will only be enforceable after the collateral granted as security for the underlying loan has been realized. The amount of the guarantee claim will be reduced to the extent that the collateral is sold at a price below 90% of the fair market value as determined by a reputable appraiser;
- 1.5% per annum interest to be paid to Bondholders in addition to regular interest;
- listing of the Bondholders' Shares on the Tel Aviv Stock Exchange;
- early repayment of the Company's outstanding bonds in certain events upon the realisation or refinancing of certain assets with 75% of the net cash flows (subject to certain adjustments);
- an issue to Bondholders of Ordinary Shares representing 13.2106% of the outstanding share capital of the Company following any capital injection at no cost to the Bondholders;
- agreeing to a "negative pledge", "no new financial indebtedness" and "coverage ratio" covenants (subject to certain exceptions) in favour of all creditors bound by the Restructuring Plan and certain limitations on distributions (including dividends) to Shareholders. In addition, the Restructuring Plan includes certain financial covenants with respect to the realization of certain real estate assets of the Group and with respect to the purchase and development of real estate assets. The subsidiaries of Plaza Centers have issued an undertaking to be bound by certain of these covenants and restrictions;
- a mutual "waiver from claims" provision, in favour of the Company, the direct and indirect shareholders of the Group, and their respective directors and officers, the Bondholders, the trustees under the Trust Deeds, and other affiliated parties; and
- a prohibition on the issue of any new bonds by the Company until the claims the subject of the restructuring Plan have been satisfied.

Use of proceeds

The Company intends to use the net proceeds from the Rights Offering, the Placing and any Additional Placing for payment of the expenses related to the Rights Offering, Placing and the Additional Placing (amounting to approximately EUR 1 million), payment of unpaid accrued interest under the Bonds (amounting to approximately EUR 14.5 million) and for general corporate purposes.

Amendment of the Articles

Recent changes to the Listing Rules relating to situations where a company has a controlling shareholder (broadly speaking, this captures any person who individually or together with any of their concert parties receives or controls 30% or more of the votes able to cast on all or substantially all matters at the company's general meeting) require changes to be made to the Articles to ensure that the company complies with its obligations under the Listing Rules. Accordingly, the Company has proposed changes to the Articles that allow the election and re-election of "*independent*" directors (as that term is defined in the Listing Rules) to be conducted in accordance with the Listing Rule requirements. The Board considers the amendments to the Articles to be in the best interests of Shareholders and recommends that Shareholders vote in favour of the Resolution amending the Articles to be proposed at the extraordinary General Meeting.

Structure of the Rights Offering and the Placing

Introduction

The Company expects to raise at least EUR 20 million in proceeds from the Rights Offering and the Placing. The Board has considered this to be the best way to structure the proposed equity capital raising in light of the Restructuring Plan. EUL, a wholly owned subsidiary of EI, the Company's majority shareholder has agreed, to the extent that the other Shareholders do not exercise their Rights such that there is a shortfall in the gross proceeds raised by the Rights Offering, to partially underwrite the Rights Offering. EI, the Company's majority shareholder, and which owns 100% of EUL, has agreed to guarantee the aforementioned obligations of EUL.

Pricing

The Rights Offering Price represents a 16.6 per cent. discount to the closing middle market quotation of an Existing Ordinary Share as published in the daily official list of the LSE of 6.5 pence (equivalent to EUR 0.080925) on 15 October 2014. The Bondholders' Shares will be issued against payment of nominal value (EUR 0.01).

Dilution

The Rights Offering, on the assumption that all Shareholders exercise all their Rights, will result in up to 282,326,831 New Ordinary Shares being issued and the number of Ordinary Shares being increased from a total of 297,186,138 Ordinary Shares to a total of 579,512,969 Ordinary Shares (disregarding the issue of the Bondholders' Shares, the Escrow Shares and any Additional Placing Shares), representing an increase of 95 per cent..

The Placing (which will occur immediately following the Rights Offering) will, (i) result in up to 90,336,596 Bondholders' Shares being issued, 15,710,712 Escrow Shares being issued and the number of Ordinary Shares being increased from a total of 297,186,138 Ordinary Shares (as at the Record Date) to a total of 685,560,277 Ordinary Shares, representing an increase of 95 per cent.; and (ii) reduce the proportional ownership and voting interest in the Ordinary Shares of the Shareholders (as at the Record Date) by between 40.71 per cent. and 43.35 per cent. (depending upon the issuance of any Additional Placing Shares).

If Shareholders do not take up their entitlements to New Ordinary Shares under the Rights Offering by the latest date for application and payment in full in respect of their entitlements to New Ordinary Shares that are set out in this document, their proportionate ownership and voting interest in the Company will be reduced, and the percentage that their existing Ordinary Shares represent of the ordinary share capital of the Company will be reduced accordingly. Subject to certain exceptions, holders of Existing Ordinary Shareholders in the United States or any other Excluded Shareholders will in any event, not be able to participate in the Rights Offering.

The Company's issued capital will be enlarged following the Rights Offering and consequently, Shareholders who have not exercised their Rights will suffer a dilution. Furthermore, immediately following the closing of the Rights Offering, as provided for in the Restructuring Plan, the Company will issue the Escrow Shares and 13.2106% of the then enlarged outstanding capital in Ordinary Shares to holders of Notes and Polish Bonds (the "**Bondholder Shares**"). Consequently, after the Rights Offering has closed, the Shareholders will suffer an immediate dilution of approximately 14 per cent. of their shareholding by means of the issue of the Bondholders' Shares and Escrow Shares.

In principle, pursuant to each of the Share Option Schemes, the Rights Offering shall also extend to persons holding options at the Record Date. Insofar on the Record Date, these options are out of the money (and thus no Ordinary Shares could be obtained with their exercise), any grant of Rights will not be effected.

The placing of the Bondholders' Shares

A central component of the Restructuring Plan requires that the Company allocate to the Bondholders (excluding a Subsidiary which holds Series B Notes) 13.2106% of the Ordinary Shares following the Rights Offering – the Bondholder Shares. The Bondholders' Shares will be issued at par value (EUR 0.01). The Company proposes to raise proceeds of approximately EUR 0.9 million through the placing as the Bondholders' Shares will be issued at par value. The allocation of Bondholders' Shares shall be made on the following distribution basis:

- 2.8660% will be allocated to the holders of Series A Notes;
- 9.2197% will be allocated to the holders of Series B Notes; and
- 1.1249% will be allocated to the holders of Polish Bonds.

In addition to the above, the Company will issue the Escrow Shares to the Bondholders' trustee. The Escrow Shares will be purchased by EUL from the Bondholders, at the Rights Offering Price, and the Bondholders' trustee will use the proceeds to pay-up (*volstorten*) the nominal value of the Bondholders' Shares and the Escrow Shares issued to them by the Company.

