

March 23, 2005

**Re: Periodic Report for 2004**  
**Securities Regulations (Periodic and Immediate Reports) – 1970**

Pursuant to the Securities Regulations (Periodic and Immediate Reports) – 1970 we are pleased to submit herewith the Company's periodic report for 2004, as follows:

**Name of company** - Africa Israel Properties Ltd.  
**Company number with Registrar of Companies** - 51-056018-8  
**Registered address** - 4, Hachoresh St., Yehud  
**Telephone number** - 03-5393535  
**Facsimile number** - 03-6321730  
**E-mail address** - [Africa@africa-israel.com](mailto:Africa@africa-israel.com)  
**Date of balance sheet** - December 31, 2004  
**Date of report** - March 23, 2005  
**Year of report** - 2004

**Regulation 8a:**      **Description of the Corporation's business**

Attached hereto is a description of the Corporation and its business development in 2004.

**Regulation 9:**      **Financial statements**

Attached hereto is an annual consolidated financial statements of the Company (and its subsidiaries) as at December 31, 2004, prepared in accordance with the Securities' Regulations (Preparation of Annual Financial Statements) – 1993 and audited. The financial statements include the opinion of the Company's auditors dated March 23, 2005.

**Regulation 10:**      **The Board of Directors' report on the State of the Corporation's business**

Attached hereto is the Auditor's Report on the state of the Corporation's business for 2004, as part of the financial statements.

**Regulation 10a:**      **Condensed quarterly statements of income**

Attached hereto is the consolidated statement of income of the Company for each of the quarters in 2004 in reported amounts (in NIS thousands) (see Appendix A).

**Regulation 10c:**     **The use of the proceeds from securities**

As stated in the prospectus, an amount of NIS 206 million from the proceeds on the issue were used to repay shareholders' loans and the balance serves to reduce the credit that the Company took on itself from banks and to make a short-term deposit with banks.

**Regulation 11:**     **The list of investments in subsidiaries and related companies on the balance sheet date**

See Appendix B.

**Regulation 12:**     **Changes and investments in subsidiaries and in related companies during the year of report**

See Appendix C.

**Regulation 13:**     **Revenues of subsidiaries and related companies and the Company's revenues from them on the balance sheet date**

See Appendix D.

**Regulation 14:**     **List of Groups of balances of loans given on the balance sheet date, if the granting of loans is one of the Corporate's main businesses**

None.

**Regulation 20:**     **Trading on the Stock Exchange**

On October 3, 2004, trading started on the Company's securities. During the period of the report there was no discontinuation of trading of the Company's securities.

**Regulation 21:**     **Payments to senior officers**

The senior officers in the Company are employed according to management agreement signed between the Company and Africa Investments on July 27, 2004. Therefore, these officers are not entitled to salaries from the Company.

On September 13, 2004, the Company's Board of Directors decided to approve a plan to allot options to officers, directors, employees of the subsidiary and employees of the Africa Investments Group, as detailed in Clause 3.1 in the chapter describing the Corporation's business in this report.

Noting what is said above the following are details of the five highest payments paid to senior officers in the Company.

<b>Officer</b>	<b>Position</b>	<b>Salary to the officer (in NIS thousands)</b>	<b>Additional payments to the officer</b>
Yosi Levin	Director	-	32,400 option warrants*
Beny Cohen	Director	-	32,400 option warrants*
Avi Nota	Director	-	32,400 option warrants*
Avi Barzilay	VP Finance and Director	-	25,200 option warrants*
Chanan Bartal	Director	-	12,600 option warrants*

- (\*) Each of the options can be exercised to one ordinary share of the Company of NIS 1 par value. The addition for exercising every option is 90% of the average opening rates on the stock exchange during the period of 30 days of trading, starting from the date of listing the Company's shares for trading on the stock exchange, and is linked to the consumer price index. In the event of exercising the options the full quantity of these shares exercised will not be issued but only the number of shares which reflect the benefit component in the options exercise, as calculated on the date of exercising those options.

A third of the total option granted may be exercised at the end of three years from the date of the allotment of the options - for a period of three years from the date on which these options may be exercised.

A third of the total of the options granted may be exercised at the end of four years from the date the allotment of the options - for a period of two years from the date on which they may be exercised and a third of the total amount of the options granted may be exercised at the end of five years from the date of the allotment of the options - for a period of one year from the date on which they may be exercised.

Each of the employees to whom options were given will not have any rights as shareholders of the Company and this as long as this employee does not exercise the option granted to him to receive shares, and the exercised shares were allotted to him.

In the event of the termination of the employer/employee relationships between the employee to whom options of the Company or the subsidiary of the Company or the parent company of the Company have been granted, the options will expire and this apart from exceptions stated in the options program.

**Regulation 22:**      **Salaries and benefits**

According to an agreement of July 27, 2004 between the Company and Africa Investments, Africa Investments provides the Company with management services, consulting and accompaniment (hereinafter - “the management services”) in connection with the Company’s Group and this in consideration for payments as determined in this agreement. For the management services contract by Africa Investments during 2004 the Company paid Africa Investments an amount of NIS 17,669 thousand. In addition the Company during 2004 paid external directors director fees of NIS 8,000.

Regarding transactions with interested parties, see Note 27 to the financial statements.

**Regulation 24:**      **Convertible shares and securities held by interested parties**

To the best of the Corporation’s knowledge, interested parties in the Company hold shares and convertible securities in the Company and in subsidiaries correct as of the date as close as possible to the date of the Report as detailed in Appendix E.

