

Alrov Properties and Lodgings Ltd.

**Consolidated Financial Statements
As of September 30, 2018
(Unaudited)**



Somekh Chaikin
KPMG Millennium Tower
17 Ha'arba'a Street, PO Box 609
Tel Aviv 61006, Israel
+972 3 684 8000

November 27, 2018

Alrov Properties and Lodgings Ltd.
Tel Aviv

Dear Sirs,

At your request and as the auditors of your Company, we hereby confirm that consolidated statement of financial position, and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows, attached hereto and marked with our stamp for purposes of identification, were extracted from the Company's consolidated financial statements as of September 30, 2018. The aforesaid unaudited financial statements also include accompanying notes which are not presented herein.

With respect to the aforementioned consolidated financial statements as at September 30, 2017, we enclosed a review report, which was dated November 27, 2018. A translation of such review report is also attached hereto and marked with our stamp for purposes of identification.

Sincerely,

Somekh Chaikin
Certified Public Accountants (Isr.)



Somekh Chaikin
KPMG Millennium Tower
17 Ha'arba'a Street, PO Box 609
Tel Aviv 61006, Israel
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Review Report to the Shareholders of Alrov Properties and Lodgings Ltd.

Introduction

We have reviewed the accompanying financial information of Alrov Properties and Lodgings Ltd. and its subsidiaries (hereinafter – “the Group”) comprising of the condensed consolidated interim statement of financial position as of September 30, 2018 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine and three month periods then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 “*Interim Financial Reporting*”, and are also responsible for the preparation of financial information for this interim periods in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of certain consolidated subsidiaries whose assets constitute 42% of the total consolidated assets as at September 30, 2018, and whose revenues constitute 33% of the total consolidated revenues for the nine and three month periods then ended respectively. Furthermore, we did not review the condensed interim financial information of equity accounted investees the liability investment in which amounted to NIS 1,438 thousand as at September 30, 2018, and the Group's share in their profits amounted to NIS 1,198 thousand and NIS 1,141 thousand for the nine and three-month periods then ended respectively. The condensed interim financial information of those companies was reviewed by other auditors whose review reports thereon were furnished to us, and our conclusion, insofar as it relates to amounts emanating from the financial information of such companies, is based solely on the said review reports of the other auditors.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 1, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Institute of Certified Public Accountants in Israel. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to that mentioned in the previous paragraph, based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Sincerely,
Somekh Chaikin
Certified Public Accountants (Isr.)
November 27, 2018

Alrov Properties and Lodgings Ltd.
and its subsidiaries

Condensed Consolidated Interim Statement of Financial Position

	September 30 2018 (Unaudited) NIS thousands	September 30 2017 (Unaudited) NIS thousands	December 31 2017 (Audited) NIS thousands
Cash and cash equivalents	120,851	109,953	104,095
Marketable securities	602,627	814,761	841,133
Trade receivables	55,661	40,069	40,500
Other receivables	21,520	28,447	73,597
Current tax assets	5,295	7,098	8,422
Hotel inventory	22,447	21,209	19,660
Apartments inventory	61,366	82,959	78,874
Total current assets	889,767	1,104,496	1,166,281
Investments in equity accounted investees	1,438	574	245
Other investments	4,700	11,687	9,842
Receivables	32,575	15,365	15,166
Investment property	7,255,805	6,427,049	6,591,169
Fixed assets – cost model	178,056	191,888	185,682
Fixed assets – revaluation model	4,938,915	3,079,890	3,242,030
Fixed assets under construction	-	1,082,534	1,237,680
Intangible assets	192,252	189,575	189,379
Deferred tax	34,478	44,240	31,107
Total non-current assets	12,638,219	11,042,802	11,502,300
Total assets	13,527,986	12,147,298	12,668,581

Condensed Consolidated Interim Statement of Financial Position (cont'd)

