



May 26, 2014

Azrieli Group: Closing of the sale of Tambour to the international company Kusto for around NIS 500 million

Good morning,

In the evening hours of Thursday, 12/6, Azrieli Group announced that after fulfillment of all the conditions precedent set forth in the agreement, the sale of Tambour by Granite Hacarmel (100% held by the company) was closed, for the sum total of approx. NIS 500 million.

Azrieli Group expects to record an after-tax profit of about NIS 50 million.

About Azrieli Group

Azrieli Group Ltd. owns and operates one of Israel's largest groups of malls, retail centers and office properties in Israel. 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 March 31, 2014, the Company has a market value of approx. \$4.2 billion. The Company operates mainly in Israel, and owns and manages properties with a gross leasable area of approx. 785,000 sqm; the Company holds 14 retail centers comprising 266,000 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 166,000 sqm of leasable space. In addition, the Company has 8 projects under development comprising approx. 442,500 sqm of leasable space in Israel. Around 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.

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