



Makhteshim Agan Industries Ltd.

Management Discussion for the Quarter Ended June 30, 2005

Profile of the Company and its business environment

After a number of years in which the agrochemical market grew rapidly and reached 30.7 billion dollars, the market in 2005 is stabilizing on moderate growth rate.

The growth in the market, like the other significant steps being taken by the Company, has brought about growth for Makhteshim-Agan, and has consolidated its status as the leading generic manufacturer in the field of crop protection products. Official publications (Phillips McDougall Agri-Service) ranked the Group seventh in the world for agrochemical sales in 2004.

Conditions of the business environment

Review of changes in the industry

In the second quarter of 2005, difficult weather conditions followed a long and very cold winter in Europe, notably drought conditions in Spain, Portugal and Australia.

Financial Markets:

The following are exchange rate data for the Group's principal trading currencies compared with the US dollar, and data of LIBOR interest (devaluation) / revaluation:

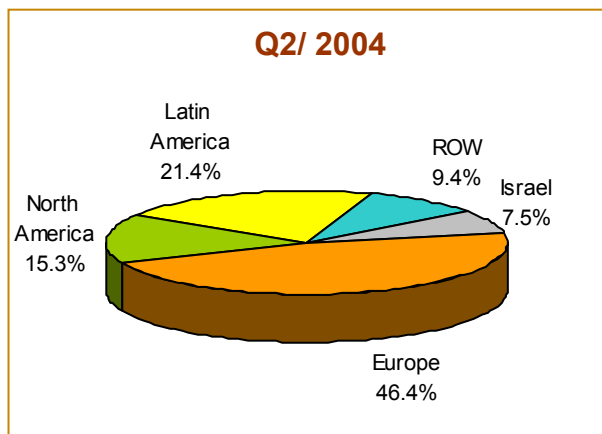
	30/06 Rates			Half-year Average		
	2005	2004	Change	2005	2004	Change
Euro	1.2084	1.2154	(0.6%)	1.2849	1.2264	4.7%
Brazilian Real	2.3504	3.108	(24.4%)	2.573	2.968	(13.3%)
Shekel	4.574	4.497	4.9%	4.392	4.512	(2.8%)
LIBOR interest for 3 months	3.52%	1.61%		2.84%	1.21%	

Makhteshim – Agan

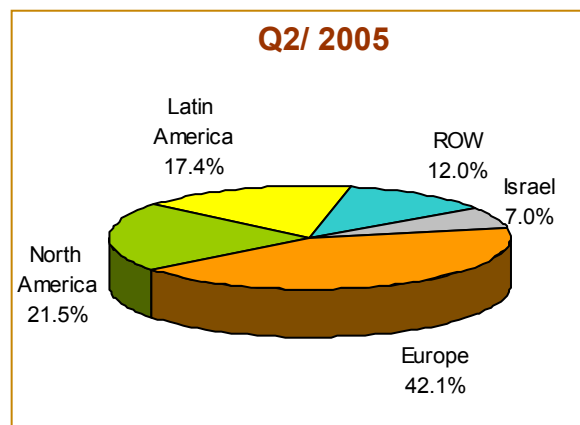
Geographical profile

During the second quarter of 2005 the strong growth in sales continued, and reached \$416.5 million compared with \$352.1 million in the same quarter last year, an increase of 18.3%. The main growth was in sales to North America, which increased by 66% and amounted to \$89.5 million. In the first half of the year, sales amounted to \$933.5 million, compared with \$766.6 million in the first half of 2004, an increase on 21.8%.

Percentage Distribution of Quarterly Sales:

