



May 24, 2010

Gazit-Globe reports First Quarter 2010 Financial Results

Rental revenues increased by 14% to over NIS 1.1 billion (\$310 million)

N.O.I increased by 11% to NIS 734 million (\$198 million)

Cash flow from operations for the quarter totaled NIS 88 million (\$23.7 million), an increase of 105% as compared to the same period in 2009.

TEL AVIV; May 24, 2010 - Gazit-Globe (TASE: GLOB), one of the world's leading real estate companies engaged in the acquisition, development, and management of income-producing properties, with a focus on supermarket-anchored shopping centers in high-growth markets in the Americas, Europe Israel and Brazil, announced today its financial results for the first quarter ended March 31, 2010

Highlights:

- In the first quarter 2010, the company generated Funds From Operation (F.F.O) of NIS 83 million or NIS 0.60 per share (\$22.4 million, \$0.16 per share) as compared to F.F.O for the first quarter of 2009 of NIS 104 million or NIS 0.83 per share (\$28.0 million, \$0.22 per share) the first quarter 2009 F.F.O results included higher interest income from Atrium convertible bonds as compared to a lower F.F.O contribution from Atrium in the first Quarter 2010 F.F.O results.
 - Net Income attributable to the Company's equity holders was NIS 218 million (\$59 million) for the quarter ended March 31, 2010 as compared to net income of NIS 267 million (\$72 million) for the first quarter of 2009. The first quarter 2009 net income included gains generated by the increased stake in the companies public subsidiaries as compared to no gains at this kind registered in the quarter of 2009.
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- As of March 31st 2010 the group had cash and available lines of credit totaling NIS 5.9 billion (\$1.6 billion), of which NIS 1.4 billion (\$0.4 billion) at the Gazit and its private subsidiaries level.
- In the last quarter, the Group issued equity totaling approximately NIS 401 million (\$108 million) and debt totaling NIS 639 million (\$172 million).
- As of March 31st 2010, The company's consolidated Same Property net operating income remained stable and the Group's occupancy rate remained high at 93.7%, as compared to 93.6% as of December 31, 2009 and 93.9% of March 31, 2009.
- Net Debt to total Assets as of March 31, 2010 was 63.0%, as compared to 63.7% as of December 31, 2009 and 65.1% of March 31, 2009.
- As of March 31st, 2010, the Group had 8 properties under development with a total area of approximately 71.5 thousand square meters, 19 properties under redevelopment, and additional land reserves for future development recorded in the company's books at NIS 2.9 billion (\$0.78 billion). Additional costs to complete are estimated at NIS 1 billion (\$0.27 billion).
- On May 24, 2010, the company's board of directors declared a cash dividend of NIS 0.37 per common share (\$0.10 per share), payable on July 1st 2010, The dividend represents an annualized dividend rate of NIS 1.48 per common share (\$0.40 per share).

Roni Soffer, president, commented: "In the first quarter results of 2010, we present growth in most of the operational parameters alongside a decline in the funds from operations (F.F.O). The decline in F.F.O is primarily due to the Atrium exchange transaction of convertible bonds for ordinary shares. With a long term perspective and with increasing investments during the crisis, the F.F.O grew by 60%, from approximately NIS 52 million in Q1 2008 to approximately NIS 83 million this quarter."

Soffer adds: "We continue to operate in accordance with our business strategy and conservative financial approach which characterized our activity all along. In the course of the last two quarters we have been focused on deleveraging our balance sheet and increasing the Group's liquidity through equity raising, long term debt raising and recycling of capital. We believe that our financial strength, strong liquidity position and available lines of credit, together with our risk diversification in a number of the world's leading economies will enable us to take advantage of opportunities to come, in the midst of the recent uncertainty in the global capital markets."

First Quarter 2010 Highlights

| NIS Millions (except per share data) | Three Months Ended March 31 st | | Percentage Change |
|--|--|-----------|----------------------|
| | 2010 | 2009 | |
| Rental Revenue | 1,138 | 1,001 | 14% |
| N.O.I | 734 | 662 | 11% |
| Proportionate Consolidation N.O.I | 419 | 363 | 15% |
| Gross Profit | 741 | 667 | 11% |
| Gross Profit from Rental Property Operations | 730 | 659 | 11% |
| Cash Flows from Operations | 88 | 43 | 105% |
| F.F.O excluding gains from redemption of debentures | 83 | 104 | (20%) |
| F.F.O Per Share excluding gains from redemption of debentures | 0.60 | 0.83 | (28%) |
| Investment in Properties and Developments | 913 | 492 | |
| Fair value loss on Investment Property and Investment Property Under Development, Net | 46 14 | 165 34 | |
| Net Income Attributable to Equity Holders of the Company | 218 | 267 | - |
| Net income Attributable to Equity Holders of the Company diluted Per Share | 1.56 | 2.13 | - |
| Equity Attributable to the Company's Equity Holders | 5,103 | 4,011 | - |
| Equity Attributable to the Company's Equity Holders Per Share | 36.8 | 32.0 | - |
| EPRA NAV Per Share (in NIS) | 35.6 | 34.8 | - |
| EPRA NNAV Per Share (in NIS) | 32.3 | 44.7 | |