Maalot
S&P Global Ratings

Gazit Globe Ltd.

July 25, 2019

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Gazit Globe Ltd.

Affirmed Corporate Credit Rating	ilAA-/Stable/ilA-1+

Overview

Key Strengths	Key Risks
• Very large asset portfolio in shopping centers and retail-based mixed-use properties segment. • Holdings in global-investment-grade real-estate companies that benefit from a strong business and financial position. • High tenant diversification and very wide geographical spread. • Consistently high and stable occupancy rates of about 96%. • Professional and experienced management.	• Increase in financial leverage in the past year, expected to further increase in 2020 when ATR deal is completed. • Low interest coverage ratio compared to peers, but stable in recent years. • Material share of real estate properties held indirectly

In the past year, the Company continued implementing its strategy of transitioning to direct ownership of investment properties while simplifying the group's holding structure. As part of this strategy, the Company completed several steps in recent years, including completely divesting from Regency Centers Corporation ("REG", BBB+/Positive); selling most of its holdings in First Capital Realty (FCR); and increasing its portfolio of properties held through private companies, mainly in the U.S. and Brazil. In addition, several days ago the Company announced its engagement in a transaction to acquire most of the minority shares in subsidiary Atrium European Real Estate ("ATR", BBB-/Watch Neg). When this acquisition is completed in 2020, and considering the Company's investment and divestment plan, we estimate the share of real estate properties held directly by the Company (including through private subsidiaries) will increase to about 50% of the consolidated portfolio value (about 77% on an extended solo basis), compared with about 20% in Q1 2018.

The Company's financial leverage increased in the past year, and we expect it to continue increasing following the ATR minority share buyout. The increase in leverage in 2018 was due to a decline in equity, mainly due to the decrease in the share price of REG, and to an increase in adjusted financial debt, mainly due to new property acquisitions, somewhat offset by divestment from non-core properties and holdings. We expect the leverage to stabilize or even slightly decrease in 2019, as a result of an expected decrease in adjusted debt, mainly due to completed divestments and receiving most of the proceeds from the FCR share sale. This will happen despite the decrease in equity in the first quarter of this year, mainly due to the NIS revaluation and to the effects of the completion of the FCR share sale. In 2020 we expect an increase in leverage, assuming the Company completes the acquisition of ATR minority shares as planned and reported. We expect this increase to be mitigated, among other things, by divestment from non-core properties and holdings, based on the Company's intention to balance the expected increase in leverage, as part of its financial policy.

Outlook: Stable

The stable outlook reflects our assessment that Gazit Globe will continue to present operating stability, 'adequate' liquidity and financial ratios commensurate with the current rating in the next 12 months. The stable outlook also reflects the Company's policy to deleverage through actions such as divestment from non-core holdings and properties. Taking into account the group's strong business position, we regard the following financial ratios as commensurate with the current rating: EBITDA interest coverage above 1.5x and debt to debt and equity of up to 65%.

Downside Scenario

We may consider a negative rating action if the company's EBITDA interest coverage drops below 1.3x, or if the Company deviates from its deleveraging policy. This could occur, for example, if we see significant deterioration in the company's business performance as a result of a significant decrease in occupancy rates, volatility of cash flows, or material leveraged investments..

Upside Scenario

We may consider a positive rating action if the group presents a consistent and permanent improvement in its financial ratios, to be reflected in an EBITDA interest coverage ratio above 2.0x and a debt to debt and equity ratio below 55%, while maintaining 'adequate' liquidity and stable operating performance. A positive rating action is also dependent on a continued shift towards direct ownership of investment properties and a deleverage-supporting financial policy.

