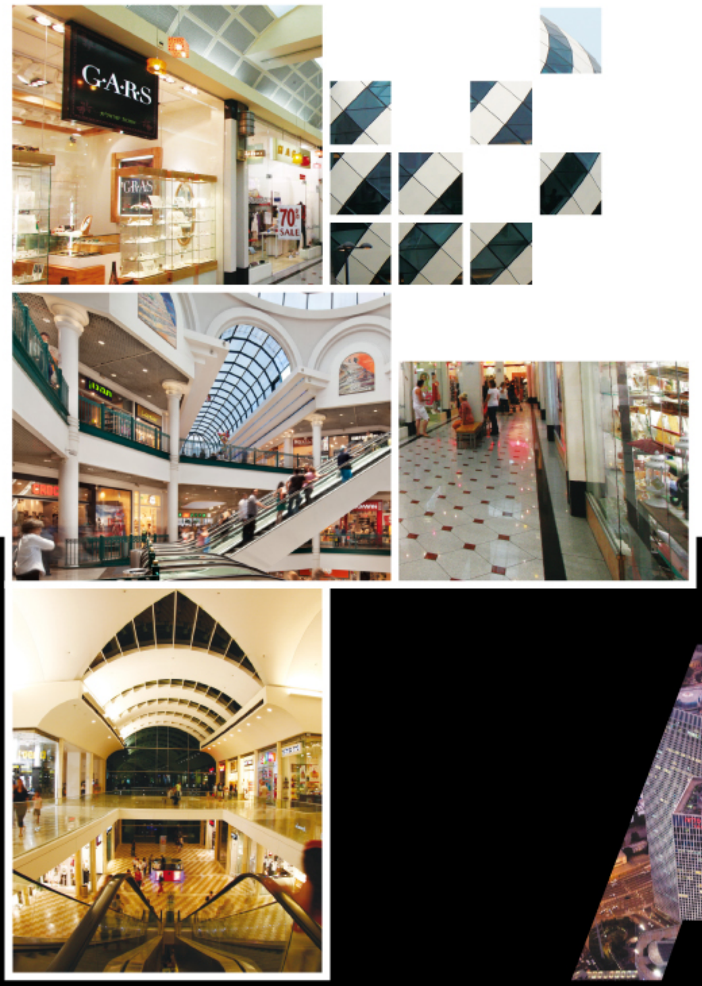
AZRIELI GROUP



Conference Call Presentation

Financial Statements — 30.09.2014

November 19, 2014

AZRIELI GROUP

AZRIELI

Convenience translation from Hebrew
Important Notice

- The English translation below of Azrieli Group Limited's presentation relating to the financial statements for Q3 2014 (the "Presentation") is provided for convenience. Please note that this document should not be regarded as a substitute for reading the original Hebrew version of the Presentation in full. 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 November 19, 2014. Nothing in this translation constitutes a representation of any kind in connection with the Presentation, nor should it be regarded as a source of interpretation for 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.

Disclaimer

- The information included in this presentation is not comprehensive and does not include all the information on the Company and its business, nor is it a substitute for inspecting the Annual Report for 2013, the Interim Financial Statements for September 30, 2014, Company's current reports and the presentations released thereby, as reported to the ISA via the Magna distribution site. The presentation is not an offer or solicitation to buy securities of the Company, and its provisions are not a recommendation or an opinion, nor a substitute for the investor's discretion. The Company does not warrant the completeness or accuracy of the information, and will not be liable for any damage and/or losses which may result from the use 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 revenue and NOI forecasts, the value of the Group's holdings, timetables, 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 macro-economic facts and figures, all as known to the Company at the time of preparing 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, market conditions and external factors affecting the Company's activity, including delays in the receipt of permits, termination of contracts, changes in the competition, a significant recession, change in financial conditions, and other such events which cannot be estimated in advance and which lie 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.
- 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 rules, apart from the Company's investment in Granite Hacarmel which is presented based on the equity method, in lieu of consolidation with the Company's statements.
- The terms "Real Estate 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, 2014, sections 1.1.5 and 1.1.6, including the methods of calculation and the underlying assumptions thereof.
- The Company's estimations as to 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 made in good faith and according to past experience and the professional knowledge accumulated by the Company. 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.

