



AZRIELI GROUP

Conference Call Presentation

Financial Statements December 31, 2015



AG



Convenience Translation from Hebrew | Important Notice

The English translation below of Azrieli Group Limited's presentation relating to the conference presentation at March 23, 2016 (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 March 23, 2016. 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 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 2015, 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, refinancings, 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 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 December 31, 2015, Sections 1.1.8 and 1.1.9, 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.

Highlights for Q4/2015 and Y/2015

Financial Highlights

- › **NOI** – Increase of approx. **9%** compared with 2014.
Increase of approx. **10%** compared with Q4/2014.
- › **Same Property NOI** – Increase of approx. **5%** % compared with 2014.
Increase of approx. **6%** compared with Q4/2014.
- › **FFO** – Increase of approx. **11%** in the year compared with 2014.
Increase of approx. **10%** compared with Q4/2014.

Continued Momentum of Development, Redevelopment and Acquisitions

- › Over the course of 2015, the total of investment properties and investment properties under construction increased by **NIS 1.7 billion**.

Weighted Average Cap Rate

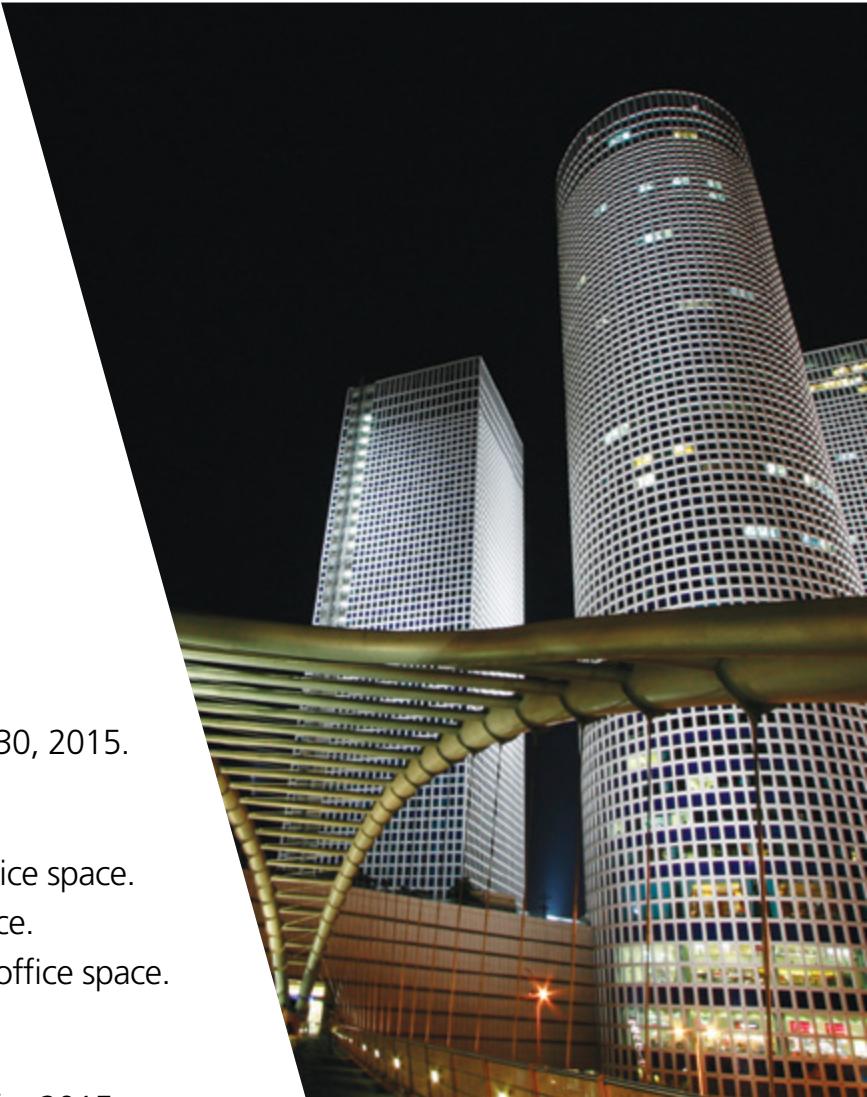
- › Weighted average cap rate of **7.5%** as of December 31, 2015, unchanged from June 30, 2015.

Leases in Projects under Construction – March 2016

- › **Azrieli Sarona Center:** Contracts signed for approx. **45,000 sqm** of the leasable office space.
- › **Azrieli Holon Center:** Contracts signed for approx. **90,000 sqm** of the leasable space.
- › **Azrieli Rishonim Center:** Contracts signed for approx. **10,000 sqm** of the leasable office space.

Dividend

- › The Company announced a dividend distribution in the amount of **NIS 400 million** for 2015, up **25%** from last year.



Highlights for Q4/2015 and Y/2015



Key Developments in 2015 and after the End of the Period

- **New properties opened** – the Ramla Mall and the second floor of the Ayalon Mall were opened in 2015.
- **Palace Tel Aviv** – In July 2015, the Group purchased the Palace Tel Aviv senior home.
- **Land in Holon** – The Company won a tender issued by the Israel Land Authority for land in Holon on an area of 12,400 sqm, with building rights of up to approx. **55,000 sqm** of offices and retail space near the Azrieli Holon Center.
- **Purchase agreement signed** for the Lodzia land in Holon – an area spanning approx. **12.5 acres**, adjacent to the Azrieli Holon Center.
- In March 2016 the Group **won a tender for the purchase of land** for the construction of a senior home in Rishon LeZion, near Azrieli Rishonim Center.
- **Financing expenses** – The Company raised **NIS 2.2 billion** in 2015 in public bonds and reduced the average interest expenses from **3.1%** at the end of 2014 to **2.44%** at the end of 2015.
- **Granite Hacarmel** – The sale of the Via Maris desalination plant in Palmachim was closed in 2015. In recent months, advanced negotiations are being conducted for the sale of Sonol.





- Publicly traded since 2010, the ninth largest company in the Tel Aviv Stock Exchange



- Market Cap of approx. NIS 18.4 billion⁽¹⁾



- Listed on all the leading indices TA-25, TA-100, Real Estate-15



- The only Israeli company included in the EPRA Index



- The Company owns income-producing properties with a total leasable area of approx. **890,000 sqm**, and, in addition, approx. **475,500 sqm** under construction (on a consolidated basis)



- Average **occupancy rate** in Israel of approx. **98%**



- Approx. **90%** of the value of investment and under-construction income-producing properties (on a consolidated basis) is attributed to **real estate in Israel**



- **Leverage rate** of approx. **23%** only, and equity to assets ratio of approx. **57%⁽²⁾**

