Azrieli Group Ltd.

Investor presentation –
Financial Statements 30.09.2010

November 24th, 2010

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•Everything stated in this presentation with respect to an analysis of the Company's business is merely a summary. To obtain a full picture of the Company's business and the risks facing the Company, review the Company's prospectus as filed with the ISA through the Magna website, its current reports and financial statements and board of directors' report as of September 30, 2010. The Company does not warrant that the Information is either complete or accurate, nor will bear any liability for any damage and/or losses which may result from a use of the Information.

•Various issues addressed in this presentation, which include forecasts, goals, estimates, assessments and other information pertaining to future events and/or matters, whose materialization is neither certain nor within the Company's control, including in connection with data, income forecast, NOI calculation for 2010 (based on the figures for the first three quarters of 2010), the value of the Group's holdings, costs of and profit from projects, the development and construction thereof, zoning plan changes, receipt of permits and the projects' concepts are forward-looking information , as defined in the Securities Law. Such Information is based solely on the Company's subjective assessment, based on facts and figures concerning the current state of the Company's business, and macro-economic facts and figures, all as are known to the Company on the date of preparation of this presentation. The Company does not undertake to update and/or change any such forecast and/or estimate to reflect events and/or circumstances occurring after the date of preparation of this presentation. The materialization or non-materialization of the forward-looking information will be affected, *inter alia*, by risk factors characterizing the Company's business, as well as by developments in the general environment and outside factors affecting the Company's business, third-party representations not materializing, delays in the receipt of permits, termination of contracts, a decline in the value of shares on the stock exchange, etc., which cannot be estimated in advance and are beyond the Company's control. The Company's results of operations may differ materially from the results estimated or implied from the aforesaid, *inter alia* due to a change in any one of the foregoing factors.

•The Information included in this presentation is similar to the information included in the prospectus and/or presentations released by the Company shortly thereafter and/or in the financial statements as of September 30, 2010, as released on Magna, and does not include new information. However, some figures which are included in the presentation, are differently presented and/or edited and/or segmented.

•The term "**NOI**" in the presentation refers to representative NOI (unless "actual NOI" is stated), with respect to the Group's income-producing real estate business only, as defined in the ISA's directive, and as included in the valuations of the Company's properties.

•The terms "**Neutralized FFO**" and "**weighted average cap-rate**" relate to the Group's income-producing real estate business only. The reader of the presentation is required to read such figures in conjunction with the board's explanations in the board of directors' report as of September 30, 2010, including the methods of calculation and the underlying assumptions.

•It is further clarified that the financial figures in the presentation attributed to the extended stand-alone statement, are unaudited. This statement presents a summary of the Company's statement data according to IFRS, apart from the Company's investment in Granite HaCarmel, which is presented in the book value method instead of consolidation of its figures in the Company's statements.

•The Company's estimations with respect to the growth figures are based on actual rental income, both from shopping mall and commercial center areas and from office and other space for lease, and in some cases including expansions performed at the relevant center, which are unaudited, non-GAAP figures, and have been made in good faith and according to the past experience and professional knowledge accumulated by the Company. Such information is presented below for the sake of convenience only, but is not a substitute for information provided by the Company in its financial statements or in connection therewith, and is therefore not to be relied upon in itself.

Azrieli Group - Business Card

- The Company has been a public company since June 2010.
- The Azrieli share is included in the following indexes: Tel Aviv 25, Tel Aviv 100 and Real Estate 15; and it is the only Israeli stock included in the EPRA index.
- Total shareholders' equity (relating to the shareholders) - NIS 10.2 billion[1].
- Current market capitalization of NIS 11.4 billion[2].
- The Company owns leasable area totaling 548,000 sqm, with another 180,000 sqm under construction.
- The average occupancy rate is close to 100%.
- The Company has 1,940 tenants.
- 97% of the fair value (consolidated) of the income-producing real estate and under development relates to real estate in Israel.
- Dividend policy – 35% of net income (Subject to tests determined).

(1) As of 30.09.2010.
(2) As of 22.11.2010.

