

**Condensed Consolidated Balance Sheets**  
**(U.S. Dollars in Thousands)**

	<b>December 31, 2006</b>	<b>December 31, 2007</b>
	(Audited)	(Audited)
<b>Current assets</b>		
Cash and cash equivalents	25,324	70,547
Short-term marketable securities	115,051	71,327
Trade receivables, net	17,453	17,192
Other receivables and prepaid expenses	1,996	3,195
Inventories	6,892	5,428
	<u>166,716</u>	<u>167,689</u>
<b>Long-term investments</b>		
Long-term bank deposit	9,602	10,236
Long-term marketable securities	14,154	2,735
Severance pay funds	2,907	3,940
	<u>26,663</u>	<u>16,911</u>
 Property and equipment, net	 <u>9,253</u>	 <u>12,217</u>
<b>Other assets</b>		
Intangible assets, net, long-term deferred taxes and other long-term assets	3,582	5,776
Goodwill	9,454	13,474
	<u>13,036</u>	<u>19,250</u>
 Total assets	 <u><u>215,668</u></u>	 <u><u>216,067</u></u>
<b>Current liabilities</b>		
Trade payables	6,956	7,537
Deferred revenues	15,712	18,395
Other payables and accrued expenses	6,642	8,043
	<u>29,310</u>	<u>33,975</u>
 Accrued severance pay	 <u>3,944</u>	 <u>5,379</u>
 Total liabilities	 <u><u>33,254</u></u>	 <u><u>39,354</u></u>
<b>Shareholders' equity</b>		
Share capital	478	482
Additional paid-in capital	170,110	176,024
Accumulated other comprehensive income (loss)	(242)	150
Treasury stock, at cost	(11,069)	(11,069)
Retained earnings	23,137	11,126
Total shareholders' equity	<u>182,414</u>	<u>176,713</u>
 Total liabilities and shareholders' equity	 <u><u>215,668</u></u>	 <u><u>216,067</u></u>