

Periodic Report for the Year 2011

Chapter D Additional Details on the Corporation

Africa Israel Investments Ltd.

Regulation 8A **Description of the Company's Business**

Attached hereto is a report of the description of the Company's business and the developments that occurred in its business in 2011.

Regulation 8B **Significant Valuations**

Attached to the Periodic Report are valuations of the following projects:

“Afi Mall City”

Tverskaya Plaza 4

Tverskaya Plaza 2a

which meet the definition of a very significant valuation for determining the value of data in the Periodic Report, pursuant to Regulation 8B.

Regulation 9 **Financial Statements**

Attached hereto are the audited annual financial statements of the Company as at December 31, 2011, prepared pursuant to the Securities Regulations (Annual Financial Statements) 2010. The financial statements include the report of the Company's auditors, dated March 27, 2012.

Attached to the financial statements are the financial statements of One-Half Jubilee Ltd - an associated company of which the Company is a guarantor. These financial statements include the report of the auditor of this company.

Regulation 9A **Proforma Statement**

N/A.

Regulation 9B **Report on the effectiveness of the internal audit on the Financial Statements and on disclosure**

See Chapter Five

Regulation 9C **Separate Company Financial Statements**

See Appendix H .

Regulation 9D **Report on liabilities by repayment date**

For details on the Company's liabilities by repayment date, see the Immediate Report published on March 28, 2012, simultaneously with publication of this Periodic Report (the information set out in the said Report is hereby included by way of reference).

Regulation 10 **Report of the Board of Directors on the State of Company's Affairs**

Attached hereto is the report of the Board of Directors on the State of the Company's Affairs for 2011, as part of the financial statements.

Regulation 10A **Condensed Quarterly Statements of Comprehensive Income**

See Appendix A.

Regulation 10C **Use of the Proceeds of Securities**

Pursuant to a rights issue prospectus of the Company dated May 8, 2011, the Company issued 13,068,538 ordinary registered shares of the Company of NIS 0.1 par value each. In consideration of the rights exercised as aforesaid the Company received a total of NIS 215.6 million (gross). The Company used the proceeds of the offering to make a cash payment to the holders of the Company's (Old) Bonds as part of the arrangement between the Company and the aforementioned Bondholders (hereinafter, "**the Arrangement**"). For details of the Arrangement, see Section 1.4(A) of the chapter entitled "Description of the Company's Business," which is part of the Periodic Report.

Regulation 11 **List of investments in subsidiaries and related companies as at the date of the statement of financial position**

See Appendix B.

Regulation 12 **Changes in investments in subsidiaries and related companies in the reported year**

See Appendix C.

Regulation 13 **Income of subsidiaries and related companies and income of the Company deriving from them, as at the date of the statement of financial position**

See Appendix D.

Regulation 14: **List of groups of outstanding granted loan balances as at the date of the statement of financial position**

The granting of loans is not one of the primary functions of the Company.

Regulation 20 **Trading on the Stock Exchange**

Pursuant to a rights issue prospectus of the Company dated May 8, 2011, the Company issued 13,068,538 of the Company's registered ordinary shares of NIS 0.1 par value each. The said shares were listed for trading on the TASE.

It should be noted that on January 20, 2011, the Company made early repayment and redeemed (Series Y) bonds in their entirety.

In the Reporting Period, no suspensions of trading in the Company's securities occurred (excluding scheduled suspensions in trading as is customary at the time of publication of financial statements and/or immediate reports).

Regulation 21 **Remuneration of Interested Parties and Senior Officers**

A. Set forth below are details of the remuneration¹ paid to each of the five parties having the highest remuneration among the senior officers of the Company or of any body corporate that it controls, in connection with his service in office in the Company or in such a controlled corporation in 2011 (in NIS thousands):

¹ "Remuneration" – including a liability to provide remuneration, directly or indirectly, and including a monetary amount and anything that constitutes a monetary equivalent, salary, bonus, management fees, consulting fees, rent, commission, interest, share-based payment, retirement compensation that is not a pension payment, a right of enjoyment and any other benefit – excluding dividends. The remuneration amounts in the table are presented in terms of cost to the Company.

Details of the salary recipient				Remuneration for services rendered								
Name	Position	% of full-time position	% held in the Company's equity	Salary	Bonus actually received in 2011 for 2010	Bonus approved for 2011 but not yet paid	Share-based payment	Management-consulting fees/commission	Other (**)	Total for 2011	Grand Total	
1	Izzi Cohen	Group CEO	100%	0%	3,964	-	2,000	1,779	-	-	7,743	7,743
2	Nadav Grinshpon	Vice Chairman of Board of Directors	100 hours	-	588	600 ***	1,523	1,285	233	3,641	4,229	
3	Tamir Kazaz	CEO and CFO Afi USA	100%	0%	1,315	895	1,342	-	-	2,235	3,552	
4	Abraham Novogrotsky	CEO Afi Industries	100%	0%	1,573	475	457	205	-	2,235	2,710	
5	Ronen Ginsburg	CEO Danya Cebus	100 %	0%	1,311	500	327	249	-	1,887	2,387	

* Mr. Tamir Kazaz received his salary in dollars. What is presented above is a translation based on the average exchange rate of the dollar in 2011: 3.578

** Directors remuneration, participation in Board of Directors Meetings, and reimbursement of vehicle and mobile telephone expenses with respect to Mr. Nadav Grinshpon

*** The amount of the bonus is conditional on approval of the Company's General Meeting as to which notice of its convening will be published in the near future.

Set forth below are additional details with regard to the recipients of the said remuneration:

- (1) Izzi Cohen – Mr. Izzi Cohen has been serving as the Company's CEO commencing from June 15, 2008. For details concerning the service and employment of Mr. Izzi Cohen, see Section 1.17.8 of the Chapter entitled "Description of the Company's Business," which is part of the Periodic Report.
- (2) Avinadav Grinshpon - Mr. Avinadav Grinshpon serves as Deputy Chairman of the Company's Board of Directors and also provides it with consulting services in the sphere of investments and finance. For details concerning the terms of Mr. Avinadav Grinshpon's service and employment, see Section 1.17.9 of the Chapter entitled "Description of the Company's Business," which is part of the Periodic Report.
- (3) Tamir Kazaz - Mr. Tamir Kazaz has been serving as the Deputy CFO of Afi USA since September 2008. In January 2011, Mr. Kazaz was appointed, in addition to his position, as CEO of Afi USA. Mr. Kazaz's basic annual salary was set at USD 345 thousand. In addition, Mr. Kazaz is entitled to social benefits (medical insurance) and auxiliary expenses as customary in Afi USA. Afi USA has also provided Mr. Kazaz with a cellular telephone for the performance of his duties. Mr. Kazaz is entitled to an annual bonus as shall be approved by the Board of Directors of Afi USA. A special bonus was awarded to Mr. Kazaz in 2011 in respect of 2010, totaling approximately USD 250 thousand. In 2012 a special bonus for 2011 amounting to approximately USD 375 thousand was approved but had not yet been paid at the date of this Report. Mr. Kazaz received his remuneration in foreign currency and it has been notionally converted into NIS at the average of the exchange rates applicable during the period of the report.
- (4) Abraham Novogrotsky - Mr. Abraham Novogrotsky has been serving as CEO of Afi Industries since November 2008. Mr. Novogrotsky's monthly salary amounts to NIS 85,000 gross (linked to the Consumer Prices Index). At the date of this Periodic Report, the annual salary is worth NIS 90,377. As part of the terms of Mr. Novogrotsky's employment he is entitled to auxiliary expenses as customary in Africa Industries. In addition, Africa Industries has provided Mr. Novogrotsky with a Class Six vehicle and a cellular telephone for the performance of his duties and has grossed up the expenses connected with maintenance of the vehicle and the grossed up value for tax purposes of use of the vehicle. In 2011, Mr. Novogrotsky was awarded a special bonus for 2010 totaling approximately NIS 475 thousand. In 2012, a special bonus for 2011 amounting to approximately NIS 457 thousand, was approved but had not yet been paid at the date of this Report. In accordance with the criteria stipulated in the annual bonus scheme, in a case in which the Company CEO is actually employed during the early notice period, the CEO will be entitled to an "adjustment payment" according to the period in

which he was actually employed (during the said early notice period), in other words an adjustment payment of no more than 90 days. It should also be noted that on July 17, 2011, the Board of Directors of Africa Industries resolved to allocate to a Trustee on behalf of Mr. Novogrotsky, 15,059 non-marketable option warrants, which are (theoretically) convertible into up to 15,059 ordinary shares of Afi Industries each of a nominal value of NIS 1 (subject to adjustments).

- (5) Ronen Ginsburg - Mr. Ronen Ginsburg has been serving as the CEO of Danya Cebus since 2009. Mr. Ginsburg's monthly gross salary is NIS 77,000 (linked to the Consumer Prices Index). At the date of this Periodic Report the monthly salary is equivalent to NIS 80,996. As part of the terms of his employment, Mr. Ginsburg is entitled to social benefits and auxiliary expenses as customary in Danya Cebus. In addition Danya Cebus has provided Mr. Ginsburg with a Class Six vehicle and a cellular telephone for the performance of his duties and has grossed up the expenses connected with maintenance of the vehicle and the grossed up value for tax purposes of use of the vehicle. Upon termination of his employment for any reason Mr. Ginsburg will be entitled to an adjustment bonus equivalent to 3 [monthly] salaries. In 2011, Mr. Ginsburg was awarded a special bonus for 2010 totaling approximately NIS 500 thousand. In 2012, a special bonus for 2011 amounting to approximately NIS 327 thousand, was approved but had not yet been paid at the date of this Report, in accordance with the criteria stipulated in the annual bonus scheme. It should also be noted that on August 15, 2011, the Board of Directors of Danya Cebus resolved to allocate to a Trustee on behalf of Mr. Ginsburg, 213,136 non-marketable option warrants, convertible into 213,136 ordinary shares of Danya Cebus each of a nominal value of NIS 1 (subject to adjustments).
- (6) Set forth below are details of the remuneration² paid to each of the three senior officers having the highest remuneration in the Company, who were not included in the list of those receiving remuneration detailed in the table in this section above, in connection with their service in the Company in 2011 (in NIS):

Details of the salary recipient				Remuneration for services rendered							
Name	Position	% of full-time position	% held in the Company's equity	Salary	Bonus actually received in 2011 for 2010	Bonus received in 2011 but not yet paid	Share-based payment	Management-consulting fees/commission	Other (*)	Total for 2011	Grand Total
1	Menashe Sagiv	100%		914		286	145		260	1,605	1,605

* Mr. Menashe Sagiv's adjustment bonus

- (7) Menashe Sagiv- Mr. Menashe Sagiv has been serving as the Company's CFO since April, 2011. As at December 31, 2010, Mr. Sagiv's monthly salary was NIS 71,520 (gross, linked to the Consumer Prices Index). As part of the terms of his employment Mr. Sagiv is entitled to social benefits and attendant expenses as customary in the Company. The Company also provided Mr. Sagiv with a cellular telephone and a Class 5 vehicle for the purpose of the performance of his duties, and paid him additional remuneration equal to 90% of the value of the vehicle. Mr. Sagiv is also entitled to an adjustment bonus amounting to the equivalent of 3 [monthly] salaries. In 2012, a bonus was approved for Mr. Sagiv but at the date of this Report a bonus for 2011 amounting to about NIS 286 thousand had not yet been paid. On March 27, 2012, the Company's Board of Directors approved an increase in Mr. Sagiv's salary to NIS 77,000 with effect from January 1, 2012 (linked to the Consumer Prices Index) and provided him with a Class 6 vehicle for the performance of his duties. The Company paid him, in addition, the grossed up value of 90% of the vehicle.

² "Remuneration" – including a liability to provide remuneration, directly or indirectly, and including a monetary amount and anything that constitutes a monetary equivalent, salary, bonus, management fees, consulting fees, rent, commission, interest, share-based payment, retirement compensation that is not a pension payment, a right of enjoyment and any other benefit – excluding dividends. The remuneration amounts in the table are presented in terms of cost to the Company.

- A. Set out below is a detailed breakdown of remuneration paid in 2011, by the Company or by companies that it controls, to each interested party in the Company who is not a recipient of remuneration as stated in the above tables:
1. Directors' remuneration and auxiliary expenses that do not exceed the norm, paid by the Company to all the Company's directors (with the exception of the Chairman of the Company's Board of Directors, Mr. Lev Leviev), totalled NIS 1,521 thousand in 2011.
 2. On December 30, 2010, the Company's Board of Directors, after having received approval of the Audit Committee at its meeting on December 29, 2010, approved payment of remuneration to all the directors serving in the Company now and shall be serving in the future from time to time, including the outside Directors, and Mr. Avinadav Grinshpon (who is employed by the controlling shareholder of the Company as part of his private business activities) (but with the exception of the Chairman of the Board of Directors, Mr. Lev Leviev, the controlling shareholder in the Company, who is employed under a separate management agreement). For further details on the Directors' remuneration approved as aforesaid, see Section 1.17.4.2 of the Chapter entitled "Description of the Company's Business" which is a part of the Periodic Report.
 3. The Management Fees paid to the Company owned and controlled by Mr. Lev Leviev, the controlling shareholder in the Company who serves as Chairman of the Company's Board of Directors, amounted to NIS 624 thousand in 2011. For further details, see Section 1.17.6 of the Chapter entitled "Description of the Company's Business," which is a part of the Periodic Report.

