



Q3 2019

GREAT THINGS HAPPEN WHEN
YOU OWN GREAT REAL ESTATE

FINANCIAL RESULTS THIRD QUARTER & NINE MONTHS ENDED IN SEPTEMBER 30, 2019

LOCATION
LOCATION
LOCATION®

G - City | RISHON LEZION



BRIDGE TOWER | NEW YORK



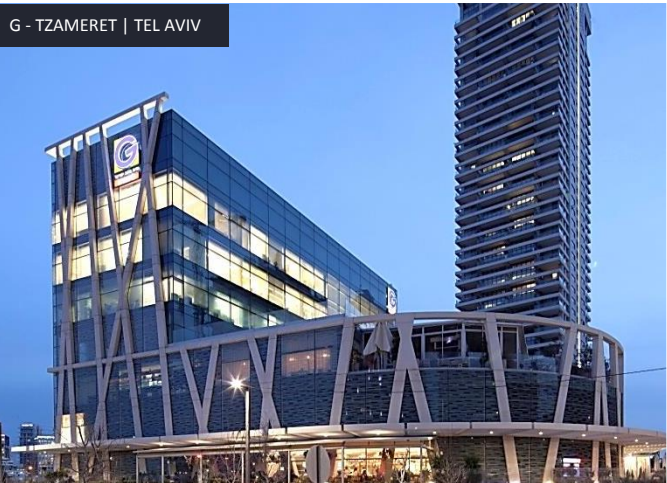
G | KFAR SABA



INTERNACIONAL SHOPPING | SÃO PAULO



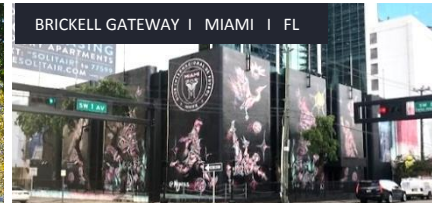
G - TZAMERET | TEL AVIV



MARKETPLACE | BOSTON



BRICKELL GATEWAY | MIAMI | FL



CEASAR'S BAY BAZAAR | BROOKLYN | NEW YORK



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GAZIT GLOBE GROUP

GAZITGLOBE

NINE MONTHS ENDED SEPTEMBER 30, 2019 – MAIN RESULTS

STRONG OPERATIONAL PERFORMANCE OF THE PORTFOLIO

Same Property NOI growth in the period (excluding Russia) of 5.0% compared to same period in 2018



* Same Property NOI in Central and Eastern Europe including Russia grew 0.3% and 4.5% on the Group Level.

NOI (proportionate) increased by 4.8% in the period (9.7% adjusted to fx rates)

I NIS Million



Financial Cost net, expanded solo

I NIS Million



FFO Per Share in the period- Excluding Regency & FCR

I NIS



MAIN HIGHLIGHTS

WHOLLY OWNED SUBSIDIARIES

- NOI for the private subsidiaries in the period increased by 26.2% to NIS 328 million compared to NIS 260 million.
- Occupancy remains high in all the territories, while Israel occupancy reached 98.8%.
- Average monthly base rent at September 30, 2019 increased by 22.2% and 2.6% in Brazil and Israel, respectively, compared to September 30, 2018
- Same Property visitors in the period increased by 10.0% and 5.0% in Brazil and Israel, respectively.
- Same Property Sales in the period increased by 9.5% and 0.4% in Brazil and Israel, respectively.

	Occupancy	NOI (NIS million)			Average Monthly Base Rent Per Sqm			Same Property Sales Growth (9 months)	Same Property Visitors Growth (9 months)
		1-9/2019	1-9/2018	Change %	30-09-19	30-09-18	Change %		
Brazil	95.2%	₪153	₪114	34.2%	BRL 77.0	BRL 63.0	22.2%	9.5%	10.0%
Israel	98.8%	₪130	₪119	9.2%	₪109.5	₪106.7	2.6%	0.4%	5.0%
US	95.3%(1)	₪35	₪14	150.0%	NA	NA	NA	NA	NA
Europe- Others	NA	₪10	₪13	-23.1%	NA	NA	NA	NA	NA
Total		₪328	₪260	26.2%					

(1) Occupancy level in US excludes Brickell in Miami which will be demolished and includes Ceasar's Bay in New York which as of September 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 95.3%.