Simulation



(1) As of March 20, 2016

(2) Extended Standalone

74.9% The Azrieli family
and the Azrieli Foundations **25.1%** Public

Income-Producing Properties and Properties under Construction

 **15** malls and retail centers

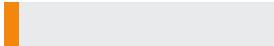
 **11** office and other properties

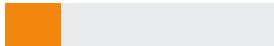
 **8** properties under development

 **1** senior home

 **6** office properties overseas

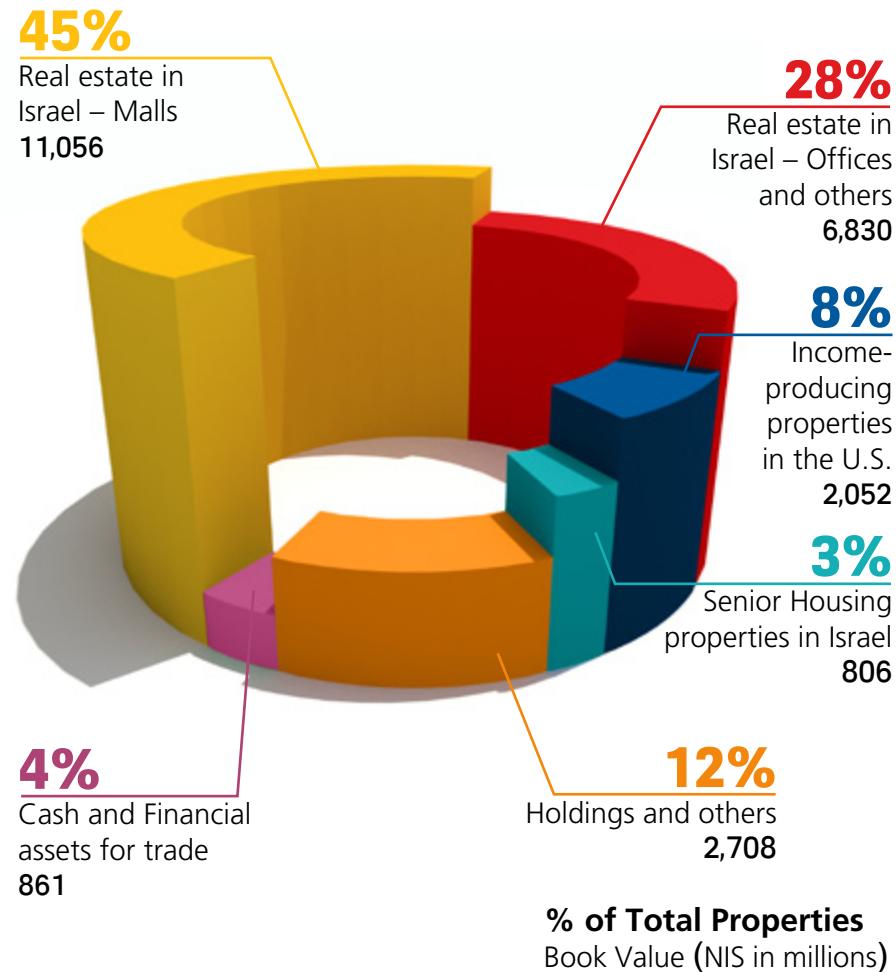
Holdings

 **4.8%** Bank Leumi

 **20%** Leumi Card

 **100%** Granite

Azrieli Group – Breakdown of Properties ⁽¹⁾



(1) Extended Standalone, as of Dec 31, 2015



- Total revenues in 2015 – **NIS 931 million** compared with NIS 877 million in 2014 – An increase of approx. **6%** in 2015



- NOI in 2015 – **NIS 748 million** compared with NIS 709 million in 2014 – An increase of approx. **6%** in 2015



- GLA of **300,000 sqm** ⁽¹⁾



- Average occupancy rate – **98%**



- Book value – approx. **NIS 11 billion**



- 15 malls and retail centers

- Azrieli Tel Aviv Mall
- Azrieli Holon Mall
- Azrieli Jerusalem Mall
- Azrieli Haifa Mall
- Azrieli Ayalon Mall

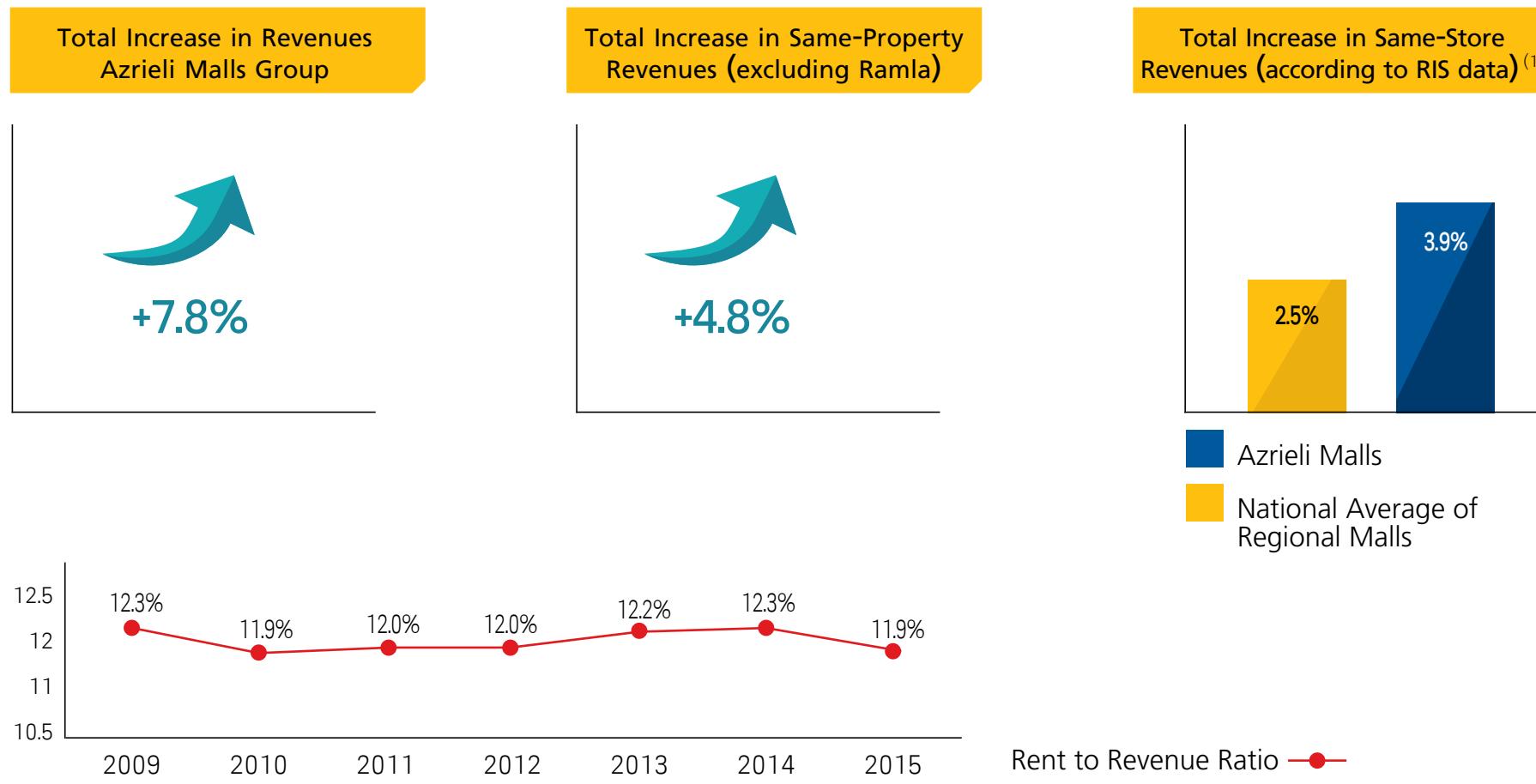
- Azrieli Ramla Mall
- Azrieli Givatayim Mall
- Azrieli Hod HaSharon Mall
- Azrieli Modi'in Mall
- Azrieli Akko Mall

- Azrieli HaNegev Mall
- Azrieli Kiryat Ata Mall
- Azrieli Herzliya Outlet
- Azrieli Or Yehuda Outlet
- Azrieli Holon Center



(1) GLA (gross leasable area) on a consolidated basis as of December 31, 2015

2015 VS. 2014



(1) RIS data, same stores, 2015 versus 2014 (Annual), Azrieli Malls versus regional mall average.

Portfolio Highlights | Azrieli Jerusalem Mall



- > Occupancy rate ⁽¹⁾ – 99%
- > GLA – approx. 39,000 sqm
- > Property value ⁽¹⁾ – NIS 1,880 million
An increase of approx. NIS 7 million from the end of 2014.

Developments

- > 2016 saw the launch of a **major renovation** of the mall, which will last around 18 months.
- > In the mid-long term – the Group is promoting a development plan for the Jerusalem Mall for **the addition of retail and office space** and an additional use of **senior housing**.



