

## **PILAT TECHNOLOGIES INTERNATIONAL LTD**

### **DISPOSAL OF PROJECT MANAGEMENT DIVISION**

The Board of Pilat Technologies International Ltd. ("Pilat" or "the Company") is pleased to announce that Pilat (Israel) Ltd ("Pilat Israel"), its Israeli subsidiary, has agreed to sell its project management division ("Pilat Project Management") to Pimneto Ltd., a subsidiary of Tefen Industrial Engineering Management and System Analysis Ltd. ("Tefen"), a consulting firm whose shares are traded on the Tel Aviv Stock Exchange. The consideration for the sale is US\$500,000 payable in cash.

Pilat Project Management is engaged in both building and infrastructure project management as well as in coaching and training project managers. During the first six months of 2006, Pilat Project Management generated sales of NIS 3,190,000 (approximately £389,000) and a pre-tax profit of NIS 40,000 (approximately £48,000). In the year ended 31 December 2005, Pilat Project Management generated sales of NIS 6,524,000 (approximately £796,000) and a pre-tax profit of NIS 607,000 (approximately £74,000).

The sale is subject to the approval of the Israeli Anti-Trust authorities and is expected to be concluded before the end of 2006.

The sale of Pilat Project Management is the last step of the implementation of the Company's strategy to focus on its core international HR and management consulting and software business.

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