KARDAN N.V.
AMSTERDAM, THE NEDERLANDS

Condensed Interim Consolidated Financial Statements
As of March 31, 2006

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CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

A s s e t s

	March 31, 2006	December 31, 2005
	$'000	$'000
Non-current assets		
Property, plant and equipment	31,642	30,023
Real estate under construction	114,737	155,966
Investment properties	847,499	759,548
Intangible assets	88,284	86,415
Investment in associates	121,356	92,773
Available-for-sale financial assets	49,995	45,609
Long-term receivables	60,099	59,309
Deferred acquisition costs (insurance companies)	14,255	12,485
Deferred tax assets	5,126	5,506
	1,332,993	1,247,634
Current assets		
Inventories and contract work and buildings inventory in progress	65,627	58,908
Current maturities of long-term loans and receivables	73,249	75,657
Trade receivables	30,660	31,208
Other receivables and prepayments	51,282	85,858
Insurance premium receivables	26,488	17,909
Reinsurance premium receivables	20,518	16,762
Short-term investments	49,869	48,661
Cash and cash equivalents	376,924	185,974
	694,617	520,937
Assets held for sale	88,710	-
Total assets	2,116,320	1,768,571

The accompanying notes are an integral part of these financial statements.

Equity and liabilities

	March 31, 2006	December 31, 2005
	$'000	$'000
Equity attributable to equity holders of the parent		
Issued capital	15,942	15,717
Share premium	96,687	92,670
Foreign currency translation reserve	(3,645)	(5,736)
Net unrealized gains and revaluation reserve	74,785	51,501
Amounts recognized directly in equity relating to assets held for sale	226	-
Retained earnings	13,807	6,765
	197,802	160,917
Minority Interest	542,110	353,361
Total equity	739,912	514,278
Non-current liabilities		
Interest-bearing loans and borrowings	621,444	584,433
Other long-term liabilities	3,855	12,636
Warrants and options	65,205	39,713
Convertible debentures	76,485	93,870
Debentures	101,139	101,350
Insurance provisions	131,383	119,176
Deferred income tax liabilities	58,624	46,285
Accrued severance pay, net	1,288	1,386
	1,059,423	998,849
Current liabilities		
Due to customers for contract work	26,283	5,267
Advance from customers in respect of contracts	-	21,519
Other payablesand accrued expenses	85,879	81,217
Trade payables	30,102	36,007
Interest-bearing loans and borrowings	124,297	111,434
	266,561	255,444
Liabilities held for sale	50,424	-
Total liabilities	1,376,408	1,254,293
Total equity and liabilities	2,116,320	1,768,571

The accompanying notes are an integral part of these financial statements

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Three months ended March 31,	
	2006	2005
	$'000	$'000
Revenues		
Sales and services	15,302	14,829
Contract revenues	15,763	14,264
Insurance activities	22,973	34,476
Financing activities	4,901	2,835
Rental revenues	20,790	14,720
Equity in net earnings of associated companies	2,252	3,236
Management fees	415	207
Gain on issuance of shares in associated companies and subsidiaries to third parties	48,322	7,105
Net adjustment to fair value of investment properties	99,797	41,554
Gain on disposal of assets and other income	617	9,089
	231,132	142,315
Expenses		
Cost of sales and services	12,159	5,268
Contract costs	11,448	18,361
Operating expenses of insurance activities	23,595	33,314
Costs of financing activities	3,864	2,076
Costs of rental operations	5,791	5,791
Selling and marketing expenses	4,146	2,995
General and administration expenses	11,117	10,065
Financing expenses	9,421	10,274
Financing income	(5,005)	(1,703)
Net adjustment to fair value of options	38,281	-
Other expenses, net	1,075	486
	115,892	86,927
Net profit before income taxes	115,240	55,388
Income taxes	20,590	8,836
Net profit for the year	94,650	46,552
Attributable to:		
Equity holders	30,492	14,782
Minority interest holders	64,158	31,770
	94,650	46,552
Earning per share:		
Basic	0.45	0.24
Diluted	0.38	0.23