Main Events in Q3 2010

Continued NOI Growth	✓ Continued growth in the NOI and cash-flow from the properties, both in the shopping malls sector and the office space and others sector.
Continued development of projects under construction	✓ Close completion of the excavation stage at the Azrieli Center Holon. ✓ Commencement of the marketing stage at Azrieli Akko Mall and Azrieli Kiryat Ata Mall. Completion forecast for the end of 2011 (versus previous completion forecast of March 2012) in both projects.
Investment in projects under construction	✓ In Q3/2010 the Company invested NIS 43 million in projects under construction and existing properties. ✓ From the beginning of 2010, a total of NIS 109 million were invested in these projects.
leasing	✓ Continued leasing of Building E (approx. 13,000 sqm gross leasable area (GLA)) in Herzliya Business Park. Approx. 30% of the GLA has signed contracts.
Bank Leumi	✓ In Q3, the share value of bank Leumi on the TASE increased by approx. 22% (resulting in a rise of NIS 212 million in the value of the Group's holdings), with another 5% rise from the end of Q3 until close to the date of release of the statements (another increase of NIS 50 million). ✓ Bank Leumi announced a dividend of NIS 500 million (the Group's share being NIS 24 million), to be reflected in the Q4/2010 financial statements.

Highlights – Q3 2010
(summary of extended stand-alone statements)

Additional 11% growth in NOI

✓ Additional growth of 11% in the **third quarter NOI**, totaling NIS 224 million, compared to NIS 201 million in the same quarter last year, due to both an internal increase in rent (same property NOI) and the acquisition of the Azrieli Haifa Shopping Mall.

Additional 7.5% growth in Same Property NOI

✓ Additional **Same Property NOI** growth of 7.5% during the third quarter compared to the same quarter in 2009. The growth is attributed to an internal increase in rent and the continued population of income-producing properties.

1.8% growth in NOI from previous quarter

✓ The **NOI** in the third quarter in both, in shopping malls and offices and others segments, also reflects a growth of 1.8% compared to the previous quarter (Q2/2010).

9% growth in Real Estate segment FFO

✓ **Real Estate segment FFO** (relating to the Group's income-producing real estate business only) totaled NIS 155 million compared to NIS 142 million in the same quarter last year, reflecting a 9% increase. The increase is attributed to an overall improvement in the real estate sector.

Fair market value of income producing real-estate as of 30.09.2010: NIS 11.3 billion

✓ This figure compares to NIS 11.1 billion in investment properties in the previous quarter (Q2/2010). The rise is attributed to re-evaluations of the RE properties during the quarter due to CPI-linked contracts only. Other NOI growth factors, if any, will be reflected in the re-evaluations to be made in the 2010 annual statements.

Balance sheet value

(summary of extended stand-alone statements)

	30.09.2010	30.06.2010	31.12.2009	Change (YTD)
Cash, securities and deposits	2,342	2,280	59	+3,869%
Financial debt, gross	4,556	4,582	4,862	-6%
Financial debt, net (1)	2,214	2,302	4,803	-54%
Financial assets available for sale	1,657	1,444	1,694	-2%
Fair value of income-producing real estate	11,340	11,159	10,795	+5%
Shareholders' equity (excluding minority interest)	10,215	9,798	7,314	+40%
Shareholders' equity to balance sheet ratio	63%	62%	54%	
Total balance sheet	16,256	15,776	13,586	+20%

(1) Not including financial assets available for sale.

Financial Results – Q3/2010
(NIS in millions)

	Q3/2010	Q3/2009	Change
Property rental income	283	253	+12%
NOI	224	201	+11%
Same property NOI	216	201	+7.5%
Real Estate segment FFO	155	142	+9%
Investment property impairment[1]	153	200	-24%
Net income	251	656 [2]	-62%
Comprehensive income	425	896 [2]	-53%

(1) According to the Company's policy, the re-evaluations made during this quarter were attributed to the CPI-linked contracts only. Other NOI growth factors, if any, will be reflected in the re-evaluations to be made in the 2010 annual statements.

(2) Extraordinary circumstance effects (reduction in the sum of NIS 443 million due to a reduction in the corporate tax rate, and revaluations), during this period and the equivalent period. See clause 1.9 of the financial statements.