Base Case Scenario

Key Assumption

- Maintaining a consistently high average occupancy rate of over 95% in all regions of operation.
- Annual growth of about 1%-2% in rent income and NOI (net operating income) from existing properties.
- Investments of about NIS 1.5 billion – NIS 2.0 billion in 2019-2020, mainly direct acquisition and development of properties through private subsidiaries.
- 5%-6% NOI yield on new properties.
- Proceeds from property and FCR shares sales totaling about NIS 3.8 billion – NIS 4.0 billion in 2019. Additional material property and holdings sales in 2020-2021.
- Completion of ATR minority share (40%) buyout in early 2020. Total proceeds will amount to about €475 million (about NIS 1.9 billion), reflecting a share price of €3.15 (after adjusting for special dividend distribution at ATR).
- Sale of about 12% of ATR shares to Menora Mivtachim for about €150 million (about NIS 600 million), upon completion of acquisition.
- Annual dividend distribution of about NIS 700 million – NIS 900 million in 2019-2020, including dividends to minority shareholders in consolidated companies, and assuming a special dividend distribution of €0.6 per share at ATR.

Key Metrics

Financial Metric	2018A	2019E	2020E
EBITDA/interest expense	~1.9x	1.7x-1.9x	1.7x-1.9x
Debt/debt+equity	60.8%	59%-61%	61%-63%
Debt/EBITDA	13.2x	12x-14x	12x-14x

A – Actual. E – Estimate.

Base-Case Projections

High likelihood of completing the acquisition of minority shares (about 40%) at subsidiary ATR in early 2020

We consider the completion of this transaction to be highly likely, mostly as it was unanimously approved by an independent committee selected by ATR's board of directors, the suggested share price reflects a premium of about 18% on the share price before the announcement of the transaction, and in order to cancel the transaction ATR would have to find a buyer for all of its shares at a price exceeding the suggested price in a short period of only seven weeks. Thus, our base-case includes the transaction and its implications in accordance with the announced plan.

Leverage expected to moderately decrease in 2019 and moderately increase in 2020

On March 31, 2019, the Company's debt to debt and equity ratio was about 62.5%, mainly due to capital implications of the FCR shares sale and revaluation of the NIS against the Euro, U.S. dollar and Brazilian Real. However, we estimate that the leverage will decrease to about 59%-61% by year end, given property sale completion and receipt of the proceeds from the FCR share sale, which are expected to decrease adjusted debt. Our base case scenario includes the completion of ATR minority shares acquisition in early 2020, alongside the sale of about 12% of the shares to Menora Mivtachim. We therefore estimate that in 2020 the leverage will moderately increase to about 61%-63%, still commensurate with the current rating, assuming the Company will continue selling properties and FCR shares, based on the Company's policy to balance the leverage.

Company Description

Gazit Globe, through its affiliates, is the owner, operator, developer and manager of shopping centers and retail-based mixed-use properties in North America, Brazil, Israel, and Northern and Central and Eastern Europe, focusing on urban growth areas. The public companies controlled by the company and consolidated in its statements are Citycon, a Finnish public company operating in northern Europe, mainly in Finland, Sweden and Norway, and traded on the Helsinki Stock Exchange, and Atrium European Real Estate ("ATR"), a public company operating in Eastern and Central Europe, mainly in Poland and the Czech Republic, and traded on the stock exchanges in Vienna and Amsterdam. The public equity affiliate, which is not consolidated in the group's statements, is First Capital Realty ("FCR"), operating in Canada and traded on the Toronto Stock Exchange.

Gazit Globe also fully owns three private companies: G Israel Commercial Centers Ltd., operating in Israel, Bulgaria and Macedonia and specializing in the acquisition, development and management of shopping centers; Gazit Brasil, specializing in the acquisition, development and management of shopping centers in Sao Paulo, Brazil; and Gazit Horizons, operating in the acquisition, development and management of commercial centers, especially in large, densely populated cities in the U.S., particularly New York, Boston and Miami.

As of March 31, 2019, the group holds and manages 103 properties on a consolidated basis, spanning a leasable area of about 2.5 million square meters, at a fair value of about NIS 40 billion, producing approximately NIS 2.9 billion in gross annual rental income. The group also has a NIS 1.2 billion holding in FCR (a holding of about 9.9%, after the sale of about 21.3% completed in Q2 2019).