The accompanying notes are an integral part of these financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								Minority interests	Total equity
	Issued and paid-in capital	Share premium	Net unrealized gains and revaluation reserve	Foreign currency translation reserve	Amounts recognized directly in equity relating to assets held for sale	Warrants	Retained earnings	Total		
	$’000	$’000	$’000	$’000	$’000	$’000	$’000	$’000	$’000	$’000
Balance at January 1, 2005	16,922	75,645	17,025	4,482	-	1,368	(8,961)	106,481	353,196	459,677
Change in fair value of hedge instrument	-	-	106	-	-	-	-	106	354	460
Currency translation differences	-	-	-	(3,332)	-	-	-	(3,332)	(3,383)	(6,715)
Change due to issuance of shares in subsidiaries/acquisition of subsidiaries	-	-	-	-	-	-	-	-	(2,013)	(2,013)
Profit/ (loss) from marketable securities	-	-	(302)	-	-	-	-	(302)	(886)	(1,188)
Total income and expense for the year recognized directly in equity	-	-	(196)	(3,332)	-	-	-	(3,528)	(5,928)	(9,456)
Net profit for the period	-	-	-	-	-	-	14,782	14,782	31,770	46,552
Total income /expense for the year	-	-	(196)	(3,332)	-	-	14,782	11,254	25,842	37,096
Issuance of shares (from exercise of warrant, options and conversion of debentures)	79	682	-	-		-	-	761	-	761
Share based payment	-	283	-	-	-	-	-	283	552	835
Dividend distributed	-	-	-	-	-	-	-	-	(3,063)	(3,063)
Balance at March 31, 2005	17,001	76,610	16,829	1,150	-	1,368	5,821	118,779	376,527	495,306

The accompanying notes are an integral part of these financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the parent								Minority interests	Total equity
	Issued and paid-in capital	Share premium	Net unrealized gains and revaluation reserve	Foreign currency translation reserve	Amounts recognized directly in equity relating to assets held for sale	Warrants	Retained earnings	Total		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at January 1, 2006	15,717	92,670	51,501	(5,736)	-	-	6,765	160,917	353,361	514,278
Change in fair value of hedge instrument	-	-	64	-	-	-	-	64	131	195
Amounts recognized directly in equity relating to assets held for sale	-		(225)	(1)	226	-	-	-	-	-
Currency translation differences	-	-	-	2,106	-	-	-	2,106	5,473	7,579
Change due to issuance of shares in subsidiaries/acquisition of subsidiaries	-	-	-	-	-	-	-	-	118,970	118,970
Total income and expense for the year recognized directly in equity	-	-	(161)	2,105	226	-	-	2,170	124,574	126,744
Net profit for the period	-	-	-	-	-	-	30,492	30,492	64,158	94,650
Total income /expense for the year	-	-	(161)	2,105	226	-	30,492	32,662	188,732	221,394
Exercise of warrants	225	4,017	-	-	-	-	-	4,242	-	4,242
Release of capital reserve	-	-	(5)	(14)	-	-	-	(19)	(221)	(240)
Share based payment	-	-	-	-	-	-	-	-	238	238
Reclassification for statutory purposes	-	-	23,450	-	-	-	(23,450)	-	-	-
Balance at March 31, 2006	15,942	96,687	74,785	(3,645)	226	-	13,807	197,802	542,110	739,912

The accompanying notes are an integral part of these financial statements

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
For the three months ended

	March 31, 2006	March 31, 2005
	$'000	$'000
Cash flow from operating activities		
Net profit before taxes on income	115,240	55,388
Adjustment to reconcile net profit to net cash		
Charges/(credits) to profit/loss not affecting operating cash flows:		
• Equity earning of associated companies	(2,252)	(2,333)
• Dividend received from associated companies		-
• Gain on issuance of shares in associated companies and subsidiaries to third parties, net	(48,332)	(7,105)
• Gain on disposal of investments in companies, property, plant and equipment and investment properties, net	117	(38)
• Impairment of investments	-	85
• Share based payment	-	687
• Depreciation and amortization	1,387	4,073
• Fair value adjustments of investment properties	(99,797)	(41,554)
• Exchange differences, net	62	3,035
• Change in fair value of options	38,281	-
• Decrease (increase) in fair value of securities held for trading, net	210	(251)
• Increase in accrued severance pay, net	(100)	(120)
Adjusted net profit	4,816	11,867
Changes in operating assets and liabilities		
• Change in insurance provisions and deferred acquisition costs, net	397	13,306
• Change in outstanding insurance premiums, reinsurance receivables and insurance companies	7,189	(920)
• Change in trade and other receivables	19,855	(11,190)
• Change in inventories and in contract work in progress, net of advances from customers	(8,348)	2,975
• Change in trade and other payables	(1,031)	(25,527)
Net cash (used in) generated from operations	18,062	(9,489)
Income taxes paid	(5,099)	(1,949)
Net cash (used in) provided by operating activities	17,779	(11,438)

The accompanying notes are an integral part of these financial statements.