An application will be made to the UK Listing Authority for the Bondholders' Shares and the Escrow Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the Bondholders' Shares and the Escrow Shares to be admitted to trading on its main market for listed securities.

Fully paid Bondholders' Shares will be credited to the securities accounts of the persons who are Bondholders as of 2 December 2014. No action is required from the Bondholders to acquire the Bondholders' Shares.

It is expected that Admission of the Escrow Shares and the Bondholders' Shares will become effective on the London Stock Exchange at 08:00 (UK) on 23 December 2014. An application will also be made to the Warsaw Stock Exchange for the Escrow Shares and the Bondholders' Shares to be admitted to listing and to trading on its main market for listed securities. It is expected that trading in the Escrow Shares and the Bondholders' Shares on the Warsaw Stock Exchange will commence at 08:00 (CET) on or around 23 December 2014. The Bondholders' Shares and the Escrow Shares will also in due course be listed on the Tel Aviv Stock Exchange.

The Rights Offering

The Company proposes to raise proceeds of approximately EUR 19.1 million through the Rights Offering at a Rights Offering Price of EUR 0.0675 per New Ordinary Share. Subject to the fulfillment of the conditions set out below, the New Ordinary Shares will be offered by way of rights to Qualifying Shareholders on the following basis: 19 New Ordinary Shares with a nominal value of EUR 0.01 each for every 20 Ordinary Shares held by Qualifying Shareholders on the Record Date and so in proportion to any other number of Ordinary Shares each Qualifying Shareholder then holds.

Entitlements to New Ordinary Shares under the Rights Offering will be rounded down to the nearest whole number and fractions of New Ordinary Shares will not be allotted to Qualifying Shareholders (and the Depositary will not make available fractions of New Depositary Interests to Qualifying Depositary Interest Holders). Such fractions will be aggregated and, if possible, placed in the market. The net proceeds of such placing will be donated to charity.

The Rights Offering is being partially underwritten by the Company's indirect parent, EI, via EUL on the terms and conditions of the Controlling Shareholder Undertaking.

The Depositary holds Existing Ordinary Shares and accordingly will be allotted Rights on behalf of Qualifying Depositary Interest Holders. The Depositary will pass on the Rights allotted to it to Qualifying Depositary Interest Holders in accordance with the terms of the Deed Poll as described below. The Depositary will pass on the Rights allotted to it to Qualifying Depositary Interest Holders (other than Excluded Shareholders) on the following basis and otherwise on the terms and conditions set out in the Prospectus and in accordance with the Deed Poll: 19 New Depositary Interests at EUR 0.0675 each for every 20 Existing Depositary Interests held by Qualifying Depositary

Interest Holders on the Record Date and so in proportion to any other number of Existing Depository Interests each Qualifying Depository Interest Holder then holds.

The New Ordinary Shares will, when issued and fully paid-up, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to any future dividends or other distributions made, paid or declared after the date of their issue.

Application will be made to the UK Listing Authority for the Rights and the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that dealings in the Rights will commence on the London Stock Exchange at 08:00 (UK) on 1 December 2014 and that Admission will become effective on the London Stock Exchange at 08:00 a.m. (UK) on 23 December 2014.

Application will also be made to the Warsaw Stock Exchange for the Rights and the New Ordinary Shares to be admitted to listing and to trading on its main market for listed securities. It is expected that dealings in the Rights will commence on the Warsaw Stock Exchange at 08:00 (CET) on or around 1 December 2014 and that Admission will become effective on the Warsaw Stock Exchange at 08:00 (CET) on or around 23 December 2014.

Listing on the Tel Aviv Stock Exchange

The Company, under the Restructuring Plan, is obliged to list the Bondholders' Shares on the Tel Aviv Stock Exchange. The Company therefore intends to list all of its Ordinary Shares on the Tel Aviv Stock Exchange shortly after the Record Date and the Bondholders' Shares shortly after the closing of the Rights Offering.

Irrevocable undertakings and partial underwriting

On or about the date hereof, EUL entered into the Controlling Shareholder Undertaking, where EUL made various undertakings to the Company.

The Controlling Shareholder Undertaking is subject to the following conditions precedent having been satisfied by 30 November 2014: a prospectus relating to the Rights Offering be approved by the AFM and published and passported into any other jurisdictions in the European Economic Area that the Company may deem appropriate or necessary; the Company's Board and Shareholders having given any necessary approvals in connection with the Rights Offering; and all of the matters due to take place under section 3.1.15(ii) to (v) of the Restructuring Plan have taken place.

The obligations of EUL under the Controlling Shareholder Undertaking will lapse in the event that the Rights Offering does not close before noon (Amsterdam time) on 31 December 2014.

Accordingly, even though EUL will not be taking up its full entitlement of Rights, it has committed to (i) acquire the Escrow Shares from the holders of the Bonds (or their nominees) (the proceeds of which will be used to pay up to the par value of the Bondholders' Shares and the Escrow Shares subscribed by the holders for the Bonds); and (ii) subject to the Company launching the Rights Offering on or prior to 30 November 2014, to the extent that any Rights are not taken up, to subscribe or procure that other persons subscribe for such number of additional New Ordinary Shares to ensure that the aggregate consideration received by the Company pursuant to the Rights Offering, the consideration for the Bondholders' Shares and the Escrow Shares shall not be less than EUR 20 million.

The obligations of EUL under the Controlling Shareholder Undertaking have been guaranteed by EI.

The Controlling Shareholding Undertaking is not a requirement of the Restructuring Plan but is a mechanism devised by the Company and EI to assist the Company to meet the requirement of the Restructuring Plan to raise at least EUR 20 million.

General Undertakings

EUL, in the Controlling Shareholder Undertaking undertook: (i) to exercise or procure the exercise of all voting rights attaching to the Ordinary Shares held by EUL to vote in favour of all resolutions to approve the Rights Offering and any reasonable matters related thereto (save that EUL will not be required to vote on the Related Party Resolutions); (ii) subject to the Company launching the Rights Offering prior to 30 November 2014, to exercise (prior to 30 November 2014) its Rights under the Rights Offering to take up or procure that others take up its full entitlement of New Ordinary Shares at the Rights Offering Price less the number of Escrow Shares acquired from the Bondholders prior to 30 November 2014; (iii) to not exercise its Rights in respect of New Ordinary Shares equal in number to the Escrow Shares; and (iv) purchase the Escrow Shares from the Bondholders (or their nominees) at the Rights Offering Price.

EUL or its nominee will subscribe for 175,750,000 New Ordinary Shares under the Rights Offering that reflects its proportional entitlement of New Ordinary Shares less 15,710,712 Escrow Shares that it will acquire from the Bondholders (or their nominee).

