Sarin Technologies Ltd.
and its Subsidiaries

(Incorporated in Israel)

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Profit and Loss Accounts (US$'000)
for the year ended 31 December

	GROUP		
	2006 US$'000	2005 US$'000	Change %
Revenue	31,327	30,291	3.4
Cost of sales	(10,914)	(9,549)	14.3
Gross profit	20,413	20,742	(1.6)
Research and development costs	(3,766)	(2,808)	34.1
Selling and marketing expenses	(5,334)	(4,611)	15.7
General and administrative expenses	(3,119)	(2,111)	47.7
Profit from operations	8,194	11,212	(26.9)
Net finance income	721	497	45.1
Profit from ordinary activities before income tax	8,915	11,709	(23.9)
Income tax expense	(537)	(2,359)	(77.2)
Profit for the year	8,378	9,350	(10.4)

Note to income statement:
Profit before income tax is stated after (crediting)/charging the following:

	GROUP		
	2006 US$'000	2005 US$'000	Change %
Allowance for doubtful trade receivables	(73)	56	NM
Depreciation and amortization expense	718	494	45.3
Interest income, net	(864)	(406)	112.8
Foreign currency translation (gain)/loss	143	(91)	NM
Warranty provision	445	106	319.8

NM - Not Meaningful.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Consolidated Balance Sheet (US$'000) as at 31 December

	Group		Company	
	2006 US$'000	2005 US$'000	2006 US$'000	2005 US$'000
Non-current assets				
Investment in subsidiaries	-	-	1,573	648
Property, plant and equipment	1,570	1,236	1,291	1,000
Intangible assets	534	681	510	627
Other receivables	113	273	113	273
Deferred tax assets	1,194	802	1,174	802
Fund for employee severance benefits	8	8	-	-
	3,419	3,000	4,661	3,350
Current Assets				
Inventories	3,309	3,137	2,813	2,846
Trade receivables	1,138	1,200	993	998
Other receivables	1,589	514	1,518	460
Short-term investments	11,268	1,099	11,268	1,099
Cash and cash equivalents	12,118	20,601	11,621	20,250
	29,422	26,551	28,213	25,653
Current liabilities				
Trade payables	2,330	1,045	2,224	955
Other payables	3,148	2,410	2,923	2,239
Current tax payable	83	1,576	-	1,495
Warranty provision	299	249	284	235
Dividend declared	-	2,510	-	2,510
	5,860	7,790	5,431	7,434
Net current assets	23,562	18,761	22,782	18,219
Non-current liabilities				
Liability for employee severance benefits	74	68	74	68
Net assets	26,907	21,693	27,369	21,501
Capital and reserves				
Share capital*	-	-	-	-
Reserves	26,907	21,693	27,369	21,501
	26,907	21,693	27,369	21,501

* Less then one thousand US dollars.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Zero borrowings from banks.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated cash flow statement (US$'000) for the year ended 31 December

	GROUP	
	2006 US$'000	2005 US$'000
Profit for the year	8,378	9,350
Adjustments for:		
Share-based payments expense	230	137
Income tax expense	537	2,359
Amortization and depreciation	718	494
Interest expenses	71	88
Interest income	(935)	(494)
Foreign currency translation (gain)/loss	143	(91)
Operating profit before working capital changes	9,142	11,843
Changes in working capital:		
Inventories	(172)	(925)
Trade receivables	62	77
Other receivables	(915)	25
Short-term investments	(11,169)	(99)
Trade payables	1,285	(421)
Other payables	738	623
Warranty provision	50	97
Employee severance benefits, net	6	(23)
Cash generated from (used in) operations	(973)	11,197
Income taxes paid	(2,422)	(2,318)
Cash flows generated from (used in) operating activities	(3,395)	8,879
Investing activities:		
Purchase of property, plant and equipment	(905)	(835)
Short term investments, net	1,000	(383)
Acquisition of intangible asset	-	(585)
Interest received	935	494
Cash flows generated from (used in) investing activities	1,030	(1,309)
Financing activities:		
Proceeds from the IPO (net of expenses)	-	9,841
Proceeds from exercise of share options, net	50	187
Interest paid	(71)	(88)
Foreign currency translation gain/(loss)	(143)	91
Dividends paid	(5,954)	(2,498)