(1) Occupancy rate As of December 31, 2015

(2) Book value as of December 31, 2015



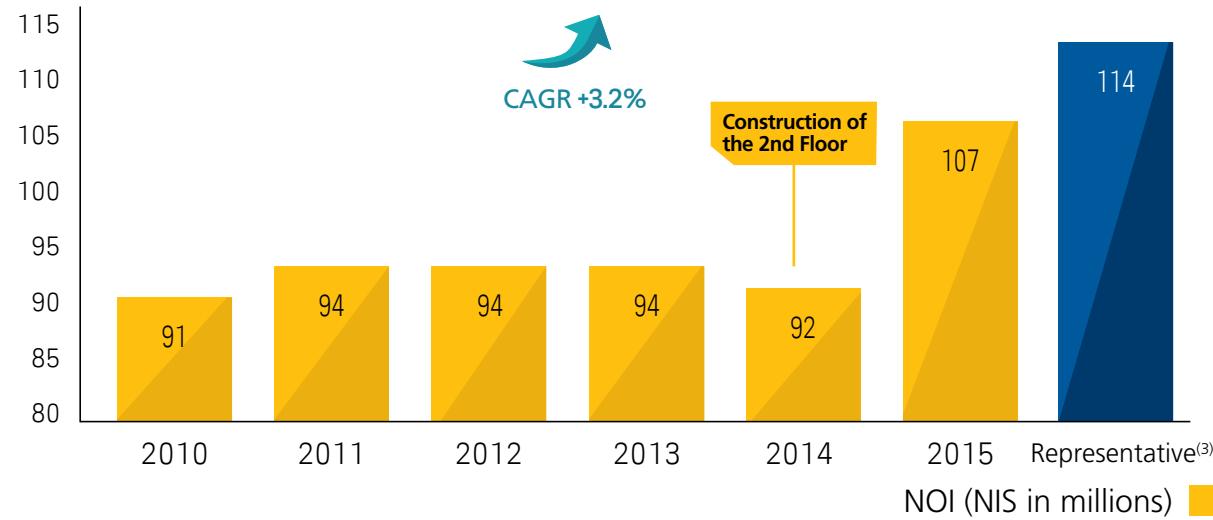
Portfolio Highlights | Azrieli Ayalon Mall



> Occupancy rate ⁽¹⁾ – 100%

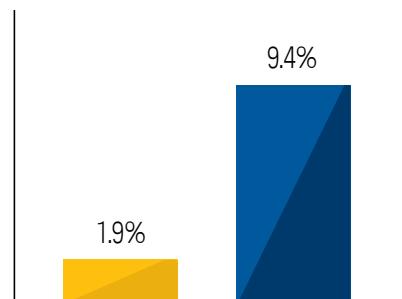
> GLA – 33,000 sqm

> Property value ⁽²⁾ – NIS 1,580 million
An increase of approx. NIS 350 million
from the end of 2014 ⁽⁴⁾

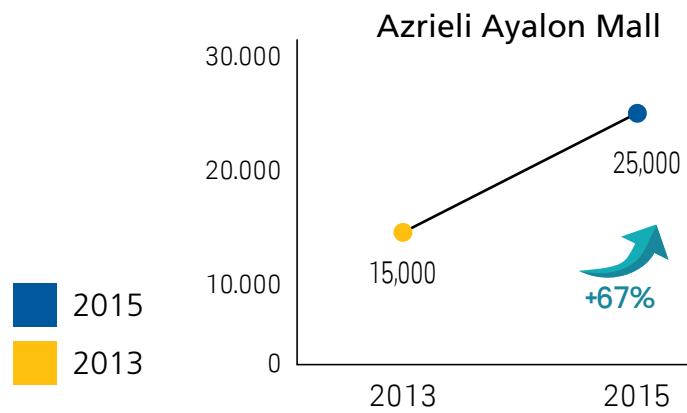


Change in Same-Store Revenues - Before and after the addition of Floor 2 and compared with the change in regional malls ⁽⁵⁾

- Ayalon Mall, same-store
2015 versus 2013
- Regional malls average,
same-store 2015 versus 2013



Average Mall Visits per Day
Before and after the addition of Floor 2

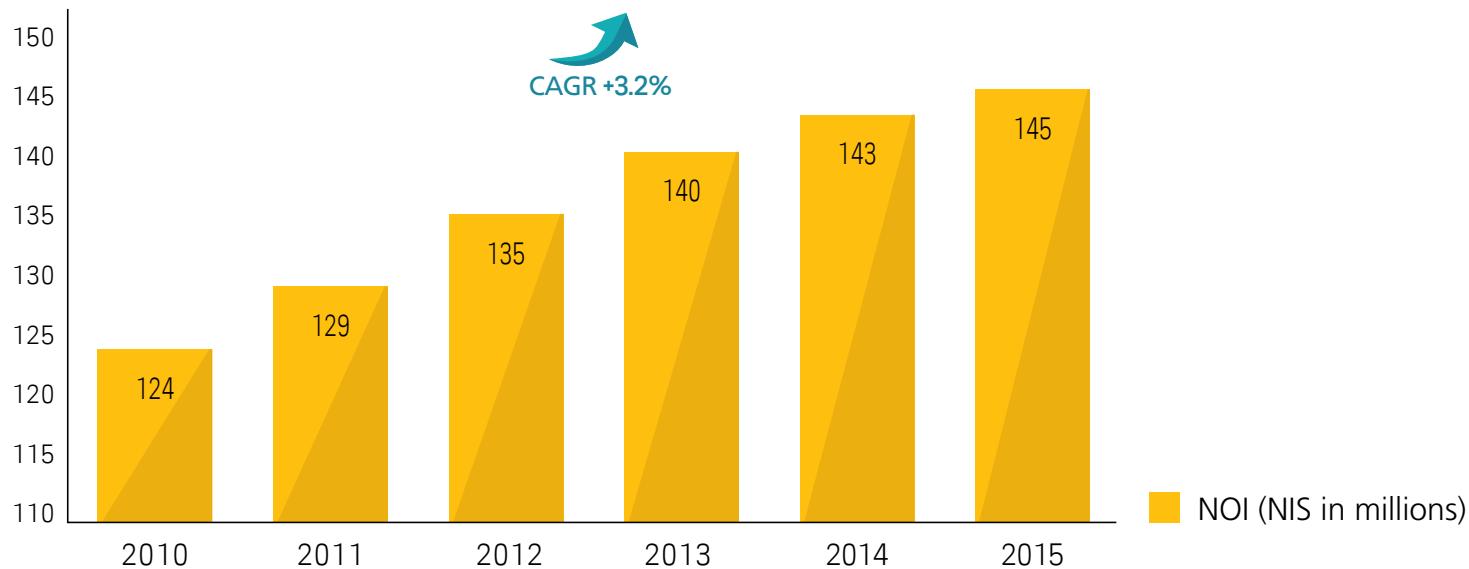


(1) Occupancy rate As of December 31, 2015 (2) Book value as of December 31, 2015. (3) Including the representative NOI of a whole year in sqm, including the 2nd Floor. (4) Value in 2014 is excluding the 2nd floor, which was opened in 2015, apart from revaluation profits. (5) RIS data, same stores, June-December 2013 versus June-December 2015, Azrieli Ayalon Mall versus regional mall average.

Portfolio Highlights | Azrieli Tel Aviv Mall⁽¹⁾



- > Occupancy rate⁽²⁾ – 100%
- > GLA – approx. 34,000 sqm
- > Property value⁽³⁾ – NIS 2,150 million
An increase of approx. NIS 89 million from the end of 2014



Developments

- > Addition of Urbanica store on the ground floor (new retail space), opening in April-May 2016.
- > The departure of HaMashbir LaZarchan for the purpose of **expansion of Zara and the introduction of Stradivarius** – a new international chain to open the first Israeli branch at Azrieli Mall (opening in 2016).
- > In the mid-long term – **Expansion of the mall by 10,000 sqm** on the Yedioth Aharonot land.