In addition, the Company undertook that in the event that the value of the Rump Shares (circulated as the multiple of the number of Rump Shares by the Rights Offering Price (the "**ARSV**")) is less than EUR 3 million EUL may demand, at its sole discretion, that the Company issue and EUL and/or a person nominated by it shall subscribe for the Additional Placing Shares at the Rights Offering Price. Accordingly, if all Shareholders exercise their Rights in full, EUL has a right to demand that the Company issues 44,444,445 Additional Placing Shares at the Rights Offering Price.

Partial Underwriting Undertaking

EUL, in the Controlling Shareholder Undertaking, also undertook, subject to the Company launching the Rights Offering on or prior to 30 November 2014, to the extent that not all Shareholders take up their Rights, to subscribe for New Ordinary Shares under the Rights Offering, to subscribe, and/or procure that other persons subscribe, for such number of additional New Ordinary Shares (the "**Rump Shares**") at the Rights Offering Price such that the aggregate consideration to be received by the Company pursuant to the Rights Offering, together with the consideration received from the Bondholders (or their nominees) in respect of the Escrow Shares, shall not be less than EUR 20 million.

Further to the aforementioned undertaking EUL undertook to make or procure that payment of EUR 20 million is made to the bank account of the escrow agent under the Escrow Agreement (to be held under the terms of the Escrow Agreement) such that the monies are received by 17:00 UK time on 28 November 2014. If the Company fails to issue to EUL or persons nominated by EUL the New Ordinary Shares subscribed by it or them, the Escrow Shares or any Additional Placing Shares by 31 December 2014, the escrow agent will return the monies it has received. In light of the current timetable as set out in this document, the Company believes that all relevant shares will be issued to Qualifying Shareholders who have taken up their rights prior to 31 December 2014.

In the Rights Offering, the Company is seeking to raise EUR 19.1 million. EUL, subject to certain conditions being satisfied, has in the Controlling Shareholder Undertaking committed EUR 20 million to the Company. EUL has agreed to use part of the EUR 20 million to take up their entitlement of Rights less the amount they will pay to the trustee of the Bondholders in respect of the Escrow Shares they acquire (the proceeds of which will be used by the trustee of the Bondholders to pay up the nominal value of the Escrow Shares and the Bondholder Shares) with the balance of the EUR 20 million being used to underwrite any Rights that are not taken up. Accordingly, there will be a shortfall of approximately EUR 117,534 that will not be covered by EUL's obligation to underwrite the Rights Offering together with the amount that EUL takes up under the Rights Offering. The Company believes, however, that provided EUR 20 million is raised by way of capital injection (including a combination of Rights Offering and Placing) that it will have satisfied the obligation under the Restructuring plan to raise EUR 20 million notwithstanding this was not done solely by way of a Rights Offering.

Agreement between EI and DK

On or about the date hereof, EUL also entered into an amended and restated agreement (the "**Back Stop Agreement**") with various affiliates of Davidson Kempner Capital Management LP ("**DK**"), pursuant to which DK undertook to subscribe, under the Rights Offering for such number of New Ordinary Shares as may be determined by EUL (the "**DK Shares**"), provided that such number of shares shall not be less than the higher of (i) the number of New Ordinary Shares subscribed by DK that would result in a purchase price of EUR 3 million; and (ii) the number New Ordinary Shares that have not been taken up by Shareholders in the Rights Offering, and further provided that DK's obligation to acquire ordinary shares in the Company under the Back Stop Agreement shall not exceed EUR 10 million or result in DK and its affiliates, directly or indirectly, holding ordinary shares representing 30 per cent. or more of the total voting rights in the Company. DK also undertook to make payment of EUR 7.5 million to the escrow agent under the Escrow Agreement such that the monies are received by the escrow agent by 17:00 UK time on 28 November 2014. The entry into of the Back Stop Agreement facilitated EUL being able to give the undertaking referred to in paragraph 6.2 above to take up the Rump Shares such that the aggregate consideration to be received by the Company pursuant to the Rights Offering, together with the consideration received from the Bondholders (or their nominees) in respect of the Escrow Shares, shall not be less than EUR 20 million.

Under the Back Stop Agreement, EUL as part of the commercial arrangement with DK, who were keen to increase their shareholding in the Company, also undertook, subject to various terms and conditions, to exercise its rights under the Controlling Shareholder Undertaking to direct the Company to issue the DK Shares to DK (or such alternative party or parties as DK may direct). DK agreed, subject to various terms and conditions, to subscribe for the DK Shares as directed by EUL and pay for such shares. This agreement will automatically terminate if the conditions therein are not satisfied by 31 December 2014.

Additional Placing

In the Controlling Shareholder Undertaking the Company undertook, in consideration for EUL's undertakings as described in paragraph 6 above (*Irrevocable undertaking and partial underwriting*) that in the event that the ARSV is less than EUR 3 million EUL may demand, at its sole discretion, that the Company issue and EUL and/or a person nominated by it shall subscribe for the Additional Placing Shares at the Rights Offering Price. Accordingly, if sufficient Shareholders take up their Rights under the Rights Offering such that the ARSV is less than EUR 3 million, then EUL has the right to demand that the Company issue to it and/or a person nominated by it Additional Placing Shares. If all Shareholders take up their Rights and subscribe for New Ordinary Shares, the Company would be obligated to issue up to 44,444,445 Additional Placing Shares were EUL to demand this. Should EUL demand that the Company issue Additional Placing Shares, the Company believes that in light of the arrangements agreed in the Back Stop Agreement such shares will be issued to DK who want an opportunity to increase their shareholding in the Company. Accordingly, if 44,444,445 Additional Placing Shares were issued to DK, DK's shareholding would increase from 5.54 per cent. to 10.49 per cent. in the Company after the Rights Offering and the issue of the Bondholders' Shares and the Escrow Shares (assuming that it does not receive any Ordinary Shares under the Back Stop Agreement).

Related party transactions

EUL's undertaking to underwrite in the Controlling Shareholder Undertaking and EUL's right to receive Additional Placing Shares at the Rights Offering Price constitute related party transactions under the Listing Rules.

EUL, EI and DK are related parties of the Company for the purpose of the Listing Rules as each is a substantial shareholder of the Company. EUL is entitled to exercise, or control the exercise of 62.25 per cent. or more of the votes able to be cast at a general meetings of the Company; EI is entitled to exercise, or control the control of 62.25 per cent. or more of the votes able to be cast at general meetings of the Company; and DK is entitled to exercise, or control the exercise of, 5.54 per cent. or more of the votes able to be cast at a general meetings of the Company.