Regulation 21 A **Control of the Company**

The controlling shareholders in Africa Investments are Mr. Lev Leviev and companies wholly owned and controlled by him.

Regulation 22 **Transactions with the Controlling Shareholder or in which the Controlling Shareholders has a personal interest**

Set forth below are details, to the best of the Company's knowledge, regarding each transaction with the Company's controlling shareholder or with respect to which the Company's controlling shareholder has a personal interest in its approval (hereinafter, "**Transaction with the Controlling Shareholder**"), which the Company, companies it controls, or its related companies (hereinafter, "**the Group Companies**") entered into in the Report Year, or which is still in effect as at the date of the Report:

Transactions listed in Section 270 (4) of the Companies Law, 1999³

1. Officers Insurance Policies

³ As part of the Arrangement (defined in Regulation 10(C) above), the Execution Date of which is May 16, 2010, it was stipulated that for a period of five years from the date of concluding the Arrangement, any extraordinary transactions with the Company's controlling shareholder or in which the controlling shareholder has a personal interest, are subject, in addition to all the approvals required by law, to approval of the Company's New Bondholders, by a simple majority. For the removal of doubt, these provisions do apply to extraordinary transactions duly approved prior to the Arrangement Execution Date. In addition, as part of the Arrangement, the Company warranted that in the event that the Company requires approval of any transaction or activity pursuant to the Companies (Relief in Transactions with Interested Parties) Regulations, 5760-2000 (hereinafter, "**the Relief Regulations**"), the immediate report in respect of such transaction under the Relief Regulations (hereinafter, "**the Relief Report**") will state whether any one or more New Bondholders who hold at least five percent (5%) of the outstanding par value of the New Bonds, has given notice of his /their objection to said relief as aforesaid, and such transaction or activity shall also require approval of a meeting of the New Bondholders, provided that objections were submitted to the Company no later than fourteen (14) days from the publication date of the Relief Report or from the publication date of an amended Relief Report. It is clarified that, performance of an extraordinary transaction without approval of a meeting of the New Bondholders in the manner detailed above constitutes grounds for a demand for immediate repayment of the New Bonds.

The liability of officers of the Company and of several of its subsidiaries (including Mr. Lev Leviev, the Company's controlling shareholder, and Ms. Tzvia Leviev-Alazorov, the controlling shareholder's daughter) was insured in 2011 under an officer's liability insurance policy.

At the date of the Report, the Company has entered into insurance policies insuring the liability of officers for a period from November 1, 2011, until April 30, 2013 inclusive. For further details concerning the said insurance policies, see Regulation 29 hereinafter, as well as Section 1.17.15 of the Chapter entitled "Description of the Company's Business" which is part of the Periodic Report.

2. Indemnification of Officers

For details concerning liabilities in respect of indemnification of officers (including officers who are controlling shareholders or their relatives), see Section 1.17.16 of the Chapter entitled "Description of the Company's Business" which is part of the Periodic Report.

3. Agreement for the Provision of Management Services by a Company Owned by the Chairman of the Board of Directors.

The Company receives management services under an agreement dated April 25, 1999 between the Company and Memorand Management (1998) Ltd. a company wholly owned and controlled by Mr. Lev Leviev, the Company's controlling shareholder, who serves as Chairman of the Company's Board of Directors (hereinafter, "the **Management Services Agreement**"). For further details concerning the Management Services Agreement, see Section 1.17.7 of the Chapter entitled "Description of the Company's Business" which is part of the Periodic Report.

4. Terms of Service and Employment of Mr. Avinadav Grinshpon

Mr. Avinadav Grinshpon (hereinafter, "**Nadav**"), serves as Deputy Chairman of the Company's Board of Directors and also provides it with consulting services in the sphere of investments and finance, under a Service Agreement signed with him in April 2007, amended in an Addendum dated July 2008. Nadav serves as CEO and is employed by Memorand Management (1998) Ltd, which is an interested party in the Company, and is a company under the control of Mr. Lev Leviev, the Chairman of the Company's Board of Directors, and its controlling shareholder. For details concerning the terms of service and employment of Mr. Avinadav Grinshpon, see Section 1.17.9 of the Chapter entitled "Description of the Company's Business" which is part of the Periodic Report.

5. Terms of Service and Employment of Ms. Tzvia Leviev-Alazorov

Ms. Tzvia Leviev-Alazorov (hereinafter, "**Tzvia**"), the daughter of Mr. Lev Leviev, the Chairman of the Company's Board of Directors and its controlling shareholder, has been employed by the Company in various positions since 1997.

Since September 2010, Tzvia has served as Marketing, Property and Business Development Manager in Afi Development. Set out below are the main points of the terms of Tzvia's employment in AFI Development, under the contract of employment signed with her.⁴

Tzvia's monthly salary is USD 25,000 (gross). In addition, Tzvia is entitled to residential accommodation and living expenses of up to USD 5,000 per month. Tzvia is also entitled to have paid for by AFI Development, eight annual trips from Russia to Israel (or to another country, provided the air fare is identical), and eight annual flights from Russia to Israel (or to another country, provided the air fare is identical) for members of Tzvia's family (six annual flights for Tzvia's spouse, four annual flights for her children). AFI Development also provides Tzvia with a vehicle and a mobile telephone for the performance of her duties, covers the costs of medical insurance for Tzvia and her family, and also covers the costs Tzvia's children's education (USD 1,500 per month). As part of the terms of her employment, Tzvia is entitled to 28 days paid annual leave.

Under Tzvia's contract of employment, she is entitled to bonuses payable in accordance with AFI Development's policy, subject to the discretion of the CEO of AFI Development.

In 2011, the cost of Tzvia's employment in Afi Development totalled NIS 1,621 thousand (converted into NIS).

⁴ The aforementioned service agreement was signed between Tzvia and a subsidiary of AFI Development, and was approved by the Remuneration Committee and the Board of Directors of AFI Development.

6. Agreement for sale of partial interests in Vash Telecanal Ltd to a company controlled by the Company's controlling shareholder and issue of guarantees jointly with the controlling shareholder of Vash Telcanal

On December 29, 2003, the Company's general meeting approved a sale agreement dated November 28, 2003 between the Company, Memorand Management and Vash Telecanal Ltd (hereinafter, "**Vash Telecanal**") (hereinafter, "**the Sale Agreement**") under which Memorand Management acquired one-half of the Company's direct and indirect holdings in Vash Telcanal, that is 4,212 Vash Telcanal shares of NIS 1 par value each (hereinafter, "**the Sold Shares**"), at that time constituting 42% of the issued share capital of Vash Telcanal, and one-half of the other rights in Vash Telcanal, for a consideration of NIS 10.6 million. On the closing date, Memorand Management received from the Company and assumed, from October 1, 2003 and onward, 50% of the liabilities and guarantees that the Company had issued in favor of Vash Telecanal, including *vis a vis* Bank Leumi and Vash Telcanal. At the date of the Report, the liabilities of Vash Telcanal to Bank Leumi have been fully discharged.

At the date of the Report, the principal shareholders of Vash Telcanal are the Company (directly and indirectly) and Memorand Management⁵ each holding 46.2% of the Vash Telecanal's issued share capital and voting rights (after taking account of holdings of 3.25% of the issued capital designated for employees, the issue of which is the subject of dispute).

The Company and Mr. Leviev (including through Memorand Management) have jointly and severally guaranteed Vash Telecanal's liabilities to United Mizrahi Bank Ltd (now called Bank Mizrahi Tefahot Ltd) (hereinafter, "**Bank Mizrahi**"), up to a total of NIS 90 million, with the addition of linkage differentials and interest.⁶ Further thereto, Mr. Leviev signed an agreement to indemnify the Company, under which in any event that the aforementioned guarantee is exercised in the future to the effect that the Company actually makes payment to Bank Mizrahi, of an amount exceeding one-half of the total amounts paid to the Bank under the guarantee, Mr. Leviev will indemnify the Company in respect of any excess that the Company pays beyond its aforementioned *pro rata* share, within 7 days from the date of its demand.

For information on loans, capital bonds, and guarantees to Vash Telecanal by the Company and by Memorand Management and by Mr. Leviev, see Section 1.20 of the Chapter entitled "Description of the Company's Business" which is part of the Periodic Report.

7. Arrangement in respect of the Company's liabilities *vis a vis* the Bondholders

For details of the debt settlement Arrangement between the Company, its shareholders, the controlling shareholder and the Company's old bondholders, see Section 2 of Chapter A of the Board of Directors Report.

For information as to approval of the meeting of bondholders and shareholders, of the addendum to the irrevocable letter of undertaking signed by the controlling shareholder (on March 21, 2010) for additional investments in the Company's capital pursuant to the Arrangement, see Regulation 29 hereinafter.

8. Waiver of Claims

For information on waiver of claims against the Company, the controlling shareholder, officers of the Company, its advisors, employees and all those acting on its behalf, including the Company's waiver of claims against the aforementioned under the Arrangement, see Regulation 29 hereinafter.

9. Contractual Agreement of a Danya Cebus subsidiary with the Controlling Shareholder for the execution of Contracting Works for the Construction of Residential Buildings in Russia

In the course of the second quarter of 2011, Danya Cebus Rus, a Danya Cebus subsidiary incorporated in Russia, entered into an agreement with Dalan Stroy - a limited liability company or a company owned by that company, being a company registered in Russia and controlled by Mr. Lev Leviev, an to

⁵ Memorand Management holdings are holdings acquired from the Company, as stated above, as well as additional shares subsequently issued to it, concurrently with a similar issue to the Company, which arose from the dilution of the holdings of other shareholders who failed to provide financing and/or securities for Vash Telecanal.

⁶ Approved by the Audit Committee and the Board of Directors pursuant to Section 275 of the Companies Law and Section 1(4) of the Relief Regulations. For further information, see the Immediate Report that the Company published on February 22, 2005 (Ref. no. 2005-01-013957).

execute contracting works for the erection of residential buildings north of the City of Moscow, in consideration for a sum in Roubles equal to, as of May 1, 2011, USD 76.63 million (including VAT). In October 2001, the client gave Danya Rus notice of the exercise of its right to terminate the Russian Agreement. Further thereto, the parties concluded a reconciliation of accounts to settle the consideration due to Danya Rus in respect of the works completed up to the termination date, including indemnification of Danya Rus for raw materials and equipment that it had purchased in order to carry out the works. The works performed and the indemnity for them do not constitute significant amounts. As a consequence of the said termination of the contract, about NIS 227 million has been deducted from the aggregate amount of the Company's orders.

Transactions not listed in Section 270 (4) of the Companies Law

Insignificant transactions

- A. On February 25 2010, the Company's Board of Directors decided to adopt guidelines and rules with a view to classification of insignificant transactionw as determined in Regulation 41(a)(6)(a) of the Securities (Annual Financial Statements) Regulations, 2010. These guidelines and rules will also be used to examine the extent of disclosure in the periodic reports and in the Company's prospectuses (including in shelf offer reports), in respect of transactions of the Company, a corporation controlled by the Company and its related company jointly with a controlling shareholder or in which the controlling shareholder has a personal interest in its approval as stated in Regulation 22 of the Securities (Annual Financial Statements) Regulations 1970 (hereinafter, “the **Periodic Reports Regulations**”), and in Regulation 54 of the Securities (Details of the Prospectus and Draft of the Prospectus - Structure and Form), Regulations, 1969, and also will be used to examine the need to publish an immediate report in respect of such Company transactions, as provided in Regulation 37A(a) of the Periodic Reports Regulations.
- B. The Company's Board of Directors has determined that a transaction shall be deemed an insignificant transaction if in relation to it, the following conditions are satisfied:
- (1) It is not an “extraordinary transaction” (as defined in the Companies Law), in other words, it is in the ordinary course of the Company's business, under market conditions, and is unlikely to have a material effect on the Company's profitability, assets, or liabilities.
 - (2) The amount of the transaction does not exceed 0.1% of the Company's equity attributed to its shareholders, according to the most recently published annual financial statements. Notwithstanding the foregoing, a transaction of an amount of not exceeding NIS 1.5 million will be considered an insignificant transaction.
 - (3) The transaction is also insignificant from a qualitative standpoint.
 - (4) In multi-annual transactions (such as the leasing of a property over a period of several years), the insignificance of the transaction is examined on an annual basis (for example as to whether the annual rent exceeds the amount stated above).
 - (5) Each transaction is examined on its own merits, but the insignificance of combined or conditional transactions is examined cumulatively.
 - (6) In cases in which a question arises as to application of the criteria detailed above, the Company shall exercise its discretion and shall examine the insignificance of the transaction on the basis of the purpose of the Periodic Reports Regulations, and the aforementioned guidelines and rules.
 - (7) The Company's Board of Directors may, from time to time and at its discretion, amend the guidelines and the rules detailed above. Such amendments will be reported as required by law.⁷

⁷ By February 25, 2010, the Company had applied a test to classify an insignificant transaction, if its effect on the relevant monetary criterion was less than one percent (1%) and cumulatively less than 3% for the year.

- C. To the best of the Company's knowledge, in the ordinary course of its business, the Company Group has conducted and/or is conducting transactions with controlling shareholders or in respect of which controlling shareholders have a personal interest in their approval, which are classified by the definition "insignificant transactions" in accordance with the tests detailed above. The said transactions are of the types and having the characteristics detailed hereinafter: (a) contracts for the purchase of advertising time on the specially dedicated Russian language television channel; (b) transactions for the leasing of office and commercial spaces; (c) management of an investment portfolio by a subsidiary of the Company that deals in investment portfolio management.

