

MIRA INFORM REPORT

Report No. :	483783
Report Date :	05.01.2018

IDENTIFICATION DETAILS

Name :	MOSHE MUSSAFI & SONS FOOD MARKETING LTD
Registered Office :	82 Nachlat Binyamin Street, Tel Aviv, 6652505
Country :	Israel
Date of Incorporation :	23.12.2004
Legal Form :	Private Limited Company
Line of Business :	Importers and marketers of foodstuffs, specializing in dried fruits and nuts of various sorts.
No. of Employees :	6

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	No Complaints
Litigation :	Clear

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NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
Israel	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.6% per year during the period 2014-16. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact the well-being of younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2017 with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues, including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

COMPANY NAME AND ADDRESS

RE: **MOSHE MUSSAFI & SONS FOOD MARKETING LTD.**

Telephone 972 3 682 74 24
Fax 972 3 683 20 65

82 Nachlat Binyamin Street
Tel Aviv, 6652505, Israel

HISTORY & LEGAL FORMATION

A private limited company, incorporated as per file No. 51-362254-8 on the 23.12.2004.

Since inception, subject was practically dormant.

On 01.01.2009 subject took over all the business activities of MOSHE MUSSAFI & SONS, a non-registered partnership, which was originally established as a sole proprietary business in 1960, by Mr. Moshe Mussafi.

SHARE CAPITAL

Authorized share capital NIS 30,000.00, divided into –
30,000 ordinary shares of NIS 1.00 each,
of which 100 shares amounting to NIS 100.00 were issued.

SHAREHOLDERS

1. Moshe Mussafi, 40%,
2. Yosef (Yossi) Mussafi, 30%,
3. Yuval Mussafi, 30%, latter 2 are both sons of Moshe.

DIRECOTRS

1. Moshe Mussafi, General Manager,
2. Yosef (Yossi) Mussafi,
3. Yuval Mussafi.



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BUSINESS

Importers and marketers of foodstuffs, specializing in dried fruits and nuts of various sorts.

Amongst clients: KATIF/ SHUFERSAL, CO-OP ISRAEL, SHEKARCHI, HATZI HINAM, SASSON & CO., HAMAMA MEIR TRADE, HANI SHAHROURI (Palestinian Territories), private customers, etc.

All purchasing is from import, mainly from the USA, Turkey Vietnam, and other Far Eastern countries.

Among foreign suppliers: WONDERFUL PISTACHIOS.

Sole local representatives and marketers of PARAMOUNT FARMS, of the USA.

Operating from key-money premises (office and sales store), on an area of 30 sq. meters, in 82 Nachlat Binyamin Street, Tel Aviv, from another rented sales store (40 sq. meters) in 101 Nachlat Binyamin Street, Tel Aviv, and from an owned warehouse in Hevel Modi'in Industrial Park. In addition also lease warehouse facilities in the cold storage facilities of PRIGAL according to need.

Having 6 employees, including the 3 shareholders/ directors.

MEANS

Current stock is valued at approximately NIS 9,000,000 (similar to the last previous years, sometimes level is little higher or lower).

Subject's shareholders also own a property on an area of 100 sq. meters in 13 Shenkar Street, Petach Tikva (previously served subject).

There are 5 charges for unlimited amounts registered on the company's assets (financial assets and fixed assets), in favor of Israel Discount Bank Ltd. and The First International Bank of Israel Ltd. (last charge placed July 2012).

REVENUES

2012 sales claimed to be NIS 110,000,000.

2013 sales claimed to be NIS 110,000,000.

2014 sales claimed to be NIS 110,000,000.

2015 sales claimed to be NIS 130,000,000.

2016 sales claimed to be NIS 130,000,000.

2017 sales claimed to be circa NIS 130,000,000.

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OTHER COMPANIES

MUSSAFI MOSHE FOOD MARKETING MILLENNIUM 2008 LTD.

BANKERS

Israel Discount Bank Ltd., Tel Aviv City Branch (No. 14), Tel Aviv,
account No. 266817.

The First International Bank of Israel Ltd., Tel Aviv Main Branch (No. 46),
Tel Aviv, account No. 899682.

A check with the Central Banks' database did not reveal any negative information regarding subject's a/m
accounts.

CHARACTER AND REPUTATION

Nothing unfavorable learned.

Subject is a long established family business and well-known in its field.

It should be noted that MEGA RETAIL, Israel's 2nd largest supermarket chain, one of subject's clients,
encountered financial difficulties in recent period and entered a creditors' arrangement in July 2015, in essence is
delay of the debt: 70% spread for the next several months and 30% to 2017 (then paid in 36 monthly
installments). Despite the arrangement, MEGA Chain was unable to recover and in January 2016 entered
freezing procedures, with total debt to hundreds of suppliers of NIS 477 million and eventually MEGA chain was
sold to a competing supermarket chain (BITAN WINES) in June 2016 (earlier, part of MEGA branches sold
separately).

Subject has been known to be a supplier of MEGA, yet we do not know what its exposure was, if at all.

According to survey from 2013, the local food market, manufacturing, import and trade, rolls NIS 80 billion per
annum. There are some 1,700 food plants in Israel (some also import) and hundreds of importers in the food,
beverage and consumer products, supplying raw materials and finished goods to the food market.

According to StoreNext Market Research survey (based on circa 80% of the sales in the local FMCG bar-coded
market), in 2016 the FMCG market summed up to NIS 40.8 billion, practically a freeze from 2015, with 0.5%
decrease in sales in terms of price, sided by a mild increase of 0.6% in real terms (the prices index fall by 1.1%),
while the growth in population is 2% per annum. That comes after mild increases in sales in 2015 and 2014,
compared to the previous year.

Food products sale in 2016 witnessed 0.8% fall in money terms from 2015 and totaled NIS 30.5 billion, beverages
sales rose by 1.5% to NIS 4.5 billion.

The FMCG market showed a recovery in the first half 2017 compared to the first half of 2016, with 2.1% increase,
summing up at NIS 17.27 billion.



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According to Central Bureau of Statistics (CBS), import of food and beverages to Israel in 2016 reached NIS 9,081 million, 9.1% rise from 2015 (or 10.5% rise in US\$ currency terms), continuing the upward steady growth trend in last years (including by 8.3% in 2015 from 2014 in NIS terms). Import in the first half of 2017 amounted to NIS 4,871 million, representing almost 5% rise compared to the first half of 2016.

SUMMARY

Good for trade engagements.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.39
UK Pound	1	INR 85.74
Euro	1	INR 76.25
ILS	1	INR 18.39

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VAR
Report Prepared by :	SYL

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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