Accordingly, the approval of the Independent Shareholders to the Related Party Resolutions is being sought at the General Meeting. None of EI, EUL or DK will vote on the Related Party Resolutions, and each has undertaken to take all reasonable steps to ensure that its associates do not vote, on the Related Party Resolutions.

As York Global Finance Offshore BDH (Luxembourg) S.a.r.l. holds approximately 19.7 per cent. as to outstanding shares of EI, the issue to York Global Finance Offshore BDH (Luxembourg) S.a.r.l. of the Bondholders' Shares constitutes a related party transaction under the Listing Rules. York Global Finance Offshore BDH (Luxembourg) S.a.r.l. will therefore be unable to vote on the Restructuring Resolutions. As far as the Board can determine, York Global Finance Offshore BDH (Luxembourg) S.a.r.l. holds no direct shareholding in Plaza and has undertaken to take all reasonable steps to ensure that its associates do not vote on the Related Party Resolutions. EI and EUL, as they are not related parties for the purposes of Restructuring Resolutions, will be voting in favour of the Restructuring Resolutions.

Working Capital

The Company is of the opinion that it does not have sufficient working capital for its present requirements; that is for at least 12 months from the end of the date of this document. However, as we have outlined in this document, should Shareholders approve the Restructuring Resolutions and the Related Party Resolutions proposed at the extraordinary General Meeting to be held on 28 November 2014, then the Company will receive the Guaranteed Proceeds from the proposed Rights Offering and Placing, which will enable the Restructuring Plan, as explained in this document, to become effective in its entirety. The Company has sufficient working capital until the extraordinary General Meeting under its current arrangements and, once the Restructuring Plan is effective and Admission has occurred, the Company is of the opinion that it will then have sufficient working capital for its present requirements; that is for at least the next 12 months from the date of this document.

However, as we have stated in this document, if the Restructuring Resolutions and the Related Party Resolutions are not approved by Shareholders at the General Meeting, the Rights Offering will not occur and the Company will have failed to comply with the requirements set out in the Restructuring Plan.

Whilst the Directors, and where appropriate the Independent Directors, are recommending that Shareholders should vote in favour of all the Resolutions at the General Meeting, including the Restructuring and Related Party Resolutions, there are no guarantees that Shareholders will follow their recommendations and, at this stage there are no indications of Shareholders' voting intentions.

The Company expects that one or more of its creditors will apply to the Dutch courts, as they will be entitled, for rescission of the Restructuring Plan if the required terms of the Restructuring Plan (as set out in this document) are not met as required by 30 November 2014. The Company's creditors will be entitled, at any time after 30 November 2014, to apply to the Dutch courts for rescission of the Restructuring Plan. This would mean that payments to the Polish and Israeli Bondholders and other creditors (totaling in excess of €225 million, which had been deferred under the Restructuring Plan, would become payable immediately and the Company would not be able to meet these payments from its existing cash reserves. The Company would also be in breach of a number of its banking covenants.

In the event that creditors exercise their right to apply for rescission of the Restructuring Plan, a court hearing is likely to take place within 4-6 weeks following any application by creditors. The court would usually be expected to reach a determination within 2-4 weeks following such a hearing. If an order to rescind the Restructuring Plan is granted, which is the most likely outcome in these circumstances, the court will simultaneously declare the Company bankrupt. No second restructuring plan may be proposed. After rescission of the existing Restructuring Plan and opening of bankruptcy proceedings the Company will have to be liquidated. An application to rescind the Restructuring Plan and to declare the Company bankrupt is likely therefore to be decided within a period of a few weeks following the creditors having made their application to the Dutch court.

THE DIRECTORS DO NOT BELIEVE THERE ARE ANY CREDIBLE FINANCING ALTERNATIVES AVAILABLE TO THE COMPANY IF THE RESTRUCTURING PLAN FAILS. ACCORDINGLY, IF THE RESTRUCTURING PLAN FAILS THE DIRECTORS BELIEVE IT WILL BE PLACED INTO LIQUIDATION BY ITS CREDITORS.

THE PLACING, THE ADDITIONAL PLACING AND THE RIGHTS OFFERING ARE SUBJECT TO THE PASSING OF ALL THE RESTRUCTURING RESOLUTIONS AND ALL THE RELATED PARTY RESOLUTIONS AT THE EXTRAORDINARY GENERAL MEETING.

Shareholders will note that (i) the passing of each of the Restructuring Resolutions is conditional upon the passing of both Restructuring Resolutions - if one of the Restructuring Resolutions is not passed the Restructuring Resolutions will not become effective; (ii) each of the Related Party Resolutions is conditional upon the passing of all other Related Party Resolutions - if any of the Related Party Resolutions is not passed none of the Related Party Resolutions will become effective; and (iii) the Restructuring Resolutions are conditional upon passing of all of the Related Party Resolutions.

Restructuring Resolutions

In summary, the Restructuring Resolutions seek the approval of Shareholders:

- (a) Subject to, and conditional upon all the Restructuring Resolutions and all of the Related Party Resolutions being passed:

to authorise the Board as the competent body to issue Ordinary Shares (including rights to acquire Ordinary Shares) to cover the issue of New Ordinary Shares and the Escrow Shares, for a period up to the annual General Meeting to be held in 2015.

Without prejudice to the authority conferred on the Board at the last General Meeting held on 8 July 2014 during which the Company's Shareholders designated the Board as the competent corporate body to issue shares, for a period up to the annual General Meeting to be held in 2015, the Board of Directors is requesting an extension of this authority to cover the issue of New Ordinary Shares and the Escrow Shares.

The current authority for the Board to issue shares applies to 33 per cent. of the Company's issued capital as at the date of the notice for the last annual General Meeting, being 89,071,426 (*ninety eight million seventy one thousand four hundred and twenty-six*) ordinary shares.

The authority sought at the extraordinary General Meeting applies to the Company's unissued authorised share capital (*maatschappelijk kapitaal*) as at the date of the notice for the extraordinary General Meeting, being 702,813,862 (*seven hundred two million eight hundred thirteen thousand eight hundred sixty two*) Ordinary Shares in the capital of the Company. The authority granted by the extraordinary General Meeting shall be generally and unconditional and shall expire on the conclusion of the annual General Meeting to be held in 2015, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

- (b) Subject to and conditional upon all the Restructuring Resolutions and all of the Related Party Resolutions being passed:

to authorise the Board as the competent body to exclude pre-emptive rights in respect of Ordinary Shares to be issued for cash to cover the issue of New Ordinary Shares and the Escrow Shares (including rights to acquire Ordinary Shares), for a period up to the annual General Meeting to be held in 2015.