**Regulation 24a:**      **Authorized, issued and paid up share capital**

The authorized share capital 20,000,000 ordinary shares of NIS 1 par value each.

The issued share capital 12,000,000 ordinary shares of NIS 1 par value each.

The dormant shares: There are no dormant shares.

Capital issued less dormant shares: 12,000,000 ordinary shares of NIS 1 par value each.

**Convertible securities of the Corporation as at December 31, 2004:**

- 1,000,000 registered options warrants (Series 1) which can be exercised to 1,000,000 ordinary shares of NIS 1 par value each of the Company on every trading day as of the date of registering these options warrants for trading on the stock exchange until December 31, 2007 (inclusive) so that every option warrant (Series 1) may be exercised for one ordinary share of NIS 1 par value against payment of the exercise price of NIS 130 for each option warrant, linked to the index, subject to adjustments. An option warrant (Series 1) not exercised until the end of the exercise period will expire and will not give its holder any rights whatsoever.
- NIS 150,660,700 par value of registered bonds (Series B) of the Company repayable in four annual equal installments. The bonds are linked to the consumer price index and bear interest

at a rate of 4.65 7% p.a. which will be paid once a year. The bonds can be converted to ordinary shares of NIS 1 par value each of the Company in such a way that by September 18, 2006 every NIS 130 par value of bonds can be converted to one ordinary share of NIS 1 par value of the Company and from September 19, 2006 until September 18, 2009 every NIS 145 par value of bonds are convertible to NIS 1 par value of shares of the Company.

- 993,393 registered option warrants (Series 2) which can be exercised to NIS 99,339,300 par value of bonds (Series B) against payment in cash of the exercised price for every option warrant of NIS 95, linked to the index. Option warrant (Series 2) not exercised by September 30, 2005 will expire.

Close to the date of publishing this Report 25,436 options (Series 2) were exercised to 3,543,600 bonds (Series B).

- 235,500 option warrants were issued to officers, directors, an employee of the subsidiary and employees of the Africa Israel Investments Ltd. Group (the Parent Company). The option warrants can be exercised for 235,500 ordinary shares of NIS 1 par value each of the Company (subject to adjustments). The addition for exercising every option warrant is 90% of the average opening rates on the stock exchange for the period of 30 trading days as of the date of listing the Company's shares for trading on the stock exchange, and is linked to the consumer price index. In the event of exercising the option the whole quantity of exercised shares will not be issued but only the quantity of shares reflecting the benefit component in the options exercise, as calculated on the date of exercising those options, as detailed below.
- The Company granted Bank Leumi an option to purchase a quantity of shares of the Company which will comprise 5% of every type of means of control (within the meaning of this term in the Securities Law – 1968) of the Company after the allotment.

**Regulation 26:**      **The Corporation's directors**

See Appendix F.

**Regulation 26a: Senior officers in the Corporation**

Name	I.D. No.	Year of birth	Position in the Company, subsidiary of the Company or an interested party in the Company	Is he a family member of an officer or interested party	Education	Experience in the past 5 years	Date of start of service
<b>Pinchas Cohen</b>	050594365	1951	CEO of Africa Israel Investments Ltd., Chairman of the Board of Directors and CEO of the Company	No	University	CEO Africa Israel Investments Ltd.	2004
<b>Avi Barzilay</b>	058349788	1963	VP Finance of the Company and Director	No	University	As of Dec. 2000 Head of Finance of the Revenue Producing Properties Division of Africa Israel Investments Ltd. Prior to that, served as the Head of finance of the Red Sea Hotels Construction Group	2001
<b>Jacques Zimmerman</b>	11829090	1968	Company Secretary and Company Secretary of the Africa Israel Investments Group Ltd.	No	University	Company Secretary, Deputy and Acting Secretary of the Africa Israel Investments Group Ltd.	1999
<b>Uriel Azran</b>	57898876	1962	Internal auditor in the Company and internal auditor of the African Israel Investments Ltd. Group	No	University	Served in his present function	1997

**Regulation 27: The Company's auditors**

The auditors of the Company: Somekh Chaikin – Accountants, of 17 Ha'arba Street, Tel Aviv and Zohar, Zohar & Co. – Accountants of 6 Hayarkon Street, Ramat Gan.

**Regulation 28: Changes in the Memorandum or Articles**

On August 11, 2004 the Memorandum of the Association of the Company was amended in connection with the changes done in the Company's capital. In addition, the wording of the Company's Articles was replaced with a new version.