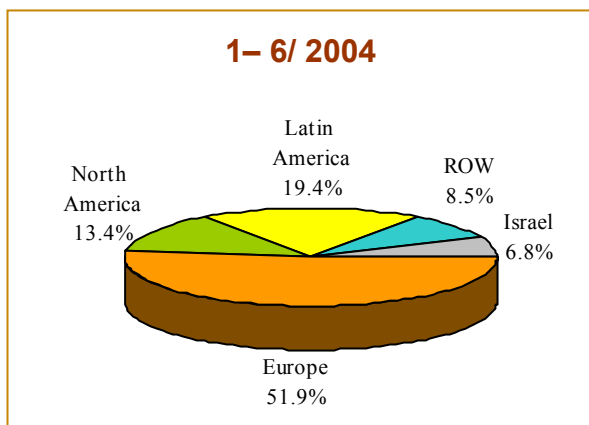


\$352.1M

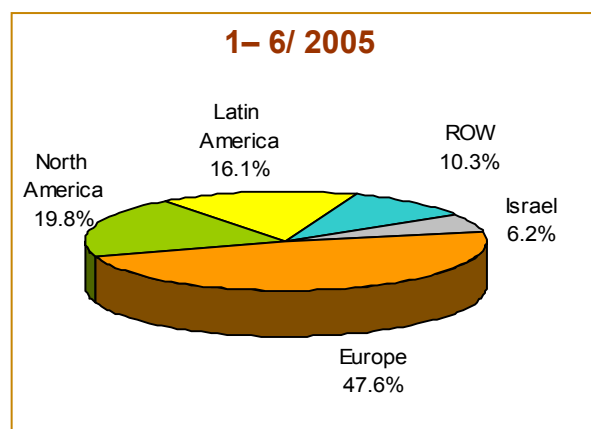


\$416.5M

Percentage distribution of first half sales:



\$766.6M



\$933.5M

Acquisition of companies and joint ventures

On April 6, 2005, the Company gave notice that a wholly owned subsidiary had signed a memorandum of understanding (MOU) to purchase 70% of the Hungarian distribution company, Biomark Trading. The acquisition was closed in May 2005.

Biomark Trading is a Hungarian agrochemical product distribution company with annual sales estimated at approximately \$11 million. The acquisition was a cash transaction. Makhteshim-Agan received an option to purchase the balance of the shares of the company in the future, and thereby to increase its holdings to 100%. The new joint venture is expected to expand the company's operations and the extent of distribution of agro products in Hungary, by launching additional Makhteshim-Agan products.

On April 19, 2005, the Company announced that a wholly owned subsidiary had signed a long-term strategic supply agreement with the multinational agrochemical firm, Bayer CropScience ("Bayer"). The agreement relates to the insecticide **Imidacloprid**, which is protected in most countries around the world by patents owned by Bayer.

Under the agreement, Bayer is to supply the subsidiary with Imidacloprid, in accordance with orders by the subsidiary, in order for the subsidiary and other companies in the Makhteshim-Agan Group to sell it to the Group's customers around the world, in the area of agrochemicals and in other areas. The agreement affords Makhteshim-Agan the right to rely on Bayer's registration files for Imidacloprid in various countries. The date of access to Bayer's registration data is different in each country: in some countries access can already be allowed now, whilst in other countries, it will be available in the future.

Imidacloprid is an insecticide with a broad range of uses on more than 140 different crops, and is one of the most important insecticides currently sold in more than 100 countries. The Company is unable, at this stage, to forecast the global market share that it might achieve, or the profits it can expect, but it estimates that if its marketing is successful, the product could have a material effect on its operations.

The execution of this agreement is another step in realization of the Company's strategy of expanding its basket of products and strengthening its ties with leading multi-national companies in the field of crop protection products.

New Products:

Sales of new products in the second quarter of the year amounted to approximately \$122.1 million, compared with \$99.3 million last year, an increase of about 23.0% (due to a change in product classifications, the 2004 figures have been adjusted). New agro products account for 33.2% of total agrochemical sales in the second quarter compared to 32.2% last year. Most of the growth in sales on new products was in North America, where six new registrations were obtained in 2004.

In the first half of the year, sales of new products amounted to approximately \$288.4 million, compared with \$235.6 million in the first half of 2004, an increase of 22.4%.

New registrations:

In the second quarter of 2005, the Company continued the registration process for new products. During the quarter, the Company received 21 new registrations for active ingredients, formulations and mixtures. The following registrations are particularly noteworthy:

- A first generic registration for marketing the fungicide **Propiconazole** in Canada. The product is used mainly for protecting field crops, orchards, vegetables, etc.
- A registration to market the Company's original insecticide, **Rimon** (Novaluron) in India. The approval is a permanent registration for insects in cotton, tomatoes and cabbage. The Company is seeking to broaden the approval to include other crops.

Non-Agro:

Non-agro sales in the second quarter of 2005 amounted to approximately \$49.2 million, compared with \$43.6 million last year, an increase of 13%.

