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# GOOD THINGS HAPPEN WHEN YOU OWN GOOD REAL ESTATE

Q1 2017 Financial Results – May 23, 2017

Extra Itaim, Sao Paulo

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This presentation may include forward-looking statements, including forecasts, evaluations, pro forma figures, estimates and other information relating to future events and issues. Forward-looking statements may relate to, among other things, revenues, earnings, cash flows, capital expenditures and other financial items. Forward-looking statements may also relate to our business strategy, goals and expectations concerning our market position, future operations, profitability, liquidity and capital resources. All statements other than statements of historical facts are forward-looking statements and can be identified by the use of forward-looking terminology such as the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases.

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**Dor J. Segal**  
Executive Vice-  
Chairman and CEO



**Adi Jemini**  
Executive Vice-  
President and CFO

## BUSINESS STRATEGY

Create value by owning and developing the best necessity-based retail in major urban markets globally, with a strategy that is increasingly direct and on balance sheet



## FINANCIAL RESULTS FOR Q1 2017

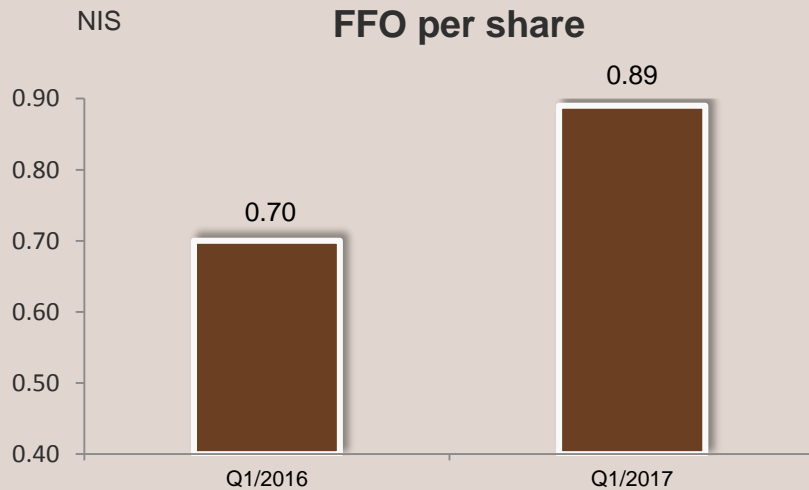
(in NIS millions except per share data)	3 months ended March 31		
	<u>2017</u>	<u>2016</u> <sup>(1)</sup>	<u>Change %</u>
Property rental income	698	714	(2.2%)
NOI	477	493	(3.2%)
NOI adjusted for exchange rates	477	462	3.2%
Economic FFO <sup>(2)</sup>	174	137	27%
Economic FFO <sup>(2)</sup> per share (NIS)	0.89	0.70	27%
Economic FFO <sup>(2)</sup> adjusted for exchange rate	174	127	37%
Economic FFO <sup>(2)</sup> adjusted for exchange rate per share (NIS)	0.89	0.65	37%
Number of shares used in calculating the diluted FFO per share (000)	195,583	195,566	0%
Consolidated cash flow from operating activities	192	290	-
Fair value gain on investment property	50	103	-
Loss attributable to equity holders of the company	(276)	(278)	-
Diluted Loss per share attributable to equity holders of the Company (NIS)	(1.44)	(1.44)	

(1) Reclassified, see note 3b and 3c in the financial statements

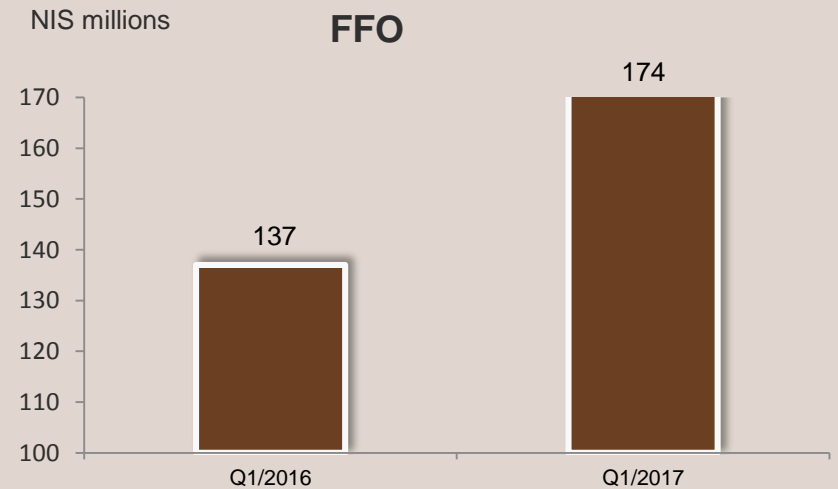
(2) Economic FFO is presented according to management approach and EPRA, and includes Gazit's proportionate share in Regency's FFO.

