AZRIELI GROUP

Conference Call Presentation

Financial Statements March 31, 2019

Disclaimer

AZRIELIGROUP

- The information included in this presentation is a summary only and does not exhaust all of the information on the Company and its business, nor is it a substitute for inspection of the Periodic Report for 2018, the quarterly reports for March 31, 2019, the Company's current reports and the presentations released thereby, as reported to the ISA via the Magna distribution site. The presentation does not constitute an offering or an invitation to purchase securities of the Company, and the provisions thereof do not constitute a recommendation or opinion or substitute for the discretion of the investor. The Company is not responsible for the integrity or accuracy of the information.
- This presentation includes forecasts, estimates, assessments and other information pertaining to future events and/or matters, whose materialization is uncertain and is beyond the Company's control, and which constitute forward-looking information, as defined in the Securities Law, 5728-1968. Such information may not materialize, in whole or in part, or may materialize in a manner significantly different to that forecast. Such information includes, inter alia, revenue, FFO and NOI forecasts, the value of the Group's holdings, refinancing, sale of assets, timetables and costs of and profit from projects and the development and construction thereof.
- Forward-looking information is based solely on the Company's subjective assessment, based on facts and data regarding the current condition of the Company's business and macroeconomic facts and figures, all as known to the Company at the time of preparation of this presentation. The materialization or non-materialization of the forward-looking information will be affected, inter alia, by risk factors characteristic of the Company's activity, as well as by developments in the general environment, in market conditions and in external factors affecting the Company's activity, including a delay in the receipt of permits, termination of contracts, changes in the competition, a significant recession, a change in the financing conditions, and other such events which cannot be estimated in advance and which are beyond the Company's control. The Company does not undertake to update and/or change any such forecast and/or assessment to reflect events and/or circumstances postdating this presentation.
- This presentation includes revenue and other figures that are based on external sources and various surveys and studies, or figures received from some of the Company's tenants. The Company is not responsible for the veracity or content thereof, nor for forecasts in respect thereof.
- The Company's estimations regarding the growth figures are based on actual rent income, and in some cases include expansions made at the relevant center. These figures are unaudited, are not according to GAAP, and were prepared according to the past experience and professional knowledge accumulated by the Company and in good faith. Such information is presented below for the sake of convenience only, but is not a substitute for the information provided by the Company in its financial statements or in connection therewith, and therefore should not be relied on solely in itself.
- The financial information in the presentation which is attributed to the extended standalone statement is neither audited nor reviewed by the Company's auditors. The extended standalone statement presents a summary of the Company's consolidated statement figures according to IFRS, with the exception of the Company's investment in Granite Hacarmel and Azrieli E-Commerce which is presented based on the equity method, in lieu of consolidation with the Company's statements.
- The terms "FFO attributed to the Real Estate Business" and "weighted average cap rate" relate to the Group's income-producing real estate business only. Anyone reading the presentation must read such figures in conjunction with the board's explanations in the board of directors' report as of March 31, 2019, Sections 2.6 and 2.7, including the methods of calculation and the underlying assumptions thereof.
- The information included in this presentation is similar to the information included in the reports and/or immediate reports of the Company and does not include new material information. However, some of the data included in the presentation are presented in a different manner and/or breakdown and/or are differently edited. In any event of inconsistency between the reports and/or immediate reports of the Company released to the public and the information contained in this presentation, the information released to the public as aforesaid shall prevail.
- All numbers and figures are approximate.

Convenience Translation from Hebrew // Important Notice

AZRIELIGROUP

- The following English translation of Azrieli Group's presentation for the conference call of May 22, 2019 (the "**Presentation**") is provided for convenience. Please note that this document should not be regarded as a substitute for reading the full original Hebrew version of the Presentation. This translation was neither prepared nor checked by the Company. Accordingly, the Company does not warrant that the translation fully, correctly or accurately reflects the Presentation and its contents.
- The binding version of the Presentation for all intents and purposes is the original Hebrew version, filed by the Company with the Israel Securities Authority through the MAGNA website on May 22, 2019. Nothing in this translation constitutes a representation of any kind in connection with the Presentation, nor should it be regarded as a source for interpretation of the Presentation or the Company's reports or statements. In any event of contradiction or discrepancy between this translation and the Hebrew version of the Presentation, the Hebrew version shall prevail.

Azrieli Group // Business Card

AZRIELIGROUP

Traded on the capital market since 2010, **the 6th largest company**[1] on the Tel Aviv Stock Exchange

Market cap of **NIS 25.6 billion**[1]

Listed in all leading **indices**: TA-35, TA-125, TA-Real Estate

The only Israeli company included in the **EPRA** Index

The Company owns income-producing properties with a total leasable area of **1,206,000** m^2, **10 additional projects under construction and 8 projects under renovation and extension**

Average **occupancy rate** in Israel is **99%**[2]

91% of the value of investment and under-construction income-producing properties (on a consolidated basis) is attributed to real estate in Israel

Rating: AA+ (Ma'alot S&P); **Aa1** (Midroog Moody's)
Leverage ratio is only **25%**, and equity to assets ratio is **51%**

(1) As of May 21, 2019 (2) Excluding completed properties in the first stages of occupancy.

Income-Producing Properties Map

Malls and Retail Centers

Ayalon Mall
Hod Hasharon Mall
Herzliya Outlet
Givatayim Mall
Jerusalem Mall
Modi'in Mall
Azrieli Mall
Azrieli Holon Center
Holon Mall
Ramla Mall
Azrieli Ra'anana
Haifa Mall
Akko Mall
Kiryat Ata Mall
Or Yehuda Outlet
HaNegev Mall
Rishonim Mall

Offices and Others in Israel

Azrieli Towers
Azrieli Sarona
Azrieli Holon Center
Caesarea
Herzliya
Modi'in
Modi'in Residences
Petach Tikva
Jerusalem
TOWN building E
Givatayim
Kiryat Ata
Hanegev
Rishonim

17 malls 336,000 m²

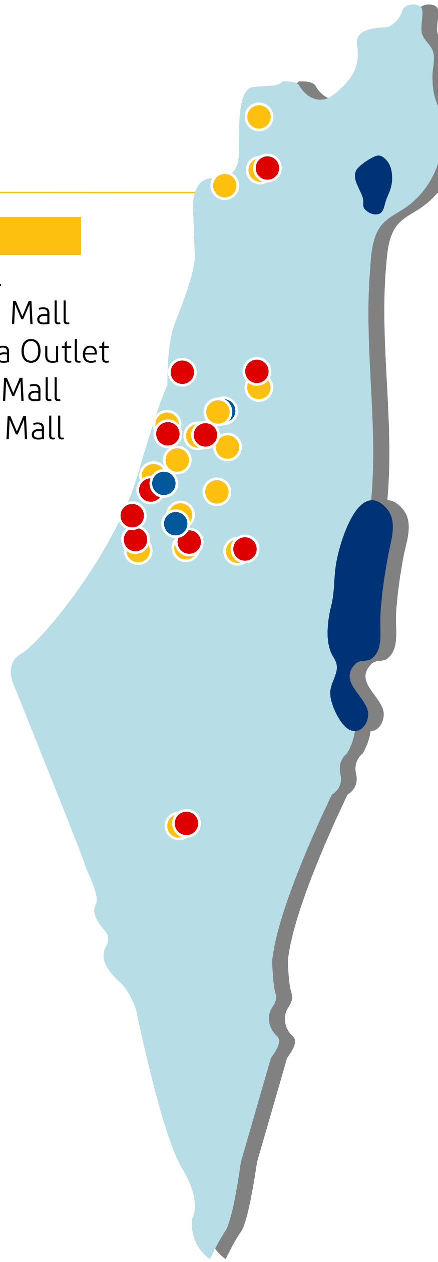
14 office properties 548,000 m²

3 senior homes 76,000 m² 794 residential units

8 office properties overseas 246,000 m²

Total 1,206,000 m² (1)

(1) As of March 31, 2019



Senior Homes

Palace Tel Aviv
Palace Ra'anana
Palace Modi'in

Overseas

GALLERIA
PLAZA
8 WEST
3 Riverway
1 Riverway
LEEDS
ASPEN II
SAN CLEMENTE

Highlights for Y/2018 and for Q1/2019*

AZRIELIGROUP

Financial Highlights For Q1/2019

- NOI totaled NIS 399 million, **an increase of 8%** compared with Q1/2018.
- Same Property NOI – a 6% increase in the quarter.
- FFO totaled NIS 339 million, **an increase of 27%** compared with Q1/2018. excluding Senior Housing FFO totaled NIS 288 million, an increase of 12%.