Gazit Globe Ltd. – Public Subsidiaries

	Atrium (ATR)	**Citycon Oyj. (CTY)**	**First Capital Realty (FCR)**
Rating	BBB-/Watch Neg	BBB-/Stable	DBRS: BBB under review with developing implications Moody's: Baa3/Stable
Country of Operation	Central and Eastern Europe	Northern Eastern Europe	Canada
Holding	60.1%* (Consolidated Company)	46.5% (Consolidated Company)	9.9%**(Equity Holding)

* Expected to increase to about 88% given the completion of minority shares acquisition and the sale of part of the holdings to Menora Mivtachim.

** After selling about 21.3% in Q2 2019.

Business Risk

The rating is positively affected by the group's strong business position, deriving from its control of several income-producing real estate companies with strong business and financial positions, of which the significant ones are global-investment-grade companies; from the size of the income-producing portfolio containing many properties and tenants, highly valued compared to peers; and from its focus on supermarket-anchored shopping centers, a relatively stable segment compared with properties exposed to large department stores. The Company's business position is also positively affected by its high geographical diversification which, we estimate, somewhat reduces its exposure to macro-economic and demographic changes.

In the past two years, risks have intensified in the commercial center segment, the Company's only segment of operation, due to increased competitive pressures, on the backdrop of an increase in e-commerce, among other things. Nevertheless, in 2018 and in Q1 2019 Gazit Globe continued to maintain high occupancy rates exceeding 96% on average in all regions of operation, and an increase in average rent per square meter in all regions of operation. In Q1 2019, the Company presented a ~3.5% year-on-year growth in NOI, mainly due to growth in same property NOI (~2.3%) and from operating new properties which were acquired or completed in 2018 and in Q1 2019, mitigated by the revaluation of the NIS against the Euro (on average during that period) and property sales in the past 12-18 months. Gazit Globe's ability to consistently improve its operating performance supports our assessment of the portfolio's high quality and of the Company's management capabilities.

The purchase of ATR's minority shares supports our assessment of the business risk profile, due to the fact that once the purchase is completed, the share of direct property holdings will increase compared with holding through public companies. We believe this will strengthen Gazit Globe's influence on the group's activity in Eastern Europe and its ability to dictate strategy, that would include, among other things, divestment from non-core properties and holdings, and focusing on large, densely populated cities.

Table 1.

Gazit Globe Ltd. -- Peer Comparison (Mil. NIS) – Fiscal year ended 31 December, 2018

Industry Sector: Real Estate Investment Trust or Company

	Gazit Globe Ltd.	Melisron Ltd.	Big Shopping Centers Ltd.	Amot Investments Ltd.	Brack Capital Properties N.V.	Reit1 Ltd.	Bayside - Gav Yam - Land Corp. Ltd.	Azrieli Group Ltd.
National Scale Rating	ilAA-/Stable/ilA-1+	ilAA-/Stable/ilA-1+	ilAA-/Stable/ilA-1+	ilAA/Stable/ilA-1+	ilAA-/Stable	ilAA/Stable / ilA-1+	ilAA/CW Neg	ilAA+/Stable/ilA-1+
Revenue	2,840.0	1,556.5	813.0	707.7	722.7	313.1	469.5	2,821.0
EBITDA	1,993.0	1,085.7	531.1	611.7	279.8	268.0	410.3	1,523.0
Funds from operations (FFO)	774.0	663.0	344.4	356.2	204.1	192.0	184.1	1,318.0
Interest expense	1,056.0	477.3	208.6	182.3	84.1	69.9	168.0	291.0
Cash interest paid	1,147.0	357.9	156.1	200.6	75.7	76.1	174.3	205.0
Working capital changes	(110.0)	(55.5)	21.5	1.1	(513.9)	2.3	1.4	108.0
Cash flow from operations	479.0	648.8	255.6	403.4	(365.9)	193.0	202.5	1,161.0
Capital expenditure	24.0	2.8	6.1	(10.7)	0.0	0.0	2.5	81.0
Free operating cash flow (FOCF)	455.0	646.0	249.6	414.1	(365.9)	193.0	200.0	1,080.0
Discretionary cash flow (DCF)	(476.0)	385.2	151.6	(5.3)	(442.6)	83.8	(5.0)	560.0
Cash and short-term investments	1,783.0	537.4	410.4	297.7	117.9	13.3	1,653.3	763.0
Debt	26,323.0	9,850.6	5,969.3	5,032.6	3,622.5	2,306.6	2,837.5	9,174.0
Equity	16,957.0	6,648.5	3,436.5	4,836.8	3,425.0	2,314.6	3,229.1	17,121.0
Valuation of investment property	44,135.0	18,017.1	8,919.3	11,032.5	7,268.4	4,537.7	6,797.2	27,452.0

