FOR IMMEDIATE RELEASE:

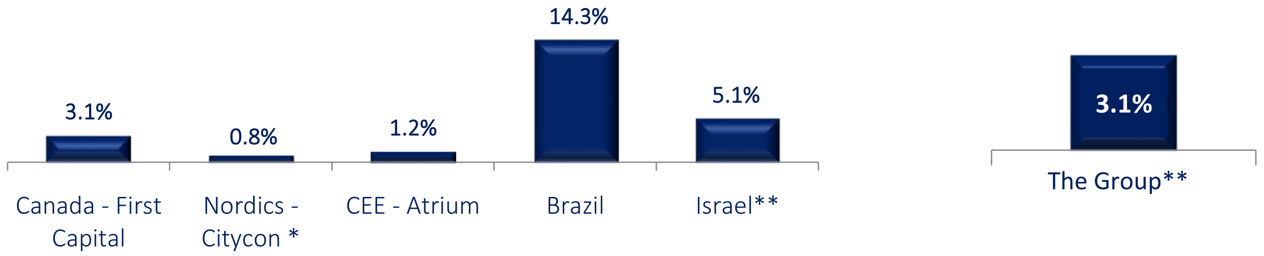
Gazit Globe Reports Fourth Quarter and 2018 Annual Results

Improvement in All Operational Parameters in the Period

- ***Increase in the proportionate NOI of approx. 5.8% and 8.8% in the period and in the quarter, respectively;***
- ***Same property NOI growth of 3.1%;***
- ***Increase of approx. 9.5% in FFO per share and of approx. 35.3% in the FFO per share excluding Regency in the quarter compared with the same quarter in 2017;***
- ***Increase of approx. 21.1% in the operating cash flow on expanded solo level to NIS 545 million (approx. NIS 2.83 per share);***
- ***Occupancy increased by 1.0% to 96.6%;***
- ***Fair value gain of NIS 481 million in 2018 in investment properties of our private portfolio due to increase in NOI;***
- ***Dividend increase by approx. 6.6% to NIS 1.62 per share from NIS 1.52 per share.***

TEL-AVIV, ISRAEL; March 18, 2018 – Gazit Globe (TASE: GZT), a leading global real estate company focused on the ownership, management and development of retail and mixed use properties in urban markets, announced today its financial results for the fourth quarter and year ended December 31, 2018 ("Period").

Same Property NOI growth in 2018 of 3.1% compared to same period in 2017.

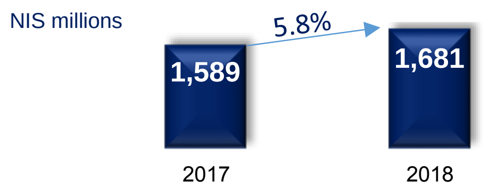


* Same Property NOI in Northern Europe, Citycon, excluding Iso Omena, Helsinki, Finland, decreased by 0.5%.

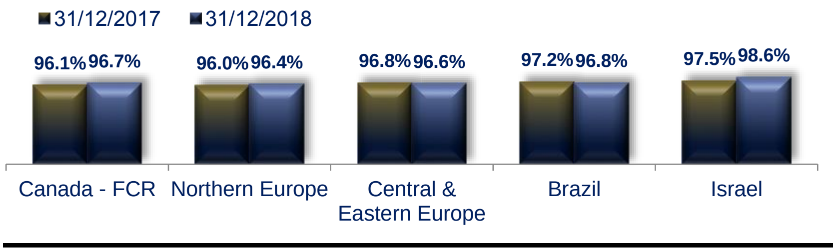
** Excluding the redevelopment in G City which was ended in Q3 2017 the same property NOI in the group grew in the period by 2.6% and in Israel by 1.7%.

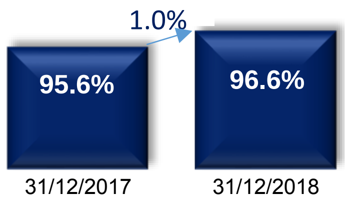
Proportionate NOI (excluding Regency, including First Capital) in the quarter increased approx. 8.8% compared to the same quarter in 2017.