(2) The decrease in the NOI compared to the same period in 2018 is due to the sale of an asset in Germany.

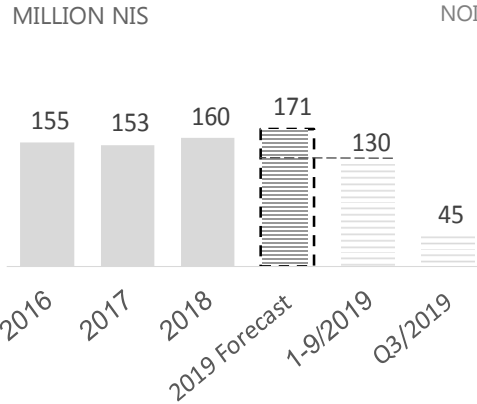


GAZIT GLOBE GROUP

ISRAEL | GAZIT ISRAEL



RAV CHEN THEATER TEL AVIV



11 #Assets	3.6 B NIS Portfolio Value	137K SQM GLA(Compa ny's share)
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Main Results in the Period

	98.8%	Occupancy
	3.3%	SS NOI
	0.4%	Same Property Sales
	5.0%	Same Property Visitors

- ✓ Investment in development and expansions in existing assets of approx. NIS 1.5 Billion (NIS 1.1 billion Company's share).
- ✓ Relatively low exposure to fashion – 25% of NOI and 19% of GLA.

TWO ONGOING PROJECTS WITH A GLA OF APPROX. 15,465 SQM
AND IN TOTAL INVESTMENT OF APPROX. NIS 287 MILLION

HANDING OVER SPACE TO TENANTS HAVE STARTED IN THE FOURTH QUARTER OF 2019.
THE PROJECTS WILL DELIVER ANNUAL NOI OF APPROX. NIS 22 MILLION

G FASHION – EXPANSION OF G CITY IN RISHON LETZION



Part of the stores were handed over to tenants and opening is expected in the 1st quarter of 2020. The property is 91.1% leased. Remaining space is negotiated.

KOCHAV HATZAFON, TEL AVIV



Stores were handed over to tenants and opening in phases started in November. The property is 87.5% leased. Remaining space is negotiated.

DEVELOPMENTS OF TWO OFFICE TOWERS IN OWNED PROPERTIES WHICH WILL INCREASE THE NOI BY APPROXIMATELY NIS 70-80 MILLION ANNUALLY (COMPANY'S SHARE).

G CITY OFFICE TOWER – 60,000 SQM



- Addition to G City, privately held 80,000 sqm GLA property on a land of approximately 19.7 acre in Rishon LeZion, the fourth largest city in Israel in part of Tel Aviv Metropolitan area.
- **Zoning and detailed planning has been approved. Construction should start at the 3rd quarter of 2020.**
- **In addition, the Company is preparing a zoning for additional three office towers in the size of 200,000 sqm (2,150,000 sqf).**

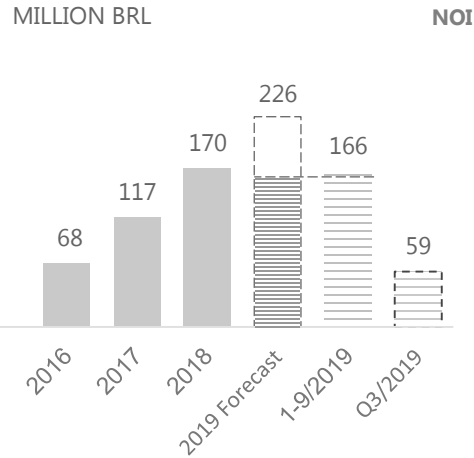
G KFAR SABA 21 STORIES OFFICE TOWER AND EXPANSION



- Additional building rights - 40,000 SQM* * Company's share – 51%
- The company is in the process of using its additional building rights to add prime commercial & office space to the existing shopping center.
- The Company submitted for building permit of 10,000 sqm (108,000 sqf) expansion of commercial space and a plan for 21 floors office tower on top of the commercial area in the size of 31,700 sqm (341,000 sqf).
- **Zoning for the office tower has been approved subject to conditions.**