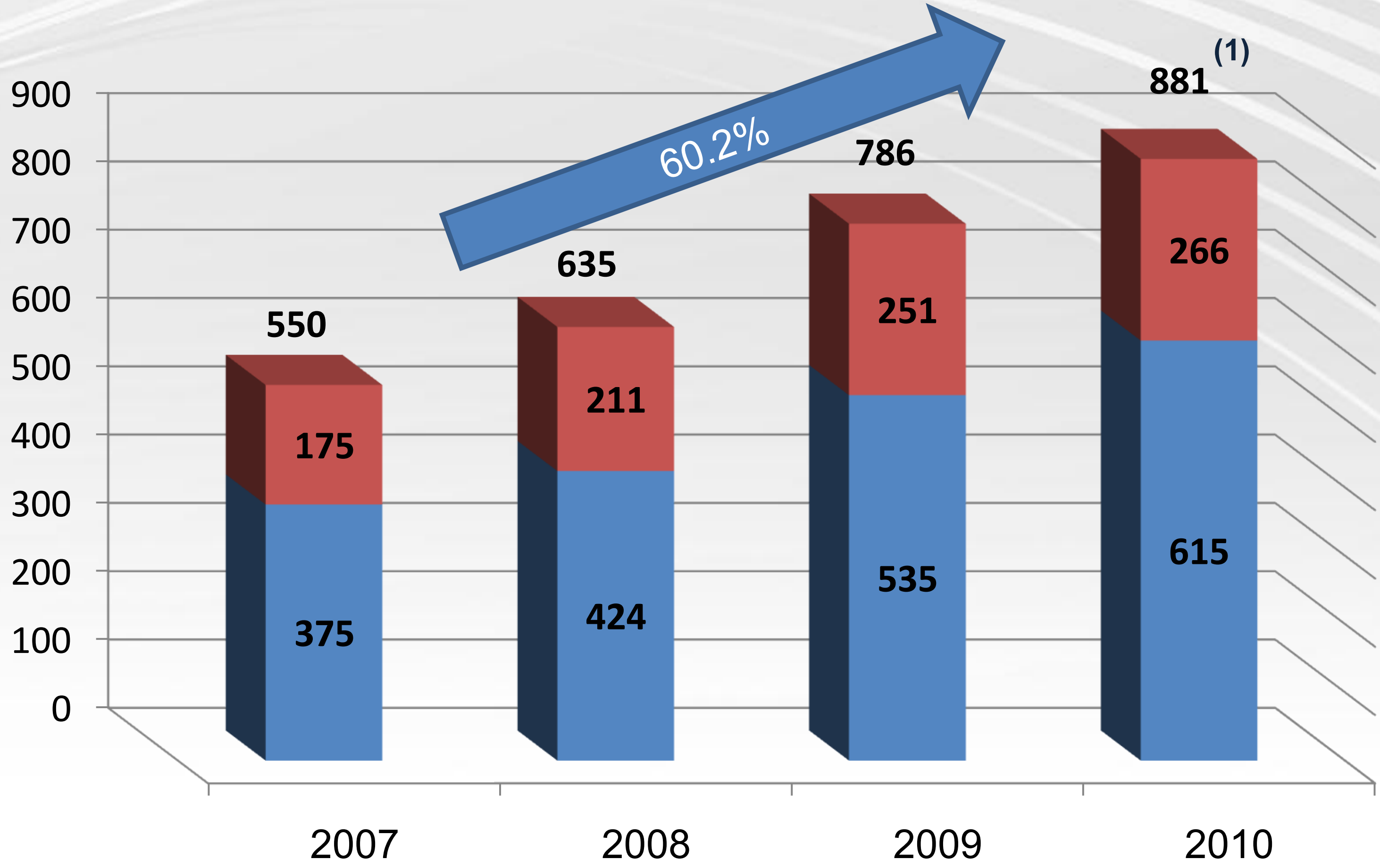
Other Holdings – Q3/2010

Granite (approx. 60% holding) – Over and above a profit of approx. NIS 15 million (of which NIS 12.6 million are attributed to the shareholders), mainly due to an increase in revenues. Granite announced a dividend of NIS 10 million (the Group's share being NIS 6 million), to be reflected in the Q4/2010 financial statements.

Bank Leumi (approx. 4.8% holding) – In Q3, the share value on TASE increased by approx. 22% (resulting in a rise of NIS 212 million in the value of the Group's holdings), with another 5% rise from the end of Q3 until close to the date of release of the statements (another increase of NIS 50 million). Bank Leumi announced a dividend of NIS 500 million (the Group's share being NIS 24 million), to be reflected in the Q4/2010 financial statements.

Leumi Card (20% holding) – Continued growth in revenues and profit – net income of NIS 46 million in the third quarter, after a net income of NIS 72 million in the first half of 2010.