At the annual General Meeting held on 8 July 2014, the Company's Shareholders designated the Board as the competent corporate body to restrict or exclude pre-emptive rights upon issuing ordinary shares. In connection with item (a) above, without prejudice to the authority conferred on the Board at the last General Meeting held on 8 July 2014, the Board is requesting an extension of this authority to cover the issue of New Ordinary Shares and the Escrow Shares.

The current authority applies to 10 per cent. of the Company's issued share capital as at the date of the notice of the last annual General Meeting, being 29,718,614 (*twenty nine million seven hundred eighteen thousand six hundred fourteen*) ordinary shares.

The authority is sought, in line with items (a) and (b), for the Board to be in the position to exclude or restrict pre-emptive rights, up to the amount of the Company's unissued authorised share capital (*maatschappelijk kapitaal*) as at the date of the notice for the extraordinary General Meeting, being 702,813,862 (*seven hundred two million eight hundred thirteen thousand eight hundred sixty two*) Ordinary Shares in the capital of the Company.

Pursuant to section 2:96a paragraph 1 of the Dutch Civil Code and article 6 of the Articles, Shareholders have pre-emption rights solely for shares issued for cash. No pre-emption rights exist in respect of shares issued against a contribution in kind. No pre-emption rights exist in respect of shares issued to the Company's employees or to employees of a Group company.

The authority granted by the extraordinary General Meeting shall be generally and unconditional and shall expire on the conclusion of the annual General Meeting to be held in 2015.

Related Party Resolutions

In summary, the Related Party Resolutions seek the approval of Independent Shareholders:

- (a) Subject to and conditional upon all the Related Party Resolutions being passed:

to authorise the Board as the competent body to issue Ordinary Shares to cover the issue of the Bondholders' Shares and any Additional Placing Shares, for a period up to the annual General Meeting to be held in 2015.

Without prejudice to the authority conferred on the Board at the last General Meeting held on 8 July 2014 during which the Company's Shareholders designated the Board as the competent corporate body to issue shares, for a period up to the annual General Meeting to be held in 2015.

The Board of Directors is requesting an extension of this authority to cover the issue of the Bondholders' Shares and any Additional Placing Shares.

This is a Related Party Resolution as (i) Bondholders' Shares are proposed to be issued to York Global Finance Offshore BDH (Luxembourg) S.a.r.l. under the Restructuring Plan, a related party; and (b) Additional Placing Shares may, under the provisions of the Controlling Shareholder Undertaking, be issued to EUL and/or DK, both related parties of the Company under the Listing Rules.

The current authority for the Board to issue shares applies to 33 per cent. of the Company's issued capital as at the date of the notice for the last annual General Meeting, being 89,071,426 (*ninety eight million seventy one thousand four hundred twenty-six*) ordinary shares.

The authority sought at the extraordinary General Meeting applies to the Company's unissued authorised share capital (*maatschappelijk kapitaal*) as at the date of the notice for the extraordinary General Meeting, being 702,813,862 (*seven hundred two million eight hundred thirteen thousand eight hundred sixty two*) Ordinary Shares in the capital of the Company. The authority granted by the extraordinary General Meeting shall be generally and unconditional and shall expire on the conclusion of the annual General Meeting to be held in 2015, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

(b) Subject to, and conditional upon all the Related Party Resolutions being passed:

to authorise the Board as the competent body to exclude pre-emptive rights in respect of Ordinary Shares to be issued for cash to cover the issue of the Bondholders' Shares and any Additional Placing Shares, for a period up to the annual General Meeting to be held in 2015.

At the annual General Meeting held on 8 July 2014, the Company's Shareholders designated the Board as the competent corporate body to restrict or exclude pre-emptive rights upon issuing ordinary shares. In connection with item (a) above, without prejudice to the authority conferred on the Board at the last General Meeting held on 8 July 2014, the Board is requesting an extension of this authority to cover the issue of the Bondholders' Shares and any Additional Placing Shares.

The current authority applies to 10 per cent. of the Company's issued share capital as at the date of the notice of the last annual General Meeting, being 29,718,614 (*twenty nine million seven hundred eighteen thousand six hundred fourteen*) ordinary shares.

The authority is sought, in line with items (a) and (b), for the Board to be in the position to exclude or restrict pre-emptive rights, up to the Company's unissued authorised share capital (*maatschappelijk kapitaal*) as at the date of the notice for the extraordinary General Meeting, being 702,813,862 (*seven hundred two million eight hundred thirteen thousand eight hundred sixty two*) Ordinary Shares in the capital of the Company.

Pursuant to section 2:96a paragraph 1 of the Dutch Civil Code and article 6 of the Articles, Shareholders have pre-emption rights solely for shares issued for cash. No pre-emption rights exist in respect of shares issued against a contribution in kind. No pre-emption rights exist in respect of shares issued to the Company's employees or to employees of a Group company.

The authority granted by the extraordinary General Meeting shall be generally and unconditional and shall expire on the conclusion of the annual General Meeting to be held in 2015.

(c) Subject to, and conditional upon all the Related Party Resolutions being passed:

authorising the arrangements under the Controlling Shareholder Undertaking, including, without limitation, authorising EUL's undertaking that to the extent that not all Shareholders take up their Rights to

subscribe for New Ordinary Shares under the Rights Offering, to subscribe, and/or procure that other persons subscribe, for such number of Rump Shares at the Rights Offering Price such that the aggregate consideration to be received by the Company pursuant to the Rights Offering, together with the consideration received from the Bondholders (or their nominees) in respect of the Escrow Shares, shall not be less than EUR 20 million; authorising the Board to issue Additional Placing Shares to EUL or persons nominated by it; and authorising the approval of the placing of the Additional Placing Shares at the Rights Offering Price at what may, at the time of the issuance of such shares, be a discount of more than 10 per cent. to the middle market quotation of the Company's Ordinary Shares as derived from the daily Official List or any other publication of a Recognised International Exchange showing quotations for listed securities for the relevant date.

Under the Listing Rules, the aforementioned amount to related party transactions as each of EI, EUL and DK are related parties of the Company.

Other Resolutions

In addition, the approval of Shareholders is also being sought in relation to Resolutions:

- (a) to amend the Articles;
- (b) to grant power of attorney (*volmacht*) to have the notarial deed of amendment of the Articles executed;
- (c) to appoint Grant Thornton Accountants en Adviseurs B.V. as external auditor for the 2014 financial year;
- (d) to dismiss Mr. Nadav Livni from his position as non-executive director (*niet uitvoerend bestuurder*) of the Company and to appoint Mr. Nadav Livni as executive director (*uitvoerend bestuurder*) of the Company;
- (e) to dismiss Mr. Ron Hadassi from his position as executive director of the Company and to appoint Mr. Ron Hadassi as non-executive director of the Company;
- (f) to approve the terms of the appointment letter relating to Mr. Livni;
- (g) to approve the terms of appointment of Mr. Ron Hadassi;
- (h) to approve the terms of appointment of Mr. Yoav Kfir;
- (i) to approve the terms of appointment of Mr. Shlomi Kelsi; and
- (j) to approve the terms of appointment of Mr. David Dekel.