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7
#Assets

3B NIS
Portfolio Value

179K
SQM
GLA

MAIN RESULTS IN THE PERIOD



95.2%

Occupancy



21.5%

SS NOI



9.5%

Same Property Sales



10.0%

Same Property Visitors

- ✓ SS NOI increase in all of the assets and particularly Morumbi 25.3%, Mais 40% and Internacional 18.8%.

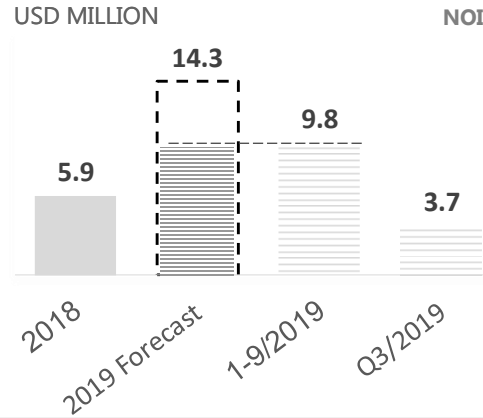
Supportive Macro Environment

- ✓ Pension fund reform has been approved in October 2019.
- ✓ Brazilian Central Bank cut its interest rate (Selic) by 0.5% to 5.0%.
- ✓ Inflation rate is at 2.54%.

BRICKELL | MIAMI



Illustration



NOI

11
#Assets

USD 480M
Portfolio Value

40K SQM
GLA

MAIN RESULTS IN THE PERIOD



95.3%*

Occupancy



FOCUSING ON GATEWAY CITIES WITH
SUPERIOR DEMOGRAPHICS



VALUE ADD OPPORTUNITIES IN MIXED USE
PROPERTIES

MAJOR UPSIDE AND POTENTIAL FOR VALUE CREATION IN THE EXISTING PORTFOLIO:

- ✓ 90,000 sqf Bed Bath and Beyond contract expiration in Manhattan.
- ✓ Office Conversion in 341 Newbury, Boston
- ✓ Renovation and leasing of office space in 1618-22 Chestnut, Philadelphia
- ✓ **Development Pipeline, Brickell, Miami:** Company is examining several scenarios for usage of the 48 stories building rights for mixed use of commercial, office, lodging and residential

* Occupancy level in US excludes Brickell in Miami which will be demolished and includes Caesar's Bay in New York which as of September 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 95.3%.



