

**Translated
from the
Hebrew original**

ADGAR INVESTMENTS AND DEVELOPMENT LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2017

UNAUDITED

ADGAR INVESTMENTS AND DEVELOPMENT LTD.

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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, 2017 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 22, 2017

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30		December 31
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands		
CURRENT ASSETS			
Cash and cash equivalents	164,754	240,952	234,073
Short-term investments	28,880	30,496	27,350
Customers	20,140	18,603	18,128
Deposits	20,564	14,038	19,127
Debtors and receivables	16,139	12,828	9,909
Loans	3,904	-	41,598
Current taxes receivable	4,953	5,290	4,965
Derivatives	847	2,659	3,065
	<u>260,181</u>	<u>324,866</u>	<u>358,215</u>
Non-current assets designated for sale	-	10,053	-
	<u>260,181</u>	<u>334,919</u>	<u>358,215</u>
NON-CURRENT ASSETS			
Deposit	83,981	41,634	39,528
Debtors	2,959	2,707	2,763
Derivatives	7,256	1,157	7,781
Loans	-	36,898	-
Fixed assets, net	13,637	12,462	12,094
Investment property	3,612,015	3,372,245	3,402,773
Investment property under construction	127,238	76,717	86,300
Intangible assets	548	343	530
Deferred taxes	1,346	1,685	2,458
	<u>3,848,980</u>	<u>3,545,848</u>	<u>3,554,227</u>
	<u>4,109,161</u>	<u>3,880,767</u>	<u>3,912,442</u>

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30		December 31
	2017	2016	2016
	Unaudited		Audited
	NIS in thousands		
CURRENT LIABILITIES			
Credit from banking institutions and current liabilities of long-term loans	135,859	143,882	285,408
Current maturities of bonds	85,279	134,649	145,278
Liabilities to suppliers and service providers	20,819	15,630	24,787
Taxes payable	649	1,110	1,249
Creditors and payables	82,468	73,024	87,354
Derivatives	26,042	20,250	18,189
	<u>351,116</u>	<u>388,545</u>	<u>562,265</u>
NON-CURRENT LIABILITIES			
Loans from banking institutions and other financial entities	1,366,574	1,424,617	1,279,640
Bonds	1,292,209	1,020,862	1,020,330
Derivatives	23,191	43,690	26,671
Employee benefit liabilities, net	210	148	210
Deferred taxes	150,787	174,525	183,217
	<u>2,832,971</u>	<u>2,663,842</u>	<u>2,510,068</u>
EQUITY			
Share capital	158,495	158,495	158,495
Share premium	275,450	275,450	275,450
Other reserves	(7,875)	(24,561)	(14,353)
Adjustments due to the translation of financial statements of activities abroad	(275,262)	(265,967)	(277,959)
Retained earnings	729,004	641,195	654,301
	<u>879,812</u>	<u>784,612</u>	<u>795,934</u>
Total equity attributed to the Company's shareholders	879,812	784,612	795,934
Non-controlling interests	45,262	43,768	44,175
	<u>925,074</u>	<u>828,380</u>	<u>840,109</u>
Total equity	<u>4,109,161</u>	<u>3,880,767</u>	<u>3,912,442</u>

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

<u>November 22, 2017</u>			
Date of approval of the financial statements	Doron Schneidman Chairman of the Board	Roy Gadish CEO	Liat Manor Deputy CFO