**Regulation 29:**

**Recommendations and decisions of the Board of Directors**

1. In a special general meeting of shareholders dated August 1, 2004 the following resolutions were passed.
  - a. To approve the allotment of a one voting share of NIS 0.0001 par value each to Africa Israel Investments Ltd. and to approve the allotment of 9,999 voting shares of NIS 0.001 par value to Aframan Nominees Ltd. and all against payment of their market value.
  - b. To combine and redistribute the voting shares in the share capital of the Company which are authorized and issued, subject and after implementation of the aforesaid, so that every 10 voting shares of 0.0001 par value each will be combined and become one voting share of NIS 0.001 par value.
  - c. To change the rights attached to the Company's shares, subject and after implementing the aforesaid as follows:
    - 1) The rights attached to the ordinary shares will be changed and will be made equal to the rights attached to the voting shares in the Company, including and without derogating from the generality of the aforesaid, the ordinary shares will be granted voting rights at general meetings, similar to the voting rights attached to the voting shares.
    - 2) The rights attached to these shares will be changed and will be made equal to the rights attached to the ordinary shares and to the voting shares of the Company including, and without derogating from the generality of the aforesaid, the shares will be granted with deferred voting rights in the general meeting, similar to the voting rights attached to the voting shares, and the rights to receive a dividend similar to the rights to receive a dividend linked to the voting shares.
  - d. Noting the fact that the rights attached to the ordinary shares are completely identical to the rights attached to the voting shares and to the deferred shares, the names of the shares included in the Company's share capital authorized and paid-up - will be changed subject to and after carrying out the aforesaid, so that all the shares detailed above in this clause, will be called from now on the "ordinary shares".

- e. To allot to Africa Israel Investments Ltd., subject to after carrying out the aforesaid, 816 ordinary shares of NIS 0.001 par value each all against the payment of their nominal value.
- f. To combine and redivide the authorized and issued share capital of the Company, subject to and after performing the aforesaid, so that every 1,000 ordinary shares of NIS 0.001 par value each will be combined and become one ordinary share of NIS 1 par value.
- g. To increase the authorized share capital of the Company by 14,880,000 ordinary shares of NIS 1 par value each.
- h. To amend the Company's Memorandum of Association in such a way that clause 4 of the Memorandum of Association of the Company will be cancelled and in its place the following will appear:

“4.	The capital of the Company is NIS 15,000,000 divided into 15,000,000 ordinary shares of NIS 1 each.”
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- i. To amend the Company's Memorandum of Association in such a way that after clause 4 the following will appear:

“5.	The majority required to amend any provision in this Memorandum of Association, which the general meeting is authorized to change, is a majority of all those present at that general meeting, who are authorized to vote and have voted in it without taking into account the votes of those abstained”.
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- j. To amend the present wording of the Company's Articles (hereinafter - “the Present Articles”) and to replace them with a new version of the Company's Articles attached hereto as Appendix A to these minutes (hereinafter - “the New Version”). On the New Version of the Company's Articles coming into force the present version of the Company's Articles will be cancelled.
2. On September 13, 2004 the Special General Meeting of the Company resolved to approve the proposed private plan to allot options of the Company (hereinafter - “the Plan”) according to which the Company will allot according to the terms of the plan, to 15 employees of the Africa Israel Investments Ltd. who fulfill functions in the Company or

provide it with services, and to an employee in a subsidiary, options for the purchase of the Company's shares as detailed in the plan.

3. In a special general meeting of shareholder on September 19, 2004 it was resolved to increase the authorized share capital of the Company by 5,000,000 ordinary shares of NIS 1 par value each, so that the authorized share capital of the Company will aggregate NIS 20,000,000 divided into 20,000,000 ordinary shares of NIS 1 par value each. In addition, it was decided to appoint Ms. Zvia Leviev Arlozarov to the Company's Board of Directors.
4. At a special meeting of the Company's shareholders on January 19, 2005 it was resolved:  
To approve as "a framework transaction", within the meaning of this term in the Company's Articles (Simplifications in Transactions with Interested Parties) – 2000, the engagement of the Company with Africa Israel Financing (1985) Ltd. (hereinafter - "Africa Financing") a company controlled by the Africa Israel Investments Ltd. (hereinafter - "Africa Israel), the controlling shareholder in the Company, in an agreement according to which, from time to time, by mutual agreement, the Company will deposit funds with Africa Finance and from time to time, by mutual agreement, the Africa Finance will deposit funds with the Company. The deposits will be of the "On Call" type for a period not exceeding one year from the date of the deposit and will bear varying annual interest at a rate of prime interest which prevail from time to time with Bank Leumi Le'Israel BM less 1.25% p.a., all this subject to the terms of the financing agreement and the wording that was presented to the meeting (hereinafter - "The Financing Agreement") and subject to the following:
  - The approval of the financing agreement as a "framework transaction" as mentioned above, will be in force for a period of 5 years (unless the financing agreement was cancelled by one of the parties at an earlier date, as detailed in the financing agreement).
  - The maximum amount of deposits that one party will deposit with the other under the financing agreement will be as follows:
    - The maximum amount of the total deposits that Africa Finance will deposit with the Company at any given time, will not exceed the shareholders' equity

of the Company, as exists from time to time as per the Company's financial statements.

- The maximum amount of deposits that the Company will deposit with Africa Finance, at any given time, will not exceed 35% of the Company's shareholders' equity, as exists from time to time as per the Company's financial statements.

For the purpose of this sub clause the amount of the Company's deposits at a given time will be calculated "net", i.e., the total deposits deposited with Africa Finance by the Company less the amount of deposit deposited in the Company by Africa Finance at that time.

**Regulation 29a: The Company's resolutions**

1. A meeting of the Company's shareholders approved giving an undertaking in advance to indemnify officers in the Company in connection with their actions by virtue of their functions as officers in it, including the actions by virtue of them being at the Company's request, officers or other functionaries in any other company in which the Company holds shares, directly or indirectly, in connection with the Prospectus regarding the offer of securities of the Company to the public which the Company intends to publish during September 2004 (hereinafter - "the Prospectus"), provided that the maximum amount of such indemnity will not exceed the amount which is lower than the following two amounts:
  - The amount of total consideration (gross) actually received for the securities offered under the Prospectus, being adjusted, from time to time according to the rate of increase of the consumer price index (hereinafter - "the Index") compared to the index known at the time of publishing the Prospectus.
  - An amount equal in value to 20 million US dollars which will be calculated according to the representative rate in NIS of one US dollar last published by the Bank of Israel, prior to the date of every payment on account of the amount of such indemnity.
  - Everything as detailed and in accordance with the terms detailed in the letter of indemnity whose wording was presented to the meeting.