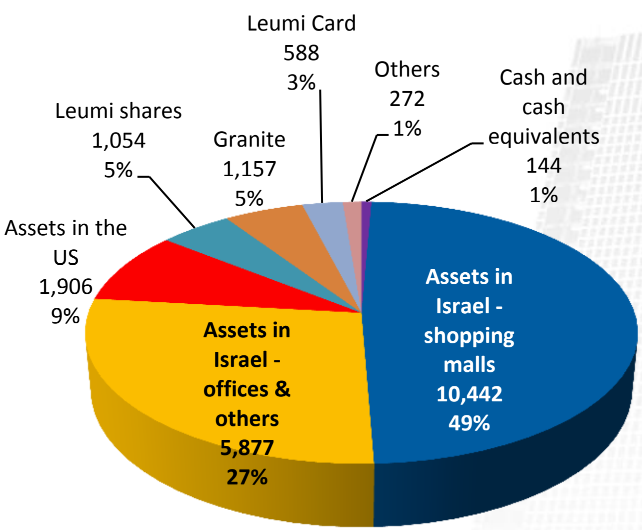
Azrieli Group - Business Card

- The Company has been publicly traded since June 2010.
- Current market capitalization - NIS 14.9 billion [(1)].
- Azrieli Group's shares are traded on the following indices: Tel Aviv 25, Tel Aviv 100 and Real Estate 15.
- Azrieli Group's stock is the only Israeli stock included in the EPRA index.
- The Company owns leasable areas totaling 807,000 m^2, with another 442,500 m^2 under construction (on a consolidated basis).
- The average occupancy rate in Israel is approx. 97%.
- Approx. 90% of the fair value (on a consolidated basis) of the income-producing real estate and properties under development relates to real estate located in Israel.
- The fair value of the income-producing real estate and properties under development is NIS 18.2 billion.
- The Company has NIS 14.6 billion of non-mortgaged properties.
- Total shareholders' equity (attributed to the shareholders) - NIS 13.1 billion.
- Low leverage (extended standalone): Net debt to balance sheet ratio of 24%, and equity to balance sheet ratio of 61%.
- The Group's bonds are rated AA/Stable by S&P/Maalot and Aa2/Stable by Moody's/Midroog.

(1) As of November 16, 2014.

Azrieli Group - Company Structure

Book value by assets Extended standalone (1) (NIS in millions)



AZRIELI GROUP

Existing properties and properties under development

- **14 shopping centers**
- **11 offices and others properties**
- **8 projects under development**
- **6 properties overseas**

4.8% — לאומי leumi

20% — לאומי קארד VISA MasterCard

100% — GRANITE Granite Hacarmel Investments Ltd.

- 100% — Sonol
- 100% — SUPERGAS
- 100% — GES

(1) As of September 30, 2014, Extended standalone.

Azrieli Group - Real Estate Segments

Real Estate Activity (1)
GLA - 1,249,500 m²

Existing properties - commercial GLA - 267,000 m²

HAIFA
AZRIELI
HERZELIA
AYALON
HOD HASHARON
JERUSALEM
OR YEHUDA
GIVATAYIM
AKKO
HANEGEV
KIRYAT ATA
MODIIN
מרכז עזריאלי חולון
AZRIELI CENTER HOLON
HOLON

Offices and others GLA – 353,000 m²

- Azrieli Tel Aviv
- Herzliya
- Jerusalem
- Modi'in (offices & residential)
- Be'er Sheva
- Givatayim
- Caesarea
- Petach Tikva
- Azrieli Center Holon (83%) – Phase A
- Kiryal Ata

Projects under development GLA - 442,500 m²

- Azrieli Center Sarona
- Ramla
- Rishonim
- Azrieli Center Holon (83%) – Phase B
- Ayalon – 2nd floor
- Azrieli North (Clalit)
- Azrieli Extension Project
- Modi'in Senior Housing

Income producing properties abroad GLA - 188,000 m²

Houston, Texas

- Galleria 90%
- Plaza 100%
- 8 West Centre 100%
- One Riverway 33%
- Three Riverway 45%

