

**Shufersal Ltd.
(Formerly Super Sol Ltd.)**

Periodic Report for the Three Months Ended March 31, 2009

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Condensed Board of Directors' Report to the Shareholders

Condensed Consolidated Financial Statements as at March 31, 2009

Shufersal Ltd.

We are pleased to present the Report of the Board of Directors of Shufersal Ltd. (**hereinafter – “Shufersal” and/or “the Company”**) for the three months ended March 31, 2009 in accordance with the Israeli Securities Regulations (Periodic and Immediate Reports) – 1970.

A. Principal Information from the Description of the Company's Business

Shufersal is the owner of the largest chain of supermarkets in Israel.

The Company operates in two operating segments that are reported as business segments in its consolidated financial statements.

The retail segment (hereinafter – the retail segment) – The Company's main business is the retail marketing of food and other products in its stores.

The Company operates neighborhood and regional stores offering a broad range of high quality products with an emphasis on customer service; other stores offering a broad range of high quality products with emphasis on discount prices; and stores offering a range of strictly kosher products and other specialty items for various different groups of consumers.

The retail segment also includes the Shufersal credit card activities as well as the production of bakery, frozen and baked products sold, primarily, in the Company's stores.

As at March 31, 2009, the Company has 239 stores covering a total area of about 518 thousand sq.m.

The rental real estate segment – The Company is also active in the rental real estate segment, both directly through the rental of various types of real estate properties, including commercial centers and other assets, as well as by means of investee companies that operate shopping malls and commercial centers, including: Shufersal Bailsol Hashkaot Ltd. (Hatzomet Mall, Kfar-Saba 50% interest in capital and 51% interest in voting rights), Merkaz Hakiryia (Ashdod 1995) Ltd. (50% interest in capital and voting rights) and Bay Heart Ltd. (37% interest in capital and voting rights).

As at March 31, 2009, the total area of the rental space is about 88 thousand sq.m.

The Company's income from rental real estate stems from rentals on leased properties and management fees in respect of management services and the operation of shopping malls.

B. Results of Operations

Analysis of the results for the three months ended March 31 2009 compared with the corresponding period last year

	Results of operations			
	First quarter of 2009		First quarter of 2008	
	%	NIS millions	%	NIS millions
Revenues		2,631		2,585
Gross profit	25.8%	680	27.0%	697
Selling, marketing, administrative, general and other expenses	21.8%	(573)	21.9%	(566)
Operating profit before other income and expenses	4.1%	107	5.1%	131
Other expenses		-		(1)
Increase in value and sale of investment property		-		45
Operating profit after other income and expenses		107		175
Financing income (expenses), net		8		(43)
Taxes on income		(29)		(59)
Group's equity in losses of associated company, net		-		(1)
Earnings for the period		86		72

In the first quarter of 2009, the slowdown in the economic activities continued, which would have been expected to cause a decline in sales. In addition, during this period the level of competition in the retail food area increased and the Passover festival fell much closer to the end of the quarter. The sales in the first quarter increased by 2% compared with the corresponding quarter last year, while the gross profit rate declined by 1.2%. The sales in the retail segment in the first quarter of 2009 amounted to NIS 2,618 million, compared with NIS 2,566 million in the corresponding quarter last year – an increase of NIS 52 million.

The increase in “same store” sales that were in full operation in this quarter compared with the corresponding quarter last year is 1.4%. The sales per sq.m in the Company's stores in the first quarter of 2009 were NIS 5,222, compared with NIS 5,148 in the corresponding quarter last year, – an increase of 1.4%.

The revenues in the rental real estate segment in the first quarter of 2009 amounted to NIS 13 million compared with NIS 19 million in the corresponding quarter last year – a decrease of 32%. The decrease in revenues stemmed mainly from the sale of investment property during 2008.

The total revenues in the retail and rental real estate segments in the first quarter of 2009 were NIS 2,631 million, compared with NIS 2,585 million in the corresponding quarter last year – an increase of 1.8%

The gross profit in the retail segment in the first quarter of 2009 was NIS 675 million compared with NIS 687 million in the corresponding quarter last year – a decrease of NIS 12 million. The gross profit rate was 25.8% in the quarter compared with 26.8% in the corresponding quarter last year.

