

Koor Industries Ltd. - 1Q 2001 Income Statement Breakdo

Sales - major subsidiaries (\$ millions)

	January - March		
	2001	2000	Variance
ECI Telecom (1)	253	263	-4%
Telrad	57	119	-52%
Elisra -Tadiran Group	76	68	12%
Makhteshim-Agan	236	215	10%
Divested Assets		21	NA
Other	75	92	-19%
Koor Consolidated	444	515	-14%

Operating income - major subsidiaries (\$ millions)

	January - March		
	2001	2000	Variance
ECI Telecom (1)	-243	17	NA
Telrad	-28	24	NA
Elisra -Tadiran Group	2	5	-60%
Makhteshim-Agan	39	33	19%
Divested Assets		3	NA
Other	-7	-7	4%
Koor Consolidated	6	58	-90%

Net income - major subsidiaries (\$ millions)

	January - March		
	2001	2000	Variance
ECI Telecom (1)	-256	23	NA
Telrad	-18	2	NA
ECI	-148	13	NA
Elisra -Tadiran Group	-11	3	NA
Makhteshim-Agan	11	8	34%
Divested Assets & other	-62	58	NA
Koor Consolidated	-228	84	NA

(1) ECI sales, gross and operating profits are not consolidated into Koor; net profits are included on equity basis;

(2) ECI had a restatement in the year 2000.

Koor Industries Ltd. - 1Q 2001 Additional Breakdown

Net income - including one-time expenses - Breakdown

\$ 000's

	January - March		
	2001	2000	Variance
Operating income	5,659	57,582	-90%
Financial expenses - Koor Corporate	-23,875	1,374	NA
Financial expenses - MAI	-10,382	-8,800	18%
Financial expenses - Other	-5,078	-6,384	-20%
Other income:			
Capital gains, net	546	67,537	-99%
Write off, net	-31,662	1,868	NA
Severance pay, net	-3,619	-16,203	-78%
Goodwill amortization	-3,982	-2,519	58%
Other	687	-2,229	NA
Taxes	-5,280	-13,430	-61%
ECI:			
Goodwill	-8,657	-8,786	-1%
write off, net	-49,556		NA
restructure costs	-61,438		NA
Equity profits gross	-28,110	22,001	NA
Equity profits - other	-1,876	-3,595	-48%
Minority	-1,464	-4,036	-64%
Discontinued operations			NA
Total	-228,087	84,380	NA

Equity profits - Breakdown

\$ 000's

	January - March	
	2001	2000
ECI	-139,104	22,001
BVR Systems		-2,248
Tadiran affiliates		-63
Balton CP	-66	-434
Masha'el Alumina	-331	-327
Arkia -Knafaim	-708	-367
Telrad Holdings	-627	-239
City tower	-220	-45
Depreciation ECI& BVR	-8,658	-8,786
Other & Divestitures	77	130
Total	-149,637	9,622

ECI equity profits - Breakdown

\$ 000's

	Q1
	2001
ECI Net income	-256,442
Israeli GAAP adjustments	
securities	-4,156
employees option costs	1,477
Sub 101 & others	-12,591
	<u>-271,712</u>
Koor average holding for the period	33.2%
Koor's share in net income, net	-89,548
writeoff	-49,556
Goodwill amortization	-8,658
ECI equity profits on Koor's books	<u>-147,762</u>

Goodwill on Koor's balance sheet by holdings

\$ 000's

	ECI	M-A Ind	BVR	Total
Balance as of 1.1.01	276,374	32,065	22,520	330,959
Acquisitions		1,024	69	1,093
goodwill write off	-49,556	-268		-49,824
Subsidiaries treasury stock	-860			-860
Conversion of Notes & Options				-
Amortization	-8,657	-1,121	-604	-10,382
write off			-8,261	-8,261
Balance as of 31.03.01	217,301	31,700	13,724	262,725

Koor Industries Ltd. - 1Q 2001 Capital Gains

Proceeds from divestitures & Capital gains (\$ millions)

\$ - original amounts, no convenience translation

	Quarter	Net cash proceeds	Net capital gain
<u>In 2001</u>			
Koor insurance	I	1	1
Telrad romania	I	2	0
<u>In 2000</u>			
Telrad - Nortel	III	78	61
Telrad - Maalot	III	37	5
Tadiran battries	III	27	13
Gad line	III	6	3
Mashaav	I	211	55
Q	I	8	5
middle east tubes	I	20	5
Merkavim	I	4	1
Koor finance		3	1
tadiran Appliance		32	
Tadiran Telematics		8	
Histour Eltiv		-4	0
Earudollar	III	4	
Shovalit	IV	3	
koor Properties	IV	35	19
Other		<u>0</u>	<u>1</u>
		<u>472</u>	<u>169</u>

Koor Industries Ltd. - NAV Shell as of May 29, 2001

Koor shares outstanding (voting) - 15,288,763

Holding	Shares o/s million	Koor stake Shares (million)	Koor stake Percent
Major holdings			
ECI (\$)	92.64	30.77	33.21%
MAI (NIS)	354.59	207.86	58.62%
Telrad			100.00%
Nortel Networks Israel			28.00%
Elisra- Tadiran Group			100.00%
Tadiran Electronic Systems			100.00%
Spectralink			100.00%
BVR Systems	10.66	4.92	46.16%
Other holdings			
Knafaim	14.45	4.06	28.08%
Koor Properties			100.00%
Sheraton Hotel chain			55.00%
Koor Trade			100.00%
Tadiran Batteries			100.00%
United Steel Mills	55.80	40.55	72.68%

	Cash Investment (\$ million)
Venture Capital	
3G.com	\$0.50
Always-On	\$4.00
Anota	\$3.00
Camelot	\$4.00
Chiaro	\$11.50
Comsys	\$5.00
Extent	\$4.00
Followap	\$2.00
hLan	\$1.75
EvoRx	\$0.30
Medgenics	\$2.50
NetPost Inc	\$3.00
Orsus Solutions	\$12.00
Pharmaspec	\$1.50
Scopus	\$8.00
Simbionix	\$2.30
Telespree	\$3.50
Glycodata	\$2.00
Global Factory	\$1.00
WanWall	\$1.50
<i>Fund</i> Polaris 3	\$10.50
<i>Fund</i> Star Ventures	\$1.25
<i>Fund</i> Carmel Software	\$2.00
<i>Fund</i> BRM Capital	\$3.00
<i>Fund</i> Genesis Partners	\$3.30
<i>Fund</i> Delta Ventures	\$0.70

Total cost (m.\$)

\$94.10