Leeds, United Kingdom

- Southern House 100%

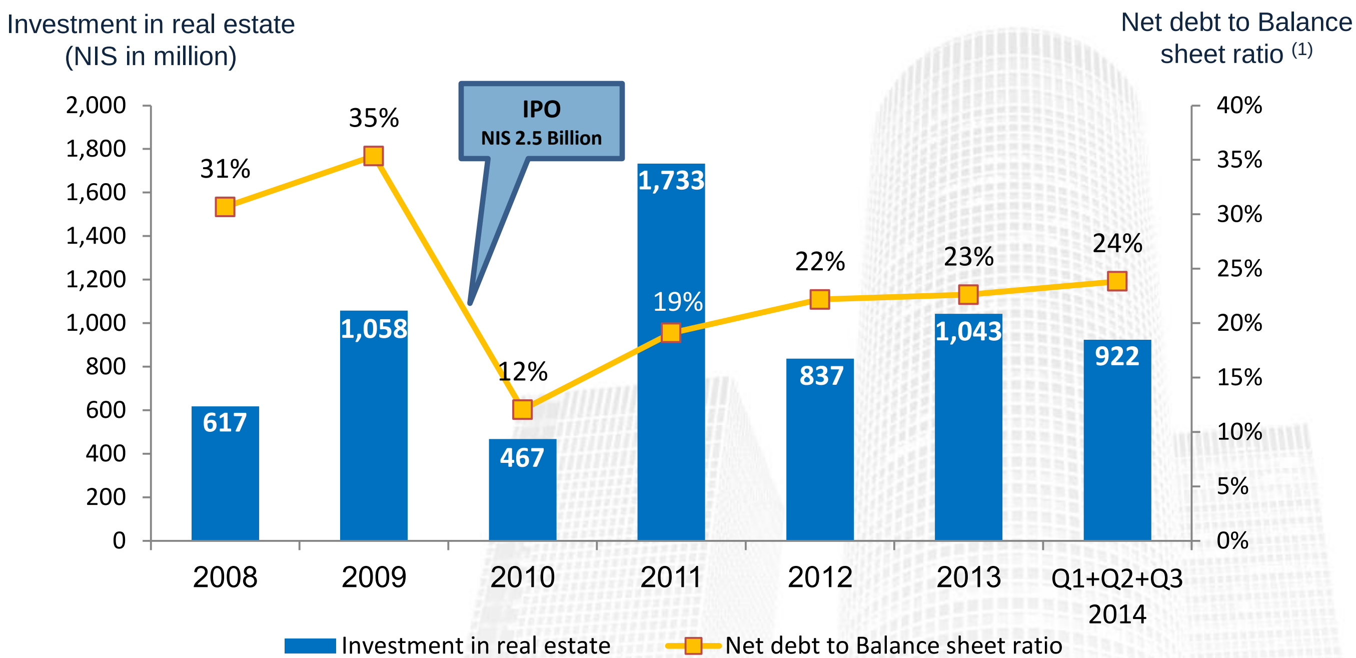
(1) GLA is consolidated.

