



גזית-גלוב בע"מ
GAZIT-GLOBE LTD.

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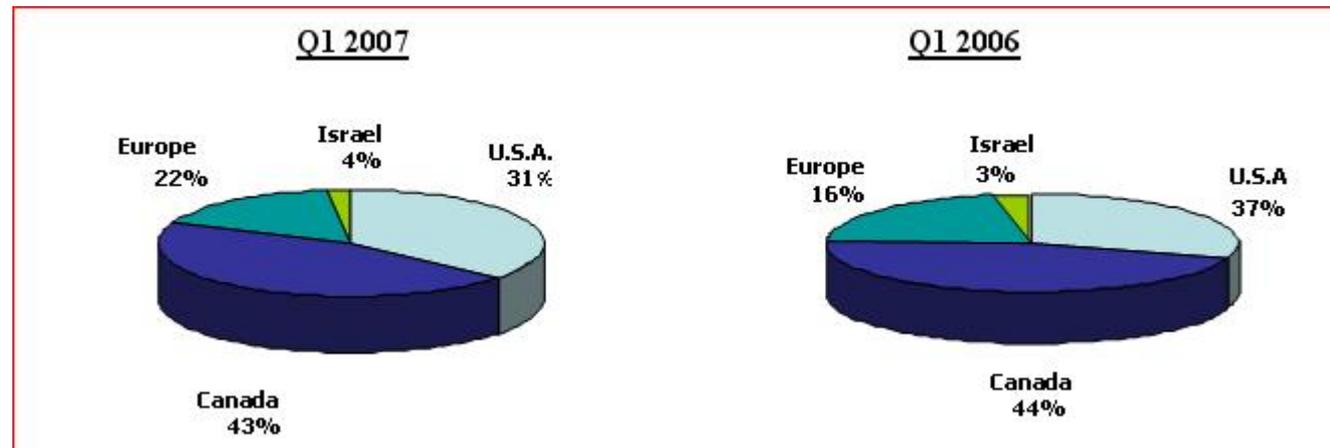
Gazit Globe: First Quarter Results for 2007

- Continuing growth in Operating Parameters
- Record High Net Income
- Disclosing of 2005 & 2006 Annual Results According to IFRS<

Tel Aviv, Israel (May 28, 2007) Gazit-Globe announced today its financial results for the first quarter, reflecting continued strong growth in the Company's operations.

- Investments of NIS 2 billion in acquisitions and developments
- Net Income of NIS 235 million
- Cash Flow from operating activities increased 10% to NIS 170 million
- Same property N.O.I increased on average by 4.1% for Equity One and First Capital Realty and 12.2% for Citycon
- Average rent from lease renewals increased by 7.2% for Equity One and First Capital Realty
- Having discounted the effect of the average 10% appreciation in the value of the NIS, property rental revenue increased by 8%, N.O.I by 9% and F.F.O by 3%
- Net income attributed to shareholders in 2006, according to IFRS standards, totaled 990 NIS ,million (compared to 361 million under Israeli accounting standards) and 625 NIS million in 2005 (compared to 131 million under Israeli accounting standards)
- 27 properties under development with a total GLA of 300K Sqm.; 15 properties being redeveloped; land for future development with total cost of NIS 1.4 Billion. The estimated cost to complete of projects under development and redevelopment is NIS 2 Billion

The following is the company's NOI by geographic region (on a proportionate consolidated basis):



Highlights for the first quarter of 2007:

- Invested approximately NIS 1.5 billion in new acquisitions and development activities compared to NIS 2 billion for the first quarter of 2006. In addition, Citycon invested NIS 0.5 billion in acquisition and development activities, similar to the first quarter of 2006.
- The decrease in property rental revenue, compared to the first quarter last year, is due to an average appreciation of 10% in the NIS compared to the US and Canadian Dollar, and due to the sale of the Texas portfolio in April 2006.
- N.O.I decreased by 2% compared to the same quarter last year due to the appreciation in the NIS and the sale of the Texas portfolio as described above.
- The company's proportionate share of the N.O.I of all the group's subsidiaries and affiliates totaled NIS 255 million, an increase of 9% compared to the first quarter of 2006.
- F.F.O. totaled NIS 65 million, NIS 0.55 per share, compared to NIS 70 million, NIS 0.69 per share, compared the first quarter 2006, a 7% decrease.