	September 30 2018 (Unaudited) NIS thousands	September 30 2017 (Unaudited) NIS thousands	December 31 2017 (Audited) NIS thousands
Credit from banks	564,429	2,904,701	2,174,646
Current maturities of loans from banks	131,110	619,911	237,837
Current maturities of debentures	191,609	186,361	185,607
Short term employee benefits	13,693	9,416	11,047
Trade payables	183,806	61,145	126,331
Other payables, including derivatives	219,353	207,321	196,849
Current tax liabilities	32,788	22,176	27,667
Total current liabilities	1,336,788	4,011,031	2,959,984
Loans from banks	5,416,793	2,258,290	3,416,414
Debentures	808,558	793,984	759,451
Loans from others	5,661	5,514	5,509
Employee benefits	14,858	10,704	13,615
Deposits	17,125	15,188	14,917
Deferred tax liabilities	1,119,113	986,821	1,045,607
Total non-current liabilities	7,382,108	4,070,501	5,255,513
Total liabilities	8,718,896	8,081,532	8,215,497
Equity			
Share capital	37,868	38,028	37,868
Share premium	376,677	389,240	376,677
Capital reserve from merging	279,426	279,426	279,426
Translation reserve from foreign operations	(87,686)	(116,009)	(139,615)
Reserve from transactions with non-controlling interests	4,567	4,567	4,567
Revaluation reserve for fixed assets, net of tax	657,605	444,128	577,345
Retained earnings	3,102,342	2,649,819	2,923,402
Total equity attributable to the owners of the Company	4,370,799	3,689,199	4,059,670
Non-controlling interests	438,291	376,567	393,414
Total equity	4,809,090	4,065,766	4,453,084
Total equity and liabilities	13,527,986	12,147,298	12,668,581

Alfred Akirov
Chairman of the Board of Directors and CEO

Meir Elhakham
Financial Manager

Tel Aviv, November 27, 2018

Condensed Consolidated Interim Income Statements

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2018	2017	2018	2017	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Revenues					
Hotel operations	407,211	341,334	154,909	115,173	476,904
Rent and housing for the elderly	246,675	237,195	84,589	78,519	316,334
Sale of apartments	19,128	-	85	-	4,846
Maintenance of housing for the elderly	4,531	5,447	1,523	1,584	6,959
Income from property management	35,283	32,667	12,217	11,630	41,579
Gain from securities at fair value through profit and loss	132,014	141,750	82,104	81,686	250,262
Increase in fair value of investment property, net	104,526	107,636	118,862	-	298,591
The Company share in equity profits of affiliated companies, net of tax	1,198	883	1,141	577	1,203
	<u>950,566</u>	<u>866,912</u>	<u>455,430</u>	<u>289,169</u>	<u>1,396,678</u>
Expenses					
Hotel operations	344,193	285,212	136,678	96,858	384,312
Hotel pre-opening expenses	20,099	-	-	-	-
Hotel depreciation	80,140	71,913	28,764	24,167	95,997
Total expenses from hotel operations	444,432	357,125	165,442	121,025	480,309
Operation of other assets	33,985	28,098	13,841	13,168	39,249
Cost of apartments sold	14,684	-	64	-	4,152
Maintenance of housing for the elderly	5,266	5,915	1,925	1,907	7,635
Property management expenses	32,557	30,694	11,038	10,986	40,525
Depreciation - general and administrative	9,895	9,785	3,339	2,936	13,424
Administrative and general	55,445	53,929	16,914	16,784	73,567
Loss from securities at fair value through profit and loss and other expenses	5,423	7,112	-	6,764	8,979
Decrease in fair value of investment property, net	-	24,488	-	24,488	-
	<u>601,687</u>	<u>517,146</u>	<u>212,563</u>	<u>198,058</u>	<u>667,840</u>
Income from operations	<u>348,879</u>	<u>349,766</u>	<u>242,867</u>	<u>91,111</u>	<u>728,838</u>
Financing expenses					
Financing income	-	-	-	-	13,752
Financing expenses	(78,475)	(64,204)	(30,352)	(3,709)	(98,006)
Financing expenses, net	<u>(78,475)</u>	<u>(64,204)</u>	<u>(30,352)</u>	<u>(3,709)</u>	<u>(84,254)</u>
Profit before taxes on income	<u>270,404</u>	<u>285,562</u>	<u>212,515</u>	<u>87,402</u>	<u>644,584</u>
Income (expenses) taxes on income	(35,374)	(34,906)	(26,469)	(5,578)	(77,775)
Net profit for the period	<u>235,030</u>	<u>250,656</u>	<u>186,046</u>	<u>81,824</u>	<u>566,809</u>
Attributable to:					
The owners of the Company	213,693	235,922	162,916	83,428	541,247
Non-controlling interests	21,337	14,734	23,130	(1,604)	25,562
Net income for the period	<u>235,030</u>	<u>250,656</u>	<u>186,046</u>	<u>81,824</u>	<u>566,809</u>
Net income per share – in NIS					
Basic and fully diluted	<u>8.84</u>	<u>9.61</u>	<u>6.74</u>	<u>3.43</u>	<u>22.12</u>