Continued Momentum of Development, Betterment and Acquisitions

- Over the course of Q1/2019, **the Group invested NIS 151 million** in investment properties, the redevelopment of existing properties, and the development of new properties.

Financing

- In January 2019, the Company **raised NIS 1.5 billion** through two new bond series.
- Series 5 and Series 6, with durations of 7 and 10 years, carrying an interest rate of 1.77% and 2.48%, respectively.

Leumi Card

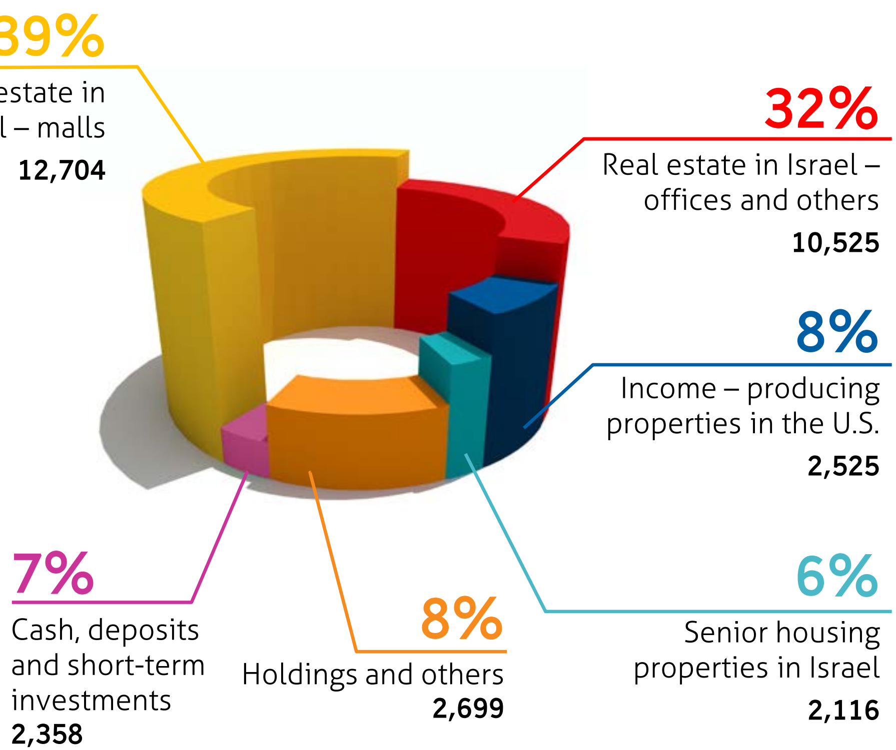
- In February 2019, the Group closed the transaction for the sale of its entire holdings in Leumi Card.

Dividend

- In May 2019, the Group distributed a divided for 2018 in the amount of NIS 560 million, up 8% from 2017.

* Some of the highlights present data and events as of the report release date.

Azrieli Group // Breakdown of Properties[1]



Holdings [1]

- 3.1% Bank Leumi
- 100% Granite
- 100% Azrieli E-Commerce

% of Total Properties
Book Value (NIS in millions)

(1) Extended standalone as of March 31, 2019. For details regarding the Company's structure, see Section 1.2.1 of Chapter A of the Annual Report.

Income-Producing Property // Azrieli Sarona

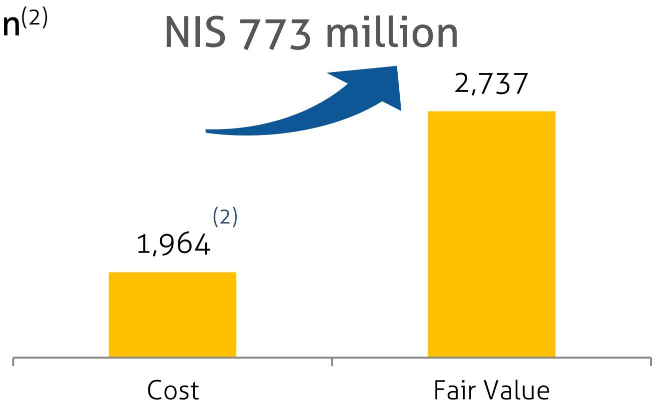
AZRIELI SARONA
BUSINESS & TOWER
LUXURIOUS MALL

Azrieli Sarona

Land area - **9,400 m²**

GLA - **119,000 m²** of office space
10,500 m² of retail space - opening in 2019[1]
1,247 parking spaces

Projected NOI - **NIS 200-210 million**[2]



Marketing and Occupancy

> As of the end of 2018, **100%[3] of the office space is occupied leased-up and 111,000 m² are occupied.**

> **Average rent per m²** - NIS 110, recent leases signed at NIS 150 per m²

(1) In January 2019 the company received an occupancy permit for part of the west wing. (2) Construction cost and estimated NOI reflect additional investments of NIS 200 million in TI. (3) Including options of present major tenants that will expire at the end of 2019 and assuming that areas with respect to which binding agreements have not yet been signed will be occupied.

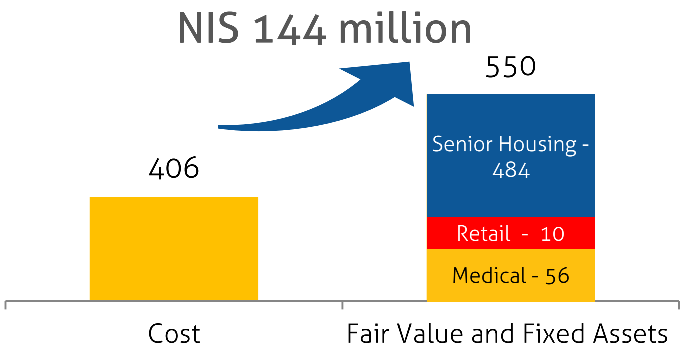
Development Projects // Palace Modi’in Senior Home

The Project

239 Units + 136 LTC Beds + 600 m² Retail

As of the Report Release Date – 191 preliminary applications have been signed (82% of the units), out of which **171 contracts have been signed.**

As of the Report Release Date – 145 units have been occupied.



Facilities

- The finishing standard in the project is among the highest in the market, with residents enjoying, among other amenities, a **swimming pool, gym, lounges, a synagogue, clinic** and more.
- The project includes **some 600 m² of retail space** leased to third party tenants, such as a café, drugstore, supermarket and more, **as well as underground parking**.
- The home also has a **medical wing**, that will be managed directly by Palace Azrieli. The wing offers LTC beds, full-time medical care around the clock and a recovery unit.

