



# The National Coal Supply Corporation Ltd.

**Annual Report 2017**  
For the year ended December 31, 2017

Convenience translation into U.S. dollars

# The National Coal Supply Corporation Ltd.

## Annual Report 2017

For the year ended December 31, 2017

### Management

**Moshe Bornstein**  
President and CEO

**Barak Silverstein**  
Head of Finance Division

**Paz Oref**  
Head of Shipping Division

**Anna Yadgarov**  
Head of Commerce Division

**Merav Shapira**  
Corporate Secretary

### Board of Directors

**Ofer Bloch - Chairman**  
Oren Helman  
Shlomo Tsarfati  
Masha Aloni  
Wesam Abu-Maarof  
Liat Ben-Uziel

© Copyright 2017 – The national Coal Supply Corporation Ltd. ("NCSC").

No part of this document may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission from NCSC.

**The National Coal Supply Corporation Ltd.**

**Financial Statements  
As of December 31, 2017**

# The National Coal Supply Corporation Ltd.

## Financial Statements as of December 31, 2017

---

### Table of Contents

	<u>Page</u>
Auditors' Report	1-2
Statements of Company Officers	3-5
Statements of Financial Position	6
Statements of Income and Comprehensive Income	7
Statement of Changes in Shareholders' Equity	8
Statement of Cash Flow	9-10
Notes to the Financial Statements	11-54

## **Auditors' Report to the Shareholders of The National Coal Supply Corporation Ltd.**

### **In accordance with the Government Companies Regulations (Additional Reports on the Effectiveness of Internal Control of Financial Reporting), 2007**

We have audited the internal control of financial reporting in the National Coal Supply Corporation Ltd. ("the Company") as of December 31, 2017, based on the criteria set forth in the Committee of Sponsoring Organizations of the Treadway Commission's ("COSO") Internal Control - Integrated Framework publication. The Company's Board of Directors and Management are responsible for establishing effective internal control of financial reporting and for their assessment concerning the effectiveness of internal control of financial reporting, included in the attached Board of Directors' and Management's Report Concerning Internal Control of Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the U.S. Public Company Accounting Oversight Board ("PCAOB") for auditing internal control of financial reporting, as these were adopted by the Institute of Certified Public Accountants in Israel. According to these standards, we are required to plan and execute the audit so as to achieve reasonable assurance of the implementation, in all material aspects, of effective internal control of financial reporting. Our audit included obtaining familiarization with internal control of financial reporting, assessing the risk for material weaknesses and examining and assessing the effectiveness of the planning and implementation of internal control based on the assessed risk. Our audit also included the implementation of other procedures deemed necessary under the circumstances. We believe that our audit provides a reasonable basis for our opinion. We believe that our audit provides a reasonable basis for our opinion.

Internal control of financial reporting in government companies is a process designed to provide reasonable assurance concerning the reliability of financial reporting and the preparation of financial statements for external purposes, in keeping with International Financial Reporting Standards ("IFRSs"), the Securities Regulations (Annual Financial Statements), 2010, and the directives of the Government Companies Authority. Internal control of financial reporting in government companies includes those policies and procedures which: (1) pertain to reasonably-detailed record-keeping, which accurately and adequately reflects transactions and transfers involving company assets (including transfer of ownership from the company); (2) provide reasonable assurance that transactions are properly recorded so as to allow preparation of financial statements in keeping with IFRS, the Securities Regulations (Annual Financial Statements), 2010, and the directives of the Government Companies Authority, and that cash inflows and outflows are only made according to the permissions set forth by the company's board of directors and management and subject to the approval of State authorities as mandated by law; and (3) provide reasonable assurance concerning the prevention or timely disclosure of unauthorized acquisition, use or transfer (including transfer of ownership) of company assets, which may materially affect the financial statements.

Due to inherent limitations, internal control of financial reporting may fail to prevent or uncover misstatement. Furthermore, forward-looking conclusions based on present assessments of effectiveness are subject to risk that controls may become inadequate due to changing circumstances, or that that implementation of policies or procedures may be adversely affected.

In our opinion, the Company has implemented, in all material aspects, effective internal control of financial reporting as of December 31, 2017, based on the criteria set forth in the COSO Internal Control - Integrated Framework publication.

