

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

	December 31, 2004		December 31, 2005
	(Audited)		(Audited)
Current assets			
Cash and cash equivalents	8,792 (*)		56,263
Short-term bank deposits	64,892		10,195
Short-term marketable securities	35,336 (*)		60,443
Trade receivables, net	13,166		14,661
Other receivables and prepaid expenses	1,332		1,451
Inventories	4,094		5,254
	<u>127,612</u>		<u>148,267</u>
Long-term investments			
Long-term bank deposit	9,224		9,458
Long-term marketable securities	38,797		28,134
Severance pay funds	1,921		2,178
	<u>49,942</u>		<u>39,770</u>
Property and equipment, net	<u>4,452</u>		<u>5,968</u>
Other assets			
Intangible assets, net, long-term deferred taxes and other long-term assets	1,235		3,888
Goodwill	-		6,454
	<u>1,235</u>		<u>10,342</u>
Total assets	<u>183,241</u>		<u>204,347</u>
Current liabilities			
Trade payables	5,075		5,329
Deferred revenues	9,888		12,424
Other payables and accrued expenses	4,962		6,509
	<u>19,925</u>		<u>24,262</u>
Accrued severance pay	<u>2,399</u>		<u>2,659</u>
Total liabilities	<u>22,324</u>		<u>26,921</u>
Shareholders' equity			
Share capital	457		470
Additional paid-in capital	145,439		153,010
Accumulated other comprehensive loss	(52)		(404)
Deferred stock compensation	-		(67)
Retained earnings	15,073		24,417
Total shareholders' equity	<u>160,917</u>		<u>177,426</u>
Total liabilities and shareholders' equity	<u>183,241</u>		<u>204,347</u>

(*) Reclassified