2. The Company insured the liability of the directors and officers in the framework of a group policy taken out by the Parent Company, Africa Israel Investments Ltd. in amounts of up to 30 million US dollars for every accumulated claim in the framework of a directors insurance policy. This policy will be valid until June 30, 2005.

March 23, 2005

**Africa Israel Properties Ltd.**

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**Pinchas Cohen**  
**Chairman of the Board and CEO**

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**Avi Barzilay**  
**Director and VP Finance**

## Appendix A

### Quarterly statements of income

	<u>1-3/04</u>	<u>4-6/04</u>	<u>7-9/04</u>	<u>10-12/04</u>	<u>For the year ended 31.12.04</u>
	(unaudited )	(unaudited)	(unaudited)	(unaudited)	(audited)
<b><u>Revenues</u></b>					
From leasing and operating properties	56,195	56,345	58,791	60,631	231,962
<b><u>Expenses</u></b>					
From operating and maintaining properties	8,594	7,304	8,768	9,631	34,297
Depreciation and amortization	11,284	11,091	11,346	11,560	45,281
General and administrative	2,675	3,055	3,034	12,483	21,247
Net financing	15,436	12,007	10,907	2,320	40,670
	<u>37,989</u>	<u>33,457</u>	<u>34,055</u>	<u>35,994</u>	<u>141,495</u>
<b>Income from regular operations</b>	18,206	22,888	24,736	24,637	90,467
Other revenues (expenses), net	643	(101)	62	124,384	124,988
<b>Income before tax on income</b>	18,849	22,787	24,798	149,021	215,455
Taxes on income	7,191	4,579	8,971	36,335	57,076
<b>Income after tax on income</b>	11,658	18,208	15,827	112,686	158,379
Company's share of losses in affiliated companies, net	(1,588)	(2,287)	(1,888)	(1,204)	(6,967)
Minority share in income of subsidiaries, net	(789)	(3,951)	(3,015)	(3,072)	(10,827)
<b>Net income for the period</b>	<u>9,281</u>	<u>11,970</u>	<u>10,924</u>	<u>108,410</u>	<u>140,585</u>

**Africa Israel Properties Ltd.  
Appendix B**

**December 31, 2004**  
**Investments in subsidiaries and related companies**

<b>Name of Company and No. of share in the Stock Exchange</b>	<b>Type of share</b>	<b>Number of shares</b>	<b>Par value of shares</b>	<b>Cost in NIS thousands in reported amounts</b>	<b>The Company's share in net profits/losses on date of acquisition in NIS thousands</b>	<b>Value in balance sheet in NIS thousands</b>	<b>Rapid rate of shares by virtue of the voting and power to appoint managers</b>
Af-Sar Ltd.	Ordinary shares of NIS 1 each	4,000	4,000	145,691	22,349	168,040	80%
Meqarqe'e Merkaz Ltd.	Ordinary shares of NIS 0.001 each	2,664,421	2,664,421	33,654	(10,128)	23,526	73.4%
Aviv Mall –Management and Maintenance Ltd. (1)	Ordinary shares of NIS 1 each	100	100	-	512	512	100%
Africa Israel International Properties (2002) Ltd.	Voting shares of NIS 1 each	100	100	-	32,218	32,218	100%
Machzevot Haifa Ltd.	Ordinary shares of NIS 1 each	180,000	180,000	13,071	(15,561)	(2,490)	45%
Givat Savyon Ltd.	Ordinary shares of NIS 0.0001 each	383,350,000	38,335	17,362	72,568	89,930	85%
Kiryat Hamada BeMigdal Ha'Emek Ltd. (2)	Ordinary shares of NIS 1 each	6,000,100	6,000,100	9,129	7,558	16,687	100%
Flamingo Ltd.	Ordinary shares of NIS 0.0001 each	22,000,000	2,200	1,159	(5,940)	(4,781)	100%
One Half Jubilee Ltd.	Ordinary shares of NIS 1 each	50	50	532	(237)	295	50%
Merkaz Savyonim - Management and Maintenance Ltd.	Ordinary shares of NIS 1 each	10	10	-	(650)	(650)	100%
AIEE Overschie B.V. (3) Mekarke'e Merkaz Ltd.	Ordinary shares of euro 226.8901 each	88	19,966.33 Euro	79	5,181	5,260	100%
Adut s.r.o (3)	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	15	4,312	4,327	63%
M.I.C.C Prague s.r.o (3)	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	14	14,318	14,332	64%