We also audited, according to generally accepted auditing standards in Israel, the Company's financial statements as of December 31, 2017, and for the year then ended, and our report of March 13, 2018, includes an unqualified opinion for those financial statements.

[--]

Chaikin Cohen Rubin & Co. *Certified*  
*Public Accountants (Isr.)*

Tel Aviv, March 13, 2018

## **Auditor's Report**

### **To the Shareholders of The National Coal Supply Corporation Ltd.**

We have audited the accompanying statements of financial position of the National Coal Supply Corporation Ltd. ("Company" or "NCSC") as of December 31, 2017 and 2016, its statements of income, comprehensive income, statements of changes in shareholder equity, and statements of cash flows for each of the three years in the period ended December 31, 2017. The Company's Board of Directors and management are responsible for these financial statements. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit according to generally accepted auditing standards in Israel, including standards set forth in the Accountants Regulations (Manner of an Accountant's Operation), 1973. According to these standards, we are required to plan and execute the audit so as to achieve reasonable assurance that the financial statements do not contain any material mis-representation. An audit includes examining a sample of evidence supporting the amounts and disclosures included in the financial statements. An audit also includes a review of the accounting principles applied, and any significant estimates made by the Company's Board of Directors and management, as well as an evaluation of the overall adequacy of the presentation made in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Company as of December 31, 2017, and its operating results, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRSs") and the provisions of the Securities Regulations (Preparation of Annual Financial Statements), 2010.

The financial statements include information required in accordance with the directives of the Israel Government Companies Authority.

Without qualifying our opinion, we draw attention to Note 4 concerning Israel Electric Corporation's ("IEC") debt balance, and to Note 16A concerning the agreement with IEC, the Company's main customer.

Pursuant to US PCAOB standards regarding an audit of internal controls over financial reporting, as adopted by the Institute of Certified Public Accountants in Israel, we have also audited the Company's internal controls over financial reporting as of December 31, 2017, based on criteria established by the COSO Internal Control-Integrated Framework. Our report dated March 13, 2018, includes our unqualified opinion regarding the effectiveness of the Company's internal controls over financial reporting.

[--]

Chaikin Cohen Rubin & Co.  
Certified Public Accountants (Isr.)

Tel Aviv, March 13, 2018

**STATEMENT OF THE PRESIDENT & CEO OF  
THE NATIONAL COAL SUPPLY CORPORATION LTD.**

**In accordance with the Government Companies Regulations (Additional  
Report on Actions Taken and Representations Made to Ensure Accuracy  
of Financial Statements and Board of Directors' Reports), 2005**

I, MOSHE BORNSTEIN, declare:

1. I have reviewed the financial statements and the Board of Directors' report of the National Coal Supply Corporation ("Company") as of December 31, 2017 (jointly - "the Reports").
2. To the best of my knowledge, having reviewed the reports, these reports are free of any misrepresentation of material facts and are not lacking any representation of material facts required for the representations made, under the circumstances in which they were made, so as not to be misleading in reference to the period covered by the reports.
3. Having reviewed the reports, and to the best of my knowledge, the financial statements and other financial information included in the Board of Directors' report, adequately reflect, in all material aspects, the Company's financial position, operating results, changes in shareholder equity and cash flows as of the dates and for the periods presented in the reports.
4. Along with others in the Company making this statement, I am responsible for setting and maintaining internal Company controls and procedures for the purpose of required disclosure in the reports. Accordingly, we have established such controls and procedures, or have supervised the setting thereof, so as to ensure that material information concerning the Company is brought to our attention by others within the Company, in particular during the preparation of these statements.
5. I, and others in the Company making this statement, have disclosed the following to the Company's auditors and its Board of Directors, based on our most current assessment:
  - a. All significant flaws and material weaknesses in establishing or implementing internal controls over financial reporting, which may reasonably have a negative impact on the Company's ability to record, process, summarize and report financial information.
  - b. Any fraud, whether material or not, involving managers or other key employees, of the Company's internal controls over financial reporting.

The foregoing does not prejudice my legal liability, or that of any other person, as prescribed by law.