Proportionate NOI (excluding Regency, including First Capital) in the period increased approx. 5.8% compared to the same period in 2017.



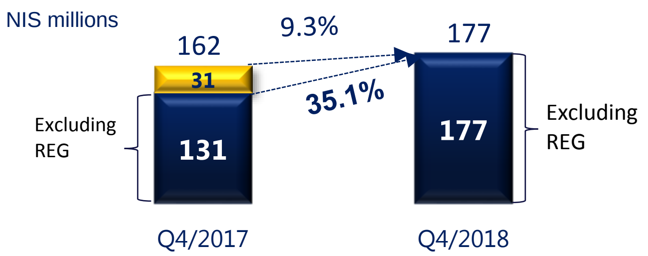
Occupancy increased to 96.6%, a 1.0% increase compared to December 31, 2017.



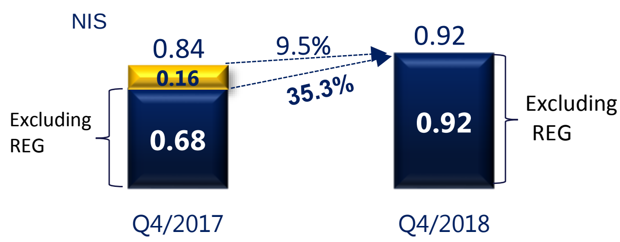


During the period, the Company fully realized its investment in Regency Centers by divesting its remaining shares for approximately of NIS 3.9 billion (US$1.1 billion). **The decrease in FFO due to the sale of Regency shares is completely** offset by the increase in FFO from the Company's private subsidiaries, the reduction in interest expenses and G&A expenses.

FFO in the quarter increased approx. 35.1% (excluding Regency). Economic FFO* increased approx. 9.3% compared to the same quarter in 2017 offset mainly by the sale of Regency Shares.

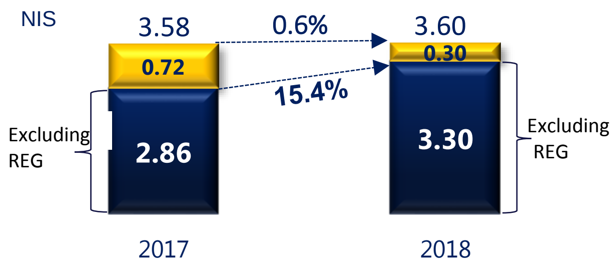


FFO per share in the quarter increased approx. 35.3% (excluding Regency). Economic FFO* increased approx. 9.5% compared to the same quarter in 2017 offset mainly by the sale of Regency Shares).



FFO in the period increased approx. 14.2% (excluding Regency). Economic FFO* decreased 0.9% compared to the same period in 2017 mainly due to the sale of Regency.

FFO per share in the period increased approx. 15.4% (excluding Regency). Economic FFO* increased approx. 0.6% compared to the same period in 2017 offset mainly by the sale of Regency.



FFO Excluding Regency

FFO from Regency

(*) Economic FFO is presented based on management approach and EPRA, and includes Gazit's proportionate share in Regency's FFO which were disposed in the period.

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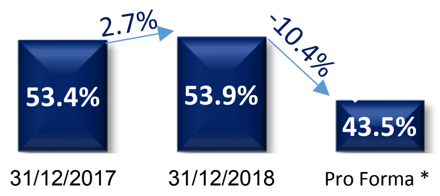
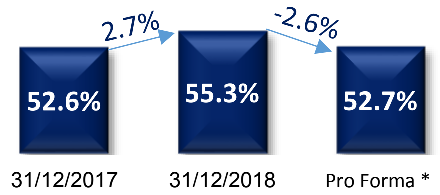
Net Debt to Total Assets (LTV) (Expanded Solo)

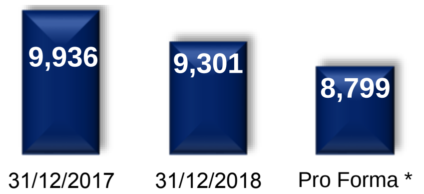


Net Debt to Total Assets (LTV) (Consolidated).