Cash flows generated from (used in) financing activities	(6,118)	7,533
Net increase (decrease) in cash and cash equivalents	(8,483)	15,103
Cash and cash equivalents at beginning of the year	20,601	5,498
Cash and cash equivalents at end of the year	12,118	20,601

Non cash activities:

Dividend declared and paid subsequent to the balance sheet date	-	2,510

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital* US$' 000	Share Premium US$' 000	Capital Reserve US$' 000	Retained Earnings US$' 000	Total US$' 000
Statement of Changes in Equity - Group					
Balance at January 1, 2005	-	497	86	6,603	7,186
Profit for the year ended December 31, 2005	-	-	-	9,350	9,350
Issuance of shares – IPO	-	11,128	-	-	11,128
Share-based payments expense	-	-	137	-	137
IPO expenses (net of deferred tax of US$371,000)	-	(1,287)	-	-	(1,287)
Exercise of options	-	187	-	-	187
Dividend paid of US$ 0.01 per share	-	-	-	(2,498)	(2,498)
Dividend declared of US$ 0.01 per share	-	-	-	(2,510)	(2,510)
Balance at December 31, 2005	-	10,525	223	10,945	21,693
Profit for the year ended December 31, 2006	-	-	-	8,378	8,378
Share-based payments expense	-	-	230	-	230
Exercise of options	-	50	-	-	50
Dividends paid	-	-	-	(3,444)	(3,444)
Balance at December 31, 2006	-	10,575	453	15,879	26,907

* Less than one thousand US dollars.

	Share Capital* US$' 000	Share premium US$' 000	Capital Reserve US$' 000	Retained Earnings US$' 000	Total US$' 000
Statement of Changes in Equity - Company					
Balance at January 1, 2005	-	497	86	6,511	7,094
Profit for the year ended December 31, 2005	-	-	-	9,250	9,250
Issuance of shares – IPO	-	11,128	-	-	11,128
Share-based payments expense	-	-	137	-	137
IPO expenses (net of deferred tax of US$371,000)	-	(1,287)	-	-	(1,287)
Exercise of options	-	187	-	-	187
Dividend paid of US$ 0.01 per share	-	-	-	(2,498)	(2,498)
Dividend declared of US$ 0.01 per share	-	-	-	(2,510)	(2,510)
Balance at December 31,2005	-	10,525	223	10,753	21,501
Profit for the year ended December 31, 2006	-	-	-	9,032	9,032
Share-based payments expense	-	-	230	-	230
Exercise of options	-	50	-	-	50
Dividends paid	-	-	-	(3,444)	(3,444)
Balance at December 31,2006	-	10,575	453	16,341	27,369

* Less than one thousand US dollars.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	As at December 31	
	2006	2005
	No. of shares	No. of shares
Authorized:		
Ordinary Shares with no par value	2,000,000,000	2,000,000,000
Issued and fully paid:		
Ordinary Shares with no par value	252,425,500	250,896,750

Details of changes in share options

	Average Exercise price in US$ per share	Options
As of January 1, 2006	0.064	9,087,250
Granted	0.32	2,112,000
Cancelled	0.056	(677,500)
Exercised	0.034	(1,528,750)
As of December 31, 2006	0.135	8,993,000

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December, 2005 have been applied in the preparation for the financial statements for the year ended December 31, 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2006	2005
Basic profit per share (US$) (1)	0.033	0.040
Diluted profit per share (US$) (2)	0.032	0.039

(1) Basic earnings per share are calculated based on the weighted average number of 252,172,096 ordinary shares issued during 2006 and 232,911,364 during the preceding year.
(2) Diluted earnings per share are calculated based on weighted average number of 257,857,405 ordinary shares issued during 2006 and 242,493,184 during the preceding year.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) Current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	2006	2005	2006	2005
Net asset value per ordinary share (US$)	0.1066	0.0865	0.1084	0.0857

Net asset value per share is calculated based on the number of 252,425,500 ordinary shares in issue at December 31, 2006 and 250,896,750 ordinary shares at December 31, 2005.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

2006 vs. 2005.