Condensed Consolidated Interim Statements of Comprehensive Income

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2018	2017	2018	2017	2017
	(Unaudited) NIS thousands	(Unaudited) NIS thousands	(Unaudited) NIS thousands	(Unaudited) NIS thousands	(Audited) NIS thousands
Net profit for the period	235,030	250,656	186,046	81,824	566,809
Other comprehensive income (loss) items that after initial recognition in comprehensive income will be transferred to profit or loss					
Foreign currency translation differences for foreign operations	66,615	(44,602)	11,196	10,209	(74,965)
Total other comprehensive income (loss) for the period that after initial recognition in comprehensive income will be transferred to profit or loss	66,615	(44,602)	11,196	10,209	(74,965)
Other comprehensive income (loss) items that will not be transferred to profit or loss					
Remeasurement of defined benefit plan, net of tax	-	-	-	-	(1,841)
Revaluation of fixed assets, net of tax	101,195	(4,789)	112,904	(937)	141,527
Total other comprehensive income (loss) for the period that will not be transferred to profit or loss	101,195	(4,789)	112,904	(937)	139,686
Total comprehensive income (loss) for the period	402,840	201,265	310,146	91,096	631,530
Total comprehensive income (loss) attributable to:					
Owners of the Company	345,882	196,959	261,381	91,085	610,377
Non-controlling interest	56,958	4,306	48,765	11	21,153
Total comprehensive income (loss) for the period	402,840	201,265	310,146	91,096	631,530

Condensed Consolidated Interim Statements of Changes in Equity

	For the nine months ended September 30, 2018 (Unaudited)									
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Reserve from transactions with non- controlling interests NIS thousands	Revaluation reserve of fixed assets, net of tax NIS thousands	Translation reserve from foreign operations NIS thousands	Retained earnings NIS thousands	Total NIS thousands	Non- controlling interests NIS thousands	Total equity NIS thousands
Balance as at January 1, 2018	37,868	376,677	279,426	4,567	577,345	(139,615)	2,923,402	4,059,670	393,414	4,453,084
First time adoption of IFRS 15	-	-	-	-	-	-	717	717	-	717
Balance at January 1, 2018 after the first time adoption	37,868	376,677	279,426	4,567	577,345	(139,615)	2,924,119	4,060,387	393,414	4,453,801
<u>Comprehensive income (loss) for the period</u>	-	-	-	-	-	-	213,693	213,693	21,337	235,030
Other comprehensive income (loss):	-	-	-	-	80,260	-	-	80,260	20,935	101,195
Revaluation of fixed assets, net of tax	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	-	51,929	-	51,929	14,686	66,615
Total comprehensive income (loss)	-	-	-	-	80,260	51,929	213,693	345,882	56,958	402,840
Transactions with owners that were recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(35,470)	(35,470)	-	(35,470)
Dividends payable to non- controlling interests	-	-	-	-	-	-	-	-	(12,081)	(12,081)
Balance as at September 30, 2018	37,868	376,677	279,426	4,567	657,605	(87,686)	3,102,342	4,370,799	438,291	4,809,090