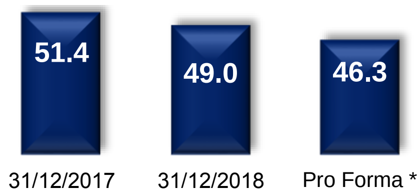
Shareholder’s Equity in the period decreased by approx. NIS 635 million (US$ 169 million) mainly due to the devaluation of Regency share price (which were fully disposed in the period) and the devaluation of the currencies against the NIS offset by the increase of the fair value of the private investments properties.

NIS millions



Shareholder’s Equity per Share in the period decreased by NIS 2.4 per share mainly due to the devaluation of Regency share price (which were fully disposed in the period) and the devaluation of the currencies against the NIS offset by the increase of the fair value of the private investments properties.

NIS



* Pro Forma – Net debt to total assets, Shareholder's Equity and Shareholder's Equity per share as of December 31, 2018 **assuming the completion of FCR transaction[1].**

- The Company published it operating cash flow on expanded solo basis:

	2018	2017	Change %
Cash flow from operating activities excluding the special dividend from Atrium (NIS million)	**409**	**326**	**25.5%**
Cash flow from operating activities per share excluding the special dividend from Atrium (NIS)	**2.12**	**1.67**	**26.9%**
Special dividend from Atrium (NIS million)	136	124	9.7%
Cash flow from operating activities with the special dividend from Atrium (NIS million)	**545**	**450**	**21.1%**
Cash flow from operating activities per share with the special dividend from Atrium (NIS)	**2.83**	**2.31**	**22.5%**

The general and administrative costs at the headquarter level decreased by approximately 10.8% to NIS 66 million compared to NIS 74 million in 2017.

- **The net fair value gain of private investment property and investment property under development in the period was NIS 481 million (US$ 128 million), and in the quarter was NIS 431 million (US$ 115 million). The gain is primarily due to increase in the cash flow from the properties in Brazil and US** partially offset by devaluations in Northern Europe non-core assets which were NIS 317 million (US$ 84 million), and in the quarter was NIS 85 million (US$ 23 million).
- The Company continued the strategy of increasing the private real estate portfolio, while focusing on urban properties in major cities around the world, which are densely populated with strong demographics. **As of the publication of this report, and assuming the completion of FCR transaction[1], the Company's share of private directly held investments is approx. 46% out of its assets value (expanded solo). In addition, 75% of the Company's assets are located in 14 metropolitan areas compared to 69% as of December 31, 2017.**

- [1] On February 28, 2019 the Gazit Globe announced entry into transaction for the sale of 23% of its stake in FCR for Approx. CAD $1.2 Billion. **The transaction is subject to certain conditions including a FCR shareholder vote.**

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Chaim Katzman, Founder and CEO Commented: "A few weeks ago we executed another part of our strategy, which includes divesting mature investments in order to further delever as well as to increase our private real estate portfolio. As part of this we announced the sale of most of our Canadian holdings company FCR for total net consideration of NIS 3 billion - a transaction which is subject to approval including approval of the minority shareholders of FCR.

At the same time we are working to execute the complementary part of the strategy, which is evident in the excellent results of our private companies - Brazil, Israel and the US, which continue to be the Group's most significant growth engines, where NOI rose in the period by 19.7%. In the US we have started to base ourselves with a properties portfolio in irreplaceable locations, which is already creating significant value this quarter, and it is our intention to continue to increase it. Revenue in Brazil and Israel grew in 2018 by 10% and 2% respectively, and the growth in cash flow from same properties grew in Brazil by over 14% and by 5% in Israel. The increases in NOI in the private companies have led to a growth of almost half a billion shekels this year in the value of the Group's private real estate, with hardly any change in their Cap."