Under the provisions of the Restructuring Plan, the Company has to raise additional capital in the amount of at least EUR 20 million by way of a rights offering. The Company believes that provided EUR 20 million is raised by way of capital injection (including a combination of Rights Offering and Placing) that it will have satisfied the obligation under the Restructuring Plan to raise EUR 20 million notwithstanding this was not done solely by way of a rights offering. The Restructuring Plan requires this amount to be raised prior to 30 November 2014. The Company believes that (i) as all conditions precedent to the Controlling Shareholder Agreement will be met prior to 30 November 2014 EUL will, pursuant to the Controlling Shareholder Undertaking, make available to the Company EUR 20 million prior to 30 November 2014; and (ii) Admission will occur prior to 31 December 2014. Accordingly the Company believes that it will have satisfied the requirement of the Restructuring Plan for a capital injection to have occurred by 30 November 2014.

As a means of ensuring that at least EUR 20 million is raised, the Company and EUL entered into the Controlling Shareholder Undertaking. In this agreement EUL committed to exercise its Rights under the Rights Offering to take up its full entitlement of New Ordinary Shares at the Rights Offering Price less the number of Escrow Shares acquired from the Bondholders; not exercise its Rights in respect of New Ordinary Shares equal in number to the

Escrow Shares; and purchase the Escrow Shares from the Bondholders (or their nominees) at the Rights Offering Price; and, subject to the Company launching the Rights Offering on or prior to 30 November 2014, to the extent that not all Shareholders take up their Rights to subscribe for New Ordinary Shares under the Rights Offering, to subscribe, and/or procure that other persons subscribe, for such number of additional New Ordinary Shares at the Rights Offering Price such that the aggregate consideration to be received by the Company pursuant to the Rights Offering, together with the consideration received from the Bondholders (or their nominees) in respect of the Escrow Shares, shall not be less than EUR 20 million.

The Company has therefore proposed the (i) Restructuring Resolutions to approve the issue of New Ordinary Shares and the Escrow Shares and the disapplication of pre-emption rights relating to the issue of those shares; and (ii) the Related Party Resolutions to approve the issue of the Bondholders Shares and the Additional Placing Shares, the disapplication of pre-emption rights relating to the issue of those shares and EUL's underwriting obligations and issue of Additional Placing Shares at the Rights Offering Price as provided for in the Controlling Shareholder Undertaking.

Shareholders will note that (i) the passing of each of the Restructuring Resolutions is conditional upon the passing by Shareholders of both Restructuring Resolutions - if one of the Restructuring Resolutions is not passed the Restructuring Resolutions will not become effective; (ii) each of the Related Party Resolutions is conditional upon the passing by the Independent Shareholders of each of the Related Party Resolutions - if any of the Related Party Resolutions is not passed none of the Related Party Resolutions will become effective; and (iii) the Restructuring Resolutions are conditional upon passing of all of the Related Party Resolutions. Accordingly, all the Restructuring Resolutions and all the Related Party Resolutions need to be passed for the Rights Offer, the Placing and the Additional Placing to proceed.

The arrangements proposed in the Controlling Shareholder Undertaking, including the partial underwriting arrangements, can only be put in place and utilised if the Related Party Resolutions are passed. Accordingly, to ensure that the Restructuring Plan becomes effective the Restructuring Resolutions and the Related Party Resolutions need to be passed.

If the Restructuring Resolutions and the Related Party Resolutions are not approved, the Rights Offering will not occur and the Company will fail to comply with the requirements set out in the Restructuring Plan. The Company expects that one or more of its creditors will apply to the Dutch courts for rescission of the Restructuring Plan if the Restructuring Resolutions and the Related Party Resolutions are not approved by 30 November 2014 - the Company's creditors will be entitled, at any time after 30 November 2014, to apply to the Dutch courts for rescission of the Restructuring Plan in such instance.

A court hearing is likely to take place within 4-6 weeks following any application by creditors. The court would usually be expected to reach a determination within 2-4 weeks following the hearing. If an order to rescind the Restructuring Plan is granted which is the most likely outcome in these circumstances, the court will simultaneously declare the Company bankrupt. No second restructuring plan may be proposed. After rescission of the existing Restructuring Plan and opening of bankruptcy proceedings the Company will have to be liquidated. An application to rescind the Restructuring Plan and to declare the Company bankrupt is likely to be decided within a period of a few weeks following the creditors having made their application to the Dutch court.

THE COMPANY DOES NOT BELIEVE THERE ARE ANY CREDIBLE FINANCING ALTERNATIVES AVAILABLE TO THE COMPANY IF THE RESTRUCTURING PLAN FAILS. ACCORDINGLY, IF THE RESTRUCTURING PLAN FAILS THE COMPANY BELIEVES IT WILL BE PLACED INTO LIQUIDATION BY ITS CREDITORS.

Recommendation

Rights Offering and Placing

THE BOARD CONSIDERS THAT THE RIGHTS OFFERING, THE PLACING AND THE RESTRUCTURING RESOLUTIONS ARE IN THE BEST INTERESTS OF THE SHAREHOLDERS TAKEN AS A WHOLE AND ARE VITAL TO THE SURVIVAL OF THE COMPANY AND THEREFORE RECOMMENDS AND URGES THAT ALL SHAREHOLDERS VOTE IN FAVOUR OF THE RESTRUCTURING RESOLUTIONS.

Additional Placing and Controlling Shareholder Undertaking

THE BOARD (OTHER THAN FOR MESSRS. HADASSI, KFIR, LIVNI AND KELSI WHO ARE ALSO DIRECTORS OF EI AND WHO HAVE THEREFORE NOT TAKEN PART IN THE BOARD'S CONSIDERATION OF THESE MATTERS) CONSIDERS THAT:

(I) THE ADDITIONAL PLACING, THE RELATED PARTY RESOLUTIONS; AND

(II) EUL'S UNDERTAKING TO THE EXTENT THAT NOT ALL SHAREHOLDERS TAKE UP THEIR RIGHTS TO SUBSCRIBE FOR NEW ORDINARY SHARES UNDER THE RIGHTS OFFERING, TO SUBSCRIBE, AND/OR PROCURE THAT OTHER PERSONS SUBSCRIBE, FOR SUCH NUMBER OF RUMP SHARES AT THE RIGHTS OFFERING PRICE SUCH THAT THE AGGREGATE CONSIDERATION TO BE RECEIVED BY THE COMPANY PURSUANT TO THE RIGHTS OFFERING, TOGETHER WITH THE CONSIDERATION RECEIVED FROM THE BONDHOLDERS (OR THEIR NOMINEES) IN RESPECT OF THE ESCROW SHARES, SHALL NOT BE LESS THAN EUR 20 MILLION

ARE IN THE BEST INTERESTS OF THE SHAREHOLDERS TAKEN AS A WHOLE AND ARE VITAL TO THE SURVIVAL OF THE COMPANY AND THEREFORE RECOMMENDS AND URGES THAT INDEPENDENT SHAREHOLDERS VOTE IN FAVOUR OF THE RELATED PARTY RESOLUTIONS.

