

CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,
	2012	2011	2011
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6,032	18,273	9,251
Trade receivables	2,705	3,062	2,740
Other accounts receivable	5,339	1,228	4,042
Inventories	3,713	4,016	3,740
	<u>17,789</u>	<u>26,579</u>	<u>19,773</u>
NON-CURRENT ASSETS:			
Deposits	112	109	112
Restricted cash	379	390	378
Fixed assets	717	998	894
Intangible assets	14,938	16,388	16,196
	<u>16,146</u>	<u>17,885</u>	<u>17,580</u>
	<u>33,935</u>	<u>44,464</u>	<u>37,353</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	3,890	2,952	4,426
Other accounts payable	3,884	5,592	4,648
Liabilities for Government grants	442	677	424
	<u>8,216</u>	<u>9,221</u>	<u>9,498</u>
NON-CURRENT LIABILITIES:			
Loan from controlling shareholder	8,212	-	-
Liabilities for Government grants	20,063	15,281	18,824
	<u>28,275</u>	<u>15,281</u>	<u>18,824</u>
EQUITY (DEFICIENCY):			
Share capital	1,351	1,333	1,333
Additional paid-in capital	135,128	133,732	134,606
Receipts on account of shares	4,887	-	-
Share-based payment	10,377	10,568	9,990
Capital reserve in respect of controlling shareholder transactions	6,548	4,358	4,358
Accumulated deficit	(160,847)	(130,029)	(141,256)
Total equity (deficiency)	<u>(2,556)</u>	<u>19,962</u>	<u>9,031</u>
	<u>33,935</u>	<u>44,464</u>	<u>37,353</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2012	2011	2012	2011	2011
	Unaudited				Audited
NIS in thousands (except per share data)					
Revenues from sales	8,990	6,506	2,855	2,412	9,323
Revenues from hiring machines	1,363	2,408	486	911	3,169
Total revenues	10,353	8,914	3,341	3,323	12,492
Cost of revenues	9,381	9,278	2,995	3,284	12,763
Amortization of intangible assets	1,254	844	305	341	1,034
Total cost of revenues	10,635	10,122	3,300	3,625	13,797
Gross profit (loss)	(282)	(1,208)	41	(302)	(1,305)
Research and development expenses, net	5,674	9,054	757	3,099	11,388
Selling and marketing expenses	9,927	8,177	2,949	2,692	11,778
General and administrative expenses	4,506	4,211	1,359	1,448	5,953
Prior year fees refund by the FDA	(3,167)	-	(3,167)	-	-
Operating loss	(17,222)	(22,650)	(1,857)	(7,541)	(30,424)
Finance income	104	585	3	561	440
Finance expenses	(2,473)	(1,130)	(752)	(2,276)	(4,438)
Finance expenses, net	(2,369)	(545)	(749)	(1,715)	(3,998)
Loss	(19,591)	(23,195)	(2,606)	(9,256)	(34,422)
Total comprehensive loss	(19,591)	(23,195)	(2,606)	(9,256)	(34,422)
Basic and diluted loss per share (in NIS)	(0.08)	(0.18)	(0.01)	(0.07)	(0.26)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Receipts on account of shares	Share-based payment	Capital reserve in respect of controlling shareholder transactions	Accumulated deficit	Total
	Unaudited						
	NIS in thousands						
Balance at January 1, 2012 (audited)	1,333	134,606	-	9,990	4,358	(141,256)	9,031
Total comprehensive loss	-	-	-	-	-	(19,591)	(19,591)
Receipt on account of issuance of rights, net	-	-	4,887	-	-	-	4,887
Conversion of loan from controlling shareholder	18	522	-	-	(97)	-	443
Cost of share based payment	-	-	-	387	-	-	387
Capital benefit from transactions with controlling shareholder	-	-	-	-	2,287	-	2,287
Balance at September 30, 2012	<u>1,351</u>	<u>135,128</u>	<u>4,887</u>	<u>10,377</u>	<u>6,548</u>	<u>(160,847)</u>	<u>(2,556)</u>

