FOR IMMEDIATE RELEASE:

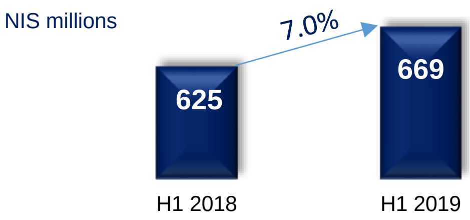
Gazit Globe Reports Its Results for the Second Quarter and the First Six Months of 2019

Continuous Improvement in the Operational and Financial Parameters

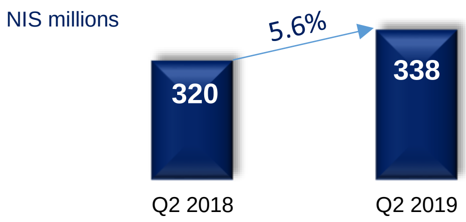
- ***Increase of 7.0% in the proportionate NOI in six months ended June 30, 2019 ("Period") compared to the same period in 2018;***
- ***Same property NOI growth in the period of 4.1% excluding Russia (growth of 3.7% including Russia), compared to the same period in 2018;***
- ***Private subsidiaries: the NOI in the period increased by 28.1% to NIS 214 million (US$ 60 million) compared to the same period in 2018;***
- ***Increase of 26.2% in the FFO per share excluding Regency and First Capital in the period compared to same period in 2018;***
- ***Increase of 14% in the operating cash flow per share (expanded solo) in the period compared with the same period in 2018 to NIS 1.06 per share.***

TEL-AVIV, ISRAEL; August 21, 2019 – Gazit Globe (TASE: GZT), a leading global real estate company focused on the ownership, management and development of mixed use properties in urban markets, announced today its financial results for the second quarter and six months ended June 30, 2019.

Proportionate NOI (excluding Regency and First Capital) in the period increased 7.0% compared to the same period in 2018.



Proportionate NOI (excluding Regency and First Capital) in the quarter increased 5.6% compared to the same quarter in 2018.



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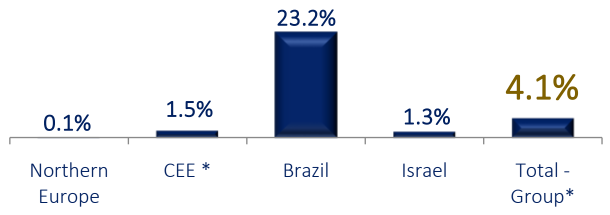
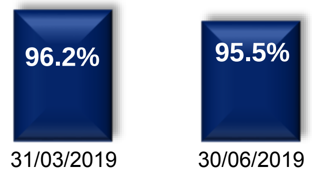
Same Property NOI growth of 4.1% (excluding Russia) compared to same period in 2018.



* Same Property NOI in Central and Eastern Europe including Russia grew 0.5% and 3.7% on the Group Level.

Occupancy remained high and stable at 95.5%.



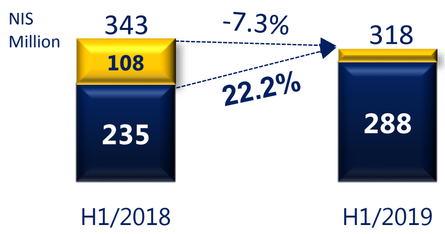
Highlights – Private Subsidiaries

- NOI for the private subsidiaries in the period increased by 28.1% to NIS 214 million compared to NIS 167 million in the same period in 2018;
- Average monthly base rent per sqm at June 30,2019 increased by 25.4% and 2.8% in Brazil and Israel, respectively, compared to June 30, 2018.
- Same property visitors grew in the period by 10.0% and 4.9% in Brazil and Israel, respectively, compared to the same period in 2018.
- Same property sales grew in the period by 10.7% in Brazil and by 1.2% in Israel compared to the same period in 2018.

