



From Crisis to Growth

IDB - Capital Markets Conference April 2017



About IDB

Israeli Leading Investment Vehicle

About IDB

■ Israel's Leading Investment Corporation

- Real assets under management – NIS 38* billion (USD** 10.5 billion)
- Revenues - NIS 18 billion* (USD 5 billion)
- Employees over 22,000

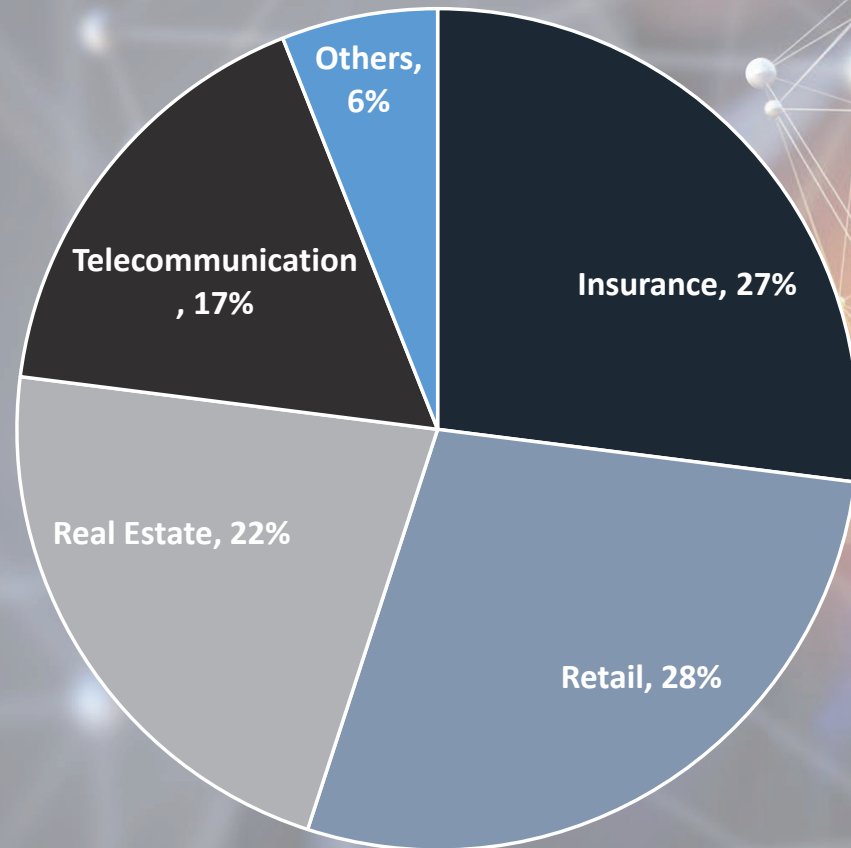
* Excludes Clal Insurance

** Convenience translation into US Dollar 18.4.17 USD /ILS – 3.67

About IDB

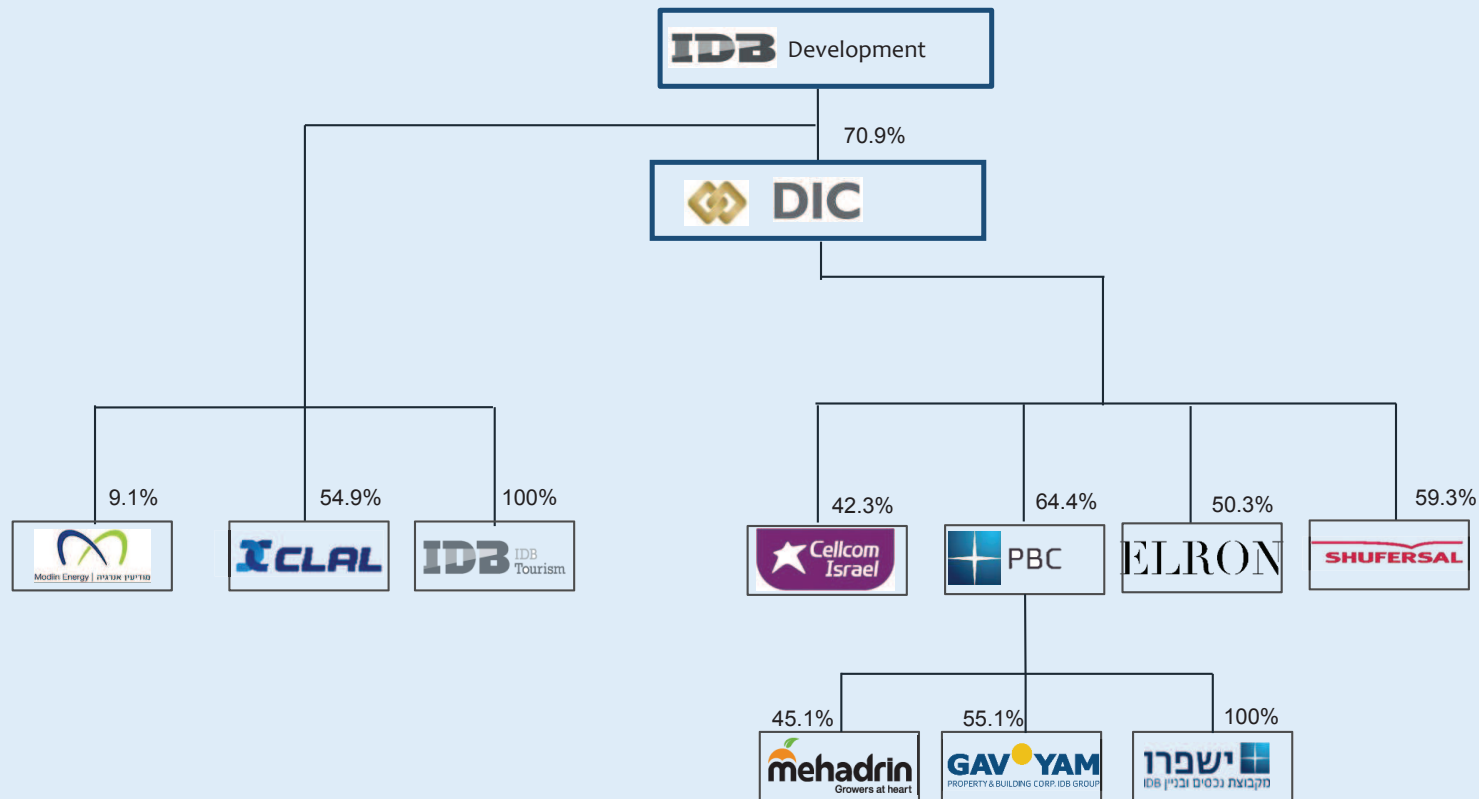
- Leading conglomerate in the Israeli market