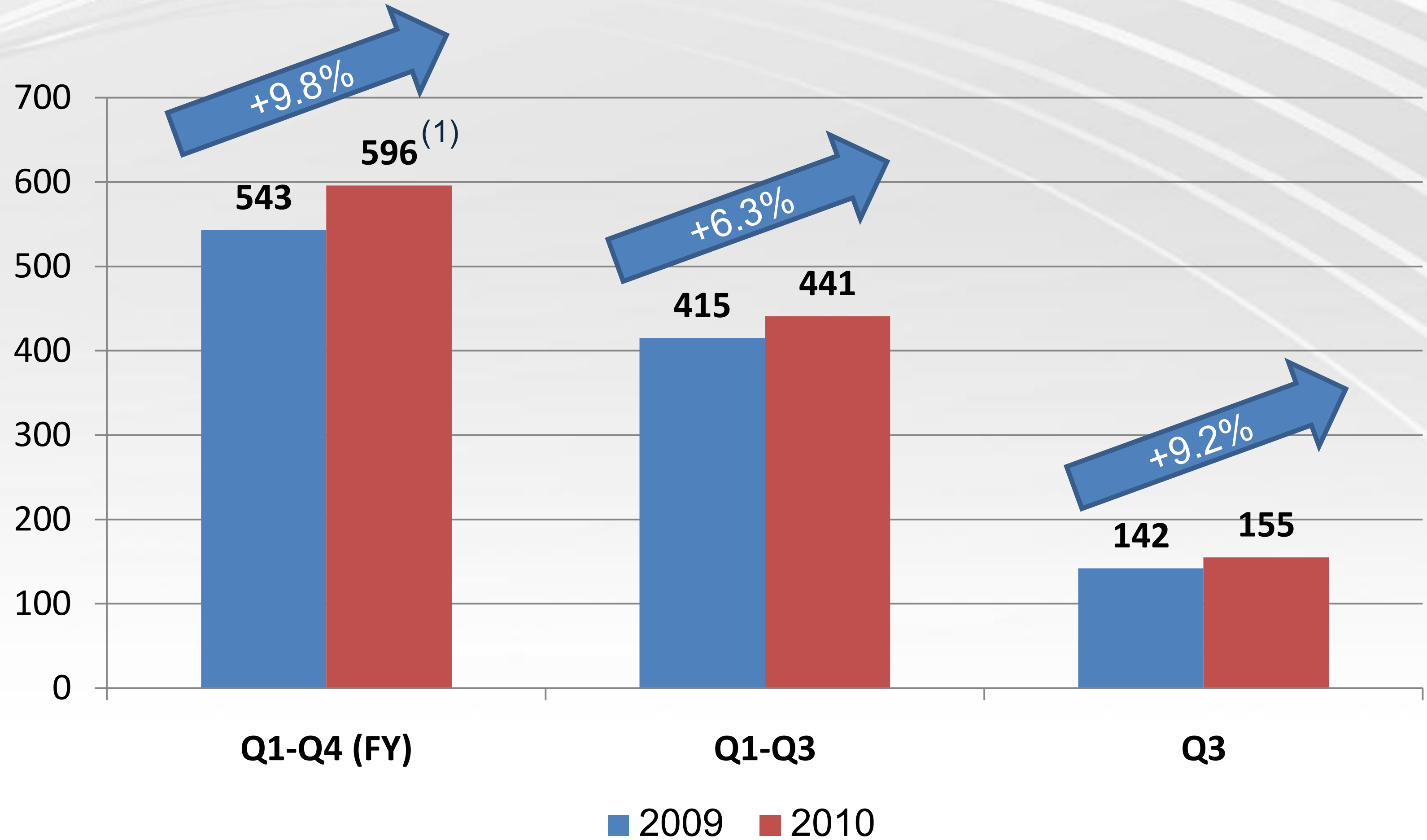
Continued NOI Growth
(NIS in millions)



(1) Actual NOI data for the first nine months of 2010; Q4/2010 assumed to be identical to the actual NOI for Q3/2010. See the board of directors' report.

