

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

	December 31, 2005	December 31, 2006
	(Audited)	(Audited)
Current assets		
Cash and cash equivalents	56,263	25,324
Short-term bank deposits	10,195	-
Short-term marketable securities	60,443	115,051
Trade receivables, net	14,661	17,453
Other receivables and prepaid expenses	1,451	1,996
Inventories	5,254	6,892
	<u>148,267</u>	<u>166,716</u>
Long-term investments		
Long-term bank deposit	9,458	9,602
Long-term marketable securities	28,134	14,154
Severance pay funds	2,178	2,907
	<u>39,770</u>	<u>26,663</u>
Property and equipment, net	<u>5,968</u>	<u>9,253</u>
Other assets		
Intangible assets, net, long-term deferred taxes and other long-term assets	3,888	3,582
Goodwill	6,454	9,454
	<u>10,342</u>	<u>13,036</u>
Total assets	<u><u>204,347</u></u>	<u><u>215,668</u></u>
Current liabilities		
Trade payables	5,329	6,956
Deferred revenues	12,424	15,712
Other payables and accrued expenses	6,509	6,642
	<u>24,262</u>	<u>29,310</u>
Accrued severance pay	<u>2,659</u>	<u>3,944</u>
Total liabilities	<u><u>26,921</u></u>	<u><u>33,254</u></u>
Shareholders' equity		
Share capital	470	478
Additional paid-in capital	153,010	170,110
Accumulated other comprehensive loss	(404)	(242)
Deferred stock compensation	(67)	-
Treasury stock, at cost	-	(11,069)
Retained earnings	24,417	23,137
Total shareholders' equity	<u>177,426</u>	<u>182,414</u>
Total liabilities and shareholders' equity	<u><u>204,347</u></u>	<u><u>215,668</u></u>