

**BALANCE SHEETS**

	<b>December 31,</b>	
	<b>2007</b>	<b>2006</b>
	<b>NIS</b>	
	<b>(in thousands)</b>	
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	45,898	13,799
Accounts receivable	46	2,829
Investments in companies intended for sale	-	58,481
<u>Total</u> current assets	<u>45,944</u>	<u>75,109</u>
<b>INVESTMENTS</b>		
Long term receivables	24,568	4,020
Investments in companies	<u>73,843</u>	<u>37,479</u>
	<u>98,411</u>	<u>41,499</u>
<b>Total Assets</b>	<u><u>144,355</u></u>	<u><u>116,608</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	11,284	844
<u>Total</u> current liabilities	<u>11,284</u>	<u>844</u>
<b>SHAREHOLDERS' EQUITY</b>	<u>133,071</u>	<u>115,764</u>
<b>Total Liabilities and shareholders' equity</b>	<u><u>144,355</u></u>	<u><u>116,608</u></u>

**TEUZA - A FAIRCHILD TECHNOLOGY VENTURE, LTD.**

**INCOME STATEMENTS**

	<b>Year ended December 31,</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>NIS (in thousands)</b>		
<b>REVENUES:</b>			
Gains from realization of investments in companies	42,723	942	-
From services provided	1,014	1,649	1,690
Cancellation of impairment of assets	-	3,882	-
Gains from financial assets, net	-	-	4,919
	<u>43,737</u>	<u>6,473</u>	<u>6,609</u>
<b>EXPENSES:</b>			
Impairment of assets	9,968	-	2,144
Management fees	3,371	3,509	3,001
Allowance for success fee	8,545	-	-
Loss from financial assets, net	190	2,346	-
Other	1,023	1,726	1,440
	<u>23,097</u>	<u>7,581</u>	<u>6,585</u>
Income (loss) before taxes on income	<u>20,640</u>	<u>(1,108)</u>	<u>24</u>
Taxes on income (tax benefit)	<u>-</u>	<u>600</u>	<u>2,296</u>
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<u><u>20,640</u></u>	<u><u>(1,708)</u></u>	<u><u>(2,272)</u></u>