## FFO – Q1 2017

### Economic FFO per share – Q1 2017 vs. Q1 2016



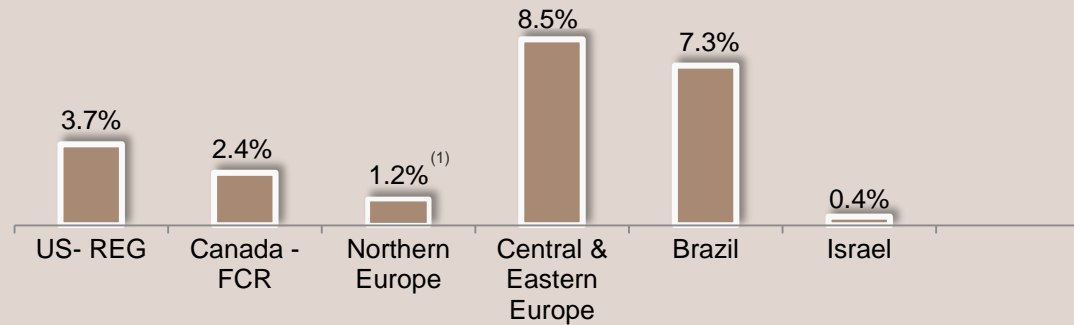
### Economic FFO – Q1 2017 vs. Q1 2016



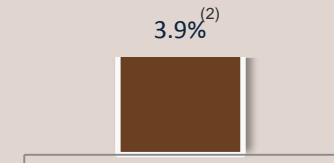
# OPERATIONAL PARAMETERS

## Q1 2017 Same property NOI growth

### Geographic Spread

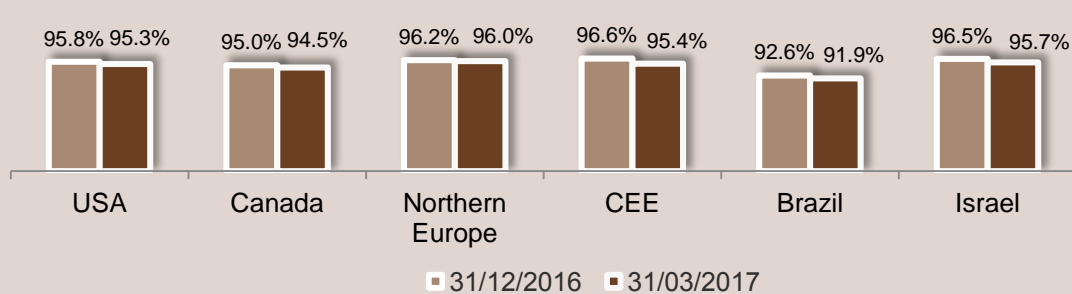


### Total

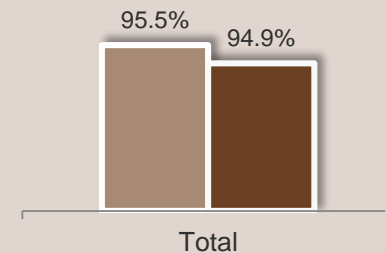


## Resilient assets with stable occupancy

### Geographic Spread



### Total



(1) Including Norway and Kista

(2) Russia same property NOI increased by 31%. Excluding Russia – Total portfolio Same property NOI growth is 2.6%