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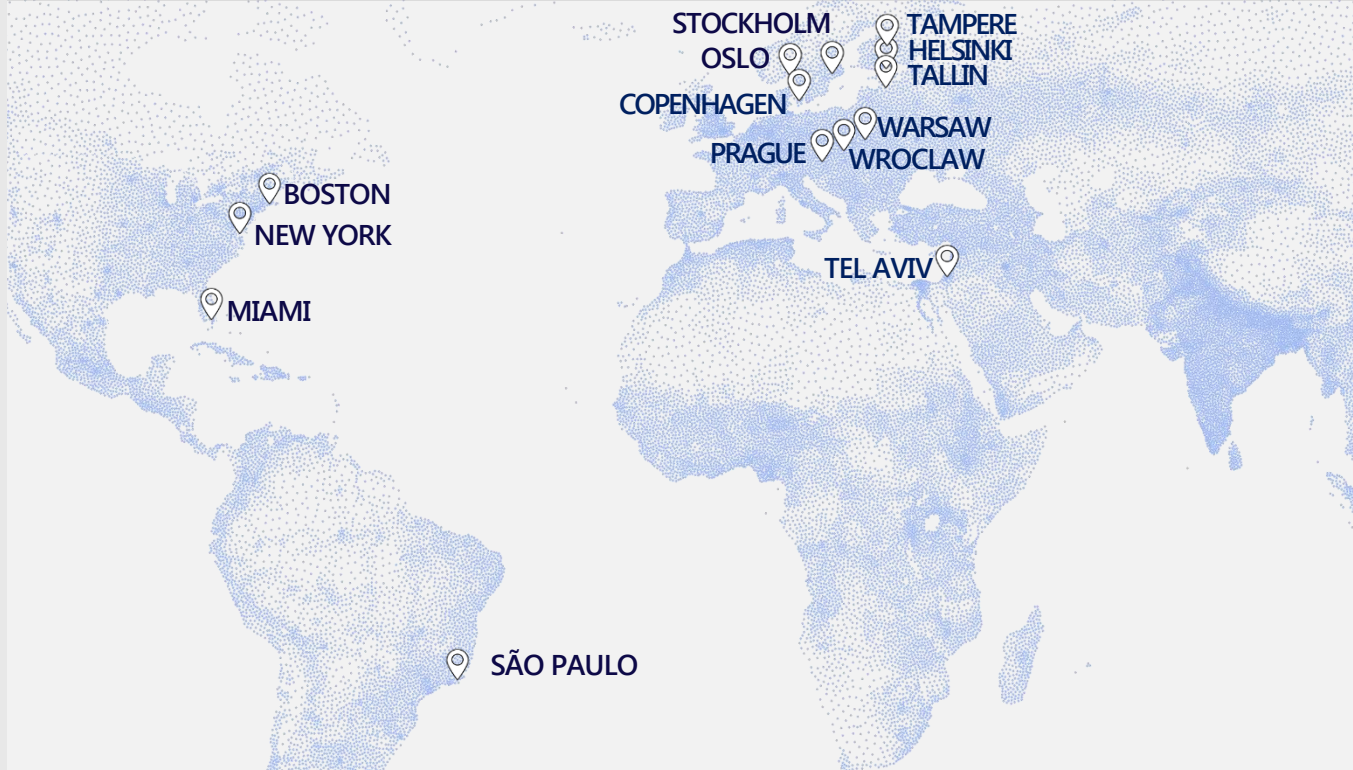
DEVELOPMENTS AND EXPANSIONS PROJECTS IN CONSTRUCTION AND IN PLANNING STAGES IN OUR WHOLLY OWNED SUBSIDIARIES IN A TOTAL INVESTMENT OF APPROX. NIS 1.5-1.6 BILLION WHICH WILL INCREASE THE NOI BY APPROXIMATELY NIS 110-116 MILLION ANNUALLY BY 2024 (COMPANY'S SHARE).

Project	Location	Gross Leasable Area (GLA, Sqm)	Use	Gazit's Share	Completion	Cost to Complete (100%, NIS million)	Investment at 30/9/2019 (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, Stores handed over to tenants)	Tel Aviv, Israel	2,200	Retail	100%	Q4/2019	4	113	7	7
G Fashion (Stores handed over to tenants, est. opening on January 2020)	Rishon Lezion, Israel	13,265	Retail	100%	Q4/2019	36	134	15	15
Total Project to be completed in 2019		15,465					247	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	162-172	15	12-14	3-3.5
Development Pipeline in Planning Stages									
G City - Office tower (zoning and detailed planning has been approved and the Company is waiting for permit. 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 Q1/2020)	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. Request for construction permit for the commercial area has been submitted.	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%	Q2/2023	515	108	28	28
Total Development Pipeline in Planning Stages		153,111	(Company's share 119,900 sqm)					138-147	110-116



FOCUS ON MAJOR CITIES IN DENSELY POPULATED AREAS

75 % OF GAZIT'S ASSETS* ARE LOCATED IN 14 METROPOLITAN AREAS



75%	
STOCKHOLM HELSINKI OSLO COPENHAGEN TALLIN GOTHENBURG	28% 25 ASSETS
CENTRAL EUROPE: WARSAW PRAGUE WROCLAW	13% 7 ASSETS
NEW YORK BOSTON MIAMI	8% 11 ASSETS
SAO PAULO	13% 7 ASSETS
METRO TEL AVIV**	13% 10 ASSETS

* The Company's relative share of the total value of the assets of the subsidiaries.
** Including G. Kfar Saba, G. Rishon Lezion, Sayyon and two land parcels.