General Resolutions

THE BOARD CONSIDERS THAT THE GENERAL RESOLUTIONS ARE IN THE BEST INTERESTS OF THE SHAREHOLDERS TAKEN AS A WHOLE AND RECOMMENDS THAT ALL SHAREHOLDERS VOTE IN FAVOUR OF THE GENERAL RESOLUTIONS TO BE PROPOSED AT THE EXTRAORDINARY GENERAL MEETING.

Related Party Resolutions – Fair and Reasonable

THE BOARD, (OTHER THAN FOR MESSRS. HADASSI, KFIR, LIVNI AND KELSI WHO ARE ALSO DIRECTORS OF EI AND WHO HAVE THEREFORE NOT TAKEN PART IN THE BOARD'S CONSIDERATION OF SUCH MATTERS) WHO HAS BEEN SO ADVISED BY SPARK ADVISORY PARTNERS LIMITED IN THEIR CAPACITY AS SPONSOR, CONSIDERS THAT THE RELATED PARTY RESOLUTIONS ARE FAIR AND REASONABLE AS FAR AS SHAREHOLDERS ARE CONCERNED. IN PROVIDING FINANCIAL ADVICE TO THE BOARD, THE SPONSOR HAS TAKEN INTO ACCOUNT THE COMMERCIAL ASSESSMENT OF THE DIRECTORS.

NONE OF EI, EUL OR DK WILL VOTE ON THE RELATED PARTY RESOLUTIONS, AND EACH HAS UNDERTAKEN TO TAKE ALL REASONABLE STEPS TO ENSURE THAT ITS ASSOCIATES DO NOT VOTE, ON THE RELATED PARTY RESOLUTIONS.

YORK GLOBAL FINANCE OFFSHORE BDH (LUXEMBOURG) S.A.R.L. HOLDS NO DIRECT SHAREHOLDING IN PLAZA AND HAS UNDERTAKEN TO TAKE ALL REASONABLE STEPS TO ENSURE THAT ITS ASSOCIATES DO NOT VOTE ON THE RELATED PARTY RESOLUTIONS.

DEFINITIONS

The following definitions apply throughout this release, unless the context otherwise requires:

"£" or "sterling"	UK pounds sterling, the legal currency of the United Kingdom for the time being;
"AFM"	The Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>);
"Additional Placing"	the placing of additional Ordinary Shares to EUL or certain other persons nominated by EUL pursuant to the Company's obligations under the Controlling Shareholder Undertaking;

"Additional Placing Shares"	the Ordinary Shares to be issued to EUL or certain other persons nominated by EUL pursuant to the Company's obligations under the Controlling Shareholder Undertaking;
"Admission"	the admission of the New Ordinary Shares, the Bondholders' Shares, the Escrow Shares and any Additional Placing Shares (as applicable) to (i) the premium segment of the Official List and to trading on the main market for listed securities of the LSE; and (ii) to trading on the main market for listed securities of the WSE;
"Amendment Date"	the date in which the amended Trust Deeds will come into effect, after satisfaction of all conditions precedent thereof;
"Bonds"	the Notes and the Polish Bonds jointly;
"Bondholders' Shares"	Ordinary Shares to be issued to the holders of the Bonds pursuant to the Restructuring Plan;
"Company" or "Plaza Centers"	Plaza Centers N.V. incorporated in The Netherlands with number 33248324 whose registered office is at Prins Hendrikkade 48-s, 1012 AC Amsterdam, The Netherlands;
"Controlling Shareholder" or "EI"	Elbit Imaging Ltd., the indirect parent company of the Company;
"Controlling Shareholder Undertaking"	the amended and restated undertaking dated on or around the date hereof, and made between the Company, EUL and EI;
"CREST"	the computerised paperless settlement system which facilitates the transfer of title to shares in uncertificated form in accordance with the CREST Regulations, operated by Euroclear UK;
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear UK on 15 July 1996, as amended);
"CREST Member"	a person who has been admitted by Euroclear UK as a system member (as defined in the CREST Regulations);
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
"Deed Poll"	the deed poll dated 20 October 2006 made by the Depositary dealing with the creation and issue of DIs in respect of the Company;
"Depositary Interest" or "DI"	a dematerialised depositary interest which represents an entitlement to Ordinary Shares that can be settled electronically through and held in CREST, as issued by the Depositary which holds the underlying securities on trust;
"Depositary"	Capita IRG Trustees Limited, an English company limited by shares, number 2729260 whose registered office is at 34 Beckenham Road, Beckenham, Kent, BR3 4TU and which was incorporated on 7 July 1992 and which operates under the UK

	Companies Act 2006;
"DI Holders" or "Depository Interest Holders"	holders of Depository Interests;
"Directors" or "Board"	the directors of the Company from time to time;
"DK"	Davidson Kempner Capital Management LP;
"EI" or "Elbit"	Elbit Imaging Limited;
"Escrow Agreement"	the agreement dated on or around the date hereof, and made between the Company, EUL, Burlington Loan Management Limited and a Dutch civil law notary as (notaris) as escrow agent;
"Escrow Shares"	Ordinary Shares to be issued to the trustees of the holders of the Bonds pursuant to the Restructuring Plan;
"EUL"	Elbit Ultrasound (Luxembourg) B.V./S.a.r.l., the direct major shareholder of the Company;
"EUR" or "€" or "euro"	euro, the legal currency of the Eurozone for the time being;
"Excluded Shareholders"	subject to certain exceptions, Shareholders or Depository Interest Holders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in the United States or any other Excluded Territory;
"Excluded Territories"	Australia, Canada, Japan, New Zealand, the Republic of South Africa, the United States and any other jurisdiction where the extension or availability of the Rights Offering (and any other transaction contemplated thereby) would breach any applicable law or regulation;
"Existing Depository Interests"	the Depository Interests in issue as at the date of this document;
"Existing Ordinary Shares"	the Ordinary Shares in issue as at the date of this document;
"Ex-Rights Date"	the date on which Ordinary Shares are marked "ex-rights", which is expected to occur at 08:00 a.m. on 1 December 2014;
"Euroclear UK"	Euroclear UK & Ireland Limited, the operator of CREST;
"FCA" or "Financial Conduct Authority"	means the Financial Conduct Authority of the United Kingdom;
"Form of Proxy"	means the hardcopy form of proxy for use at the General Meeting;
"FSMA"	means the United Kingdom Financial Services and Markets Act 2000 (as amended);
"General Meeting"	means the general meeting of shareholders (<i>algemene vergadering van aandeelhouders</i>) of the Company;
"General Resolutions"	means those resolutions set out as resolutions 6 up to and including resolution 15 in the notice of extraordinary General Meeting;