**Africa Israel Properties Ltd.**  
**Appendix B**

**December 31, 2004**

**Investments in subsidiaries and related companies (contd.)**

<b>Name of Company and No. of share in the stock exchange</b>	<b>Type of share</b>	<b>Number of shares</b>	<b>Par value of shares</b>	<b>Cost in NIS thousands in reported amounts</b>	<b>The Company's share in net profits/losses on date of acquisition in NIS thousands</b>	<b>Value in balance sheet in NIS thousands</b>	<b>Rapid rate of shares by virtue of the voting and power to appoint managers</b>
EVROPA – SEN s.r.o (3)	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	14	(878)	(864)	100%
BALABENKA s.r.o (3)	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	13	(2,746)	(2,733)	100%
PRAHA-JERUZALM s.r.o (4)	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	968	(862)	106	63%
FLORA SEN s.r.o (3)	Ordinary shares of 1 Czech crown each	50,000	50,000 Cz. crown	6	8,479	8,485	50%
FLORA Management s.r.o.	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	15	(127)	(112)	100%
BOHEMIA-SEN s.r.o. (3)	Ordinary shares of 1 Czech crown each	100,000	100,000 Cz. crown	15	-	15	100%
National Technological Park s.r.o (3)	Ordinary shares of 1 Czech crown each	200,000	200,000 Cz. crown	41	(52)	(11)	100%
2024589 Ontario Inc (3)	Ordinary shares of 1 Canadian dollar each	100	100 Canadian dollars	29	(386)	(357)	100%
2024590 Ontario Inc (3)	Ordinary shares of 1 Canadian dollar each	100	100 Canadian dollars	29	(286)	(239)	100%
Victoria Square Residences Ltd. (6)	Ordinary shares of 1 US dollar each	55	-	-	-	-	55%

**Africa Israel Properties Ltd.  
Appendix B**

**December 31, 2004**

**Investments in subsidiaries and related companies**

<b>Name of Company and No. of share in the stock exchange</b>	<b>Type of share</b>	<b>Number of shares</b>	<b>Par value of shares</b>	<b>Cost in NIS thousands in reported amounts</b>	<b>The Company's share in net profits/losses on date of acquisition in NIS thousands</b>	<b>Value in balance sheet in NIS thousands</b>	<b>Rapid rate of shares by virtue of the voting and power to appoint managers</b>
Mod Village Residences Ltd. (5)	Ordinary shares of 1 US Dollar each	-	-	-	-	-	55%
Intrastar International Limited BCI (3)	Ordinary shares of 1 US dollar each	2,000	-	-	-	-	50%
Lev Talpiot Management and Maintenance Ltd. (7)	Ordinary share of 1 NIS	400	400 NIS		(3,835)	(3,835)	40%
Unicare Limited. (3)	Ordinary share of 1 pound sterling	49	49 pounds sterling	5,860	1,710	7,570	49%
Monterrey Investments Ltd. (3)	Ordinary share of 1 pound sterling each	980	980 pounds sterling	9	6,352	6,361	49%
Bellmont Investments Ltd.(3)	Ordinary share of 1 pound sterling each	980	980 pounds sterling	9	4,863	4,872	49%

- (1) Included in Meqarqe'e Merkaz Ltd.
- (2) Included in Givat Savyon Ltd.
- (3) Included in Africa Israel International Properties (2002) Ltd.
- (4) Included in ADUT, S.R.O
- (5) Included in 2024589 Ontario Inc.
- (6) Included in 2024590 Ontario Inc.
- (7) Held by Flamingo Ltd.

**Africa Israel Properties Ltd.****Appendix B****December 31, 2004****Investments in subsidiaries and related companies**

<b>Name of Company</b>	<b>NIS <u>thousands</u></b>	<b>Loans and capital notes</b>
Africa Israel International Properties (2002) Ltd.	107,906	Unlinked capital note which does not bear interest
One Half Jubilee Ltd.	8,500	Shareholders loans linked to the consumer price index and not bearing interest, the date of the repayment is not yet known
Africa Israel International Properties (2002) Ltd.	132,606	Shareholders loan, date of repayment not yet determined, interest on the loan will be paid on demand
Machzevot Haifa Ltd.	21,579	Shareholders loan linked to the consumer price index and bearing index interest at a rate of 3% p.a.

## Appendix C

### Africa Israel Properties Ltd. Changes in investments during the period of report January 1, 2004 – December 31, 2004 in NIS thousands

	Our share in reserves and retained earnings	Capital notes and loans	Investment in share capital	Other investments	Date of change
Af-Sar Ltd. (1)	(63,781)				
Meqarqe'e Merkaz Ltd. (2)	(20,964)				
Givat Savyon Ltd.	3,707				
Flamingo Ltd.	(5,443)				
Merkaz Savyonim – Management and Maintenance Ltd.	357				
Africa Israel International Properties (2002) Ltd.	107,966				
		194,086			10/04
		940			11/04
		(62,420)			12/04
		<b>132,606</b>			
One Half Jubilee Ltd.	(237)				
		6,000			8/04
		1,000			9/04
		500			10/04
		1,000			12/04
		<b>8,500</b>			

- (1) Resulting from our share in the dividend paid totaling NIS 72,000 thousand less current profits of NIS 8,219.
- (2) Resulting from our share in the dividend paid totaling NIS 44,040 thousand plus current profits of NIS 23,076.