Existing Properties // Expansion and Betterment

The following projects are undergoing betterment and various statutory proceedings:

Name of the Property	Location	Project in the Property	Status	Gross Area	Timeframe for completion of the statutory proceeding
Azrieli Jerusalem mall	Jerusalem	Increasing retail and commercial space. Construction of senior home	Zoning plan	100,000 sqm	Medium-term
Petach Tikva Land	Petach Tikva	Addition of offices	Zoning plan	97,000 sqm	Medium-term
Palace Rishon Lezion	Rishon Lezion	Addition of senior housing and basement areas	Zoning plan	33,000 sqm	Medium-term
Azrieli TOWN	Tel Aviv	Addition of commercial and hospitality areas	Zoning plan	24,000 sqm	Medium-term
Azrieli Rishonim	Rishon Lezion	Addition of offices	Zoning plan	21,000 sqm	Medium-term
Azrieli Akko mall	Akko	Addition of office floors	Permit	10,000 sqm	Short-term
Modi'in land (Lot 21)	Modi'in	Addition of retail, residential, employment and hotel areas	Zoning plan	8,000 sqm	Medium-term
Herzliya Business Park	Herzliya	Addition of offices and retail	Zoning plan	4,000 sqm	Medium-term
Total -				**297,000 sqm**	

Azrieli Group // Malls and Retail Centers

NOI in Q1 2019 – **NIS 206 million**

GLA – **336,000 m²** (1)

Average occupancy rate – **98%**

Book value – **NIS 12.7 billion**

Innovation and Upgrade

> Azrieli E-Commerce

> Azrieli Gift Card

> Azrieli App

> Betterment and upgrade of malls and retail centers

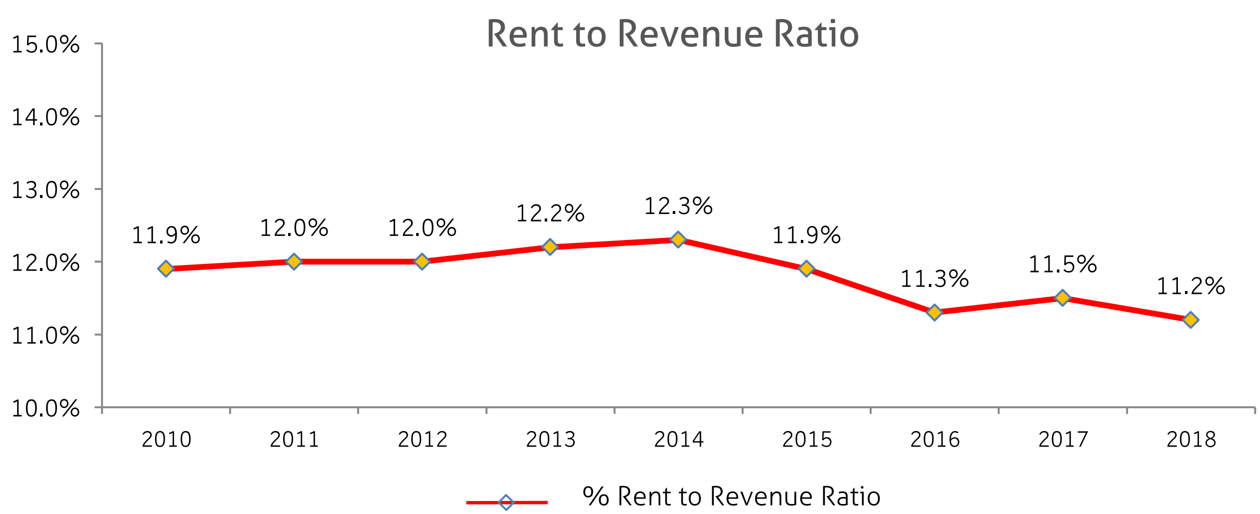
> New Brands: MiniSo, Reserved, KIKO Milano and more…

(1) GLA (gross leasable area) based on the Company's share as of March 31, 2019.

Azrieli Malls Group // Revenues and Rent to Revenue Ratio

1-4/2019 Vs. 1-4/2018

Total Increase in Azrieli Malls Group Revenues	Total Increase in Azrieli Malls Group Revenues – **Same properties**
+ 3.1%	+ 3.0%



Development Projects // Expansion of Azrieli Jerusalem Mall

Expansion of the Azrieli Jerusalem Mall

In July 2018, the Group received approval to deposit a plan for expansion of the area of the Azrieli Jerusalem mall by approx. 100,000 sqm gross above ground.

The expansion **enlarges the retial areas** by about 22,000 sqm and the office areas by about 36,000 sqm

As part of the plan, **a senior home will be built** adjacent to the mall, on an area of approx. 40,000 sqm gross (up to 300 residential units).

Concurrently with the expansion of the areas of the mall, work is expected to progress on **construction of the blue line of the Jerusalem Light Rail**, in which a light rail station will be built near the mall, improving transportation access to the area.

Azrieli Group // Office and Other Space (Israel)

NOI in Q1 2019 – **NIS 144 million**

GLA of **548,000 m²** (1)

Average occupancy rate – **99%**

Book value – **NIS 10.5 billion**

(1) GLA (gross leasable area) based on the Company's share as of March 31, 2019.

Palace Senior Housing Chain

Operating Homes

Palace Tel Aviv: 231 residential units + 4 LTC units

Palace Ra'anana: 324 residential units + 2 LTC units

Palace Modi'in: 239 residential units + 136 LTC beds

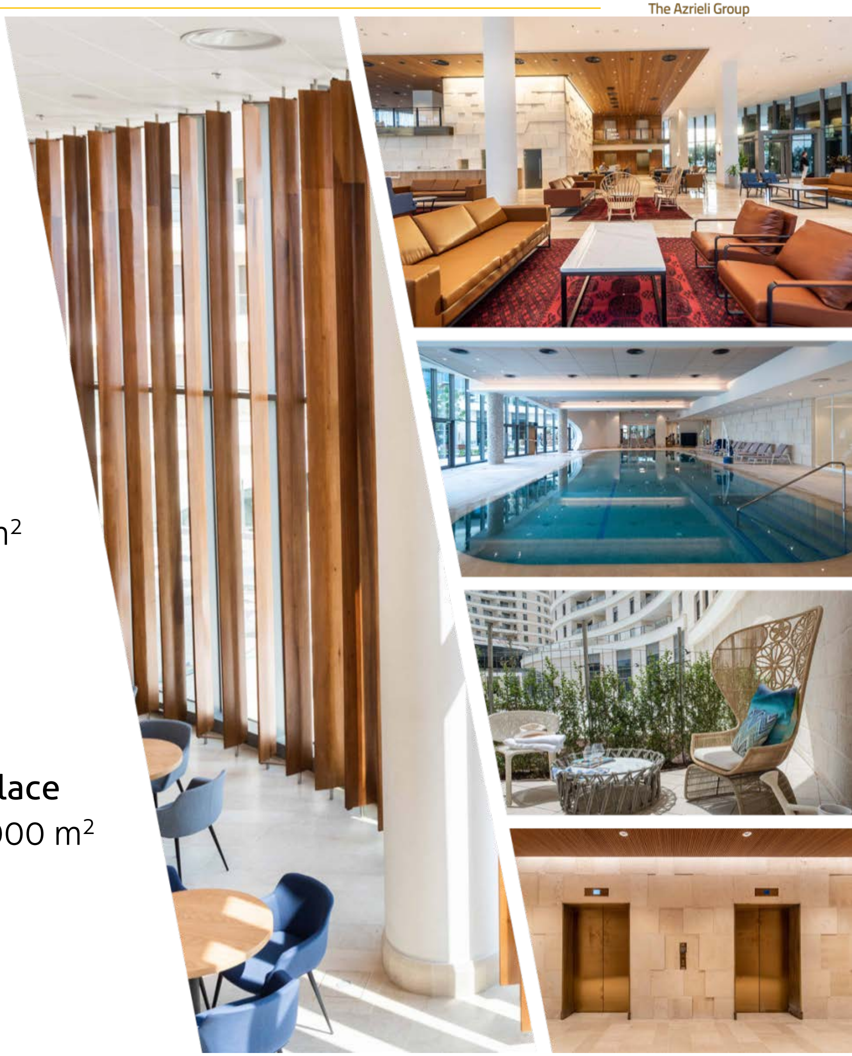
Homes under Development

Palace Lehavim: 350 residential units + 72 LTC beds

Palace Rishon Lezion: 250 residential units + 1 LTC unit + 3,000 m^2 retail space

Developments

- **Palace Modi'in** – the home was inaugurated in October 2018.
- The Group is promoting a plan for the expansion of areas in **Palace Rishon Lezion,** such that the rights in the project will total 61,000 m^2 (currently usage rights are 29,000 m^2).



