



PRESS RELEASE

GAZIT AMERICA ANNOUNCES ITS 2010 SECOND QUARTER RESULTS

Toronto, Ontario (August 10, 2010) - Gazit America Inc. (“Gazit America” or the “Company”) (TSX: GAA) announced today financial and operating results for the three and six months ended June 30, 2010. Highlights include:

- Cash from operating activities of \$0.5 million for the second quarter.
- Net loss of \$4.4 million or \$0.35 per share for the second quarter.
- Completion of a revolving credit facility with a Canadian chartered bank for \$8.5 million.
- Filing of prospectus for a rights offering for 2.6 million units with expected initial gross proceeds of \$12.8 million on exercise of the rights.

“Our second quarter results were in-line with our expectations”, said Gail Mifsud, CEO of Gazit America. “During my six months at Gazit America, I am pleased to report that our portfolio continues to perform well, we completed the acquisition of a high quality medical property in Nepean, secured a revolving credit facility with a Canadian chartered bank at an attractive spread, and recently filed our final prospectus for a rights offering marking our first capital raise. In combination, these activities further solidify our balance sheet and provide the financial flexibility to fund our acquisition pipeline. We are working rigorously at revving up our acquisition pace and are optimistic that we will announce transactions shortly.” added Ms. Mifsud.

FINANCIAL HIGHLIGHTS

Gazit America reported second quarter rental revenues and net operating income of \$1.1 million and \$0.6 million, respectively. The Company’s U.S. subsidiaries received dividends from its investment in Equity One of \$3.2 million (US\$3.1 million or US\$0.22 per share) in the quarter ended June 30, 2010.

Equity income in the second quarter was \$1.9 million compared to the equity income of \$3.4 million in the second quarter of 2009 due mainly to Equity One reporting lower net income in 2010 and foreign exchange differences. Equity income is a non-cash earnings measure and is generated from the Company’s ownership interest in Equity One.

Net loss for the second quarter of 2010 was \$4.4 million or \$0.35 per share compared to net income of \$1.0 million or \$0.11 per share in the second quarter of 2009. The 2010 results were impacted by \$1.6 million in mark-to-market losses and other unrealized losses from hedges and \$1.7 million in unrealized foreign exchange losses.

Financial statements and management's discussion and analysis for the three and six months ended June 30, 2010 will be filed on SEDAR at www.sedar.com and available through our website at www.gazitamerica.com.

OTHER HIGHLIGHTS

In July 2010, the Company entered into a binding agreement to purchase a property to be held for redevelopment for approximately \$13.5 million (including closing costs). Closing is scheduled to occur in the third quarter of 2010. The purchase price is expected to be satisfied in part by an assumption of a mortgage in the approximate amount of \$7.4 million. Although the Company has waived its due diligence condition in respect of this acquisition, it remains subject to customary closing conditions.

In early August 2010, the Company completed a revolving credit facility with a Canadian chartered bank for \$8.5 million.

Also in early August 2010, the Company filed a prospectus in respect of the distribution of 12,847,877 rights to subscribe for 2,569,575 units of the Company. One right (a "Right") will be issued for each common share of Gazit America held by holders of the outstanding common shares of record as at 5:00 p.m. (Toronto time) on August 17, 2010 (the "Record Date"). These holders will be mailed the rights offering prospectus describing the rights offering as soon as practicable after August 17, 2010. A holder of rights will be entitled to subscribe, at or before 4:00 p.m. (Toronto time) on September 13, 2010 (the "Rights Expiry Date"), for one Unit for every five Rights held at a price of \$5.00 per Unit. Only a shareholder on the Record Date with an address of record in Canada is entitled to receive Rights. Rights not exercised at or before, September 13, 2010 will be void and will have no value.

The Rights will be posted for trading on the TSX under the symbol "GAA.RT" until 12:00 noon (Toronto time) on the Rights Expiry Date, at which time they will be halted from trading.

The Units will separate into common shares (a "Unit Common Share") and Warrants immediately when issued. Each Warrant entitles the holder to purchase, at any time, one common share (a "Warrant Common Share") at a price of \$6.00 per Warrant Common Share for the period from the closing of this rights offering up to and including November 30, 2013 and, thereafter, each Warrant entitles the holder to purchase one Warrant Common Share at a price of \$7.00 per Warrant Common Share, each subject to adjustment in certain events. The Warrants will expire at 5:00 p.m. (Toronto time) on November 30, 2015. No fractional Units, Warrants or common shares will be issued, but, rather, will be rounded down without any consideration therefor.