	Share capital	Additional paid-in capital	Share-based payment	Capital reserve in respect of controlling shareholder transactions	Accumulated deficit	Total
	Unaudited					
	NIS in thousands					
Balance at January 1, 2011 (audited)	1,098	113,679	10,477	4,358	(106,834)	22,778
Total comprehensive loss	-	-	-	-	(23,195)	(23,195)
Issuance of rights, net	234	19,582	-	-	-	19,816
Forfeiture of options	-	-	(376)	-	-	(376)
Cost of share-based payment	-	-	907	-	-	907
Exercise of options	<u>1</u>	<u>471</u>	<u>(440)</u>	<u>-</u>	<u>-</u>	<u>32</u>
Balance at September 30, 2011	<u>1,333</u>	<u>133,732</u>	<u>10,568</u>	<u>4,358</u>	<u>(130,029)</u>	<u>19,962</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Receipts on account of shares	Share-based payment	Capital reserve in respect of controlling shareholder transactions	Accumulated deficit	Total
Unaudited							
NIS in thousands							
Balance at July 1, 2012	1,333	134,606	-	10,288	6,645	(158,241)	(5,369)
Total comprehensive loss	-	-	-	-	-	(2,606)	(2,606)
Receipt on account of Issuance of rights, net	-	-	4,887	-	-	-	4,887
Conversion of loan from controlling shareholder	18	522	-	-	(97)	-	443
Cost of share based payment	-	-	-	89	-	-	89
Balance at September 30, 2012 (unaudited)	<u>1,351</u>	<u>135,128</u>	<u>4,887</u>	<u>10,377</u>	<u>6,548</u>	<u>(160,847)</u>	<u>(2,556)</u>

	Share capital	Additional paid-in capital	Share-based payment	Capital reserve in respect of controlling shareholder transactions	Accumulated deficit	Total
Unaudited						
NIS in thousands						
Balance at July 1, 2011	1,332	133,261	11,102	4,358	(120,773)	29,280
Total comprehensive loss	-	-	-	-	(9,256)	(9,256)
Forfeiture of options	-	-	(376)	-	-	(376)
Cost of share-based payment	-	-	282	-	-	282
Exercise of options	1	471	(440)	-	-	32
Balance at September 30, 2011	<u>1,333</u>	<u>133,732</u>	<u>10,568</u>	<u>4,358</u>	<u>(130,029)</u>	<u>19,962</u>

	Share capital	Additional paid-in capital	Share-based payment	Capital reserve in respect of controlling shareholder transactions	Accumulated deficit	Total
audited						
NIS in thousands						
Balance at January 1, 2011	1,098	113,679	10,477	4,358	(106,834)	22,778
Total comprehensive loss	-	-	-	-	(34,422)	(34,422)
Issuance of rights, net	234	19,582	-	-	-	19,816
Cost of share based payment	-	-	816	-	-	816
Forfeiture of options	-	780	(780)	-	-	-
Exercise of options	1	565	(523)	-	-	43
Balance at December 31, 2011	<u>1,333</u>	<u>134,606</u>	<u>9,990</u>	<u>4,358</u>	<u>(141,256)</u>	<u>9,031</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2012	2011	2012	2011	2011
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	(19,591)	(23,195)	(2,606)	(9,256)	(34,422)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation and amortization	1,524	1,106	371	422	1,409
Cost of share based payment	387	531	89	(94)	816
Finance Expenses, net	2,369	545	749	1,715	3,998
	4,280	2,182	1,209	2,043	6,223
Changes in asset and liability items:					
Decrease (increase) in trade receivables	72	(2,291)	590	(126)	(1,393)
Decrease (increase) in other accounts receivable	(1,297)	491	(3,466)	950	(2,326)
Decrease in inventories	27	141	179	331	471
Increase (Decrease) in trade payables	(596)	(5)	(302)	(2,548)	694
Increase (decrease) in accounts payable	(768)	2,307	(959)	2,120	1,363
	(2,562)	643	(3,958)	727	(1,191)
Cash paid and received during the period for:					
Interest paid	(25)	(27)	(11)	(14)	(43)
Interest received	31	323	3	102	374
	6	296	(8)	88	331
Net cash used in operating activities	(17,867)	(20,074)	(5,363)	(6,398)	(29,059)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2012	2011	2012	2011	2011
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from investing activities:</u>					
Purchase of fixed and intangible assets	(89)	(142)	(12)	(33)	(203)
Net cash used in investing activities	(89)	(142)	(12)	(33)	(203)
<u>Cash flows from financing activities:</u>					
Receipt of loan from controlling shareholder	10,000	-	-	-	-
Issuance of rights, net	-	19,816	-	-	19,816
Receipt on account of Issuance of rights, net	4,887	-	4,887	-	-
Receipt of Government grants	-	22	-	22	2
Repayment of liability in respect of government grants	(247)	(203)	-	(203)	(203)
Exercise of options	-	32	-	32	43
Net cash provided by (used in) financing activities	14,640	19,667	4,887	(149)	19,658
Exchange differences on balances of cash and cash equivalents	97	7	64	373	40
Decrease in cash and cash equivalents	(3,219)	(542)	(424)	(6,207)	(9,564)
Cash and cash equivalents at the beginning of the period	9,251	18,815	6,456	24,480	18,815
Cash and cash equivalents at the end of the period	6,032	18,273	6,032	18,273	9,251
 <u>Significant non-cash transactions:</u>					
Conversion of loan from controlling shareholder into shares	540	-	540	-	-

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