GAZIT-GLOBE

Gazit-Globe Reports Fourth Quarter and Year-End 2010 Financial Results

2010 saw continued growth, strong cash flow and total investments of more than NIS 3.5 billion

TEL-AVIV, ISRAEL; March 16, 2010 – Gazit-Globe (TASE: GLOB), one of the world's leading multi-national real estate companies focused on acquisition, development and redevelopment of supermarket-anchored shopping centers announced today its financial results for the three months ("the quarter") and twelve months ("the period") ended December 31, 2010.

When referring to "The Group", results refer to Gazit-Globe's consolidated financial statements. When referring to the "The Company", results refer to Gazit-Globe's solo financial statements. Unless stated otherwise, results announced in this press release are attributable to "The Group".

Highlights:

- NOI for the quarter increased by 14% to NIS 791 million compared to NIS 693 million for the same quarter last year.
- FFO for the quarter totaled NIS 106 million (NIS 0.72 per share) as compared to NIS 102 million (NIS 0.75 per share) for the same quarter last year.
- During the quarter, Gazit-Globe raised NIS 650 million (Approx. $180 million) in equity through issuance of common stock.
- Investments during the period totaled NIS 3,574 million, compared to NIS 2,778 million in 2009.
- Net income attributable to the Company's shareholders for the period totaled NIS 790 million (NIS 5.57 per share) compared to net income of NIS 1,101 million (NIS 8.47 per share) for the same period last year. The change is mainly due to the exchange of Atrium's convertible bonds into Atrium's shares in December 2009.
- The Group's same-property NOI grew by 3.6% for the period and occupancy rate remained unchanged at 93.9%.
- The Company's share in the valuation of the fair value of investment property and investment property under development was increased by NIS 579 million in 2010 compared to a decrease of NIS 845 million in 2009.
- As of December 31, 2010, the Group had cash on hand and undrawn revolving credit facilities in the amount of NIS 6.5 billion of which NIS 1.9 billion are at the Company's level.
- As of December 31, 2010, net debt to total assets (LTV) was 60.7%, as compared to 63.7% as of December 31, 2009.
- The Company's Board of Directors declared a quarterly cash dividend of NIS 0.39 per share payable on April 11, 2011 to shareholders of record as of March 29, 2011. The quarterly cash dividend of NIS 0.39 per share represents an annualized rate of NIS 1.56.

"It was another year of continued growth in revenues and NOI, generating significant cash flows while demonstrating the strong momentum of our multinational platform," **said Roni Soffer, Gazit-Globe's President**. "Development, redevelopment and property acquisition continued at full steam this year as we invested approximately $1 billion in these activities. We strengthened our financial position, raised equity and brought down our leverage. Once again, our unique business model allowed us to simultaneously deploy capital in multiple markets around the world and still stay very focused on our core business and the quality of our properties. During the year we made important progress upgrading our portfolio, diversifying and enhancing our presence mainly in North America and expanding our footprint in Europe and Brazil."

Financial Highlights for the three months ended December 31, 2010:

- Property rental income for the quarter increased by 13% to NIS 1,184 million compared to NIS 1,050 million for the same quarter last year.
- NOI for the quarter increased by 14%; NOI totaled NIS 791 million compared to NIS 693 million for the same quarter last year.
- FFO for the quarter totaled NIS 106 million (NIS 0.72 per share) as compared to NIS 102 million (NIS 0.75 per share) for the same quarter last year.
- Net income attributable to the Company's shareholders for the quarter totaled NIS 226 million (NIS 1.52 per share) compared to net income of NIS 811 million (NIS 5.89 per share) for the same quarter last year. The change is mainly due to the exchange of Atrium's convertible bonds into Atrium’s shares in December 2009.
- Cash flow from operating activities for the quarter totaled NIS 139 million, compared to NIS 122 million for the same quarter last year.
- Occupancy rate as of December 31, 2010 remained unchanged at 93.9%.
- Shareholders' equity as of December 31, 2010 increased to a total NIS 5.9 billion (NIS 38.3 per share), as compared to NIS 5.2 billion (NIS 37.4 per share) as of December 31, 2009.
- EPRA NAV per share as of December 31, 2010 was NIS 38.6 compared to 40.6 per share as of December 31, 2009 (The EPRA NAV for 2009 was calculated based on EPRA’s new guidelines published in October 2010).

