



Shikun & Binui Announces Financial Results For the Third Quarter & First Nine Months of 2017

- *9M 2017 Revenues Totaled ~NIS 5.3b Compared With ~NIS 3.7b For 9M 2016;
Net Profit for 9M 2017 Totaled NIS 142m -*

November 29, 2017, Airport City: Israel. Shikun & Binui Ltd. (TASE: SKBN.TA), a global construction and infrastructure company headquartered in Israel, today reported its financial results for the third quarter and first nine months ended September 30, 2017.

CONSTRUCTION

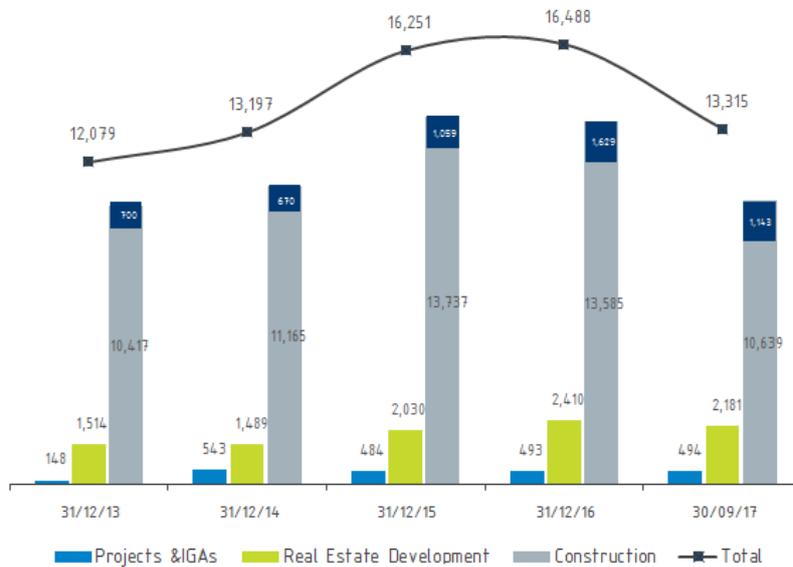
Solel Boneh

- Won engineering contracts from Israel's Ministry of Defense totaling ~NIS 640 million
- Executed approximately NIS 2.8 million of projects in the first 9 months of the year
- After the report date, the Company signed an agreement to acquire Menora, a private company that designs, builds and maintains lighting systems, train barrier systems, traffic light systems, electrical systems and more, and employs 235 workers. The deal is contingent upon the fulfillment of certain terms and is not expected to have a material effect on the Company's financial results. The acquisition is in line with Shikun & Binui's strategy to expand its construction-related services and offerings and will be complementary and synergistic to the full range of the Company's activities in Israel and throughout the world.
- Revenues for the first nine months of 2017 totaled ~NIS 2.8 billion. Mega projects in process: Gilboa Pumped Storage, Ashalim Thermo Solar, Tel Aviv Light Rail (Western Section), Government Campus Generi 2 in Jerusalem and others.

SBA/SBI

- Won and began executing a variety of new projects including:
 - Projects that were in the backlog: Projects totaling \$60m. Project in Ivory Coast of \$60m and a project in Mozambique totaling \$10m
 - Projects that has not yet in the backlog: Airport in Uganda totaling \$300m, project in Ethiopia totaling \$120m and a project in Tanzania totaling \$50m
- **Nigeria:**
 - Revenues from Nigerian projects for the first nine months of 2017 totaled ~US\$ 125 million. Collections for the first nine months totaled ~US\$ 101 million.
 - As a result of Nigeria's central bank's policy change, the company was able to purchase a significant amount of USD at the NIFEX exchange rate.

Development of the Company's Backlog (in NIS millions)



■ Backlog from consolidated companies; backlogs from consolidated companies in Real Estate Development and IGA's are insignificant

¹ Includes construction of an airport in Uganda estimated approx. NIS 1.1bn; subject to funding

² Does not reflect projects executed from the end of Q3 until the report date

³ NIS 13.3B + NIS 2.6B

- The backlog as of September 30, 2017 does not include additional construction projects totaling ~NIS 2.6 billion that the Company's Concessions, Renewable Energy, Real Estate and Infrastructure segments won in Israel and in international markets up to or after the report date.

REAL ESTATE

Apartment Sales

- During the first nine months of 2017, the Company sold ~1,193 apartments (100% share) totaling ~NIS 767 million, including ~767 units in Europe and ~426 units in Israel.
- **In Europe**, most of the sales were in Poland, where ~365 units were sold; in the Czech Republic, ~144 units were sold; in Romania, ~145 units were sold, and ~113 units were sold in Serbia.
- **In Israel**, the Company began planning for the building of 657 apartments and commercial space in Or Yam neighborhood in Or Akiva. In addition, marketing was initiated for new projects in Givat Shmuel, Ashkelon, Kfar Yona and Harish, and building began for projects in Rishon Letzion and Givat Shmuel.