The Rights are being issued to all of Gazit America's shareholders; however, Rights will not be registered under the laws of any foreign jurisdiction, including the United States Securities Act of 1933, as amended. Consequently, no Rights will be delivered to any registered or beneficial holder of Gazit America's common shares who has, or who appears to Gazit America, to have, an address not in Canada as of the record date. Such Rights will instead be delivered by Gazit America to the subscription agent for the Rights for sale. In lieu of Rights, such non-resident shareholders will receive their *pro rata* share of the cash proceeds from the sale of such Rights, less commissions, expenses and applicable withholding taxes.

Further information regarding the offering of Rights can be found in the short form prospectus dated August 5, 2010 under Gazit America's profile on SEDAR at www.sedar.com.

ABOUT GAZIT AMERICA (TSX: GAA)

Gazit America is focused on entrepreneurial real estate investments including the acquisition and development of income-producing properties, investments in public and private real estate entities, investments in joint ventures and other structured acquisitions and investments in commercial and residential mortgage-backed securities. Gazit America currently owns approximately 15.4% of Equity One, Inc. (NYSE: EQY), a U.S. real estate investment trust, and three properties comprised of six medical office buildings totalling approximately 164,000 square feet of rentable space located in Cambridge, London and Ottawa, Ontario.

FORWARD LOOKING STATEMENT ADVISORY

This press release contains forward-looking statements, and other statements concerning Gazit America's objectives and strategies and Management's beliefs, plans, estimates and intentions. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions. The forward-looking statements are not historical facts but reflect the Company's current expectations regarding future results or events and are based on information currently available to Management. Certain material factors and assumptions were applied in providing these forward-looking statements. All forward-looking statements in this press release are qualified by these cautionary statements.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risks and Uncertainties" in the Company's current Management's Discussion and Analysis.

Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements in addition to those described in the "Risks and Uncertainties" section include, but are not limited to, general economic conditions, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, environmental matters, legal matters, reliance on key personnel, financial difficulties and defaults, changes in interest rates and credit spreads, changes in the U.S.-Canadian foreign currency exchange rate, changes in operating costs, the Company's ability to obtain insurance coverage at a reasonable cost and the availability of financing.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Gazit America undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws.

These forward-looking statements are made as of August 10, 2010.

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NON-GAAP SUPPLEMENTAL FINANCIAL MEASURES

Net Operating Income

Net operating income (“NOI”) is defined as rental revenues less property operating expenses. In Management’s opinion, net operating income is useful in analyzing the operating performance of the Company’s portfolio. Net operating income is not a measure defined by Canadian Generally Accepted Accounting Principles (“GAAP”) and there is no standard definition of net operating income. As a result, net operating income may not be comparable with similar measures presented by other entities. Net operating income is not to be construed as an alternative to net income or cash flow from operating activities determined in accordance with GAAP.

GAZIT AMERICA INC.
Consolidated Balance Sheets
(thousands of dollars)
(unaudited)

	June 30	December 31
	2010	2009
ASSETS		
Rental properties	\$27,167	\$15,867
Intangible assets	3,232	1,364
	30,399	17,231
Investment in Equity One, Inc.	200,124	192,806
Cash	4,418	3,891
Receivables and other assets	3,960	1,908
	\$238,901	\$215,836
LIABILITIES		
Term loans, credit facilities and mortgages	\$124,475	\$107,049
Advances from affiliated entities	38,419	38,736
Accounts payable and other liabilities	9,040	6,191
Intangible liabilities	167	90
Future income tax liability	13,118	9,852
	185,219	161,918
SHAREHOLDERS' EQUITY	53,682	53,918
	\$238,901	\$215,836

GAZIT AMERICA INC.**Consolidated Statements of (Losses) Earnings**
(thousands of dollars, except per share amounts)
(unaudited)

	Three months ended		Six months ended	
	June 30	June 30	June 30	June 30
	2010	2009	2010	2009
REVENUES				
Rental revenues	\$1,113	\$ -	\$1,893	\$ -
Interest and other income	36	-	36	6
	1,149	-	1,929	6
EXPENSES				
Property operating expenses	522	-	974	-
Interest expense	2,269	1,449	4,524	3,053
General and administrative expenses	1,198	190	2,300	398
	3,989	1,639	7,798	3,451
Equity income from Equity One, Inc.	1,878	3,369	3,618	7,399
Dilution (loss) gain on investment in Equity One, Inc.	-	(676)	4,496	(676)
	1,878	2,693	8,114	6,723
(Loss) income before the undernoted	(962)	1,054	2,245	3,278
Amortization	(360)	(28)	(640)	(40)
Unrealized loss on interest rate swaps	(1,641)	-	(2,344)	-
Unrealized gain (loss) on foreign exchange	(1,715)	1,059	(467)	826
(Loss) income before income taxes	(4,678)	2,085	(1,206)	4,064
Income taxes				
Current	443	949	786	1,964
Future	(681)	116	1,059	-
	(238)	1,065	1,845	1,964
Net (loss) income	(\$4,440)	\$1,020	(\$3,051)	\$2,100
(Loss) earnings per common share, basic and diluted	(\$0.35)	\$0.11	(\$0.24)	\$0.23