In the first half of the year, sales of non-agro products amounted to approximately \$100.0 million, compared with \$86.0 million last year, an increase of 16%. Most of the growth derives from increased sales of LycoRed Co., electrolysis products and hydrogen peroxide.

Strategic plan update:

In 2004 the Company published an immediate report concerning its adoption of a five-year business – strategic plan (until 2008). In that plan, the Company estimated that its sales turnover in 2008 would be in the region of \$1.8 billion, with a net profit of 9% – 10% of that turnover. The Company re-examines the plan from time to time, and periodically make changes to it as necessary and based on the conditions obtaining, re-evaluating and updating its targets for the next five years.

In April 2005, after a periodic examination, re-evaluation and update of the plan, the Company announced that the Board of Directors had resolved to raise its five-year targets to sales of about \$2.7 billion in 2009, with a net profit of 10% – 11%.

The Company is proud to announce here that in setting the main targets (sales and profitability) that it reported on April 12, 2005, it took into account the following targets: return on capital employed (ROCE) – 16% – 18%; gross profit – 37% – 38%; EBITDA – 21% – 22%.

The Company's strategy is geared to attaining its targets and realizing its vision. The principal factors and data that served as the basis for the Company's assessments and the adoption of its targets were divided between assessments and assumptions relating to macroeconomic data for the agrochemical industry as a whole, and assessments relating to the abilities of the Company.

The first type of assessment included projections as to future volumes of the agro market as a whole and genetically engineered products in particular; projections as to volumes of patent-protected agro products compared with generic products; projections as to competition in the sector; projections as to future opportunities for purchasing companies and/or products (even though there are no concrete decisions of the Company as to acquisitions).

With regard to the Company's abilities, the assessments included the following: growth and profitability rates to date; the composition of the basket of products and the production capability for new products; proven abilities to buy companies and products and integrate them into the existing organizational set-up; assessments as to the future development of inputs and of marketing abilities beyond and in addition to production capabilities, which will give the Company access to new customers and markets; assessments for growth of sales in stable markets; good management capabilities; a careful risk management policy combined with good operational abilities that allow efficient and thrifty production; assessments for the development of non-crop and food ingredient sales.

These targets are forward-looking, and are based to a large extent on expectations and the above assessments. Since the realization of these developments depends also on factors which are obviously beyond the Company's control, the Company cannot be certain of realizing its vision or of the extent to which it will achieve the targets it has set for itself.

The Company intends to continue examining and re-evaluating its five-year strategic plan and the targets it sets, and will update it as necessary and report on any changes.

Risk Management:

The Company runs its business in various environments which operate in different currencies. Due to its activities, the Company is exposed to market risks, which relate mainly to exchange rate fluctuations, partial adjustment of the prices of produce to the prices of raw materials, and changes in LIBOR rates.

The Board of Directors of the Company approved a policy of using financial derivatives to reduce the exposure to changes in exchange rates. The Company makes such transactions only through banking corporations and stock exchanges, which are obligated to meet capital adequacy requirements or to maintain a scenario-based level of collateral. The Company's Market Risk Manager is the CFO, Eli Assraf.

Currency Risks:

The Group's most substantial exposure is to the euro, the Brazilian Real and the shekel. In addition, there are smaller exposure risks to the British pound and the Argentinean peso. Currency exposure deriving from foreign currency exchange rate fluctuations is constantly checked against the assets, liabilities and cash flows denominated in foreign currencies. It is the Company's policy to use financial derivatives (options and forward contracts) to hedge against this exposure only when the net exposure from a certain currency is material.

During the quarter, the Company hedged most of its accounting and financial exposure to the euro, to the real and to the British pound.

See appendix for linkage balances and derivatives position table as at 30.6.2005.

Risks in raw material prices (in source currency):

In order to reduce exposure to changes in the prices of raw materials, the Company customarily enters into long-term purchase contracts for major materials wherever possible. When making such long-term production contracts, the selling prices are adjusted, if possible, to changes in the prices of the raw materials.

Interest Risks:

The Company is exposed to changes in the LIBOR interest rate on the US dollar, since most of its short- and long-term liabilities are in that currency and bear a variable LIBOR rate. The Company prepares a quarterly summary of its exposure to changes in the LIBOR rate. At this stage, the Company has decided not to hedge this risk. The Company has prepared an interest-rate hedging plan which will be activated at the appropriate time.