Development Pipeline

Azrieli Group // Development Pipeline

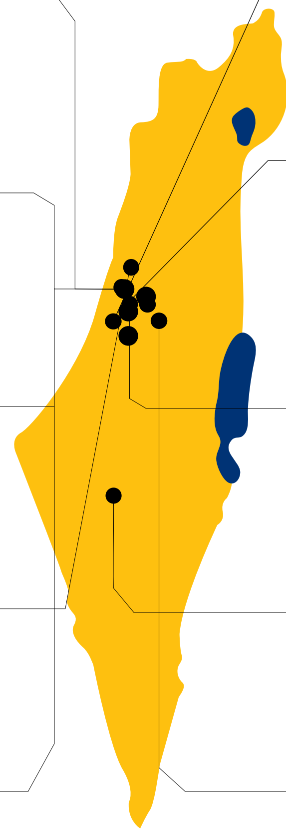
Azrieli Sarona,
Tel-Aviv – retail
10,500 m^2

Expansion of Azrieli Mall and the Spiral Tower, Tel-Aviv
150,000 m^2 [4]

Azrieli Town E Building
Tel-Aviv Center
21,000 m^2 [1] [5]

Land for Development
Petach Tikva
53,000 m^2 [3]

Azrieli Town, Tel Aviv
75,000 m^2 [6]



Palace Rishon Lezion
Senior Home
29,000 m^2 [1] [2]

Holon 3 Project
(formerly Lodzia)
250,000 m^2

Holon HaManor project
28,000 m^2

Palace Lehavim
Senior Home
44,000 m^2 [1]

Lot 21
Modi'in
20,000 m^2 [1] [3]

(1) The figure is the scope of building rights in sqm | (2) The Company is in the process of increasing the building rights in the project to approx. 61,000 sqm (above and below ground) | (3) The Company is working to increase the building rights to 150,000 sqm in Petach Tikva and to 28,000 sqm in Modiin. | (4) A plan was published and validated.| (5) Rights for additional construction purchased in May 2018 in the context of acquisition of the income-producing property Mivney Gazit. | (6) In November 2018 a zoning plan was deposited for an increase of the building rights to approx. 99,000 sqm.

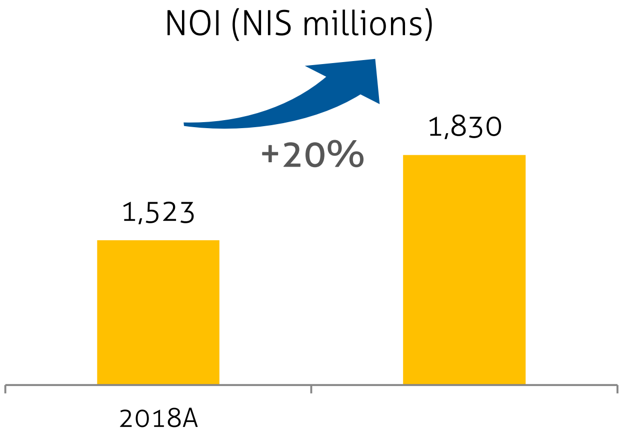
Development Projects // The Growth Engine

Name of Property	Location	Use	GLA [2]	Estimated Completion Date	Estimated Construction Cost, including Land (NIS in millions)[1]
			Short-term constructions projects		
Azrieli Sarona	Tel Aviv	Retail	10,500	2019[3]	335-345
Palace senior housing	Lehavim	Senior Housing	Stage A - 32,000 Stage B - 12,000	Stage A – Q1/2020 Stage B - TBD	400-410
Azrieli Town[4]	Tel Aviv	Retail, Offices and Residence	Offices 50,000 Retail 4,000 Residence 21,000 (210 Residential Units)	2020 2020 2022	1,060-1,110
Holon Hamanor	Holon	Offices and Retail	28,000	2020	220-240
Total			**157,500**		**2,015-2,105**
			Medium-term construction projects		
Expansion of Azrieli Mall and Spiral Tower	Tel Aviv	Retail + Offices + Residence + Hotel	150,000[5]	2025	2,300-2,500
Modi'in land (Lot 21)	Modi'in	Offices + Residence + Retail + Hotel	20,000 [6]	TBD	350-380
Palace Rishon Lezion	Rishon Lezion	Senior Housing and Retail	28,750 [7]	TBD	310-320
Total			**198,750**		**2,960-3,200**
Total			**356,250**		**4,975-5,305**
			Development projects in planning phase		
Holon 3 (formerly Lodzia)	Holon	Retail and Offices	250,000[8]	TBD	TBD
Petach Tikva land	Petach Tikva	Offices and Retail	53,000[6]	TBD	TBD
Azrieli TOWN Building E	Tel Aviv	Offices	21,000[9]	TBD	TBD
Total			**324,000**		projects whose construction cost is yet to be determined
Total			**680,250**		

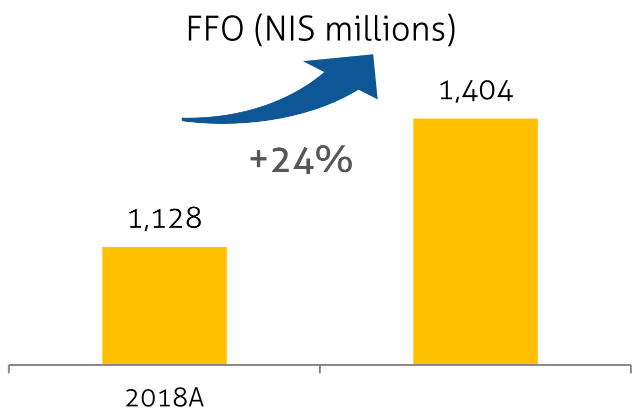
(1) Cost without capitalizations and without tenant adjustments | (2) For senior housing and/or residences rights are stated in sqm | (3) In January 2019 the company received an occupancy permit for part of the west wing. | (4) In May 2019, a zoning plan was published for deposit to increase the rights in the project to 24,000 sqm | (5) A plan was published and validated. | (6) The Company is working to increase the building rights to approx. 150,000 sqm in Petach Tikva and to 28,000 sqm in Modi'in | (7) The Company is in the process of increasing the building rights in the project to approx. 61,000 sqm (above and below ground) | (8) GLA increased due to consolidation of plots of land. | (9) Additional building rights which were purchased in May 2018 in the context of the purchase of the income-producing property Mivney Gazit.

Development Projects // Expected Contribution* to NOI and FFO

Actual NOI in 2018	1,523
> Additional NOI from development projects[1]	167
> Annualized additional NOI from existing properties[2]	140
Projected NOI after lease-up of projects under development	**1,830**



Actual FFO in 2018	1,254
> Excl. first-time deposits from Palace Modi'in senior home	(126)
Actual FFO in 2018 excl. first time deposits from Palace Modi'in	1,128
> Additional FFO from cash flow	276
Projected FFO after lease-up of projects under development	**1,404**



* The main assumptions in the calculations are: full lease-up of the projects under development, NOI and FFO of senior housing in steady state (excluding first time occupation), a tax rate of 23%.

(1) NOI from projects under development includes Sarona retail space, TOWN, Palace Modi'in, Palace Lehavim, Holon HaManor and includes NIS 22 million from leasing of residential units in TOWN project **and excludes e**xpansion of Azrieli Tel Aviv Center, Holon 3 project (Lodzia), Rishonim senior housing land and land in Petach Tikva

(2) Annualized additional NOI from existing properties includes Azrieli Sarona Center offices, Azrieli Holon Center and Azrieli Rishonim, Azrieli TOWN building E acquired in May 2018, San Clemente acquired in July 2018 and Palace Modi'in opened in October 2018.

Development Projects // Expansion of Azrieli Mall and the Spiral Tower, Tel Aviv

AZRIELIGROUP

Land area – **8,400 m^2**

GLA – **150,000 m^2**
including 13,000 m^2 of retail space
for expansion of the Azrieli Tel Aviv Mall

Cost of land – **NIS 374 million**

Estimated construction cost, including land –
NIS 2.3-2.5 billion

Estimated date of completion – **2025**

Progress Update

The Group is carrying out excavation and digging work on the site. In 2018 a zoning plan was published and subsequently validated, for additional rights for retail, offices, hospitality, residences and senior housing.

Development Projects // Azrieli Town

Land area - **10,000 m²**

GLA [1] - **50,000 m²** of offices
4,000 m² of retail space
21,000 m² residential (**210 units)**

Estimated construction cost, including land -
NIS 1,060-1,110 million

Estimated date of completion – Offices and retail – **2020**
Residence - **2022**

Marketing

In total, lease contracts have been signed for some 41,000 sqm of the office space, including with law firm Fischer Behar Chen, accounting firm PwC and WeWork.
The office space lease-up rate is approx. 82%.

