

**Translated
from the
Hebrew original**

ADGAR INVESTMENTS AND DEVELOPMENT LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2016

UNAUDITED

ADGAR INVESTMENTS AND DEVELOPMENT LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2016

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INDEX

	<u>Page</u>
Accompanying Letter to the Financial Statements	2
Consolidated Statements of Financial Position	3 - 4
Consolidated Statements of Profit or Loss	5
Consolidated Statements of Comprehensive Income	6
Consolidated Statements of Changes in Equity	7 - 11
Consolidated Statements of Cash Flows	12 - 14
Notes to Interim Consolidated Financial Statements	15 - 19



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Dear Sirs,

We have audited, in accordance with International Financial Reporting Standards, the condensed consolidated statements of financial position of **ADGAR INVESTMENTS AND DEVELOPMENT LIMITED** as at September 30, 2016 and the related consolidated statements of profit or loss, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the nine and three months then ended we expressed an unqualified opinion on those financial statements.

The accompanying financial statements are condensed consolidated financial statements and do not include the disclosures required by International Financial Reporting Standards. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the financial position, results of operations, and cash flows of the Company.

Tel-Aviv, Israel
November 27, 2016

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30		December 31
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
CURRENT ASSETS			
Cash and cash equivalents	240,952	219,407	281,778
Short-term investments	30,496	23,582	23,469
Customers	18,603	16,837	16,279
Deposits	14,038	23,603	11,965
Debtors and receivables	12,828	36,998	34,732
Current taxes receivable	5,290	7,856	5,693
Derivatives	2,659	11,218	6,478
	<u>324,866</u>	<u>339,501</u>	<u>380,394</u>
Non-current assets designated for sale	<u>10,053</u>	<u>-</u>	<u>-</u>
	<u>334,919</u>	<u>339,501</u>	<u>380,394</u>
NON-CURRENT ASSETS			
Deposit	41,634	36,352	60,111
Long term debtors	2,707	3,015	2,839
Derivatives	1,157	-	-
Loans	36,898	16,942	21,967
Fixed assets, net	12,462	12,795	12,584
Investment property	3,372,245	3,198,230	3,331,623
Investment property under construction	76,717	34,275	47,066
Intangible assets	343	24	262
Deferred taxes	1,685	1,030	1,931
	<u>3,545,848</u>	<u>3,302,663</u>	<u>3,478,383</u>
	<u>3,880,767</u>	<u>3,642,164</u>	<u>3,858,777</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30		December 31
	2016	2015	2015
	Unaudited		Audited
NIS in thousands			
CURRENT LIABILITIES			
Current maturities of long-term loans	143,882	133,198	144,370
Current maturities of bonds	134,649	133,302	143,603
Liabilities to suppliers and service providers	15,630	20,779	21,225
Taxes payable	1,110	2,501	3,054
Creditors and payables	73,024	67,247	62,762
Derivatives	20,250	25,001	18,408
	<u>388,545</u>	<u>382,028</u>	<u>393,422</u>
NON-CURRENT LIABILITIES			
Loans from banking institutions and other financial entities	1,424,617	1,357,195	1,464,193
Bonds	1,020,862	873,461	987,525
Derivatives	43,690	20,416	23,946
Employee benefit liabilities, net	148	148	148
Deferred taxes	174,525	155,854	158,690
	<u>2,663,842</u>	<u>2,407,074</u>	<u>2,634,502</u>
EQUITY			
Share capital	158,495	158,144	158,495
Share premium	275,450	272,045	275,450
Other reserves	(24,561)	(6,264)	(11,096)
Adjustments due to the translation of financial statements of activities abroad	(265,967)	(230,514)	(267,200)
Retained earnings	641,195	613,096	629,525
Total equity attributed to the Company's shareholders	784,612	806,507	785,174
Non-controlling interests	43,768	46,555	45,679
Total equity	<u>828,380</u>	<u>853,062</u>	<u>830,853</u>
	<u>3,880,767</u>	<u>3,642,164</u>	<u>3,858,777</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

November 17, 2016			
Date of approval of the financial statements	Doron Schneidman Chairman of the Board	Roy Gadish CEO	Liat Manor Finance Manager

