



גזית-גלוב בע"מ  
GAZIT-GLOBE LTD.

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**First Capital Realty To Redeem \$20 Million Principal Amount Of 8.5%  
Convertible Debentures  
Completes Acquisition Of Two Properties For \$56.6 Million**

First Capital Realty Inc. ("First Capital Realty") (TSX:FCR) announced today that it will redeem \$20 million aggregate principal amount of its outstanding 8.5% convertible debentures (FCR.DB.A), on October 30, 2003 by the issuance of common shares, together with accrued and unpaid interest payable in cash. The number of common shares to be issued per \$100 principal amount of debentures will be calculated by dividing the dollar amount of principal payable by an amount equal to 95% of the weighted average trading price of the common shares of First Capital Realty on the Toronto Stock Exchange calculated for the 20 consecutive trading days ending on October 23, 2003.

If, however, the weighted average trading price per common share of First Capital Realty calculated for this 20 consecutive trading day period is less than \$15.30, First Capital Realty will redeem the 8.5% convertible debentures on October 30, 2003 in cash. The closing price of the Company's common shares on September 4, 2003 was \$15.60. A notice specifying the terms of the redemption will be sent to debentureholders at least 30 days prior to October 30, 2003.

"Given the 8.5% coupon and as the dilution from the Series A debentures will be already fully reflected in our numbers, this is an opportune time for First Capital to call them for redemption," said Dori J. Segal, President and C.E.O. of First Capital Realty.

First Capital Realty intends, from time to time, to take advantage of appropriate opportunities to increase the market capitalization and public float of its shares. The 8.5% convertible debentures mature on November 30, 2006 and First Capital Realty may choose to redeem additional amounts in the future. First Capital Realty may also continue to make future interest payments through the issuance of common shares to holders of its 7.25% convertible debentures and its 7% convertible debentures and may elect to pay principal amounts due on redemption or maturity on all or any of its outstanding convertible debentures through the issuance of common shares, in any case on and subject to the terms of these debentures.

In addition, the Company announced that it has completed the acquisition of Maple Grove Village and Gloucester City Centre.

" Maple Grove Village is a 98,000 square foot neighbourhood shopping centre located in Oakville, Ontario, and was purchased for a total price of \$18.1 million including closing costs and is anchored by a Sobeys supermarket and a PharmaPlus drugstore. The purchase price was satisfied by a combination of cash and \$12 million of long-term debt at a fixed rate of 6.31%.

" Gloucester City Centre is a 340,000 square foot community shopping centre located in Ottawa, Ontario, and was purchased for a total price of \$38.5 million including closing costs. In addition, the vendor was granted certain earn-out provisions that may increase

the purchase price by a maximum of \$4.1 million, secured by a non-interest bearing vendor take-back (VTB) mortgage. The centre is anchored by a 127,000 square foot Loblaws supermarket and a 98,000 square foot Zellers, as well as, a PharmaPlus drugstore, Scotiabank, CIBC, RadioShack, PetroCanada and several national fast food tenants. The purchase price was satisfied by a combination of cash and \$29.5 million of long-term debt at a fixed rate of 6.52%.

In addition to Meadowvale Town Centre which is on schedule to close December 2nd, the Company has four additional properties, in three separate transactions, under agreements to purchase for a total price of approximately \$58 million.

“I’m very pleased with these properties which are exactly in line with our acquisition strategy and also with the progress we’ve made so far this year,” added Mr. Segal, “These transactions are both financially and operationally accretive.”