(1) NOI includes 50% of the profits of Azrieli car park. (2) Occupancy rate As of December 31, 2015 (3) Book value as of December 31, 2015

Portfolio Highlights | Azrieli Modi'in Mall



- Occupancy rate ⁽¹⁾ – 100%



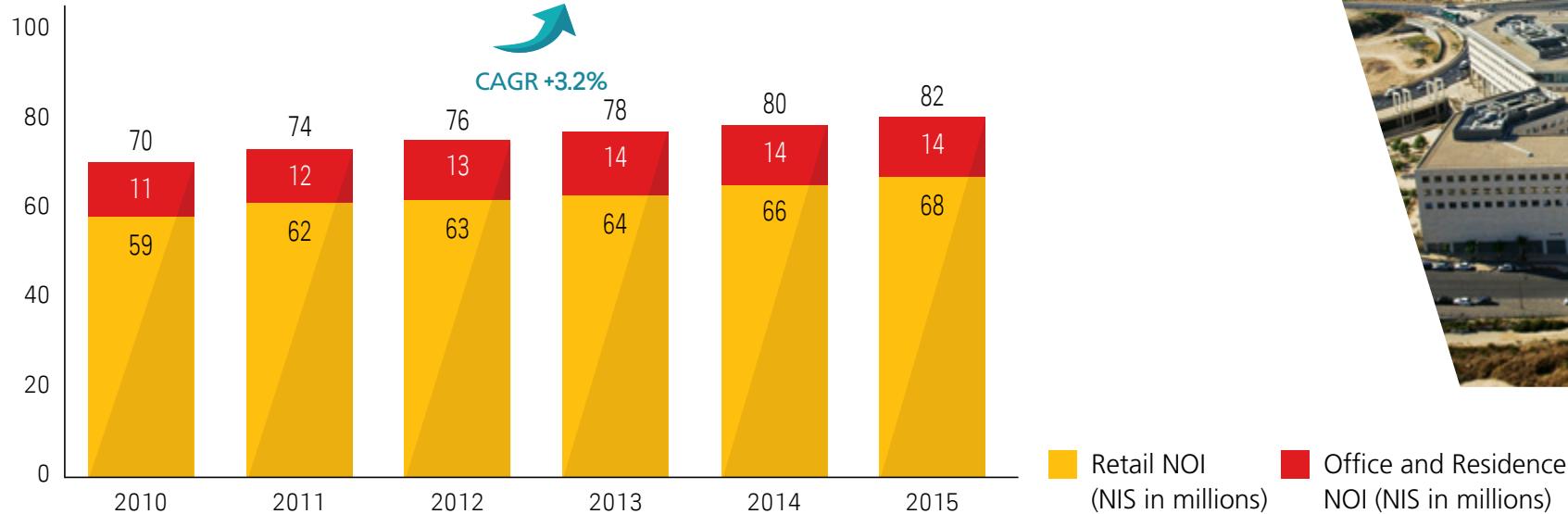
- GLA – Retail – approx. 26,000 sqm
- Offices – approx. 14,000 sqm
- Residences – approx. 9,000 sqm



- Property value ⁽²⁾ – NIS 1,204 million
- An increase of approx. NIS 75 million from the end of 2014

Developments

- Significant and consistent **growth** in sales revenue in the mall.
- According to the RIS rating for 2015, the Modi'in Mall has demonstrated **the highest increase in sales revenues** of all longstanding malls (9.9% increase).



(1) Occupancy rate refers to the office, residential and retail spaces as of December 31, 2015

(2) Book value as of December 31, 2015



Azrieli Group | Offices and Other Uses (Israel)



- Total revenues in 2015 – **NIS 420 million** compared with NIS 387 million in 2014 – An increase of approx. **9%** in 2015



- NOI in 2015 – **NIS 347 million** compared with NIS 318 million in 2014 – An increase of approx. **9%** in 2015



- GLA of approx. **374,000 sqm**



- Average occupancy rate – **99%⁽²⁾**



- Book value – approx. **NIS 7 billion**



- 11 malls and retail centers
- Azrieli Towers, Tel Aviv
- Herzliya
- Jerusalem
- Modi'in (offices)
- Modi'in (residences)
- Be'er Sheva
- Givatayim
- Caesarea
- Petach Tikva
- Azrieli Holon Center (83%)
- Kiryat Ata



(1) GLA on a consolidated basis as of December 31, 2015

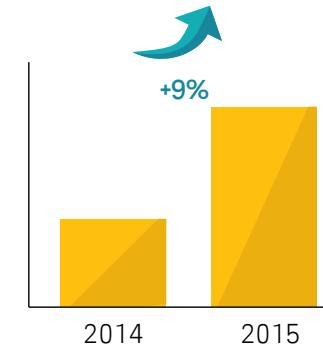
(2) Occupancy rate of 96% of the total office space, including offices opened during the year.

Portfolio Highlights | Azrieli Towers, Tel Aviv

-  > Occupancy rate ⁽¹⁾ – 100%
-  > GLA – approx. 150,000 sqm
-  > Property value ⁽²⁾ – NIS 2,822 million
An increase of approx. NIS 41 million from the end of 2014

Developments

- > In 2015 contracts were renewed (option renewals or new incoming tenants) for **23,000 sqm** with an average **increase of 9%** in rent per sqm, compared with the previous rent⁽³⁾.



(1) Occupancy rate as of December 31, 2015 (2) Book value as of December 31, 2015. (3) The figure is a weighted average of the office areas for which the contracts ended in 2015. The increase in rent is the actual rent following the renewal of the option/the terms of a new contract, compared with the actual index-adjusted price paid prior to the expiration of the ended contract.



- Occupancy rate ⁽¹⁾ – 100%



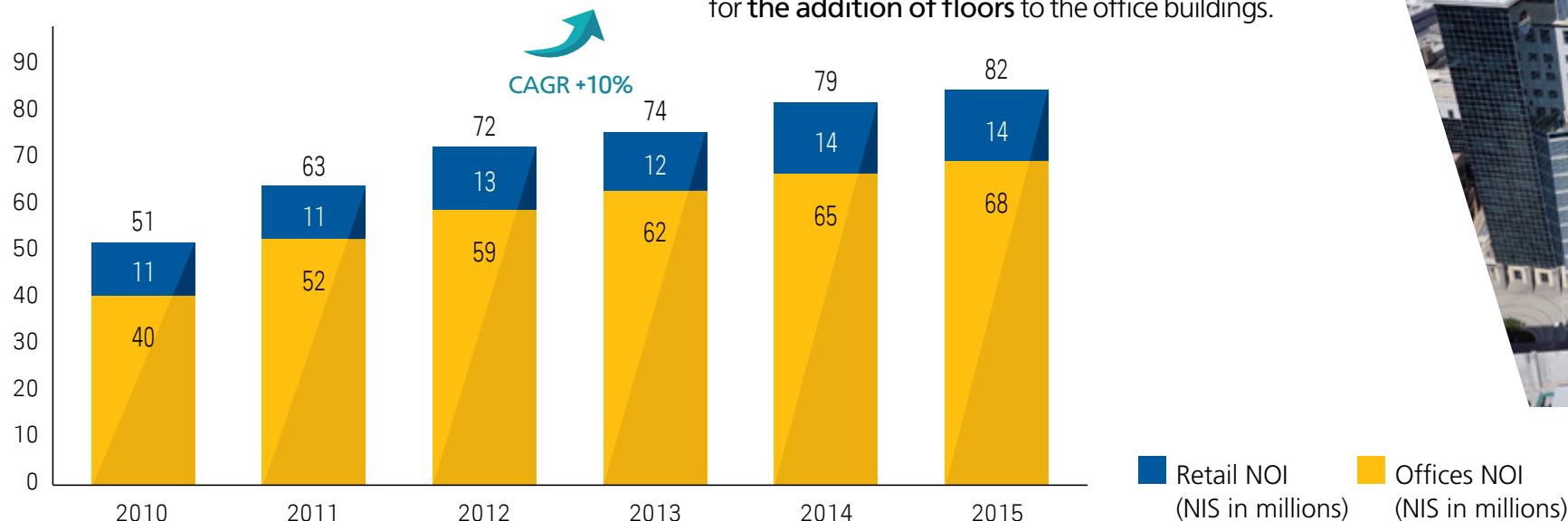
- GLA – Offices – approx. 70,000 sqm
Retail – approx. 8,000 sqm



- Property value ⁽²⁾ – NIS 1,072 million
An increase of NIS 61 million from the end of 2014

Developments

- Full occupancy maintained with 5%-15% rent increases in the office areas under new contracts and exercised options.
- Record revenues from the parking in 2015.
- Exceptional success in the Zappa Hall, replication of the success to the Haifa Mall.
- In the mid-long term – promotion of a zoning plan for the addition of floors to the office buildings.