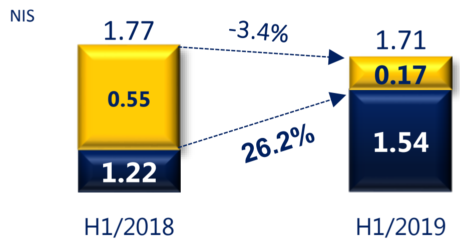
		NOI (NIS million)			Average Monthly Base Rent Per Sqm			Same Property Sales Growth (6 months)	Same Property Visitors Growth (6 months)
	Occupancy	H1/2019	H1/2018	Change %	30/06/2019	30/06/2018	Change %		
Brazil	95.6%	₪ 100	₪ 69	*44.9%*	BRL 79.0	BRL 63.0	*25.4%*	10.7%	10.0%
Israel	98.5%	₪ 85	₪ 80	*6.3%*	₪ 110.0	₪ 107.0	*2.8%*	1.2%	4.9%
US	96.0% (1)	₪ 22	₪ 10	*120.0%*	*NA*	*NA*	*NA*	*NA*	*NA*
Europe- Others	*NA*	₪ 7	₪ 8	-	*NA*	*NA*	*NA*	*NA*	*NA*
Total		**₪ 214**	**₪ 167**	***28.1%***					

(1) Occupancy level in US excludes Brickell in Miami which will be demolished and includes Ceasar's Bay in New York which as of June 30, 2019 was 72.7% occupied, and as of the date of the reporting the vacant space has been leased, and the asset is 99% occupied, which increase the occupancy in US to 96%.
(2) The decrease in the NOI compared to the same period in 2018 is due to the sale of an asset in Germany.

FFO in the period increased 22.2% (excluding Regency and FCR). Economic FFO* decreased 7.3% compared to the same period in 2018, mainly due to the sale of Regency and FCR shares.



FFO per share in the period increased 26.2% (excluding Regency and FCR). Economic FFO* per share decreased 3.4% compared to the same period in 2018, mainly due to the sale of Regency and FCR shares.



FFO in the quarter increased 14.5% (excluding Regency and FCR). Economic FFO* decreased 16.0% compared to the same quarter in 2018 offset mainly due to the sale of Regency and FCR shares.

FFO per share in the quarter increased 20.3% (excluding Regency and FCR). Economic FFO* per share decreased 12.1% compared to the same quarter in 2018, mainly due to the sale of Regency and FCR shares.

(*) Economic FFO is presented based on management approach and EPRA, and includes Gazit's proportionate share of FFO from its Regency's shares which were fully disposed in 2018 and FFO from its FCR's shares which most of it disposed in the period.

- The operating cash flow in the period (expanded solo) increased by 14% and totaled NIS 1.06 per share:

	H1/2019	H1/2018	Change%
Cash flow from operating activities excluding the special dividend from Atrium (NIS million)	**197**	**179**	**10.1%**
Cash flow from operating activities per share excluding the special dividend from Atrium (NIS)	**1.06**	**0.93**	**14.0%**

Chaim Katzman, Founder and CEO Commented: "The second quarter and first six months of 2019 financial results represent continuous growth and high level of occupancy rate in all of the territories and specifically in our wholly owned subsidiaries. We are determined to continue implementing our strategy to increase the private real estate component in our portfolio while maintaining a level of leverage lower than 50% on expanded solo basis.

The potential acquisition of Atrium shares and its privatization, which we announced subsequent to the quarter, represents a significant milestone in carrying out this strategy. We are very happy to have Menora Mivtachim as our partner for this investment.

Focusing on assets located in densely populated urban markets is proving itself. We see continuous growth in the average rent per sqm as well as in all others operational metrics in the portfolio. We are continuing the process of enhancing mixed uses in our existing properties as another tool to create value, and we will continue to implement this strategy, primarily in the urban markets in which we operate."

Strategic Events

- On April 16, 2019, the Company completed the transaction to sell most of its stake in First Capital Realty (FCR), for approximately CAD $1.2 billion (approximately NIS 3.2 billion). Post transaction, the Company holds 21.6 million shares of FCR, approximately 9.9% of the outstanding shares. The transaction is a part of the ongoing strategy to divest of mature public investments, increase the Company's share of privately held investments and reduce leverage.

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- Subsequent to the quarter, on July 23, 2019, the Company announced an offer to acquire all of the issued shares it does not currently own of its publicly-traded Jersey Island subsidiary, Atrium European Real Estate Limited (“Atrium”)., at a price of 3.75 Euros per share and which equates to gross consideration of EURO 565 million (approximately NIS 2.2 billion), to be paid solely in cash. The shares subject of the offer comprise approximately 150 million shares or 40% of Atrium’s outstanding share capital. Upon the closing of the acquisition, Atrium will be a private company and its shares will be de-listed from trading on the Vienna Stock Exchange and the Euronext Amsterdam. In parallel, Gazit has entered into an agreement pursuant to which, upon closing, the Company will sell to Menora Mivtachim up to approximately 12% of Atrium’s outstanding shares at an identical price to the price at which the Company is acquiring those shares, for total consideration of approximately 150 million Euros after adjustments to the purchase price.

