

November 25, 2018

## **DIC Publishes Its Results for the Third Quarter of 2018**

**Net asset value (NAV) as of November 22, 2018 amounted to approximately NIS 2.1 billion, approximately NIS 13.64 per share**

**The Company continues to maintain high liquid balances, which amounted to approximately NIS 2,448 million as of November 22, 2018**

**The LTV ratio as of proximate to the publication of the financial statements was 55%**

**Equity attributable to the Company's owners as of September 30, 2018 amounted to NIS 2.6 billion**

**During the quarter, the rating company S&P Maalot announced the ratification of the Company's rating as BBB+, stable outlook**

**The Company is evaluating various alternatives for dealing with the requirements of the Concentration Law with respect to 2019**

**Sholem Lapidot, Company CEO: "We are completing a positive quarter for the group, and are pleased with the operating results of the Group's companies, and the positive business momentum. We are maintaining significant liquid balances, which together with the portfolio in the amount of approximately NIS 4.7 billion, entirely free and clear, provides a high degree of financial flexibility for the Company. In the previous quarter, we performed a significant sale of Shufersal shares, demonstrating the Company's ability to dispose of some of its assets at an attractive price, while unlocking significant value and**

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**decreasing leverage. We are continuing to evaluate various alternatives for dealing with the requirements of the Concentration Law with respect to 2019, including possible steps on the relevant tiers in the group. We will continue working on business development in the Group's companies, with an eye on the Company's leverage ratio and liquidity."**

### **Main Points of Emphasis**

- The contribution of investees to DIC's profits in the third quarter amounted to profit of NIS 33 million, as compared with NIS 67 million in the corresponding quarter last year. The contribution of investees (plus the partial sale of the holding in Shufersal) in the first nine months of the year amounted to a total of NIS 1,078 million, as compared with NIS 149 million in the corresponding period last year.
- The value of DIC's holdings in investees amounted to approximately NIS 4.7 billion, as of November 22, 2018.
- Loss in the quarter amounted to 38 million, as compared with loss of approximately NIS 201 million in the corresponding quarter last year. In the first nine months of the year, the Company reported profit of NIS 886 million, as compared with loss of NIS 363 million last year. The profit was due to a transaction in which the Company sold 16.6% of Shufersal, for a total net consideration of NIS 848 million, and the revaluation of the balance of the investment to fair value.
- Equity attributed to the Company's owners as of September 30, 2018 amounted to NIS 2,628 million, as compared with NIS 1,666 million as of December 31, 2017. The increase was primarily due to the transaction involving the sale of Shufersal shares.
- The Company's total liquid resources as of November 22, 2018 amounted to approximately NIS 2,448 million, an increase relative to the total liquid resources of DIC as of December 31, 2017, which amounted to approximately NIS 1,817 million.
- The Company's net debt as of November 22, 2018 amounted to approximately NIS 2,593 million, as compared with approximately NIS 3,348 million as of December 31, 2017.
- The average duration of DIC's liabilities as of November 22, 2018 was 3.9 years.
- The LTV ratio as of proximate to the publication of the report amounted to approximately 55%, as compared with approximately 57% proximate to the publication of the reports for the second quarter of 2018.

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- DIC's net asset value (NAV, based on the market value of its primary investments) as of proximate to the approval date of the financial statements amounted to approximately NIS 2.1 billion.
- Self-purchase of Company debentures (Series J) - In July 2018 the Company acquired, in trading on the stock exchange, approximately NIS 11 million par value of the Company's debentures (Series J), for a total consideration of NIS 10 million.

Name of company	Holding rate	Market value as of November 22, 2018	Value of holding NIS millions
<b>Cellcom</b>	43.1%	2,932	1,284
<b>Property &amp; Building</b>	64.4%	1,597	1,029
<b>Shufersal</b>	33.6%	6,047	2,030
<b>Elron</b>	50,3%	351	177
<b>Epsilon</b>	68.8%	-	64
<b>Other investments</b>			109
<b>Total assets</b>			<b>4,693</b>
<b>Financial debt, net (As of November 22, 2018)</b>			<b>(2,593)</b>
<b>NAV</b>			<b>2,100</b>
<b>LTV</b>			<b>55%</b>

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