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The gross profit in the rental real estate segment in the first quarter of 2009 was NIS 5 million compared with NIS 10 million in the corresponding quarter last year – a decrease of NIS 5 million. The decrease in gross profit stemmed from the decrease in revenues as mentioned above.

The Company's total gross profit from the retail and rental real estate segments in the first quarter of 2009 was NIS 680 million, compared with NIS 697 million in the corresponding quarter last year – a decrease of NIS 17 million. The gross profit rate in the first quarter of the year was 25.8%, compared with 27.0% in the corresponding quarter last year.

The Company's total selling, marketing, administrative, general and other expenses in the first quarter of 2009 were NIS 573 million, compared with NIS 566 million in the corresponding quarter last year. The increase in expenses stemmed primarily from an increase in the advertising and marketing expenses. The ratio of expenses to revenues was 21.8% compared with 21.9% in the corresponding quarter last year.

The current operating profit before other income and expenses in the first quarter of 2009 was NIS 107 million, compared with operating profit of NIS 131 million in the corresponding quarter last year – a decrease of NIS 24 million (about 18%). The decrease in the operating profit stemmed from the decrease in the gross profit. The operating profit rate in the quarter before other income and expenses was 4.1%, compared with 5.1% in the corresponding quarter last year.

There was no change in the value of the investment property in the first quarter of 2009, compared with an increase, in the amount of about NIS 45 million, in the corresponding quarter last year. The operating profit after the increase in value and realization of investment property in the first quarter of 2009 was NIS 107 million, compared with operating profit of NIS 175 million in the corresponding quarter last year.

The operating profit before depreciation and amortization (EBITDA) in the first quarter of 2009 was NIS 161 million, compared with operating profit of NIS 188 million in the corresponding quarter last year (not including an increase in value of investment property in the amount of NIS 45 million). The rate of the operating profit before depreciation and amortization in the first quarter of 2009 was 6.1%, compared with 7.3% in the corresponding quarter last year.

The net financing income in the first quarter of 2009 amounted to about NIS 8 million, compared with net financing expenses of NIS 43 million in the corresponding quarter last year. The change in the net financing expenses derived mainly from income stemming from revaluation of hedging transactions, and the impact of the decline in inflation on the Company's linked liabilities (the decline in the "known" index in the first quarter of 2009 was 0.7%, compared with an increase of 0.4% in the corresponding quarter last year).

The tax expenses in the first quarter of 2009 amounted to about NIS 29 million, compared with tax expenses of NIS 59 million in the corresponding quarter last year. The Company's effective tax rate in the first quarter of 2009 was about 25%, compared with about 45% in the corresponding quarter last year. The decline in the tax expenses and the tax rate stems from the fact that in the corresponding quarter last year the Company recorded tax expenses of about NIS 25 million with respect to a sale of shares of Kenyonim in Israel Ltd.

The net earnings in the first quarter of 2009 were NIS 86 million, compared with net earnings of NIS 72 million in the corresponding quarter last year – an increase of about 19%.

The basic and diluted earnings per Company share in the first quarter of 2009 were NIS 0.42, compared with NIS 0.35 in the corresponding quarter last year.

C. Financial Position, Liquidity and Financing Resources

Cash flows from operating activities

Net cash provided by operating activities was NIS 390 million in the first quarter of 2009, compared with NIS 211 million in the corresponding quarter last year. The increase in the cash flows provided by operating activities stemmed mainly the change in the working capital as a result of the impact of the Passover festival that was reflected in the current quarter more than in the corresponding quarter last year and from the receipt of a refund from the insurance company in respect of damage from the prior year.

Cash flows from investing activities

Net cash used in investing activities reached NIS 44 million in the first quarter of 2009, compared with NIS 76 million provided by investing activities in the corresponding quarter last year. The cash used in investing activities in the first quarter of 2009 included mainly acquisition of fixed assets. The cash provided by investing activities in the first quarter of 2008 included mainly the net sale of marketable securities in the amount of about NIS 105 million and, on the other hand acquisition of fixed assets in the amount of NIS 31 million.