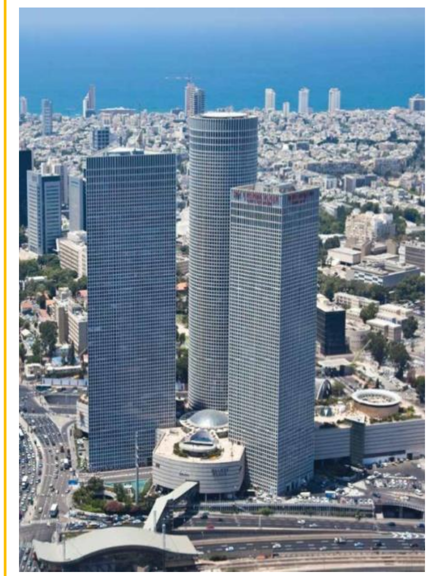
Main Events in Q3/2014

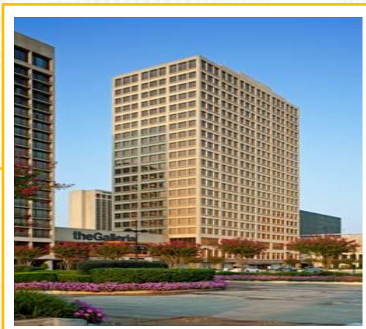
Financial highlights	▪ **NOI** – About 3% up from Q3/2013. ▪ **Same property NOI** – About 3% up from Q3/2013. ▪ **FFO** – About 2% up from Q3/2013.
Progress in projects under development	▪ **Azrieli Center Sarona:** Work on the basements is ongoing and a retail and office permit has been received. ▪ **Azrieli Center Holon:** Leases currently signed in the project for approx. 55,000 m^2 of the 64,000 m^2 in phase A. Construction of phase B continues (57,500 m^2), with signed office leases for 8,000 m^2. ▪ **Azrieli Ramal mall:** Signed and draft leases for around 88% of the GLA. ▪ **Azrieli Ayalon mall:** Signed and draft leases for close to 100% of the GLA.
Development and acquisition momentum continues	▪ In Q3/2014, the Group's investments in real-estate properties totaled NIS 484 million. ▪ In 1-9/2014, the Group's investments in real-estate properties totaled NIS 922 million.
Acquisition of an office building in Houston, Texas	▪ In September 2014 the Group acquired an office building in Houston,Texas for $76 million. ▪ Cap rate of 7%(1) ▪ External financing from foreign institution (Non-Recourse) of $49 million. Fixed interest rate of 3.16% for 5 years. ▪ Two major tenants, with long term leases.
Agreements for the Sale of the desalination plant and solar business	▪ In September 2014, Granite signed an agreement for the sale of the desalination plant (100%) for NIS 429 million. The Group's projected after-tax(2) profit: NIS 15 million. ▪ In August 2014, Granite signed an agreement for the sale of the solar business of Supergas (100%) for NIS 170 million. The Group's projected after-tax(2) profit: NIS 30 million.

(1) Average NOI for the hole period.
(2) Excluding adjustments.

Maintaining Financial Strength despite Massive Development and Acquisitions







(1) Extended standalone.

Development Momentum

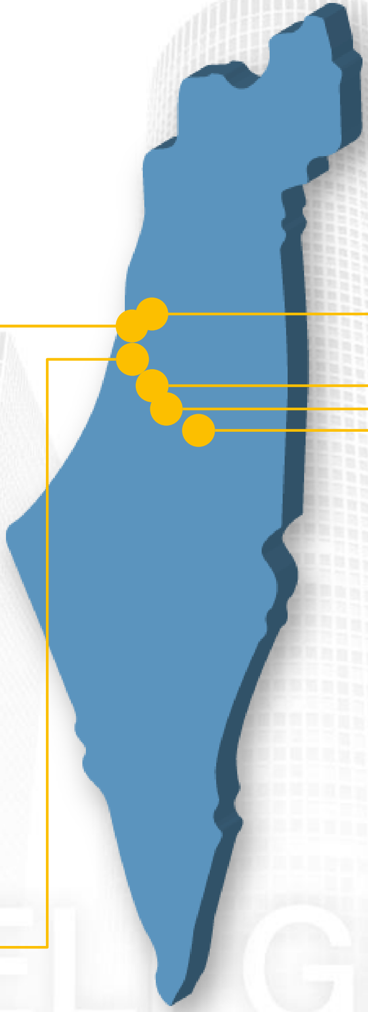
Approx. 442,500 m^2 GLA(1); Total investment of NIS 5.3-5.6 billion

Azrieli Center Sarona, Tel Aviv
Approx. 121,500 m^2

Azrieli Center Extension, Tel Aviv
Approx. 69,000 m^2

Azrieli North (Clalit), Tel Aviv
Approx. 75,000 m^2

Azrieli Center Holon Phase B
Approx. 57,500 m^2



Azrieli Ayalon mall (additional floor)
Approx. 9,500 m^2

Azrieli Rishonim
Approx. 53,000 m^2

Azrieli Ramla mall
Approx. 22,000 m^2

Modi’in Senior Housing
Approx. 35,000 m^2

(1) GLA consolidated.

