AZRIELI GROUP

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Press Release

Azrieli Group: Marketing of Azrieli Sarona Center has Begun, First Lease Agreement Signed for a Total Area of 4,700 m^2

Azrieli Group signed a lease agreement for millions of shekels a year; Azrieli Sarona Center is being built in an extraordinary environment adjacent to Sarona Park

The tower will soar to a height of 255 meters with floor space of 2,400 m^2

Azrieli Group announced today commencement of the marketing of the Azrieli Sarona Center. The Group has recently signed a lease agreement with law firm Pearl, Latzer, Cohen-Zedek, Baratz, which recently merged and will relocate its business from Herzliya and Tel Aviv to a single site in the Azrieli Sarona Tower.

In the agreement, the company will lease two floors in the tower of a total area of 4,700 sqm and 70 parking spaces. The lease agreement is long-term and was signed for a period of 10 years plus option periods. The company is due to move to the tower upon completion of construction, scheduled for the last quarter of 2017. **Azrieli Group states that the rent for offices in the tower will be 100-120 shekels per m^2 per month**.

Azrieli Sarona Center, which includes an office tower and a boutique mall, is the largest office tower currently being built in Israel: the tower will soar to a height of 255 meters, 50 office floors above 3 mall floors, and will include the largest floor space currently available in office towers, estimated at around 2,400 m^2 per floor, and in total 110,000 m^2 of office space. The investment in the project is estimated at 1.5 billion shekels (for the shell), and its construction is expected to be completed in the last quarter of 2017.

The project includes seven underground levels, which will hold around 1,400 parking spaces for the use of tenants and visitors.

Yuval Bronstein, CEO of Azrieli Group, stated: "Azrieli Group has, for more than two decades, maintained its leadership of the income-producing property sector in general, and of shopping centers and office towers in particular. The Group, whose pioneering spirit has changed Tel Aviv's skyline, will lend a futuristic and meticulous touch to the renewal of the Sarona park, with rich experience in management, marketing and service. The project's location, at the heart of the most accessible and developed area in Tel Aviv, ensures its success".

Ofer Avram, Head of the Office Segment at Azrieli Group, stated that: "The signing of the agreement, 3 years before population of the building begins, proves above all else the tenants' faith in Azrieli Group's capabilities. The unique planning of the office tower allows large companies to efficiently arrange their business in the tower, while avoiding division between floors when planning their work environment, and making maximum use of the office space. We are currently in the midst of negotiations with both international and domestic companies, interested in securing space in the most prestigious tower currently being built in Israel".

Investor Relations Ltd.

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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 December 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 807,000 sqm; the Company holds 14 retail centers comprising 267,000 sqm of leasable space across Israel, 11 office properties comprising 353,000 sqm of leasable space across Israel and 6 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. Aproox. 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 spaces. For further information, please visit the Company's website at www.azrieli.com.