	Gazit Globe Ltd.	Melisron Ltd.	Big Shopping Centers Ltd.	Amot Investments Ltd.	Brack Capital Properties N.V.	Reit1 Ltd.	Bayside - Gav Yam - Land Corp. Ltd.	Azrieli Group Ltd.
Adjusted ratios								
EBITDA margin (%)	70.2	69.8	65.3	86.4	38.7	85.60	87.40	54
Return on capital (%)	5	6.9	6	6.6	4.3	6.10	7.00	5.8
EBITDA interest coverage (x)	1.9	2.3	2.5	3.4	3.3	3.80	2.40	5.2
FFO cash interest coverage (x)	1.7	2.9	3.2	2.8	3.7	3.50	2.10	7.4
Debt/EBITDA (x)	13.2	9.1	11.2	8.2	12.9	8.60	6.90	6
FFO/debt (%)	2.9	6.7	5.8	7.1	5.6	8.30	6.50	14.4
Cash flow from operations/debt (%)	1.8	6.6	4.3	8	(10.1)	8.40	7.10	12.7
FOCF/debt (%)	1.7	6.6	4.2	8.2	(10.1)	8.40	7.00	11.8
DCF/debt (%)	(1.8)	3.9	2.5	(0.1)	(12.2)	3.60	-0.20	6.1
Debt/debt and equity (%)	60.8	59.7	63.5	51	51.4	49.9	46.8	34.9

Financial Risk

In our view, the group's financial risk profile is supported by consistently stable and robust cash flows deriving from the high quality portfolio and high financial flexibility.

The Company's adjusted debt to debt and equity ratio increased to about 60.8% in 2018, compared with about 57.8% at year-end 2017. This increase was due to a decrease in equity, mainly due to the revaluation of the Company's investments in REG shares following the decrease in their price, to loss recorded following early repayment of financial debt and to loss due to derivatives revaluation. At the same time, adjusted financial debt increased, mainly due to new property acquisitions, somewhat offset by non-core property sales and proceeds from the REG share sale. In Q2 2019, the Company completed the sale of about 21.3% of FCR's share capital (out of a ~31.2% holding) for a total consideration of about NIS 3.2 billion, and consequently registered capital loss of about NIS 550 million, mostly due to tax expenses, fees and the sale of the shares at a lower price than FCR's equity recorded in the books. Equity also decreased in this quarter by about NIS 1 billion, mainly due to the NIS revaluation against other currencies of operation, this was partly mitigated by currency hedging transactions which the Company engages in on a regular basis. Taking into account the completion of annual property sales of about NIS 1.7 billion, mainly in Eastern Europe and Brazil, receiving the first payment, about NIS 2.65 billion, for the sale of FCR shares, and the Company's acquisition strategy and dividend policy, we expect the leverage ratio to be between 59% and 61% at year-end 2019.

In 2020, as the Company completes the acquisition of all minority shares in its consolidated subsidiary ATR according to the announced plan, its equity is expected to decrease due to the decrease in equity attributed to minority rights, somewhat mitigated by the profit expected due to the acquisition being made at a lower price than the value of ATR properties recorded in the books. We therefore estimate that leverage will increase to about 61%-63%, a range still commensurate with the current rating. We base our assessment on the Company's intention to actively balance the expected leverage increase as part of the implementation of its financial policy, inter alia through the sale of non-core properties and acquisitions.