- Diversification



Holding Structure

EOY 2016

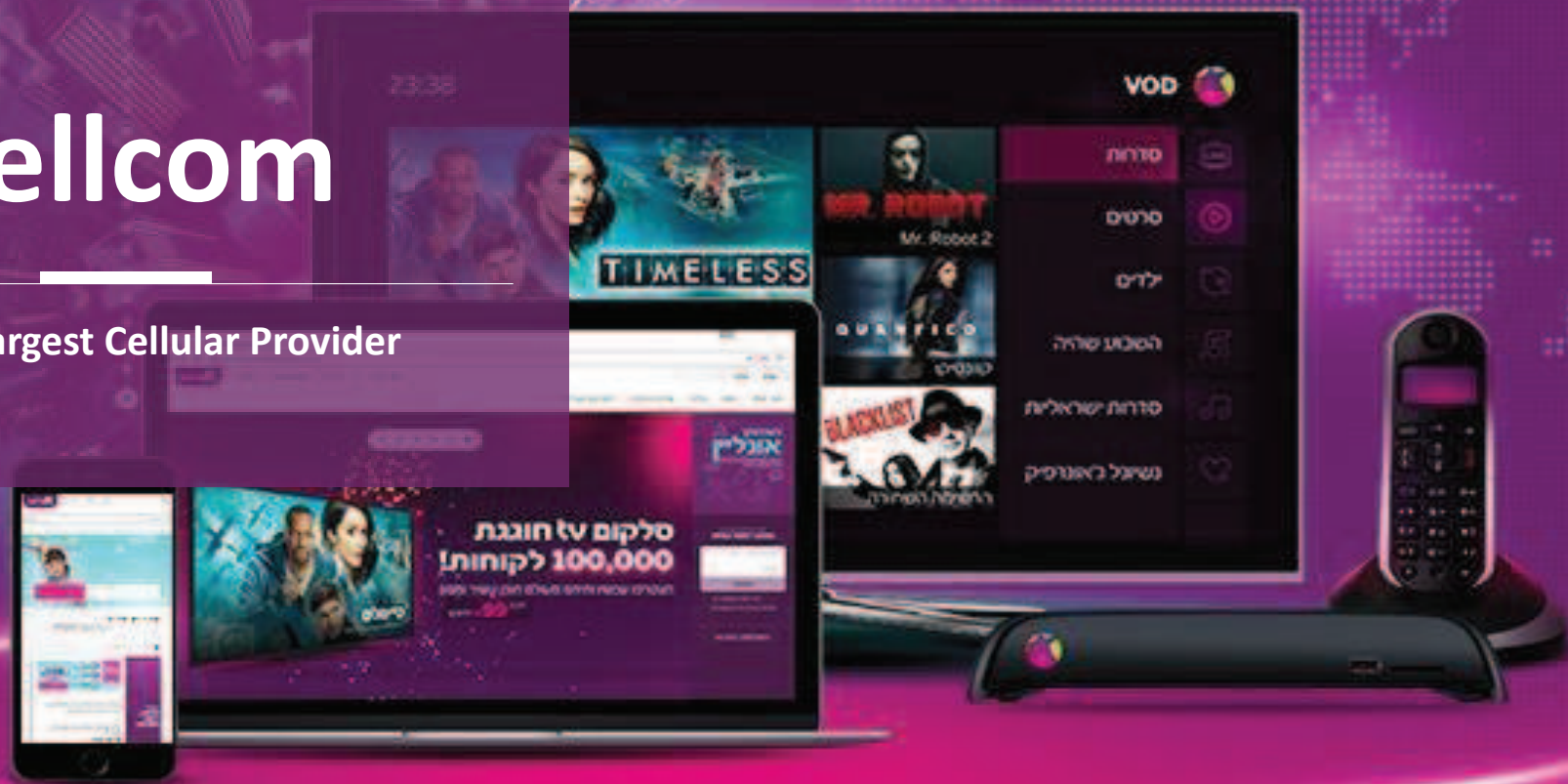


Subsidiaries

IDB Group

Cellcom

Israeli Largest Cellular Provider





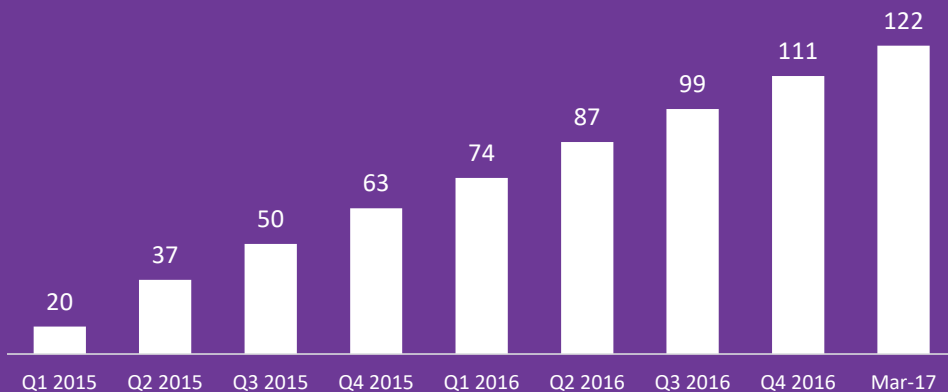
Cellcom (42%)

Market Cap NIS 3.6 billion (USD 981 million)

Largest Cellular provider in Israel



Cellcom TV Subscribers (thousands)



- 2.8 million subscribers, market share ~ 28%
- Holds and operates an independent transmission network
- Fastest growing company in TV and ISP Subscribers
- Revenues ~ NIS 4 billion (USD 1.1 billion)
- EBITDA ~ NIS 858 million (USD 234 million)
- Enterprise Value – NIS 6.1 billion (USD 1.7 billion)

PBC

Leading Real Estate Company



Property & Building (64%)

Market Cap NIS 2.1 billion (USD 578 million)