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands [except for net earnings per share data]				
INCOME					
Income from rental of properties	167,427	148,279	56,664	53,125	202,054
Increase (decrease) in value of investment property and investment property under construction, net	3,833	19,838	(336)	12,901	44,397
	<u>171,260</u>	<u>168,117</u>	<u>56,328</u>	<u>66,026</u>	<u>246,451</u>
EXPENSES					
Maintenance of assets, net	17,048	11,953	5,163	4,477	16,173
Administrative and general expenses	26,245	24,895	8,761	7,910	34,791
	<u>43,293</u>	<u>36,848</u>	<u>13,924</u>	<u>12,387</u>	<u>50,964</u>
Income before finance	<u>127,967</u>	<u>131,269</u>	<u>42,404</u>	<u>53,639</u>	<u>195,487</u>
Finance income	(2,994)	18,889	5,214	(3,319)	28,354
Finance expenses	(87,180)	(101,459)	(30,774)	(46,036)	(129,765)
Finance expenses, net	<u>(90,174)</u>	<u>(82,570)</u>	<u>(25,560)</u>	<u>(49,355)</u>	<u>(101,411)</u>
Income before capital loss	37,793	48,699	16,844	4,284	94,076
Capital loss	<u>(18)</u>	<u>(43)</u>	<u>(43)</u>	<u>(30)</u>	<u>(52)</u>
Income before taxes on income	37,775	48,656	16,801	4,254	94,024
Taxes on income	<u>23,547</u>	<u>22,030</u>	<u>4,113</u>	<u>13,667</u>	<u>33,632</u>
Net income (loss)	<u>14,228</u>	<u>26,626</u>	<u>12,688</u>	<u>(9,413)</u>	<u>60,392</u>
Attributed to:					
Company shareholders	11,670	25,124	12,503	(8,264)	57,553
Non-controlling interests	<u>2,558</u>	<u>1,502</u>	<u>185</u>	<u>(1,149)</u>	<u>2,839</u>
	<u>14,228</u>	<u>26,626</u>	<u>12,688</u>	<u>(9,413)</u>	<u>60,392</u>
Earnings per share:					
Net earnings (loss) per share attributed to equity holders of the Company (in NIS)					
Basic net earnings (loss)	<u>0.10</u>	<u>0.22</u>	<u>0.11</u>	<u>(0.07)</u>	<u>0.50</u>
Diluted net earnings (loss)	<u>0.10</u>	<u>0.22</u>	<u>0.11</u>	<u>(0.07)</u>	<u>0.50</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands [except for net earnings per share data]				
Net income (loss)	14,228	26,626	12,688	(9,413)	60,392
Other comprehensive income (loss) (after the tax effect):					
Amounts to be classified or reclassified to profit or loss under specific conditions:					
Profit (loss) in respect of cash flow hedging transactions, net	(19,473)	3,364	(756)	(1,815)	476
Transfer to statement of profit or loss in respect of cash flows hedge transactions, net	-	8,900	-	8,900	8,900
Adjustment resulting from the translation of financial statements of activities abroad	650	(96,123)	(18,787)	5,810	(134,438)
Total other comprehensive income (loss)	(18,823)	(83,859)	(19,543)	12,895	(125,062)
Total comprehensive income (loss)	<u>(4,595)</u>	<u>(57,233)</u>	<u>(6,855)</u>	<u>3,482</u>	<u>(64,670)</u>
Total comprehensive income (loss) attributed to:					
Company shareholders	(2,636)	(57,900)	(6,087)	1,384	(64,445)
Non-controlling interests	(1,959)	667	(768)	2,098	(225)
	<u>(4,595)</u>	<u>(57,233)</u>	<u>(6,855)</u>	<u>3,482</u>	<u>(64,670)</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total			
	Unaudited								
	NIS in thousands								
Balance as at January 1, 2016 (Audited)	158,495	275,450	(11,096)	(267,200)	629,525	785,174	45,679	830,853	
Net income	-	-	-	-	11,670	11,670	2,558	14,228	
Total other comprehensive income (loss)	-	-	(15,539)	1,233	-	(14,306)	(4,517)	(18,823)	
Total comprehensive income (loss)	-	-	(15,539)	1,233	11,670	(2,636)	(1,959)	(4,595)	
Share-based payment	-	-	2,074	-	-	2,074	48	2,122	
Balance as at September 30, 2016	<u>158,495</u>	<u>275,450</u>	<u>(24,561)</u>	<u>(265,967)</u>	<u>641,195</u>	<u>784,612</u>	<u>43,768</u>	<u>828,380</u>	