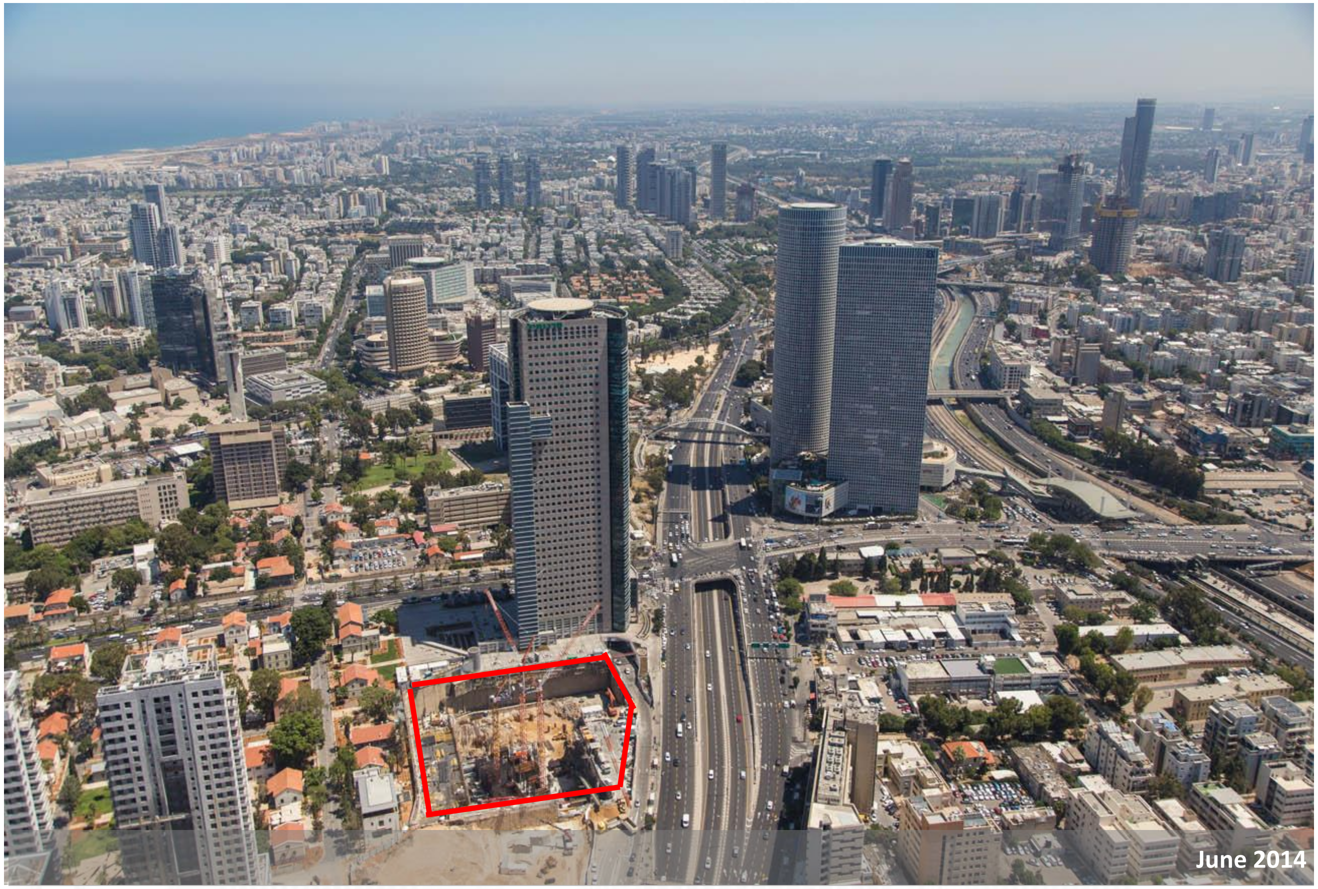
Projects under Development - Future Growth Engine

Name of property	% ownership	Use	GLA (m^2)	Estimated date of completion	Book value [1] 30.09.2014 (NIS in millions)	Estimated cost to completion of project
Azrieli Center Sarona, Tel Aviv	100%	Retail and Offices	121,500	2017	760	739-784
Azrieli Rishonim	100%	Retail and Offices	53,000	2016	259	427-457
Azrieli Center Holon [2] Phase B	83%	Offices	57,500	2015	252	40-70
Azrieli Ayalon Mall – 2nd floor	100%	Retail	9,500	March 2015	195	8-38
Azrieli Ramla Mall	100%	Retail	22,000	March 2015	297	115-135
Azrieli North (Clalit), Tel Aviv [3]	100%	Retail, offices and residential	75,000	Not yet determined	143	808-908
Azrieli Extension Project, Tel Aviv [3]	100%	Retail, offices and residential	69,000	Not yet determined	109	890-910
Modi'in Senior Housing	100%	Senior Housing	35,000	2017	56	209-219
Total			**442,500**		**2,071**	**3,236 – 3,521**
					Total book value plus estimated cost to completion	**5,307 – 5,592**

(1) The figure reflects the project's book value if a valuation was performed, or the costs invested without capitalizations and without TI's and as shell.
(2) Figures are for 100%.
(3) As of the Report Release Date, the Company has not received possession of this property.
(4) For additional information see BOD report as of September 30, 2014. section 1.1.2.

