



## Annual Reports & Accounts 2008



**P I L A T**  
**TECHNOLOGIES**  
**INTERNATIONAL LTD**

**CONSOLIDATED BALANCE SHEETS**

New Israeli Shekels in thousands

	<b>December 31,</b>	
	<b>2007</b>	<b>2008</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	18,591	13,739
Short term investments	1,137	379
Trade receivables	15,522	12,606
Other accounts receivable	1,685	796
Income tax receivable	456	384
	<u>37,391</u>	<u>27,904</u>
<b>NON-CURRENT ASSETS</b>		
Long – term loans and receivables	-	480
Long- term accounts receivable	189	132
Employees benefits assets	2,293	1,595
Fixed assets, net	103	1,114
Deferred taxes	401	-
Intangible assets	54	-
	<u>3,040</u>	<u>3,321</u>
<b>TOTAL ASSETS</b>	<u>40,431</u>	<u>31,225</u>

**PILAT TECHNOLOGIES INTERNATIONAL LTD.**
**CONSOLIDATED BALANCE SHEETS**

New Israeli Shekels in thousands

	<b>December 31,</b>	
	<b>2007</b>	<b>2008</b>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term bank loans	74	634
Trade payables	2,773	2,067
Other accounts payable	11,418	9,797
Income tax payable	407	-
Liabilities related to discontinued operations	-	100
	<u>14,672</u>	<u>12,598</u>
<b>NON-CURRENT LIABILITIES</b>		
Liabilities to banks	45	2,304
Employees benefits liabilities	24	213
Liabilities related to discontinued operations	100	-
	<u>169</u>	<u>2,517</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	378	378
Additional paid-in capital	55,627	55,633
Capital reserve	(751)	(751)
Accumulated deficit	(28,153)	(36,724)
Cumulative foreign currency translation adjustments	(1,877)	(2,933)
Less-shares held by subsidiaries	366	507
	<u>25,590</u>	<u>16,110</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>40,431</u></u>	<u><u>31,225</u></u>

**PILAT TECHNOLOGIES INTERNATIONAL LTD.**
**CONSOLIDATED STATEMENTS OF INCOME**
**New Israeli Shekels in thousands (except for net earnings (loss) per share amounts)**

	<b>Year ended</b>	
	<b>December 31,</b>	
	<b>2007</b>	<b>2008</b>
Revenues	64,708	56,744
Cost of revenues	<u>38,031</u>	<u>37,753</u>
Gross profit	26,677	18,991
Research and development costs	4,101	4,741
Selling and marketing expenses	7,233	6,005
General and administrative expenses	13,327	12,636
Other expenses , net	<u>(5)</u>	<u>208</u>
Operating income (loss)	2,021	(4,599)
Other income, net	-	41
Financial income	602	902
Financial expenses	<u>(815)</u>	<u>(1,122)</u>
Net income (loss) before taxes on income	1,808	(4,778)
Taxes on income	(223)	393
Net income (loss)	<u>1,585</u>	<u>(4,385)</u>
 <u>Net earnings (loss) per share</u> <u>(in New Israeli Shekels):</u>		
Basic Net earnings (loss) per share	<u>0.06</u>	<u>(0.17)</u>
Diluted Net earnings (loss) per share	<u>0.059</u>	<u>(0.17)</u>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

New Israeli Shekels in thousands

	<b>Year ended</b>	
	<b>December 31,</b>	
	<b>2007</b>	<b>2008</b>
<u>Cash flows from operating activities:</u>		
Net income (loss)	1,585	(4,385)
Adjustments to reconcile net income to net cash provided by (used in) operating activities	<u>1,452</u>	<u>2,618</u>
Net cash provided by (used in) operating activities	<u>3,037</u>	<u>(1,767)</u>
<u>Cash flows from investing activities:</u>		
Purchase of fixed assets	(852)	(505)
Proceeds from sale of fixed assets	165	75
Short and long term investments, net	55	758
Purchase of intangible assets	<u>(120)</u>	<u>(1,181)</u>
Net cash provided by (used in) investing activities	<u>(752)</u>	<u>(853)</u>
<u>Cash flows from financing activities:</u>		
Shares issue from exercise of options	53	6
Long-term loans from banks received	-	3,000
Repayment of long-term loans from banks	(149)	(186)
Dividends paid	<u>-</u>	<u>(4,186)</u>
Net cash used in financing activities	<u>(96)</u>	<u>(1,366)</u>
<u>Effect of exchange rate changes on cash and cash equivalents</u>		
	<u>(540)</u>	<u>(866)</u>
Increase (decrease) in cash and cash equivalents	1,649	(4,852)
Cash and cash equivalents at the beginning of the period	<u>16,942</u>	<u>18,591</u>
Cash and cash equivalents at the end of the period	<u>18,591</u>	<u>13,739</u>



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