March 13, 2018

[---]

---

Moshe Bornstein  
President & CEO

# **STATEMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE NATIONAL COAL SUPPLY CORPORATION LTD.**

## **In accordance with the Government Companies Regulations (Additional Report on Actions Taken and Representations Made to Ensure Accuracy of Financial Statements and Board of Directors' Reports), 2005**

I, OFER BLOCH, declare:

1. I have reviewed the financial statements and the Board of Directors' report of the National Coal Supply Corporation ("Company") as of December 31, 2017 (jointly - "the Reports").
2. To the best of my knowledge, having reviewed the reports, these reports are free of any misrepresentation of material facts and are not lacking any representation of material facts required for the representations made, under the circumstances in which they were made, so as not to be misleading in reference to the period covered by the reports.
3. Having reviewed the reports, and to the best of my knowledge, the financial statements and other financial information included in the Board of Directors' report, adequately reflect, in all material aspects, the Company's financial position, operating results, changes in shareholder equity and cash flows as of the dates and for the periods presented in the reports.
4. Along with others in the Company making this statement, I am responsible for setting and maintaining internal Company controls and procedures for the purpose of required disclosure in the reports. Accordingly, we have established such controls and procedures, or have supervised the setting thereof, so as to ensure that material information concerning the Company is brought to our attention by others within the Company, in particular during the preparation of these statements.
5. I, and others in the Company making this statement, have disclosed the following to the Company's auditors and its Board of Directors, based on our most current assessment:
  - a. All significant flaws and material weaknesses in establishing or implementing internal controls over financial reporting, which may reasonably have a negative impact on the Company's ability to record, process, summarize and report financial information.
  - b. Any fraud, whether material or not, involving managers or other key employees, of the Company's internal controls over financial reporting.

The foregoing does not prejudice my legal liability, or that of any other person, as prescribed by law.

March 13, 2018

[---]

---

Ofer Bloch  
Chairman of the Board

**STATEMENT OF THE CFO OF  
THE NATIONAL COAL SUPPLY CORPORATION LTD.**

**In accordance with the Government Companies Regulations (Additional  
Report on Actions Taken and Representations Made to Ensure Accuracy  
of Financial Statements and Board of Directors' Reports), 2005**

I, BARAK SILVERSTEIN, declare:

1. I have reviewed the financial statements and the Board of Directors' report of the National Coal Supply Corporation ("Company") as of December 31, 2017 (jointly - "the Reports").
2. To the best of my knowledge, having reviewed the reports, these reports are free of any misrepresentation of material facts and are not lacking any representation of material facts required for the representations made, under the circumstances in which they were made, so as not to be misleading in reference to the period covered by the reports.
3. Having reviewed the reports, and to the best of my knowledge, the financial statements and other financial information included in the Board of Directors' report, adequately reflect, in all material aspects, the Company's financial position, operating results, changes in shareholder equity and cash flows as of the dates and for the periods presented in the reports.
4. Along with others in the Company making this statement, I am responsible for setting and maintaining internal Company controls and procedures for the purpose of required disclosure in the reports. Accordingly, we have established such controls and procedures, or have supervised the setting thereof, so as to ensure that material information concerning the Company is brought to our attention by others within the Company, in particular during the preparation of these statements.
5. I, and others in the Company making this statement, have disclosed the following to the Company's auditors and its Board of Directors, based on our most current assessment:
  - a. All significant flaws and material weaknesses in establishing or implementing internal controls over financial reporting, which may reasonably have a negative impact on the Company's ability to record, process, summarize and report financial information.
  - b. Any fraud, whether material or not, involving managers or other key employees, of the Company's internal controls over financial reporting.

The foregoing does not prejudice my legal liability, or that of any other person, as prescribed by law.

March 7, 2018

[---]