## Appendix D

### Africa Israel Properties Ltd.

Income or loss of subsidiaries & related companies

During the last period of the account & details regarding interest,

Management fees & dividend received from every company during the past year

(in NIS thousands)

	Income (loss) before provision for reported tax	Net reported income (loss)	Nominal interest	Reported management fees	Dividend
Af-Sar Ltd.	15,564	13,953	-	2,317	72,000
Meqarqe'e Merkaz Ltd.*	46,577	31,392	-	2,036	44,040
Givat Savyon Ltd.*	6,052	4,385	-	302	68,000**
Africa Israel International Properties (2002) Ltd.*	133,583	102,360			
Flamingo Ltd.*	(5,443)	(5,443)	-	147	
One Half jubilee Ltd.	-	-		-	
Merkaz Savyonim – Management and Maintenance Ltd.	205	205	-	-	

\* Includes subsidiaries and related companies invested by this company

\*\* Received subsequent to the balance sheet date

## Appendix E

### Africa Israel Properties Ltd. Shares and convertible securities held by interested parties in the Company as at March 23, 2005

Name of interested party	Id. / Company No.	Name of security	Security No. on Stock Exchange	No. of securities held on March 23, 2005	Rate of holding	
					% in share and voting	% fully diluted
Africa Israel Investments Ltd.*	52-000506-7	Africa Properties	1091354	10,000,000	83.3	62.7
Yosi Levin	014359269	Options to employees	-	32,400	-	0.2
Avraham Nota	010941342	Options to employees	-	32,400	-	0.2
Binyamin Cohen	72541634	Options to employees	-	32,400	-	0.2
Avraham Barzilay	058349788	Options to employees	-	25,200	-	0.16
Chanan Bartal	51259851	Options to employees	-	12,600	-	0.08

\* 9,999,920 shares owned by Africa Israel Investments Ltd. held in trust by Discount Trust Ltd., Company Number 51-002329-4, Citizenship – Israeli, date of foundation: August 25, 1944.

Aframan Nominees Ltd. (Private Company 51-008063-3), a subsidiary of Africa Israel Investments Ltd., holds 80 shares of the Company (the Company was incorporated on March 21, 1951, Citizenship – Israeli).

The holdings in the Company's subsidiary, in subsidiaries and related companies of the Company see Appendix "B" to this report.



## Appendix F

### Africa Israel Properties Ltd.

<b>Id. No.</b>	<b>Name</b>	<b>Date of birth</b>	<b>Address for service of process</b>	<b>Nationality</b>	<b>Membership in Board of Directors committees</b>	<b>External director</b>	<b>Employee in corporation / subsidiary / related company / interested party</b>	<b>Year in which he started serving as a director</b>	<b>Education</b>	<b>Occupation in the past 5 years</b>	<b>Is he a member of a family of another interested party in the Company</b>	<b>Corporations in which he serves as a director</b>
050594365	<b>Pinchas Cohen</b>	1951	31 Kaplan St., Herzeliya Pituach	Israeli	No	No	Chairman of the Board of Directors and CEO of the Corporation, CEO of Africa Israel Investments Ltd.	2004	Academic	CEO of Africa Israel Investments Ltd.	No	Alon Fuel Company Israel Ltd., Up-Tech Ventures Ltd., Ef-Shar Ltd., Africa Israel (Financing) 1985 Ltd., Africa Israel International Holdings Ltd., Africa Israel Tourism Ltd., Africa Israel International Investments (1997) Ltd., Ef-Ran Communications Ltd., Africa Israel Energy Ltd., Africa Israel Residence Ltd., Africa Israel Communications Ltd., Bishop's Palace] (Kassar El Mutran) Ltd., Bat Savyon Ltd., Gotex Models Ltd., Dor Energy (1988) Ltd., Danya Sybus Ltd., Derech Eretz Highways (1997), Wash Telekanal Ltd., Africa Israel Hotels Ltd., Central Land Ltd., Mapal Communications Holdings – the Russian Channel Israel Ltd., Mapal Communications Ltd., Marlez Media 2001 Ltd., Sybus Rimon Industrialized Construction Ltd., Sybus Rimon Industries, Buildings and Development Ltd., Aviv Shopping Mall Management and Holdings Ltd., Blue Square Israel Ltd., Blue Square Properties and Investments Ltd., Tadiran Telecom Ltd., Passim – Registered Partnership (Pass Jerusalem), Africa Israel Finances and Investments (2004) Ltd., Africa Israel Financial Properties and Strategies Ltd., Africa Israel International Properties (2002) Ltd., Africa Israel Finances and Investments (Iguach 1) Ltd., Dori Media Group Ltd., Telad Israel Studios Ltd., Financial and Strategic Properties (F.S.A.) Ltd., Al Properties and Developments (USA) Corp. Al Florida Holdings, Inc., Al Nevada Holdings, Inc., F. Findings Realities B.V., Sea (Swim Experts Alliance) B.V., Alon USA Energy, Inc., Alon USA Inc., Alon USA Capital, Inc., Alon Assets, Inc.