Alrov Properties and Lodgings Ltd.
and its subsidiaries

Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

	For the nine months ended September 30, 2017 (Unaudited)												
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Capital reserve from available for sale financial assets NIS thousands		Reserve from transactions with non-controlling interests NIS thousands				Retained earnings NIS thousands	Total NIS thousands	Non-controlling interests NIS thousands	Total equity NIS thousands
				Translation reserve from foreign operations NIS thousands	Revaluation reserve of fixed assets, net of tax NIS thousands	Reserve from non-controlling interests NIS thousands	Revaluation reserve of fixed assets, net of tax NIS thousands	Total NIS thousands					
Balance as at January 1, 2017	39,521	475,390	279,426	180,921	(81,541)	4,567	448,623	2,253,277	3,600,184	377,819	3,978,003		
First time adoption of IFRS 9				(180,921)				180,921					
Balance at January 1, 2017 after the first time adoption	39,521	475,370	279,426		(84,541)	4,567	448,623	2,434,198	3,600,184	377,819	3,978,003		
Comprehensive income (loss) for the period								235,922	235,922		250,656		
Profit for the period													
Other comprehensive income (loss):													
Revaluation of fixed assets, net of tax							(4,495)		(4,495)	(294)	(4,789)		
Foreign currency translation differences for foreign operations					(34,468)				(34,468)	(10,134)	(44,602)		
Total comprehensive income (loss)					(34,468)		(4,495)	235,922	196,959	4,306	201,265		
Transactions with owners that were recognized directly in equity													
Own shares acquired	(1,493)	(86,150)									(87,643)		
Dividend paid								(20,301)	(20,301)		(20,301)		
Dividends payable to non-controlling interests										(5,558)	(5,558)		
Balance as at September 30, 2017	38,028	389,240	279,426	-	(116,009)	4,567	444,128	2,649,819	3,689,199	376,567	4,065,766		

Alrov Properties and Lodgings Ltd.
and its subsidiaries

Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

For the three months ended September 30, 2018 (Unaudited)

	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Translation reserve from foreign operations NIS thousands	Reserve from transactions with non- controlling interests			Retained earnings NIS thousands	Total NIS thousands	Non- controlling interests NIS thousands	Total equity NIS thousands
					Revaluation of fixed assets, net of tax NIS thousands	Attributable to the equity holders of the Company	Total				
Balance as at July 1, 2018	37,868	376,677	279,426	(96,134)	4,567	567,588	2,939,426	4,109,418	389,526	4,498,944	
Comprehensive income (loss) for the period											
Profit for the period	-	-	-	-	-	-	162,916	162,916	23,130	186,046	
Other comprehensive income (loss)											
Foreign currency translation differences for foreign operations	-	-	-	8,448	-	-	-	8,448	2,748	11,196	
Revaluation of fixed assets, net of tax	-	-	-	-	-	90,017	-	90,017	22,887	112,904	
Total comprehensive income (loss)				8,448		90,017	162,916	261,381	48,765	310,146	
Balance as at September 30, 2018	37,868	376,677	279,426	(87,686)	4,567	657,605	3,102,342	4,370,799	438,291	4,809,090	

Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

For the three months ended September 30, 2017 (Unaudited)

	Reserve from transactions with non-controlling interests attributable to the equity holders of the Company							Total equity NIS thousands	
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Translation reserve from foreign operations NIS thousands	Revaluation reserve of fixed assets, net of tax NIS thousands	Retained earnings NIS thousands	Total NIS thousands		
Balance as at July 1, 2017	38,064	391,661	279,426	(124,536)	4,567	2,566,391	3,600,571	376,556	3,977,127
Comprehensive income (loss) for the period	-	-	-	-	-	83,428	83,428	(1,604)	81,824
Other comprehensive income (loss):									
Foreign currency translation differences for foreign operations	-	-	-	8,527	-	-	8,527	1,682	10,209
Revaluation of fixed assets, net of tax	-	-	-	-	(870)	-	(870)	(67)	(937)
Total comprehensive income (loss)	-	-	-	8,527	(870)	83,428	91,085	11	91,096
Transactions with owners that were recognized directly									
Own shares acquired	(36)	(2,421)	-	-	-	-	(2,457)	-	(2,457)
Balance as at September 30, 2017	38,028	389,240	279,426	(116,009)	4,567	2,649,819	3,689,199	376,567	4,065,766