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
	2017	2016	2017	2016	2016
	Unaudited				Audited
	NIS in thousands [except for net earnings per share data]				
INCOME					
Income from rental of properties	165,729	167,427	57,038	56,664	221,497
Increase (decrease) in value of investment property and investment property under construction, net	23,285	3,833	20,611	(336)	23,179
	<u>189,014</u>	<u>171,260</u>	<u>77,649</u>	<u>56,328</u>	<u>244,676</u>
EXPENSES					
Maintenance of assets, net	16,873	17,048	5,781	5,163	21,825
Administrative and general expenses	29,452	26,245	10,904	8,761	35,768
	<u>46,325</u>	<u>43,293</u>	<u>16,685</u>	<u>13,924</u>	<u>57,593</u>
Income before finance	<u>142,689</u>	<u>127,967</u>	<u>60,964</u>	<u>42,404</u>	<u>187,083</u>
Finance income	383	(2,994)	(5,837)	5,214	1,779
Finance expenses	(84,007)	(87,180)	(24,581)	(30,774)	(113,589)
Finance expenses, net	<u>(83,624)</u>	<u>(90,174)</u>	<u>(30,418)</u>	<u>(25,560)</u>	<u>(111,810)</u>
Income before capital gain (loss)	59,065	37,793	30,546	16,844	75,273
Capital gain (loss), net	31	(18)	31	(43)	(59)
Income before taxes on income	59,096	37,775	30,577	16,801	75,214
Taxes on income (tax benefit)	(29,111)	23,547	5,265	4,113	32,812
Net income	<u>88,207</u>	<u>14,228</u>	<u>25,312</u>	<u>12,688</u>	<u>42,402</u>
Attributed to:					
Company shareholders	89,703	11,670	28,714	12,503	39,776
Non-controlling interests	(1,496)	2,558	(3,402)	185	2,626
	<u>88,207</u>	<u>14,228</u>	<u>25,312</u>	<u>12,688</u>	<u>42,402</u>
Earnings per share:					
Net earnings per share attributed to equity holders of the Company (in NIS)					
Basic and diluted net earnings	<u>0.78</u>	<u>0.10</u>	<u>0.25</u>	<u>0.11</u>	<u>0.35</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
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	Unaudited				Audited
	NIS in thousands [except for net earnings per share data]				
Net income	<u>88,207</u>	<u>14,228</u>	<u>25,312</u>	<u>12,688</u>	<u>42,402</u>
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	6,442	(19,473)	(114)	(756)	(7,809)
Adjustment resulting from the translation of financial statements of activities abroad	<u>4,032</u>	<u>650</u>	<u>20,647</u>	<u>(18,787)</u>	<u>(13,260)</u>
Total other comprehensive income (loss)	<u>10,474</u>	<u>(18,823)</u>	<u>20,533</u>	<u>(19,543)</u>	<u>(21,069)</u>
Total comprehensive income (loss)	<u>98,681</u>	<u>(4,595)</u>	<u>45,845</u>	<u>(6,855)</u>	<u>21,333</u>
Total comprehensive income (loss) attributed to:					
Company shareholders	97,620	(2,636)	47,576	(6,087)	22,902
Non-controlling interests	<u>1,061</u>	<u>(1,959)</u>	<u>(1,731)</u>	<u>(768)</u>	<u>(1,569)</u>
	<u>98,681</u>	<u>(4,595)</u>	<u>45,845</u>	<u>(6,855)</u>	<u>21,333</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					Total	Non controlling interests	Total equity
	Share capital	Share premium	Other reserves	Adjustments resulting from the translation of financial statements of activities abroad	Retained earnings			
	Unaudited							
	NIS in thousands							
Balance as at January 1, 2017 (Audited)	158,495	275,450	(14,353)	(277,959)	654,301	795,934	44,175	840,109
Net income (loss)	-	-	-	-	89,703	89,703	(1,496)	88,207
Total other comprehensive income	-	-	5,220	2,697	-	7,917	2,557	10,474
Total comprehensive income	-	-	5,220	2,697	89,703	97,620	1,061	98,681
Share-based payment	-	-	1,258	-	-	1,258	26	1,284
Dividend to Company's shareholders	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Balance as at September 30, 2017	<u>158,495</u>	<u>275,450</u>	<u>(7,875)</u>	<u>(275,262)</u>	<u>729,004</u>	<u>879,812</u>	<u>45,262</u>	<u>925,074</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 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 July 1, 2017	158,495	275,450	(8,030)	(294,192)	715,290	847,013	46,989	894,002	
Net income (loss)	-	-	-	-	28,714	28,714	(3,402)	25,312	
Total other comprehensive income (loss)	-	-	(68)	18,930	-	18,862	1,671	20,533	
Total comprehensive income (loss)	-	-	(68)	18,930	28,714	47,576	(1,731)	45,845	
Share-based payment	-	-	223	-	-	223	4	227	
Dividend to Company's shareholders	-	-	-	-	(15,000)	(15,000)	-	(15,000)	
Balance as at September 30, 2017	<u>158,495</u>	<u>275,450</u>	<u>(7,875)</u>	<u>(275,262)</u>	<u>729,004</u>	<u>879,812</u>	<u>45,262</u>	<u>925,074</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 January 1, 2016 (Audited)	158,495	275,450	(11,096)	(267,200)	629,525	785,174	45,679	830,853	
Net income	-	-	-	-	39,776	39,776	2,626	42,402	
Total other comprehensive loss	-	-	(6,115)	(10,759)	-	(16,874)	(4,195)	(21,069)	
Total comprehensive income (loss)	-	-	(6,115)	(10,759)	39,776	22,902	(1,569)	21,333	
Share-based payment cost	-	-	2,858	-	-	2,858	65	2,923	
Dividend to Company's shareholder	-	-	-	-	(15,000)	(15,000)	-	(15,000)	
Balance as at December 31, 2016 (Audited)	<u>158,495</u>	<u>275,450</u>	<u>(14,353)</u>	<u>(277,959)</u>	<u>654,301</u>	<u>795,934</u>	<u>44,175</u>	<u>840,109</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
	2017	2016	2017	2016	2016
	Unaudited				Audited
	NIS in thousands				
CASH FLOWS FROM CURRENT ACTIVITIES					
Net income	88,207	14,228	25,312	12,688	42,402
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	(23,285)	(3,833)	(20,611)	336	(23,179)
Finance expenses, net	83,624	90,174	30,418	25,560	111,810
Capital loss (gain)	(31)	18	(31)	43	59
Depreciation and amortization	4,933	4,273	1,733	1,485	5,933
Taxes on income (tax benefit)	(29,111)	23,547	5,265	4,113	32,812
Change in liabilities due to employee benefits, net	-	-	-	-	62
Share-based payment cost	1,284	2,122	227	795	2,923
	37,414	116,301	17,001	32,332	130,420
Changes in asset and liability items:					
Increase in customers	(1,836)	(2,384)	(3,449)	(306)	(2,229)
Decrease (increase) in debtors and receivables	(6,326)	1,224	(2,679)	(2,156)	1,507
Increase (decrease) in liabilities to suppliers and service providers	(1,733)	(6,456)	5,357	2,754	6,442
Increase (decrease) in creditors and payables	9,483	9,262	6,449	4,040	(3,036)
	(412)	1,646	5,678	4,332	2,684
Cash paid and received during the year for:					
Interest paid	(91,463)	(91,392)	(40,133)	(35,272)	(105,634)
Interest received	1,654	1,885	610	986	3,553
Dividend received	176	74	16	13	85
Taxes paid	(3,185)	(3,128)	(523)	(800)	(4,058)
Taxes received	-	361	-	-	361
	(92,818)	(92,200)	(40,030)	(35,073)	(105,693)
Net cash provided by current activities	32,391	39,975	7,961	14,279	69,813