Revenues

Sarin Technologies is a worldwide leader in the development and manufacturing of advanced planning, evaluation, and measurement systems for diamond grading & gemstone production. In FY2006, despite challenging business conditions, the Group grew revenue by 3.4% to US$ 31.3 million compared to US$ 30.3 million in FY2005. Stronger customer demand for the Group's products was recorded in the second half of FY2006, as positive signs of market recovery emerged. On a quarterly basis Q4 FY2006 revenue increased by 23% to US$ 8.5 million from US$ 6.9 in Q4 FY2005. We believe the two consecutive quarters (Q3 and Q4 FY2006) of expanding revenue following the slowdown in Q2 FY2006, express a recovery in the industry, which we had reported as being possible, contingent on a positive holiday sales season. The Management expects, based on published industry sources, that said recovery will carry through into the beginning of FY2007.

Revenues by geographic segment (US$ '000)

Region	Year ended 31 December 2006	Year ended 31 December 2005	$ change	% change
India	22,644	23,447	(803)	(3.4)
Europe	1,902	1,510	392	26.0
North America	1,366	1,406	(40)	(2.8)
Other	5,415	3,928	1,487	37.9
Total	31,327	30,291	1,036	3.4

By region, India registered a 3.4% decrease in revenues from US$ 23.45 million to US$ 22.6 million, while as in the rest of the world the Group recorded revenue growth of 26.9% from US$ 6.85 million for the year ended December 31, 2005 up to US$ 8.7 for the year ended December 31, 2006.

The modest increase in the overall revenues for the year ended December 31, 2006 was primarily due to mixed market conditions in the diamond manufacturing industry. In 1H FY2006, a slowdown of the diamond manufacturing industry, largely based in India, had a significant impact on our business. During 2H FY2006, manufacturing activity rebounded and the Group recorded stronger customer demand for its products. In addition, due to previously reported quality issues, sales of the Quazer green laser diamond cutting and shaping system were delayed, which also impacted revenues for FY2006.

At the same time, as the result of continued sales & marketing efforts, Sarin succeeded in increasing revenues from the rest of the world, and especially from the Others region (primarily the southern African countries). The Group continues to execute this ongoing strategy to increase business activities and sales efforts in other diamond industry centres besides India. Revenue from the Others region attained growth of 37.9% to US$ 5.4 million in comparison to US$ 3.9 million in the year ended December 31, 2005. Strong growth came from southern African countries, reaching approximately US$ 1.4 million in the year ended December 31, 2006, in comparison to approximately US$ 0.5 million in the year ended December 31, 2005. Revenues from North America remained flat at US$ 1.4 million in the years ended December 31, 2005 and 2006. Sales to Europe increased by US$ 0.4 million to US$ 1.9 million.

As previously reported, commencing with the second quarter of 2006 the Company made significant modifications to the Quazer to address performance issues. The Group believes the implemented modifications have addressed many of these issues. Our US supplier continues to work to further refine its green laser source and address outstanding issues relating to its performance consistency. From the perspective of cutting and shaping quality and speed, the Quazer laser system has met and exceeded market expectations, with increased sales realised in Q3 and Q4 FY2006. Management expects to see increased Quazer revenues in 2007.

As previously reported, the flooding in Surat, India, in August 2006, does not seem to have had any long term negative impact on Sarin's business, as can be seen from the sales in the second half of 2006 in comparison with the first half of 2006.