Azrieli Center Sarona, Tel Aviv

Azrieli Center Sarona, Tel Aviv



Azrieli Rishonim Project

Azrieli Center Holon

Azrieli Ayalon Mall – 2nd floor

Azrieli Ramla mall

Azrieli Group – Senior Housing

- Azrieli Group has decided to enter the senior housing market in Israel.
- Senior housing is synergetic with the Group's traditional core businesses of shopping malls and office buildings.
- Use of areas and building rights in existing sites of the Group.
- A high-potential field in Israel.
- Short supply of quality players and long-term investors.
- Regulatory changes have enhanced the advantage of financially-strong players.
- The Group intends to set up a leading platform for senior housing in Israel.
- The activity will be carried out mainly through development – purchase of land at attractive locations and building up a leading senior housing chain.
- Long-term management and holding.

Azrieli Group – Senior Housing

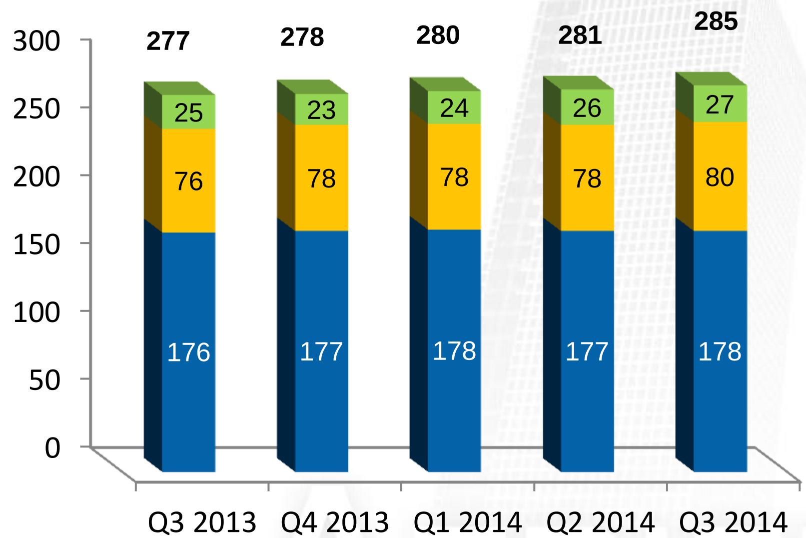
Senior housing in Israel

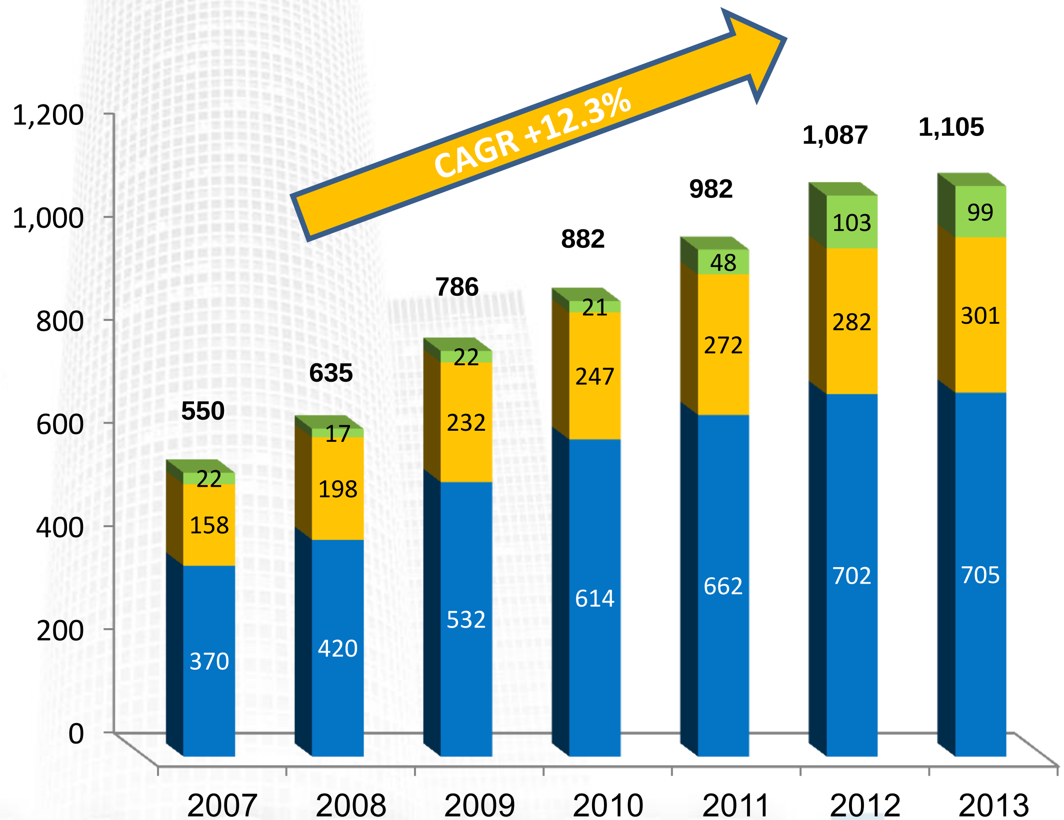
- Around NIS 10 billion in tenant deposits.
- Revenues of the market in Israel – about NIS 1.5 billion per year.
- Around 12,500 residential units in approx. 70 facilities.
- Approx. 15,000 tenants.
- **Target population (65+ year olds)**
  - ✓ In 2013 – about 10% of the total population = about 0.8 million people.
  - ✓ Forecast of 14% of the total population in 2035 = about 1.66 million people.

