

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

	December 31, 1999	December 31, 2000
Current assets		
Cash and cash equivalents	68,747	4,501
Short term bank deposits and debentures	-	126,323
Trade receivables, net	2,915	9,254
Other receivables and prepaid expenses	920	1,613
Inventories	<u>782</u>	<u>4,174</u>
	73,364	145,865
 Long term loan	 -	 <u>721</u>
Property and equipment, net	<u>1,036</u>	<u>2,788</u>
Deposit with insurance companies	<u>254</u>	<u>676</u>
Security deposit	<u>80</u>	<u>45</u>
Total assets	<u>74,734</u>	<u>150,095</u>
 Current liabilities		
Trade payables	1,813	6,677
Other payables and accrued expenses	<u>3,248</u>	<u>6,770</u>
	<u>5,061</u>	<u>13,447</u>
 Accrued severance pay	 <u>254</u>	 <u>672</u>
Minority's interest	<u>-</u>	<u>45</u>
Total liabilities	<u>5,315</u>	<u>14,164</u>
Shareholders' equity		
Share capital	360	401
Additional paid-in capital	71,817	131,541
Deferred compensation	(1,553)	(892)
Accumulated earnings (deficit)	<u>(1,205)</u>	<u>4,881</u>
Total shareholders' equity	<u>69,419</u>	<u>135,931</u>
Total liabilities and shareholders' equity	<u>74,734</u>	<u>150,095</u>

Cosolidated statement of operations
(U.S. Dollars in thousands, except share data)

	<u>For the Three months ended December 31, 2000</u>	<u>For the Three months ended December 31, 1999</u>	<u>For the year ended December 31, 2000</u>	<u>For the year ended December 31, 1999</u>
Sales	12,263	5,005	38,353	14,141
Cost of sales	<u>1,963</u>	<u>807</u>	<u>6,123</u>	<u>2,269</u>
Gross profit	10,300	4,198	32,230	11,872
Research & Development, net	1,824	591	5,465	1,633
Sales & Marketing	7,425	3,385	24,622	9,678
General & Administrative	<u>919</u>	<u>423</u>	<u>3,127</u>	<u>1,137</u>
Total operating expenses	10,168	4,399	33,214	12,448
Operating profit (loss)	132	(201)	(984)	(576)
Financial income , net	<u>2,133</u>	<u>718</u>	<u>7,434</u>	<u>856</u>
Income before taxes on income	2,265	517	6,450	280
Taxes on income	(204)	-	(387)	-
Minority's interest	<u>23</u>	<u>-</u>	<u>23</u>	<u>-</u>
Net income	<u>2,084</u>	<u>517</u>	<u>6,086</u>	<u>280</u>
Basic net income per share	<u>\$ 0.13</u>	<u>\$ 0.04</u>	<u>\$ 0.38</u>	<u>\$ 0.03</u>
Weighted Average shares used to compute Basic net income per share	16,176,760	14,413,992	15,874,172	11,174,639
Diluted net income per share	<u>\$ 0.12</u>	<u>\$ 0.03</u>	<u>\$ 0.35</u>	<u>\$ 0.02</u>
Weighted Average shares used to compute Diluted net income per share	17,669,338	15,950,717	17,602,005	12,472,318