Cost of sales and gross profit

In parallel with the slight increase in revenues (3.4%), cost of sales also increased, but by a relatively higher ratio of 14.3% from US$ 9.5 million in the year ended December 31, 2005 to US$ 10.9 million in the year ended December 31, 2006. The higher ratio of the increase in the cost of sales was due to the mix of products delivered during 2006, and mainly due to our Quazer product on which, as previously noted, we pay royalties (booked as a cost of sale). Our gross profit margin in the year ended December 31, 2006 was 65.2% - in line with our traditional performance, but lower than the year ended December 31, 2005, in which it was 68.5%. As previously reported, our gross margin in Q2 2006 was exceptionally low as there was also a expense taken in that quarter of approximately US$ 200,000 to provide for the necessary corrective actions to be implemented in the Quazer products.

Research and development costs

The increase in research and development costs in the year ended December 31, 2006 in comparison to the year ended December 31, 2005 was 34.1% from US$ 2.8 million to US$ 3.8 million. This is mainly due to an increase in our research and development manpower, sub-contractor and materials costs due to increased R&D activities to support our active pipeline of new products. In addition, higher costs were sustained for new applications for patents and depreciation costs

Selling and marketing expenses

The increase in the selling and marketing expenses in the year ended December 31, 2006 in comparison to the year ended December 31, 2005 was 15.7% from US$ 4.6 million to US$ 5.3 million. Lower sales and changes in India reduced the compensation paid to our sales team in India. However, in the rest of the world we realized higher expenses, both as higher sales performance payouts to our sales teams as well as salaries for additional employees, marketing activities, office rent and other expenses in localities where we have enhanced our sales efforts, in accordance with our strategy to enhance our presence in key emerging regions such as South Africa and China. In Q2 2006, as previously reported, we also recorded a provision for an audit by the New York State sales tax authorities, which was finalized in Q4 2006 in line with our expectations and provisions.

General and administrative expenses

General and administrative expenses increased by 47.7%, or US$ 1.0 million to US$ 3.1 million, during the year ended December 31, 2006. Expenses related to the Company becoming a public company were approximately US$ 230,000 higher in the year ended December 31, 2006 compared to the year ended December 31, 2005. In addition, the Company increased its efforts to defend its intellectual property against infringement by its competitors, spending approximately US$ 330,000 more during the period. The Company also sustained higher expenses related to activities to support the future commercialization of the disposable polishing discs. These increases were partially offset by lower allowances for doubtful debts.

Finance income (net)

Net finance income increased from about US$ 0.5 million in the year ended December 31, 2005 to US$ 0.7 million in the year ended December 31, 2006. The increase in the financial income resulted from the higher cash levels maintained by the Company, along with higher interest rates on the Company's US$ financial investments.

Profit from ordinary activities before income tax

The profit before tax in the year ended December 31, 2006 amounted to US$ 8.9 million in comparison to US$ 11.7 million in the year ended December 31, 2005, representing a decrease of 23.9% or US$ 2.8 million. As a result, our profit before tax margin decreased from 38.7% of revenue in the year ended December 31, 2005 to 28.5% in the year ended December 31, 2006.

Income tax expenses

Income tax expense decreased by approximately US$ 1.8 million, or 77.2%, from US$ 2.4 million in the year ended December 31, 2005 to US$ 0.5 million for the year ended December 31, 2006. The effective income tax rate has decreased from 20.1% in the year ended December 31, 2005 to 6.0% for the year ended December 31, 2006. The decrease was mainly a result of three developments:

(i) Lower profits, which led to lower income tax provisions.

(ii) The statutory corporate tax rate in Israel decreased from 34% in 2005 to 31% in 2006 (the tax rate will be 29% in 2007 and is expected to decrease further to 25% by 2010).