Progress Update

Work is currently under way on the parking structure and office tower structure. In May 2019 **a hearing was held at the local committee on objections to the zoning plan for the addition of office and hospitality space** of a total area of approx. 24 thousand sqm (gross), and a decision was made to approve the publication of the plan for validation.

(1) Figures refer to the current zoning plan.

Development Projects // Palace Lehavim Senior Home

Land area – **28,000 m²**, in the southern part of the town of Lehavim, not far from the train station

Building rights
Phase A - **32,000 m²**
Phase B - **12,000 m²**

350 Residential Units + 72 LTC Beds

Estimated construction cost, including land –
NIS 400-410 million

Estimated date of completion – **Phase A – Q1 2020**
Phase B - TBD

Marketing

As of the Report Release Date, **90 preliminary applications** (37% of phase A) have been signed, out of which 78 contracts were signed.

Progress Update

The Group is carrying out finishing work on the site.

Development Projects // Azrieli Holon HaManor

Land area – **6,200 m²**

GLA – Retail: **26,000 m²**
Office space: **2,000 m²**

Estimated construction cost, including land – **NIS 220-240 million**

Estimated completion date – **2020**

The land is adjacent to the Holon 3 project land (formerly Lodzia) and close to the **Azrieli Holon Center**.

Illustration

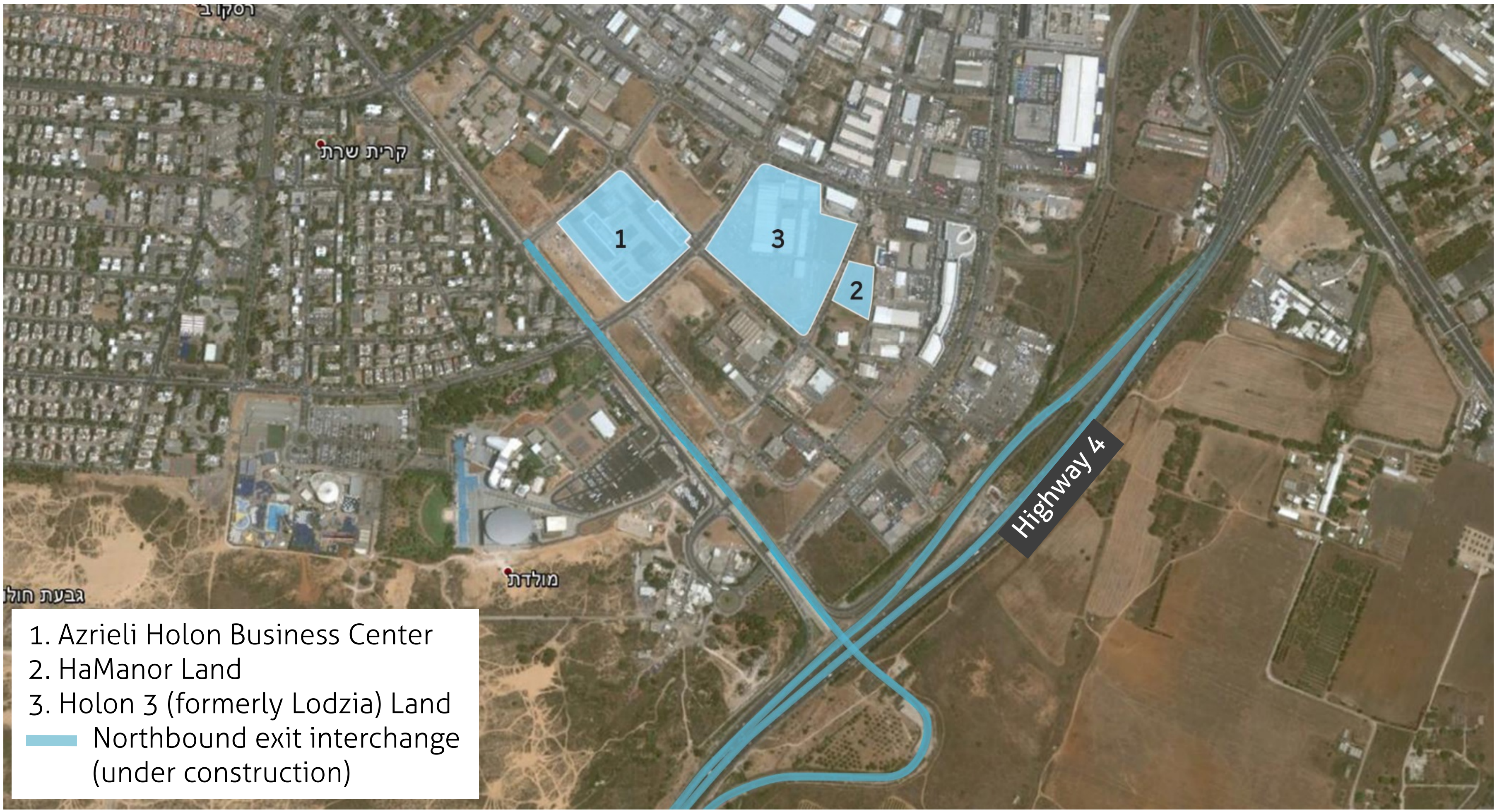
Marketing

The Group is carrying out structural work on the office tower.

In December 2018, the company entered into a lease contract with Bezeq for a period of 10 years (plus options), for an area of some 20,000 sqm and approx. 900 parking spaces, with an option for expansion to the remaining office space in the building.
Bezeq will vacate 17 floors in the Triangular tower at the Azrieli Center at the end of 2020.
The value of the contract is around NIS 19 million annually.

