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Press Release

Azrieli Group Successfully Completes the Issuance of NIS 2 Billion, 1.34% Marketable Bonds (Series D)

In light of high demand of approximately NIS 3 billion, the Company increased the planned financing to approximately NIS 2 billion

Azrieli Group reports today that it successfully completed the tender for accredited investors for the issue of a new bond series (Series D). Demand in the tender reached approximately NIS 3 billion and the Company received pre-offering commitments for the purchase of bonds in the scope of NIS 2 billion. The interest rate in the tender was closed at 1.34%, as opposed to the maximum interest which stood at 1.9%. This interest rate constitutes the maximum interest for a public tender which is expected to take place in the coming days. Series D is index-linked with a duration of approximately 7.5 years, repayable from 2017 through 2030.

A wide variety of institutional bodies, amongst the largest in the local capital market, participated in the issuance. Leumi Partners Underwriting led the issuance, along with Discount Underwriters, Leader Issuances, Barak Capital Underwriting, Excellence Underwriting and Rosario Capital Underwriters.

The new series was rated Aa1.il with a stable outlook by Moody's Midroog.

Irit Sekler-Pilosof, Azrieli Group CFO said today: "This is the Group's third series raised in the listed institutional market, and it's largest to this date. This issuance is part of the Group's **ongoing strategy to reduce its financing costs**, as it has done in the past several years. "



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About Azrieli Group

Azrieli Group Ltd. owns and operates one of Israel's largest portfolios of malls, shopping centers and office properties nationwide. The Company is publicly traded on the TASE 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. To date, the Company has an equity market capitalization of about NIS 20 billion. The Company operates mainly in Israel, and owns and manages properties with a gross leasable area (as of December 31, 2015) of approx. 890,000 square meters; the Company holds 15 malls and shopping centers comprising 300,000 square meters of leasable space across Israel, 11 office properties comprising 374,000 square meters of leasable space across Israel and 6 properties overseas (mainly in Houston, Texas) comprising 187,000 square meters of leasable space. In addition, the Company has 8 projects under development comprising around 475,500 square meters of leasable space in Israel. Approx. 90% of the fair value of the investment property and the property under development relates to domestic properties (in Israel). The Group has been specializing in shopping center and office space development, acquisition, and management for the past 30 years. For further information, please visit the Company's website at www.azrieli.com.