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	March 31, 2006	March 31, 2005
	$'000	$'000
Cash flow from investing activities		
Acquisition of property, plant and equipment and investment properties, net	(21,438)	(31,571)
Investments in companies and partnerships	(36,705)	(1,836)
Collecting (granting) of loans to associated companies, net	3,492	(306)
Proceeds from disposal of property, plant and equipment and investment properties	65	89
Granting of long-term loans	(11,282)	-
Collecting of long-term loans and receivables	14,396	184
Change in short-term investments	(7,558)	(7,705)
Acquisition of newly-consolidated subsidiaries, net of cash acquired (see A below)	-	(66)
Increase in cash resulting from sale of investments in formerly proportionately consolidated subsidiaries (see B below)	-	9,537
Change in deferred brokerage fees	(1,637)	-
Change in other assets	(5)	-
Net cash used in investing activities	(60,672)	(31,674)
Cash flows from financing activities		
Proceeds from exercise of warrants of issuance of Company's shares	225	761
Proceeds from issuance of sharesin associated companies and subsidiaries to third parties, net	151,793	8,246
Proceeds from exercise of warrants to convertible debentures of subsidiary, net	-	1,735
Dividend to minority shareholders in subsidiaries	-	(3,063)
Issuance of debentures	-	47,641
Repayment of debentures	-	(21,065)
Receipts of long-term loans	80,107	38,598
Repayment of long-term loans	(10,247)	(18,164)
Costs related to issuance of debt and shares	-	-
Change in short-term loans and borrowings, net	5,192	(8,292)
Net cash provided by financing activities	227,070	46,397

The accompanying notes are an integral part of these financial statements

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	March 31, 2006	March 31, 2005
	$'000	$'000
Foreign exchange differences relating to cash and cash equivalents	6,773	888
Increase in cash and cash equivalents	190,950	4,173
Cash and cash equivalents at the beginning of the period	185,974	203,872
Cash and cash equivalents at end of the period	376,924	208,045

A. Acquisition of newly-consolidated subsidiaries, net of cash acquired

Assets and liabilities of subsidiaries as of date of consolidation:		
Cash		
Working capital (excluding cash)	-	(2)
Non-current assets	-	(13)
Goodwill on acquisition	-	(54)
Minority interest	-	3
Total purchase price	-	(66)
Cash of subsidiaries acquired	-	-
Cash used in acquisition, net of cash acquired	-	(66)

The accompanying notes are an integral part of these financial statements

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	March 31, 2006	March 31, 2005
	$'000	$'000
B. Increase in cash resulting from sale of investment in formerly proportionately consolidated subsidiary		
Cash	-	4,688
Working capital (excluding cash)	-	(1,434)
Non-current assets	-	25,736
Non-current liabilities	-	(20,069)
Minority interest	-	(2,216)
Gain on disposal of investments	-	7,520
Total consideration	-	14,225
Cash of subsidiary which ceased to be consolidated	-	(4,688)
Cash flows from disposal, net of cash disposed	-	9,537
Material non-cash transactions		
Purchase of real estate under construction against payable	3,037	2,673
Deferred brokerage fees	-	409

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2006

1. Corporate information

Kardan N.V. ('the Company') having its legal seat in Amsterdam, The Netherlands, was incorporated on May 2, 2003, and acts as an investment company engaged in development of real estate, insurance and pension, infrastructure, technology and communications and consumer goods through its subsidiaries and associated companies. The registered office address of the Company is located at Prins Hendriklaan 52, Amsterdam.
The Company's shares are traded on the Euronext Amsterdam and on the Tel Aviv Stock Exchange ('TASE').

2. Basis of presentation and preparation

Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 as defined by the International Accounting Standards Board to be used for the preparation of the interim consolidated financial statements.

The condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto for the year 2005.

For the consolidated financial statements for the year ended on March 31, 2006 the Company applied the same accounting principles and methods of computation as compared with the consolidated financial statements for the year 2005.

Changes in accounting standards

In December 2004, the IASB issued IFRS 6 "Exploration for and Evaluation of Mineral Resources" ('IFRS 6'). The new standard should be applied for annual periods beginning on or after 1 January 2006. The new standard is not applicable to the Company.

In August 2005, the IASB issued IFRS 7 "Financial Instruments: Disclosures". The new standard should be applied for annual periods beginning on or after 1 January 2007. The new standard issued will not impact the Company's financial position and results in the future as it relates to disclosure only.

In December 2004, the IASB issued IFRIC 4 "Determining Whether an Arrangement Contains a Lease" and IFRIC 5 "Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds". The new interpretations should be applied for annual periods beginning on or after 1 January 2006. These new interpretation will not impact the financial position and results of the Company.

In September 2005, the IASB issued IFRIC 6 "Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment". The new interpretation should be applied for periods beginning on or after 1 December 2005. This new interpretation is not applicable to the Company.

In November 2005, the IASB issued IFRIC 7 "Financial Reporting in Hyperinflationary Economies". The new interpretation should be applied for annual periods beginning on or after 1 March 2006. The Company expects that these new interpretation will not impact the financial position and results.

In January 2006, the IASB issued IFRIC 8 "Scope of IFRS 2". The new interpretation should be applied for annual periods beginning on or after 1 May 2006. The Company expects that these new interpretation will not impact the financial position and results.

Following are the representative exchange rates of the EUR and NIS in relation to the USD and the Israeli Consumer Price Index (CPI) in points:

	EUR	NIS	CPI
March 31, 2006	0.824	4.665	186.1
March 31, 2005	0.774	4.361	179.7
December 31, 2005	0.848	4.603	110.0
Change in Q1 2006	(2.5%)	1.3%	0.6%
Change in Q1 2005	5.4%	1.2%	(0.6%)
Change in 2005	15.1%	6.8%	2.4%

3. Segment information

	Real estate $'000	Financial services $'000	Infrastructure $'000	Automotive & Consumer goods $'000	Communications & technology $'000	Other $'000	Adjustments (1) $'000	Total (2) $'000
For the three months ended March 31, 2006								
Segment Revenues	177,927	29,419	15,825	7,188	235	538	-	231,132
Segment Results	157,770	(520)	705	2,435	106	(349)	(2,210)	157,937
For the three months ended March 31, 2005								
Segment Revenues	63,827	47,280	14,305	7,214	9,247	442	-	142,315
Segment Results	46,106	9,552	549	2,985	8,775	(264)	(3,744)	63,959

(1) Unallocated expenses
(2) Excludes financing income and expenses and income tax expenses

4. Share capital

A. Composition

	March 31, 2006		December 31, 2005	
	Authorized	Issued and Paid-in	Authorized	Issued and Paid-in
	Number of shares		Number of shares	
Ordinary shares with nominal value of EUR 0.20 each	225,000,000	67,549,570	225,000,000	66,615,480

B. Changes in share capital:

During the period in review the holders of warrants route 1 of the Company exercised 1,288,282 warrants into 814,868 ordinary shares of the Company. As a result the equity of the Company increased by USD 3,780 thousand.

In addition, in February 2006 all phantom options granted to a bank were exercised into 119,222 ordinary shares of the Company. As a result the equity of the Company increased by USD 462 thousand.

Subsequent to the balance sheet date, in May 2006, the Company completed a share offering to investors in Europe. The Company issued 11,455,000 ordinary shares and raised EUR 83 million (USD 105 million), before fees, costs and expenses.

5. Significant transactions

A. On March 24, 2006 GTC S.A. successfully completed the issuance of 1,712,000 new shares at a price of PLN 285 per share (USD 87.4). The newly issued shares constitute approximately 7.9% of the share capital of GTC S.A. As a result of the issuance the Company's indirect holding in GTC S.A. was reduced to 29.8% and the Company recorded a gain of approximately USD 41.5 million (USD 26.1 million after minority interests).