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
	2017	2016	2017	2016	2016
	Unaudited				Audited
	NIS in thousands				
CASH FLOWS FROM INVESTMENT ACTIVITIES:					
Investment in deposit, net	(43,451)	(3,217)	(5,901)	(815)	(8,537)
Proceeds from sale of investment property	-	18,347	-	-	27,510
Acquisition of short term investments	(6,939)	(12,242)	(1,562)	(2,394)	(13,161)
Sale of short term investments	5,372	5,006	1,352	1,905	9,008
Acquisition of hedge transaction	(2,527)	-	(1,235)	-	(2,291)
Proceeds (payment) from the settlement of hedge transactions	7,976	(1,982)	923	-	4,851
Acquisition and investment of investment property	(177,775)	(61,263)	(132,501)	(12,192)	(121,124)
Investment in investment property under construction	(29,006)	(15,765)	(10,196)	(7,660)	(18,159)
Acquisition of fixed assets	(869)	(1,229)	(291)	(166)	(1,297)
Proceeds from sale of fixed assets	70	518	70	174	518
Capitalization of interest paid for investment property under construction	(2,982)	(322)	(1,027)	(322)	(985)
Acquisition of intangible assets	(65)	(134)	(50)	(43)	(338)
Settlement (grant) of loan to partners in assets in Canada, net	38,975	(14,678)	42,964	(2,884)	(19,468)
Net cash used in investment activities	(211,221)	(86,961)	(107,454)	(24,397)	(143,473)
CASH FLOWS FROM FINANCE ACTIVITIES					
Receipt of long-term credit from banking institutions, net	5,402	-	6,166	-	764
Receipt of long-term loans	168,631	40,500	110,000	-	80,918
Settlement of long-term loans	(258,017)	(63,459)	(11,724)	(17,639)	(79,277)
Dividend paid to Company shareholders	(30,000)	-	(15,000)	-	-
Settlement of CPI hedging transactions	(8,358)	(8,314)	(6,098)	(8,314)	(10,837)
Settlement of bonds	(120,280)	(119,990)	-	-	(119,990)
Issue of bonds net issue expenses	346,874	156,158	-	156,158	156,158
Net cash provided by finance activities	104,252	4,895	83,344	130,205	27,736
Translation differences in respect of cash balances in units held abroad	5,259	1,265	5,150	(554)	(1,781)
Increase (decrease) in cash and cash equivalents	(69,319)	(40,826)	(10,999)	119,533	(47,705)
Balance of cash and cash equivalents as at the beginning of the period	234,073	281,778	175,753	121,419	281,778
Balance of cash and cash equivalents as at the end of the period	164,754	240,952	164,754	240,952	234,073