Regulation 24 **Holdings of Interested Parties and Senior Officers**

To the best of the Company's knowledge, the Company's shares and other securities held by interested parties and executive officers of the Company, or in any of its subsidiaries or in any of its related companies, at or about the date of the Report, are as detailed in Appendix E attached hereto.

Regulation 24A **Authorized, Issued Share Capital, and Convertible Securities**

Authorized Capital: The Company's authorized capital is NIS 20,000,000, divided into 200,000,000 ordinary shares of NIS 0.1 par value each.

Issued Capital: The Company's issued capital is NIS 13,080,310.8 divided into 130,803,108 registered ordinary shares of NIS 0.1 par value each.

Dormant Shares: 12,456,126 registered ordinary shares of NIS 0.1 par value each (of which 9,917,124 ordinary shares of NIS 0.1 par value each of the Company are deemed to be "Agreed Relief Shares" under the Arrangement), are registered in the name of Hermetic Trust (1975) Ltd. (above and hereinafter, "**the Trustee**")⁸, and 2,539,002 ordinary shares of the Company of NIS 0.1 par value each, registered in the name of the Company).

Issued Share Capital Less said Dormant Shares: NIS 11,834,698.2 divided into 118,346,982 ordinary registered shares of NIS 0.1 par value each.

Convertible Securities of the Company: According to the Company's option plan dated May 2008, 225,000 option warrants were issued to Nadav Grinshpon, Deputy Chairman of the Company's Board of Directors⁹, convertible into 225,000 ordinary shares of the Company. In addition, based on an option plan dated August 2008, 378,500 option warrants were issued to Mr. Izzi Cohen, the Company's CEO,¹⁰ convertible into 378,500 registered ordinary shares of the Company of NIS 0.1 par value each, and based on an option plan dated September 2011, 485,223 option warrants were issued to four employees of the Company and companies controlled by the Company and their officers, convertible into 485,223 of the Company's ordinary registered shares, of NIS 0.1 par value each.

⁸ It should be noted that as long as the Agreed Relief Shares are held by the Trustee, they constitute dormant shares that do not confer rights in capital on their holders, or voting rights, or rights in the Company (including a right to receive dividends) and/or any other right (including the right of participation in a rights issue)

⁹ 56,250 option warrants expired on October 5, 2011 leaving Nadav with 168,750 option warrants.

¹⁰ 94,625 option warrants expired on June 14, 2011 leaving Izzi with 283,875 option warrants.

Regulation 24B: **The Registry of Shareholders:**

See Appendix G.

Regulation 25A **Registered Address, Telephone, and Fax Numbers**

Name of the Company: Africa Israel Investments Ltd.

The Company's registered address is: 4 Derech Hahoresh, Yehud.

Registration Number: 520005067

E-mail address: www.africa-israel.co.il

Telephone No. 03-5393535

Fax No.: 03-6321730

Regulation 26 **The Company's Board of Directors**

See Appendix F.

Regulation 26A **Executive Corporate Officers**

Name	I.D. No.	Year of birth	Position in Company, subsidiary or in interested party	Family member of officer or interested party	Education	Business experience over the last 5 years	Start date of service
Izzi Cohen	012306320	1951	Company CEO, Director and CEO of Africa Properties, Chairman of the Boards of Directors of subsidiaries and related companies in the Group.	No	Academic – Bachelor’s degree in statistics from Hebrew University in Jerusalem.	Serving in his present position. Former CEO of Migdal Insurance Holdings and Finances Ltd., CEO of Migdal Insurance Company Ltd., member of the international executive of the Generali Insurance Group.	2008
Menashe Sagiv	054032750	1956	CFO of the Company and Director of subsidiaries and related companies in the Group	No	Academic - Bachelors Degree in Economics and Business Management and M.A.Degree in Business Management with Specialization in Finance, from Bar-Ilan University	Serving in his present position. Served as CFO in Israel Aircraft Industries.	2011
Larissa Cohen	034211235	1977	The Company Secretary and of subsidiaries in the Group	No	Academic - Bachelor of Law from the Hebrew University in Jerusalem and master’s degree in Law from Tel Aviv University	Serving in her present capacity. Formerly, the Company's Attorney, an Attorney in the Law Firm of Wexler, Bergman and Co.	
Ronit Cohen-Nissan	24218257	1969	Comptroller. Director in subsidiaries and related companies in the Group.	No	Academic – Bachelor’s degree in Accounting from Tel-Aviv University, MBA from Bar-Ilan University. CPA.	Present position.	2001
Shaul Debi	014332423	1966	Internal Auditor of the Company and of subsidiaries in the Africa Investments Group.	No	Academic - Bachelor’s Degree in Finance and Accounting from the College for Management, Master’s degree in Finance and Analysis of Information Systems from the Manchester Business School. CPA.	Present position. CFO and Operations of Orthocrat Ltd. and Director of Finance and Control at Teva International Group, Teva Pharmaceutical Industries Ltd.	2009

Regulation 26B **The Company's Authorized Signatories**

The Company has no independent authorized signatories.

Regulation 27 **The Company's Auditor**

The Company's auditors are: Somekh Chaikin, CPA, 17 Ha'arba'a Street, Tel-Aviv;

And Deloitte Breitman, Almogor Zohar CPA, of Azrieli Building, 44th Floor, Round Building. Tel-Aviv.

Regulation 28 **Amendments to the Memorandum of Association or to the Articles of Association in the Reporting Year**

1. On May 12, 2011, the Company's general meeting resolved, *inter alia*, to increase the Company's registered capital by NIS 5,000,000 divided into 50,000,000 ordinary shares of the Company of NIS 0.1 par value each, to the effect that, following the said increase, the Company's authorized capital would amount to NIS 20,000,000, divided into 200,000,000 ordinary shares of the Company of NIS 0.1 par value each.

2. On January 4, 2012, the Company's general meeting resolved to approve an amendment to Articles 124, 130-131, 138, 158, 165-168 and the addition of Article 169A to the Articles of Association of the Company, in order to adapt the present Articles to the provisions of the Companies Law (Amendment No.16) 2011 and the provisions of the Greater Efficiency of Enforcement Procedures in the Securities Authority (Legislative Amendments) Law 2011

Regulation 29 **Recommendations and Resolutions of the Board of Directors and Resolutions of a Special General Meeting**

- A At a general meeting of the Company dated May 12, 2011, it was resolved, *inter alia*, to increase the authorized capital of the Company by NIS 5,000,000 divided into 50,000,000 ordinary shares in the Company of NIS 0.1 par value each, to the effect that after the said increase the Company's authorized capital would amount to NIS 20,000,000, divided into 200,000,000 ordinary shares of the Company of NIS 0.1 par value each.

- B. At a General Meeting of the Company on May 26, 2011,¹¹ it was resolved to approve the Company's agreement of the addendum to the irrevocable letter of undertaking signed by the Company's controlling shareholder, (Mr. Lev Leviev and companies that he controls) (hereinafter jointly, "**the controlling shareholder**") on March 21, 2010, for investments to be made in the Company as part of the arrangement between the Company and its previous bondholders and its shareholders (hereinafter, as the case may be, "**the letter of undertaking**" and "**the addendum**"), and which constitutes an addendum to the Bonds (Series Z) Trust Deed signed between the Company and Hermetic Trust (1975) Ltd, and is concerned with determining additional modes of implementing the additional investments (as such are defined in the letter of undertaking) of the controlling shareholder in the Company's capital. For further information see the Transaction Report that the Company published on May 17, 2011 (Ref No: 2011-01-151545). The information published in the said Report is hereby

¹¹ It should be noted that this resolution was also adopted at a meeting of the (Series Z) Bondholders on May 5, 2011. For further information see the immediate report that the Company published on May 26, 2011 (Ref. No: 01-163236-2011).

included herein by way of reference.

C. In a General Meeting of the Company¹² on September 13, 2011, it was resolved to approve and ratify the Company's entry into a contract with Memorand Management (1998) Ltd (hereinafter, "**Memorand**"), a private company wholly owned and controlled (indirectly) by Mr. Leviev, the Company's controlling shareholder (including through his wholly owned and controlled companies), in a management agreement signed between the Parties on April 25, 1999, under which Memorand provides management services to the Company through Mr. Leviev, who is serving in the capacity of Chairman of the Company's Board of Directors, for a further term of 3 years from September 15, 2011. For additional information, see the Transaction Report that the Company published on August 8, 2011 (Reference No. 2011-01-235065). The information published in the said Report is hereby included by way of reference.

D. At a General Meeting of the Company¹³ on January 4, 2012, it was resolved:

1. To approve the amendment of Articles 124, 130-131, 138, 158, 165-168 and the addition of Article 169A of the Company's Articles, in order to adapt the present Articles of Association to the provisions of the Companies Law (Amendment No.16), 5771 - 2011 and the provisions of the Greater Efficiency of Enforcement Procedures in the Securities Authority (Legislative Amendments) Law, 2011.

2. To approve the giving of an advance undertaking by the Company, for indemnification of directors and other officers of the Company, as such are defined in Section 2.7 of the report summoning the meeting, in respect of certain events which in the opinion of the Board of Directors are foreseeable in view of the nature of the Company's activity, provided that the aggregate total of the amounts to be paid by the Company by way of indemnity, to all those entitled to indemnification, under all the letters of indemnity that are issued to them pursuant to this resolution, and pursuant to all the letters of indemnity issued by the Company in the past and/or that are issued in the future (including for the removal of doubt, the previous letters of indemnity (as they are defined hereinafter)), shall not exceed 25% of the Company's shareholder capital (the capital attributed to the holders of the Company's capital rights) according to the Company's last consolidated financial statements (quarterly or annual as the case may be) last published prior to the actual date of payment of the amount of the indemnity, and all under the terms of the indemnity detailed in the letter of indemnity as to such events, which will remain force for a period of 9 years from the date of its issue.

For further information see the Amended Immediate Report that the Company published on December 29, 2011 (Ref No: 2011-01-377292). The information published in the said Report is hereby included herein by way of reference.

Company Resolutions

Regulation 29A

A.

On September 15, 2011, the Company's Board of Directors (following approval of the Company's Audit Committee dated July 18, 2011 and the recommendation of the Board of Directors' Remuneration Committee), approved a bonus scheme for 9 officers and employees (non-directors) of the Company. For details of the said resolution, see the Immediate Report that the Company published on September 18, 2011 (Ref No: 2011-01-276498). The information published in the said Report is hereby included

¹² It should be noted that this resolution was also adopted at a meeting of the (Series Z) Bondholders on August 31, 2011. For further information see the immediate report that the Company published on September 6, 2011 (Ref. No: 2011-01-265971)

¹³ It should be noted that this resolution was also adopted at a meeting of the (Series Z) Bondholders on December 27, 2011. For further information see the immediate report that the Company published on January 1, 2012 (Ref. No: 2012-01-004377)

herein by way of reference.

B. It was resolved, in the Company's Audit Committee on November 28, 2011 and in a meeting of the Company's Board of Directors on December 29, 2011, *inter alia*, to approve and ratify the entry into a contract by the Company with a group of insurers in the international insurance market (hereinafter in this subsection, “the **Insurers**”) in insurance policies insuring the liability of officers for a period from November 1, 2011 until and including April 30, 2013 (hereinafter in this subsection, “the **Insurance Period**”), as follows:

1. An officers' liability insurance policy insuring liability of the Company's officers and of its subsidiaries, with the exception of the listed companies, Africa Israel Residences Ltd., Africa Israel Properties Ltd., Dania Cebu's Ltd, Africa Israel Industries Ltd., AFI Development Plc., and the subsidiaries of each of the aforementioned companies (the aforementioned companies, excluding the Company, hereinafter jointly, “the **Group Companies**”) (hereinafter in this subsection, “the **Basic Policy**”). The limit of liability of the Basic Policy in respect of a single claim or in aggregate for the whole of the insurance period, is USD 20 million (but in respect of claims filed in Israel, the policy covers the expenses of defense beyond the above limit of liability as above, to an amount equal to 20% of the said liability limit). The insurance premiums for the Basic Policy in respect of the Insurance Period total USD 62.7 thousand.
The Basic Policy also applies to the Company's subsidiaries that are formed and/or are acquired during the Insurance Period, provided that the value of the assets of such a subsidiary shall not exceed 20% of the value of the Company's assets, and provided further that the subsidiary is not listed on any stock exchange in the USA/Canada (either in respect of shares and/or other securities).
2. An excess (“umbrella”) group insurance policy insuring liability of officers, arranged by the Company for itself and for its subsidiaries, including the Group Companies (hereinafter in this Section, “the **Group Policy**”), for the Insurance Period. The limit of the Group Policy in respect of a single claim or in aggregate for the entire period of insurance is USD 80 million (but in respect of claims filed in Israel, the policy covers the expenses of defense beyond the above limit of liability, up to an amount equal to 20% of the said liability limitation, in addition to the Basic Policy). The Company's share of the insurance premiums for the Group Policy is USD 39.4 thousand (out of a total of USD 216.6 thousand in respect of the insurance premiums of the Company and of all the Group Companies in respect of the Group Policy).