Highlights – Private Subsidiaries

- NOI for the private subsidiaries in the period increased by 19.7% and totaled NIS 365 million (US$ 97 million) compared to NIS 305 million (US$81 million) in the same period last year.
- NOI for the private subsidiaries in the quarter increased by 33.3% and totaled NIS 104 million (US$ 28 million) compared to NIS 78 million (US$ million) in the same period last year.

		Same Property	NOI (NIS million)			Average Monthly Base Rent Per Sqm			Same Property Sales Growth		Increase in Investment Property	
	Occupancy	NOI (YoY)	Q4/2018	Q4/2017	Change %	31.12.2018	31.12.2017	Change %	Q4.2018	2018	Q4/2018	2018
Brazil	96.8%	14.3%	52	32	*62.5%*	BRL 70.5	BRL 68.4	*3.1%*	10.3%	9.9%	270	277
Israel	98.6%	5.1% (1)	41	39	*5.1%*	NIS 107.4	NIS 106.1	*1.2%*	-	1.8%	30	29
US	84.3%(2)	*NA*	7	4	*75.0%*	*NA*	*NA*	*NA*	*NA*	*NA*	94	94 (3)
Germany	*NA*	*NA*	4	3	*33.3%*	*NA*	*NA*	*NA*	*NA*	*NA*	37	81
Total			**104**	**78**	***33.3%***						**431**	**481**

(1) The increase in Same Property NOI in Israel excluding the redevelopment in G City is was 1.7%.
(2) Occupancy level in US excludes the asset Brickell in Miami which is vacant on development plan and Ceasar's Bay in Brooklyn, NY which was 73.48% occupied and after the reporting date most of its vacant spaces were leased.
(3) Increase in the fair value of investment properties includes the revaluation in Caesar's Bay in Brooklyn, NY totalled approx. US$ 18.1 million (Gazit's share) which is classified in the Company's books as joint venture.

Acquisition and Disposals

- Investments in acquisition of real-estate in the Company and its wholly owned subsidiaries in the quarter and until the publication of this report totaled NIS 533 million (US$ 142 million):

Asset	Location	Use	Acquisition Date	Cost (local currency, million)	Cost (million ILS)	Population 3 miles (5km)	Avg. Household Income in 3 miles (5km)
Iconic Chen Movie Theather & Leumi Bank	Dizengoff St., Tel Aviv	Retail	October 2018	NIS 102	102	541,421	NIS 135K
Newbury 341	Boston	Commercial & Office	January 2019	$51	191	543,000	$ 115K
159 Newbury Condo Harvard Square	Boston	Retail Ground Lease	December 2018	$24	91	543,000	$ 115K
Internacional – 10.1%	Sao Paulo	Retail	February 2019	BRL 155	149	584,367	BRL 48.5K
Total					533		

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- Disposals – the Company's wholly owned subsidiary sold an asset in Germany for Euro 13.1 million.
- In October, Atrium, the Company's consolidated subsidiary, acquired Wars Sawa Junior, a high street retail asset in the heart of Warsaw, Poland, with a gross leasable area of 26,000 square meters for a total of €301.5 million (NIS 1.27 billion).

Development and Redevelopment

- In the quarter and as of the publication of this report, the Company and its wholly owned subsidiaries completed expansion of approximately 9,000 sqm in Mais Shopping in Sao Paulo which were leased to number of international retailers as well as Brazilian government agency for a total investment of NIS 61 million. In addition, 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 to increase the Company's NOI by approximately NIS 22 million annually.
- The Company has plans for four developments and expansions which will increase the gross leasable area (GLA) by approximately 91,519 square meters.