Leading Israeli Real Estate Company

- ~ 13 million sqf in Israel - 97% occupancy
- HSBC tower, Manhattan - 865k sqf – 100% occupancy
- NOI – NIS 650 million (USD 177 million)
- Net Income – NIS 263 million (USD 72 million) – Increase of 40% vs. 2015

Held by DIC





HSBC Tower (100%)

- Trophy asset in Midtown Manhattan , NYC Fifth Avenue
- Acquired in 2009 for USD 353 million
- Book Value – USD 855 million
- HSBC lease renewal up to 2025
- NOI Run Rate - USD 48 million
- Occupancy – 100%

Held by PBC



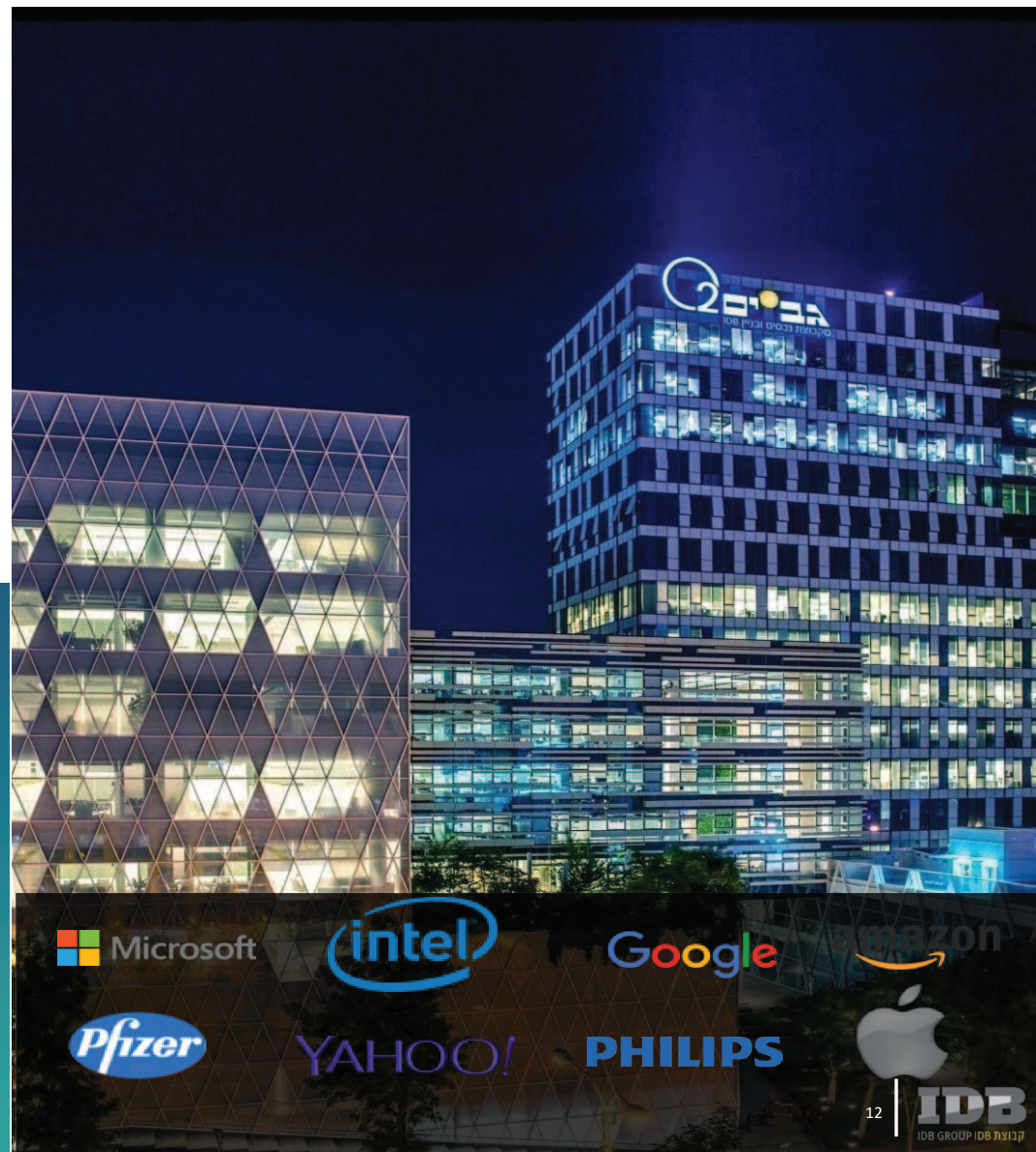
Gav Yam (55%)