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total			
	Unaudited								
	NIS in thousands								
Balance as at January 1, 2015 (Audited)	157,414	266,511	(13,707)	(137,516)	602,972	875,674	45,853	921,527	
Net income	-	-	-	-	25,124	25,124	1,502	26,626	
Total other comprehensive income (loss)	-	-	9,974	(92,998)	-	(83,024)	(835)	(83,859)	
Total comprehensive income (loss)	-	-	9,974	(92,998)	25,124	(57,900)	667	(57,233)	
Realization of options to Company shares	730	5,534	(4,396)	-	-	1,868	-	1,868	
Share-based payment	-	-	1,865	-	-	1,865	35	1,900	
Dividend paid to Company's shareholders	-	-	-	-	(15,000)	(15,000)	-	(15,000)	
Balance as at September 30, 2015	<u>158,144</u>	<u>272,045</u>	<u>(6,264)</u>	<u>(230,514)</u>	<u>613,096</u>	<u>806,507</u>	<u>46,555</u>	<u>853,062</u>	

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders				Retained earnings	Total	Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad				
	Unaudited							
	NIS in thousands							
Balance as at July 1, 2016	158,495	275,450	(24,787)	(247,930)	628,692	789,920	44,520	834,440
Net income	-	-	-	-	12,503	12,503	185	12,688
Total other comprehensive loss	-	-	(553)	(18,037)	-	(18,590)	(953)	(19,543)
Total comprehensive income (loss)	-	-	(553)	(18,037)	12,503	(6,087)	(768)	(6,855)
Share-based payment	-	-	779	-	-	779	16	795
Balance as at September 30, 2016	<u>158,495</u>	<u>275,450</u>	<u>(24,561)</u>	<u>(265,967)</u>	<u>641,195</u>	<u>784,612</u>	<u>43,768</u>	<u>828,380</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total			
	Unaudited								
	NIS in thousands								
Balance as at July 1, 2015	157,979	270,588	(11,349)	(234,481)	621,360	804,097	44,441	848,538	
Loss	-	-	-	-	(8,264)	(8,264)	(1,149)	(9,413)	
Total other comprehensive income	-	-	5,681	3,967	-	9,648	3,247	12,895	
Total comprehensive income (loss)	-	-	5,681	3,967	(8,264)	1,384	2,098	3,482	
Realization of options to Company shares	165	1,457	(1,457)	-	-	165	-	165	
Share-based payment	-	-	861	-	-	861	16	877	
Balance as at September 30, 2015	<u>158,144</u>	<u>272,045</u>	<u>(6,264)</u>	<u>(230,514)</u>	<u>613,096</u>	<u>806,507</u>	<u>46,555</u>	<u>853,062</u>	

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributed to the Company's shareholders							Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings	Total			
	Unaudited								
	NIS in thousands								
Balance as at January 1, 2015 (Audited)	157,414	266,511	(13,707)	(137,516)	602,972	875,674	45,853	921,527	
Net income	-	-	-	-	57,553	57,553	2,839	60,392	
Total other comprehensive income (loss)	-	-	7,686	(129,684)	-	(121,998)	(3,064)	(125,062)	
Total comprehensive income (loss)	-	-	7,686	(129,684)	57,553	(64,445)	(225)	(64,670)	
Share-based payment cost	-	-	2,726	-	-	2,726	51	2,777	
Realization of options to Company shares	1,081	8,939	(7,801)	-	-	2,219	-	2,219	
Dividend to Company's shareholder	-	-	-	-	(31,000)	(31,000)	-	(31,000)	
Balance as at December 31, 2015 (Audited)	<u>158,495</u>	<u>275,450</u>	<u>(11,096)</u>	<u>(267,200)</u>	<u>629,525</u>	<u>785,174</u>	<u>45,679</u>	<u>830,853</u>	