---

Barak Silverstein  
CFO

# The National Coal Supply Corporation Ltd.

## Statements of Financial Position as of December 31

	Note	2017 NIS thousands	2016	2017 USD thousands	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	2,726	2,292	786	661
Israel Electric Corporation (IEC)	4	134,758	288,535	38,869	83,223
Other accounts receivable	5	5,293	18,742	1,527	5,406
Income tax receivable		837	937	241	270
Inventory in transit	6	311,356	377,224	89,806	108,804
<b>Total current assets</b>		<b>454,970</b>	<b>687,730</b>	<b>131,229</b>	<b>198,364</b>
<b>Non-current assets</b>					
Pledged bank deposit	13	1,699	471	490	136
Fixed assets	7	109,375	114,325	31,547	32,975
Investment in charters	8	25,593	7,974	7,382	2,300
Intangible assets	9	1,772	2,523	511	728
<b>Total non-current assets</b>		<b>138,439</b>	<b>125,293</b>	<b>39,930</b>	<b>36,139</b>
<b>Total assets</b>		<b>593,409</b>	<b>813,023</b>	<b>171,159</b>	<b>234,503</b>
<b>Liabilities and shareholder equity</b>					
<b>Current liabilities</b>					
Bank credit	10	249,139	277,941	71,860	80,168
Trade payables	11	170,385	354,883	49,145	102,360
Other accounts payable	12	10,433	10,655	3,009	3,073
Proposed dividend	15B	5,190	8,021	1,497	2,314
<b>Total current liabilities</b>		<b>435,147</b>	<b>651,500</b>	<b>125,511</b>	<b>187,915</b>
<b>Non-current liabilities</b>					
Deferred taxes liabilities	18B	1,346	57	388	16
Loan from bank corporation	13	38,998	46,636	11,249	13,451
Employee benefit liabilities	14	1,658	1,711	478	494
<b>Total non-current liabilities</b>		<b>42,002</b>	<b>48,404</b>	<b>12,115</b>	<b>13,961</b>
<b>Total liabilities</b>		<b>477,149</b>	<b>699,904</b>	<b>137,626</b>	<b>201,876</b>
<b>Shareholders' equity</b>					
Share capital	15A	10,803	10,803	3,116	3,116
Capital reserve		1,180	951	340	274
Retained earnings		104,277	101,365	30,077	29,237
<b>Total shareholders' equity</b>		<b>116,260</b>	<b>113,119</b>	<b>33,533</b>	<b>32,627</b>
<b>Total liabilities and shareholders' equity</b>		<b>593,409</b>	<b>813,023</b>	<b>171,159</b>	<b>234,503</b>

The notes to the financial statements constitute an integral part thereof.

[---]	[---]	[---]
_____ Moshe Bornstein President & CEO	_____ Ofar Bloch Chairman of the Board	_____ Barak Silverstein CFO

Financial Statements Approval Date: March 13, 2018

# The National Coal Supply Corporation Ltd.

## Statements of Income and Comprehensive Income for the Year Ended December 31

	Note	2017	2016	2015	2017	2016	2015
		NIS thousands			USD thousands		
<b>Revenues</b>							
Revenues and sales	17A	3,182,630	2,609,693	3,383,409	917,978	752,722	975,890
Other revenues	17D	-	-	4,026	-	-	1,161
<b>Total revenues</b>		<b>3,182,630</b>	<b>2,609,693</b>	<b>3,387,435</b>	<b>917,978</b>	<b>752,722</b>	<b>977,051</b>
<b>Costs and expenses</b>							
Cost of sales	17B	3,194,200	2,576,430	3,341,559	921,315	743,129	963,819
General and administrative expenses	17C	12,267	12,000	12,070	3,538	3,461	3,481
Other expenses	17E	2,097	2,176	1,935	605	627	558
<b>Total costs and expenses</b>		<b>3,208,564</b>	<b>2,590,606</b>	<b>3,355,564</b>	<b>925,458</b>	<b>747,217</b>	<b>967,858</b>
<b>Operating profit (loss)</b>		<b>(25,934)</b>	<b>19,087</b>	<b>31,871</b>	<b>(7,480)</b>	<b>5,505</b>	<b>9,193</b>
Finance expenses	17F	(12,339)	(7,682)	(17,090)	(3,559)	(2,215)	(4,929)
Finance income	17F	48,899	6,017	1,593	14,104	1,735	460
<b>Finance income (expenses) net</b>		<b>36,560</b>	<b>(1,665)</b>	<b>(15,497)</b>	<b>10,545</b>	<b>(480)</b>	<b>(4,469)</b>
<b>Profit before taxes on income</b>		<b>10,626</b>	<b>17,422</b>	<b>16,374</b>	<b>3,065</b>	<b>5,025</b>	<b>4,724</b>
<b>Taxes on income</b>	18	<b>2,524</b>	<b>4,476</b>	<b>4,388</b>	<b>728</b>	<b>1,291</b>	<b>1,266</b>
<b>Net profit for the year - attributable to Company shareholders</b>		<b>8,102</b>	<b>12,946</b>	<b>11,986</b>	<b>2,337</b>	<b>3,734</b>	<b>3,458</b>
<b>Other comprehensive income:</b>							
Re-measurement of a defined benefit plan		229	112	144	66	32	42
<b>Comprehensive income for the year - attributable to Company shareholders</b>		<b>8,331</b>	<b>13,058</b>	<b>12,130</b>	<b>2,403</b>	<b>3,766</b>	<b>3,500</b>
<b>Basic earnings per share (NIS and USD)</b>	19	<b>8.90</b>	<b>14.23</b>	<b>13.17</b>	<b>2.57</b>	<b>4.10</b>	<b>3.80</b>