Land in Israel

- The Company signed an agreement to **sell its rights in land in North Tel Aviv**. The Company is expected to record a profit of ~NIS 89 million from the transaction before tax.
- **Progress with the plan for the Old Tel Aviv Bus Station:** the plan was approved for filing. Under the framework of the plan¹, tens of new residential towers will be built with a combined total of 1,160 housing units, commercial space, a dance center and an international food court.

¹ 100%, including partner share (correct as of 31.12.2016)

Following is additional data regarding the Company's sale of apartments (signed contracts) during the first nine months of 2017:

	Apartment Units Under Company Management Including Partner Share	Consolidated Companies	Companies Under Joint Control
Israel			
Sales (NIS millions)	766	650	-
Number of apartment sale contracts signed	426	365	-
Average price of apartments sold (NIS thousands)	1,799	1,781	-
Europe			
Sales (NIS millions)	377	212	56
Number of apartment sale contracts signed	767	495	81
Average price of apartments sold (NIS thousands)	492	429	693

Note: recognition of revenues from apartment sales occurs at the time of delivery to the customer, not at the time of sale

Following is data regarding the Company's delivery of apartments to customers during the first nine months of 2017:

	Consolidated Companies	Companies Under Joint Control
Israel		
Revenues from apartments delivered (NIS millions)	1,242	-
Number of units delivered	762	-
Average price of apartments delivered (NIS thousands)	1,630	-
Europe		
Revenues from apartments delivered (NIS millions)	90	35
Number of units delivered	265	59
Average price of apartments delivered (NIS thousands)	338	597

PROJECTS AND INCOME GENERATING ASSETS (IGA)

Realizing Value, continued expansion of O&M activities and freeing cash for use in new projects

- **The Company has entered into the process of selling 45% of its rights in the Carmel Tunnels project and 40% of its rights in the North Roads project.** Purchase offers have been received from a group of limited investors (including institutional investors), and the Company intends to serve as the General Partner. Upon completion of the transaction, the Company expects to recognize a profit of NIS 250-300 million and cash flow of ~NIS 580 million.

New Concessions projects in Israel (to be executed by Solel Bonei):

- Regional government campus in Nazareth: total project value - ~NIS 400 million
- Courthouse in Hadera: total project value - ~NIS 150 million

Advances in the portfolio of existing Energy projects:

- Financial closing of Ashalim Project of 120MW Photo Voltari PV
- Received a license to convert the Etgal power plant to natural gas and to expand its generation capacity from 26MW to 186MW
- Won the Israel Electric Company tender for a 64MW Photo-Voltaic (PV) project

Income Statement highlights:

Income Statement - Highlights 9M 2017		
NIS million		
	9M'17	9M'16
Revenues	5,272	3,673
Gross profit	515	501
% Gross margin	9.8%	13.6%
Operating income	289	529
% Operating margin	5.5%	14.4%
Net profit	142	203
EBITDA	475	712

Income Statement - Highlights Q3 2017		
	Q3'17	Q3'16
Revenues	1,787	1,490
Gross profit	158	225
% Gross margin	8.9%	15%
Operating income	70	224
% Operating margin	4%	15%
Net profit	62	141
EBITDA	132	287

About the Shikun & Binui Group

The Shikun & Binui Group is a global construction and infrastructure company that operates in Israel and internationally in seven segments: 1) infrastructure and construction contracting outside of Israel; 2) infrastructure and construction contracting within Israel; 3) real estate development within Israel; 4) real estate development outside of Israel; 5) renewable energy; 6) concessions; and 7) water. The Group's activities focus on large, highly complex projects carried out for entities in private and public sectors with a focus on sustainability.

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This summary announcement was prepared solely for the convenience of the reader and does not replace Shikun & Binui Ltd.'s (hereafter – "the Company") full report. The information contained in this announcement is, by its nature, incomplete. All of its contents are provided as a supplement to the Company's report, and are subject to the declarations therein stated. This announcement includes forecasts, assessments, estimates and other information relating to the Company or its subsidiaries, or to other parties or to future events and matters, the extent of whose realization is not certain and is not under the sole control of the Company (forward-looking information, as defined in the Securities Law-1968). The key facts and data serving as the basis for this information are facts and data, among others, related to the current status of the Company and its businesses, facts and data relating to the current status of the operating segments in which the Company engages in its areas of operation, and other macroeconomic facts and data known to the Company on the preparation date of this presentation.

It is understood that forward-looking information does not constitute a fact and is based solely on subjective assessments. Forward-looking information is uncertain and for the most part, is not under the Company's control. The realization or non-realization of the forward-looking information will be influenced, among others, by the risk factors that characterize the Company's operations, as well as developments in the general environment and external factors that impact the Company's operations. The Company's future results and achievements could differ significantly from those presented in this presentation. The Company is not obligated to update or modify the said forecast or assessment, and is not obligated to update this announcement. This announcement does not constitute an offer to purchase the Company's securities or an invitation to receive such offers. An investment in securities in general, and in the Company in particular, carries risk. One must take into account that past data do not necessarily indicate future performance.