(iii) An update of the approval for the previously granted tax incentives for FY2005 and FY2006 was received in Q4 2006, as was reported in an announcement published on December 7, 2006. This update to the approval, granted additional tax benefits of approximately US$0.5 million in respect of the year ended December 31, 2005, and approximately US$0.4 million in respect of the year ended December 31, 2006. Those additional benefits were recorded entirely in FY2006. This aggregate additional tax benefit of US$0.9 million was a one-time benefit and will not affect tax rates in the ensuing years.

The effective level of income tax in FY2007 will be considerably higher compared to that in FY2006.

Profit for the year

We recorded a net profit of US$ 8.4 million in the year ended December 31, 2006 in comparison to US$ 9.3 million in the year ended December 31, 2005, representing a decrease of 10.4%. Our net profit margin decreased from 30.9% of revenue in the year ended December 31, 2005 to 26.7% in the year ended December 31, 2006.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Current industry trends:

a. The diamond manufacturing market, having receded into a slowdown in Q2 2006, has continued showing positive signs of improvement during this past quarter (Q4). The current market recovery, as had been expected by many industry leaders and followers, was more pronounced as the year-end holiday season progressed and sales of polished diamonds accelerated. This recovery created a better market for our products, particularly in India. Overall sales of our legacy diamond-planning and cut-grading products remained stable in comparison to those realized in 2005, thus bolstering Management's opinion that market saturation is not an issue at this time.

b. US and global diamond jewellery sales are expected to continue to grow during 2007. FY2007 is expected to be characterized by the continuing reduction of current polished-diamond stockpiles, driving the market into increased trading and manufacturing activity.
c. As noted in previous announcements, as a result of the South African and neighbouring governments' policies, to give increased incentives to diamond polishing activities in that region of the world, there has been and is an ongoing shift of diamond polishing plants to the southern African countries. This has created more opportunities for the sale of our products to this emerging market. Management believes this trend will continue into FY2007.
d. Consumer confidence in diamonds' authenticity and quality is increasingly becoming an issue for jewellery retailers worldwide. This is especially true in the US, which, it is estimated, accounts for nearly 50% of all jewellery sales.

Company's plans for next 12 months:

a. As previously reported, Sarin is continuing to develop further refinements of its rough diamond planning products (DiaExpert™ and Advisor™) to further increase the system's accuracy and the yield derived from the rough stone. These improvements include, among other ongoing efforts, the ability to better manually detect and incorporate inclusions into the planning process (DiaExpert Eye™) and an increased-accuracy three-dimensional scanning (TruScan™) of the diamond, as have been announced. We believe these and other new hardware and software features being developed will enhance our products technologically. We thus expect these developments to continue to promote sales, both directly, as upgrades to our current installed base, and indirectly, as they enhance the value of our products to our customers.
b. The performance of the green-laser diamond sawing and cutting system (the Quazer™) has improved significantly with the integration of the specially developed new American green laser source, along with improved software features. Improvements in reliability, surface quality, the minimization of material loss, the processing of problematic high-tension stones and cutting speed have been achieved. Our US supplier continues to work with us to further refine its green laser source and address outstanding issues relating to its performance consistency. We expect sales and deliveries of this product to increase in 2007.
c. The optimisation of the disposable disc coating composition has continued development and testing at several customer sites. Significant improvement in the disc's performance has been demonstrated, including increasing the disc's useful lifespan and achieving notable improvements in polishing speed in comparison to existing competing polishing means. As with all our products, ongoing efforts will be expended to further refine the disc's qualities and enhance its value to our customers. The current pilot production facility is expected to be able to supply the quantities expected to be sold in 2007.
d. Sarin's new product for the assessment and prediction of colour in rough diamonds (OrchiDia™) commenced commercial sales and deliveries in Q4 2006, as expected. Sarin's new product for the measurement of colour in polished diamonds (the Colibri™) is still undergoing refinement and testing. We expect the demand for the solutions provided by our Sarin Color Technologies subsidiary to generate increased sales going forward into 2007.
e. The research and development (R&D) of the automatic inclusion mapping system continues. Although there is a parallel development effort to manually detect and map inclusions (as mentioned in article [a] of this section), the Company continues to

believe that the technology currently being developed in this project has the potential to be a breakthrough in diamond planning and processing, once commercialised. The commercialisation effort, entailing further technical development and the solution of many practical issues, continues. However, as no significant milestones were achieved in Q4 2006, the overall schedule continues to be longer than previously anticipated.