The notes to the financial statements constitute an integral part thereof.

# The National Coal Supply Corporation Ltd.

## Statement of Changes in Shareholders' Equity

	Share Capital	Capital reserve	Ratined earning	Total equity	Share capital	Capital reserve	Retained earning	Total equity
	NIS thousands				USD thousands			
<b>Balance as of January 1, 2015</b>	10,803	695	91,970	103,468	3,116	200	26,527	29,843
<b>Changes in 2015</b>								
Net profit for the year	-	-	11,986	11,986	-	-	3,458	3,458
Other comprehensive income	-	144	-	144	--	42	-	42
Proposed dividend <sup>(1)</sup>	-	-	(7,516)	(7,516)	-	-	(2,168)	(2,168)
<b>Balance as of December 31, 2015</b>	<b>10,803</b>	<b>839</b>	<b>96,440</b>	<b>108,082</b>	<b>3,116</b>	<b>242</b>	<b>27,817</b>	<b>31,175</b>
<b>Balance as of January 1, 2016</b>	10,803	839	96,440	108,082	3,116	242	27,817	31,175
<b>Changes in 2016</b>								
Net profit for the year	-	-	12,946	12,946	-	-	3,734	3,734
Other comprehensive income	-	112	-	112	-	32	-	32
Proposed dividend <sup>(1)</sup>	-	-	(8,021)	(8,021)	-	-	(2,314)	(2,314)
<b>Balance as of December 31, 2016</b>	<b>10,803</b>	<b>951</b>	<b>101,365</b>	<b>113,119</b>	<b>3,116</b>	<b>274</b>	<b>29,237</b>	<b>32,627</b>
<b>Balance as of January 1, 2017</b>	10,803	951	101,365	113,119	3,116	274	29,237	32,627
<b>Changes in 2017</b>								
Net profit for the year	-	-	8,102	8,102	-	-	2,337	2,337
Other comprehensive income	-	229	-	229	-	66	-	66
Proposed dividend <sup>(1)</sup>	-	-	(5,190)	(5,190)	-	-	(1,497)	(1,497)
<b>Balance as of December 31, 2017</b>	<b>10,803</b>	<b>1,180</b>	<b>104,277</b>	<b>116,260</b>	<b>3,116</b>	<b>340</b>	<b>30,077</b>	<b>33,533</b>

(1) 60% of earnings before employee bonuses, in accordance with the Government Companies Authority's policy

The notes to the financial statements constitute an integral part thereof.