Means of supervision and policy implementation

The Company keeps internal documentation regarding the designation of financial instruments for exposures which indicate the link between the instruments and the exposure. The Company monitors the level of exposure on a weekly basis. The Board of Directors is updated once every quarter on market risks and their management. The Company monitors market movements and changes that cause changes in the composition of the hedging portfolio.

Dividend

In May 2005 the Board of Directors resolved to distribute a dividend of \$18.3 million in respect of the first quarter, to be paid on September 1, 2005.

After the balance sheet date, the Board of Directors of the Company resolved to distribute a dividend of \$15.0 million in respect of the second quarter, to be paid on November 29, 2005.

Condensed financial data (in millions of dollars)**Annual data:**

	2002	% Chg	2003	% Chg	2004	% Chg
Sales	890.9	0.2%	1,177.3	32.1%	1,539.7	30.8%
EBITDA	172.8*	8.9%	243.9	41.1%	323.9	32.8%
EBIT	117.8	5.4%	173.3	47.1%	245.4	41.6%
Net Income	66.2*	10.0%	102.8	55.2%	165.5	61.1%
ROCE	10.1%		13.2%		17.6%	

Quarterly data:

	4-6/2002	4-6/2003	4-6/2004	4-6/2005	Change %
Sales	217.6	279.6	352.1	416.5	18.3%
EBITDA	43.6	58.3	73.3	93.4	27.4%
EBIT	28.6	40.9	54.0	71.4	32.2%
Net Income	14.6	23.4	40.6	50.2	23.7%

Half-yearly data:

	1-6/2002	1-6/2003	1-6/2004	1-6/2005	Change %
Sales	453.6	604.7	766.6	933.5	21.8%
EBITDA	92.8	126.1	167.3	212.9	27.3%
EBIT	65.4	92.2	128.0	163.9	28.0%
Net Income	35.3	55.6	85.7	111.3	29.8%
ROCE	10.1%	11.4%	15.5%	19.3%	

* Results of operations without the effect of special expenses for Argentina (2002).

Condensed Profit and loss statements

A. Statements of profit and loss for the second quarter:

	4-6/2005	4-6/2004	Change	% Change
Sales	416.5	352.1	64.4	18.3%
Gross profit	165.2 39.7%	133.3 37.9%	31.9	24.0%
R&D and SG&A expenses	79.8 19.2%	68.4 19.4%	11.4	16.7%
Operating profit	85.4 20.5%	64.9 18.4%	20.5	31.6%
Financing expenses	12.4 3.0%	5.9 1.7%	6.6	112.3%
Pre-tax profit	61.7 14.8%	48.6 13.8%	13.1	26.9%
Net profit*	50.2 12.0%	40.6 11.5%	9.6	23.7%
EBITDA	93.4 22.4%	73.3 20.8%	20.1	27.4%

B. Statements of profit and loss for the first half:

	1-6/2005	1-6/2004	Change	% Change
Sales	933.5	766.6	166.9	21.8%
Gross profit	370.3 39.7%	291.5 38.0%	78.9	27.1%
R&D and SG&A expenses	174.9 18.7%	141.1 18.4%	33.7	23.9%
Operating profit	195.5 20.9%	150.3 19.6%	45.1	30.0%
Financing expenses	17.8 1.9%	13.3 1.7%	4.5	34.1%
Pre-tax profit	152.9 16.4%	115.1 15.0%	37.8	32.8%
Net profit*	111.3 11.9%	85.7 11.2%	25.5	29.8%
EBITDA	212.9 22.8%	167.3 21.8%	45.6	27.3%

C. Quarterly statements of profit and loss

	4-6/2005	1-3/2005	10-12/2004	7-9/2004	4-6/2004
Sales	416.5	517.0	410.4	362.8	352.1
Gross profit	165.2 39.7%	205.1 39.7%	160.2 39.0%	144.2 39.7%	133.3 37.9%
R&D and SG&A expenses	79.8 19.2%	95.1 18.4%	89.8 21.9%	75.7 20.9%	68.4 19.4%
Operating profit	85.4 20.5%	110.0 21.3%	70.4 17.2%	68.5 18.9%	64.9 18.4%
Financing expenses	12.4 3.0%	5.4 1.0%	7.5 1.8%	6.8 1.9%	5.9 1.7%
Pre-tax profit	61.7 14.8%	91.2 17.6%	51.3 12.5%	52.5 14.5%	48.6 13.8%
Net profit	50.2 12.0%	61.1 11.8%	42.5 10.4%	37.3 10.3%	40.6 11.5%
EBITDA	93.4 22.4%	119.5 23.1%	80.4 19.6%	76.2 21.0%	73.3 20.8%

