



**Orad Hi Tec Systems Ltd: Umsatzsteigerung in den ersten 9 Monaten  
2012 auf 27,9 Mio. US-Dollar; Nettoergebnis bei 1,6 Mio. US-Dollar  
Umsatz in Q3 2012 beträgt 8,8 Mio. US-Dollar bei einem Nettoergebnis von  
122.000 US-Dollar**

Kfar-Saba, Israel, 15. November 2012 - Orad Hi Tec Systems Ltd. (Frankfurt– Prime Standard, Symbol: OHT), ein führender Anbieter von Echtzeit 3D-Grafiken und Video-Server-Lösungen für Fernsehanstalten, gibt heute seine Ergebnisse für das dritte Quartal 2012 und für die ersten neun Monate 2012 (bis 30.9.) bekannt:

- Der **Umsatz** stieg in den ersten neun Monaten 2012 um 8,5% auf 27,9 Mio. US-Dollar nach 25,7 Mio. US-Dollar im Vorjahreszeitraum. Der Anstieg resultiert vor allem aus der Erweiterung der Produktpalette und der Erschließung neuer Märkte.
- Der **Rohertrag** belief sich nach neun Monaten auf 19,1 Mio. US-Dollar verglichen mit 18,1 Mio. US-Dollar ein Jahr zuvor. Dies entspricht einem Anstieg um 6%.
- Das **operative Ergebnis** lag bei 1,6 Mio. US-Dollar nach 2,3 Mio. US-Dollar im Vorjahr.
- Das **Nettoergebnis** belief sich in den ersten neun Monaten 2012 auf 1,6 Mio. US-Dollar im Vergleich zu 2,3 Mio. US-Dollar im Vorjahreszeitraum.
- Im dritten Quartal 2012 betrug der **Umsatz** 8,8 Mio. US-Dollar nach 9 Mio. US-Dollar ein Jahr zuvor, dies entspricht einem Rückgang von 2,7%.
- Der **Rohertrag** im dritten Quartal 2012 lag bei 5,9 Mio. US-Dollar verglichen mit 6,4 Mio. US-Dollar im dritten Quartal 2011. Die Rohertragsmarge belief sich auf 67,1% des Umsatzes verglichen mit 71,4% im Vorjahreszeitraum.
- Das **operative Ergebnis** im dritten Quartal betrug 11.000 US-Dollar nach 1 Mio. US-Dollar im Vorjahr.
- Das **Nettoergebnis** lag bei 122.000 US-Dollar im Vergleich zu 823.000 US-Dollar im dritten Quartal 2011.

- Im September 2012 wurde eine Dividende in Höhe von 1,01Mio. US-Dollar angekündigt und gezahlt, dies entspricht 0,09 US-Dollar pro Stammaktie der Gesellschaft. Seit Jahresbeginn hat das Unternehmen **Dividenden in Höhe von 3 Mio. US-Dollar** gezahlt.
- **Die liquiden Mittel beliefen sich per 30. September 2012 auf 8,3 Mio. US-Dollar.**
- Das Eigenkapital betrug 16,9 Mio. US-Dollar zum 30. September 2012.

### **Kommentar des Managements:**

**Avi Sharir, President und CEO von Orad:** „Heute veröffentlichen wir die Kennzahlen für die ersten neun Monate des Geschäftsjahres mit einem Umsatzwachstum von mehr als 8%. Die konjunkturelle Abschwächung in den Zielmärkten der Gesellschaft, vor allem in Europa, hat die Ergebnisse des dritten Quartals beeinflusst. Wir sind stolz, dass Orad eine bedeutende Rolle bei den Wahlen in den USA eingenommen hat, ein Projekt, das die Stärke des Unternehmens und den Status als einer der führenden Anbieter in unserem Bereich demonstriert. Vier führende US-Sendeanstalten haben uns ausgewählt, das Equipment und Lösungen während und auch nach der Wahl-Periode bereitzustellen. Zurzeit befinden wir uns in etlichen Verhandlungen für den Verkauf von Equipment und Lösungen an führende Medienunternehmen in den USA und Europa.“

### **Über Orad:**

Orad Hi-Tec Systems ist einer der Weltmarktführer für Echtzeit 3D Grafiklösungen für Fernsehsender. Die Produktpalette von Orad umfasst Angebote für Nachrichten, Wahlen, Sonderveranstaltungen sowie virtuelle Studios und virtuelle Werbe-Lösungen für führende Sendeanstalten weltweit. Das Unternehmen befindet sich in langfristigen Beziehungen mit einer Vielzahl von führenden Kunden in der globalen TV-Branche. Orads umfassende Lösungen bieten dem Kunden einen Mehrwert und verbessern das Video-Erlebnis. Die Produkte des Unternehmens gewannen eine Reihe von Auszeichnungen für ihr hohes technologisches Niveau und für die Qualität. Orad, gegründet 1993, notieren im Prime Standard der Frankfurter Börse.

