Consolidated Balance Sheets
(U.S. Dollars In thousands)

	December 31, 2001	March 31, 2002
Current assets		
Cash and cash equivalents	340	1,708
Short Term bank deposits and debentures	125,340	123,018
Trade receivables, net	7,868	8,583
Other receivables and prepaid expenses	1,174	1,654
Inventories	4,781	4,245
	139,503	139,208
Property and equipment, net	4,037	4,011
Deposit with insurance companies	882	906
Security deposit	39	23
Total assets	144,461	144,148
Current liabilities		
Trade payables	2,541	3,374
Other payables and accrued expenses	12,051	12,207
	14,592	15,581
Accrued severance pay	930	922
Minority's interest	1	28
Total liabilities	15,523	16,531
Shareholders' equity		
Share capital	413	413
Additional paid-in capital	131,615	131,615
Deferred compensation	(394)	(319)
Accumulated deficit	(2,696)	(4,092)
Total shareholders' equity	128,938	127,617
Total liabilities and shareholders' equity	144,461	144,148

Consolidated Statements Of Operations
(U.S. Dollars In thousands, except per share data)

	For the Three months ended March 31, 2001	For the Three months ended March 31, 2002
Sales	12,810	10,101
Cost of sales	2,106	1,857
Gross profit	10,704	8,244
Research & Development, net	1,978	2,012
Sales & Marketing	7,520	7,425
General & Administrative	1,005	1,034
Total operating expenses	10,503	10,471
Operating profit (loss)	201	(2,227)
Financial income, net	2,043	858
Income (loss) before taxes on income	2,244	(1,369)
Taxes on income	(202)	-
Minority's interest	22	(27)
Net income (loss)	2,064	(1,396)
Basic net income (loss) per share	$ 0.13	$ (0.08)
Weighted Average shares used to compute Basic net income (loss) per share	16,338,441	16,539,551
Diluted net income (loss) per share	$ 0.12	$ (0.08)
Weighted Average shares used to compute Diluted net income (loss) per share	17,317,451	16,539,551