Analysis of Results:

Sales by region:

a. Second quarter:

	4-6/2005		4-6/2004		Change	
	\$ millions	%	\$ millions	%	\$ millions	%
Israel	29.1	7.0%	26.4	7.5%	2.7	10.6%
North America	89.5	21.5%	54.0	15.3%	35.5	65.6%
South America	72.6	17.4%	75.4	21.4%	(2.8)	(3.7)%
Europe	175.4	42.1%	163.5	46.4%	11.9	7.3%
Rest of World	49.9	12.0%	32.8	9.3%	17.1	52.2%
Total	416.5	100.0%	352.1	100.0%	64.4	18.3%

b. First half:

	1-6/2005		1-6/2004		Change	
	\$ millions	%	\$ millions	%	\$ millions	%
Israel	57.9	8.2%	51.9	6.8%	6.0	11.6%
North America	184.8	19.8%	102.7	13.4%	82.1	79.9%
South America	150.3	16.1%	148.6	19.4%	1.7	1.1%
Europe	444.5	47.6%	398.0	51.9%	46.5	11.7%
Rest of World	96.1	10.3%	65.3	8.5%	30.7	47.0%
Total	933.5	100.0%	766.6	100.0%	166.9	21.8%

In the second quarter of 2005, the Company's sales increased by 18.3% and reached \$416.5 million, compared with \$352.1 million last year. Most of the increase was in North America and Australia. In the first half of the year, sales increased by 21.8% and reached \$933.5 million, compared with \$766.6 million last year.

In Europe, sales increased by \$11.9 million (7.3%), and reached \$175.4 million for the quarter, compared with \$163.5 million last year.

In the first half of the year, sales to Europe amounted to \$444.5 million compared with \$398.0 million in the first half of 2004, an increase of 11.7%.

In North America, sales reached \$89.5 million compared with \$54.0 million last year, an increase of 65.6%. The sales growth derived mainly from sales of new products that was launched in 2004, growth of the acquired companies and the first-time consolidation of the acquired companies.

In the first half of the year, sales increased by \$82.1 million (79.9%) and reached \$184.8 million, compared with \$102.7 million last year.

In Latin America, sales amounted to \$72.6 million, a decrease of \$2.8 million compared with last year. In the first half of the year, sales amounted to \$150.3 million, compared with \$148.6 million in the first half of 2004..

In Israel, sales in the quarter amounted to \$29.1 million, compare with \$26,4 million last year. IN the first half of the year, sales increased by \$6.0 million compared with last year, and amounted to \$57.9 million.

In the Rest of the World, sales increased by \$17.1 million compared with last year (from \$32.8 million to \$49.9 million). In the first half of the year sales increased by \$30.7 million compared with the same period last year. The outstanding growth country in the first half was Australia due to first time consolidation of Farmoz.

Gross Profit:

Gross profit for the quarter amounted to \$165.2 million compared with \$133.3 million last year, an improvement of 24.0%. The margin increased in the quarter to 39.7%, compared with 37.9% in the second quarter of 2004.

The improvement in gross profit stemmed mainly from:

- The effects of the first-time consolidation of companies acquired in the second half of 2004;
- an increase in the quantities sold of both new and old products;
- Improve in prices of part of the product portfolio.

Gross profit in the first half of the year reached \$370.3 million, compared with \$291.5 million last year, an improvement of 27.1%, rising from 38.0% in the same period last year to 39.7% this half. The improvement stems from the mix of products, an improved geographical mix and stronger trading currencies.

Operating Profit:

Overhead expenses in this quarter decreased to 19.2% of sales, compared with 19.4% last year. In the first half of the year, overhead expenses were 18.7% of sales, compared with 18.4% last year.

R&D Expenses in the second quarter amounted to \$4.9 million dollars, compared with \$4.3 million last year. In the first half of the year, R&D expenses amounted to \$9.7 million, compared with \$8.5 million in the first half of 2004.

