



גזית-גלוב בע"מ
GAZIT-GLOBE LTD.

11.15.2006

GAZIT- GLOBE REPORTS RECORD YEAR OF TOTAL INVESTMENTS

CONTINUED STRONG OPERATING RESULTS FOR Q3, 2006

Investments of NIS 2.9 billion in the third quarter and NIS 6.4 billion in the nine months ended September 30, 2006 , in acquisitions and development

Property Rental Revenue increased 10% to NIS 618 Million

NOI increased 9% to NIS 412 Million

FFO increased 55% to NIS 72 Million

Land parcels for future developments – 560 acres

Tel Aviv, Israel (November 15, 2006) Gazit-Globe announced today its financial results for the third quarter of 2006, reflecting continued strong growth in the Company's operations.

Data for the third quarter of 2006:

<i>(NIS in millions except per share amounts)</i>	Q3 2006	Q3 2005	Growth Rate
Total assets	23,360	19,620	19%
Property rental revenue	618	562	10%
Net Operating Income (NOI)	412	377	9%
Gross profit	298	288	4%
Income from operations	233	241	(3%)
Net income	50.1	49.5	1%
Funds From Operations (FFO)	72.1	46.5	55%
FFO per share	0.66	0.52	27%

Data for the nine months period ended September, 30 :

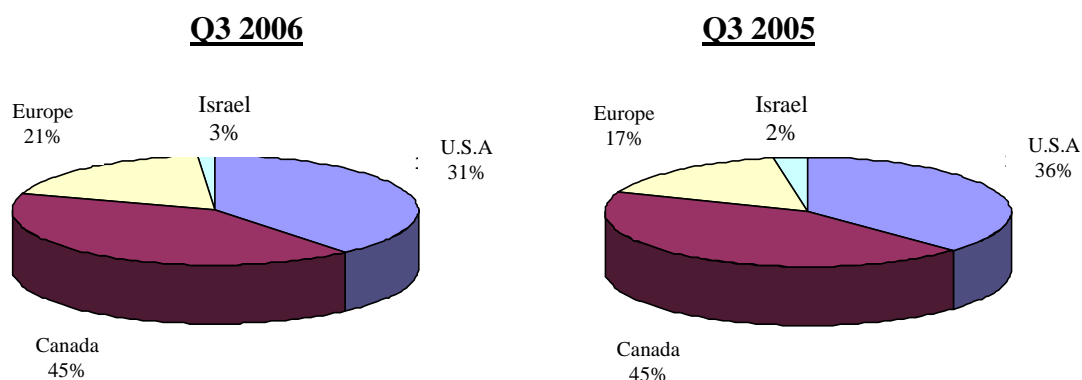
<i>(NIS in millions except per share amounts)</i>	2006	2005	Growth Rate
Property rental revenue	1,905	1,593	20%
Net Operating Income (NOI)	1,259	1,078	17%
Gross profit	919	820	12%
Income from operations	734	688	7%

Net income ¹	² 216.8	111.9	94%
Funds From Operations (FFO)	205.7	157.3	31%
FFO per share	1.95	1.80	8%
Dividends	80.6	57.3	41%

⁽¹⁾ Effective January 2005, Israel Accounting Standard No. 19 ("Taxes on Income") is applied to the financial statements. Pursuant to this standard, deferred taxes are recognized in respect of temporary differences arising when the measurement currency for accounting purposes differs from the measurement currency for tax purposes, and for temporary differences relating to land. The implementation of the standard has been effected by taking into account its cumulative effect at the beginning of 2005 – by making a non-recurring accounting provision of NIS 56.5 million. This entry does not affect the Company's operating results or its cash flows. Other than as stated above, the Company does not expect the application of the new standard to have any further effect.

⁽²⁾ Including higher than usual capital gains and write-downs.

The Company's NOI by geographic regions:



Highlights for the third quarter of 2006:

- **Invested** approximately NIS 1.4 billion in acquisitions and development activities, compared to NIS 0.9 billion in the prior year third quarter. In addition, Citycon invested NIS 1.5 billion in acquisition and development activities, compared to NIS 0.7 billion in Q3 2005.
- **Property rental revenue** - The growth, compared to the same quarter last year, is due to the acquisition of new properties, net of properties sold, development coming on-line, higher occupancy rate and increase in the average rental rates.
- **NOI** increased by 9%, compared to the prior year third quarter.
- **Same property NOI** increased by 3.3% for Equity One (EQY) and First Capital Realty (FCR).
- **Average rent from lease renewals** increased by 5.1% for Equity One and First Capital Realty, compared to the same quarter last year.

