



July 29, 2018

Azrieli Group and Bank Leumi Sell their Holdings in Leumi Card

Azrieli Group reported today its engagement, together with Bank Leumi, in an agreement for the sale of all of their holdings in Leumi Card (the Company holds 20%) to the Warburg Pincus investment fund for NIS 2.5 billion. The Company's share in the consideration is NIS 500 million.

The agreement stipulates that the amount of the consideration is unadjusted, except for the possibility of adjustment to a dividend distribution, insofar as Leumi Card distributes a dividend to its shareholders in the period up to the transaction closing date.

The consideration will be paid in three installments: NIS 1,047 million will be paid on the transaction closing date; NIS 342 million will be paid one year after the closing date; and the balance of NIS 1,111 million will be paid two years after the closing date.

The agreement includes several conditions precedent, including the receipt of the regulatory approvals required by law. A three-month period is set for the fulfillment of the conditions precedent, with an option to extend the period by three additional months at the request of any of the parties, after which the Bank will be able to extend the period by three additional months. If the transaction is not closed by December 31, 2018, the consideration will bear, as of January 1, 2019, annual interest at the rate of 8% until the transaction is closed.

Subject to its closing, the transaction is not expected to have a material effect on the Company's net profit and comprehensive income, and, given the conditions precedent on which the agreement is contingent – there is no certainty that the transaction will be closed.

Eyal Henkin, CEO of Azrieli Group said: “The transaction for the sale of Leumi Card is another step forward in the implementation of the Group’s strategy of focusing its operations on income-producing real estate by selling the non-core businesses, as the Group has successfully done in recent years. We will continue to work for the development and expansion of the income-producing real estate operations by acquiring and developing new properties and land while upgrading and expanding existing properties, as recently announced with respect to the project planned for the Azrieli Jerusalem Mall.”

For additional information:

Adi Molcho-Weinstein, Head of Investor Relations, Azrieli Group

Office: 03-6081781; Mobile: 054-5608014; Email: adim@azrieli.com