- Offices and other
- Shopping malls and commercial

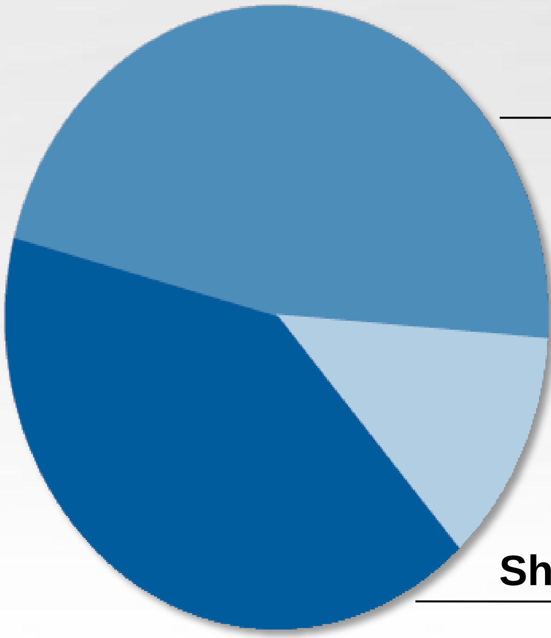
Real Estate segment FFO
(NIS in millions)



(1) Actual FFO data for the first nine months of 2010; Q4/2010 assumed to be identical to the actual FFO for Q3/2010.