## BALANCE SHEET HIGHLIGHTS

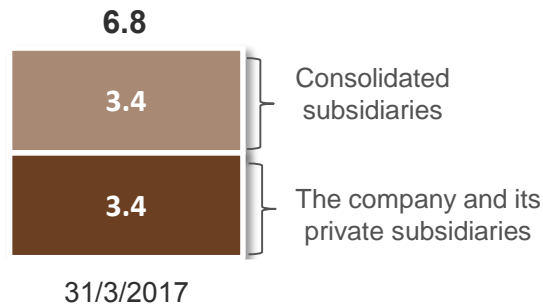
(in NIS million except per share data)	As of March 31	As of December 31
	<u>2017</u>	<u>2016</u>
Total Assets	48,347	86,887
Investment Properties & Development	33,569	78,679
Interest Bearing Debt, Net	25,240	42,591
Total Equity	17,079	33,768
Shareholder's Equity	9,084	8,158
Shareholder's Equity Per Share	46.4	41.7
EPRA NAV per share	54.7	56.5
Net Debt to Total Assets (LTV)	53.7%	50.1%
Net Debt to Total Assets (LTV Expanded Solo)	53.6%	62.0%



# LIQUIDITY AND FINANCIAL STRENGTH

## Liquidity (1)

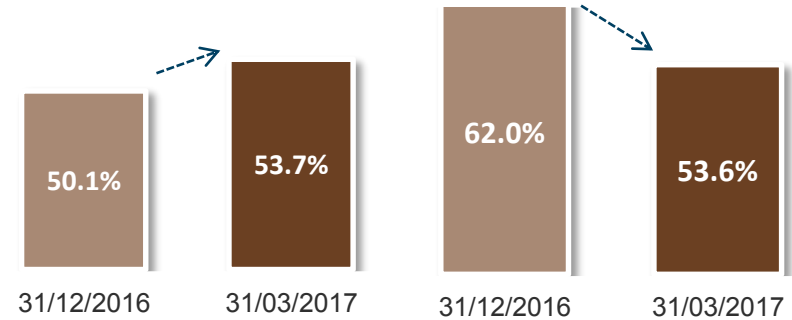
NIS billions



## Leverage

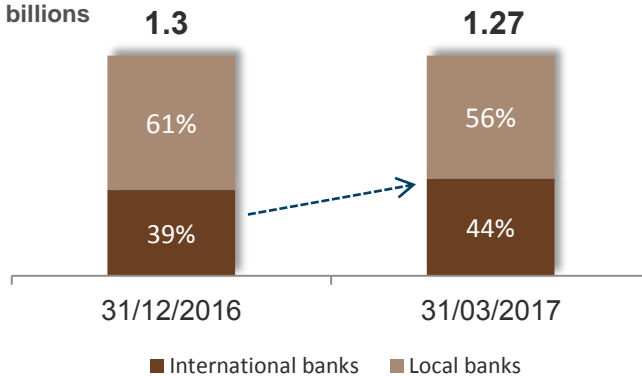
Consolidated

Expanded Solo



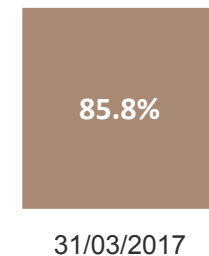
## Lines of Credit

USD billions



## Unencumbered Pool of Assets (2)

NIS billions



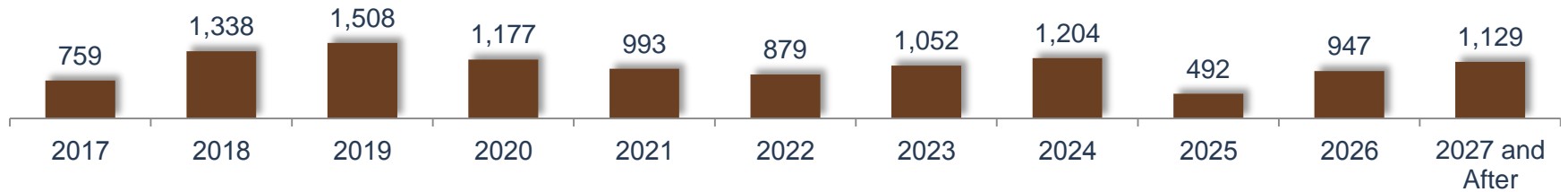
(1) Not including liquidity in FCR amounting to NIS 1.8B

(2) % of Unencumbered pool of assets from investment asset in consolidated subs (i.e. not including assets FCR and REG)

# WELL STAGGERED DEBT MATURITY SCHEDULE

## Debenture Maturity Schedule

NIS Millions



- **Weighted average debt maturity: 4.84 years**
- **Average interest rate: 4.73%**

<sup>(1)</sup> As of 31 March 2017. Comprises financial liabilities at the Gazit-Globe parent level and its private subsidiaries.



Thank You