Press Release

TEL AVIV, ISRAEL, December 2, 2014 (PR Newswire) –

Azrieli Group: Another Deal in the Senior Housing Sector – Purchase of Land to Build a Senior Housing Facility in Lehavim for NIS 6.6 million

Azrieli Group intends to build and operate a senior housing facility with 360 senior housing units and a long-term care wing with full medical supervision; the cost of construction of the project is estimated at around NIS 250 million

Yuval Bronstein, Azrieli Group's CEO: "The Group intends to become a major player in the senior housing sector through the development, construction and management of new projects in high-demand areas nationwide. The senior housing sector will be another growth engine for Azrieli Group, alongside our focus on income-producing real estate. The land in Lehavim is an excellent opportunity to fulfill our growth potential in this sector, in which we will implement Azrieli Group's high standards in the development and management of projects of unprecedented magnitude in Israel."

Azrieli Group today announced a second deal that it has signed in the senior housing sector. In the agreement, the Group purchased 29,000 sqm of land in Lehavim from the Israel Land Authority for around 6.6 million Shekels. The Group will build a 50,000 sqm senior housing facility on this area, with 360 senior housing units and a long-term care wing with full medical supervision; a 1,500 sqm retail area will also be built in the project. The cost of construction of the project is estimated at around NIS 250 million.

Azrieli Group today stated that Lehavim will offer, in the near future, extensive development of residential land, alongside a developing industrial and employment park in the west of the town, and the construction of an education complex to include schools from the elementary to the high school level, is also planned in the town. The family unit which is becoming, in recent years, an integral part of community life, is a self-sustaining cycle, and there is no doubt that the proximity between the older and younger generations will lead to optimal conditions for the success of a senior housing project in the town. The area is also highly accessible, both through the train, which is around 5 minutes' drive from the project, and the new Road 6 interchange that is currently being built, which has a direct exit to Lehavim.

Investor Relations Ltd.

74 Rothschild Blvd., Tel Aviv 66881, Tel: 03-5167620, Fax: 03-5167619, e-mail moran@km-ir.co.il website: www.km-ir.co.il

Similarly to the Group's approach in the income-producing real estate sector, in this sector too the Group plans to provide a comprehensive solution to the customer's needs, providing a broad range of related services with the aim of enabling independent living in a supportive environment. For example, each of the Group's senior housing facilities will offer a cultural and entertainment center, gyms, a swimming pool, medical services and extensive community services, including unique leisure activities.

As previously reported, in February of this year, Azrieli Group purchased land for the construction of a senior housing facility in Modiin for around NIS 51 million. Azrieli Group intends to build and operate a senior housing facility with around 240 senior housing units and another 60 assisted living units will full medical supervision; the cost of construction of the project in Modiin is estimated at around NIS 215 million.

For further details:
Moran Goder
Head of Investor Relations, Azrieli Group
Office: 03-6081310
Mobile: 054-5608151.
morango@azrieli.com

About Azrieli Group

Azrieli Group Ltd. owns and operates one of Israel's largest groups of malls, retail centers and office properties. The Company is traded on the Tel Aviv Stock Exchange under the symbol AZRG IT and is included in the TA-25, TA-100 and TA Real Estate 15 indices. It is the only Israeli stock included in the EPRA Index, which is the European index of the world's largest income-producing property companies. As of September 30, 2014, the Company has a market value of approx. $4.1 billion. The Company operates mainly in Israel, and owns and manages properties with a gross leasable area of 807,000 sqm; the Company holds 14 retail centers comprising 267,000 sqm of leasable space across Israel, 9 office properties comprising 353,000 sqm of leasable space across Israel and 5 properties overseas (mainly in Houston, Texas) comprising 187,000 sqm of leasable space. In addition, the Company has 8 projects under development comprising 442,500 sqm of leasable space in Israel. 90% of the fair value of the investment property and the property under development relate to properties in Israel. Over the past 30 years, the Group has been specializing in the development, acquisition, and management of retail centers and office space. For further information, please visit the Company's website at www.azrieli.com.