G CITY | RISHON LE'TZION

THIRD QUARTER & NINE MONTHS ENDED IN SEPTEMBER 30, 2019 RESULTS

41 WINTER STREET | BOSTON | MA



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NORTH AMERICA | GAZITHORIZONS

REDUCING GAZIT'S COST OF DEBT AND HEDGING THROUGH DIRECT FINANCING OF THE PRIVATE REAL ESTATE

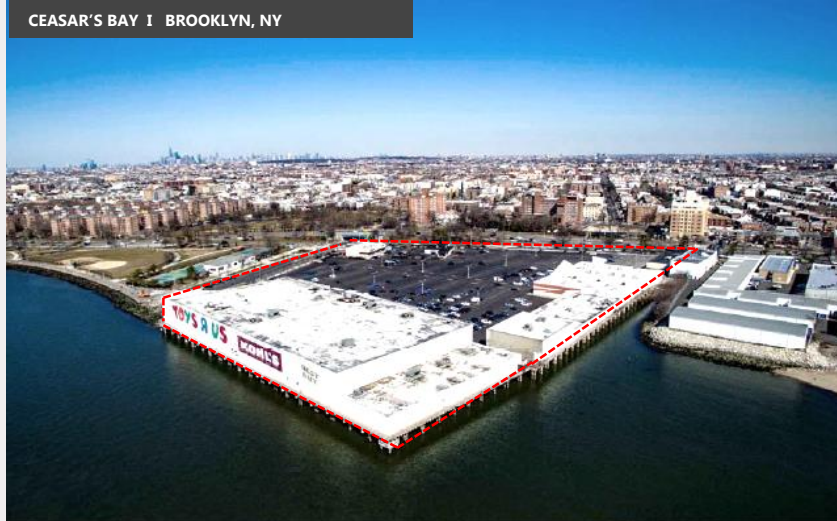
JULY 2019 –
ACQUISITION OF ADDITIONAL 8% TO 49% INTEREST.

AUGUST 2019 –
TARGET TOOK POSSESSION OF 90,000 SQF

OCTOBER 2019 –
REFINANCING:
* LTV 50%
* 10 YEARS, INTEREST ONLY – 3.015% (FIXED)

STABILIZED YIELD OF 12-14%.

CEASAR'S BAY I BROOKLYN, NY



ACQUIRED IN
JUNE 2018

49% INTEREST IN
JOINT VENTURE

14 ACRE
300,000 SF GLA

\$67,686 1-MILE AVG.
HOUSEHOLD INCOME

87,247 1-MILE POPULATION

JUNE 2018

Acquisition basis of \$50M
(Gazit's Share)

Occupancy at 73.5%

Going in Yield at approx. 4.1%

FEBRUARY 2019

Opened three new small shop tenants;
Downsized Kohl's to improve vacant
space;

Signed a 90,000 square foot lease with
Target and received all approvals

Q3 2019

Acquisition of additional 8%,
stabilized unlevered yield of 7.2%.
Refinancing: 50% LTV at 3.015%.

2020 PROJECTIONS

Yield on Cost (including the additional
8% acquisition) to stabilized to 7.2%
Stabilize levered yield of 12-14%.

FURTHER POTENTIAL UPSIDE:

Signage, self-storage, out
parcel's and land
development

FFO PER SHARE IN THE PERIOD

NIS |

OPERATING CASH FLOW PER SHARE IN THE PERIOD (EXPANDED SOLO)*

NIS |



FFO Exc. REG, FCR and at comparable exchange rates
 FFO from REG and FCR

(* Including payment of Atrium's third quarter 2019 dividend of approx. NIS 0.32 p.s which has not been distributed as part of Atrium transaction. There is no certainty whether Atrium will distribute the dividend and/or what will the amount of Atrium's future distributions be.