Purchase of land for a senior housing facility in Modi'in

- Land area – approx. 12,000 m^2 at the entrance to Modi'in on Route 443.
- Building rights – about 35,000 m^2.
- Approx. 240 residential units + 60 supportive units + 2 LTC wings.
- Cost of the land – about NIS 51.5 million
- Estimated cost of construction – about NIS 210-220 million.

Continuous Growth in NOI
(NIS in millions)

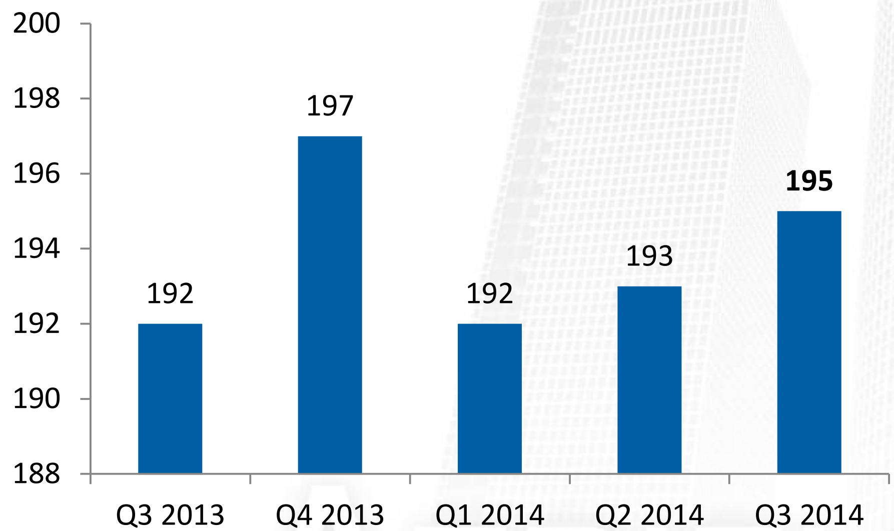




● Shopping malls and commercial ● Offices and others ● Assets in the US

Continuous Growth in FFO
(NIS in millions)

Real Estate FFO



Summary of Financial Results
(extended standalone)

NIS in millions	7-9/2014	7-9/2013	2013	2012
Property rental income	**370**	358	1,421	1,399
NOI	**285**	277	1,105	1,087
Same property NOI	**284**	276	1,067	1,052
Real estate segment FFO	**195**	192	762	716
Appreciation of investment property [1]	**(8)**	2	315	236
Net income, including minority	**170**	56	944	986
Net income (loss), attributed to shareholders	**170**	55	930	939
Comprehensive income (loss), attributed to shareholders	**303**	96	1,026	1,060

(1) Net, after tax.

Balance Sheet
(summary of extended standalone statement)

NIS in millions	30.09.2014	31.12.2013
Cash, securities and deposits	144	378
Financial debt, gross	5,256	5,059
Financial debt, net (1)	5,112	4,681
Net financial debt to Total Assets ratio	24%	23%
Financial assets (mainly Leumi & Leumi Card)	1,667	1,612
Fair value of income-producing real estate and properties under development	18,215	17,191
Shareholders' equity (excluding minority interest)	13,082	12,635
Equity to Total Assets ratio	61%	61%
Total balance sheet	21,440	20,706
Shareholders’ equity per share (NIS)	107.9	104.2
EPRA NAV per share (NIS) (2)	130	126

(1) Excluding financial assets available for sale.
(2) Excluding the projected profit component from projects under development.