Strategic Locations

Sqm



Offices in Israel

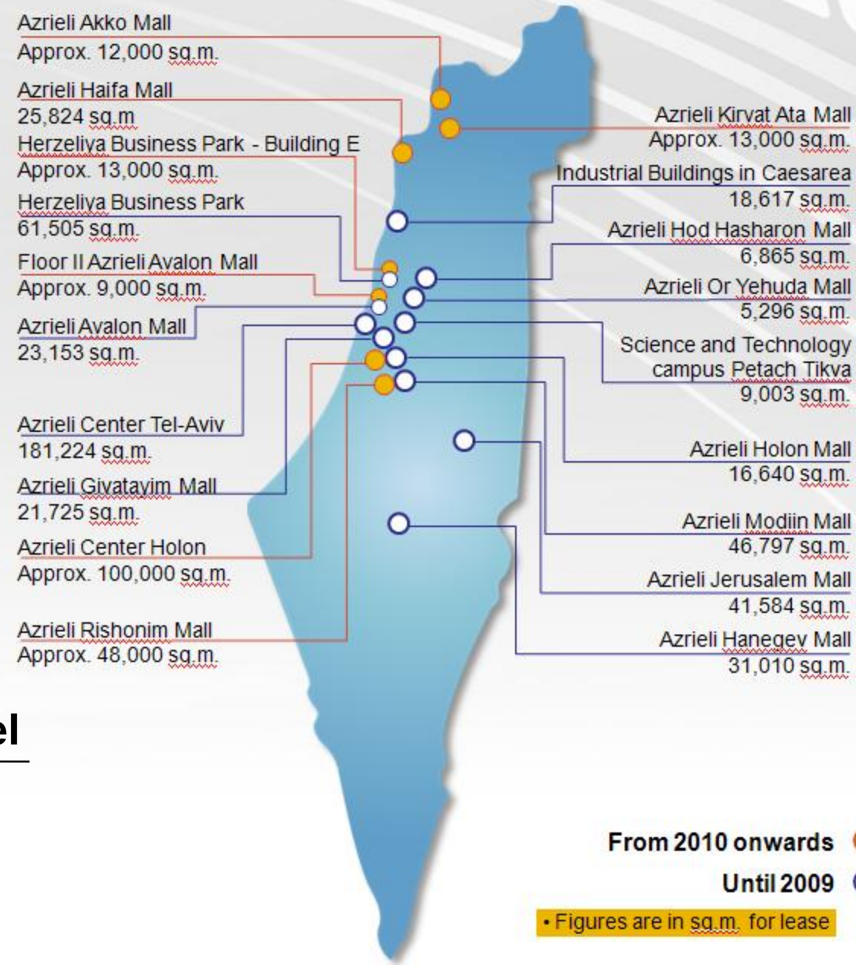
47%

Others

13%

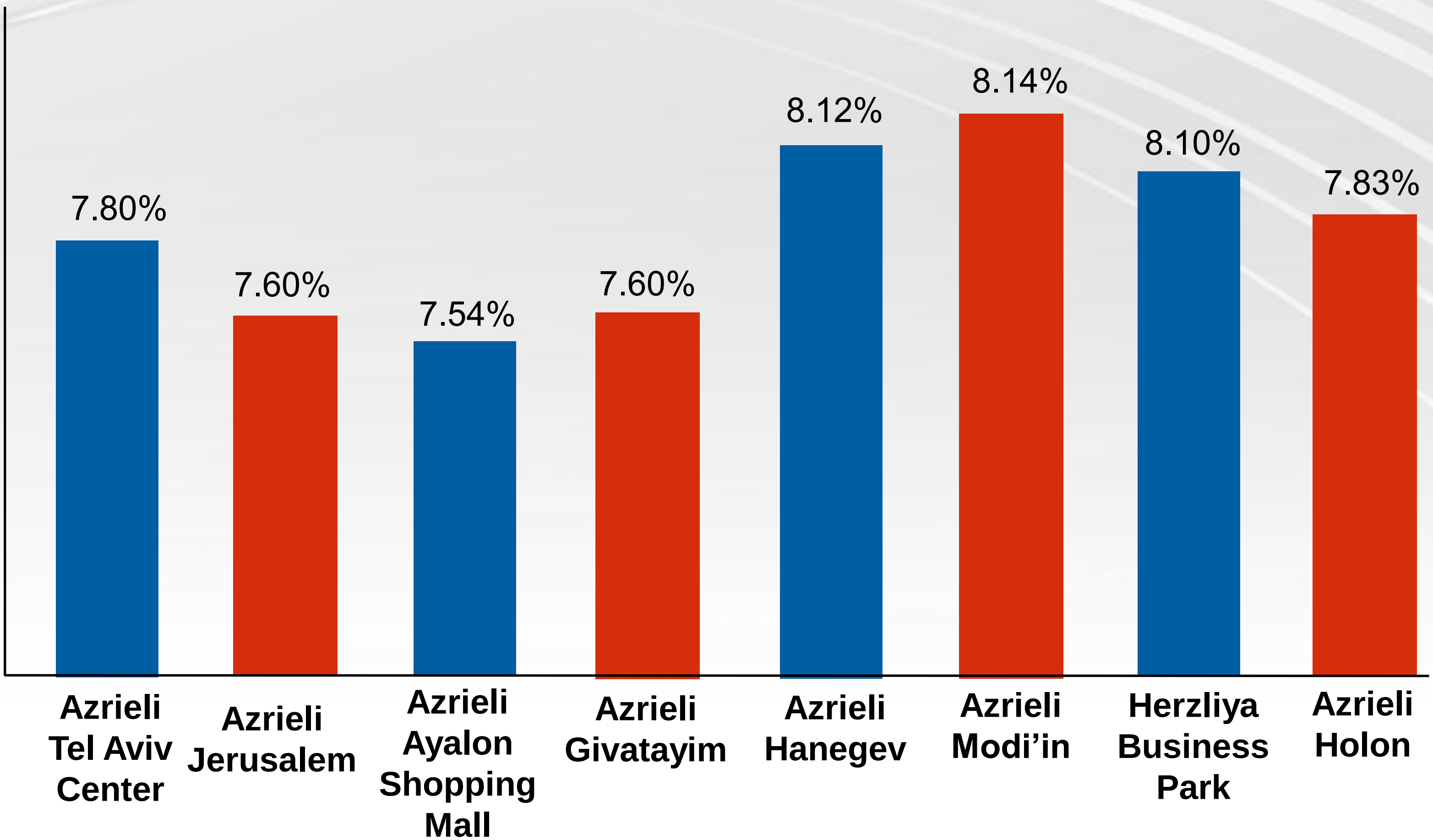
Shopping Malls in Israel

40%



** Based on the data in the prospectus.

Average Capitalization Rates
(Main properties; according to Appraisals)



Average capitalization rate based on appraisals as of December 31, 2009.

Average Cap-Rate and FFO Yield [1]
(NIS in millions)

Portfolio weighted average cap-rate of 8.2%

Investment properties as of 30.09.2010	11,340
Less: properties under development, vacant space and building rights	(165)
Total income-producing properties	**11,175**
Actual NOI for Q3/2010	224
Additions to Q3 NOI	5
Adjusted NOI for Q3/2010	229
Annual pro-forma NOI	**916**
Portfolio weighted average cap-rate	**8.2%**