We also expect the Company's EBITDA interest coverage to remain stable in the next two years at 1.7x-1.9x, following refinancing done in the past two years and taking into account expected CPI-linkage costs. We also expect the adjusted EBITDA base to decrease, mainly due to property sales (exceeding property acquisitions) and to a decrease in dividend receipts from subsidiaries following divestment from REG and partial divestment from FCR. Financial debt and interest expense will decrease accordingly.

Table 2.
Gazit Globe Ltd.– Financial Summary (Mil. NIS)

Industry Sector: Real Estate Investment Trust or Company

Fiscal Year	2018	2017	2016	2015	2014
Revenues	2,840	2,831	2,841	7,303	6,816
EBITDA	1,993	1,959	1,958	3,498	2,879
FFO	774	479	147	1,479	803
Cash and short-term investments	1,783	1,694	1,634	2,193	1,783

Fiscal Year	2018	2017	2016	2015	2014
Debt	26,323	24,863	25,785	42,157	37,558
Valuation of Investment Property	44,135	40,670	35,843	76,943	65,089
Adjusted ratios					
EBITDA margin (%)	70.2	69.2	68.9	47.9	42.2
FFO/debt (%)	2.9	1.9	0.6	3.5	2.1
EBITDA interest coverage (x)	1.9	1.9	1.8	1.8	1.4
Free operating cash flow/debt (%)	1.7	3	7.3	3.6	3
Debt/debt and equity (%)	60.8	57.8	61	57.6	59.2

Liquidity: Adequate

We estimate Gazit Globe’s liquidity as "adequate", based on our assessment that the ratio between the Company's sources and uses in the 12 months beginning on April 1, 2019, will exceed 1.2x. We examine the Company’s liquidity on an extended solo basis (including fully owned subsidiaries).

Our assessment of the Company’s liquidity is positively affected by its good access to a variety of funding sources in Israel and abroad, including the capital market, the banking system and financial institutions. In addition, the Company consistently maintains large committed credit facilities and a large portfolio of unencumbered properties, valued at about NIS 6.3 billion and unencumbered shares valued at about NIS 1.4 billion (mainly ATR and Citycon shares) as of March 31, 2019. According to our base-case scenario, we estimate that the group will maintain its ability to refinance debt when required, at low cost and relatively long durations. Once the ATR minority share acquisition is completed, we estimate that the Company will have access to additional unencumbered properties (totaling about €2.2 billion) and credit facilities.

Following are the Company’s major sources and uses for the 12-month period starting April 1, 2019:

Principal Liquidity Sources	Principal Liquidity Uses
• Cash and tradable financial assets at about NIS 1.3 billion. • Unused committed credit facilities totaling about NIS 2.6 billion. • Cash FFO (funds from operations) of about NIS 950, (our assessment, including dividend from public subsidiaries) • Firs payment from the sale of FCR shares of about NIS 2.4 billion.	• Debt maturity repayment of about NIS 2.5 billion (including cancellation of credit facilities following the ATR transaction). • Dividend distribution of about NIS 300 million. • Acquisition of ATR minority shares (40%) for about NIS 1.3 billion (net after 12% acquisition by Menora Mivtachim).

Debt Maturities					
Year	**2019***	**2020**	**2021**	**2022**	**2023 and later**
Maturities (Mil NIS)	1,742	1,476	2,316	1,313	6,691

Debt maturities are on extended solo basis (including fully owned subsidiaries) * Including short term credit and commercial papers.

Covenant Analysis

The Company has several financial covenants towards banks and bond holders. We understand that, as of December 31, 2018, the Company maintains adequate headroom on these covenants. We expect the Company to maintain adequate headroom on all of its covenants in the short term.

Group Influence

Gazit Globe's controlling shareholder is Norstar Holdings Inc. (ilA+/Stable/ilA-1), which holds about 54.3% of its shares. The remaining shares are held by institutional investors and the public. We estimate that Gazit Globe's assets and obligations are separate from its parent company, as both Norstar and Gazit Globe are publicly traded companies with significant minority holdings, and to the best of our knowledge there are no cross guarantees between the companies. Thus, according to our criteria, Gazit Globe's rating may be higher than its parent company's.