**Appendix F**

**Africa Israel Properties Ltd.**

<b>Id. No.</b>	<b>Name</b>	<b>Date of birth</b>	<b>Address for service of process</b>	<b>Nationality</b>	<b>Membership in Board of Directors committees</b>	<b>External director</b>	<b>Employee in corporation / subsidiary / related company / interested party</b>	<b>Year in which he started serving as a director</b>	<b>Education</b>	<b>Occupation in the past 5 years</b>	<b>Is he a member of a family of another interested party in the Company</b>	<b>Corporations in which he serves as a director</b>
07140973	<b>Avraham Meron</b>	1939	7 Hagilad St., Ramat Gan	Israeli	Audit Committee	No	Senior VP of Finance and Accounting Africa Israel Investments Ltd.	1989	Academic	Senior VP Finance and Accounting of Africa Israel Investments Ltd.	No	Africa Israel (Financing) 1985 Ltd., Africa Israel Residence Ltd., Danya Sybus Ltd., Sybus Rimon Industrialized Construction Ltd., Sybus Rimon Building Industries and Development Ltd., Givat Savyon Ltd., Science Campus Migdal Haemek Ltd., Central Land Ltd., Aviv Shopping Mall – Management and Maintenance Ltd., E.M.T. Neve Savyon Ltd., Ef-Shar Ltd., Armon Hahegmon (Kassar El Mutran) Ltd., Aframan Trustees Ltd., Arica israel Tourist Holdings Ltd., Africa Israel Hotels Ltd., Africa Israel Tourism and Vacations Ltd., Hamei Tveria Ltd., Africa Israel Trading and Agencies Ltd., Pecker Steel Ltd., Negev Ceramics Ltd., Alon Israel Fuel Company Ltd., Dor Energy (1988) Ltd., Dor Gas Ltd., Dor Alon Stations Operations Ltd., Anglo Saxon Properties Agency (Israel 1992) Ltd., Gotex Models Ltd., Africa Israel International Holdings Ltd., Africa Israel International Investments (1997) Ltd., E.I. Beach Pub Ltd., L.L.A.N. – Africa Israel (Properties) Ltd., Afdor Ltd., Acad Projects and Construction (1990) Ltd., Flamingo Ltd., Afris Overseas Limited, Binyan Trust and Investments Company Ltd., Savyon Insurance Agency Ltd., Savyon Properties and Management Ltd., Zvi Yavetz and Co. Ltd., Savyonim Center – Management and Maintenance Ltd., Madan Carmel Ltd., Land Central Services Ltd., Bat Savyon Ltd., Givat Rimonim Ltd., Savyonei Aviv Ltd., Ramat Savyon Ltd., Neve Savyon Te-Aviv Buildings Ltd., Hayarden M.H.I. Hotels Ltd., Masechat Eilat Ltd., Patio Eilat Hotels Ltd., Africa Israel Hotels (Tel-Aviv) 1992 Ltd., Hamei Tveria Salts (Production) Ltd., Hamei Tveria Hotels Ltd., Hamei Kineret Israel Ltd., Kalia Investments and Development North Dead Sea Ltd., Kalia Holdings Vacations and Spa Ltd., Savyon Club Ltd., Derech Eretz Highways (1997) Ltd., Africa Israel International Properties (2002) Ltd., Wash Telekanal Ltd., Rananut Initiation and Investments Ltd., Blue Square Israel Ltd., Africa Israel Financial Properties and Strategies Ltd., Financial Assets and Strategies (N.P.A.) Ltd., Alon USA Energy, Inc., Alon USA, Inc., F. Findings Realities B.V., Sea (Swim Experts Alliance) B.V., Alon USA Operating, Inc., Alon USA GP, LLC, Alon USA Capital, Inc., Alon Assets, Inc.

## Appendix F

### Africa Israel Properties Ltd.

<b>Id. No.</b>	<b>Name</b>	<b>Date of birth</b>	<b>Address for service of process</b>	<b>Nationality</b>	<b>Membership in Board of Directors committees</b>	<b>External director</b>	<b>Employee in corporation / subsidiary / related company / interested party</b>	<b>Year in which he started serving as a director</b>	<b>Education</b>	<b>Occupation in the past 5 years</b>	<b>Is he a member of a family of another interested party in the Company</b>	<b>Corporations in which he serves as a director</b>
14359269	<b>Yosef Levin</b>	1948	2 Even Gvirol St., Rishon LeZion	Israeli	No	No	Director of Revenue Producing Division Africa Israel Investments Ltd.	1998	Academic	Director of Revenue Producing Division Africa Israel Investments Ltd.	No	I.L.A.N. African Israel (Properties) Ltd., Rachad Projects and Construction (1990) Ltd., Ef-Shar Ltd., Africa Israel International Holdings Ltd., Africa Israel International (1997) Ltd., Africa Israel International Properties (2002) Ltd., Africa Israel Tourism and Vacations Ltd., Armon Hahegmon (Kassar El Mutran) Ltd., Givat Savyon Ltd., Danya Sybus Ltd., Hamei Tveria Ltd., Lev Talpiyot Management and Maintenance Ltd., Savyon Club Ltd., Machatzit Hayovel Ltd., Africa Israel Hotels Ltd., Hayarden M.H.I Hotels Ltd., Kalia Holdings Hotels Ltd., Central Land Ltd., Savyonim Center Management and Maintenance Ltd., Savyon Nurseries Ltd., Sybus Rimon Building Industries and Development Ltd., Flamingo Ltd., Zvi Yavetz and Co., Ltd., Kalia Investments and Development North Dead Sea Ltd., Kalia Vacations and Spa Ltd., Kalia Infrastructures Development (1996) Ltd., Aviv Shopping Mall Management and Maintenance Ltd., Science Campus Migdal Haemek Ltd.
7254163	<b>Binyamin Cohen</b>	1951	36 Pirchei Habar, Kiryat Hasavyonim, Yahud	Israeli	No	No	Director of Shopping Malls Division Africa Israel Investments Ltd.	2004	Academic	Director of Shopping Malls Division Africa Israel Investments Ltd., CEO Ramat Aviv Shopping Mall, CEO Savyonim Shopping Mall	No	I.L.A.N. – Africa Israel (Properties) Ltd., The Corporation to Develop Yefe Nof Haifa Ltd. Panorama Center, Haifa Quarries, City Center (M.A.T.) Management Ltd., Flamingo Ltd., Savyonim Center Management and Maintenance Ltd., Panorama Center Services Ltd.