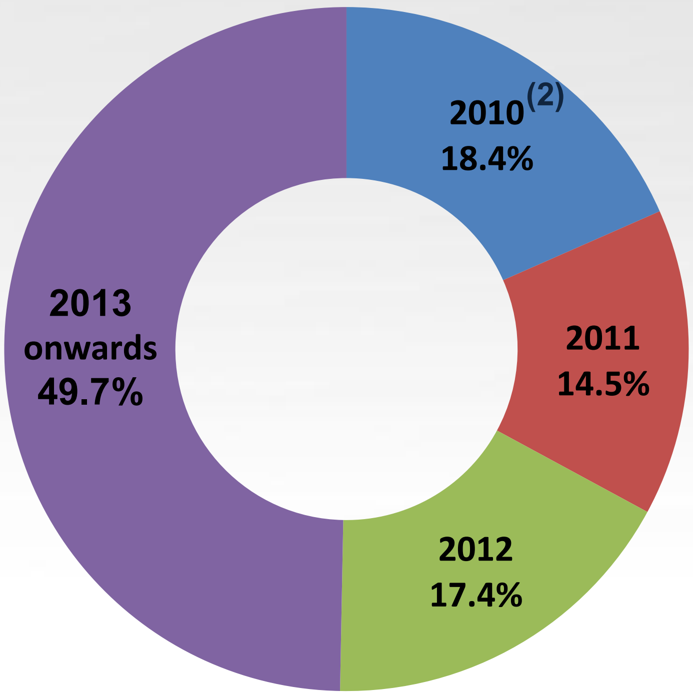
Current real estate segment FFO Yield of 9.8%

Net profit for Q3/2010 (attributed to the shareholders)	243
Less: Profit attributed to Granite	(6)
Other adjustments	(82)
FFO attributed to real-estate operations	155
Annual pro-forma FFO (Real-Estate)	**620**
Azrieli Group market cap [2]	11,121
Less: real holdings [2]	(2,444)
Less: cash & cash equivalents	(2,342)
Market cap attributed to real estate operations	**6,335**
Current annual FFO yield	**9.8%**

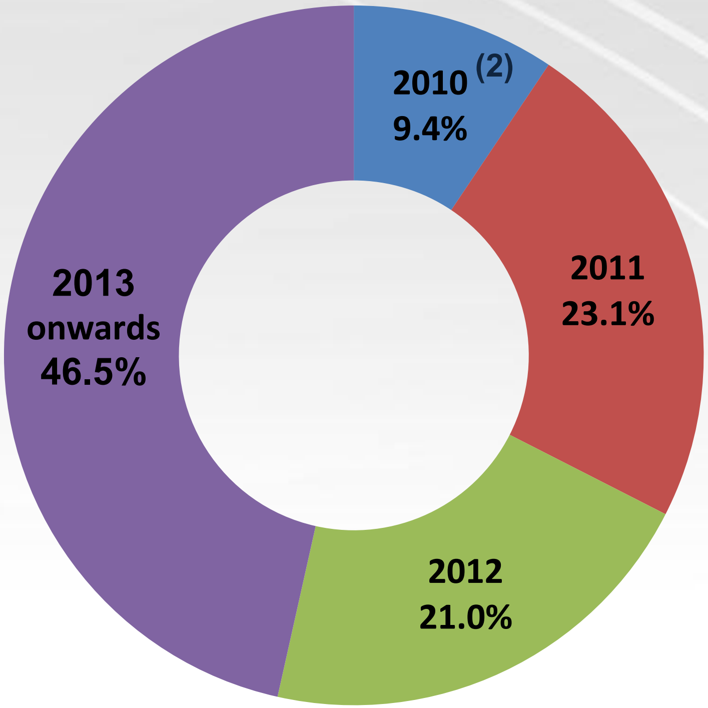
(1) For further details, the method of calculation and the assumptions, see the board of directors' report as of September 30, 2010, Sections 1.1.4 and 1.1.5.
(2) As of 17.11.2010

Lease contracts according to expiration date[1]
(without exercise of options)

Office space & others sector



Shopping mall sector



(1) As of December 31, 2009, according to projected future income.
(2) As of the date of the statements most of the areas have been leased through renewal of contracts or lease to new lessees.

Growth Engines

- Advancing the development projects
- Upgrading the Group's properties
- Liquidity enabling Group to seize market opportunities

Development Projects

- A total gross leasable area (GLA) of approx.180,000 sqm under development: 80,000 sqm of shopping malls and 100,000 sqm of office space.
- Projected investments in and after 2010 of NIS 1.5 billion.

