



GAZIT GLOBE OFFER TO ACQUIRE ALL MINORITY SHAREHOLDER INTERESTS IN SUBSIDIARY ATRIUM HAS NOT BEEN APPROVED

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FOR IMMEDIATE RELEASE

25 October 2019

TEL-AVIV, ISRAEL; October 25, 2019 – Gazit Globe (TASE: GZT), a leading global real estate company focused on the ownership, management and development of mixed use properties in urban markets, announced today that its offer to acquire the entire issued, and to be issued ordinary share capital of Atrium European Real Estate Limited (VSE/Euronext: ATRS) (“**Atrium**”) that is not already owned directly or indirectly by Gazit-Globe Ltd or its subsidiaries Gazit Gaia Limited and Gazit Midas Limited (“**Gazit**”) has not been approved by the majority of Atrium minority shareholders.

On 23 July 2019, Atrium announced that the Independent Committee of the Board of Directors of Atrium had reached an agreement with Nb (2019) B.V., which is an indirect wholly-owned subsidiary of Gazit, on the terms and conditions of an all cash acquisition of the entire issued, and to be issued ordinary share capital of Atrium that is not already owned directly or indirectly by Gazit to be implemented by a court sanctioned scheme of arrangement under Jersey Companies Law (the “**Acquisition**”) for EUR 3.75 per share in cash (the “**Offer Price**” and such offer being the “**Gazit Offer**”). The Independent Committee of the Board of Directors of Atrium has received a fairness opinion letter as to the financial terms of the Gazit Offer from its financial adviser UBS AG London Branch and has unanimously recommended the Gazit Offer.

On 11 September 2019, Atrium announced the completion of an independent process which was designed by the Independent Committee of the Board of Directors of Atrium to determine if there were any third-party bona fide proposals superior to the Gazit Offer (the “**Go-Shop**”). Atrium has since announced that despite engaging with potential investors during the Go Shop period, no superior proposal was received. The Independent Committee of the Board of Directors of Atrium therefore reaffirmed its recommendation of the Gazit Offer to the minority shareholders.



Recently certain shareholders published that they do not support the Gazit Offer relating to the Offer Price, noting that in their opinion the Offer Price undervalues Atrium which has a reported EPRA Net Asset Value (NAV) per share as of June 30, 2019 of €5.05, significantly higher than the Gazit Offer. In addition, these shareholders argued in their public press releases that Atrium's portfolio of high-quality shopping centers is predominantly situated in the best locations in Poland and Czech Republic, including over half of the assets in Warsaw and Prague. While Gazit's offer implied a capitalization rate of 7.5%, the yields for prime shopping centers in Warsaw and Prague are less than 5%. Further, they argue that Atrium's recent sale of two shopping centers in Poland for approximately €300 million, represented a premium to book value which supports Atrium's value and is in direct conflict to Gazit's offer.

On October 25, 2019, Gazit did not obtain the special majority of 75% out of Atrium's minority shareholders and hence the offer has been revoked.

Chaim Katzman, Founder and CEO Commented: "Gazit has been a principal investor in Atrium for eleven years and has and continues to be a strong supporter of the Company's strategy. Gazit will continue to support Atrium and its strategy going forward for the benefit of all shareholders.

As part of our strategy to focus on assets located in high density urban markets and to increase the wholly owned real estate component in our portfolio, we offered a price which we believe was an attractive price for minority shareholders to monetize their investment in Atrium, while carrying out Gazit's strategy. Naturally, we are disappointed that our offer has not been accepted, however, we are also simultaneously pleased by the trust and support of Atrium shareholders in Atrium's value and management.

Gazit will continue implementing its strategy to increase the wholly owned real estate component in its portfolio through, among other things, acquisitions of prime properties in major urban markets in Israel and North America as well as through development and expansion of existing properties in Israel and North America."

About Gazit Globe

Gazit Globe is a leading global real estate company focused on the ownership, management and development of retail and mixed use properties in North America, Israel, Brazil, Northern, Central and Eastern Europe, located in urban growth markets. Gazit Globe is listed on the Tel Aviv Stock Exchange (TASE: GZT) and is included in the TA-35 index in Israel. As of June 30, 2019, Gazit Globe owns and operates 102 properties, with a gross leasable area of approximately 2.5 million square meters and a total value of approximately NIS 40 billion.



FOR ADDITIONAL INFORMATION

A comprehensive copy of the Company's financial report is available on Gazit Globe website at www.gazitglobe.com

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