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### Africa Israel Properties Ltd.

<b>Id. No.</b>	<b>Name</b>	<b>Date of birth</b>	<b>Address for service of process</b>	<b>Nationality</b>	<b>Membership in Board of Directors committees</b>	<b>External director</b>	<b>Employee in corporation / subsidiary / related company / interested party</b>	<b>Year in which he started serving as a director</b>	<b>Education</b>	<b>Occupation in the past 5 years</b>	<b>Is he a member of a family of another interested party in the Company</b>	<b>Corporations in which he serves as a director</b>
51259851	<b>Chanan Bartal</b>	1952	19 Itzhak Sade St., Raanana	Israeli	No	No	Head of Income Properties Section Africa Israel Investments Ltd.	2000	Academic	Head of Revenue Producing Properties Division in Africa Israel Investments Ltd.	No	Science Campus in Migdal Haemek Ltd., Savyon Club Ltd., Haifa Quarries Ltd.
058349788	<b>Avi Barzilay</b>	1963	18 Zelig Bass St., Petach Tikva	Israeli	No	No	The Company's VP Finance	2001	Academic	As of Dec. 2000 Head of Finance of the Revenue Producing Properties Division of Africa Israel Investments Ltd. Prior to that, served as the Head of finance of the Red Sea Hotels Construction Group	No	Armon Hahegmon (Kassar El Mutran) Ltd., Lev Talpiyot Management and Maintenance Ltd., Savyon Club Ltd., Haifa Quarries Ltd., Flamingo Ltd., Savyonim Center – Management and Maintenance Ltd., Central Land Services Ltd., Machatzit Hayovel Ltd., Savyon Insurance Agency Ltd., City Center (M.A.T.) Mangement Ltd.
010941342	<b>Avi Nota</b>	1949	19 Alfred Vitkin, Jerusalem		No	No	VP Business Development in Africa Israel Investments Ltd.	2004	Academic	VP Business Development in Africa Israel Investments Ltd.	No	Up-Tech Ventures Ltd., Africa Israel (Financing) 1985 Ltd., Africa Israel International Holdings Ltd., Africa Israel International Investments (1997) Ltd., Africa Israel International Properties (2002) Ltd., Bat Savyon Ltd., Danya Sybus Ltd., Vash-Telecanal Ltd., Sybus Rimon Industrialized Construction Ltd., Sybus Rimon Building Industries and Development Ltd., "Please Touch" Society
034191601	<b>Zvia Leviev Elazarov</b>	1977	7 Rozovski St., Bnei Brak	Israeli	No	No	Marketing Director of Housing Division in Africa Israel Investments Ltd.	2004	Academic	Advertising Manager and Head of Marketing Section in Africa Israel Investments Ltd.	Daughter of Mr. Lev Leviev who is the controlling shareholder in Africa Israel Investments Ltd.	Africa Israel Hotels Ltd., Anglo Saxon Properties Agency (Israel 1992) Ltd., Central Land Ltd., Aviv Shopping Mall Management and Maintenance Ltd., E.M.T. Neve Savyon Ltd., Africa Israel Residence Ltd., Blue Square Chain Properties and Investments Ltd., Telad Studios Jerusalem Ltd.

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<b>Id. No.</b>	<b>Name</b>	<b>Date of birth</b>	<b>Address for service of process</b>	<b>Nationality</b>	<b>Membership in Board of Directors committees</b>	<b>External director</b>	<b>Employee in corporation / subsidiary / related company / interested party</b>	<b>Year in which he started serving as a director</b>	<b>Education</b>	<b>Occupation in the past 5 years</b>	<b>Is he a member of a family of another interested party in the Company</b>	<b>Corporations in which he serves as a director</b>
56601396	<b>Mordechai Labovitch</b>	1960	11 Alfred Vitkin St., Ramot C, Jerusalem	Israeli	Audit Committee	No	Head of Department of Finance and Accounting in Africa Israel Investments Ltd.	2004	Academic	Head of Department of Finance and Accounting in Africa Israel Investments Ltd.	No	Zvi Yavetz and Co. Ltd., Up-Tech Ventures Ltd., Aframan Trustees Ltd., Africa Israel (Financing) 1985 Ltd., Africa Israel International Holdings Ltd., Africa Israel Tourism Holdings Ltd., Africa Israel Residence Ltd., Africa Israel Financial Properties and Strategies Ltd., Africa Israel Finances and Investments (2004) Ltd., Africa Israel Finances and Investments (Iguach 1) Ltd., Bat Savyon Ltd., Central Land Services Ltd., Financial Properties and Strategies (N.P.A.) Ltd., Savyon Insurance Agency Ltd.
79607511	<b>Nina Admoni</b>	1932	26 Ben Yosef, Tel-Aviv 69125	Israeli	Audit Committee	Yes	No	2004	Academic	CEO Israel America Chamber of Commerce and Industry	No	Delek Vehicle Systems Ltd.
047854039	<b>Zvi Shtauber</b>	1947	6 Levitan St., Tel-Aviv 69204	Israeli	Audit Committee	Yes	No	2004	Academic	Political Consultant to the Prime Minister, Israel Ambassador in London	No	-