Market Cap NIS 3.2 billion (USD 881 million)

Israeli Leader - High-Tech Parks

- Occupancy - 98%
- Top tier tenants
- Income producing assets value - NIS 5.8 billion (USD 1.6 billion)
- Assets under development – 1.8 million sqf
- NOI – NIS 406 million (USD 111 million) – increase of 8% vs. 2015
- Enterprise value – NIS 5.9 billion (USD 1.6 billion)

Held by PBC





Mehadrin (46%)

Market Cap NIS 0.6 billion (USD 162 million)

- The largest agricultural company in Israel
- Leased agriculture land – 13,600 acers
- Largest citrus exporter
- Total revenues ~ NIS 1.2 billion (USD 330 million)
- EBIT – NIS 38 million (USD 10 million) increase of 50% vs.

2015

Held by PBC



Shufersal

Largest Retailer in Israel



SHUFERSAL

Shufersal (59%)

Market Cap NIS 3.8 billion (USD 1 billion)

Israel's Largest and Leading Retailer



- Operates 272 branches, nationwide
- Real Estate portfolio ~ NIS 2.9 billion (USD 789 million)
- Largest food private label - over 20% of sales
- Largest E-Commerce store in Israel – 10% of sales
- Revenues of NIS 12 billion – USD 3.3 billion
- EBITDA - NIS 707 million (USD 192 million) increase of 30% vs. 2015
- Same Stores Sale - increase of 4.4% in 2016
- Enterprise value- NIS 5.8 billion (USD 1.6 billion)