The apportionment of the insurance premiums in respect of the Group Policy as between the Company and the other companies was determined (except as detailed hereunder) as a derivation of the insurance premiums in respect of the Basic Policy, as follows: The Company and the Group Companies each bear a share of the annual insurance premiums in respect of the Group Policy, *pro rata* to the ratio between the insurance premiums for the Basic Policy as stated above in subsection (1) and the aggregate amount of the annual insurance premiums payable by all the said companies in respect of all the Basic Policies in respect of the relevant period. In this context it should also be noted that the Basic Policies of all the Group's divisions have an identical limit of liability.

Participation of the listed companies — AFI Development Plc, Arica Israel Residences Ltd, Africa Israel Industries Ltd, Danya Cebus Ltd, and Africa Israel Properties Ltd — in the Group Policy was approved by the said companies.

A resolution as to the Company contracting in an insurance policy insuring the liability of officers requires approval of the General Meeting of the Company pursuant to the provisions of Section 275 of the Companies Law.

Date: March 27, 2012

Africa-Israel Investments Ltd.

Izzi Cohen
CEO

Menashe Sagiv
CFO

Appendix A

Condensed Quarterly Statements of Comprehensive Income (Appendix A)

	For the year ended December 31, 2011 (Audited)	Jan-Mar 2011 (Unaudited)	Apr-June 2011 (Unaudited)	Jul-Sep 2011 (Unaudited)	Oct-Dec 2011 (Unaudited)
Revenues					
Construction and real estate transactions	3,018,764	699,866	728,028	822,915	767,955
Rentals and operation of properties	672,392	121,805	177,784	185,111	187,692
Industry	2,397,037	554,076	566,208	644,004	632,749
Other activities	44,841	9,713	11,643	11,206	12,279
Other income	<u>208,573</u>	<u>20,211</u>	<u>17,601</u>	<u>110,718</u>	<u>60,043</u>
	<u>6,341,607</u>	<u>1,405,671</u>	<u>1,501,264</u>	<u>1,773,954</u>	<u>1,660,718</u>
Costs and expenses					
Construction and real estate transactions	2,742,565	621,979	693,584	736,907	90,095
Re-evaluation of inventory of land and buildings	(81,792)	(62,178)	0	1,348	(20,962)
Maintenance, supervision and management of real estate and other properties	266,138	56,165	62,628	72,043	75,302
(Increase) Decline in value of investment property under construction, net	(65,265)	(14,144)	12,604	10,674	(74,399)
Decline (Increase) in value of investment property, net	(856,349)	3,941	(82,520)	(611,464)	(166,306)
Industry	2,187,548	499,324	511,724	585,570	590,930
Other activities	43,892	11,992	10,337	9,707	11,856
Share in losses (income) of investees treated under the equity method of accounting, net	(149,814)	14,314	(1,086,665)	(21,250)	(34,188)
Administrative and general expenses	332,956	65,192	66,912	76,904	123,948
Amortization of intangible assets and other expenses	<u>112,592</u>	<u>28,824</u>	<u>27,303</u>	<u>41,748</u>	<u>14,717</u>
	<u>4,532,471</u>	<u>1,225,409</u>	<u>1,193,907</u>	<u>902,162</u>	<u>1,210,993</u>
Operating income	1,809,136	180,262	307,357	871,792	449,725
Financing expenses	1,123,216	252,436	303,593	424,576	142,611
Financing income	<u>272,166</u>	<u>203,240</u>	<u>52,701</u>	<u>61,499</u>	<u>(45,274)</u>
Financing income (expenses), net	851,050	(49,196)	(250,892)	(363,077)	(187,885)
Income from ordinary operations before taxes on income	958,086	131,066	56,465	508,715	261,840
Taxes on income	<u>(404,157)</u>	<u>(25,708)</u>	<u>(58,261)</u>	<u>(202,869)</u>	<u>(117,319)</u>
Income from continuing operations	<u>553,929</u>	<u>105,358</u>	<u>(1,796)</u>	<u>305,846</u>	<u>144,521</u>
Income (Loss) from discontinued operations (after tax)	<u>74,452</u>	<u>1,367</u>	<u>75,261</u>	<u>0</u>	<u>(2,176)</u>
Income for the period	<u>628,381</u>	<u>106,725</u>	<u>73,465</u>	<u>305,846</u>	<u>142,345</u>
Allocated to:					
Holders of rights in the Company's equity	315,084	50,459	32,008	147,570	85,047
Minority interests	<u>313,297</u>	<u>56,266</u>	<u>41,457</u>	<u>158,276</u>	<u>57,298</u>
Income for the period	<u>628,381</u>	<u>106,725</u>	<u>73,465</u>	<u>305,846</u>	<u>142,345</u>

Appendix B
Investments in Subsidiaries and Related Companies

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Af-Sar Ltd (28)	6,158				100%		
Africa Israel Properties Ltd. (3)(6)	15,937	1,079,320	313,615	1,392,935	56%	2.457	Public company
Haifa Quarries Ltd. (2)	180,000				45%		Mirage Development Israel Ltd holds 45% of the issued share capital. Tiferet Hamichonit Haifa Ltd.
Givat Savyon Ltd. (28)	38,350				85%		
Kiryat Hamada Migdal Ha'emek Ltd. (5)	6,000,100				100%		
Cebus Rimon Industries Building and Development Ltd.	10,400	5,127	1,802	6,929	100%		
Flamingo Ltd (28)	2,250				100%		
Lev Talpiot Management and Holdings Ltd. (38)	400				40%		Ganden Properties and Investments (2000) Ltd owns 40% of the issued share capital. Zarban (1996) Ltd and Bel Har Investments Ltd each own 10% of the issued share capital.
One Half Jubilee Ltd. (28)	100				49%		Raul Fairmont Properties LP owns 51% of the issued share capital.
Savyonim Center Management and Maintenance Ltd. (28)	10				100%		
Africa Israel (Finance) 1985 Ltd.	100,000	267	35,645	35,912	100%		
Africa Israel Residences Ltd. (3)(6)(18)	9,383,070	0	(132,167)	(132,167)	76.35%	3,761	Public company

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
MTS Ltd.	20				20%		Egged Holdings Ltd holds 20% of the issued share capital, and three additional companies each hold 20% of the issued share capital.
Africa Israel Investment House Ltd. (59)	576	27,715		27,715	100%		
Africa Israel Mutual Fund Management Ltd. (104)	10,000				100%		
Africa Israel Financial Assets and Strategies Ltd.	100	14,207	(14,077)	130	50%		Neta 10 Holdings Ltd. holds 30.64% of the issued share capital.
Africa Israel Financial Products Ltd. (104)	1,000				100%		
Africa Israel Investment Portfolio Management Ltd. (104)	1,000				100%		
A.L.A. Management and Operations (2005) Ltd.(4)	10		(1,793)	(1,793)	50%		Minrav Engineering and Building Ltd. holds 50% of the issued share capital.
Africa Israel Trade and Agencies Ltd.	10,200		159,398	159,398	100%		
Africa Israel Industries Ltd. (3)	1,153,522	295,697	51,782	347,479	76.6%	23,950	Public company
Armon Hahegamon (Kaysar El Mutran) Ltd (4) was sold after balance sheet date	9,750	12,858	2,795	15,653	50%		Samir Awad Ltd owns 30% of the issued capital and 25% of the management shares. B.S.T. Enterprise and Construction Ltd and the S.T.R. Real Estate Ltd Group each own 10% of the issued capital. Harel Shimon owns 100% of the voting shares and Yair Green holds 25% of the management shares in trust
Armon Hahegamon (Kaysar El Mutran) Ltd (4)	2	-	-	-			
Nazareth Entrance Commercial Center (2006) Ltd (119)	222,300,000				63%		Big Shopping Centers (2004) owns 37% of the issued capital.
Packer Steel Industries (9)	13,873,589				100%		
Negev Ceramics Ltd. (3)(9)	9,407,213				90	2,130	Public company
Orgal E.L.P. (2007) Ltd (116)	2,000,000				75%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Net Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Via Arcadia Ltd (116)					100%		
H.G.Y.Y Building Products Marketing Ltd (116)					100%		
NegevHome Design Ltd (116)					100%		
Negev Ceramics Marketing (1982) Ltd. (116)	50				100%		
Maklef 51 Ltd. (48)	500				50%		Nitzan Sdera Management and Development Ltd owns 50% of the issued share capital and 40% of the management shares.
Negev Ceramics Marketing Nazareth Ltd. (116)	50				50%		Samir Awad owns 50% of the issued share capital.
Elgal Marketing Com Ltd. (48)	1,002				50.1%		El-Gal Acrylic Industries Ltd owns 49.9% of the issued share capital.
N.D.R. Design Ltd. (48)	500				50%		Dana Regalo Ltd. owns 50% of the issued share capital.
P.L.E. Lighting Engineering Ltd. (117)	6,234				25%		Mar Telecom, Lev Ophir Group Ltd and Nadler Tal and Co Ltd each own 25% of the issued share capital
Tanama Packer International Ltd (9)	100				100%		
Negev Romania S.R.L (48)	4,990				99.8%		
Novo Collection East USA Inc. (48)	200				50%		Anticostone LLC owns 50% of the issued share capital.
Packer YDPZ Metals Ltd. (117)	6,300,001				100%		
Packer YDPZ Profiles Ltd. (117)	16,440,000				100%		
Packer YDPZ Profile Marketing Ltd. (47)	1,000				100%		
Packer YDPZ Galvan Works Ltd. (117)	2,100				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Imku YDPZ Industries Ltd. (117)	59,150				100%		
Apogey Metal LLC (31)	59,382,000				100%		
Koa Gas (51)	RBL 10,000				100%		
Packer YDPZ Investments Ltd. (117)	1,000				100%		
Contek Zayd Electrony Ltd (43)	350,000				50%		Solomon and Sasbon Equipment Industries (1989) owns 50% of the issued share capital.
Packer Steel Investments (1963) Ltd. (9)	9				100%		
Packer Steel Trading (1981) Ltd. (9)	5,500,019				100%		
Earsfield Special Steels B.V. (9)	EURO 20,000				100%		
Earsfield Steels Limited (50)	EURO 16,674				100%		
Cloudwalk Holdings Ltd. (9)	EURO 650				65%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
N. Packer Ltd. (9)	1,000				100%		
Packer Steel Finance and Issuances (1982) Ltd. (42)	1,000				100%		
Africa Israel Tourism Holdings Ltd	200	-	-	-	100%		
Danya Dutch B.V. (26)	40,000				100%		
Danya Cebus Cyprus (26)	1,000				100%		
Rumbrol Trading Limited (26)	800				97.6%		
Danya Cebus Rus (27)	9,760				100%		
Danya Cebus PM (107)	RBL 10,000				100%		
Danya Cebus Rom (29)	RON 200				100%		
Cebus Rimon Industrialized Construction Ltd. (18)	100				100%		
Danya Cebus Ltd. (3)(37)	20,744,283	147,217	48,870	196,087	73%	1,057	Public company
Danya International Holdings Ltd. (18)	100				100%		
Forma Projects Ltd. (18)	100				100%		
Yovelim Personnel Ltd. (18)	2,000,000				100%		
IMB Israel Metro Builders (18)	49				40%		
Danya Cebus 38 Ltd. (18)					100%		
Danya Cebus & CCACC (45) (4)					50%		Registered Partnership
Gio-Danya (45) (4)					50%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Bat Savyon Ltd.	0.1	-	(6,138)	(6,138)	100%		
Danya Cebus Mafil Ltd. (18)	1,000				100%		
Nitivei Hayovel Ltd. (45)	5,000				100%		
Africa Israel Energy Ltd. (37)	51				51%		Alaxon Energy Ltd owns 49% of the issued share capital.
Africa Israel Communications Ltd.	501	-	(11,539)	(11,413)	50.1%		Memorand Management (1998) Ltd owns 49.9% of the issued share capital.
4 Harbor Court LLC (39)					100%		Gifford Global Limited owns 25% of the issued share capital.
Af-ran Communications Ltd. (39)	100				100%		Weksler, Bergman and Associates – Trustee Ltd holds 50% of the issued share capital in trust for the full settlement of the Company's liabilities to Ra'anana Bergman.
Africa Israel Hotels Ltd.	58,498,117	95,000	55,340	150,340	50%		
E.M.T. Neve Savyon Ltd. (4)	1,000	-	1,104	1,104	33%		Aspen Group Ltd and Tashloz Investments and Holdings Ltd each own 33.33% of the issued share capital and voting rights and management shares.
Derech Eretz Construction Joint Venture Registered Partnership (4)(45)					33.3%		
Derech Eretz Joint Venture 18 (4)(45)					50%		A partnership of Housing and Construction – Solel Boneh - Infrastructure Development, Housing and Construction – Solel Boneh Infrastructure Ltd, and Danya Cebus Ltd.
Netivei Hayovel (Hasharon) Ltd. (18)	100				100%		
Derech Eretz Highways Management Corporation Ltd. (2)	49	-	4,974	4,974	24.5%		Israel Canada Rapid Road Management Ltd owns 51% of the issued share capital, and Housing and Construction Ltd owns 24.5% of the issued share capital.
Road Systems Section 18 Ltd (2)	49	-	297	297	24.5%		Israel Canada Rapid Road Management Ltd owns 51% of the issued share capital, and Housing and Construction Ltd owns 24.5% of the issued share capital.
Advanced Solutions – Road Systems Ltd. (2)	49		25	25	24.5%		
Derech Betuha Bakvishim Ltd. (2)	49		632	632	24.5%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Derech Hatzafon Operations and Control Ltd. (2)	49		445	445	24.5%		
Nitivei 431 Operations and Control Ltd. (2)	49		761	761	24.5%		Israel Canada Rapid Road Management Ltd owns 51% of the issued share capital. Housing and Construction Ltd owns 24.5% of the issued share capital.
Netivei Hacarmel Systems and Operations Ltd. (2)	49		1,547	1,547	24.5%		Israel Canada Rapid Road Management Ltd owns 51% of the issued share capital. Housing and Construction Ltd owns 24.5% of the issued share capital.
Advanced Solutions – Road Systems Ltd. (2)	49		852	852	24.5%		Israel Canada Rapid Road Management Ltd owns 51% of the issued share capital. Housing and Construction Ltd owns 24.5% of the issued share capital.
Renanot Enterprises & Investments Ltd. (4)	200	10,691	(10,693)	(2)	50%		Revaya Be'er Sheva Water Supply Ltd own 49.75% of the issued share capital.
Afiram Ltd.(2)	400	-	(14,006)	(14,006)	40%		Ramgur Investments Ltd owns 40% of the issued share capital and Ge'ulat Hkrach Ltd owns 20%.
Mapal Communications Ltd. (2)(37)	251	--	--	--	17%		Noa M.B. Communications Ltd owns 82.5% of the issued share capital.
Vash Telecanal Ltd. (2)	4,619	63,073	(111,171)	(48,098)	46%		Memorand Management (1998) Ltd. owns 46.19% of the issued share capital.
Africa Israel International Holdings Ltd. (10)	100	130	206,113	206,243	100%		
Africa Israel International Investments (1997) Ltd. (10)	100	-	(2,754,737)	(2,754,737)	100%		
Africa Israel International Properties (2002) Ltd. (28) (10)	100				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Africa Israel (East Europe) Investments B.V.(17)	EUR 18,151				100%		
AIEE OVERSCHIE B.V. (21)	EUR 19,966				100%		
ADUT s.r.o (105)	CZK 100,000				63%		Immoconsult Leasinggesellschaft owns 37% of the issued share capital.
M.I.C.C PRAGUE s.r.o. (105)	CZK 100,000				64%		Immoconsult Leasinggesellschaft owns 36% of the issued share capital.
BALABENKA s.r.o. (105)	CZK 100,000				100%		
Bohemia – Sen s.r.o. (105)	CZK 100,000				100%		
National Technological Park s.r.o. (81)	CZK 200,000				50%		ProDelta Prague B.V. owns 50% of the issued share capital.
Lentjee Holding B.V(24)	EUR 18,000				100%		
AFI (East-Central Europe) Developments Sarl (17)	EUR12,500				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and amount of their interests
Broadway Creseus s.r.o. (105)	CZK 100,000				100%		
Contonceni Investment Ltd (105)	CYP 500				100%		
Faringer Enterprises Ltd. (105)	CYP 2,000				100%		
AFIEM Cyprus Ltd. (105)	CYP 1				100%		
AFI Europe Czech Republic s.r.o (105)	CZK 100,000				100%		
Tulipa Modranska Rokle s.r.o. (105)	CZK 200,000				100%		
Tulipa Rokytka s.r.o. (81)	CZK 100,000				50%		
Tulipa Vokovice s.r.o (105)	CZK 100,000				100%		
Classic Park Group s.r.o.					100%		
Classic 7 s.r.o. (61)	CZK 200,000				100%		
Intrastar International Ltd. (105)	USD 30,268				53.7%		Mariner Fund, Aryeh Bachar, and Gil Geva own 46.3% of the issued share capital.
Galway Consolidated Ltd. (44)	EUR 29,000				100%		
Airport City d.o.o. (55)	EUR 20,246				100%		
AFI Europe N.V. (21)	EUR 930,000				100%		
AFI Europe Financing B.V (105)	EUR 90,000				100%		
AFI Wilanow Holdings B.V. (105)	EUR 18,000				100%		
AFI Properties Berlin B.V. (105)	EUR 18,000				70%		Prevezon Holdings Ltd.owns 30% of the issued share capital.