f. The Company plans to continue its efforts to realise more sales from emerging market opportunities in the southern African countries and China. Sarin has established a subsidiary in Hong Kong and is in the process of establishing another subsidiary in the PRC to provide the necessary sales and support infrastructures needed to further these goals.

g. The Company continues to seek potential targets for acquisition. For Sarin, the ideal company to be acquired would be one with proven products and/or services with established sales, which would complement our product offerings to customers in our industry, allowing us to fully leverage our established brand name and market presence.

11. Dividend

(a) Current Financial Period Reported

Any dividend declared/recommended for the current financial period reported on?

Yes. At the Board Meeting held on 25 February 2007, the Board decided to recommend to the Annual General Meeting, in line with our published dividend policy, a final dividend of US$0.008 per share in addition to the interim dividend of US$0.005 that was already paid on 12.9.06.

Name of Dividend	
Interim cash dividend paid for FY 2006- per share	US$0.005
Final cash dividend for FY 2006- per share – recommended to be paid subject to approval by AGM	US$0.008

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	
Interim cash dividend declared on 13.11.05 and paid on 3.1.06	US$ 0.01
Final cash dividend – per share paid out on 11.5.06	US$0.00865

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

	Amount before tax US$'000	Tax rate applicable to shareholders Note
H1 2006: Interim	1,262	(1) (2)
2006: Final	2,019	(2) (3)

Note

(1) The tax rate for this cash dividend was 14.5% for Israeli corporate shareholders and 15.3% for Israeli individual shareholders

(2) The tax rate for this cash dividend is 10% for Singaporean shareholders.

(3) The tax rate for the final cash dividend is expected to be 9.4% for Israeli corporate shareholders and 16.9% for Israeli individual shareholders.

(d) Date Payable

Interim 2006: September 12, 2006
Final 2006: May 9, 2007

(e) Books Closure Date

Interim 2006: September 1, 2006
Final 2006: April 24, 2007

12. If no dividend has been declared/recommended, a statement to that effect.

Not Applicable

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Company is engaged in only one business segment.

Geographical segment data is as follows:

Year ended 31 December 2006

	India US$'000	Europe US$'000	North America US$'000	Other US$'000	Total US$'000
Revenue from external customers	22,644	1,902	1,366	5,415	31,327
Segment assets	3,256	649	243	1,143	5,290
Unallocated assets					27,551
Total assets					32,841
Capital expenditure incurred during the year	511	29	9	356	905

Year ended 31 December 2005

	India US$'000	Europe US$'000	North America US$'000	Other US$'000	Total US$'000
Revenue from external customers	23,447	1,510	1,406	3,928	30,291
Segment assets	3,169	422	308	1,579	5,478
Unallocated assets					24,073
Total assets					29,551
Capital expenditure incurred during the year	305	19	18	493	835

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

	2006 US$'000	2005 US$'000	Change %
Sales reported for first half year	14,875	14,300	4.0
Net profit after tax reported for first half year	3,278	4,466	(26.6)
Sales reported for second half year	16,452	15,991	2.9
Net profit after tax reported for second half year	5,100	4,884	4.4

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year US$'000	Previous Full Year US$'000
Ordinary	3,281	4,685

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the year ended 31 December 2006, to be false or misleading.

On behalf of the Directors

Daniel Glinert

Daniel Benjamin Glinert

Yehezkel Pinhas Blum