The decrease of the F.F.O and F.F.O per share was caused by the following items:

1. The appreciation in the NIS in the above mentioned periods, which totaled NIS 7 Million (NIS 0.06 per share)
2. Non recurring expenses related to Mills shares, sold at the end of the first quarter of 2007, which totaled NIS 9 Million (NIS 0.07 per share)
3. Sale of the Texas portfolio in April 2006

Data for the first quarter of 2007 (NIS in millions):

	Q1 2007	Q1 2006	Growth Rate
Total assets	32,264	22,964	40%
Property Rental revenue	644	661	(3%)
N.O.I. *	429	435	(2%)
Gross profit	427	322	32%
Income from operations	681	268	155%
Net income for the period	235	40	484%
F.F.O.	65	70	(7%)
F.F.O. per share (in NIS)	0.55	0.69	(20%)

Data for the first quarter of 2007 (NIS in millions) neutralizing the effect of the NIS appreciation:

	Q1 2007**	Q1 2006	Growth Rate
Property Rental revenue	716	661	8%
N.O.I. *	476	435	9%
F.F.O.	72	70	3%

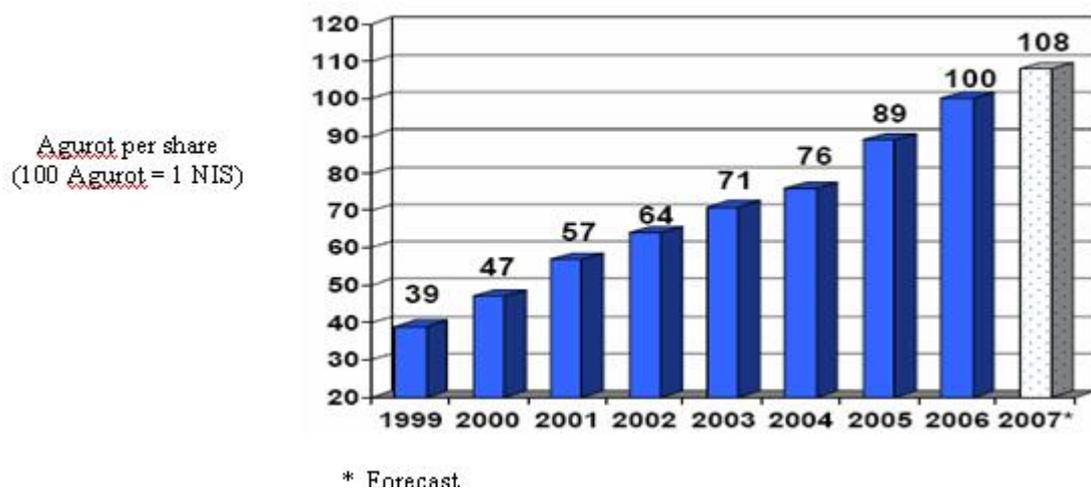
* N.O.I. – Property rental income less property operating costs.

** According to the average exchange rates of the three months ending March 31, 2006.

- As of March 31, 2006, the average occupancy rate of Equity One and First Capital Realty's core properties was 94.6%, compared to 94.5% as of March 31, 2006. The occupancy rate of Citycon's properties was 96.7%, similar to occupancy rate as of March 31, 2006.
- As of March 31, 2007, the occupancy rate of Royal Senior Care's properties was 92.2%, compared to 93.2% as of March 31, 2006.
- Net income totaled NIS 235 million, NIS 1.93 per share, compared to NIS 40 million, NIS 0.38 per share, in the same quarter last year.
- Debt to Market Capitalization (derived from the market value of the Group's holdings) as of March 31, 2007 was 50.6%, compared to 52.0% as of March 31, 2006 and to 49.4% as of December 31, 2006.

In accordance with its dividend policy, the Company has announced that the dividend to be declared in 2007 will not be less than NIS 0.27 per share per quarter (NIS 1.08 per share on an annualized basis).

The following graph shows the dividend growth for the years 1999 through 2006:



Chaim Katzman, Gazit-Globe's Chairman, stated: "Building on the group's knowledge and reputation we have achieved considerable progress in our efforts to build operating platforms in new territories, as part of our policy of expanding and diversifying our asset portfolio through acquisitions and developments. We continue to pursue an active program to develop and redevelop our assets. Combined with our land reserves and existing additional building rights, the company has a solid growth engine for continuing the increase and improvement in the group's operating results while maintaining our moderate risk profile."

Mr. Katzman added: "Alongside this activity, we are constantly looking to improve our core asset portfolio, while continuing to upgrade the quality and dominance of our assets in the different territories, as well as enhancing our management team. The results of these efforts are reflected in the impressive growth in rental levels achieved on new leases and in the continuing increase in the occupancy rate levels in our core assets."