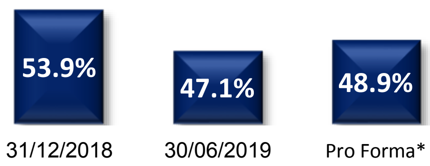
  Before the transaction is complete, Atrium intends to distribute to all of its shareholders (including Gazit) a special dividend of 0.60 Euros per share, after which the offer price for the transaction will be adjusted to 3.15 Euros per share, which equates to gross consideration of approximately 475 million Euros (approximately NIS 1.9 billion).
- **Upon completion of the acquisition, and the sale of the shares to Menora Mivtachim, Gazit’s privately-held assets will increase by EURO 2.7 billion (approximately NIS 10.5 billion) and will constitute approximately 78% of the value of its assets (expanded solo).**
- **Approximately 15% expected increase in Company’s FFO by NIS 86 million (NIS 0.46 per share) to NIS 671 million (NIS 3.60 per share)*.**
- **Gazit’s shareholders’ equity is expected to grow by NIS 308 million (NIS 1.71 per share) as a result of acquiring Atrium’s shares at a price below Atrium’s corresponding shareholders’ equity value.**

  The Company evaluate offers to sell up to 8% of Atrium's outstanding shares to an additional Israeli institutional investor at an identical price to the price at which the Company is acquiring those shares.
  The above financial projections do not take into account an additional sale to an institutional investor except for Menora Mivtachim.

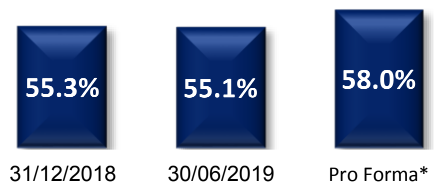
  The transaction is expected to close at January 2020 and is subject to approval of the Royal Courts of Jersey and the special majority of the minority shareholders at a general meeting of the Company. The scheme will require approval by minority shareholders representing 75% of the votes cast at that meeting and who represent a majority in number of the shareholders that vote at such meeting.

* Based on the Company's FFO guidance for 2019.

Net Debt to Total Assets (LTV) (Expanded Solo)



Net Debt to Total Assets (LTV) (Consolidated).



FFO Guidance

The Company publishes its FFO guidance as is customary in other North American and European real estate companies. The FFO guidance is provided below to present the Company management’s estimations with respect to the Company’s business and operating results.

Below is the FFO guidance for 2019, which is based on public information and the management’s estimations, including the FFO guidance of public investees, if published, and the following assumptions:

Known exchange rates and interest rates as of the reporting date.

Acquisitions, sales, investments in development of properties according to the Company's plan.

Excluding unanticipated material events that affect the Group's operations.

	Guidance Pro Forma- Atrium Transaction (***)	2019 Guidance (Unchanged) (**)	H1/2019 Actual	2018 Pro forma(*)
Economic FFO (NIS millions)	662-677	577-592	318	556
Economic FFO per share (NIS)	3.56-3.64	3.10-3.18	1.71	2.89

(*) The Pro forma is presented in order to compare between the periods. The pro forma in 2018 is excluding Regency results and FCR results related to FCR shares sold in April 2019.
(**) 2018 actual results and 2019 previous guidance based on the completion of the sale of the majority of the Company's ownership stake in FCR.

(***) Pro Forma assuming completion of the acquisition and based on the financial statements as of June 30, 2019. The Pro Forma doesn't take into account the option to sell up to 8% of Atrium's shares to an additional institutional investor.

The Company's Economic FFO guidance for 2019 is forward-looking information, as defined in the Securities Law, 1968, which is based on the aforementioned assumptions, including assessments and estimates by Management of the of Company and the Group companies pertaining to future events and matters whose materialization is not certain nor under the Group's control. There is no certainty that the guidance will be realized, wholly or partly, and actual results could be different from those set forth above due, inter alia, to their dependence on events that are not under the control of the Company and the Group.

Acquisition and Disposals

- Investments in acquisition of real-estate in the Company and its wholly owned subsidiaries in the quarter and through publication of this report:

Asset	Location	Use	Acquisition Date	Cost (local currency, million)	Cost (million ILS)	Population 3 miles (5km)	Avg. Household Income in 3 miles (5km)
Marketplace	Boston	Commercial & Office	April 2019	$82	294	389,000	$106K
Chestnut St. 1618-22	Philadelphia	Commercial & Office	September 2019*	$31	112	494,000	$77K
Total					406		

* In August 2019, the Company entered into a binding agreement to acquire the asset. The deal is expected to be closed at September 2019.