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands [except for net earnings per share data]				
CASH FLOWS FROM CURRENT ACTIVITIES					
Net income (loss)	14,228	26,626	12,688	(9,413)	60,392
Adjustments needed to present cash flows from current activities:					
Adjustments to the profit or loss items:					
Decrease (increase) in value of investment property and investment property under construction, net	(3,833)	(19,838)	336	(12,901)	(44,397)
Finance expenses, net	90,174	82,570	25,560	49,355	101,411
Capital loss	18	43	43	30	52
Depreciation and amortization	4,273	4,373	1,485	1,441	5,775
Taxes on income	23,547	22,030	4,113	13,667	33,632
Share-based payment cost	2,122	1,900	795	877	2,777
	116,301	91,078	32,332	52,469	99,250
Changes in asset and liability items:					
Increase in customers	(2,384)	(4,921)	(306)	(3,200)	(4,658)
Decrease (increase) in debtors and receivables	1,224	7,833	(2,156)	3,328	9,111
Increase (decrease) in liabilities to suppliers and service providers	(6,456)	6,555	2,754	(49)	8,177
Increase (decrease) in creditors and payables	9,262	(10,490)	4,040	63	(5,753)
	1,646	(1,023)	4,332	142	6,877
Cash paid and received during the year for:					
Interest paid	(91,392)	(86,715)	(35,272)	(29,900)	(105,192)
Interest received	1,885	1,880	986	799	2,024
Dividend received	74	161	13	42	184
Taxes paid	(3,128)	(15,682)	(800)	(67)	(15,697)
Taxes received	361	123	-	123	123
	(92,200)	(100,233)	(35,073)	(29,003)	(118,558)
Net cash provided by current activities	39,975	16,448	14,279	14,195	47,961

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
CASH FLOWS FROM INVESTMENT ACTIVITIES:					
Investment in deposit, net	(3,217)	(17,119)	(815)	1,982	(29,646)
Proceeds from sale of investment property	18,347	-	-	-	-
Acquisition of short term investments	(12,242)	(12,738)	(2,394)	(2,048)	(13,365)
Proceeds from the sale of short term investments	5,006	39,423	1,905	7,964	40,209
Acquisition of hedge transaction	-	(13,860)	-	(8,600)	(16,110)
Proceeds (payment) from the sale of hedge transactions	(1,982)	32,610	-	19,050	47,634
Acquisition and investment of investment property	(61,263)	(94,246)	(12,192)	(30,128)	(309,114)
Acquisition of investment property under construction	(15,765)	(65,004)	(7,660)	(2,251)	(71,488)
Acquisition of fixed assets	(1,229)	(821)	(166)	(441)	(1,102)
Proceeds from sale of fixed assets	518	248	174	154	259
Capitalization of interest paid for investment property under construction	(322)	(1,525)	(322)	-	(1,525)
Acquisition of intangible assets	(134)	(25)	(43)	-	(270)
Grant of loan to partners in assets in Canada, net	(14,678)	(7,288)	(2,884)	(3,044)	(12,042)
Net cash used in investment activities	(86,961)	(140,345)	(24,397)	(17,362)	(366,560)
CASH FLOWS FROM FINANCE ACTIVITIES					
Receipt of long-term loans	40,500	82,158	-	52,713	276,237
Settlement of long-term loans	(63,459)	(41,234)	(17,639)	(11,346)	(69,708)
Dividend paid to Company shareholders	-	(15,000)	-	-	(31,000)
Realization of options to shares	-	1,868	-	165	2,219
Settlement of CPI hedging transactions	(8,314)	(8,217)	(8,314)	(8,217)	(15,280)
Settlement of bonds	(119,990)	(193,170)	-	-	(193,170)
Issue of bonds net issue expenses	156,158	132,836	156,158	-	251,977
Net cash provided by (used in) finance activities	4,895	(40,759)	130,205	33,315	221,275
Translation differences in respect of cash balances in units held abroad	1,265	(10,747)	(554)	507	(15,708)
Increase (decrease) in cash and cash equivalents	(40,826)	(175,403)	119,533	30,655	(113,032)
Balance of cash and cash equivalents as at the beginning of the period	281,778	394,810	121,419	188,752	394,810
Balance of cash and cash equivalents as at the end of the period	240,952	219,407	240,952	219,407	281,778

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
(a) Significant activities not involving cash flows					
Acquisition of investment property and investment property under construction against creditors, suppliers and service providers	31,388	39,939	31,388	39,939	29,934

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 4:- SEGMENTS OF ACTIVITY**a. General

1. The Group operates in the income generating real estate market. Its main activity is holding income-producing properties, mainly for use as office premises. The Group has income-producing properties abroad (Belgium, Canada and Poland) that are held through companies registered abroad, as well as income-producing properties in Israel.
2. All the income and expenses are attributed directly to segments of activity since the Company's management examines its activities based on these segments.