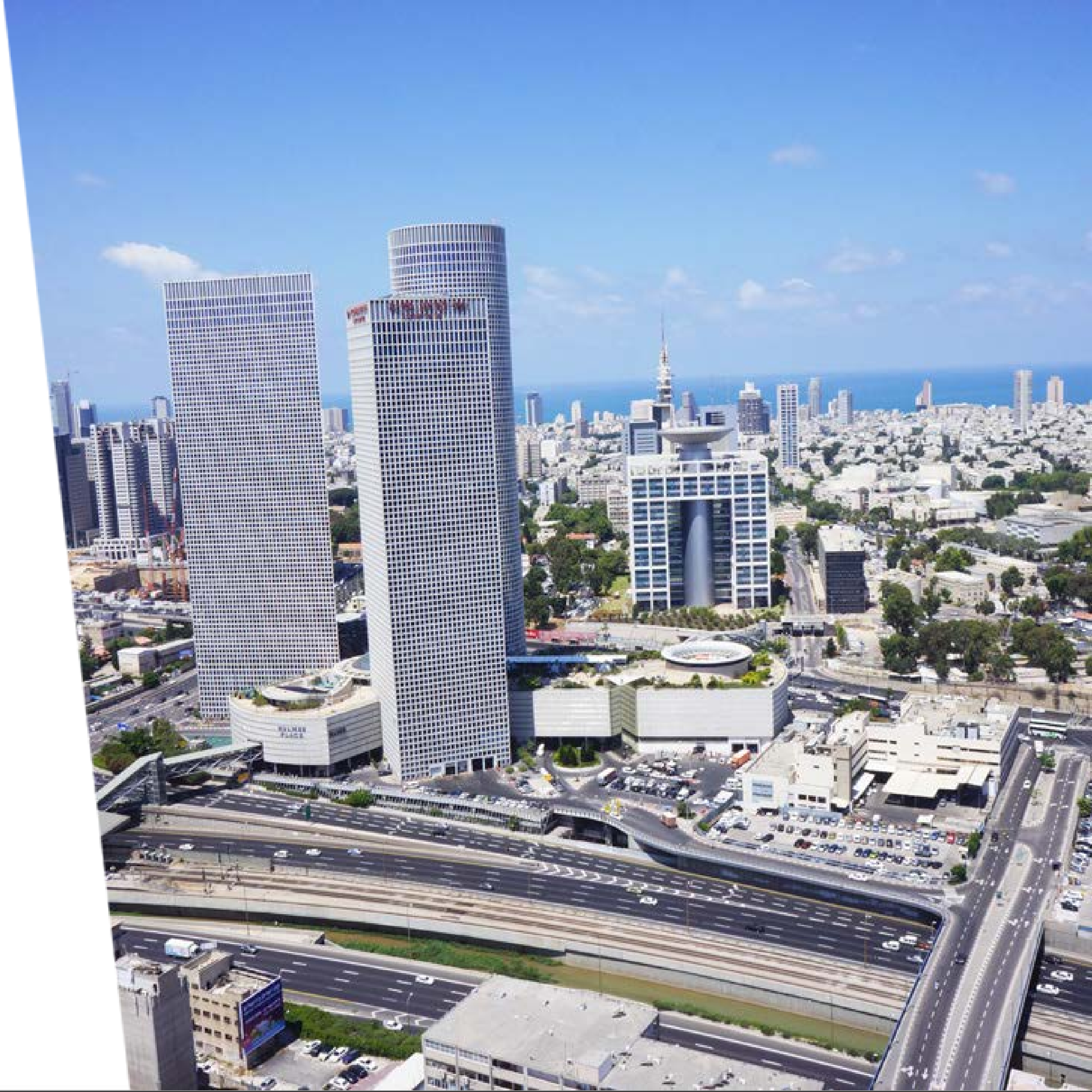
Development Projects //

Azrieli Holon Center – Looking to the Future

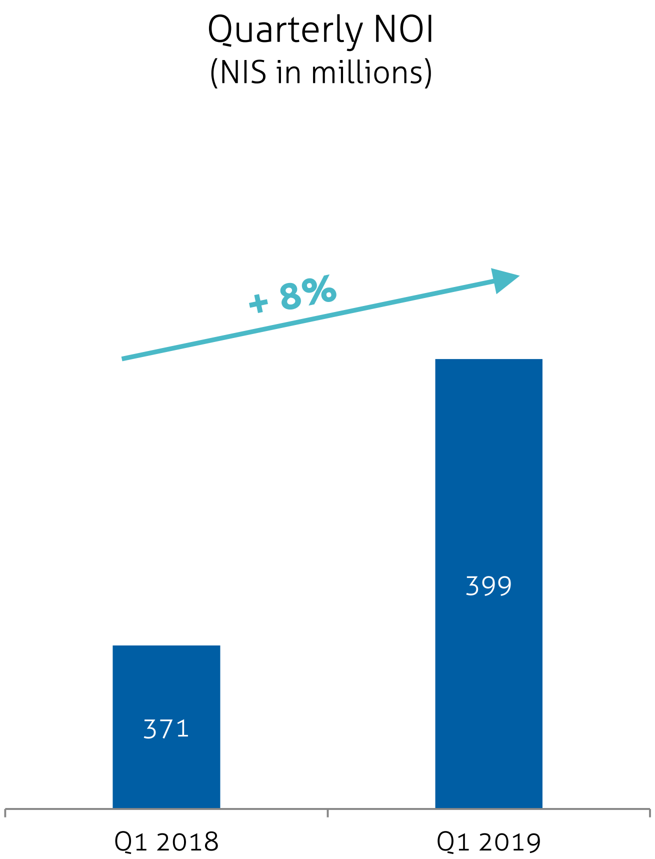


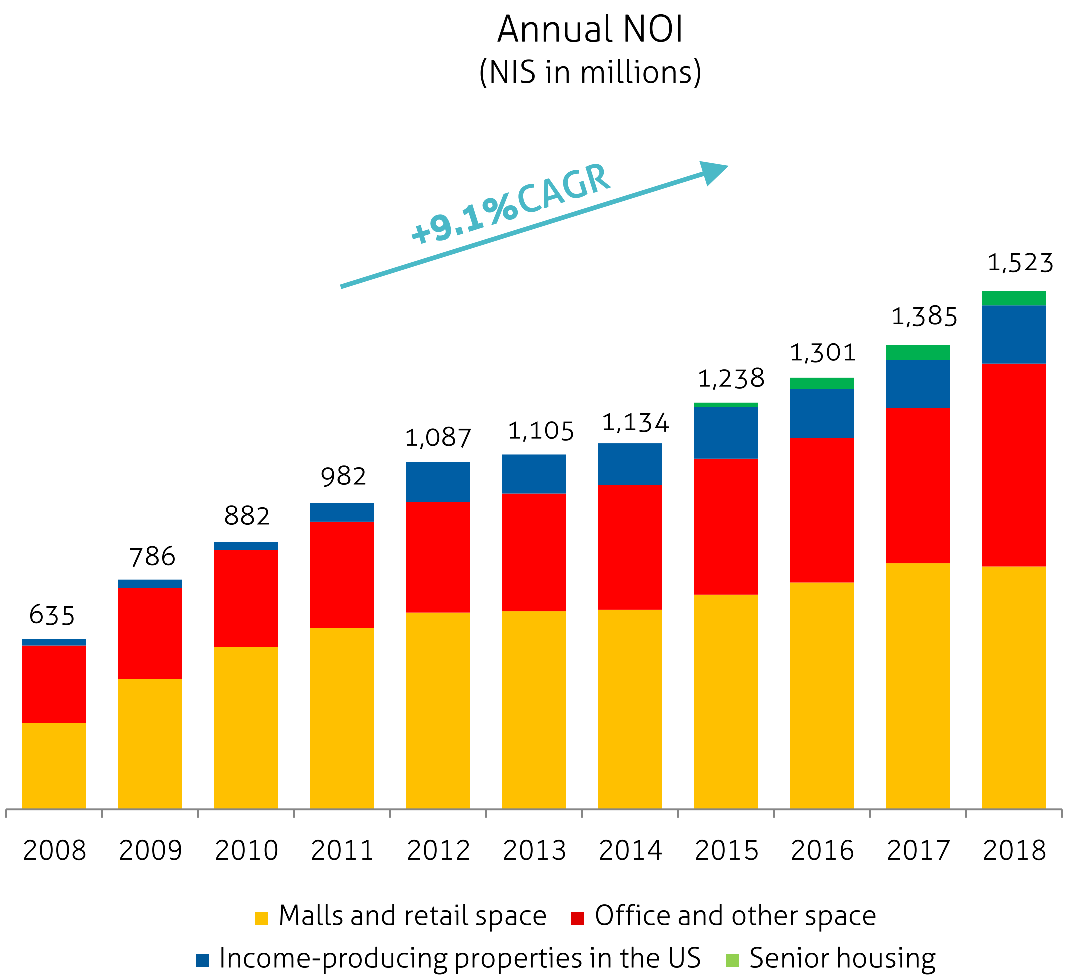
AZRIELI GROUP

Financial Highlights



Constant NOI Growth

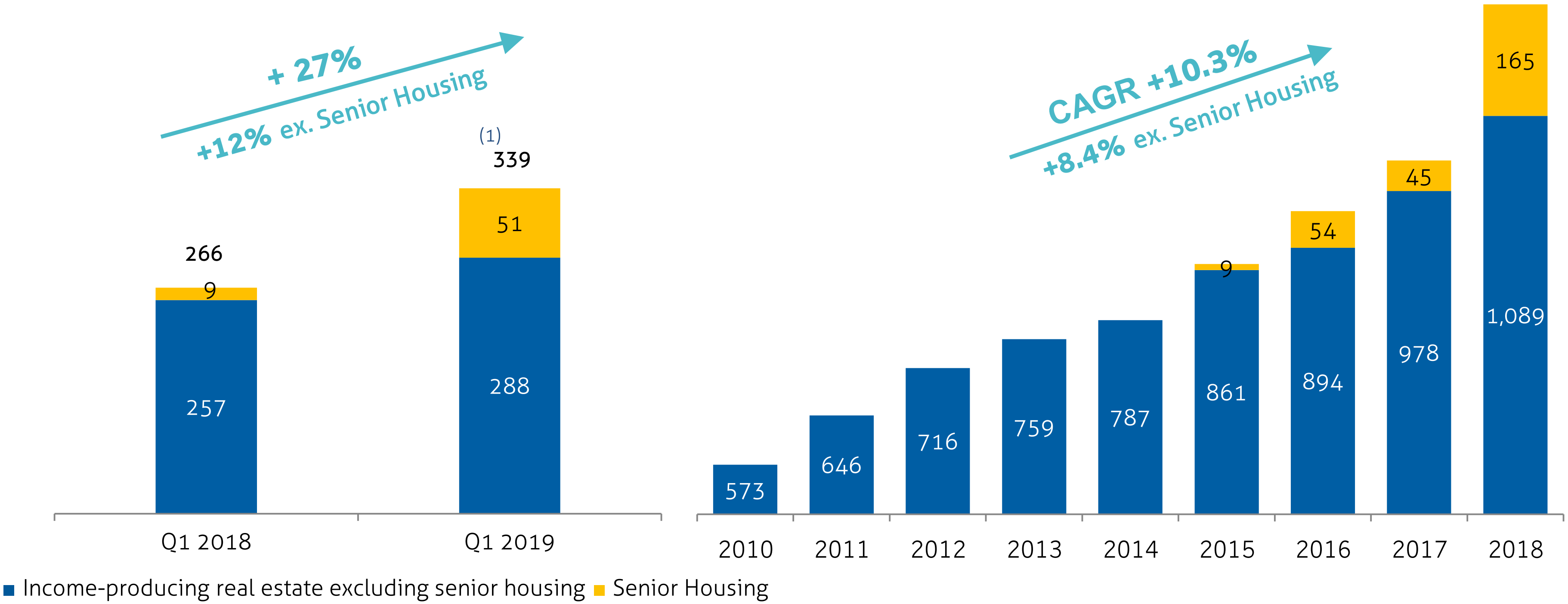




Constant FFO(1) Growth

12% increase in FFO, excluding senior housing, compared with Q4/2017

FFO attributed to the Real Estate Business* (NIS in millions)

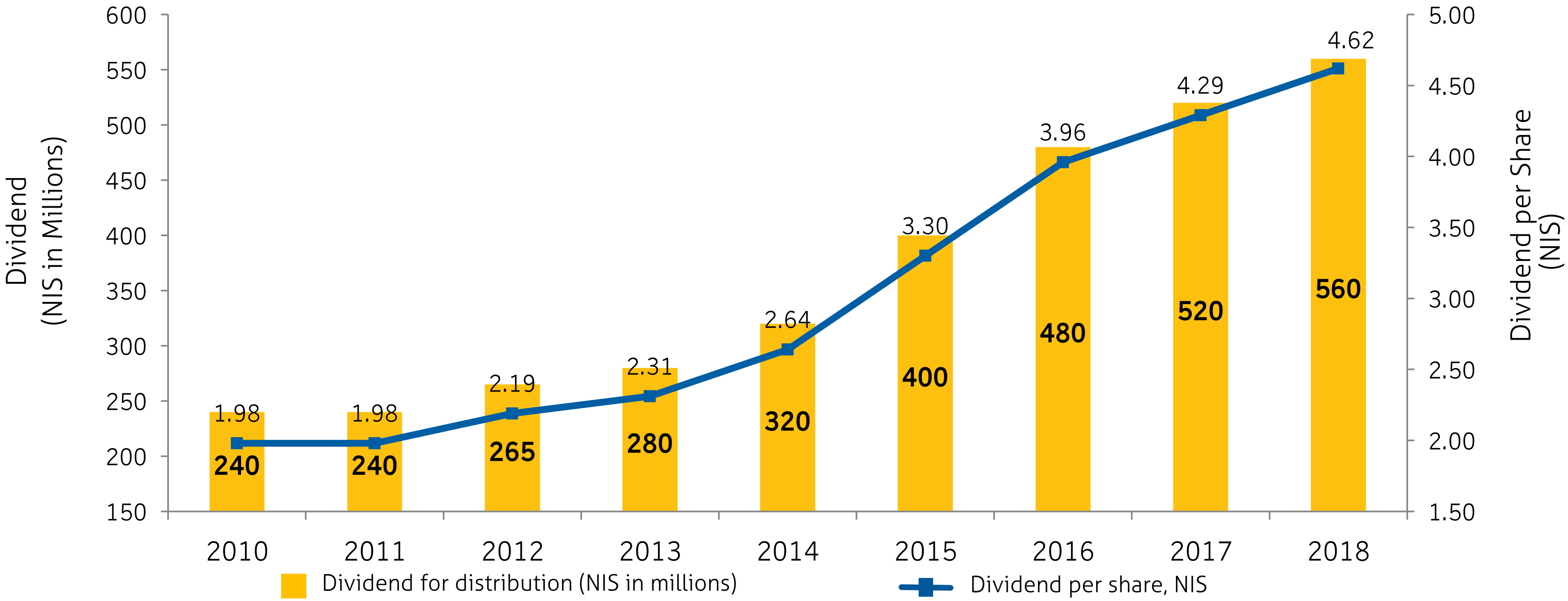


* For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.

(1) It is noted that in Q1/2019 a large number of new units were occupied for the first time in Palace Modi'in , which the Group inaugurated in October 2018.