FFO GUIDANCE AND DIVIDEND DISTRIBUTION RATE

THE COMPANY RAISES ITS FFO GUIDANCE FOR 2019 TO NIS 3.18-3.24 PER SHARE AND THE ANNUAL DIVIDEND IN 2020 TO A MINIMUM OF NIS 1.72 PER SHARE.

	<u>2019</u>	<u>2019</u>	<u>1-9/2019</u>	<u>2018</u>
	<u>UPDATED GUIDANCE</u>	<u>PRIVIOUS GUIDANCE</u>	<u>ACTUAL</u>	<u>PRO FORMA^(*)</u>
ECONOMIC FFO (NIS MILLIONS)	590-601	577-592	456	556
ECONOMIC FFO PER SHARE (NIS)	3.18-3.24	3.10-3.18	2.46	2.89

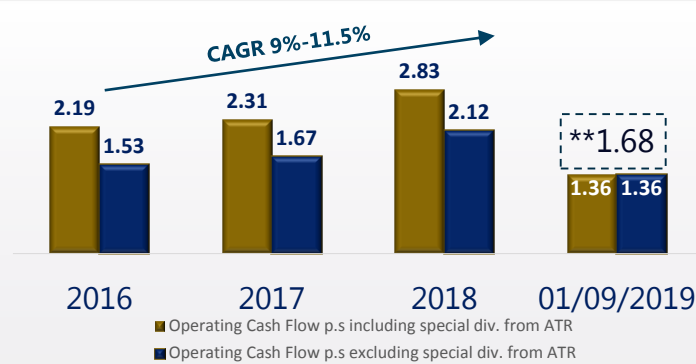
(*) The Pro forma is presented in order to compare between the periods. The pro forma in 2018 is excluding Regency results and FCR results related to FCR shares sold in April 2019.

As a result of the increase in the NOI and the reduction in the financial expenses, the Company raises its annual dividend in 2020 from NIS 1.62 per share to a minimum of NIS 1.72 per share which reflects a dividend payout ratio of 53% out of the expected FFO in 2019.

SAVINGS OF NIS 111 MILLION IN FINANCIAL COSTS COMPARED TO THE SAME PERIOD IN 2018

OPERATING CASH FLOW PER SHARE (EXPANDED SOLO)

NIS



REPAYMENT SCHEDULE IN 2020- 2024

NIS MILLION



FINANCIAL COSTS, NET, (EXPANDED SOLO)

NIS MILLION



	2020	2021	2022	2023	2024
Debentures Principal Which Come to Maturity (NIS million)	676	431	885	1,097	1,157
Average Interest of The Bond Series Which Come to Maturity (NIS million)	5.1%	4.6%	4.7%	4.6%	4.7%
Financial Costs Savings Assuming no Debt Refinancing (NIS million)	34	20	42	50	54
Financial Costs Savings Assuming Refinancing 100% of the Repayments (NIS million)	25	14	29	35	38
Financial Costs Savings Range (NIS million)	25-34	14-20	29-42	35-50	38-54

(*) 100% Refinancing in 1.42% yield to maturity as series 13 trading as of November 17, 2019.

(**) Including payment of Atrium's third quarter 2019 dividend of approx. NIS 0.32 p.s which has not been distributed as part of Atrium transaction. There is no certainty whether Atrium will distribute the dividend and/or what will the amount of Atrium's future distributions be.