B. In October 2005 TBIF signed a series of agreements for the purchase of up to 50% of Joint Stock Company Vseukrainsky Aktsionerny Bank ('VA Bank'), a Ukrainian bank.
As of the date of these financial statements TBIF has purchased a 27.11% equity stake in VA Bank.

In March 2006 TBIF subscribed for newly issued shares in a capital increase, investing USD 42.5 million, as a result of which its stake in VA Bank will increase to 48.65%. The capital increase is currently in the process of registration with the National Bank and the Securities Commission in Ukraine.

Following these investments, TBIF and the current controlling shareholders will hold about 98% of the shares of VA Bank in equal parts.

C. During the first quarter of 2006 certain warrants issued by GTC RE were exercised and certain debentures were converted into ordinary shares of GTC RE. As a result the Company's direct and indirect interest in GTC RE decreased from 69.1% to 63.1% and the Company realized a gain of approximately USD 6.4 million.

Subsequent to the balance sheet date and until the date of these financial statements additional warrants were exercised and the Company's interest in GTC RE further decreased to 62.2%. The Company estimates that the additional decrease in holding will not have a significant impact.

D. During the first quarter of 2006 the Group completed the construction of America House, a 26,000 sq.m class A office building located in the centre of Bucharest, and Topaz building, an 11,000 sqm office building in Warsaw. Both buildings were adjusted to their fair values, which substantially explains the fair value adjustments in the reported period.

E. In December 2005 GTC S.A. has signed a conditional preliminary share purchase agreement for the sale of 50% in the subsidiary holding Galeria Kazimierz shopping centre. Subsequent to the balance sheet date, on April 28, 2006 the final share purchase agreement was concluded between the parties and the transaction was completed. As of March 31, 2006 the assets and liabilities of the subsidiary are presented as assets and liabilities held for sale.

6. Subsequent events

A. In April 2006 the Company completed a transaction according to which a strategic investors purchased by way of allocation and acquisition, approximately 40% of the share capital of KFS. Within five years from the date of the transaction, WS may increase its percentage shareholding in KFS to 50%, through the purchase of additional shares and through capital increases.

In January 2006, KFS signed an agreement with the minority shareholders in TBIH according to which KFS will purchase from the minority shareholders additional shares of TBIH, according to TBIH's value as reflected in the abovementioned transaction between KFS and WS. According to the agreement KFS will purchase, in the first stage, approximately 13.94% of TBIH's shares in consideration of approximately EUR 47.4 million. The transaction was completed in April 2006.

In addition, the agreement arranges for PUT and CALL options for the purchase of the remaining shares in TBIH over a period of two years. The exercise price for each option is EUR 47.4 million, increased by 5% per annum. Upon exercise of both options KFS will hold 100% of TBIH.

Following the completion of both transactions the Company holds approximately 55% of KFS's shares; and KFS holds approximately 75% of TBIH's shares.

As the indirect effective interest of the Company in TBIH will not change significantly following the completion of both transactions, the Company estimates that the expected gain from dilution of its holding in KFS would be set-off against the goodwill to be recognized from the acquisition of the minority shares in TBIH.

B. In April 2006 a Group company has signed an agreement for the acquisition of an 80% stake in Durango Switzerland B.V. which purchased a real estate portfolio comprising 9 office properties in Switzerland. The properties are quality office buildings situated in major cities throughout Switzerland: Bern, Zurich, Fribourg, Neuchatel and others. The majority of the properties are let to Swisscom. The total consideration for the real estate portfolio amounts to approximately CHF 96.4 million (USD 74.3 million) including acquisition costs. Approximately CHF 80 million (EUR 61.7 million) of the total consideration will be financed through a bank loan.

C. In May 2006 Kardan Israel and Ocif Ltd. ('Ocif') have signed a Memorandum of Understanding according to which Kardan Israel will subscribe to newly issued shares in consideration for an investment of NIS 146 million (USD 33 million). In addition, both Kardan Israel and Aviv Ltd., the controlling shareholder of Ocif, will receive options to subscribe for additional Ocif's shares. Kardan Israel and Aviv have agreed to enter into a joint control agreement. Ocif is an Israeli public company whose shares are traded on the Tel-Aviv Stock Exchange.