Constant and Increasing Dividend Distribution

A dividend distribution of **NIS 560 million** for 2018.



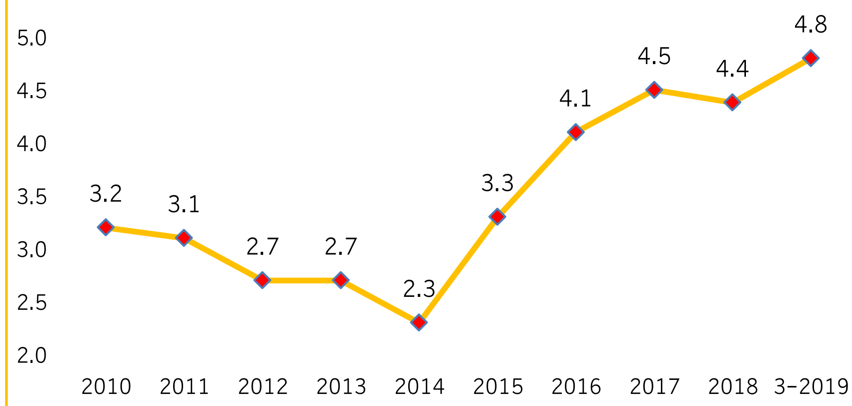
Extension of the Duration and Reduction of the Cost of Debt

> In January 2019, the Company **raised NIS 1.5 billion** by two new Bond Series (5 and 6) with durations of 7 and 10 years, carrying interest rates of 1.77% and 2.48%, respectively.

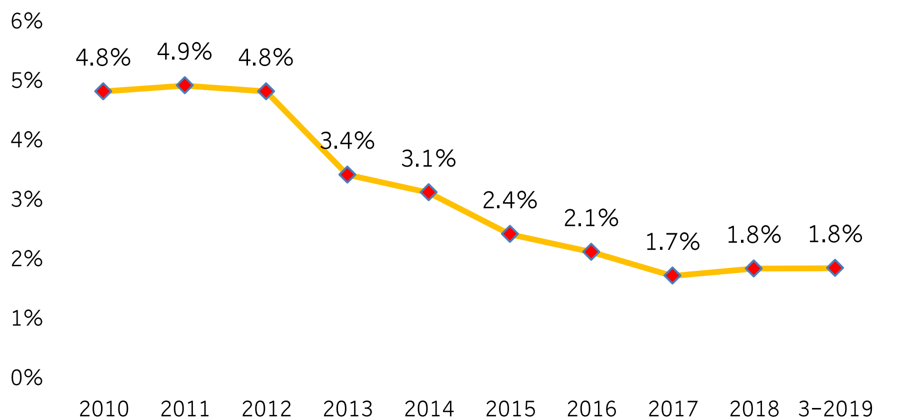
Financial Strength[1]

- Low leverage – net financial debt to assets ratio of **25%**
- Equity to assets ratio of **51%**
- Cash and cash equivalents total **NIS 2.3 billion**
- Unencumbered assets total **NIS 22 billion**