- **Average occupancy rate** of Equity One's and First Capital Realty's core properties was 95.3%, at September 30, 2006 compared to 93.8% at September 30, 2005.
- **Occupancy rate** of Royal Senior Care's properties was 94.9% at September 30, 2006, compared to 92.8% at September 30, 2005.
- **Occupancy rate** of Citycon's properties was 96.7% at September 30, 2006, compared to 96.9% at September 30, 2005.
- **FFO** increased by 55% and **FFO per share** increased by 27%, compared to the prior year third quarter.
- **Net income** totaled NIS 50.1 million, NIS 0.39 per share, compared to NIS 49.5 million, NIS 0.53 per share, in the same quarter last year.
- **Equity financing** – The Company and FCR raised NIS 287 million in share capital from the public, compared to NIS 249 million in the same quarter last year. As a result of the offerings made by FCR, the capital raised by EQY and the conversion of convertible debentures into shares by FCR, the Company recorded net gains of NIS 1.8 million, compared to net gains of NIS 31 million in the same quarter last year.
- **Capital surpluses (included within the line-item "Shareholders' equity")** decreased by NIS 101 million (NIS 0.93 per share), compared to an increase of NIS 73 million (NIS 0.78 per share) in the same quarter last year. The reduction in the capital surpluses is due to the weakening of the U.S. dollar, the Canadian dollar and the Euro against the Shekel, compared to the strengthening of the U.S. dollar and the Canadian dollar in the same quarter last year.
- **Debt to market capitalization** (derived from the market value of the Group's holdings) was 51.5% as of September 30, 2006, compared to 53.6% as of September 30, 2005. As of December 31, 2005, this ratio was 52.2%.

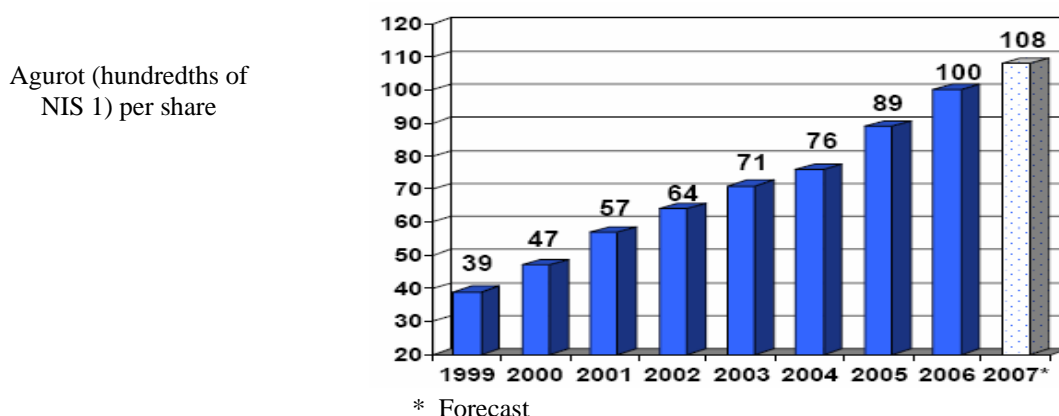
Highlights for the first nine months period ended September 30, 2006:

- **Invested** approximately NIS 4.3 billion in acquisitions and development activities, compared to approximately NIS 2.3 billion in the prior year first nine months. In addition, Citycon invested NIS 2.1 billion in acquisition and development activities compared to NIS 0.7 billion in the first nine months of 2005.
- **Property rental revenue** -The growth, compared to the same quarter last year, is due to the acquisition of new properties, net of properties sold, development coming on-line, higher occupancy rate and increase in the average rental rates.

- **NOI** increased by 17%, compared to the prior year first nine months.
- **Same property NOI** increased by 3.2% for Equity One and First Capital Realty and by 3.7% for Citycon.
- **FFO** increased by 31%, and **FFO per share** increased by 8%, compared to the prior year first nine months.
- **Net income**, which included extra ordinary capital gains than usual and a non-recurring write-downs, amounted to NIS 216.8 million, NIS 1.97 per share, compared to net income (after neutralizing the non-recurring effect of Israel Accounting Standard No. 19) of NIS 111.9 million, NIS 1.24 per share, in the same period last year.
- **Equity financing** – The Company, EQY and FCR raised NIS 993 million, net, in share capital from the public, compared to NIS 476 million in the same period last year. As a result of the offerings made by EQY and FCR and also as a result of the conversion of convertible debentures into shares by FCR, the Company recorded net gains of NIS 30.5 million in the reporting period, compared to net gains of NIS 69.6 million in the same period last year.

In accordance with its dividend policy, the Company has announced that the dividend to be declared in 2007 will not be less than NIS 125 million (NIS 1.08 per share), an increase of 14% compared to NIS 109.5 million in 2006.

The following graph shows the dividend growth for the years 1999 - 2007*:



Chaim Katzman, Gazit-Globe’s Chairman, stated: “We are pleased with the continued strong performance of our business and its fundamentals. The strong growth has been achieved mainly due to our efforts to enhance our portfolio performance while entering new geographies and asset type.

In the first nine months of 2006 we acquired, directly and indirectly, 42 properties, invested in development activities and 17 land parcels for future development with total cost of NIS 6.4 billion (US\$ 1.5 billion). These investments will ensure the continuance growth of our group while maintaining our specific market dominance."

About Gazit Globe Ltd.

Gazit-Globe is a real estate investment company listed on the Tel Aviv Stock Exchange as part of the TA-25 Index. Gazit-Globe, directly and through subsidiaries and affiliates acquires, develops and operates income producing properties including shopping centers, retirement homes and medical office buildings in growth urban areas in North America, Europe and Israel. Its primary investment objective is the creation of value through long-term maximization of cash flow and capital appreciation from its growing real estate investments. With total assets (in market value) of over \$7.5 billion, Gazit-Globe has interests in 474 properties. This includes 22 properties currently under development that consist of approximately 46 million square feet of gross leasable area.