Modifiers

Diversification portfolio effect: Neutral

Capital structure: Neutral

Liquidity: Neutral

Financial policy: Neutral

Management/Governance: Positive

Comparable ratings analysis: Negative

The fact that most of the company's operation is performed through the holding of public companies rather than through direct ownership of assets adversely affects the rating.

Recovery Analysis

Key analytical factors

- We are affirming our 'ilAA' rating, one notch above the issuer rating, on Gazit Globe's bond series secured by real estate assets (Series J). The recovery rating for this series is '2', reflecting our assessment that in a hypothetical default scenario, the recovery rate would be 70%-90%. Our recovery rating assessment is underpinned, among other things, by an expected decrease in the value of the encumbered assets on the path to hypothetical default.

- We are affirming our 'ilAA-' rating, identical to the issuer rating, on Gazit Globe's bond series unsecured by real estate assets (Series D,K,L,M). The recovery rating for these series is '4', reflecting our assessment that in a hypothetical default scenario, the recovery rate would be 30%-50%. Our recovery rating assessment is underpinned, among other things, by the payments waterfall given the creditors priority.

Simulated default assumptions

- Year of default: 2024
- Deep recession in the countries Gazit Globe operates in will be reflected, among other things, by a sharp decrease in private consumption. Simultaneously, increased competitive pressure will increase in the retail sector, mainly due to e-commerce, and demand for commercial space will decrease. These trends will lead to a decrease in rent and occupancy rates and to a significant drop in asset values.
- The Company will continue operating as a going concern, an assessment supported by the locations of its assets, which will help it refinance some of its obligations.
- The value of assets directly held by the company will decrease by 40% given their quality, competitive pressure in the retail sector, and the need for quick realization.
- The value of investments in public subsidiaries will decrease by 50%, given the wide geographical spread, the quality of held companies, the shares' tradability and expected volatility during recession.
- During the hypothetical deterioration of the company, we assume that 85% of the committed credit facilities guaranteed mostly by public subsidiaries shares held by Gazit Globe will be outstanding (as of April 1, 2019, unused committed facilities of the company and its fully owned subsidiaries amount to about NIS 4.7 billion).

Simplified waterfall

- Gross discrete asset value as going concern: about NIS 10 billion.
- Administrative costs: 3%
- Net value available to secured creditors: about NIS 9.7 billion
- Total senior bank and institutional debt: about NIS 5 billion (including outstanding credit facilities and commercial papers)
- Debt claims secured by real estate assets: about NIS 215 million (Series J)
- Total value of assets encumbered to secured bond holders: about NIS 175 million.
- Secured debt recovery expectation (Series J): 70%-90%
- Secured debt recovery rating (1 to 6): 2
- Net value available to unsecured creditors: about NIS 4.7 billion
- Unsecured debt claims: about NIS 9.5 billion
- Unsecured debt recovery expectation: 30%-50%
- Unsecured debt recovery rating (1 to 6): 4

All debt amounts include six months' prepetition interest.

Mapping Recovery Percentages To Recovery Ratings - Group A Jurisdiction				
For issuers with a speculative-grade issuer credit rating				
		Nominal recovery expectations		
Recovery rating*	Recovery description	Greater than or equal to	Less than	Issue rating notches relative to ICR
1+	Highest expectation, full recovery	100%	N/A	+3 notches
1	Very high recovery	90%	100%	+2 notches
2	Substantial recovery	70%	90%	+1 notch
3	Meaningful recovery	50%	70%	0 notches
4	Average recovery	30%	50%	0 notches
5	Modest recovery	10%	30%	-1 notch
6	Negligible recovery	0%	10%	-2 notch

Recovery ratings are capped in certain countries to adjust for reduced creditor recovery prospects in these jurisdictions. Recovery ratings on unsecured debt issues are generally also subject to caps (see Step 6, paragraphs 90-98 of Recovery Rating Criteria For Speculative-Grade Corporate Issuers, December 7, 2016, for further detail). ICR--Issuer credit rating.