ELRON

Elron

Leading High tech investment company

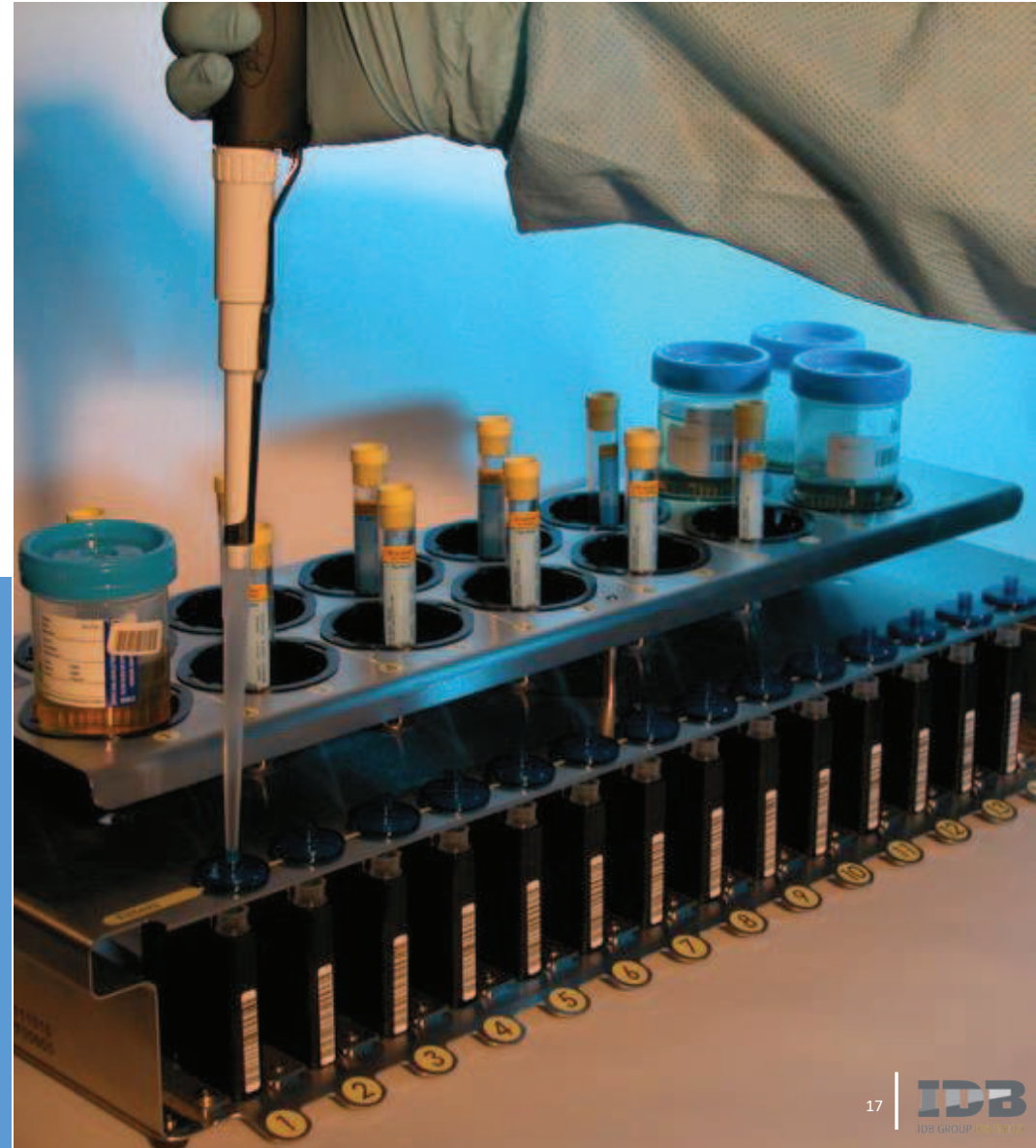
ELRON

Elron (50%)

Market Cap NIS 0.5 billion (USD 142 million)

- Founded in 1962, Elron is a Leading Israeli investor in early stage ventures
- Specializing in medical devices and cyber security
- Strategic partnership with Rafael Advanced Defense Systems LTD.
- Leader of several exits of total amount of more than USD 1.5 billion over the last 5 years

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Clal Insurance

Second Largest Insurance Company



Clal Insurance (55%)

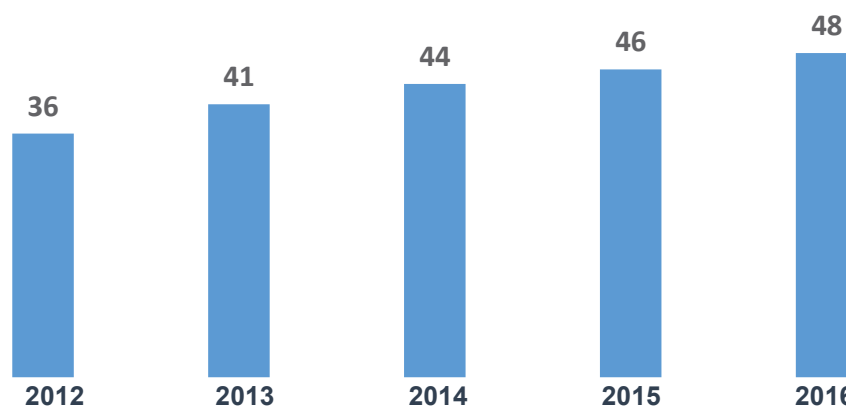
Market Cap NIS 3.1 billion (USD 847 million)

Equity - NIS 4.7 billion (USD 1.3 billion)



- Second largest insurance company in Israel
- Operates in several Insurance fields: Long term saving; Non – life insurance; Health insurance
- Assets under management - NIS 177 billion (USD 48 billion)
- Gross Premiums Earned and Contributions in 2016 – NIS 16.6 billion (USD 3.5 billion)
- Recognized Capital - NIS 7.5 billion (USD 2 billion)

Assets Under Management (USD billion)





Liquidity Liquidity Liquidity

Liquidity Liquidity Liquidity

2016-2017

IDB

- Debt Raising - NIS 1.5 billion (USD 417 million)
- Cash current – NIS 1 billion (USD 267 million) – enables to serve the debt up to Nov-19*
- Credit rating upgrade – S&P Maalot
- Removal of going concern note

*with realization of non core assets



DIC

- Sale of Adama – USD 230 million – net cash flow
- Debt Raising - NIS 0.9 billion (USD 249 million)
- Cash current – NIS 1.8 billion (USD 479 million)
- Credit rating upgrade – S&P Maalot
- Dividend distribution – first time since 2014 - NIS 694 million (USD 189 million) in 2 phases – Apr- 17 & Sept - 17 ²¹



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