Cash flows from financing activities

Net cash used in financing activities amounted to NIS 287 million in the first quarter of 2009, compared with net cash used in financing activities of about NIS 186 million in the corresponding quarter last year. The cash used in financing activities in the first quarter of 2009 included mainly payment of a dividend in the amount of NIS 104 million, repayment of debentures and long-term bank loans in the amount of NIS 91 million and interest paid in the amount of NIS 92 million. The cash used in financing activities in the first quarter of 2008 included mainly repayment of debentures and long-term bank loans in the amount of NIS 102 million and interest paid in the amount of NIS 93 million.

As at the end of the first quarter of 2009, the Company's consolidated net liquid assets (cash, cash equivalents and marketable securities net of short-term bank credit) were NIS 311 million, compared with NIS 438 million at the end of the corresponding quarter last year (the total net liquid assets at the end of the prior year amounted to NIS 248 million).

Financial ratios

As at the end of the first quarter of 2009, the Company had liabilities to banks and to debenture holders, including interest payable (hereinafter – "the Financial Debt"), in the amount of NIS 1,804 million, compared with NIS 1,821 million as at the end of the corresponding quarter last year. The ratio of loans and debentures to the total assets at the end of the first quarter of 2009 was about 32%, compared with about 31% as at the end of the corresponding quarter last year.

(The total Financial Debt at the end of the prior year amounted to about NIS 1,938 million, and ratio of loans and debentures to the total assets was about 36% at the end of the prior year).

The Company's shareholders' equity as at the end of the first quarter of 2009 was NIS 1,232 million, compared with NIS 1,514 million as at the end of the corresponding quarter last year. The decrease is mainly due to distribution of a dividend less the increase in earnings. The ratio of the shareholders' equity to the total assets at the end of the first quarter of 2009 was about 22%, compared with about 26% as at the end of the corresponding quarter last year.

(The total shareholders' equity at the end of the prior year amounted to NIS 1,249 million and the ratio of the shareholders' equity to the total assets at end of the prior year was about 23%).

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Condensed Consolidated Interim Balance Sheets

	March 31 2009 <u>(Unaudited)</u> NIS millions	March 31 2008 <u>(Unaudited)</u> NIS millions	December 31 2008 <u>(Audited)</u> NIS millions
Assets			
Cash and cash equivalents	122	281	63
Marketable securities	189	157	185
Trade receivables	1,294	1,178	1,196
Other receivables	86	* 107	* 144
Current tax assets	3	15	20
Inventory	715	* 721	* 595
Assets classified as held for sale	-	245	-
Total current assets	2,409	2,704	2,203
Long-term loans to others	23	13	23
Long-term loans to an affiliate	48	20	46
Other investments	8	40	8
Investment property	320	334	320
Fixed assets	1,830	* 1,778	* 1,838
Intangible assets and deferred expenses	730	799	734
Prepaid lease fees	133	121	133
Deferred taxes	144	28	146
Right to reimbursement in respect of employee benefits	3	2	2
Total non-current assets	3,239	3,135	3,250
Total assets	5,648	5,839	5,453

* Reclassified. See Note B3.

On behalf of the Board of Directors:

Raphi Bisker, Co-Chairman of the Board of Directors

Shalom Fisher, Co-Chairman of the Board of Directors

Effie Rozenhaus, Chief Executive Officer

Shlomo Zohar, Chief Financial Officer

Date of approval: May 13, 2009

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Balance Sheets

	March 31 2009 <u>(Unaudited)</u> <u>NIS millions</u>	March 31 2008 <u>(Unaudited)</u> <u>NIS millions</u>	December 31 2008 <u>(Audited)</u> <u>NIS millions</u>
Liabilities			
Bank credit	3	39	32
Current maturities in respect of notes	58	59	61
Trade payables	1,731	1,645	1,500
Other payables	624	* 573	* 531
Provisions in respect of claims and legal proceedings	7	6	7
Liabilities classified as held for sale	-	79	-
Total current liabilities	<u>2,423</u>	<u>2,401</u>	<u>2,131</u>
Long-term liabilities			
To banks and others	82	* 54	* 96
In respect of notes	1,689	1,693	1,760
Employee benefits	68	37	61
Other	53	31	58
Company's share of deficit of affiliated company	32	25	32
Deferred taxes	69	84	66
Total non-current liabilities	<u>1,993</u>	<u>1,924</u>	<u>2,073</u>
Equity			
Share capital	239	239	239
Premium on shares	510	500	510
Reserve in respect of available-for-sale financial assets	9	7	3
Treasury shares	(85)	(85)	(85)
Retained earnings	558	851	581
Total equity attributable to equity holders of the Company	<u>1,231</u>	<u>1,512</u>	<u>1,248</u>
Minority interest	<u>1</u>	<u>2</u>	<u>1</u>
Total equity	<u>1,232</u>	<u>1,514</u>	<u>1,249</u>
Total liabilities and equity	<u><u>5,648</u></u>	<u><u>5,839</u></u>	<u><u>5,453</u></u>

* Reclassified. See Note B3.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Income

	Three months ended		Year ended
	March 31	March 31	December 31
	2009	2008	2008
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Revenues			
Sales	2,618	2,566	10,897
Rentals and operation of shopping malls	13	19	65
	2,631	2,585	10,962
Costs			
Cost of sales	1,943	1,879	7,967
Cost of services and operation expenses of shopping malls	8	9	40
	1,951	1,888	8,007
Gross profit	680	697	2,955
Selling and marketing expenses	538	528	2,243
General and administrative expenses	35	38	142
Total selling, marketing, general and administrative expenses	573	566	2,385
Operating profit before other income and expenses	107	131	570
Goodwill adjustments and other expenses	-	(1)	(132)
Other income	-	-	29
Increase fair in value of investment property	-	45	45
Total other income (expenses), net	-	44	(58)
Operating profit after other income and expenses	107	175	512
Financing expenses	(18)	(66)	(262)
Financing income	26	23	58
Financing income (expenses), net	8	(43)	(204)
Company's share in losses of affiliated company, net	-	(1)	(8)
Profit before income taxes	115	131	300
Income taxes	(29)	(59)	(18)
Profit for the period	86	72	282
Attributable to:			
Equity holders of the parent company	86	72	283
Minority interest	-	-	(1)
Profit for the period	86	72	282
	NIS	NIS	NIS
Earnings per share (basic and diluted):			
Basic earnings per share	0.42	0.35	1.38
Diluted earnings per share	0.42	0.35	1.37

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income

	Three months ended		Year ended
	March 31	March 31	December 31
	2009	2008	2008
	(Unaudited)	(Unaudited)	(Audited)
	NIS millions	NIS millions	NIS millions
Profit for the period	86	72	282
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	8	1	(3)
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	(3)	(4)
Defined benefit plan actuarial losses	(8)	-	(26)
Income tax on income and expense recognized directly in equity	-	-	8
Other comprehensive income for the period, net of income tax	-	(2)	(25)
Total comprehensive income for the period	86	70	257
Attributable to:			
Equity holders of the parent company	86	70	258
Minority interest	-	-	(1)
Total comprehensive income for the period	86	70	257