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
	2017	2016	2017	2016	2016
	Unaudited				Audited
	NIS in thousands				
(a) Significant activities not involving cash flows					
Dividend to shareholders	-	-	-	-	15,000
Acquisition of investment property and investment property under construction against creditors, suppliers and service providers	34,312	31,388	34,312	31,388	40,337

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- SEGMENTS OF ACTIVITYa. 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, 2017				
	<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	52,515	9,751	49,564	57,958	169,788
Deduction of deferred incentives to lessees	(124)	-	(484)	(3,451)	(4,059)
Increase (decrease) in value of investment property and investment property under construction, net	3,621	-	(28,317)	47,981	23,285
Total income	<u>56,012</u>	<u>9,751</u>	<u>20,763</u>	<u>102,488</u>	<u>189,014</u>
Segment results	<u>39,395</u>	<u>8,016</u>	<u>7,885</u>	<u>87,393</u>	<u>142,689</u>
Finance income					383
Finance expenses					(84,007)
Net finance expenses					<u>(83,624)</u>
Capital gain					31
Income before taxes on income					<u>59,096</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- SEGMENTS OF ACTIVITYb. Report regarding segments of activity (Cont.)

	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>
	<u>Unaudited</u>				
	<u>NIS in thousands</u>				
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 (Cont.)

b. Report regarding segments of activity (Cont.)

	For the period of three months ended as at September 30, 2017				
	<u>Israel</u>	<u>Belgium</u>	<u>Poland</u>	<u>Canada</u>	<u>Total</u>
	Unaudited				
	NIS in thousands				
Income from leasing of properties	17,566	3,415	17,304	20,155	58,440
Deduction of deferred incentives to lessees	(41)	-	(151)	(1,210)	(1,402)
Increase (decrease) in value of investment property and investment property under construction, net	<u>-</u>	<u>-</u>	<u>(27,631)</u>	<u>48,242</u>	<u>20,611</u>
Total income	<u>17,525</u>	<u>3,415</u>	<u>(10,478)</u>	<u>67,187</u>	<u>77,649</u>
Segment results	<u>12,242</u>	<u>3,019</u>	<u>(15,179)</u>	<u>60,882</u>	60,964
Finance income					(5,837)
Finance expenses					<u>(24,581)</u>
Net finance expenses					<u>(30,418)</u>
Capital gain					<u>31</u>
Income before taxes on income					<u>30,577</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>	<u>42,404</u>
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.)

	Year ended as at December 31, 2016				
	<u>Israel</u>	<u>Belgium</u>	<u>Poland</u>	<u>Canada</u>	<u>Total</u>
	Audited				
	NIS in thousands				
Income:					
Income from leasing of properties before amortization	64,929	13,866	73,430	74,090	226,315
Deduction of deferred incentives to lessees	(193)	-	(677)	(3,948)	(4,818)
Increase (decrease) in value of investment property and investment property under construction, net	9,350	(4,824)	(11,700)	30,353	23,179
Total income	<u>74,086</u>	<u>9,042</u>	<u>61,053</u>	<u>100,495</u>	<u>244,676</u>
Segment results	<u>51,350</u>	<u>6,459</u>	<u>45,582</u>	<u>83,692</u>	187,083
Finance income					1,779
Finance expenses					<u>(113,589)</u>
Net finance expenses					<u>(111,810)</u>
Capital loss					<u>(59)</u>
Income before taxes on income					<u>75,214</u>