Development and Redevelopment

As of June 30, 2019 the Group has ongoing projects in a total investment of approximately NIS 1.7 billion (Company's share) (US$ 476 million):

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▪ The Company has two ongoing projects in Tel Aviv and Rishon Lezion, Israel, with a total gross leasable area (GLA) of 15,465 square meters which are expected to be completed in the fourth quarter of 2019 and **are expected to increase the Company's NOI by approximately NIS 22 million annually.**

In addition, the Company has five developments and expansions projects in planning stages for a total investment of approximately NIS 925-980 million (Company's share) (US$ 259-275) which will increase **the Company's NOI by approximately NIS 81-88 million annually (US$ 22-24) (Company's share).**

Project	Location	Gross Leasable Area (GLA, Sqm)	Use	Gazit's Share	Completion	Cost to Complete (100%, NIS million	Investment at 30/6/2019 (NIS million)	Expected Annual NOI (NIS million)	Expected Annual NOI, Gazit's Share (NIS million)
To be completed in 2019									
G Kochav Hazafon (Form 4 was accepted)	Tel Aviv, Israel	2,200	Retail	100%	Q4/2019	12	102	7	7
G Fashion	Rishon Lezion, Israel	13,265	Retail	100%	Q4/2019	54	116	15	15
Total Project to be completed in 2019		**15,465**					**218**	**22**	**22**
Development Pipeline in Construction									
Water Factory - Decathlon store and head quarters (Construction started)	Kfar Saba, Israel	13,611	Commercial & Office	25.5%	Q2/2021	164-174	13	12-14	3-3.5
Development Pipeline in Planning Stages									
G City - Office tower (zoning has been approved and detailed planning submission is in proccess. Construction should start at the 3rd quarter of 2020)	Rishon Lezion, Israel	60,000	Commercial & Office	100%	Q4/2024	585-615	-	52-55	52-55
Savyon- expansion of retail and office (plan has been approved and construction expected to start by the end of 2019)	Savyon, Israel	4,500	Commercial & Office	100%	Q1/2021	52	-	7.5	7.5
G Kfar Saba - expansion of the retail and office tower. Zoning for the office tower has been approved subject to conditions.	Kfar Saba, Israel	40,000	Commercial & Office	51%	Q1/2024	475-515	-	39-42	20-22
Brickell - Company is examining several scenarios for usage of the 48 stories building rights for mixed use of commercial and residential	Miami, FL, US	35,000	Commercial, Office and Residential	100%			*NA*		
Total Development Pipeline in Planning Stages		**153,111**	**(Company's share 119,900 sqm)**					**109-119**	**81-88**

▪ In addition, the Company's European consolidated subsidiaries (Citycon and Atrium) have ongoing development and redevelopment projects of approximately 65,000 sqm (Company's share 34,000 sqm) with a total investment of NIS 845 million (US$ 237 million)(Company's share NIS 465 million) (Not including the cost to completion of the project Lippulaiva in Helsinki, Finland, which is negotiated with constructor companies) which as of June 30, 2019 NIS 792 million (US$ 222 million) has been invested.

Financials

▪ Shareholder's equity as of June 30, 2019 totaled NIS 8,344 million (US$ 2,340 million) of NIS 45.2 per share (US$ 12.7 per share).
▪ The net fair value loss of investment property and investment property under development in the Group in the quarter was approximately NIS 90 million (US$ 25 million). The loss is primarily due to devaluations in Northern Europe.
▪ Adjusted net income* in the quarter totaled NIS 133 million (US$ 37 million).
▪ Loss attributable to shareholders in the period totaled NIS 41 million (US$ 11.5 million), or NIS 0.22 per diluted share (US$ 0.06 per share), compared to a loss of NIS 414 million (US$ 116 million), or NIS 2.14 per diluted share (US$ 0.60 per share) in the same period in 2018. The decrease in the loss attributable to shareholders in the period is due to a gain from derivatives in the period compared to a loss from derivatives in the same period in 2018 and

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due to a loss from devaluation of REG in the same period in 2018 offset with the loss from the sale of FCR shares in the period.
Loss attributable to shareholders in the quarter totaled NIS 83 million (US$ 23 million), or NIS 0.45 per diluted share (US$ 0.13 per share), compared to a net income of NIS 72 million (US$ 20 million), or NIS 0.37 per diluted share (US$ 0.10 per share) in the same quarter in 2018.