Financial Highlights for the twelve months ended December 31, 2010:

- Property rental income for the period, increased by 13% to NIS 4,596 million compared to NIS 4,084 million for the same period last year.
- NOI for the period increased by 12% to NIS 3,058 million compared to NIS 2,729 million for the same period last year.
- FFO for the period totaled NIS 359 million (NIS 2.54 per share) as compared to NIS 420 million (NIS 3.24 per share) for the same period last year. The change is mainly due to the exchange of Atrium's convertible bonds into Atrium’s shares in December 2009 and the deleveraging steps the Company took during the year.
- Net income attributable to the Company’s shareholders for the period totaled NIS 790 million (NIS 5.57 per share) compared to a net income of NIS 1,101 million (NIS 8.47 per share) for the same period last year. The change is mainly due to the exchange of Atrium's convertible bonds into Atrium’s shares in December 2009.
- Cash flow from operating activities for the period totaled NIS 782 million, compared to NIS 926 million for the same period last year. The change is mainly due to timing differences in payables and receivables.
- Same-property NOI grew by 3.6%, resulting from an increase of 2.5% in the same-property NOI from North America, a 4.8% increase in same-property NOI from Europe and a 7.2% increase in same-property NOI from Israel.

Acquisition, Development and Redevelopment Activities

During the year, the Group acquired 16 income-producing properties totaling 186 thousand square meters and adjacent land parcels for future development in a total amount of NIS 1,941 million. The Group also invested an amount of NIS 1,633 million in new development and redevelopment projects.

As of December 31, 2010, the Group had 12 properties under development with a gross leasable area of 174 thousand square meters and 16 properties under redevelopment with a gross leasable area of 70 thousand square meters with a total investment value of NIS 1,318 million. The additional cost to complete the properties under development and redevelopment totals NIS 1,652 million.

Financing Activities

- During 2010, the Group raised NIS 2.2 billion in equity as compared to NIS 1.04 billion during 2009. The total equity raised includes the Company’s equity raise of approximately NIS 650 million through issuance of 15.5 million common stock.
- As of December 31, 2010, the Group had cash on hand and undrawn revolving credit facilities in the amount of NIS 6.5 billion of which NIS 1.9 billion are at the Company's level.

Balance Sheet Highlights

- As of December 31, 2010, net debt to total assets (LTV) was 60.7%, as compared to 63.7% as of December 31, 2009.
- Shareholders' equity as of December 31, 2010 totaled NIS 5,915 million (NIS 38.3 per share), as compared to NIS 5,189 billion (NIS 37.4 per share) on December 31, 2009.

Dividend

The Company's Board of Directors declared a minimum quarterly cash dividend of NIS 0.39 per share on its common shares payable on April 11, 2011 to shareholders of record as of March 29, 2011. The quarterly cash dividend of NIS 0.39 per share represents an annualized dividend of NIS 1.56.

ACCOUNTING AND OTHER DISCLOSURES

The Company believes that publication of FFO, which is calculated according to EPRA best-practice recommendations, better reflects the operating results of the Company, since the Company's financial statements are prepared in conformity with IFRS. In addition, publication of FFO provides a better basis for the comparison of the Company's operating results between different reporting periods and strengthens the uniformity and the comparability of this financial measure to that published by European property companies.

As clarified in the EPRA and NAREIT position papers, the FFO measures do not represent cash flows from current operations according to accepted accounting principles, nor do they reflect the cash held by a company or its ability to distribute that cash, and they are not a substitute for the reported net income (loss). Furthermore, it is also clarified that these measures are not part of the data audited by the Company's independent auditors.

CONFERENCE CALL/WEB CAST INFORMATION

Gazit-Globe will host a conference call and webcast in English on Wednesday, March 16, 2011 at 3:00 p.m. United Kingdom/ 4:00 p.m. Central European Time/ 11:00 a.m. Eastern Time to review fourth quarter and year-end 2010 financial results. Shareholders, analysts and other interested parties can access the conference call by dialing 1 866 926 5708 (U.S./Canada) or 0800 073 8965 (U.K.) or +44 (0) 1452 560 304 (International) or 1 809 431 443 (Israel) or on the Company's website www.gazit-globe.com.

For those unable to participate during the call, a replay will be available on Gazit-Globe's website for future review.