Sales Expenses increased from \$49.0 million last year to \$61.1 million for this quarter, and accounted for 14.7% of sales, compared with 13.9% last year. Most of the increase stems from the effects of the first-time consolidation of the companies acquired in the second half of 2004, and from increased variable expenses (mainly transportation). In the first half of the year, selling expenses amounted to \$131.9 million (14.1%), compared with 99.8 million (13.0%) last year.

General and Administrative Expenses amounted to \$13.8 million (3.3%), compared with \$15.0 million dollars (4.3%) last year. In the first half of the year, G&A expenses amounted to \$33.3 million (3.6%), compared with \$32.8 million (4.3%) last year.

Operating profit this quarter increased by 31.6% and reached \$85.4 million, constituting 20.5% of sales, compared with \$64.9 million (18.4%) in the same period last year, an increase of approximately \$20.5 million. In the first half of the year, operating profit amounted to \$195.5 million (20.9% of sales), compared with \$150.3 million (19.6%) last year.

EBITDA:

EBITDA for the quarter amounted to \$93.4 million (22.4%) compared with \$73.3 million (20.8%) last year, an increase of 27.4% stemming from an improvement in gross and operating profit. In the first half of the year, EBITDA amounted to \$212.9 million (22.7%), compared with \$167.3 million (21.8%) in the first half of 2004, an improvement of 27.3%.

Financing:

Financing expenses in the quarter amounted to \$12.4 million, compared with \$5.9 million in the same quarter last year. The increase in financing costs stems from higher LIBOR rates, the

strengthening of the Brazilian real and hedging of financial liabilities in real (see below). In the first half of the year, financing expenses amounted to \$17.8 million, compared with \$13.3 million last year.

The Company has obligations to certain banks to maintain financial criteria. The Company is in compliance with those obligations.

Convertible debentures and options:

- Of a series of private convertible debentures issued in March and April 2004 (\$150.0 million), \$133.6 million have been converted into shares as at the date of this report. The balance of debentures on the balance sheet as at June 30, 2005 amounts to \$16.4 million.
- Of a series of convertible debentures issued in November 2001 and January 2002, \$56.9 million has been converted into shares as at the date of this report. The balance of debentures on the balance sheet as at June 30, 2005 amounts to \$34.4 million.
- Of the options issued to the public in November 2001, \$7.7 million has been converted into shares as at the date of this report, in consideration of \$18.2 million. The balance of the options not yet exercised for shares on the balance sheet as at June 30, 2005, is \$10.3 million.

Other expenses:

Other expenses amounted to \$11.3 million this quarter, compared with \$10.5 million last year. These expenses include amortization of goodwill in respect of the purchase of new companies and products (including Bayer products), and expenses in respect of the securitization plan. In the first half of the year, other expenses amounted to \$28.4 million, compared with \$21.9 million last year.

Taxes on Income:

Tax expenses this quarter amounted to \$8.8 million, constituting 14.2% of pre-tax profit, compared with \$7.6 million in the same period last year, which was 15.6% of pre-tax profit. (Eliminating the one-time effect of the reduction in corporate tax in Israel, as approved on June 29, 2004, tax expenses last year were \$12.1 million, constituting 24.8% of pre-tax profit.)

Tax expenses in the first half of the year amounted to \$34.98 million (22.8%), compared with \$29.0 million (25.2%) in the first half of 2004 profit. (Eliminating the one-time effect of the reduction in corporate tax as above, tax expenses in the first half of 2004 were \$33.5 million, constituting 29.1% of pre-tax profit.) On the reduction of corporate tax in Israel, see Note 3(7) to the financial statements of the Company as at June 30, 2005.

Net Profit:

Net profit for the quarter increased by 23.7% and reached \$50.2 million (12.0%), compared with \$40.6 million last year (11.5%), an increase of \$9.6 million (eliminating the one-time effect of the reduction in corporate tax last year, net profit amounts to \$36.1 million (10.2%)).

In the first half of the year, net profit amounted to \$111.3 million (11.9%), Net profit include \$2 million reduction due to the effect of the application of Accounting Standard 19. compared with \$85.7 million (11.2%) last year, an improvement of \$25.6 million. (Eliminating the one-time effect of the reduction in corporate tax as above, net profit in the first half of 2004 amounted to \$81.2 million, (10.6%)).