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium	Reserve from available-for-sale financial instruments	Treasury shares	Retained earnings	Total	Minority interest	Total equity
	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions	NIS millions
For the three months ended March 31, 2009 (unaudited)								
Balance as at January 1, 2009 (audited)	239	510	3	(85)	581	1,248	1	1,249
Benefit in respect of options allotted to employees	-	-	-	-	1	1	-	1
Dividend paid (1)	-	-	-	-	(104)	(104)	-	(104)
Total comprehensive income for the period	-	-	6	-	80	86	-	86
Balance as at March 31, 2009	239	510	9	(85)	558	1,231	1	1,232
For the three months ended March 31, 2008 (unaudited)								
Balance as at January 1, 2008 (audited)	239	492	9	(85)	777	1,432	2	1,434
Benefit in respect of options allotted to employees	-	-	-	-	2	2	-	2
Exercise of employee share options	* -	8	-	-	-	8	-	8
Total comprehensive income for the period	-	-	(2)	-	72	70	-	70
Balance as at March 31, 2008	239	500	7	(85)	851	1,512	2	1,514
For the year ended December 31, 2008 (audited)								
Balance as at January 1, 2008 (audited)	239	492	9	(85)	777	1,432	2	1,434
Benefit in respect of options allotted to employees	-	-	-	-	5	5	-	5
Exercise of employee share options	* -	18	-	-	-	18	-	18
Dividend paid (1)	-	-	-	-	(465)	(465)	-	(465)
Total comprehensive income for the period	-	-	(6)	-	264	258	(1)	257
Balance as at December 31, 2008	239	510	3	(85)	581	1,248	1	1,249

The presentation of the statement of changes in equity was changed as a result of the initial implementation of revised IAS 1 in these financial statements. See also Note 3(1)A regarding the initial implementation of new standards.

(1) Net of a dividend to a subsidiary on its shares in the Company.

* An amount lower than NIS 1 million.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

	Three months ended March 31		Year ended
	2009	2008*	December 31
	(Unaudited)	(Unaudited)	2008*
	NIS millions	NIS millions	(Audited) NIS millions
Cash flows from operating activities			
Profit for the period	86	72	282
Adjustments for:			
Depreciation of fixed assets	47	52	205
Amortization of intangible assets and deferred expenses	7	6	31
Income taxes, net	29	59	18
Company's shares in losses of affiliated company, net	-	1	8
Increase in fair value of investment property, net	-	(45)	(45)
Decrease in employee benefits	(3)	(1)	(5)
Capital losses, net	-	1	5
Capital gain on sale of proportionately consolidated investment	-	-	(29)
Financing expenses (income)	(8)	43	204
Benefit in respect of employee stock options allotment	1	2	5
Adjustment of Clubmarket goodwill to profit or loss	-	-	127
Prepaid lease fees	-	-	1
Increase in trade receivables	(94)	(94)	(97)
Decrease (increase) in other receivables	59	(33)	(59)
Increase in inventory	(120)	(135)	(9)
Increase in trade payables	243	202	40
Increase in other payables, provisions and long-term liabilities	155	109	68
Income tax paid, net	(12)	(28)	(132)
Net cash from operating activities	390	211	618
Cash flows from investing activities			
Purchase of fixed assets	(50)	(31)	(224)
Investment in deferred expenses and intangible assets	(3)	(2)	(15)
Purchase of marketable securities	(16)	(74)	(218)
Proceeds from sale of marketable securities	20	179	323
Cash paid (received) in respect of futures	4	(4)	7
Proceeds from sale of fixed assets	-	4	8
Long-term loans repayment	-	-	2
Loans granted	-	-	(10)
Loans to affiliated company, net	(2)	(5)	(29)
Investment in investment property	-	-	(14)
Prepaid lease fees	-	-	(13)
Proceeds from sale of investment property	-	-	47
Exercise of option to purchase partnership	-	-	(80)
Acquisition of operation	-	-	(34)
Interest received	3	9	20
Proceeds from sale of proportionately consolidated company	-	-	157
Net cash from (used in) investing activities	(44)	76	(73)

* Reclassified. See Note B3(c)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows (cont'd)

	Three months ended March 31		Year ended
	2009	2008*	December 31
	(Unaudited)	(Unaudited)	2008*
	NIS millions	NIS millions	(Audited)
			NIS millions
Cash flows from financing activities			
Repayment of notes	(61)	(59)	(59)
Dividend paid	(104)	-	(465)
Partners' share in distribution from partnership	-	(6)	(20)
Exercise of stock options by employees	-	8	18
Receipt of long-term loans from banks	-	6	7
Repayment of long-term loans from banks	(30)	(43)	(55)
Change in short-term credit	-	-	(1)
Partners' loans	-	1	4
Interest paid	(92)	(93)	(94)
Net cash used in financing activities	(287)	(186)	(665)
Increase in cash and cash equivalents	59	101	(120)
Balance of cash and cash equivalents at the beginning of the period	63	182	183
Balance of cash and cash equivalents at the end of the period	122	** 283	63

* Reclassified. See Note B3(c).

