



April 24, 2018

## **Azrieli Group Purchases Real Estate Rights on Menachem Begin Road, Tel Aviv for a Consideration of NIS 260 million**

Azrieli Group reported today that it had signed an agreement to purchase real estate rights on 148 Menachem Begin Road, Tel Aviv, which include a 4-story building above a commercial ground floor at a total area of approximately 5,500 sq. m. which is mainly rented out as offices. The purchased property does not include offices at an area of 450 sq. m. and does not include a gas station and adjacent convenience store. The property currently generates an annual NOI of approximately NIS 6 million.

The property includes unutilized construction rights pursuant to an urban building plan which applies to the real estate at a scope of approximately 21,000 sq. m. upper area, as well as the sellers' rights to lease underground areas in the adjacent plot which are designated for expansion of the building's underground parking lots. A resolution of the local committee approving, contingently, a building permit to add office spaces and mechanical floors in the property at a total scope of 21,000 sq. m., as aforementioned, was extended in March 2018.

The consideration for the transaction is NIS 260 million, which the Company intends to finance from independent sources and/or by means of bank or institutional financing. As of today, the costs of the transaction (including with regard to purchase tax), are estimated at NIS 18 million.

**Eyal Chenkin, CEO of Azrieli Group:** "We are happy to announce an additional transaction which is expected to expand our office development portfolio in Tel Aviv which continues to demonstrate great demand. We see Menachem Begin Road, on which the purchased building is located, as one of the city's primary attractions over the forthcoming years due to, among other things, its development as a central business district of the metropolitan area, which will also integrate mixed uses for residential, commercial and leisure purposes. Upon completion, the project is expected to contribute to the continued growth and rise of the NOI and FFO in the future."

For more details:

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