

Convenience translation

In any case of inconsistency, the immediate report in Hebrew shall prevail

IDB Development Corporation Ltd.

Immediate report dated March 13, 2019 - reference number: 2019-01-022024

Subject: **Payment of Interest by Dolphin**

Following the provision of Note 3.E.(2) of the financial statements of IDB Development Corporation Ltd (the "**Company**") for the year 2017, in connection with a bond (the "**Bond**") issued to the Company by Dolphin IL Investments Ltd. (a private company incorporated in Israel and fully owned by Dolphin Netherlands B.V, a corporation controlled by the Company's controlling shareholder, "**Dolphin IL**"), as part of a transaction wherein the Company sold all the shares of Discount Investment Corporation Ltd. ("**DIC**") which had been held by it to Dolphin IL in November of 2017, and following the provision of Note 4.A. of the Company's financial statements of September 30, 2018 (the "**Quarterly Report**"), regarding the postponement of the dates for payment of the interest applying in connection with the Bond (which had been scheduled for May 21, 2018 and for November 22, 2018), The Company updates that, on March 13, 2019, a transfer to the Company of NIS 32 million was completed on account of interest accrued up to March 13, 2019 on the Bond, this being out of the funds of a dividend distributed by DIC to its shareholders on February 3, 2019. According to the terms of the Bond and pursuant to the provisions of the deed of trust for the Company's bonds (Series 14) ("**Bonds 14**"), approximately NIS 27 million out of said amount have been transferred to the trustee for the Bond 14 and will serve to repay the coming interest payments pursuant to the amortization schedule of the Bonds 14.

For more information, including regarding the fair value of the Bond as of September 30, 2018, see Note 4.A. of the Quarterly Report.