Alrov Properties and Lodgings Ltd.
and its subsidiaries

Condensed Consolidated Interim Statements of Changes in Equity (cont'd)

	For the year ended December 31, 2017 (Audited)										
	Share capital NIS thousands	Share premium NIS thousands	Capital reserve from merging NIS thousands	Revaluation reserve of fixed assets, net of tax NIS thousands	Reserve from transactions with non-controlling interests NIS thousands	Capital reserve from available financial assets NIS thousands	Translation reserve from foreign operations NIS thousands	Retained earnings NIS thousands	Total NIS thousands	Non-controlling interests NIS thousands	Total equity NIS thousands
Balance at January 1, 2017	39,521	475,390	279,426	448,623	4,567	180,921	(81,541)	2,253,277	3,600,184	377,819	3,978,003
First time adoption of IFRS 9	-	-	-	-	-	(180,921)	-	180,921	-	-	-
Balance at January 1, 2017 after the first time adoption	39,521	475,390	279,426	448,623	4,567	-	(81,541)	2,434,198	3,600,184	377,819	3,978,003
Comprehensive income (loss) for the year:											
Net income for the year	-	-	-	-	-	-	-	541,247	541,247	25,562	566,809
Other comprehensive income (loss):											
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(58,074)	-	(58,074)	(16,891)	(74,965)
Remeasurement of defined benefit plan, net of tax	-	-	-	-	-	-	-	(1,518)	(1,518)	(323)	(1,841)
Revaluation of fixed assets, net of tax	-	-	-	128,722	-	-	-	-	128,722	12,805	141,527
Total comprehensive income (loss) for the year	-	-	-	128,722	-	-	(58,074)	539,729	610,377	21,153	631,530
Transactions with owners that were recognized directly in equity											
Own shares acquired	(1,653)	(98,713)	-	-	-	-	-	-	(100,366)	-	(100,366)
Dividend paid	-	-	-	-	-	-	-	(50,525)	(50,525)	-	(50,525)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5,558)	(5,558)
Balance at December 31, 2017	37,868	376,677	279,426	577,345	4,567	-	(139,615)	2,923,402	4,059,670	393,414	4,453,084

Alrov Properties and Lodgings Ltd.
and its subsidiaries

Condensed Consolidated Interim Statements of Cash Flows

	For the nine months ended		For the three months ended		For the
	September 30		September 30		year ended
	2018	2017	2018	2017	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Cash flows from operation					
Activities:					
Profit for the period	235,030	250,656	186,046	81,824	566,809
Adjustments:					
Loss from early debentures redemption	-	-	-	-	91
Depreciation	90,035	81,698	32,103	27,103	109,421
Building expenses	21,198	15,743	8,308	8,609	22,913
Losses from sale of investment property	36	-	-	-	-
Gain from sale affiliate	(11,608)	-	-	-	-
Income from sale of apartment inventory (net of tax paid) net	23,196	-	6,179	-	3,877
Amortization of cost raising loans and debentures	(2,250)	(3,262)	(843)	(1,067)	(4,227)
Gain on sale of fixed assets	(115)	(4,162)	(115)	(4,162)	(4,162)
Loss (profit) from securities	(113,502)	(122,643)	(81,276)	(69,143)	(227,652)
The Company's share in equity losses (profits) of investee companies accounted for by the equity method	(1,198)	(883)	(1,141)	(577)	(1,203)
Erosion of deposits, net	(302)	(558)	(146)	(285)	(738)
Loss on sale of fixed assets					
Gain from sale of apartments	(4,444)	-	(21)	-	(694)
Financing costs, net	78,894	65,252	30,223	5,360	91,397
Interest paid	(78,587)	(68,088)	(36,611)	(12,574)	(106,006)
Income tax (paid), net	(957)	(4,735)	634	(916)	(4,888)
Decrease (increase) in fair value of investment property, net	(104,526)	(83,148)	(118,862)	24,488	(298,591)
Receipt of housing for the elderly deposits	2,916	1,889	-	842	3,300
Repayment of housing for the elderly deposits	(3,191)	(3,867)	(1,349)	(1,318)	(3,655)
Investments in apartment inventory	(356)	(1,215)	(84)	(426)	(1,282)
Expenses (income) taxes on income	35,374	34,906	26,469	5,578	77,775
	165,643	157,583	49,514	63,336	222,485
Changes in hotelier inventory	(2,655)	(686)	(1,850)	(484)	854
Changes in trade receivables and other receivable	(12,496)	(8,953)	(8,679)	2,100	(19,631)
Changes in long-term receivables	2,250	(519)	2,762	(114)	(349)
Changes in current liabilities	26,132	10,563	12,165	(11,671)	9,624
Changes in employee benefits	3,972	(585)	1,667	(557)	1,554
	17,203	(180)	6,065	(10,726)	(7,948)
Net cash from operating activities	182,846	157,403	55,579	52,610	214,537