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
AFI Properties Development B.V. (105)	EUR 18,000				70%		Prevezon Holdings Ltd owns 30% of the issued share capital.
AFI Properties Logistics B.V. (105)	EUR 18,000				70%		Prevezon Holdings Ltd owns 30% of the issued share capital.
AFI Properties B.V.(105)	EUR 18,000				70%		Prevezon Holdings Ltd owns 30% of the issued share capital.
Airport City Property Management d.o.o (54)	EUR 500				100%		
AFI Europe Bulgaria Eood (105)	BGN 5,000				100%		
Vitosha Gardens Eood (105)	BGN 500,000				100%		
Malina Gardens Eood (105)	BGN 500,000				100%		
AFI Lagera Tulip Eood (105)	BGN 100				100%		
Plovdiv Logistic Center Eood (105)	50,000				75%		ALBIS Holdings B.V. owns 25% of the issued share capital.
Cotroceni Park S.A. (82)	RON 1,936,545				98%		
Star Estate SRL (105)	RON 200				100%		
Europe Logistic SRL (105)	RON 10,000				100%		
AFI Europe Management SRL (105)	RON 200				100%		
ROI Management SRL (105)	RON 1,000				100%		
Premier Solution & Team SRL (105)	RON 1,000				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Tulip Management SRL(105)	RON 1,000				100%		
Plaza Arad Imobiliar SRL (105)	RON 1,000				100%		
Szepliget Kft (105)	HUF 3,000,000				100%		
Akar- Lak Kft (105)	HUF 3,000,000				100%		
Novo Maar SP. Z O.O (105)	PLN 1,000,000				100%		
czerwone Maki Project SP. Z.O.O (105)	PLN 1,000,000				100%		
Wilanow one SP. Z O.O (85)	PLN 50				30%		MPG DOM and MGP DOM Sp.z o.o Parallel Sp z o.o . (funds management by MGPA) own 70% of the issued share capital.
AFI Management SP. Z.O.O (105)	PLN 50,000				100%		
SIA AFI Management (105)	LVL 2,000				100%		
SIA AFI Investment (105)	LVL 2,000				100%		
SIA A.R Holdings (14)	LVL 5,000				100%		
SIA B.R Holdings (105)	LVL 2,000				100%		
SIA Anninmuizas ĪPAŠUMS (84)	LVL 5,000				100%		
AFI Germany GmbH (105)	EUR 25,000				100%		
AFI Germany investment GmbH (105)	EUR 25,000				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Harel Grundstücks GmbH (13)	EUR 25,000				70%		D.B.M. Harel Investments (2006) Ltd and M.S.A. Efrat Investments Ltd each own 15% of the issued share capital.
Peerly Grundstücks GmbH (11)	EUR 25,000				70%		D.B.M. Harel Investments (2006) Ltd and M.S.A. Efrat Investments Ltd each own 15% of the issued share capital.
Afi Europe (Israel Branch)(105)	100				100%		
Afi Europe Hungary Kft (105)	HUF 100,000				100%		
Pro-Mot Hungaria Kft (81)	HUF3,000,000				50%		SBI Real Estate Development B.V. owns 50% of the issued share capital.
Tulipa City s.r.o.(105)	CZK 100,000				100%		
Business Park Varna AD (105)	BGN 33,555,300				100%		
Premium Property Management EOOD (105)					100%		
Veroskip Trading SRL (105)	RON 200				100%		
King Garden SRL (105)	RON 1,000				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Margalit Grundstücks GmbH (20)	EUR 25,000				70%		D.B.M. Harel Investments (2006) Ltd and M.S.A. Efrat Investments Ltd each own 15% of the issued share capital.
Margalit Teltower Damm Grundstücks GmbH (15)	EUR 25,000				70%		D.B.M. Harel Investments (2006) Ltd and M.S.A. Efrat Investments Ltd each own 15% of the issued share capital.
Resienta Holdings Ltd (17)	EUR 2,000				88%		
LLC Or-Avner (108)	UAH 37,500				100%		
ABG Sozidatel (103)	UAH 50,000,000				100%		
Budinkom Ukraina LLC (155)	UAH 549,000.65				100%		
Sorinius Estates Ltd (16)	EUR 1,000				100%		
Grifasi Investmnts Ltd (16)	EUR 2,000				100%		
Occuper Holdings Ltd (62)	EUR 2,000				100%		
AFI Development Hotels Limited (16)	EUR 2,000				100%		
Timerox Ltd (60)	CYP 5,000				95%		
Inscribe Ltd (16)	CYP 5,000				100%		
Hegemony Ltd (16)	EUR 1,000				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Stroyinkom k LLC (12)	RBL 8,400				100%		
(16) Borenco Enterprises Ltd.	CYP 1,000				100%		
AFI Development PLC (A) AFI Development (B)	USD 282,885 USD285,464	1,543,584	2,992,054	4,535,641	63.7%	USD 0.42 USD 0.46	Public company Public company
Avtostoyanka Tverskaya Zastava LLC (16)	RB 10,000				100%		
krown Investments LLC (16)	RBL 12,000,000				50%		
Incomstroy AG LLC (16)	RBL 300,000				100%		
Inzhstory AG LLC (16)	RBL 300,000				100%		
Tain Investment LLC (16)	RB 10,000				100%		
Tine Management LLC (16)	RB 10,000				100%		
AFI RUS LLC (16)	RB 10,000				100%		
Bellgate Construction Ltd (16)	USD 1,000,000				100%		
Falago Investment Ltd (16)	CYP 1,000				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Scotson Ltd. (16)	CYP 1,000				100%		
Krusto Enterprises Limited (16)	CYP 1,000				100%		
Couplest Estates Ltd (16)	CYP 1,000				100%		
LLC AFI DS 1 (57)	UAH 51,500				60%		
LLC AFI DS 2 (57)	UAH 51,500				93%		
LLC AFI DS 3 (57)	UAH 51,500				93%		
Afi Region LLC (12)	RBL 9,900				100%		
Afi Rus Management LLC (12)	RBL 10,000				100%		
Region k LLC (Kislovodsk) (36)	RBL 9,900				99%		
Afi Rus Parking Management (58)	RBL 9,900				99%		
Extraplus LLC (56)	RBL 10,000				100%		
Olpek Holdings Ltd. (4)	CYP 1,000				50%		
Westec Four Winds Limited (4) (16)	USD1,000				50%		S&T Equity Overseas Ltd.owns 50% of the equity.

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Bugis Finance Ltd .(102)	USD 50,000				100%		
Severus Trading Ltd .(16)	CYP 1,000				100%		
Talena Development Ltd. (16)	CYP 1,000				100%		
Slytherin Development Ltd. (16)◊	CYP 1,000				100%		
AFI Ukraine Ltd. (16)	CYP 880				100%		
Ropler Engineering Ltd .(16)	USD 50,000				100%		
AFI D Finance SA (16)	CYP 5,000				100%		
LL Avia Management SA (40)	CYP 5,000				100%		
Keyiri Trade & Invest Ltd . (16)	CYP 5,000				100%		
Rognerstar Finance Ltd. (16)	CYP 5,000				100%		
Beslavlille Management Ltd. (16)	CYP 562,000				95%		
Amakri Management Ltd . (57)	CYP 1,000				100%		
Jaquetta Investment Ltd (57)	CYP 1,000				100%		
Hermielson Investments Ltd (62)	CYP 1,000				100%		
Bioka Investments Ltd (16)	CYP 1,000				90%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Bastet Estates Ltd .(16)	CYP 1,000				100%		
Rubiosa Management Ltd . (16)	CYP 1,000				100%		
Amerone Development Ltd. (16)	EUR 2,000				100%		
Bundle Trading Ltd. (62)	EUR 1,000				100%		
Sherzinger Ltd. (16)	EUR 1,000				100%		
Bulidolla Properties Ltd (16)	CYP 1,000				100%		
Stroycapital LLC (8)					60%		
Maystroy LLC(16)	RBL 15,000,000				100%		
RAPO LLC (95)	RBL500,000				100%		
Dorokhovo LLC Pso (100)	RBL 10,000				100%		
Semprex LLC (16)	RBL 10,000				100%		
Ultrainvest LLC (96)	RBL 500,410,000				100%		
Ultrastory LLC (96)	RBL 333,610,000				100%		
Aristeya LLC (97)	RBL 10,000				100%		
mkpk JSC (97)	RBL 125,574				99.12%		
Lessy Prof LLC (16)	RBL 8,400				100%		
Corin Development LLC (16)	RBL 10,000				100%		
Ozerkovka LLC (98)	RBL 6,863,373				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Armand JSC (99)	RBL 10,000				100%		
Bizar LLC (16)					74%		
Volga land Development LLC (98)					100%		
Christall Development LLC (16)					100%		
Volga stroyinkom Development LLC (98)					100%		
North investments LLC (12)					100%		
Favorit LLC (89)					100%		
Firma Gloria JSC (92)	RBL 10,000				100%		
Nordservice LLC (90)					90%		
KO Project LLC (87)					100%		
Titon LLC (86)					100%		
Zheldoruslugi LLC (101)					100%		
Izdatelstvo Nedra JSC (102)	RBL 98,145				90.17%		
Real Project LLC (101)					95%		
MTOK CJSC (91)	RBL 3,048,000				99.38%		
Kama Gate LLC(106)					50%		Prospects LLC own 50% of the issued share capital.