GAZIT AMERICA INC.**Consolidated Statements of Comprehensive (Loss) Income***(thousands of dollars)**(unaudited)*

	Three months ended		Six months ended	
	June 30	June 30	June 30	June 30
	2010	2009	2010	2009
Net (loss) income	(\$4,440)	\$1,020	(\$3,051)	\$2,100
Other comprehensive (loss) income				
Foreign currency translation	3,245	(6,024)	2,077	(3,085)
Other comprehensive (loss) income of Equity One, Inc.	(55)	1,010	(167)	4,375
Derivative instruments designated as cash flow hedges	6	788	100	893
Future income tax recovery	59	345	98	309
Other	113	-	153	-
	3,368	(3,881)	2,261	2,492
Comprehensive (loss) income	(\$1,072)	(\$2,861)	(\$790)	\$4,592

GAZIT AMERICA INC.

Consolidated Statements of Shareholders' Equity

(thousands of dollars, except share numbers)

(unaudited)

	Share Capital		Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Retained Earnings and Accumulated Other Comprehensive Income (Loss)	Total
	Number	Amount					
Shareholders' equity, December 31, 2009	12,847,877	\$ 51,176	\$ 1,263	\$ 21,585	\$ (20,106)	\$ 1,479	\$ 53,918
Net loss	-	-	-	(3,051)	-	(3,051)	(3,051)
Options and DSUs issued	-	-	554	-	-	-	554
Other comprehensive income	-	-	-	-	2,261	2,261	2,261
Shareholders' equity, June 30, 2010	12,847,877	\$ 51,176	\$ 1,817	\$ 18,534	\$ (17,845)	\$ 689	\$ 53,682

	Share Capital		Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Retained Earnings and Accumulated Other Comprehensive Income	Total
	Number	Amount					
Shareholders' equity, December 31, 2008	9,212,413	\$ 34,804	\$ -	\$ 45,934	\$ (14,801)	\$ 31,133	\$ 65,937
Net income	-	-	-	2,100	-	2,100	2,100
Dividend	-	-	-	(26,839)	-	(26,839)	(26,839)
Other comprehensive income	-	-	-	-	2,492	2,492	2,492
Shareholders' equity, June 30, 2009	9,212,413	\$ 34,804	\$ -	\$ 21,195	\$ (12,309)	\$ 8,886	\$ 43,690

GAZIT AMERICA INC.**Consolidated Statements of Cash Flow***(thousands of dollars)**(unaudited)*

	Three months ended		Six months ended	
	June 30 2010	June 30 2009	June 30 2010	June 30 2009
Operating Activities				
Net (loss) income	(\$4,440)	\$1,020	(\$3,051)	\$2,100
Items not affecting cash:				
Amortization	360	28	640	40
Non-cash interest expense	23	101	65	150
Equity income from Equity One, Inc.	(1,878)	(3,369)	(3,618)	(7,399)
Dilution loss (gain) on investment in Equity One, Inc.	-	676	(4,496)	676
Future income taxes (recovery)	(681)	116	1,059	-
Unrealized (gain) loss on foreign exchange translation	1,715	(1,059)	467	(826)
Unrealized loss on interest rate swaps	1,641	-	2,344	-
Dividends from Equity One, Inc.	3,238	4,913	6,428	10,241
Non-cash compensation expense	375	-	554	-
Net change in non-cash operating items	112	(441)	1,524	461
Cash provided by operating activities	465	1,985	1,916	5,443
Investing Activities				
Acquisition of rental property, net of mortgage assumed and cash acquired	(221)	-	(3,633)	-
Capital expenditures	-	-	(18)	-
Investment in common shares of Equity One, Inc.	-	-	(1,882)	-
Investments in marketable securities	(592)	-	(1,923)	-
Cash used in investing activities	(813)	-	(7,456)	-
Financing Activities				
Proceeds from credit facilities	3,001	-	10,994	-
Repayment of term loans, credit facilities and mortgages	(1,735)	(1,346)	(3,516)	(34,562)
(Payments to) receipts from affiliated entities, net	(710)	(882)	(1,529)	29,326
Cash provided by (used in) financing activities	556	(2,228)	5,949	(5,236)
Effect of currency rate movement on cash balances	177	(13)	118	(244)
Increase (decrease) in cash	385	(256)	527	(37)
Cash, beginning of period	4,033	5,439	3,891	5,220
Cash, end of period	\$4,418	\$5,183	\$4,418	\$5,183
SUPPLEMENTARY INFORMATION				
Income taxes paid	\$ -	\$907	\$22	\$1,365
Interest paid	\$3,064	\$875	\$4,149	\$2,621