Cash Flow from Current Operations:

Cash flow this quarter amounted to \$132.7 million, compared with \$170.0 million last year, the decrease stemming from an increase in the working capital needs of the Company (inventory and customers) that finance the continuous growth of the company. In the first half of the year, cash flow from current operations amounted to \$145.0 million, compared with \$173.4 million in the first half of 2004.

Cash flows used for investment activities

Investments in the quarter amounted to \$27.8 million and include Investment in fixed assets of \$12.2 million and Investment in product registration and marketing rights of \$10.4 million, compared with \$83.0 million dollars last year which include investment in new companies of 51.2 million dollars, Investment in fixed assets of \$10.1 million and investment in product registration and marketing rights of \$5.1 million.

In the first half of the year, investments amounted to \$47.2 million, compared with \$105.7 million in the first half of 2004.

Free Cash Flow:

Free cash flow (cash flow from current operations less cash flow from investment operations) in the quarter amounted to \$105.0 million, compared with \$87.00 million last year. Free cash flow in the first half of the year amounted to \$97.8 million, compared with \$67.8 million last year.

FINANCIAL CONDITION:**Current Assets:**

Total current assets as at June 30, 2005 amounted to \$1,076.1 million, compared with \$870.5 million on June 30, 2004 and \$949.3 million on December 31, 2004.

Investments in Fixed Assets:

See Cash Flow section above.

Cash, current liabilities and long-term loans:

The Company's credit (bank credit and convertible debentures) on June 30, 2005 amounted to \$255.7 million, of which 68.1% is short term, compared with \$492.1 million on June 30, 2004 (28.7% short term) and \$421.1 million on December 31, 2004 (33.3% short term).

Cash and deposit balances as at June 30, 2005 were \$89.0 million, compared with \$129.3 million on June 30, 2004 and \$42.0 million of December 31, 2004.

Shareholders' Equity:

As at June 30, 2005, shareholders' equity is \$1,099.5 million, compared with \$792.1 million in the same period last year.

Financial Ratios:

	30/06/2005	20/06/2004	31/12/2004
Ratio of current assets to current liabilities (current ratio)	1.42	1.51	1.42
Ratio of current assets excluding inventory, to current liabilities (acid-test ratio)	0.71	0.93	0.73
Fixed assets (net) out of total balance sheet	21.6%	23.4%	22.6%
Financial liabilities out of total balance sheet	12.2%	26.8%	21.8%
Shareholders' equity out of total balance sheet	53.0%	43.2%	45.3%
Ratio of financial liabilities to shareholders' equity	23.1%	62.0%	48.1%
Earnings per share (in dollars)	0.24	0.20	0.39
ROCE	19.3%	15.5%	16.6%

Danny Biran
Chairman of the Board

Shlomo Yanai
CEO

August 8, 2005, Tel Aviv

Report by linkage base as at June 30, 20045 (in thousands of %)

Assets:	Israeli	Dollar	Real	Euro	Other	Others	Total
Cash and cash equivalents	1,492	43,618	6,111	22,461	12,474		86,156
Short-term investments	914	1,791		1	166		2,872
Customers	13,763	142,112	119,105	80,827	56,085		411,892
Other receivables and debit balances	11,935	9,844	16,095	10,922	5,170	27,164	81,130
Inventory						534,048	534,048
Long-term investments, loans and debit balances	2,219	886	16,264	1,545	1,226		22,140
Fixed assets						447,810	447,810
Other assets						534,048	534,048
<u>Total Assets</u>	30,323	198,251	157,575	115,756	75,121	1,543,070	2,120,096
Liabilities:							
Credit from banks and other credit providers	1,060	99,350	28,721	12,705	7,009		148,845
Suppliers and service providers	37,534	139,523	30,866	104,384	31,370		343,677
Other payables and credit balances	56,363	113,866	17,654	73,340	18,273	220	279,716
Bank loans (including current maturities)	1,749	42,726		6,116	3,803		54,394
Other long term liabilities		5,166	5,845	500			11,511
Convertible debentures		50,770					50,770
Deferred taxes, net						74,350	74,350
Employee severance benefits, net	24,674	4	370	474	127		25,649
<u>Total Liabilities</u>	121,380	451,405	83,456	197,519	60,582	74,570	988,912
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Difference	(91,057)	(253,154)	74,119	(81,763)	14,539	1,468,500	1,131,184