b. Report regarding segments of activity

	For the period of nine months ended as at September 30, 2016				
	<u>Israel</u>	<u>Belgium</u>	<u>Poland</u>	<u>Canada</u>	<u>Total</u>
	Unaudited				
	NIS in thousands				
Income from leasing of properties	48,606	10,503	56,477	55,262	170,848
Deduction of deferred incentives to lessees	(145)	-	(498)	(2,778)	(3,421)
Increase (decrease) in value of investment property and investment property under construction, net	<u>5,741</u>	<u>(1,698)</u>	<u>(7,628)</u>	<u>7,418</u>	<u>3,833</u>
Total income	<u>54,202</u>	<u>8,805</u>	<u>48,351</u>	<u>59,902</u>	<u>171,260</u>
Segment results	<u>36,043</u>	<u>6,820</u>	<u>37,059</u>	<u>48,045</u>	<u>127,967</u>
Finance income					(2,994)
Finance expenses					<u>(87,180)</u>
Net finance expenses					<u>(90,174)</u>
Capital loss					<u>(18)</u>
Income before taxes on income					<u>37,775</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- SEGMENTS OF ACTIVITY

b. Report regarding segments of activity (Cont.)

	For the period of nine months ended as at September 30, 2015				
	<u>Israel</u>	<u>Belgium</u>	<u>Poland</u>	<u>Canada</u>	<u>Total</u>
	<u>Unaudited</u>				
	<u>NIS in thousands</u>				
Income from leasing of properties	37,710	10,565	55,973	47,592	151,840
Deduction of deferred incentives to lessees	(132)	-	(571)	(2,858)	(3,561)
Increase in value of investment property and investment property under construction, net	<u>18,866</u>	<u>-</u>	<u>40</u>	<u>932</u>	<u>19,838</u>
Total income	<u>56,444</u>	<u>10,565</u>	<u>55,442</u>	<u>45,666</u>	<u>168,117</u>
Segment results	<u>41,348</u>	<u>8,167</u>	<u>45,442</u>	<u>36,312</u>	<u>131,269</u>
Finance income					18,889
Finance expenses					<u>(101,459)</u>
Net finance expenses					<u>(82,570)</u>
Capital loss					<u>(43)</u>
Income before taxes on income					<u>48,656</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	For the period of three months ended as at				
	September 30, 2016				
	Israel	Belgium	Poland	Canada	Total
	Unaudited				
	NIS in thousands				
Income from leasing of properties	16,661	3,419	18,276	19,496	57,852
Deduction of deferred incentives to lessees	(48)	-	(181)	(959)	(1,188)
Increase (decrease) in value of investment property and investment property under construction, net	-	-	(7,754)	7,418	(336)
Total income	<u>16,613</u>	<u>3,419</u>	<u>10,341</u>	<u>25,955</u>	<u>56,328</u>
Segment results	<u>10,436</u>	<u>2,907</u>	<u>7,233</u>	<u>21,828</u>	42,404
Finance income					5,214
Finance expenses					<u>(30,774)</u>
Net finance expenses					<u>(25,560)</u>
Capital loss					<u>(43)</u>
Income before taxes on income					<u>16,801</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	For the period of three months ended as at September 30, 2015				
	Israel	Belgium	Poland	Canada	Total
	Unaudited				
	NIS in thousands				
Income from leasing of properties	14,593	3,484	18,339	17,876	54,292
Deduction of deferred incentives to lessees	(47)	-	(186)	(934)	(1,167)
Increase (decrease) in value of investment property and investment property under construction, net	14,447	-	(1,546)	-	12,901
Total income	28,993	3,484	16,607	16,942	66,026
Segment results	24,347	2,801	13,110	13,381	53,639
Finance income					(3,319)
Finance expenses					(46,036)
Net finance expenses					(49,355)
Capital loss					(30)
Income before taxes on income					4,254

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- SEGMENTS OF ACTIVITY (Cont.)

b. Report regarding segments of activity (Cont.)

	Year ended as at December 31, 2015				
	Israel	Belgium	Poland	Canada	Total
	Audited				
	NIS in thousands				
Income:					
Income from leasing of properties before amortization	52,616	13,947	75,405	64,771	206,739
Deduction of deferred incentives to lessees	(185)	-	(740)	(3,760)	(4,685)
Increase in value of investment property and investment property under construction, net	14,407	(4,012)	40	33,962	44,397
Total income	<u>66,838</u>	<u>9,935</u>	<u>74,705</u>	<u>94,973</u>	<u>246,451</u>
Segment results	<u>47,937</u>	<u>6,949</u>	<u>59,825</u>	<u>80,776</u>	<u>195,487</u>
Finance income					28,354
Finance expenses					(129,765)
Net finance expenses					(101,411)
Income before capital gain					94,076
Capital loss					(52)
Income before taxes on income					<u>94,024</u>