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
UMM "Stroyenergo-mekhanizatsiya" JSC (86)	RBL 58,000				100%		
A.I Holdings (USA) Corp.(30)	USD 1,000				100%		
Savyone LP (31)		-	110	110	49%		Rosebud Real Estate Ltd owns app. 50% of the issued share capital.
A.I. Properties and Developments (USA) corp.(46)					100%		
W Squared Managers, LLC (32)					65%		Boymelgreen owns 35% of the issued share capital..
60 Spring Street, LLC (64)					65%		Boymelgreen owns 35% of the issued share capital..
Spring-Lafayette, LLC (32)					65%		Boymelgreen owns 35% of the issued share capital..
20 Pine Street, LLC (67)					100%		
20 Pine Street Managers, LLC (32)					50%		
84 Front Street, LLC (32)					67%		Boymelgreen owns 33% of the issued share capital..
84 Front Street Management, LLC (32)					65%		Boymelgreen owns 33% of the issued share capital..
15 Broad, LLC (32)					65%		Boymelgreen owns 35% of the issued share capital..
15 Broad Street, LLC (65)					100%		
15 Broad Street Managers, LLC (32)					65%		Boymelgreen owns 35% of the issued share capital..

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Empire Stores, LLC (33)					49%		Boymelgreen Family LLC owns 51% of the issued share capital..
85 Adams, LLC (32)					70%		Boymelgreen Family LLC owns 35% of the issued share capital..
85 Adams Street, LLC (66)					100%		
AI 88 Leonard LLC (32)					100%		
AI 23 Wall Street LLC (32)					100%		
85 Adams Street Managers, LLC (32)					70%		Boymelgreen Family LLC owns 35% of the issued share capital..
Africa israel of Florida, LLC (72)					100%		
Contralto, LLC (73)					100%		
159 NE 7th Avenue, LLC (73)					100%		
Baritone, LLC (73)					100%		
Tech Garage, LLC (73)					100%		
Symphony II, LLC (77)					100%		
LB Herald ventures, LLC (72)					65%		Boymelgreen Family LLC owns 35% of the issued share capital..
Scribe, LLC (115)					50%		H&H Florida Investment LLC owns 50% of the issued share capital.
Park Fifth Associates, LLC (118)					100%		
Leviev Fulton Club, LLC (111)					50%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
LFC Mezz, LLC (111)					50%		Fulton Club LLC owns 50% of the issued share capital.
AI Fulton, LLC (32)					100%		
HRPV-I, LLC (109)					17.5%		Myrtle LLC owns 57.5% of the issued share capital, and Beach Property Owners owns.25%.
HRP Myrtle Beach Partners, LLC(110)					17.5%		
HRP My HRP Myrtle Beach Holdings, LLC (112)					92.5%		
HRP Myrtle Beach Operations, LLC (113)					100%		
23 Wall Commercial owners, LLC (32)					65%		
AI Nevada Holdings, Inc. (46)	USD 2				100%		
Brickell Park Garage, LLC (73)					100%		
Brickell Ridge, LLC (73) .					100%		
Olympia Florida, LLC (77)					100%		
Seagull Garage, LLC (73)					100%		
Prime Garage, LLC (73)					100%		
Eagle Garage, LLC (73)					100%		
Tenor, LLC (73) .					100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Liberty Garage, LLC (73)					100%		
Arena Garage, LLC (73)					100%		
Internet Garage, LLC (73)					100%		
Liberty II Garage, LLC (73)					100%		
Market Garage, LLC (73)					100%		
Independence Garage, LLC (73)					100%		
Brickell Park Garage I, LLC (73)					100%		
Irene Garage, LLC (73)					100%		
Africa Israel Marquis Developers, LLC) (73)					100%		
Wall Street Commercial Owners, LLC (32)					100%		
14 Wall Street Holdings 1, LLC (69)					100%		
Spring Street Commercial Owners, LLC (32)					100%		
14 WallSpring Mezz, LLC (70)					100%		
14 WallSpring Street, LLC (71)					100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
L.B. Broad Lessees, LLC (32)					65%		Boymelgreen Family LLC owns 35% of the issued share capital.
Broad Street Lessors, LLC(40)					65%		
A1 Broad Street Lessors, LLC (1) (7)					65%		
AI Florida Holdings, Inc (46)	USD 2				100%		
N.E. Miami Court, LLC (77)					100%		
Block 42 Acquisition, LLC (73)					100%		
Africa Israel Vitri Developers, LLC (73)					100%		
Africa Israel Soleil Developers, LLC (73)					100%		
35 Front Street, LLC (32)					52%		
Brickell Park Garage II, LLC (73)					100%		
Brickell Corridor, LLC (73)					100%		
1680 Meridian Avenue, LLC (73)					100%		
19 N.E 9th Street, LLC (73)					100%		
N.E Tenth Street, LLC (73)					100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
AI 229 West 43rd Street Senior Mezzanine, LLC (52)					50.1%		
AI 229 West 43rd Street Property Owner, LLC (19)					50.1%		
AI Apthorp, LLC (32)					100%		
Apthorp Management, LLC (79)					50%		
Apthorp Holdings, LLC (78)					50%		
Apthorp Mezzanine, LLC (78)					20%		Held by Apthorp Mezzanine LLC.
Apthorp Associates, LLC (78)					20%		
AI Broad Corp. LLC (32)					100%		
Broad Street San Francisco, LLC (75)					50%		
AI Nevada Holdco, LLC (74)					100%		
AI Nevada TIC, LLC (76)					100%		
AI Arizona Inc (46)	USD 2				100%		

Company name	Par value	Cost in NIS thousands	Company's share in net	Value in the Company's	Share in issued share	Stock exchange price on reporting date	Other holders who own more than 25% of the
---------------------	------------------	------------------------------	-------------------------------	-------------------------------	------------------------------	---	---

			income/ losses from the purchase date, in NIS thousands	Separate Financial Statements, in NIS thousands	capital, voting rights and the right to appoint directors		shares in subsidiaries and related companies, and their interests
88 Leonard Holdings LLC					100%		
AI Phoenix, LLC (68)					100%		
AI-B.S.R., LLC (63)					50%		B.S.R Group owns 50% of the issued share capital.
AILA Corp. (46)	USD 200				100%		
AFRINAM, LLC (80)					100%		
AI Properties 23 Wall Manager					100%		
AI Properties 23 Wall Owners					100%		
Africa Israel Performing Arts Complex (73)					100%		
AI 229 West 43rd Street Member, LLC (32)					100%		
AI FM 229 West 43rd Street JV Holdings, LLC (41)					50.1%		
AI Spring Clock LLC (83)					100%		
AI Clock LLC (88)					100%		
Africa Israel 1101Brickell LLC (73)					100%		
Africa Israel Eleven Biscayne LLC (77)					100%		
AI Gowanus Village LLC (32)					100%		
AI W Squared LLC (32)					100%		
Afi Management Company					100%		
Africa Israel Marquis Managers, LLC (73)					100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Other subsidiaries							
Savyon Insurance Agency Ltd.	0.0002	0.0002	0.455	0.4552	100%		
Savyon Property and Management Company Ltd.	0.2	0.2	0.054	0.254	100%		
Aframen Trustees Ltd.	0.1	0.1	--	0.1	100%		
Binyan Trust and Investment Company Ltd.	0.0007	0.0007	--	0.0007	100%		
Neve Savyon Ltd.	0.0004	0.0004	--	0.0004	100%		
Tiberias Hot Springs Hotel Ltd.	0.0006	0.0006	(0.146)	(0.1454)	100%		
Africa Israel Hotels (Tel-Aviv) 1992 Ltd.	100	100	--	100	100%		
Savyon Nurseries Ltd.	6.4995	811	--	811	21%		Investment Savyon owns 78.97% of the issued share capital.
Ramat Savyon Ltd.	0.004	0.0004	--	0.0004	100%		
Givat Rimonim Ltd.	0.1	0.1	--	0.1	100%		
Savyonei Aviv Ltd.	0.1	0.1	--	0.1	100%		
Eretz Haoren Ltd.	0.002	0.002	--	0.002	100%		
Midan Carmel Ltd. (5)	0.01	0.01	--	0.01	100%		

Company name	Par value	Cost in NIS thousands	Company's share in net income/ losses from the purchase date, in NIS thousands	Value in the Company's Separate Financial Statements, in NIS thousands	Share in issued share capital, voting rights and the right to appoint directors	Stock exchange price on reporting date	Other holders who own more than 25% of the shares in subsidiaries and related companies, and their interests
Midan Carmel Ltd. (5)	0.0006	0.0006	--	0.0006	100%		
I.L.A.N. Africa Israel Properties Ltd. (1)	10				100%		
Kalia Vacation and Spa Ltd.	10	1,685	(319)	1,366	100%		
Marlaz Media (2001) Ltd.	1,000	1		1	100%		
Af-Tech Ventures Ltd.	1,000	1		1	100%		

- (1) Subsidiary of Broad Street Lessors LLC.
- (2) Associated company the investment in which is presented using the equity method.
- (3) Shares of this company are traded on the TASE.
- (4) Jointly controlled companies are presented using the equity method.
- (5) Subsidiary of Givat Savyon Ltd.
- (6) Bonds of this company are traded on the TASE.
- (7) Subsidiary of AI Properties and Developments (USA) Corp (64%) and AI Broad Corp.
- (8) Subsidiary of Robiosa Management Ltd.
- (9) Subsidiary of Africa Industries Ltd.
- (10) Has interest in international companies that operate overseas.
- (11) Investee of AFI Properties B.V.
- (12) Subsidiary of Borengo Enterprises Ltd.
- (13) Investee of AFI Properties Logistics B.V.
- (14) Subsidiary of AFI Investment SIA.
- (15) Investee of AFI Properties Development B.V.
- (16) Subsidiary of AFI Development Ltd.
- (17) Subsidiary of Africa Israel International Holdings Ltd.
- (18) Subsidiary of Danya Cebus Ltd.
- (19) Investee of AI 229 West 43rd Street Senior Mezzanine LLC.
- (20) Investee of AFI Properties Berlin B.V.
- (21) Subsidiary of Africa Israel International Properties (2002) Ltd.
- (22) Proportionately consolidated company of Africa Israel International Investments (1997) Ltd.
- (23) Subsidiary of Africa Israel (East Europe) Investments B.V.
- (24) Subsidiary of AFI (East Central Europe) Development s.a.r.l.
- (25) Subsidiary of Lentjee B.V.
- (26) Subsidiary of Danya International Holdings.
- (27) Subsidiary of Rumbrol Trading Ltd.
- (28) Subsidiary of Africa Israel properties Ltd.
- (29) Subsidiary of Danya Dutch B.V.
- (30) Subsidiary of Africa Israel International Investments (1997) Ltd.
- (31) Investee of Cloudwalk Holdings Ltd.
- (32) Subsidiary of AI Properties and Developments (USA) Corp.
- (33) Associate of AI Properties and Developments (USA) Corp.
- (34) Subsidiary of Broad Street Lessors LLC.
- (35) Subsidiary of Olpek Ltd.
- (36) Subsidiary of Stroylnkom-K. (99%) and AFI Rus LLC (1%)
- (37) Subsidiary of Africa Israel Trade and Agencies Ltd.
- (38) Associate of Flamingo Ltd.
- (39) Investee of Africa Israel Communications Ltd.
- (40) Subsidiary of AI Properties and Developments (USA) Corp (64%) and AI Broad Corp.
- (41) Subsidiary of AI 229 West 43rd Street Member LLC.
- (42) Subsidiary of Packer N. Steel Ltd.
- (43) Subsidiary of Packer YDPZ Metals Ltd.
- (44) Subsidiary of Intrastar International Ltd.
- (45) Investee of Danya Cebus Ltd.
- (46) Subsidiary of AI Holdings (USA) Corp.
- (47) Subsidiary of Paclet YDPZ Profiles Ltd.
- (48) Investee of Negev Ceramics Marketing (1982) Ltd.
- (49) Subsidiary of Haifa Quarries Ltd.
- (50) Subsidiary of Earsfield Special Steels B.V.
- (51) Subsidiary of Earsfield Steels Limited.
- (52) Investee of AI FM 229 43rd Street JV Holdings LLC.
- (53) Subsidiary of AI & Boymelgreen Gowanus LLC.
- (54) Subsidiary of Airport City Belgrade d.o.o.