(1) Occupancy rate refers to the office and retail areas as of December 31, 2015

(2) Book value as of December 31, 2015





Palace Tel Aviv



- NOI in 2015 – **NIS 11 million** (six months)



- Approx. **231** residential units and **4** LTC wings



- Purchase price – **NIS 270 million**, reflecting a yield of **9%-9.25%** on the FFO

Developments

- Construction of **2** new senior homes in Modi'in and Lehavim.
- In March 2016 – winning the tender of the Israel Land Authority for the construction of a senior home in Rishon LeZion, close to the Azrieli Rishonim Center.
- Growth and development of the segment through **acquisitions** and development of senior homes.



8 development projects, 475,500⁽¹⁾ sqm

Azrieli Sarona
Center Tel Aviv
Approx. 126,500 sqm

Azrieli Center
Expansion Tel Aviv⁽²⁾
Approx. 69,000 sqm

Azrieli TOWN Tel Aviv⁽²⁾
Approx. 75,000 sqm

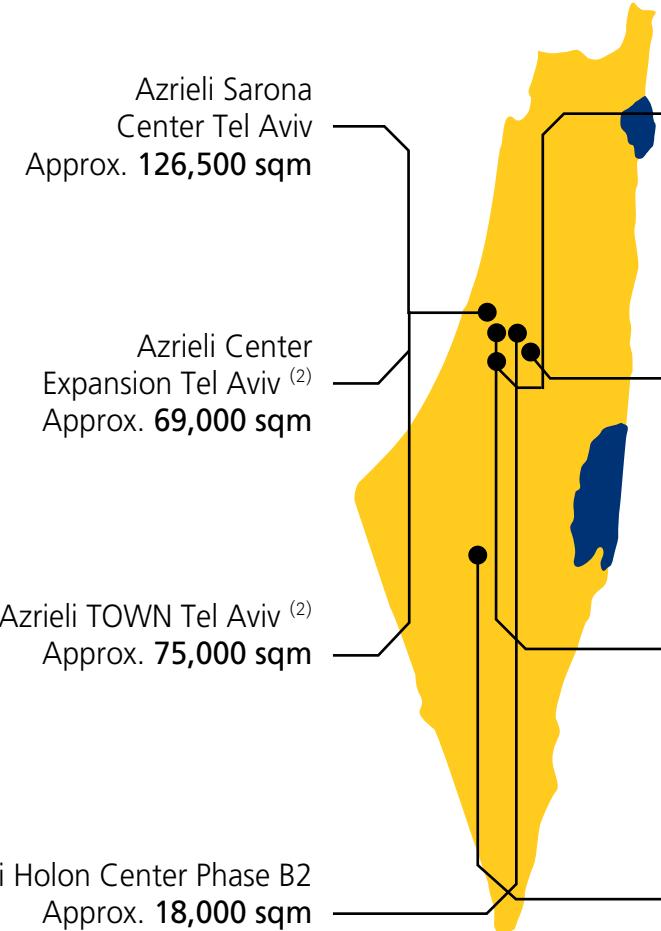
Azrieli Holon Center Phase B2
Approx. 18,000 sqm

Azrieli Rishonim
Approx. 53,000 sqm

Modi'in Senior Home
Approx. 35,000 sqm

Land in Holon
Approx. 55,000 sqm

Lehavim Senior Home
Approx. 44,000 sqm



(1) GLA on a consolidated basis as of December 31, 2015. The figure represents the amount of building rights in sqm.

(2) Possession handover to the Company is expected to take place in 2016.

Development Projects | The Growth Engine

Name of Property	Location	Use	Holding Rate	GLA	Estimated Completion Date	Estimated Construction Cost, including Land (NIS in millions)
Development Projects						
Azrieli Sarona Center	Tel Aviv	Retail offices	100%	11,500 115,000	2017	1,550-1,610
Azrieli Rishonim	Rishon LeZion	Retail and offices	100%	53,000	12/2016 ⁽⁶⁾	760-770
Azrieli Holon Center – Phase B2	Holon	Offices	83%	18,000	Q2/2016	115-120 ⁽⁴⁾
Azrieli Town ⁽²⁾	Tel Aviv	Retail, offices and residences	100%	75,000	2020	550-600 ⁽⁵⁾
Modi'in Senior Home	Modi'in	Senior housing	100%	35,000	2018	310-320
Lehavim Senior Home Land	Lehavim	Senior housing	100%	44,000	2018	250-270
Total				351,500		3,545-3,720 ⁽¹⁾
The projected NOI from projects under construction, as appearing in the above list, is NIS 400 million, reflecting a yield of 10%-11%						

Additional Development Projects

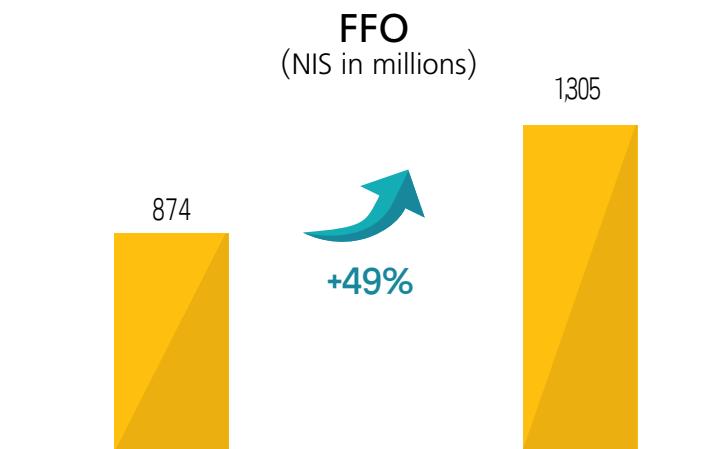
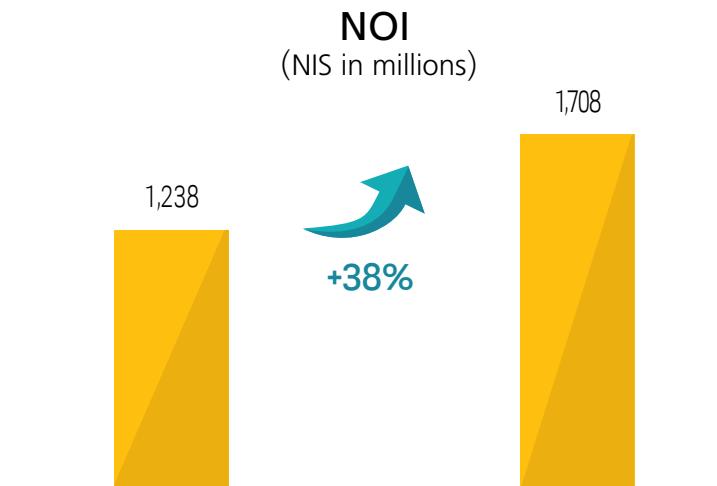
Expansion of Azrieli Tel Aviv Center ⁽³⁾	Tel Aviv	Retail, offices and residences	100%	69,000	Yet to be determined
Holon Land	Holon	Retail and offices	100%	55,000	Yet to be determined

(1) The figure reflects the costs invested without discounting and at bare shell level (the Company estimates that it will need to invest an additional amount of up to approx. NIS 250 million to the finishing level). (2) Possession handover in August 2016 and estimated construction commencement in September 2016. (3) Possession handover on March 31, 2016 and estimated construction commencement in Q2/2016. Promotion of zoning plan for the addition and expansion of rights and uses. (4) Estimated cost refers to the pro rata share of Holon B2 out of the entire costs of the project, at 100%. (5) Cost of land and construction, net of estimated consideration from the sale of the residential component for approx. NIS 450 million (6) Offices are expected to be occupied starting December 2016 and the retail portion is expected to open towards the first quarter of 2017