* Net Income adjusted for gain from financial derivatives, loss from the sale of FCR shares (net of tax), fair value changes from investment property, and CPI linkage.

- As of June 30, 2019, the Group had liquidity and unused revolving credit facilities in the aggregate amount of NIS 7.7 billion (US$ 2.15 billion), **of which NIS 4.5 billion (US$ 1.3 billion) was at the Company level and its wholly owned subsidiaries which includes cash and cash equivalent, marketable secutirities and short term deposits in the amount of NIS 2 billion. In addition, proceeds from the sale of FCR shares in the amount of approximately CAD 125 million (NIS 340 million) shall be paid to the Company no later than April 16, 2020.**

- As of June 30, 2019, the Company and its wholly owned subsidiaries have unencumbered assets in the amount of NIS 6.7 billion (US$ 1.9 billion), of which NIS 2.2 billion (US$ 616 million) in Israel, which comprises approximately 78% of the Company's and its wholly owned subsidiaries' properties.
- The average annual interest rate (expanded solo) as of June 30, 2019 was 3.97%, compared to 4.25% as of June 30, 2018.
- The weighted debt duration in the Company and its wholly owned subsidiaries as of the date of publication increased to 4.69 years compared to 4.45 years on December 31, 2018. The weighted average bond maturity in the Company and its wholly owned subsidiaries as of the date of publication was 4.8 years.
- The Company repurchased approximately 5.6 million of its own shares in the period for an aggregate amount of NIS 158 million (US$44 million).
- The Company will distribute a quarterly cash dividend of NIS 0.405 per share, payable on September 18, 2019 to shareholders of record as of September 9, 2019.

ACCOUNTING AND OTHER DISCLOSURES

References to the "Group" relate to Gazit-Globe's consolidated statements. References to the "Company" relate to Gazit-Globe's stand-alone financial statements. Unless otherwise stated, financial information included in this press release relates to the "Group".

The Company believes that publication of FFO, which is computed according to EPRA guidance, more correctly reflects the operating results of the Company, since the Company's financial statements are prepared in line with IFRS. In addition, publication of FFO provides a better basis for the comparison of the Company's operating results in a particular period with those of previous periods and also provides a uniform financial measure for comparing the Company's operating results with those published by other European real estate companies.

In addition, pursuant to the investment property guideline issued by the Israel Securities Authority in January 2011, FFO is to be presented in the "Description of the Company's Business" section of the annual report of investment property companies on the basis of the EPRA criteria. As clarified in the EPRA and NAREIT position papers, the EPRA Earnings and the FFO measures do not represent cash flows from operating activities according to generally 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. Furthermore, it is clarified that these measures are not audited by the Company's independent auditors.

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CONFERENCE CALL/WEB CAST INFORMATION

Gazit Globe will host a conference call and webcast in English on Wednesday, August 21, 2019 10:00 am US EST/ 5:00 pm Israel Time, to review the second quarter and six months period ended June 30, 2019 financial results. Shareholders, analysts and other interested parties can access the conference call by dialing: United States 1 888 668 9141, Canada 1 866 485 2399, United Kingdom 0 800 917 5108, Brazil (Landline only) 0 800 764 6063, International / Israel +972 3 9180610

A presentation and replay of the call will be available on the company's website under "Investor Relations" at: www.gazitglobe.com

Webcast link: http://veidan-stream.com/gazitglobeq2-2019.html

About Gazit Globe

Gazit Globe is a leading global real estate company focused on the ownership, management and development of retail and mixed use properties in North America, Israel, Brazil, Northern, Central and Eastern Europe, located in urban growth markets. Gazit Globe is listed on the Tel Aviv Stock Exchange (TASE: GZT) and is included in the TA-35 index in Israel. As of June 30, 2019, Gazit Globe owns and operates 102 properties, with a gross leasable area of approximately 2.5 million square meters and a total value of approximately NIS 40 billion. In addition, as of June 30, 2019 the Company owns approximately 9.9% of First Capital Realty Inc.

FOR ADDITIONAL INFORMATION

A comprehensive copy of the Company's financial report is available on Gazit Globe website at www.gazitglobe.com

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FORWARD LOOKING STATEMENTS

This release may contain forward-looking statements within the meaning of applicable securities laws. In the United States, these statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of known and unknown risks and uncertainties, many of which are outside our control that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks detailed in our public filings with the SEC and the Canadian Securities Administrators. Except as required by applicable law, we undertake no obligation to update any forward-looking or other statements herein, whether as a result of new information, future events or otherwise.

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