# The National Coal Supply Corporation Ltd.

## Statements of Cash Flows for the Year Ended December 31

	2017	2016	2015	2017	2016	2015
	NIS thousands			USD thousands		
<b>Cash flows from operating activities</b>						
Profit for the year	8,102	12,946	11,986	2,337	3,734	3,458
Adjustments required for presenting cash flows from operating activities (Appendix A)	48,034	(9,521)	202,759	13,855	(2,746)	58,483
<b>Net cash from operating activities</b>	<b>56,136</b>	<b>3,425</b>	<b>214,745</b>	<b>16,192</b>	<b>988</b>	<b>61,941</b>
<b>Cash flows from investing activities</b>						
Acquisition of fixed assets	(451)	(65,615)	(20,914)	(130)	(18,926)	(6,032)
Payments on account of investment in charters	(19,436)	-	-	(5,606)	-	-
Proceeds from leasing fees	5,291	6,405	6,491	1,526	1,847	1,872
Investment in intangible assets	(203)	(288)	(93)	(59)	(83)	(27)
Deposit in pledged bank deposit	(1,228)	(471)	-	(354)	(136)	-
Proceeds from sale of fixed assets	-	120	201	-	35	58
<b>Net cash used in investing activities</b>	<b>(16,027)</b>	<b>(59,849)</b>	<b>(14,315)</b>	<b>(4,623)</b>	<b>(17,263)</b>	<b>(4,129)</b>
<b>Cash flows from in financing activities</b>						
Dividends paid	(8,021)	(7,516)	(5,265)	(2,314)	(2,168)	(1,519)
Long term loan received from a bank corporation	-	50,539	-	-	14,577	-
Payment of a long term loan received from a bank corporation	(3,185)	(837)	-	(919)	(241)	-
Increase (decrease) in short-term bank credit, net	(28,469)	14,957	(195,921)	(8,211)	4,314	(56,510)
<b>Net cash from (used in) financing activities</b>	<b>(39,675)</b>	<b>57,143</b>	<b>(201,186)</b>	<b>(11,444)</b>	<b>16,482</b>	<b>(58,029)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>434</b>	<b>719</b>	<b>(756)</b>	<b>125</b>	<b>207</b>	<b>(217)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,292</b>	<b>1,573</b>	<b>2,329</b>	<b>661</b>	<b>454</b>	<b>671</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,726</b>	<b>2,292</b>	<b>1,573</b>	<b>786</b>	<b>661</b>	<b>454</b>

The notes to the financial statements constitute an integral part thereof.

# The National Coal Supply Corporation Ltd.

## Appendix to the Statements of Cash Flows for the Year Ended December 31

### Appendix A - Adjustments required for presentation of cash flows from operating activities:

	2017	2016	2015	2017	2016	2015
	NIS thousands			USD thousands		
<b>Revenues and expenses not involving cash flows:</b>						
Depreciation and amortization	6,355	4,363	1,534	1,833	1,258	442
Deferred income taxes, net	1,289	859	(45)	372	248	(13)
Capital loss from sale of fixed assets, net	-	25	59	-	7	17
Net finance income on a finance lease	1,144	(852)	(1,578)	330	(246)	(455)
Finance expense on long term loan	(4,786)	320	-	(1,380)	92	-
Change in long-term employee benefit liabilities	176	239	211	51	69	61
	<u>4,178</u>	<u>4,954</u>	<u>181</u>	<u>1,206</u>	<u>1,428</u>	<u>52</u>
<b>Changes in asset and liability items:</b>						
Decrease (increase) in IEC balance	153,777	(91,583)	180,670	44,354	(26,416)	52,111
Decrease (increase) in other accounts receivable	8,831	7,002	(3,562)	2,546	2,021	(1,026)
Decrease (increase) in inventory in transit	65,868	(59,968)	(25,790)	18,999	(17,297)	(7,439)
Increase (decrease) in trade payables	(184,498)	134,951	47,546	(53,215)	38,924	13,714
Increase (decrease) in other accounts payable	(222)	(3,517)	2,361	(64)	(1,014)	681
Decrease (increase) in income taxes receivable	100	(1,360)	1,353	29	(392)	390
	<u>43,856</u>	<u>(14,475)</u>	<u>202,578</u>	<u>12,649</u>	<u>(4,174)</u>	<u>58,431</u>
	<u>48,034</u>	<u>(9,521)</u>	<u>202,759</u>	<u>13,855</u>	<u>(2,746)</u>	<u>58,483</u>
<b>Appendix B - Non-cash operations</b>						
Proposed dividend (included under current liabilities)	<u>5,190</u>	<u>8,021</u>	<u>7,516</u>	<u>1,497</u>	<u>2,314</u>	<u>2,168</u>
<b>Appendix C - Additional Cash Flow information:</b>						
Cash paid during the period as:						
Interest	12,025	6,183	9,271	3,468	1,783	2,674
Taxes on income	2,074	4,922	3,952	598	1,420	1,140
	<u>14,099</u>	<u>11,105</u>	<u>13,223</u>	<u>4,067</u>	<u>3,203</u>	<u>3,814</u>
Cash received during the period as:						
Interest	774	1,157	1,565	223	334	451
Taxes on income	932	-	26	269	-	7
	<u>1,706</u>	<u>1,157</u>	<u>1,591</u>	<u>492</u>	<u>334</u>	<u>459</u>

The notes to the financial statements constitute an integral part thereof.