Development Projects | Expected Contribution to NOI and FFO⁽¹⁾



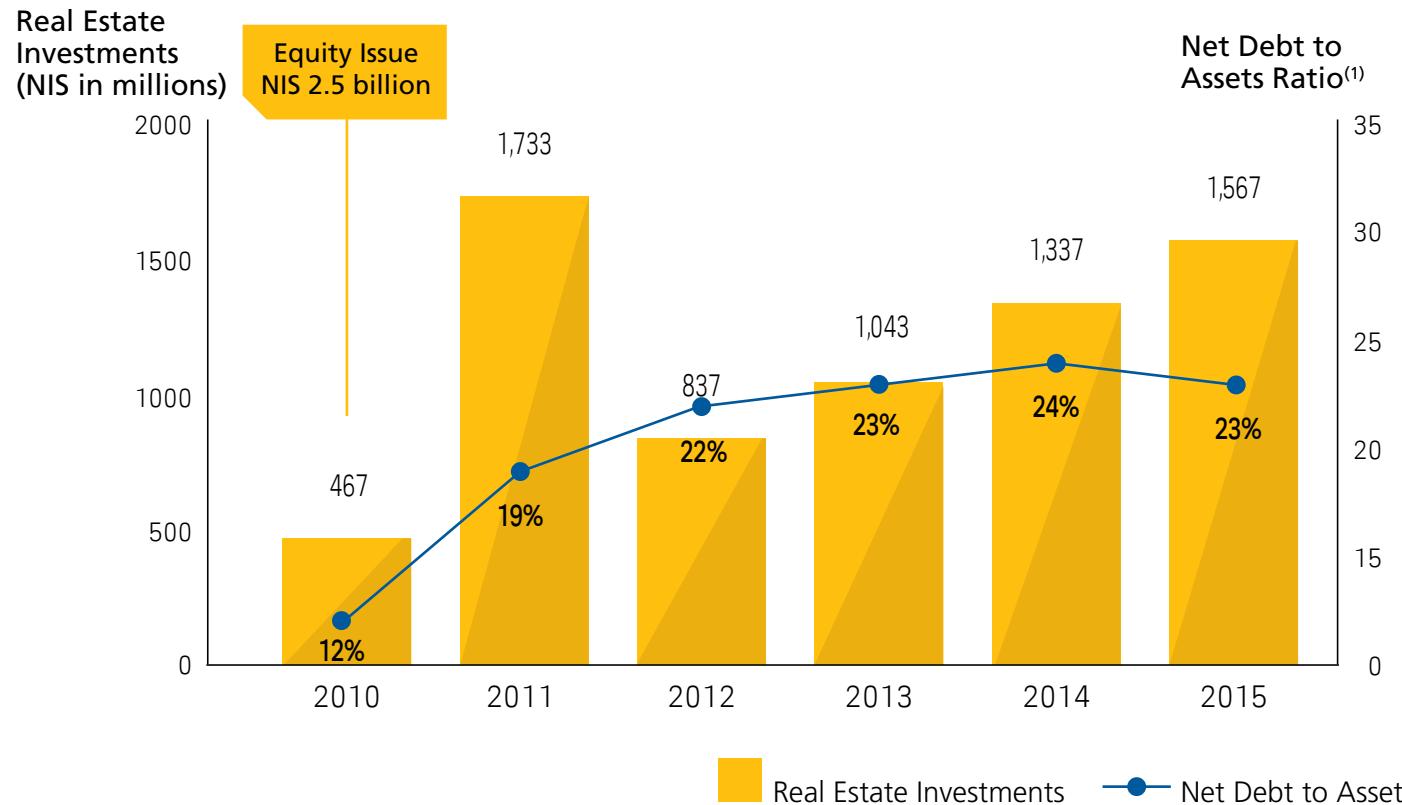
2015 Actual NOI	1,238
> NOI addition from development projects	400
↑ > NOI addition from existing properties, annualized	70
Projected NOI after lease-up of projects under development	1,708
Actual FFO	874
> FFO addition deriving from cash flow	386
> Savings due to refinancing	45
Projected FFO after lease-up of projects under development and after refinancing	1,305



- > **NOI from projects under development includes the following properties:** Azrieli Sarona, Azrieli Rishonim, Azrieli Town, Azrieli Holon B2, Palace Modi'in, Palace Lehevim, and does not include: the expansion of the Azrieli Tel Aviv Center and the land in Holon
- > **NOI addition from existing properties, annualized, includes the following properties:** Azrieli Ramla, Ayalon Mall, Palace Tel Aviv, Azrieli Holon (without Phase B2).

(1) The main assumptions in the calculations: full lease-up of the projects under development, refinancing according to 1.5% interest rate, a tax rate of 26.5%.

Massive development and acquisitions while maintaining exceptional financial strength



(1) Extended standalone

Azrieli Sarona



- Land area – approx. 9,400 sqm



- GLA – 115,000 sqm of office space
- 11,500 sqm of retail space
- 1,400 parking spaces



- Estimated construction cost, including land – NIS 1.75 billion⁽¹⁾



- Estimated date of completion – 2017



- Projected NOI – NIS 200-210 million

Marketing



- To date, contracts have been signed for approx. 45,000 sqm of the leasable office space

Simulation



(1) Estimated construction cost including additional investments to finishing level.

Azrieli Holon



- Land area – approx. 34,000 sqm



- GLA – 120,000 sqm of office and retail space



- Estimated construction cost, including land – NIS 760-770 million



- Estimated date of completion (Holon B2) – Q2/2016

Marketing



- To date, contracts signed for approx. 90,000 sqm of leasable space



Azrieli Rishonim



- Land area – approx. 19,000 sqm



- GLA – 53,000 sqm of office and retail space



- Estimated construction cost, including land – NIS 760-770



- Estimated date of completion – December 2016⁽¹⁾

Marketing



- Contracts have been signed for approx. 10,000 sqm of the leasable office space

Simulation



(1) Offices are expected to be occupied starting December 2016 and the retail portion is expected to open towards the first quarter of 2017

Development Projects | Azrieli Town



Azrieli Town⁽¹⁾



- Land area – approx. 10,000 sqm



- GLA – 75,000 sqm of offices, retail space and residences



- Estimated construction cost, including land – NIS 1,000-1,050 million



- Estimated date of completion – 2020



- Consideration from apartment sales – NIS 450 million
to be added to the projected NOI from the lease of office and retail areas

Marketing



- The Company is acting to **lease** the office space in advance to three principal tenants on long-term contracts

Simulation



(1) Possession handover scheduled for August 2016

Palace Modi'in – Senior Housing

 > Land area – approx. **10,500 sqm**, at the entrance to the city of Modi'in, on Route 443

 > Building rights – approx. **35,000 sqm**

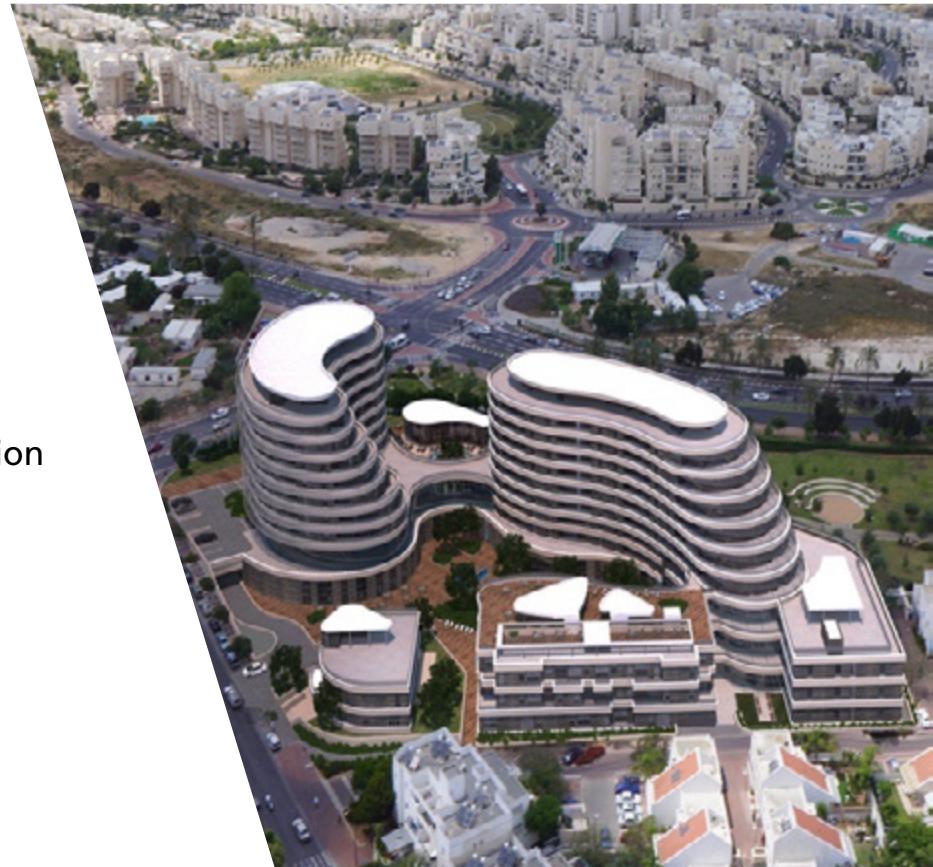
 > Approx. **240** residential units + **60** assisted living units + **2 LTC**