Condensed Consolidated Interim Statements of Cash Flows (cont'd)

	For the nine months ended		For the three months ended		For the
	September 30		September 30		year ended
	2018	2017	2018	2017	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Cash flows from investment activities					
Purchase of investment property	(494,400)	(20,935)	(212,900)	(8,370)	(56,572)
Receipts from selling of fixed assets	(233,483)	(249,217)	(96,391)	(111,775)	(332,886)
Changes in other investments at fair value through profit or loss	(538)	-	(538)	-	-
VAT received (paid) on investment property and fixed assets, net	2,990	1,589	1,233	(582)	(787)
Changes in restricted cash, net	(396)	1,141	(1,265)	27,814	(36,795)
Long-term receivable, net	(26,316)	-	(23,167)	-	-
Proceeds (payments) from settlement of derivatives, net	(16,527)	(23,267)	(10,069)	(49,421)	(16,986)
Income from selling investment property	50,975	-	7,967	-	-
Changes in marketable securities	338,153	4,106	153,605	2,399	67,058
Income from selling affiliate less cash from consolidation	47,305	-	-	-	-
Dividend received	19,535	-	6,255	-	17,530
Income from sale fixed assets	115	36,682	115	36,682	36,682
Dividend from investee Company account for by the equity method	-	1,612	-	-	2,275
Net cash from (used in) investment activities	(312,587)	(248,289)	(175,155)	(103,253)	(320,481)

Condensed Consolidated Interim Statements of Cash Flows (cont'd)

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2018	2017	2018	2017	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	NIS thousands	NIS thousands	NIS thousands	NIS thousands	NIS thousands
Cash flows from financing activities					
Credit from banks, net	(237,344)	(140,497)	41,340	121,387	(1,052,472)
Income from issuance of debentures, net of issuance expenses	184,962	482,848	176	49,540	483,959
Receipt of long-term loans from banks	533,539	157,447	225,054	29,928	1,187,424
Repayment of long-term loans from banks	(76,820)	(55,746)	(22,561)	(23,844)	(71,110)
Repayment of credit from real estate sellers	(80,163)	(41,384)	(1,615)	(17,772)	(57,349)
Repayment of debentures	(141,846)	(174,102)	(111,696)	(118,724)	(208,728)
Repurchase of own shares	-	(87,644)	-	(2,458)	(100,368)
Change of rent deposits, net	1,812	(347)	(238)	99	(351)
Dividend paid to non-controlling interests	(5,064)	(5,558)	-	-	(5,558)
Dividend paid	(35,470)	(20,301)	-	-	(50,524)
Net cash flows from financing activities	143,606	114,716	130,460	38,156	124,923
Decrease in cash and cash equivalents	13,865	23,830	10,884	(12,487)	18,979
Cash and cash equivalents at the beginning of the period	104,095	85,659	110,058	120,648	85,659
Effect of change in exchange rate on balance of cash and cash equivalents	2,891	464	(91)	1,792	(543)
Cash and cash equivalents the end of the period	120,851	109,953	120,851	109,953	104,095