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WARS SAWA JUNIOR | WARSAW



FINANCIAL STRENGTH

KOCHAV HATZAFON | TEL AVIV



BRIDGE TOWER | NEW YORK | NY

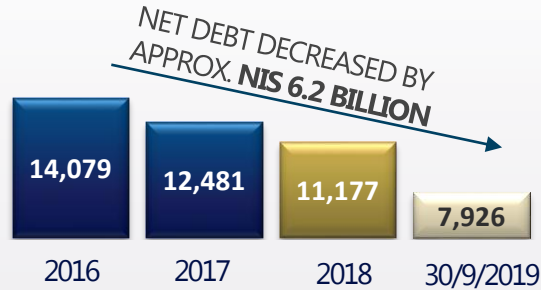


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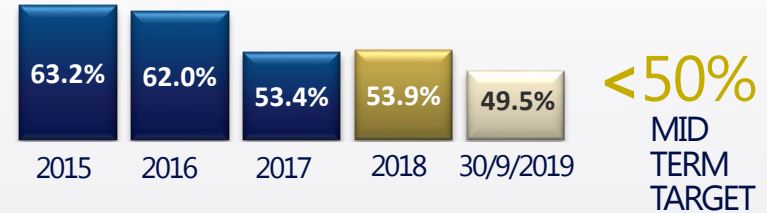
FINANCIAL STRENGTH

NET DEBT (EXPANDED SOLO)

NIS million



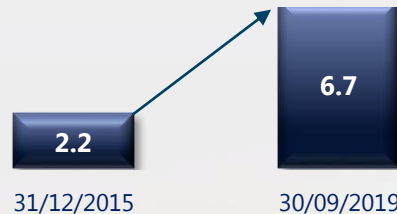
LTV (EXPANDED SOLO)



UNENCUMBERED ASSETS

NIS billion

NIS 6.7* billion asset value which comprises 79% of the private assets portfolio is unencumbered (compared to 51% in 2015), NIS 2.6 billion of which in Israel*

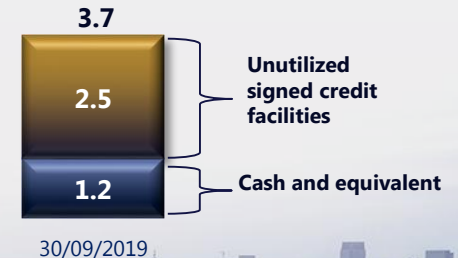


(*) Including part of G City, Rishon Lezion, Israel, which was encumbered for the remaining of Bond series 10 and was released with the final repayment at October 3, 2019.

LIQUIDITY – COMPANY AND IT'S WHOLLY OWNED SUBSIDIARIES

NIS billion

In addition to a NIS 3.7 billion liquidity, proceeds from the sale of FCR shares in the amount of approximately (NIS 330 million) shall be paid to the Company no later than April 16, 2020.



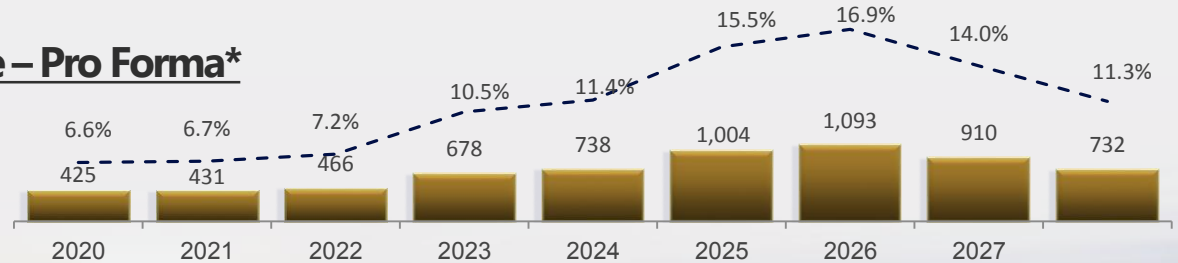
WELL STAGGERED DEBT MATURITY SCHEDULE - EXPANDED SOLO AS OF 30/9/ 2019

Current Debt Maturity Schedule



- Weighted average bond maturity: 5 years
- Weighted average interest rate: (Including Credit Facilities) 3.84%

Debt Maturity Schedule – Pro Forma*



* Pro Forma – assuming tender offer for debentures series K will be fully accepted.



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THANK YOU FOR YOUR TIME.

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