 > Estimated construction cost, including land – approx. **NIS 310-320 million**

 > Estimated date of completion – **2018**

Marketing

 > Signed preliminary applications for approx. **80** residential units



Palace Lehavim – Senior Housing

 > Land area – approx. **28,000 sqm**, in the southern part of the town of Lehavim, not far from the train station

 > Building rights – approx. **44,000 sqm**

 > Approx. **360** residential units + **4 LTC wings**

 > Estimated construction cost, including land – approx. **NIS 250-270 million**

 > Estimated date of completion – **2018**

Marketing

 > Marketing launch scheduled for **Q2/2016**





- Total revenues in 2015 – **NIS 236 million** compared with NIS 191 million in 2014 – An increase of approx. **24%** in 2015



- NOI in 2015 – **NIS 132 million** compared with NIS 107 million in 2014 – An increase of approx. **23%** in 2015



- GLA - approx. **187,000 sqm**



- 6 income producing properties abroad:

Houston, Texas

Leeds, United Kingdom

- Galleria 90%

- Southern House 100%

- Plaza 100%

- 8 West Centre 100%

- One Riverway 33%

- Three Riverway 45%

Developments

- A key tenant left the Galleria property in Q4/2015.
- A contract for part of the vacant space is currently being signed with a leading American bank.



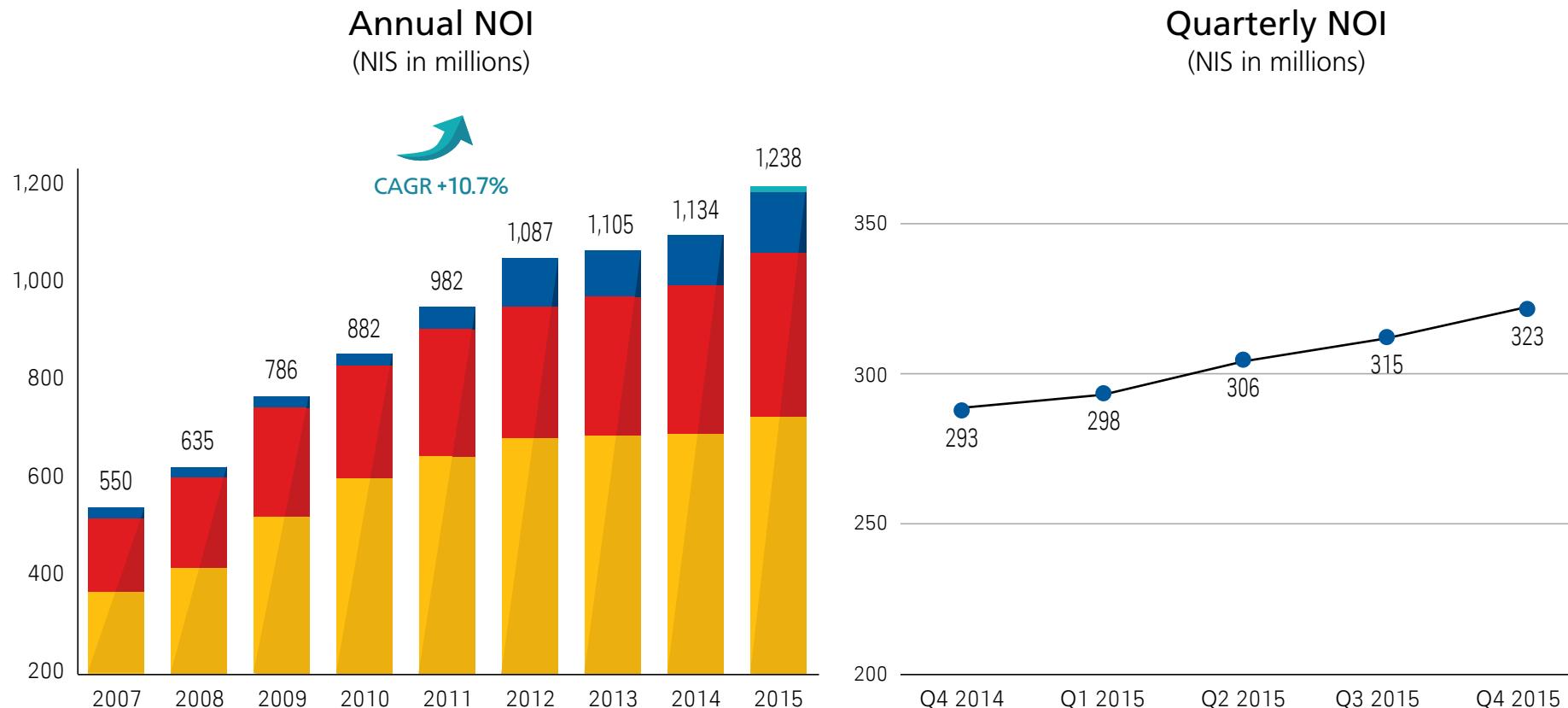


Financial Highlights



A
G

Constant NOI Growth



Malls and Retail Areas



Office and Other Areas

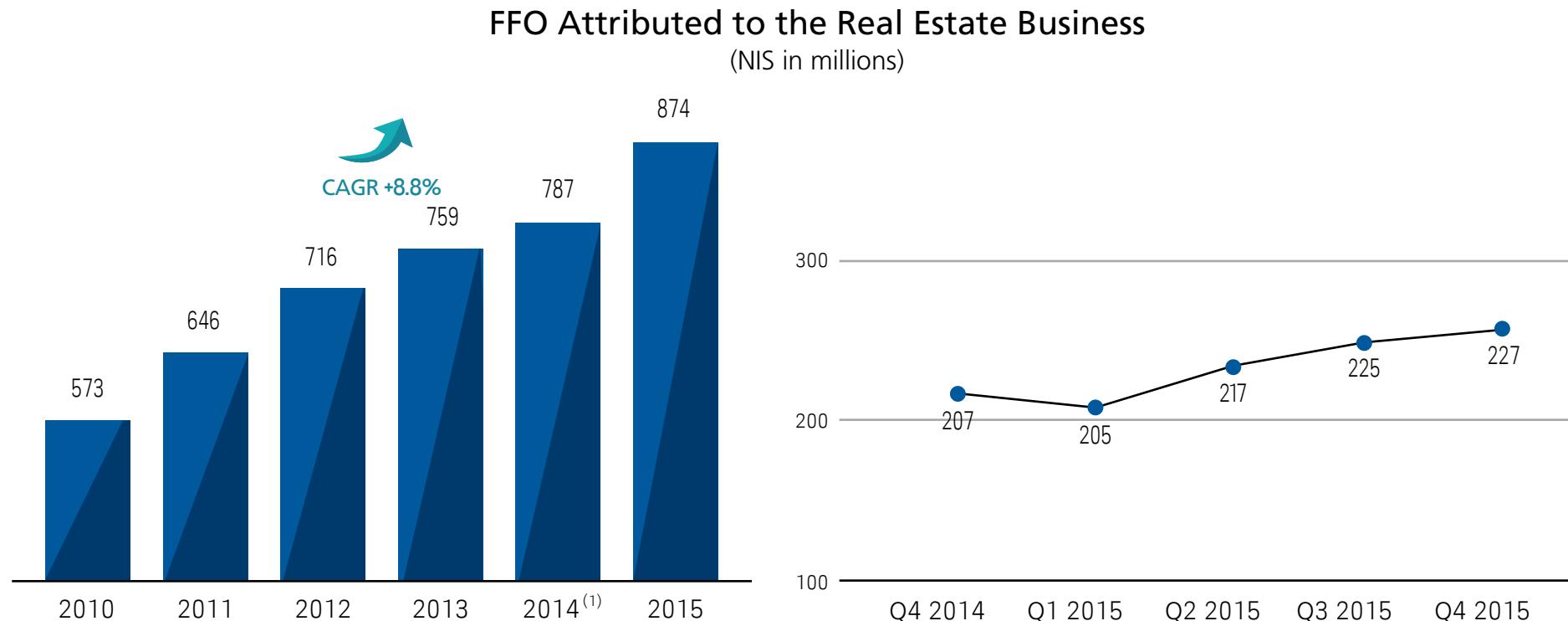


Income Producing Properties in the U.S.