Average Cap-Rate and FFO of the Real Estate Business

Portfolio weighted average cap rate of 7.5%

NIS in millions	
Investment properties as of 30.09.2014 (extended standalone)	18,281
Net of: properties under development, vacant space and building rights	(2,199)
Total income-producing properties	**16,082**
Actual NOI for Q3/2014	285
Additions to future Q3/2014 NOI	15
Adjusted NOI for Q3/2014	300
Annual pro-forma NOI	**1,200**
Portfolio weighted average cap rate	**7.5%**

Current real estate segment FFO – NIS 780 million

NIS in millions	
Net profit for Q3//2014 (attributed to the shareholders)	170
Net of items attributed to Granite	(8)
Appreciation of investment property	9
Deferred tax expenses	21
Other adjustments	(6)
Plus interest paid on real investments	9
Quarterly FFO attributed to real-estate operations	195
Annual proforma FFO (real estate)	**780**

Debt Structure and Rating (1)
(NIS in millions)

Financial stability

- Low leverage - net financial liabilities to total assets: 24%.
- Equity to total assets: 61%.
- Liquid resources of approx. NIS 144 million.
- Non-mortgaged property value of approx. NIS 14.6 billion.
- Loans from banks and institutional bodies: NIS 3.8 billion.
- Bonds & commercial paper: NIS 1.4 billion.
- Weighted average duration: 2.47 years.

Rating

- Azrieli Group bonds: AA / Stable (S&P Maalot).
  Aa2 / Stable (Moody's Midroog).
- Canit Hashalom bonds: Aa2 / Stable (Moody's Midroog).

	Principal amount	Share of total loans
Up to 1 year	1,756 (2)	33%
1 to 4 years	2,233	42%
5 to 10 years	1,267	25%
Total 30.09.2014	**5,256**	**100%**

	Principal amount	Average interest rate
Linked to CPI	3,539	3.03%
In NIS	649	0.79%
Linked to $	1,043	4.86%
Linked to £	25	1.775%
Total 30.09.2014	**5,256**	**3.11%**

Upside

AZRIELI GROUP

(1) Based on September 30, 2014 extended standalone financial statements.
(2) By the end of 2015 the Group expects to repay loans of about NIS 1.1 billion (excluding short-term loans), about NIS 590 million of which bear an average interest rate of about 5%.

Results of Non-Core Holdings

Granite HaCarmel (100%) – In Q3/2014 Granite's net profit totaled NIS 9 million, compared with NIS 40 million in Q3/2013. The decrease is mainly attributed to the sale of Tambour in the second quarter of 2014 and a decrease in GES results.
During the quarter, Granite signed agreements for the sale of the desalination plant in Palmachim (100%) for NIS 429 million, and the solar business of Supergas for NIS 170 million.

Bank Leumi (approx. 4.8% holding) – In Q3/2014, the share price on TASE increased by approx. 11.4%, representing an increase of approx. NIS 81 million, net of tax, in the holding value.
The market value of the Group's holding as of 30.09.2014 is NIS 1,054 million.
The cost of the investment on the Group's books (dividend-adjusted) is NIS 675 million.

Leumi Card (20% holding) – During the period, the Group received a dividend of NIS 10 million from Leumi Card. The book value of the holding as of 30.09.2014 was NIS 588 million, according to an external appraiser.
The cost of the investment on the Group's books (dividend-adjusted) is NIS 334 million.

Strategy

Mainly in Israel

↓

Mainly income-producing real estate

↓

Mainly shopping centers and offices

↓

Mainly development

↓

Long-term holding and management

Azrieli Givatayim Mall, Givatayim

Summary – Leadership, Innovation and Strength

- Continued growth in core business activities: NOI, FFO etc…
- Long term projections show high occupancy rates will continue.
- The Group maintains exceptional financial strength, while making investments in existing properties and acquiring new real estate.
- Significant growth engines:
  1. Internal growth.
  2. Properties under development.
  3. New acquisitions of income-producing properties and land for future development.
  4. New real estate segments (senior housing).
- Most of the Azrieli Group's activity takes place in Israel.


Azrieli Mall Modi'in

Thank you