

CONSOLIDATED BALANCE SHEETS

	<u>March 31,</u>		<u>December 31,</u>
	<u>2012</u>	<u>2011</u>	<u>2011</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	12,803	31,641	9,251
Trade receivables	2,958	2,283	2,740
Other accounts receivable	2,409	1,637	4,042
Inventories	3,861	3,678	3,740
	<u>22,031</u>	<u>39,239</u>	<u>19,773</u>
NON-CURRENT ASSETS:			
Deposits	118	212	112
Restricted cash	375	383	378
Fixed assets	817	1,087	894
Intangible assets	15,561	17,113	16,196
	<u>16,871</u>	<u>18,795</u>	<u>17,580</u>
	<u>38,902</u>	<u>58,034</u>	<u>37,353</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Loan from Interested Parties	9,730	-	-
Trade payables	4,522	2,987	4,426
Other accounts payable	4,776	3,741	4,648
Liabilities for Government grants	430	454	424
	<u>19,458</u>	<u>7,182</u>	<u>9,498</u>
NON-CURRENT LIABILITIES:			
Liabilities for Government grants	18,746	14,410	18,824
EQUITY:			
Share capital	1,333	1,332	1,333
Share premium	134,606	133,261	134,606
Reserve for share-based payment transactions	10,178	10,875	9,990
Reserve for transaction with controlling shareholder	4,660	4,358	4,358
Accumulated deficit	(150,079)	(113,384)	(141,256)
Total equity	<u>698</u>	<u>36,442</u>	<u>9,031</u>
	<u>38,902</u>	<u>58,034</u>	<u>37,353</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended March 31,		Year ended December 31,
	2012	2011	2011
	Unaudited		Audited
	NIS in thousands (except per share data)		
Revenues from sales	2,851	1,796	9,323
Revenues from rental machines	410	664	3,169
Total revenues	<u>3,261</u>	<u>2,460</u>	<u>12,492</u>
Cost of revenues	3,277	2,852	12,763
Amortization of intangible asset	634	129	1,034
Total cost of revenues	<u>3,911</u>	<u>2,981</u>	<u>13,797</u>
Gross loss	(650)	(521)	(1,305)
Research and development expenses, net	3,050	2,174	11,388
Selling and marketing expenses	3,591	2,697	11,778
General and administrative expenses	1,502	1,506	5,953
Operating loss	<u>(8,793)</u>	<u>(6,898)</u>	<u>(30,424)</u>
Financial income	84	496	440
Financial expenses	(114)	(148)	(4,438)
Net financial income (expenses), net	<u>(30)</u>	<u>348</u>	<u>(3,998)</u>
Loss	<u>(8,823)</u>	<u>(6,550)</u>	<u>(34,422)</u>
Total comprehensive loss	<u>(8,823)</u>	<u>(6,550)</u>	<u>(34,422)</u>
Basic and diluted loss per share (in NIS)	<u>(0.07)</u>	<u>(0.05)</u>	<u>(0.26)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Share-based payment	Capital reserve in respect of controlling shareholder transaction	Accumulated deficit	Total
NIS in thousands						
Balance at January 1, 2012 (audited)	1,333	134,606	9,990	4,358	(141,256)	9,031
Total comprehensive loss	-	-	-	-	(8,823)	(8,823)
Capital benefit from transactions with Interested Parties	-	-	-	302	-	302
Cost of share based payment	-	-	188	-	-	188
Balance at March 31, 2012 (unaudited)	1,333	134,606	10,178	4,660	(150,079)	698

	Share capital	Share premium	Reserve for share-based payment transactions	Reserve for transaction with controlling shareholder	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	-	-	-	-	(6,550)	(6,550)
Issuance of rights, net	234	19,582	-	-	-	19,816
Cost of share-based payment	-	-	398	-	-	398
Balance at March 31, 2011	1,332	133,261	10,875	4,358	(113,384)	36,442

	Share capital	Additional paid-in capital	Share-based payment	Capital reserve in respect of controlling shareholder transaction	Accumulated deficit	Total
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	1,333	134,606	9,990	4,358	(141,256)	9,031

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2012	2011	2011
	Unaudited		Audited
	NIS in thousands		
<u>Cash flows from operating activities:</u>			
Loss	(8,823)	(6,550)	(34,422)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	777	214	1,409
Cost of share based payment	188	398	816
Financial income, net	30	(348)	3,998
	995	264	6,223
Changes in asset and liability items:			
Increase in trade receivables	(274)	(1,776)	(1,393)
Decrease (increase) in other accounts receivable	1,633	31	(2,326)
Decrease (increase) in inventories	(121)	485	471
Increase in trade payables	151	256	694
Increase in other accounts payable	128	456	1,363
	1,517	(548)	(1,191)
Cash paid and received during the period for:			
Interest paid	(6)	(9)	(43)
Interest received	12	92	374
	6	83	331
Net cash used in operating activities	(6,305)	(6,751)	(29,059)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2012	2011	2011
	Unaudited		Audited
	NIS in thousands		
<u>Cash flows from investing activities:</u>			
Purchase of fixed and intangible assets	(65)	(70)	(203)
Investment in long-term deposits	(6)	(52)	-
Net cash used in investing activities	(71)	(122)	(203)
<u>Cash flows from financing activities:</u>			
Loans from Interested Parties	10,000	-	-
Issuance of rights, net	-	19,816	19,816
Receipt of Government grants	-	-	2
Repayment of liability in respect of government grants	-	-	(203)
Exercise of share options	-	-	43
Net cash provided by financing activities	10,000	19,816	19,658
Exchange differences on balances of cash and cash equivalents	(72)	(117)	40
Increase (decrease) in cash and cash equivalents	3,552	12,826	(9,564)
Cash and cash equivalents at the beginning of the period	9,251	18,815	18,815
Cash and cash equivalents at the end of the period	12,803	31,641	9,251
