

Azrieli Group closes sale of its minority interest in Compass for some ILS 3.2 billion

Net proceeds (after tax provision and deal costs) are approx. ILS 2.7 billion
Accounting profit is expected to be about ILS 0.9 billion

Azrieli Group today reports the closing of the sale of its minority interest in U.S. company Compass. In June of this year Azrieli Group's partners announced their engagement in an agreement for the sale of their holdings in Compass, for an amount reflecting an enterprise value for the company of \$5.7 billion and an equity value of \$2.7 billion. According to the mechanisms set forth in the agreement with the partners, the Group tag along in the sale.

The transaction reflects a value of some ILS 3.2 billion for Azrieli Group's share. With the closing of the transaction, the net proceeds (after tax provision and deal costs) will be about ILS 2.7 billion, and the estimated accounting profit will be about ILS 0.9 billion.

The sale of the Group's minority interest in Compass reflects a gross IRR of 2.5x on the investment (in total, Azrieli Group invested in Compass some ILS 1.3 billion), over 2.3 Weighted Average Maturity.

Eyal Henkin, Azrieli Group CEO, said: "We are delighted to have closed this transaction for a price which presented an excellent opportunity for the group. This deal reflects the high returns available in the data center industry, and increases the group's flexibility and financial ability to carry out rapid and significant transactions. The accelerated development of AI and the Cloud are an exceptional opportunity for the group to expand its footprint in this growing industry, while generating high returns, long-term contracts and engagements with significant customers".

For further details:

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