Project	Location	Gross Leasable Area (GLA, Sqm)	Use	Gazit's Share	Completion	Cost to Complete	Book Value at 31/12/2018 (NIS million)	Expected NOI (NIS million)	Expected NOI, Gazit's Share (NIS million)
Completed on 2018									
Expansion - Mais	Sao Paulo, Brazil	8,759	Retail	100%	Q4/2018		61.4	3.1 [(1)]	3.1 [(1)]
To be completed in 2019									
G Fashion	ishon Lezion, Israe	13,265	Retail	100%	Q4/2019	68	109	15	15
G Kochav Hazafon	Tel Aviv, Israel	2,200	Retail	100%	Q1/2020	17	88	7	7
Total Project to be completed in 2019		**15,465**					**197**	**22.3**	
Development Pipeline in Planning Stages									
G Kfar Saba - expansion of the retail and office tower (zoning has been submitted)	Kfar Saba, Israel	25,000	Commercial & Office	51%		450	-	-	-
G City - Office tower (zoning has been submitted and is waiting for approval)	Rishon Lezion, Israel	50,000	Commercial & Office	100%		450-500	-	-	-
Water Factory - Decathlon store and head quarters	Kfar Saba, Israel	13,611	Commercial & Office	26%	Q4/2020	164-174	13	12-14	3-3.5
Savyon- expansion of retail and office	Savyon, Israel	2,908	Commercial & Office	100%		35	-	-	-
Total Development Pipeline in Planning Stages		**91,519**							

(1) Mais Shopping expansion includes 4,800 sqm built for Poupatempo, Government agency, which doesn't pay direct rent, but is expected to increase the daily number of visitors by 20,000.

- In the quarter the Company and its consolidated subsidiary completed three redevelopment projects in Warsaw with a total gross leasable area of approx. 20,300 sqm out of a development plan in Warsaw of 60,000 sqm for a total investment of approximately Euro 300 million which as of December 31, 2018, Euro 145 million have been invested. In addition the Company and its consolidated subsidiary completed the development of Molndal Galleria in Gothenburg, Sweden, with a total gross leasable area of approx. 24,000 sqm and total investment of approximately Euro 115 million.

- In addition, the Company's consolidated subsidiaries (excluding First Capital Realty) have ongoing development and redevelopment projects of approximately 65,000 sqm with a total investment of NIS 1.7 billion (US$ 0.45 million) which as of December 31, 2018 NIS 970 million (US$ 259 million) have been invested.

Financials

- Adjusted net income* in the quarter totaled NIS 141 million (US$ 38 million) and in the period totaled NIS 474 million (US$ 126 million). Net Income attributable to shareholders in the quarter totaled NIS 160 million (US$ 43 million), or NIS 0.84 per diluted share, compared to a gain of NIS 583 million (US$ 155 million), or NIS 3.00 per diluted share (US$ 0.80 per share) in the same quarter in 2017. The decrease in net income attributable to shareholders in the quarter is due to a lower tax income of approximately NIS 421 million (US$ 112 million) due to the US tax reform and decrease of US corporate tax from 35% to 21%. Loss attributable to shareholders in the period totaled

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NIS 253 million (US$ 68 million), or NIS 1.32 per diluted share (US$ 0.35), compared to a net income of NIS 493 million (US$ 131 million), or NIS 2.49 per diluted share (US$ 0.66 per share) in the same period in 2017. The loss is mainly due to the devaluation of Regency shares which were fully divested in the period and loss from early repayments of debentures.

* Net Income adjusted for fair value loss (gain) from investment property, impact of exchange rates on derivatives and changes in the fair value of financial securities.

- As of December 31, 2018, the Group had liquidity including unused revolving credit facilities in the aggregate amount of NIS 8.3 billion (US$ 2.2 billion), **of which NIS 4.6 billion (US$ 1.2 billion) was at the Company level and its wholly owned subsidiaries which includes cash and cash equivalent in the amount of NIS 1.7 billion.** In addition, First Capital had cash, cash equivalent and unused revolving credit facilities in the aggregate amount of NIS 1.5 billion (US$ 400 million). **The liquidity in the Company level and its wholly owned subsidiaries does not include proceeds from the potential transaction of FCR, which is subject to certain conditions and the approval of FCR shareholders (excluding Gazit) of an aggregate net amount of approximately NIS 3 billion (US$ 800 million).**