- (55) Subsidiary of Intrestar International Ltd. (85%) and Galway Consolidated Ltd. (15%).
- (56) Subsidiary of Hegemony Ltd.
- (57) Subsidiary of AFI Ukraine Ltd.
- (58) Subsidiary of Inscribe Ltd.
- (59) Subsidiary of Africa Israel Financial Properties and Strategies Ltd.
- (60) Subsidiary of Beslavile Management Ltd.
- (61) Subsidiary of Faringer Enterprises Ltd.
- (62) Subsidiary of Grifasi Investment Ltd.
- (63) Subsidiary of AI Phoenix LLC.
- (64) Subsidiary of Spring-Lafayette LLC.
- (65) Subsidiary of 15 Broad Street Managers LLC.
- (66) Subsidiary of 85 Adams Street Managers LLC.
- (67) Subsidiary of 20 Pine Street Managers LLC.
- (68) Subsidiary of AI Arizona Inc.
- (69) Subsidiary of 14 Wall Street Mezz LLC.
- (70) Subsidiary off Spring Street Commercial Owners LLC.
- (71) Subsidiary of 14 Wall/Spring Mezz LLC.
- (72) Subsidiary of AI Florida Holdings Inc.
- (73) Subsidiary of Olympia Florida LLC.
- (74) Subsidiary of AI Nevada Holdings Inc.
- (75) Investee of AI Broad Corp.
- (76) Subsidiary of AI Nevada Holdco LLC.
- (77) Subsidiary of Africa Israel of Florida LLC.
- (78) Investee of Aphthorp Management LLC.
- (79) Investee of AI Aphthorp LLC.
- (80) Proportionately consolidated company of AILA Copr.
- (81) Investee of AFI Europe N.V.
- (82) Subsidiary of Controceni Investment Ltd.
- (83) Direct and indirect investee of 14 Wall.Spring Mezz LLC.
- (84) Subsidiary of B.R. Holdings SIA.
- (85) Investee of AFI Wilanow Holdings B.V.
- (86) Subsidiary of Rognerstar Finance Ltd.
- (87) Subsidiary of Buildola Properties ltd.
- (88) Subsidiary of 14 Wall Street Holdings 1 LLC.
- (89) Subsidiary of Keyiri Trade & Invest Ltd.
- (90) Subsidiary of Bioka Investments Ltd.
- (91) Subsidiary of Bundle Trading Ltd.
- (92) Subsidiary of Hermielson Investments Ltd.
- (94) Shares of this company are traded on the New York Stock Exchange.
- (95) Investee of Ultrainvest,Ultrastroy,Inzhstroy LLC.
- (96) Subsidiary of Slytherin Development Ltd.
- (97) Subsidiary of Severus Trading Ltd.
- (98) Subsidiary of Christall Development LLC.
- (99) Subsidiary of Maystroy LLC.
- (100) Investee of Extra Plus LLC.
- (101) Subsidiary of Beslaville Management Ltd.
- (102) Subsidiary of Talena Development Ltd.
- (103) Investee of Or Avner LLC.
- (104) Investee of Africa Israel Investment House Ltd.
- (105) Subsidiary of AFI Europe N.V.
- (106) Investee of Krusto Enterprises Limited.
- (107) Subsidiary of Danya Cebus Cyprus Ltd.
- (108) Investee of Jaquetta Investments ltd. and Amakri Management Ltd.
- (109) Investee of AI Myrtle Beach LLC.

- (110) Subsidiary of HRPV-I.
- (111) Investee of AI Fulton LLC.
- (112) Subsidiary of HRP Myrtle Beach Partners LLC.
- (113) Investee of HRP Myrtle Beach Holdings LLC.
- (114) Investee of LBN Management LLC.
- (115) Investee of LB Herald Venture LLC.
- (116) Investee of Negev Ceramics Ltd.
- (117) Investee of Packer Steel Industries Ltd.
- (118) Subsidiary of Afrinam LLC.
- (119) Subsidiary of Armon Hahegmon (Kasar el Motoran) Ltd.

Africa Israel Investments Ltd.
Investments in Subsidiaries and Related Companies
December 31, 2011

Appendix B

Company	NIS thousands	Loans and capital notes
Kalia Investments & Development Ltd. of The North Dead Sea Ltd.	2,327	Shareholders' loan, CPI-linked, bearing no interest. Maturity date has not been determined.
Kalia Investments & Development Ltd. of The North Dead Sea Ltd.	68	Unlinked capital note, bearing no interest. Maturity date has not been determined.
Renanot Enterprises and Investments Ltd.	6,597	Shareholders' loan, CPI-linked, bearing no interest. Maturity date has not been determined.
Afriram Ltd.	27,665	Shareholders' loan, CPI-linked, bearing interest of 4% per year. Maturity date has not been determined.
Savyon Nurseries	8,612	Shareholders' loan, linked to the exchange rate of the USD.
Africa Israel International Investments (1997) Ltd.	205,736	Unlinked capital note, bearing no interest. Repayment date has not been determined. Issued on January 1, 2008. Maturity date not before January 2, 2013.
Africa Israel International Investments (1997) Ltd.	1,790,125	Unlinked capital note, bearing no interest. Issued on July 1, 2008. Maturity date not before July 2, 2013.
Africa Israel International Investments (1997) Ltd.	814,540	Unlinked capital note, bearing no interest.. Issued on October 1, 2008. Maturity date not before October 2, 2013.
Africa Israel International Investments (1997) Ltd.	16,378	Unlinked capital note, bearing no interest. Issued on December 30, 2008. Maturity date not before December 31, 2013.
Africa Israel International Investments (1997) Ltd.	610,307	Constituting 64 capital notes, unlinked and not interest bearing, issued on July 1, 2011, maturity date will be July 2, 2016.
Africa Israel Hotels Ltd.	29,259	Shareholders' loan, CPI-linked, bearing 1.8% interest. Maturity date has not been determined.
Africa Israel Hotels Ltd.	906	Unlinked shareholders' loan, bearing 3.3% interest. Maturity date has not been determined.
Africa Israel Financial and Strategic Properties Ltd.	1,870	Unlinked shareholders' loan, bearing 3.8% interest. Maturity date has not been determined.
Africa Israel Properties Ltd.	24,129	Shareholder's loan, linked to the known index and repayable upon demand.

Africa Israel Investments Ltd.
Investments in Subsidiaries and Related Companies
December 31, 2011

Appendix B

Company	NIS thousands	Loans and capital notes
Vash Telecanal Ltd.	9,037	Unlinked capital note, not bearing interest, repayable on demand.
Vash Telecanal Ltd.	22,500	Unlinked capital note, not bearing interest, issued in September 2009. Maturity date not before September 2014.
Vash Telecanal Ltd.	750	Unlinked capital note, not bearing interest, issued in September 2009. Maturity date not before October 2014.
Vash Telecanal Ltd.	1,100	Unlinked capital note, not bearing interest, issued in November 2009. Maturity date not before October 2014.
Vash Telecanal Ltd.	2,850	Unlinked capital note, not bearing interest, issued in January 2010. Maturity date not before January 2015.
Vash Telecanal Ltd.	1,150	Unlinked capital note, not bearing interest, issued in February 2010. Maturity date not before February 2015.
Vash Telecanal Ltd.	1,100	Unlinked capital note, not bearing interest, issued in March 2010. Maturity date not before March 2015.
Vash Telecanal Ltd.	1,050	Unlinked capital note, not bearing interest, issued in May 2010. Maturity date not before May 2015.
Vash Telecanal Ltd.	550	Unlinked capital note, not bearing interest, issued in June 2010. Maturity date not before June 2015.
Vash Telecanal Ltd.	550	Unlinked capital note, not bearing interest, issued in July 2010. Maturity date not before July 2015.
Vash Telecanal Ltd.	1,100	Unlinked capital note, not bearing interest, issued in August 2010. Maturity date not before August 2015.
Vash Telecanal Ltd.	550	Unlinked capital note, not bearing interest, issued in September 2010. Maturity date not before September 2015.
Vash Telecanal Ltd.	550	Unlinked capital note, not bearing interest, issued in November 2010. Maturity date not before November 2015.
Vash Telecanal Ltd.	750	Unlinked capital note, not bearing interest, issued in December 2010. Maturity date not before December 2015.
Vash Telecanal Ltd.	885	Unlinked capital note, not bearing interest, issued in January 2011. Maturity date not before January 2016.
Vash Telecanal Ltd.	800	Unlinked capital note, not bearing interest, issued in February 2011. Maturity date not before February 2016.
Vash Telecanal Ltd.	180	Unlinked capital note, not bearing interest, issued in March 2011. Maturity date not before March 2016.
Vash Telecanal Ltd.	180	Unlinked capital note, unlinked capital note. Issued in April 2011. Maturity date not before April 2016.

Vash Telecanal Ltd.	180	Unlinked capital note, unlinked capital note. Issued in June 2011. Maturity date not before June 2016.
Vash Telecanal Ltd.	291	Unlinked capital note, unlinked capital note. Issued in June 2011. Maturity date not before June 2016.
Vash Telecanal Ltd.	72	Unlinked capital note, unlinked capital note. Issued in June 2011. Maturity date not before June 2016.
Vash Telecanal Ltd.	118	Unlinked capital note, unlinked capital note. Issued in June 2011. Maturity date not before June 2016.
Vash Telecanal Ltd.	719	Unlinked capital note, unlinked capital note. Issued in June 2011. Maturity date not before June 2016.
Vash Telecanal Ltd.	180	Unlinked capital note, unlinked capital note. Issued in July 2011. Maturity date not before July 2016.
Vash Telecanal Ltd.	500	Unlinked capital note, unlinked capital note. Issued in August 2011. Maturity date not before August 2016.
Vash Telecanal Ltd.	800	Unlinked capital note, unlinked capital note. Issued in September 2011. Maturity date not before September 2016.
Africa Israel Communications Ltd.	11,413	Shareholders' loan, linked to the exchange rate of the USD, bearing interest at the rate of 6.5%. Maturity date not determined.
Derech Eretz Telecom Ltd.	5,368	Shareholders' loan, linked to the exchange rate of the USD, bearing interest at the rate of 6%. Maturity date not determined.

Appendix C

Africa Israel Investments Ltd.
Changes in Investments in the Reporting Period
January 1, 2011 - December 31, 2011
(in NIS Thousands)

1. In the period of the report, dividends were received from the companies as follows:

Name of Company	Company's Share in the Dividend
Derech Eretz Management Corporation Ltd.	4,288
E.L.A. Management and Operation (2005) Ltd.	215
Africa Israel Industries Ltd.	22,980

2. Acquisition of rights not conferring control in AFI Development - in January 2011 an agreement was signed for acquisition of the entire holdings of foreign companies under the control of the Partner, in the activity in the CIS of a company group, in Afi Development, constituting 9.7% of the capital and voting rights of AFI Development in consideration for payment of USD 129 million (of the aforementioned amount, approximately 45 million dollars was offset against the balance of the loan provided by the Partner prior to the AFI Development offering). The acquisition was actually completed in several stages which took place in 2011. See Note 7A(2)(c) of the Financial Statements as at December 31, 2011.
3. Sale of rights in Africa Israel Finance and Strategic Properties Ltd. (hereinafter - AFI Finance) - in January a transaction was completed for sale of 30% of the issued share capital of AFI Finance in consideration of payment of NIS 250 thousands. Additionally as part of the transaction, further shares of AFI Finance (constituting 20% of the issued share capital of AFI Finance) were transferred to a Trustee, this being part of the incentive scheme for senior employees of AFI Finance. See Note 7K(6) to the Financial Statements as at December 31, 2011.
4. Return of investment in Savyone Lp Co: A sum of NIS 1,042 thousand was received on September 22, 2011. A sum of NIS 321 thousand was received on December 22, 2011.

Appendix D

Africa Israel Investments Ltd.
Income of Subsidiaries and Related Companies and Income from them

	Income (loss) before tax	Income (loss) ¹⁴ after tax	Dividend received up to the date of the statement of financial position ¹⁵	Dividend received after the date of the statement of financial position	Manage- ment fees received up to the date of the statement of financial position	Manage- ment fees received after the date of the statement of financial position	Interest received by the Company or that it is entitled to receive from any company
Africa Israel Properties Ltd.*	92,229	(9,269)	--	--	3,481	--	604
Cebus Rimon Industries Building and Development Ltd.	185	65	--	1,814	--	--	--
Africa Israel (Financing) 1985 Ltd.	768	768	--	--	--	--	1,617
Africa Israel Trade & Agencies Ltd.*	45,642	45,394	--	--	--	--	--
Danya Cebus Ltd.*	80,005	119,548	--	--	962	--	--
E.M.T. Neve Savyon Ltd.	(113)	(113)	--	--	--	--	--
Africa Israel Hotels Ltd.*	(35,253)	(37,261)	--	--	292	--	2,610
Africa Communications Ltd.*	(2,995)	(2,995)	--	--	--	--	1,480
Afi Development Plc	863,035	623,866	--	--	--	--	--

* Includes subsidiaries and investee companies owned by this company.

¹⁴ The data, including for companies not wholly owned by the Company, refer to the comprehensive income of the subsidiary or the related company.

¹⁵ The data relate to the Company's share.

Africa Israel Investments Ltd. December 31, 2011

	Income (loss) before tax	Income (loss)¹⁶ after tax	Dividend received up to the Reporting Date¹⁷	Dividend received after the Reporting Date	Manage- ment fees received up to Reporting Date	Manage- ment fees received after Reporting Date	Interest received by the Company or that it is entitled to receive from any company
Africa Israel International Investments (1997) Ltd.*	149,510	140,609	--	--	26,480	--	45,996
Africa Israel Industries Ltd.*	87,167	76,318	22,980	--	357	--	--
Bat Savyon Ltd.	(224)	(224)	--	--	--	--	--
Vash Telecanal Ltd.	(5,652)	(5,652)	--	--	--	--	--
Savyone LP	(281)	(281)	--	--	--	--	--
Derech Eretz Management Corporation Ltd.	23,948	18,256	4,288	--	--	--	--
Africa Israel Financial Properties and Strategies Ltd. *	3,062	3,062	--	--	100	--	--
ALA Management and Operations (2005) Ltd.	(1,595)	(943)	--	--	200	--	194
Kalia Investments & Development Ltd. of The North Dead Sea Ltd.	--	--	--	--	--	--	49
MTS Ltd.	--	--	--	--	--	----	--
Afiram Ltd.	(3)	(3)	--	--	--	--	1,629
Advanced Solutions Road Systems Ltd.	(17)	(17)	--	--	--	--	--
Netivei Hacarmel Systems and Operations Ltd.	6,136	4,678	--	--	--	--	--
Netivei 431 Operations and Control Ltd.	938	710	--	--	--	--	--
Road Systems Section 18 Ltd.	62	62	--	--	--	--	--
Derech Betuha Bakvishim Ltd.	1,745	1,351	--	--	--	--	--
Road Systems Advanced Solutions Ltd.	1,562	1,186	--	--	--	--	--
Derech Hatzafon Operations and Control Ltd.	1,432	1,097	--	--	--	--	--

* Includes subsidiaries and investee companies owned by this company.

