

**CONSOLIDATED BALANCE SHEETS**

	<b>December 31, 2007</b>	<b>December 31, 2006</b>
	<b>U.S. \$</b>	
	<b>(in thousands)</b>	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents .....	161,504	103,548
Short-term investments .....	38,731	11,385
Marketable securities available for sale .....	1,545	3,646
Trade receivables .....	139,676	119,505
Other accounts receivable .....	33,222	17,582
Inventories .....	3,157	2,752
	<u>377,835</u>	<u>258,418</u>
<b>LONG-TERM INVESTMENTS &amp; DEPOSITES , LOANS AND RECEIVABLES:</b>		
Loans and other investments .....	14,377	3,871
Investments in affiliates .....	3,682	710
	<u>18,059</u>	<u>4,581</u>
<b>SEVERANCE PAY FUND</b> .....	<u>36,851</u>	<u>29,962</u>
<b>FIXED ASSETS, NET</b> .....	<u>15,794</u>	<u>15,921</u>
<b>OTHER ASSETS, NET</b> .....	<u>162,653</u>	<u>141,229</u>
<b>TOTAL ASSETS ATTRIBUTED TO DISCONTINUED OPERATIONS</b> .....	<u>41</u>	<u>146,383</u>
	<u>611,233</u>	<u>596,494</u>
<b>CURRENT LIABILITIES:</b>		
Liabilities to banks and others .....	26,481	40,414
Trade payables .....	56,172	49,719
Other accounts payable .....	72,521	56,967
Debentures .....	3,725	4,450
	<u>158,899</u>	<u>151,550</u>
<b>LONG-TERM LIABILITIES:</b>		
Debentures .....	71,679	10,802
Unrealized Gain .....	85	-
Deferred taxes .....	3,276	458
Customer advances .....	2,181	449
Liabilities to banks and others .....	23,684	59,268
Liability in respect of the acquisition of activities .....	1,374	1,489
Accrued severance pay .....	43,249	35,340
	<u>145,528</u>	<u>107,806</u>
<b>TOTAL LIABILITIES ATTRIBUTED TO DISCONTINUED OPERATIONS</b> .....	<u>503</u>	<u>98,782</u>
<b>MINORITY INTEREST</b> .....	<u>107,915</u>	<u>85,066</u>
<b>SHAREHOLDERS' EQUITY</b> .....	<u>198,388</u>	<u>153,290</u>
	<u>611,233</u>	<u>596,494</u>

**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

	<b>Twelve months ended</b>		<b>Three months ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>U.S.\$</b>		<b>U.S.\$</b>	
<b>(in thousands, except per share data)</b>				
Revenues.....	493,350	416,807	135,917	111,926
Cost of revenues .....	<u>369,110</u>	<u>309,447</u>	<u>100,041</u>	<u>83,034</u>
Gross profit .....	124,240	107,360	35,876	28,892
Research and development costs, net.....	6,547	5,508	2,700	1,019
Selling, general and administrative expenses .....	86,966	84,701	24,231	22,400
Depreciation and amortization.....	3,282	4,143	873	379
Restructuring and non-recurring costs .....	<u>210</u>	<u>2,911</u>	<u>-</u>	<u>269</u>
Operating income.....	27,235	10,097	8,072	4,825
Financial income (expenses), net.....	<u>(3,700)</u>	<u>(4,660)</u>	<u>(2,257)</u>	<u>(1,930)</u>
	23,535	5,437	5,815	2,895
Gain on realization of investments .....	2,039	3,755	53	1,639
Other income (expenses), net.....	<u>(898)</u>	<u>(1,102)</u>	<u>(715)</u>	<u>(238)</u>
Income before taxes on income .....	24,676	8,090	5,153	4,296
Taxes on income .....	<u>1,933</u>	<u>3,766</u>	<u>861</u>	<u>971</u>
	22,743	4,324	4,292	3,325
Equity in profits (losses) of affiliated companies, net.....	(559)	47	(13)	(5)
Minority interest in profits, net .....	<u>9,723</u>	<u>4,832</u>	<u>2,759</u>	<u>2,753</u>
Income from continuing operation.....	12,461	(461)	1,520	567
Income (loss) from discontinued operations .....	<u>24,798</u>	<u>10,476</u>	<u>4,995</u>	<u>5,796</u>
Net income	<u><u>37,259</u></u>	<u><u>10,015</u></u>	<u><u>6,515</u></u>	<u><u>6,363</u></u>
<b>Earnings per share generated from continued operation :</b>				
Basic .....	0.95	0.07	0.12	0.05
Diluted .....	0.93	0.06	0.11	0.05
<b>Earnings per share generated from discontinuing operation :</b>				
Basic .....	1.87	0.73	0.38	0.46
Diluted .....	1.86	0.67	0.37	0.45
<b>Weighted average number of shares outstanding:</b>				
Basic .....	13,200	13,200	13,200	13,200
Diluted .....	<u>13,200</u>	<u>13,200</u>	<u>13,200</u>	<u>13,200</u>