"Group"	means the Company and its Subsidiaries;
"Guaranteed Proceeds"	the proceeds amounting to EUR 20 million in aggregate payable to the Company by EUL under the Controlling Shareholder Undertaking for the issue of the Escrow Shares and the New Ordinary Shares to be issued to EUL, with EUL's obligations having been guaranteed by EI;
"Independent Shareholders"	means Shareholders other than EUL and DK and any of their respective affiliates;
"Listing Rules"	the listing rules made by the FCA under section 73A(2) of FSMA;
"London Stock Exchange" or "LSE"	means London Stock Exchange Group plc or its successor(s);
"New Depositary Interests"	means the Depositary Interests to be issued by the Depositary following (i) take up of rights to acquire New Ordinary Shares by Qualifying Shareholders in connection with the Rights Offering; and (ii) the issue of the Bondholders' Shares, the Escrow Shares and any Additional Placing Shares (as the case may be);
"New Ordinary Shares"	means the Ordinary Shares to be issued by the Company pursuant to the Rights Offering;
"Notes"	means the Series A Notes and the Series B Notes collectively;
"Official List"	means the official list of the United Kingdom Listing Authority;
"Ordinary Shares"	means ordinary shares with a nominal value of EUR 0.01 each in the share capital of the Company or DIs (as the case may be);
"Overseas Shareholders"	means Shareholders or Depositary Interest Holders with registered addresses outside The Netherlands, the United Kingdom or Poland or who are incorporated in, registered in or otherwise resident or located in, countries outside The Netherlands, the United Kingdom or Poland;
"Placing"	means the placing of the Bondholders' Shares and the Escrow Shares as described in this document;
"Plan Creditors"	means the Company's ordinary unsecured creditors pursuant to the Restructuring Plan;
"Polish Bonds"	means Series A unsecured, dematerialized bearer bonds of the Company with a nominal value of PLN 100,000 per bond, issued by the Company on 16 November 2010 under Polish law with ISIN: NL0009524107;
"Prospectus"	means the prospectus to be published by the Company on or before the date hereof relating to the Rights Offering, the Placing and the Additional Placing;
"Qualifying CREST Shareholders"	means Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form and Qualifying Depositary Interest Holders on the Record Date;

"Qualifying Depository Interest Holders"	means holders of Existing Depository Interests on the register of such holders maintained on behalf of the Depository by Capita IRG plc on the Record Date;
"Qualifying Shareholders"	means holders of (i) Existing Ordinary Shares on the Company's shareholders register as at the Record Date; or (ii) Existing Depository Interests on the register of such holders maintained on behalf of the Depository by Capita IRG plc as at the Record Date;
"Record Date"	means 25 November 2014, (unless altered by the Company in consultation with the Sponsor and notified to the UK Listing Authority, the London Stock Exchange, the Warsaw Stock Exchange and, where appropriate, Qualifying Shareholders);
"Related Party Resolutions"	means those resolutions set out as resolutions 3, 4 and 5 in the notice of extraordinary General Meeting
"Restructuring Resolutions"	means those resolutions set out as resolutions 1 and 2 in the notice of extraordinary General Meeting;
"Regulation S"	means Regulation S under the Securities Act;
"Resolutions"	means all the resolutions to be proposed at the extraordinary General Meeting as set out in the notice convening the extraordinary General Meeting;
"Restructuring Plan"	means the Company's draft restructuring plan (<i>ontwerpakkoord</i>) as filed on 18 November 2013 with the district court of Amsterdam, The Netherlands (<i>Rechtbank Amsterdam</i>) and as adopted by the Plan Creditors on 26 June 2014;
"Rights"	means transferable subscription entitlements to subscribe for New Ordinary Shares;
"Rights Offering"	means the offering of New Ordinary Shares through the grant of Rights to Qualifying Shareholders and Qualifying Depository Interest Holders to subscribe for New Ordinary Shares or New Depository Interests against the Rights Offering Price;
"Rights Offering Price"	means EUR 0.0675 per New Ordinary Share;
"SEC"	means the United States Securities and Exchange Commission;
"Series A Notes"	means Series A Notes issued by the Company of NIS 1 par value each;
"Series B Notes"	means Series B Notes issued by the Company of NIS 1 par value each;
"Share Option Schemes"	means the 2006 Share Option Scheme and the 2011 Share Option Scheme collectively;
"Shareholders"	means the holders of Ordinary Shares or DIs (as the case may be);

"Sponsor"	means SPARK Advisory Partners Limited;
"Stock Account"	means an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
"Subsidiary"	is as defined in section 2:24a of the Dutch Civil Code (<i>Burgerlijk Wetboek</i>) and "Subsidiaries" shall be defined accordingly;
"Trust Deed" or "Trust Deeds"	trust deed for the Series B Notes, concluded between the Company and Reznik Paz Nevo Ltd. containing <i>among other things</i> the conditions applicable to the Series B Notes;
"uncertificated" or "in uncertificated form"	refers to a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"UK Listing Authority" or "UKLA"	means the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"UK" or "United Kingdom"	means the United Kingdom of Great Britain and Northern Ireland;
"US" or "USA" or "United States"	means the United States of America, its territories and possessions, any state or political subdivision of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America;
"US Securities Act"	means the United States Securities Act of 1933, as amended; and
"Warsaw Stock Exchange" or "WSE"	means the Warsaw Stock Exchange in Warsaw, Poland.

*This announcement has been issued by and is the sole responsibility of Plaza Centers N.V. (the "**Company**"). A copy of the prospectus is available from the registered office of the Company and on the Company's website at www.plazacenters.com provided that the prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to shareholders of the Company in the United States or other territories where the extension or availability of the Rights Offering (and any transaction contemplated thereby) would breach any applicable law or regulation. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement. The prospectus gives further details of the Rights Offering.*

This announcement is not a prospectus but an advertisement and investors should not acquire any securities in the Company except on the basis of the information contained in the prospectus. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change.

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This announcement does not constitute a recommendation concerning the Rights Offering. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are

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