* Includes balance of cash in respect of an asset classified as held for sale.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

A. Reporting entity

Shufersal Ltd. (hereinafter – the “Company” and/or “Shufersal”) is an Israeli resident company incorporated in Israel. The address of the Company’s registered office is 30 Benyamin Shmotkin Street, Rishon-Le-Zion. The condensed consolidated financial statements of the Group as at March 31, 2009 comprise the Company, its subsidiaries and jointly controlled entities (together referred to as the “Group”) and the Group’s interest in an affiliate. The Company is mainly held by Discount Investment Corporation Ltd. and Bronfman, Fisher, Gad Investments Ltd. The Group primarily is involved in the operation of a chain of supermarkets in Israel. The Company also operates in the area of income-producing property directly through rental of different types of property and through investee companies that operate shopping centers and commercial centers. The securities of the Company are registered for trade on the Tel Aviv Stock Exchange.

B. Basis of preparation**1. Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended December 31, 2008. Furthermore, these financial statements have been prepared in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

These financial statements are presented here in English in condensed form. The Group’s unaudited consolidated interim financial statements in Hebrew containing full notes and the auditors’ review report are available on the Company’s website and on the site of the Securities Authority.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on May 13, 2009.

2. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2008.

3. Change in classification

As at March 31, 2009 the Company reclassified certain items in respect of immaterial amounts as follows:

- a. Items relating to maintenance and spare parts were reclassified from inventory to fixed assets. Comparative amounts were reclassified for consistency, which resulted in NIS 14 million and NIS 12 million as at March 31, 2008 and December 31, 2008, respectively, being reclassified from inventory to fixed assets.
- b. Derivative financial instruments were reclassified from other payables to liabilities to banks and others and to other receivables. Comparative amounts were reclassified for consistency, which resulted in NIS 14 million and NIS 53 million as at March 31, 2008 and December 31, 2008, respectively, being reclassified from other payables to liabilities to banks and others, and to the amount of NIS 3 million as at March 31, 2008 and December 31, 2008 being reclassified from other payables to other receivables.
- c. The Company reclassified the financing expenses in the statement of cash flows that were included in various items of operating activities for the periods ended March 31, 2008 and December 31, 2008, for the purpose of presenting them as separate items.

C. Significant accounting policies

Except as described below in Item (1), the accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2008.

Presented hereunder is a description of the changes in accounting policies that were applied in these condensed consolidated interim financial statements and their effect

(1) Initial implementation of new standards

a. Presentation of financial statements

As from January 1, 2009 the Group implements revised IAS 1, *Presentation of Financial Statements* (hereinafter – the Standard). The Standard allows the presentation of one statement of comprehensive income (a combined statement of income and of other comprehensive income) or two statements – a statement of income and a separate statement of comprehensive income. The Group has chosen to present income and expense items and components of other comprehensive income in two separate statements – a statement of income followed by a statement of comprehensive income. Furthermore, the Group presents a statement of changes in equity immediately after the statement of comprehensive income instead of in the notes. The statement includes changes in equity resulting from transactions with owners of the parent company in their capacity as owners (such as dividends,

transactions with controlling shareholders, issuance of shares and/or options, etc.). The Standard is applied on a retrospective basis.

D. Dividend distribution

On February 9, 2009 the Company decided to distribute a dividend in the amount of NIS 108 million (NIS 104 million net of the dividend to a subsidiary). The dividend (NIS 0.5 per share) was paid on March 4, 2009 to the shareholders on record as at February 18, 2009.

E. Subsequent events

The Company is examining the publication of a shelf registration prospectus on the basis of its financial statements for March 31, 2009. Subject to and after receiving approval to the publication of such a shelf registration prospectus, the Board of Directors shall examine offering securities on its basis. The timing, amount and terms of such offerings have not yet been determined