Name of property	GLA	Estimated date of completion	Estimated cost of project completion (NIS in millions)
Azrieli Akko Shopping Mall	12,000	Q4 2011	95-115
Azrieli Kiryat Ata (shopping mall & offices)	13,000	Q4 2011 (Mall)	125-140
Azrieli Ayalon Shopping Mall – additional floor	7,500	1.5 years from the start of construction	120-150
Azrieli Givatayim Shopping Mall – additional office floor	2,210	2011	15-18
Azrieli Rishonim (shopping mall & offices)	48,000	2013	400-430
Azrieli Center Holon	100,000	2013-2019	590-630
TOTAL	182,710		1,345-1,483

Azrieli Akko Mall

- Commercial project.
- Gross built-up area of 28,000 sqm.
- Gross leasable commercial area of 12,000 sqm.
- Status: under construction, marketing.
- Completion scheduled for: end of 2011.
- Remaining cost [1]: NIS 95-115 million.

AKKO Azrieli Mall
AZRIELI GROUP OF MALLS

(1) As of 31.12.2009

Azrieli Kiryat Ata

- Mixed-use project.
- Gross built-up area of 33,000 sqm.
- Gross leasable area (commercial and offices) of 13,000 sqm.
- Status: under construction, marketing.
- Completion scheduled (Mall) for: end of 2011.
- Remaining cost [1]: NIS 125-140 million.

KIRYAT ATA Azrieli Mall
AZRIELI GROUP OF MALLS

(1) As of 31.12.2009

Azrieli Center Holon

- Mixed-use project.
- Gross built-up area of 205,402 sqm.
- Gross leasable area (commercial and offices) of 100,000 sqm.
- Status: under construction.
- Completion scheduled for: 2019 (last phase).
- Remaining cost [1]: NIS 590-630 million.

מרכז עזריאלי חולון
AZRIELI CENTER HOLON

(1) As of 31.12.2009

Azrieli Rishonim Mall

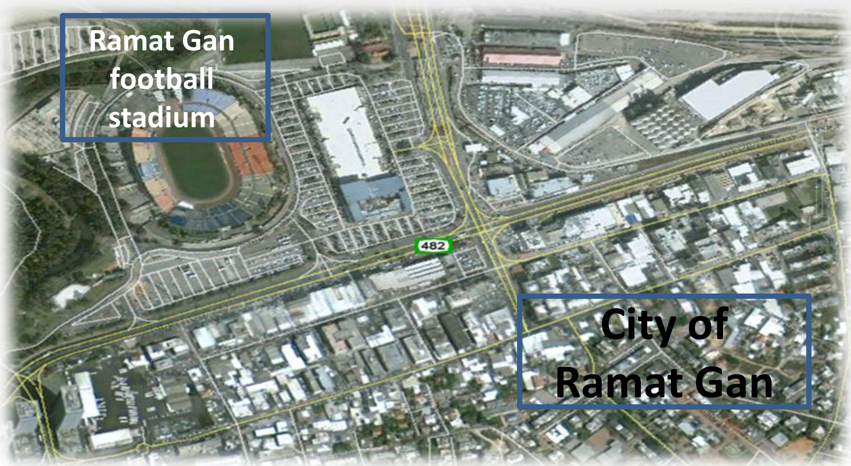
- Mixed-use project.
- Gross built-up area of 122,000 sqm.
- Gross leasable area (commercial and offices) of 48,000 sqm.
- Status: planning and approvals.
- Completion scheduled for: 2013.
- Remaining cost [1]: NIS 400-430 million.

RISHONIM Azrieli Mall
AZRIELI GROUP OF MALLS

(1) As of 31.12.2009

Azrieli Ayalon Mall – Additional Floor

- Additional commercial floor.
- Gross built-up area of 9,000 sqm.
- Gross leasable commercial area of 7,500 sqm.
- Status: planning and approvals.
- Completion scheduled for: 18 months from start of construction.
- Remaining cost [1]: NIS 120-150 million.



AYALON Azrieli Mall
AZRIELI GROUP OF MALLS

(1) As of 31.12.2009

Summary

- ✓ Continued increase in the NOI and cash-flow from existing properties in 2010.
- ✓ Continued development of projects under construction, and upgrade of existing properties.
- ✓ Projected completion of development projects ahead of schedule.
- ✓ Continued seeking of land and properties for acquisition.

Thank You