



גזית-גלוב בע"מ
GAZIT-GLOBE LTD.

May 26, 2009

Gazit-Globe: 2009 First Quarter Results – Continued Growth in Cash Flows and Profitability

Rental revenues and N.O.I. increased 9%

F.F.O. (Based on EPRA Direct Results) totaled 163 million NIS as compared to 52 million NIS from the same period last year

- Net income totaled 267 million NIS, an increase of 18% as compared to the same period last year
- Rental revenue and N.O.I. increased by 9% as compared to the same period last year
- F.F.O. totaled 163 million NIS as compared to 52 million NIS for the same period last year
- Cash flows from recurring operations amounted to 209 million NIS as compared to 144 million NIS for the same period last year
- As of the date of the balance sheet, the Group has cash reserves and undrawn credit facilities in the total amount of 5.1 billion NIS. In addition, Atrium, (an affiliate of the company) has cash reserves of 1.05 billion Euro
- Shareholder equity as of March 31, 2009 totaled 4 billion NIS, approximately 32 NIS per share
- Since January 1st 2009, the Company has bought back bonds in the amount of 80 million NIS par value. Furthermore, the Group has increased its equity holdings in its subsidiaries in the total amount of 580 million NIS
- During the quarter, EQY increased its holdings in DIM shares to 74.6% and purchased 9.6% of Ramco-Gershenson (RPT) shares. FCR increased its holdings in Allied Property shares (AP.UN) to 11%.

- **The board of directors decided to pay a 0.36 NIS per share second quarter dividend which represent an annual dividend of 1.44 NIS per share**

First Quarter Highlights

- The Group **investments** totaled 0.5 billion NIS as compared to 0.8 billion NIS for the same quarter last year.
- **Rental revenues** totaled one billion NIS, an increase of 9% as compared to the same period last year. The increase resulted from, among other factors, the initial consolidation of DIM, development properties coming on-line, and the increase in average rent rates per square meter.
- **N.O.I.** totaled 662 million NIS as compared to 610 million NIS for the same period last year, a 9% increase.
- **F.F.O.** totaled 163 million NIS (1.30 NIS per share) as compared to 52 million NIS (0.41 NIS per share) for the same quarter last year.
- **Cash flows from recurring operations** totaled 209 million NIS as compared to 144 million NIS for the same quarter last year.
- **Same property N.O.I** increased by 5.7% for FCR, 0.9% for Citycon, and 10.0% for Gazit Israel and decreased by 2.0% for Atrium and 2.7% for EQY.
- **Rents from lease renewals** increased by 9.9% in FCR and 0.3% for EQY.
- **Net income** totaled 267 million NIS (approximately 2.13 NIS per fully diluted share), as compared to net income of 226 million NIS (approximately 1.79 NIS per fully diluted share), for the same quarter last year.
- **Debt to Asset Value** (as derived mainly from the fair value of the Group's investment properties) as of March 31, 2009 was 66.3%, as compared to 66.4% as of December 31, 2008.
- **Shareholders' equity** as of March 31, 2009 totaled 4 billion NIS (32 NIS per share) as compared to 3.3 billion NIS (26.6 NIS per share) as of December 31, 2008.
- **NAV per share** (EPRA NAV) as of March 31, 2009 was 34.8 NIS per share as compared to 27.2 NIS per share as of December 31, 2008.
- As for March 31, 2009, the Group has 12 new properties under development approximately 127 thousand square meters, 19 redevelopments as well as additional land reserves for future

development at a cost of 3.2 billion NIS. The expected additional costs to complete are estimated at 1.2 billion NIS.

- During the last quarter, the company has engaged ATR with a new investment agreement in the amount of 206 million NIS as well as purchased additional ATR shares in a total amount of 34 million NIS. As per the quarter end, the company holds approximately 11.5% of ATR shares as well as 231 million EURO of convertible debt.

Michael Bar Chaim, Company CEO, stated: "We are pleased to see that, despite the global economic downturn, the Gazit Globe Group has continued to maintain impressive stability in its core activities as shown by, among others, the steady rate of occupancy exhibited in all areas in which we operate. During the quarter, we demonstrated an improvement in all the primary parameters, including rental revenues, NOI, F.F.O, and net profit. We view the Group's ability to maintain business stability while still creating significant cash flows in such times, as a sign of steadiness and strength in its core activities and the main reason for increasing our holdings in our subsidiaries, as we have done in the past year. At the same time, we continue to explore new and attractive business opportunities and will not hesitate to act and carry out acquisitions and sales that will contribute the future growth of Company cash flows."

About Gazit Globe

Gazit Globe, the largest real estate company in Israel, engages in the acquisition, development, and management of income-producing properties around the world, focusing on supermarket-anchored commercial centers in high-growth market areas. In addition, the Company is active in the senior housing market and in medical office buildings in North America. It also seeks to identify and opportunities in its line of businesses and in additional areas. The Company constantly seeks to maximize its case flows while improving its properties and increasing the dividends distributed by the Company to shareholders in the long term.

Company website: <http://www.gazit-globe.com>