Reconciliation

In order to create a basis for comparison with other rated companies, we adjust the data reported in the Company's financial statements that we use to calculate coverage ratios. The main adjustments we made to Gazit Globe Ltd.'s consolidated data for 2018 are as follows:

- Deducting property value appreciation and other non-operating or non-recurring revenues and expenditures from EBITDA.
- Adding dividend payments from subsidiaries and financial holdings to EBITDA.
- Deducting cash and cash equivalent from financial debt.
- Adding capitalized interest to interest expense.

Table 3.

Reconciliation Of Gazit Globe Ltd. Reported Amounts with S&P Global Ratings Adjusted Amounts (Mil. NIS) for the Fiscal Year Ended Dec 31, 2018

Gazit Globe Ltd. reported amounts

	Debt	Shareholders' equity	EBITDA	Operating income	Interest expense	S&P Global Ratings' adjusted EBITDA	Cash flow from operations	Capital expenditure
Reported	28,106	9,301	1,963	2,011	1,037	1,993	498	43
S&P Global Ratings adjustments								
Cash taxes paid	--	--	--	--	--	(72)	--	--
Cash taxes paid: Other	--	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	(1,128)	--	--
Accessible cash and liquid investments	(1,783)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	19	(19)	(19)	(19)
Share-based compensation expense	--	--	21	--	--	--	--	--
Dividends received from equity investments	--	--	285	--	--	--	--	--
Income (expense) of unconsolidated companies	--	--	(389)	--	--	--	--	--
Nonoperating income (expense)	--	--	--	140	--	--	--	--
Noncontrolling interest/minority interest	--	7,656	--	--	--	--	--	--
EBITDA: Other	--	--	113	113	--	--	--	--
Depreciation and amortization: Asset valuation gains/(losses)	--	--	--	(114)	--	--	--	--
Total adjustments	**(1,783)**	**7,656**	**30**	**139**	**19**	**(1,219)**	**(19)**	**(19)**

S&P Global Ratings adjusted amounts

	Debt	Equity	EBITDA	EBIT	Interest expense	Funds from operations	Cash flow from operations	Capital expenditures
Adjusted	26,323	16,957	1,993	2,150	1,056	774	479	24

Related Criteria And Research

- Use Of CreditWatch And Outlooks, September 14, 2009
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, November 13, 2012
- Methodology: Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings, October 24, 2013
- Corporate Methodology, November 19, 2013
- Country Risk Assessment Methodology And Assumptions, November 19, 2013
- Methodology: Industry Risk, November 19, 2013
- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, December 16, 2014
- Recovery Rating Criteria For Speculative-Grade Corporate Issuers, December 7, 2016
- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Key Credit Factors For The Real Estate Industry, February 26, 2018
- Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Group Rating Methodology, July 1, 2019
- S&P Global Ratings Definitions, October 31, 2018

Ratings List

Rating Details (As of 25-July-2019)	
Gazit Globe Ltd.	
Issuer rating(s)	
Local Currency LT	ilAA-/Stable
Local Currency ST	ilA-1+
Issue rating(s)	
Commercial Papers	
Commercial Papers	ilA-1+
Senior Secured Debt	
Series J	ilAA
Senior Unsecured Debt	
Series D,K,L,M	ilAA-
Issuer Rating history	
Local Currency LT	
09-May-2013	ilAA-/Stable
15-May-2012	ilA+/Stable
01-Aug-2011	ilA+/Positive
30-June-2010	ilA+/Stable
03-May-2009	ilA+/Negative
16-April-2009	ilAA-
12-Feb-2009	ilAA-/Negative
03-Aug-2008	ilAA-/Stable
23-March-2008	ilAA/Watch Pos
28-Feb-2007	ilAA/Stable
21-Nov-2006	ilAA/Negative
14-April-2005	ilAA
21-Jan-2004	ilAA-
01-Dec-2001	ilA+
Local Currency ST	
23-July-2018	ilA-1+
Other Details	
Time of the event	25/07/2019 16:51
Time when the analyst first learned of the event	25/07/2019 16:51
Rating requested by	Issuer

Credit Rating Surveillance

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