Extension of Average Duration of Debt [2]

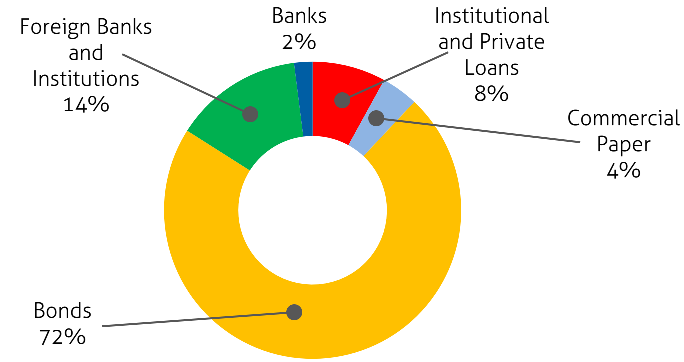


Average Interest Rate Decrease through the Years [2]



Debt Breakdown by Lender

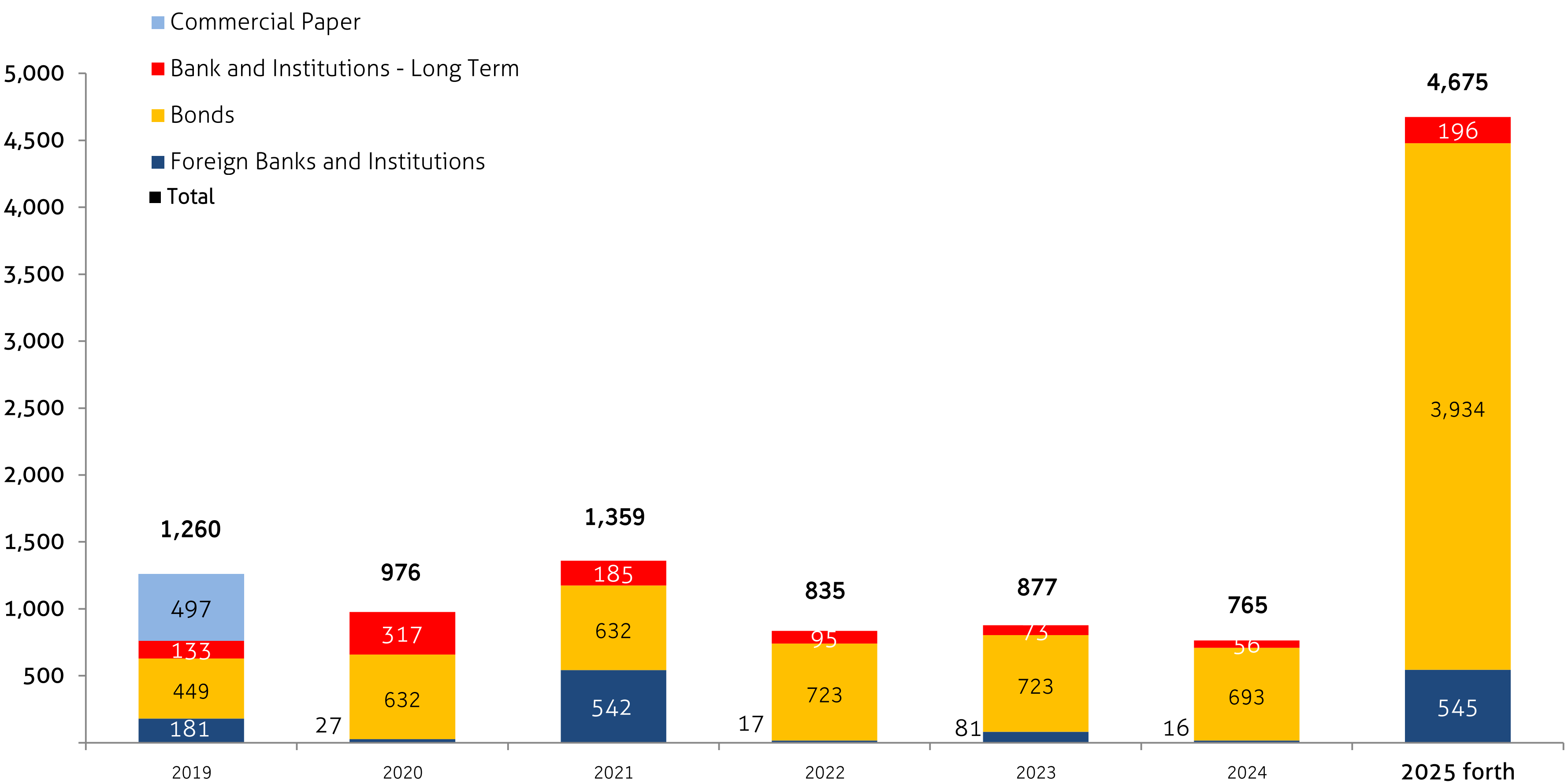
Debt of NIS 10.7 billion



(1) As of March 31, 2019 (2) Figures are as of the last day of the year / the reported period.

Payment Schedule (Principal Only)

Extended standalone as of March 31, 2019



Summary of Financial Results (Extended Standalone, NIS in millions)

	Q1 2019	Q1 2018	2018
Revenues from rent, maintenance and management fees	541	494	2,069
NOI	399	371	1,523
Same-property NOI	393	371	--
FFO attributed to the real estate business(1)	339	266	1,254
Change in the value of investment properties(2)	(2)	(29)	168
Net profit, including minority interests	369	259	1,219
Net profit, attributable to the shareholders	369	259	1,218
Comprehensive income, attributable to the shareholders	302	276	1,321

(1) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.
(2) Net, after tax.

Summary of Balance Sheet Data (Extended Standalone, NIS in millions)

	March 31, 2019	December 31, 2018
Cash, securities and deposits	2,358	646
Gross financial debt	10,747	9,569
Net financial debt (1)	8,389	8,923
Net financial debt to assets	25%	28%
Financial assets (mainly Bank Leumi and Leumi Card)	1,115	1,677
Fair value of investment properties and properties under construction	27,524	27,452
Equity (excluding minority interests)	16,817	17,077
Equity to assets	51%	54%
Total assets	32,926	31,439
Equity per share (NIS)	138.7	140.8
EPRA NAV per share (NIS)(2)	166	168

(1) Excluding financial assets (Bank Leumi and Leumi Card).
(2) Excluding part of the expected profit component in respect of development projects.

Average Cap Rate and FFO of the Income-Producing Real Estate Business

AZRIELIGROUP

Weighted average cap rate - **7.3%**

	NIS in millions
Total investment properties on extended standalone basis, as of March 31, 2019	27,667
Net of the value attributed to land reserves, properties under construction and senior housing	(4,742)
Total income-producing properties	**22,925**
Actual NOI Q1/2019[1]	390
Future quarterly NOI addition	29
Total standardized NOI Q1/2019	419
Proforma annual NOI	1,675
Weighted cap rate derived from income-producing investment properties, including vacant space	7.3%

Annual FFO [2] attributed to the real estate business - **NIS 339 million**

	NIS in millions
Net Operating Income (NOI)	**399**
Overheads excl. management fees from Granite	(28)
Depreciation	3
EBITDA	**374**
Net interest expenses	(46)
Tax	(38)
Cash flow from senior housing deposits excl. depreciation	49
Total FFO attributed to the income-producing real estate business	**339**

(1) Excluding senior housing, (the weighted cap rate of the senior housing as of the report date is 8.75%) since the cap rate of senior housing properties derives from the FFO rather than the NOI.
(2) For details with respect to the FFO calculation, see Section 2.7 of the Board of Directors' Report.
(3) The FFO calculation also includes cash-flow financing expenses in connection with projects under construction, calculated according to the credit costs capitalized to qualified properties and investment property under construction

Conclusion – Leadership, Innovation and Strength

Continued growth in the key parameters of the core business (NOI, FFO)

Lasting high occupancy rate

Exceptional financial soundness and strength

Significant growth engines:
- Internal growth
- Enterprise and development of new properties
- Acquisition of income-producing properties and land for future development
- New real estate operating segments
- Innovation

Business focus in Israel