Senior Housing

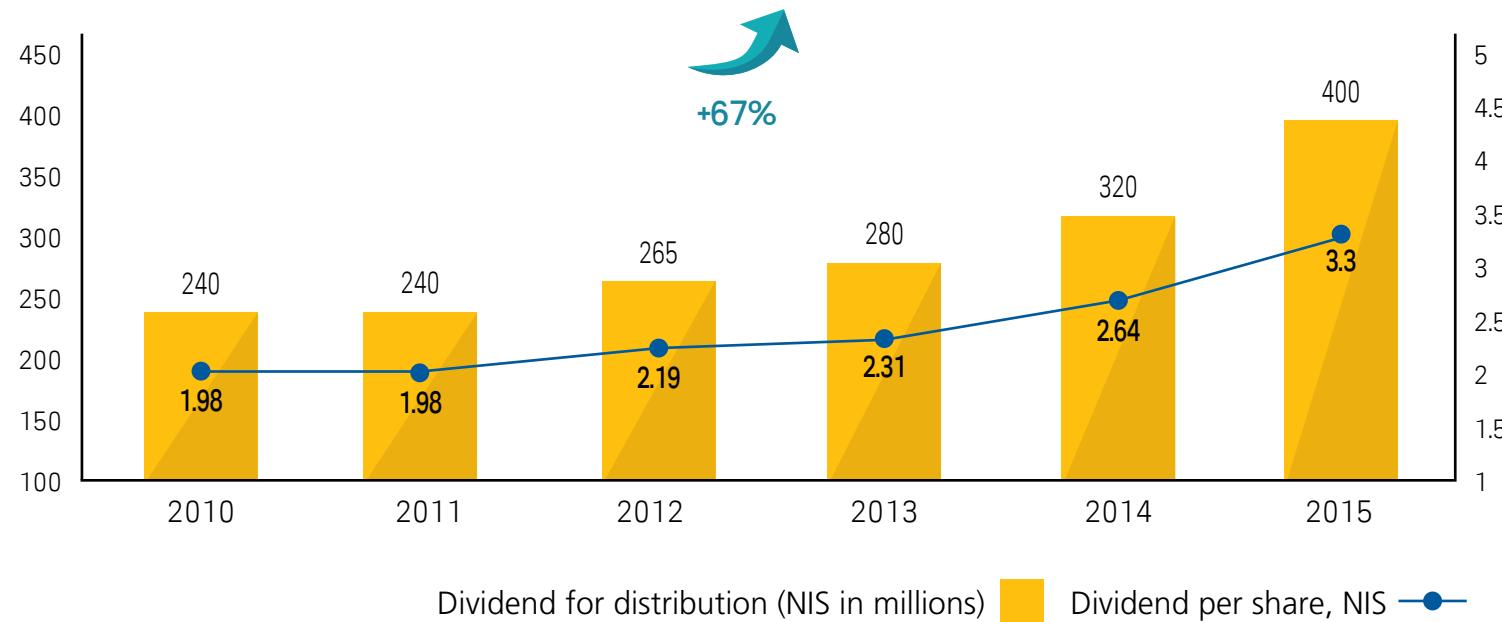
Constant FFO Growth



(1) Includes a one-time tax revenue in respect of previous years in the sum of approx. NIS 6 million (approx. NIS 7 million in Q4/2014) versus a negligible amount in 2013, and a tax expense of approx. NIS 2 million in 2012.

Constant Growth in Dividend Distribution

A dividend distribution of NIS 400 million – **up 25%** from last year



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

	Q4-2015	Q4-2014	2015	2014
Revenues from rent, management and maintenance fees	425	380	1,632	1,463
NOI	323	293	1,238	1,134
Same property NOI	309	293	1,183	1,127
FFO attributed to the real estate business	227	207	874	787
Change in the value of investment properties ⁽¹⁾	105	27	132	27
Net profit, including minority ⁽²⁾	288	217	828	860
Net profit, attributable to the shareholders ⁽²⁾	288	213	821	849
Comprehensive income, attributable to the shareholders ⁽²⁾	227	172	840	899



(1) Net, after tax. (2) In 2015, Azrieli Group recorded an impairment of the goodwill attributed to Sonol (100% held by Granite), in the amount of approx. NIS 103 million.

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

	31.12.2015	31.12.2014
Cash, securities and deposits	861	111
Financial debt, gross	6,520	5,311
Financial debt, net ⁽¹⁾	5,659	5,200
Net financial debt to assets	23%	24%
Financial assets (mainly Leumi and Leumi Card)	1,582	1,563
Fair value of investment properties and properties under construction	20,516	18,763
Equity (excluding minority)	13,771	13,252
Equity to assets	57%	61%
Total assets	24,310	21,840
Equity per share (NIS)	113.56	109.3
EPRA NAV per share (NIS) ⁽²⁾	138	132

Simulation



(1) Excluding financial assets available for sale.

(2) Excluding the component of expected profit in respect of the projects under development.

Average Cap Rate and FFO of the Income-Producing Properties Segment

Weighted Average Cap Rate – 7.5%

	NIS in millions
Total investment properties "extended standalone" as of December 31, 2015	20,600
Net of the value attributed to land reserves, properties under construction and yet-unused building rights	(2,801)
Total income-producing properties	17,799
Actual NOI Q4/2015 ⁽¹⁾	317
Future quarterly NOI addition	18
Total standardized NOI Q4/2015	335
Proforma Annual NOI	1,340
Weighted cap rate derived from investment income-producing properties, including vacant space	7.5%

FFO of the Real Estate Business – NIS 908 million

	NIS in millions
Net profit for Q4/2015 (attributed to the shareholders)	288
Discounting the loss from Granite (including a deduction of excess cost)	7
Appreciation of investment properties	(144)
Tax expenses	72
Additional adjustments	(14)
Plus interest paid in respect of real investments	6
Cash flow in respect of proceeds of residents' deposits, net, after deduction of forfeiture revenues	12
Total FFO for Q4/2015 attributed to the income-producing properties segment	227
Total proforma annual FFO, attributed to the income-producing properties segment	908

(1) Excluding senior housing.

Debt Structure and Rating

Financial Strength ⁽¹⁾

- Low leverage – net financial debt to assets ratio of approx. **23%**
- Equity to assets ratio of approx. **57%**
- Cash and cash equivalents of approx. **NIS 861 million**
- Unmortgaged properties of approx. **NIS 16.9 billion**
- Bank and institutional loans – approx. **NIS 3.1 billion**
- Bonds and CPs – approx. **NIS 3.4 billion**
- Average duration – approx. **3.28 years**

Rating

- S&P Maalot – AA+/Stable
- Moody's Midroog – Aa1/Stable

	Amount of Principal (NIS in millions)	Percentage out of Total Gross Debt
Up to 1 year	1,068 ⁽²⁾	16%
1-4 years	2,848	44%
5-10 years	2,604	40%
Total as of December 31, 2015	6,520	100%

	Amount of Principal (NIS in millions)	Average Interest Rate
Linked to the Index	4,696	2.16%
In NIS	683	0.6%
Linked to the \$	1,117	4.72%
Linked to the £	24	1.68%
Total as of December 31, 2015	6,520	2.44% Potential Upside

(1) Based on the Extended Standalone statement as of December 31, 2015.

(2) The Company is expected to repay loans in the amount of approx. NIS 2.3 billion (excluding short-term loans) by the end of 2017, half of which loans bear an average interest rate of approx. 5%.