Furthermore, Kardan Israel and Ocif signed an agreement with a third party ('Golan') according to which Golan will transfer to a company jointly controlled by Kardan Israel and Ocif its rights and obligations to purchase 50% of a holding company (Emed) which owns 54% of Avis Israel and several real estate assets, in consideration for USD 75 million. The agreement offers Golan an option, under certain conditions, to purchase 30% of the joint controlled company through allocation of newly issued shares. The acquisition of the 30% will be in consideration for 30% of the equity and securities that Kardan Israel and Ocif will provide in connection with the execution of the transaction. In addition, Golan will be required to provide equity and/or securities pro-rate to its holding. In the event that Golan will not be able to exercise its option, under certain circumstances, Kardan Israel and Ocif will pay Golan USD 2 million.

The completion of both transactions is subject to conditions precedent, including the approval of the boards of directors.

In addition, an agreement was signed between Kardan Israel, Ocif, Golan and a third party, according to which the joint controlled company will replace Golan in the agreements for the acquisition of

Emed. The third party agreed to transfer the rights and obligations to the joint controlled company and confirmed that it has no claim towards Golan in connection with breach of the agreements. According to the agreement Kardan Israel and Ocif are jointly and severely liable to the fulfilment of the commitment of the joint company to purchase Emed’s shares.

Following the signing of the second agreement, Kardan Israel received a letter from another third party claiming it had also entered into an agreement for the acquisition of Emed shares. Kardan Israel is not aware of such agreement and according to the representations received from the seller, the seller has no commitment towards that party.

D. In May 2006 the Company purchased NIS 54,112,450 par value convertible debentures of GTC RE in consideration for USD 22.7 million.

E. In May 2006 Kardan Israel sold 28,511 ordinary shares of the Company that it held in consideration for USD 280 thousand. Following the sale Kardan Israel holds 136,487 ordinary shares of the Company.

F. In May 2006 TBIH signed an agreement for the sale of its 51% stake in the Serbian pension fund Dunav-TBI in consideration for EUR 4.5 million. The Company estimates that the gain resulting from the transaction will amount to approximately USD 1.7 million.

8. OTHER INFORMATION

As described in Note 2 to these condensed interim consolidated financial statements, the Company prepares financial statements in accordance with IAS 34 applicable to the preparation of interim financial statements. Since the Company's shares are traded on the Tel Aviv Stock Exchange, the Company also prepares financial statements published in Israel, in accordance with Israeli Generally Accepted Accounting Principles ("GAAP").

The significant differences between Israeli GAAP and IFRS that have an effect on the financial position and results of operations of the Company are identical to those differences described in Other Information to the consolidated financial statements for the year 2005, except as described below:

Following the adoption of new accounting standards in Israel, there will be no differences with respect to accounting for convertible debentures, earnings per share, goodwill amortization and share-based payment (for options granted after March 15, 2005).

The reconciliation between shareholders' equity, results of operations and total assets and liabilities of the Company in accordance with Israeli GAAP (as were published in Israel) and shareholders' equity, results of operations and total assets and liabilities of the Company in accordance with IFRS is as follows:

Profit and loss statement:

For the three months March 31, 2006

	IFRS $ '000	Reconciliation $ '000	Israeli GAAP $ '000
Net profit (attributable to equity holders)	30,492	10,601	41,093
Basic profit per share (USD)	0.45	0.17	0.62
Diluted profit per share (USD)	0.38	0.09	0.47

For the three months March 31, 2005

	IFRS $ '000	Reconciliation $ '000	Israeli GAAP $ '000
Net profit (attributable to equity holders)	14,782	(6,695)	8,087
Basic profit per share (USD)	0.24	(0.11)	0.13
Diluted profit per share (USD)	0.23	(0.10)	0.13

Balance sheets:

As of March 31, 2006

	IFRS $ '000	Reconciliation $ '000	Israeli GAAP $ '000
Assets	2,116,320	(745,552)	1,370,768
Liabilities	1,376,408	(457,115)	919,293
Minority interests	542,110	(253,480)	288,630
Shareholders' equity	197,802	(34,957)	162,845

As of December 31, 2005

	IFRS $ '000	Reconciliation $ '000	Israeli GAAP $ '000
Assets	1,768,571	(604,015)	1,164,556
Liabilities	1,254,293	(379,464)	874,829
Minority interests	353,361	(184,244)	169,117
Shareholders' equity	160,917	(40,307)	120,610