- As of December 31, 2018 the Company and its wholly owned subsidiaries have unencumbered assets in the amount of NIS 6.2 billion (US$ 1.7 billion) which comprises approximately 77% of the Company's and its wholly owned subsidiaries' properties.
- The average annual interest rate (expanded solo) as of December 31, 2018 was 3.96%, compared to 4.93% as of December 31, 2017.
- On October 22, 2018 the Company completed a public offering of its existing Series M debentures in Israel. The total gross proceeds from the offering were approximately NIS 549 million (approximately US$ 150 million), representing an annual yield to maturity of 2.79% (Israeli-CPI adjusted).
- The Company repurchased in the period its series 4 and series 10 debentures for a total consideration of approximately NIS 1,102 million (US$ 287 million) with an average coupon of 5.9%.
- The weighted debt duration in the Company and its wholly owned subsidiaries as of the date of publication increased to 4.45 years compared to 4.26 years on December 31, 2017.
- The Company repurchased its own shares in the period for an aggregate amount of NIS 113 million (US$30 million).
- The Company will distribute a quarterly cash dividend of NIS 0.405 per share, payable on April 16, 2019 to shareholders of record as of April 7, 2019.

Subsequent Events

- The Company repurchased its own shares subsequent to quarter end for an aggregate amount of NIS 79 million (US$21 million).
- On February 28, 2019, the Company and its wholly-owned subsidiary entered into agreements related to its stake in First Capital, which are subject to certain conditions including the approval of the majority of FCR's shareholders excluding Gazit, to sell 58 million shares of FCR at a price of CAD 20.60 per share for aggregate consideration of approximately CAD $1.2 billion (approximately NIS 3.3 billion). If completed, Company's ownership interest in FCR would be reduced from approximately 31.3% currently to approximately 9.9%.
- On March 17, 2019, the Company's Board of Directors approved a tender offer, by the Company, for up to 10 million of its shares (constituting 5.3% of the Company's share capital) at a price of NIS 29 per share.

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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.

	Excluding FCR transaction	
	2019 Guidance	2018 FFO excluding REG
Economic FFO (NIS millions)	661-676	636
Economic FFO per share (NIS)	3.56-3.64	3.30

	Assuming completion of FCR transaction	
	2019 Guidance including FCR transaction*)	2018 Pro forma**)
Economic FFO (NIS millions)	577-592	556
Economic FFO per share (NIS)	3.10-3.18	2.89

(*) Assuming completion of the sale of most of the interests held in FCR, refer to Note 37c to the financial statements.
(**) Pro forma information is presented for comparison between the periods. Pro forma information for 2018 is excluding REG's results and FCR's results in respect of the shares for which the Company has entered into conditional agreements to sell, refer to Note 37c to the financial statements.

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.

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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.

CONFERENCE CALL/WEB CAST INFORMATION

Gazit Globe will host a conference call and webcast in English on Monday, March 18th, 2019 09:00 am US EST/ 3:00 pm Israel Time, to review the fourth quarter and year ended December 31, 2018 financial results. Shareholders, analysts and other interested parties can access the conference call by dialing: United States 1 888 668 9141, Canada 1 888 604 5839, United Kingdom 0 800 917 5108, Brazil (Landline only) 0 800 764 6063, International / Israel +972 3 9180687

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/gazitglobeq4-2018.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, Brazil, Israel, 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 December 31, 2018 Gazit-Globe owns and operates 103 properties, with a gross leasable area of approximately 2.5 million square meters and a total value of approximately NIS 41 billion. In

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addition, the Company owns 31.3% of First Capital Realty Inc and as of December 31, 2018. On February 28, 2019 Gazit Globe announced that the Company and its wholly-owned subsidiary entered into agreements related to its stake in First Capital Realty which are subject to certain conditions including the approval of the majority of FCR's shareholders excluding Gazit, to sell most of its stake in FCR for aggregate consideration of approximately CAD $1.2 billion (approximately NIS 3.3 billion). If completed, Gazit's ownership interest in FCR would be reduced from approximately 31.3% currently to approximately 9.9%.

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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