¹⁶ The data, including for companies not wholly owned by the Company, refer to the comprehensive income of the subsidiary or the related company.

¹⁷ The data refer to the Company's share.

Appendix E - Holdings of Interested Parties and Executive Officers**Holdings in the Company's ordinary shares**

Interest party and/or officer	Position with the Company	On or about the Reporting Date	Holding ¹⁸	Holding (fully diluted) ¹⁹
Lev Leviev ²⁰	Chairman of the Board	55,943,764.12	47.27%	46.97%
Rami Guzman	External director	203.29	0%	0%
Shlomo Borochoy	Director	5,295	App. 0%	App. 0%
Menashe Sagiv	CFO	452	App. 0%	App. 0%
Hermetic Trust (1975) Ltd. ²¹	-	9,917,124	App. 0%	App. 0%
The Company		2,539,002	App. 0%	App. 0%

Holdings in the Company's Option Warrants

Name of Interested party and/or officer	Position with the Company	On or about the Reporting Date	Holding ²²	Holding (fully diluted) ²³
Avinadav Grinshpon	Deputy Chairman of the Board	168,750	0%	App. 0.14%
Izzi Cohen	CEO	283,875	0%	App. 0.24%
Menashe Sagiv	CFO	236,694	0%	App. 0.2%
Shaul Debi	Internal Auditor	82,843	0%	App. 0.07%
Ronit Cohen-Nissan	Comptroller	82,843	0%	App.0.07%

¹⁸ Holding is less Agreed Relief Shares held by the Trustee, as stated in Footnote 19 hereinafter, and which constitute dormant shares as long as they are held by the Trustee.

¹⁹ Holding is less Agreed Relief Shares held by the Trustee, as stated in Footnote 19 hereinafter, and which constitute dormant shares as long as they are held by the Trustee.

²⁰ Holdings mean, including through companies wholly owned and controlled by Mr. Lev Leviev.

²¹ For information on the holdings of Hermetic Trust (1975) Ltd. (hereinafter, "**The Trustee**") in these shares, which constitute "the Agreed Relief Shares" as stated in the Arrangement, see Section 1.1.6.2(h) to the Chapter "Description of the Company's Business." According to the terms of the Arrangement, the Trustee will hold the Agreed Relief Shares for the controlling owner and/or any part on his behalf, the New Boldholders as stated above, and the Company, all as set forth in detail in the Arrangement. As long as the Agreed Relief Shares are held by the Trustee they shall constitute dormant shares that do not confer to the holder thereof any rights in the equity, the voting rights and the Company (including a right to receive dividends) and/or any other right (including the right to participate in a rights issue).

²² Holdings are less the Agreed Relief Shares which are held by the Trustee as stated in Footnote 19 above, and which constitute dormant shares as long as they are held by the Trustee.

²³ Holdings are less the Agreed Relief Shares which are held by the Trustee as stated in Footnote 19 above, and which constitute dormant shares as long as they are held by the Trustee.

Holdings in the Company's Series Z bonds

Interested party and/or officer	Position with the Company	On or about the Reporting Date
Rami Guzman	External director	54,526
Shlomo Borochoy	Director	244,897

Holdings in the ordinary shares of Africa Properties

Interest party and/or officer	Position with the Company	On or about the Reporting Date
Rami Guzman	External director	17.41

Holdings in AFI Developments' GDRs and Class B shares

Interest party and/or officer	Position with the Company	On or about the Reporting Date
Rami Guzman	External director	478

Holdings in AFI Development's option warrants

Interest party and/or officer	Position with the Company	On or about the Reporting Date
Avinadav Grinshpon	Deputy Chairman of the Board	254,310

Appendix FRegulation 26: The Company's Directors as at the Report Date

- A. Name: **Lev Leviev, Chairman of the Board of Directors.**
- B. I.D. No.: 014224497.
- C. Date of Birth: July 30, 1956.
- D. Address for service of court process: 10 Compton Avenue, London, UK.
- E. Citizenship: U.K. (resident)
- F. Membership on committees of the Board of Directors: No.
- G. External Director/independent: No.
- H. Employee of the Company, a subsidiary, a related company or an interested party: Chairman of the Company's Board of Directors, Chairman of the Board of AFI Development PLC, a subsidiary of the Company.
- I. Date on which he commenced serving as a director: January 29, 1997.
- J. Education: High school and religious education.
- K. Employment over the past 5 years: Chairman of the Company's Board of Directors, President and owner of the Leviev – LLD Diamonds Ltd. Group, President of the Union of Jewish Communities in the Commonwealth of Nations; President and owner – private businesses.
- L. Other companies in which he serves as a director: Chairman of AFI Development PLC.
- M. Is he a family member of an interested party in the Company – No.
- N. Does he have accounting and financial expertise – No, has professional capabilities.

- A. Name: **Rami Guzman.**
- B. I.D. No.: 01118132.
- C. Date of Birth: March 11, 1939.
- D. Address for service of court papers: 8 Rohama Street, Ramat Gan
- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: Audit Committee, Balance Sheet Committee, Remuneration Committee
- G. External Director/independent: External Director.
- H. Employee of the Company, a subsidiary, related company or interested party: No.
- I. Date on which he commenced serving as a director: August 18, 2008.
- J. Education: Bachelor's degree in Economics and Political science from Hebrew University in Jerusalem. Master's degree in Business Administration and Public Administration from Hebrew University in Jerusalem.
- K. Employment over the past 5 years: Up to 2005 employed as Vice-President of Motorola Inc., director and controller of Motorola Israel Ltd.
Presently active on boards of directors, on investment committees and on exposure committees, engaged in direction of start-up companies and active on government committees in the area of infrastructures and investments.
- L. Other companies in which he serves as a director: Ampa Capital Ltd., Afikon Electro-Mechanics Ltd., Tower Semiconductors Ltd., Israel Infrastructures Fund (Investments Committee), The Israeli Company for Insurance of Foreign Trade Risks Ltd. (Credit Committee), Rami Guzman Initiations and Consulting Ltd., College of Administration, member of the Government Appeals Committee on the Laws of Encouragement of Investments, President of Beit Zvi.
- M. Is he a family member of an interested party in the Company – No.
- N. Does he have accounting and financial expertise – Yes.

- A. Name: **Avinadav Grinshpon, Deputy Chairman of the Board of Directors.**
- B. I.D. No.: 028988715.
- C. Date of Birth: February 15, 1972.
- D. Address for service of court papers: 44 Tagor, Tel-Aviv.

- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: No.
- G. External Director/independent: No.
- H. Employee of the Company, a subsidiary, related company or interested party: CEO of Memorand Management (1998) Ltd., which is an interested party in the Company.
- I. Date on which he commenced serving as a director: August 26, 2005.
- J. Education: Bachelor's degree in Accounting and Business Administration from the College for Administration; CPA.
- K. Employment over the past 5 years: CEO of Memorand Management (1998) Ltd., formerly – CFO of Memorand Management (1998) Ltd., Acting CEO of the Company, Acting CEO of Africa Properties, a subsidiary of the Company.
- L. Other companies in which he serves as a director: Africa Israel Residences Ltd., Africa Israel Properties Ltd., Africa Israel Hotels Ltd., Africa Israel (Financing) 1985 Ltd., , Africa Israel Investment House Ltd., Africa Israel Trade and Agencies Ltd., Africa Israel International Holdings Ltd., Africa Israel International Investments (1997) Ltd., Africa Israel Industries, Bar Savyon, Danya Cebus Ltd., Vash Telecanal Ltd., Marlaz Media 2001 Ltd., Cebus Rimon Building and Development Industries Ltd., Memorand Ltd., Memorand Management (1998) Ltd., Memorand Investment (2000) Ltd., Memorand Financial Management Ltd., Leviev Group Project Management Ltd., Memorand Holdings and Investments Ltd., Seiplins Ltd., Tenderprice Ltd., L.L. Financial Holdings Ltd., Kfar Zvi Sitrin Ltd., and Nimron Investments (2008) Ltd., Al Properties and Developments (USA) Corp., Al Holdings (USA) Corp.
- M. Is he a family member of an interested party in the Company – No.
- N. Does he have accounting and financial expertise – Yes.

- A. Name: **Eitan Haber.**
- B. I.D. No.: 08156838.
- C. Date of Birth: March 12, 1940.
- D. Address: 19 Ben-Zvi Blvd., Ramat-Gan.
- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: No.
- G. External Director/independent: No.
- H. Employee of the Company, a subsidiary, related company or interested party: No.
- I. Year in which he commenced serving as a director: December 31, 2004.
- J. Education: High school.
- K. Employment over the past 5 years: Commentator and Columnist in the “Yediot Aharonot” newspaper, businessman.
- L. Other companies in which he serves as a director: Geo-Pool Ltd., The Israel Experience Ltd. (Jewish Agency).
- M. Is he a family member of an interested party in the Company – No.
- N. Has accounting and financial expertise: No. Has professional qualifications.

- A. Name: **Tzipora Samet.**
- B. I.D. No.: 008962581.
- C. Date of Birth: March 5, 1946.
- D. Address for service of court papers: 29 Even Shmuel, Jerusalem
- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: Audit Committee, Balance Sheet Committee, Remuneration Committee.
- G. External Director/independent: External Director.
- H. Employee of the Company, a subsidiary, related company or interested party: No.
- I. Date on which she commenced serving as a director: June 30, 2009.
- J. Education: Bachelor's degree in Economics and Mathematics from Hebrew University in Jerusalem. Master's degree in Economics from Hebrew University in Jerusalem.
- K. Employment over the past 5 years: Consultant to Bank Leumi L'Israel Ltd. regarding set up of a system for pension consulting (2006–2007), President of Adif College for Insurance, Pension and Financial Studies (2005–2007), external director of Discount Bank of Israel Ltd. (2003–2009).
- L. Other companies in which she serves as a director: Bank Leumi Israel Ltd., New Schahar Group Ltd., Meirav Yaniv Pension Consulting Ltd., Chairman of the Investments Committee of Capital Sourcing

Company Ltd.

- M. Is she a family member of an interested party in the Company – No.
- N. Does she have accounting and financial expertise – Yes.

- A. Name: **Shmuel Shkedi**.
- B. I.D. No.: 1093913.
- C. Date of Birth: November 16, 1948.
- D. Address for service of court papers: 606/6 Hadaf Hayomi, Jerusalem.
- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: Audit Committee.
- G. External Director/independent: No.
- H. Employee of the Company, a subsidiary, related company or interested party: No.
- I. Date on which he commenced serving as a director: March 27, 2005.
- J. Education: BA in Economics from Hebrew University in Jerusalem.
- K. Employment over the past 5 years: Deputy Mayor of Jerusalem, Responsible for the Office of Education in Jerusalem.
- L. Other companies in which he serves as a director: None.
- M. Is he a family member of an interested party in the Company – No.
- N. Does he have accounting and financial expertise – No. Has professional qualifications.

- A. Name: **Emmanuel Lazovik**.
- B. I.D. No.: 061759643
- C. Date of Birth: January 13, 1950.
- D. Address for service of court papers: 44 Borochov Street, Hertzliya.
- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: Audit Committee, Balance Sheet Committee, Remuneration Committee.
- G. External /Independent Director: Independent Director
- H. Employee of the Company, a subsidiary, related company or interested party: No.
- I. Date on which he commenced serving as a director: July 12, 2010.
- J. Education: Certified Public Accountant by the Institute of Public Accountants.
- K. Employment over the past 5 years: CEO Real Estate Housing and Construction Ltd (formerly Shikun Ovdim Ltd.) (2006-2008), CFO of Housing and Construction Holdings, Ltd., (2005-2007)
- L. Other companies in which he serves as a director: External Director in Elco Holdings Ltd.
- M. Is he a family member of an interested party in the Company – No.
- N. Does he have accounting and financial expertise – Yes.

- A. Name: **Shlomo Borochov**.
- B. I.D. No.: 016741431
- C. Date of Birth: August 9, 1941.
- D. Address for service of court papers: 58 Be'eri Street, Rehovot.
- E. Citizenship: Israeli.
- F. Membership on committees of the Board of Directors: Balance Sheet Committee, Remuneration Committee.
- G. External Director/Independent: Independent Director:
- H. Employee of the Company, a subsidiary, related company or interested party: No.
- I. Date on which he commenced serving as a director: December 30, 2010..
- J. Education: Academic: M.A. Chemistry, Samarkand National University.
- K. Employment over the past 5 years: external director in Polgat Ltd., external director in Danya Cebus, Ltd. (2000-2006), member of the executives of the Israel-Russia and Israel-Ukraine Chambers of Commerce. Businessman.
- L. Other companies in which he serves as a director: None.
- M. Is he a family member of an interested party in the Company – No.
- N. Does he have accounting and financial expertise – Yes.

Appendix F

Register of Shareholders

For details see the Immediate Report published by the Company on February 29, 2012 (Documentary Reference 2012-01-055380). This reference constitutes inclusion by way of reference, of the information included in relation thereto, in the said Report.

Appendix H

The Company's Separate Financial Statement