### **Für weitere Informationen:**

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**ORAD HI-TEC SYSTEMS LTD. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2012**

**U.S. DOLLARS IN THOUSANDS**

**UNAUDITED**

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**CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	<u>Unaudited</u>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,314	\$ 11,649
Restricted cash	38	304
Trade receivables (net of allowance for doubtful accounts of \$ 220 and \$ 212 at September 30, 2012 and December 31, 2011, respectively)	9,486	6,758
Other accounts receivable and prepaid expenses	1,988	1,755
Inventories	<u>3,795</u>	<u>3,654</u>
<u>Total current assets</u>	<u>23,621</u>	<u>24,120</u>
LONG-TERM ASSETS:		
Severance pay fund	2,538	2,403
Property and equipment, net	1,714	1,322
Deferred tax assets	420	550
Other long-term assets	418	400
Intangible assets, net	324	409
Goodwill	<u>1,346</u>	<u>1,346</u>
	<u>6,760</u>	<u>6,430</u>
<u>Total assets</u>	<u>\$ 30,381</u>	<u>\$ 30,550</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands, except share and per share data

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
	<u>Unaudited</u>	
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 2,816	\$ 2,882
Deferred revenues	2,162	2,117
Other accounts payable and accrued expenses	<u>5,105</u>	<u>4,584</u>
<u>Total current liabilities</u>	<u>10,083</u>	<u>9,583</u>
<b>ACCRUED SEVERANCE PAY</b>	<u>3,415</u>	<u>3,215</u>
<u>Total liabilities</u>	<u>13,498</u>	<u>12,798</u>
<b>EQUITY:</b>		
Share capital -		
Ordinary shares of NIS 0.01 par value -		
Authorized: 27,000,000 shares as of September 30, 2012 and December 31, 2011; Issued 11,749,304 shares as of September 30, 2012 and December 31, 2011; Outstanding: 11,240,579 shares as of September 30, 2012 and 11,100,147 as of December 31, 2011	31	31
Additional paid-in capital	77,361	76,914
Accumulated other comprehensive loss	(553)	(504)
Non-controlling interest	449	282
Accumulated deficit	<u>(60,405)</u>	<u>(58,971)</u>
<u>Total equity</u>	<u>16,883</u>	<u>17,752</u>
<u>Total liabilities and equity</u>	<u>\$ 30,381</u>	<u>\$ 30,550</u>

The accompanying notes are an integral part of the consolidated financial statements.

_____, 2012	_____ AviSharir Director and Chief Executive Officer	_____ Ilan Sidi Chief Financial Officer
Date of approval of the financial statements		

**CONSOLIDATED STATEMENTS OF INCOME**

**U.S. dollars in thousands, except share and per share data**

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2012	2011	2012	2011	2011
	<u>Unaudited</u>				
Revenues	\$ 27,921	\$ 25,738	\$ 8,773	\$ 9,012	\$ 35,336
Cost of revenues	8,798	7,686	2,889	2,581	11,044
Gross profit	19,123	18,052	5,884	6,431	24,292
Operating expenses:					
Research and development, net	4,220	3,778	1,408	1,318	5,033
Sales and marketing	10,487	9,190	3,568	3,043	12,378
General and administrative	2,795	2,787	897	1,020	3,772
<u>Total operating expenses</u>	<u>17,502</u>	<u>15,755</u>	<u>5,873</u>	<u>5,395</u>	<u>21,183</u>
Operating income	1,621	2,297	11	1,036	3,109
Financial income (expenses), net	224	10	178	(226)	(56)
Other income (expenses), net	2	(1)	2	(1)	-
Income before taxes on income	1,847	2,306	191	809	3,053
Tax benefit (taxes on income)	(247)	14	(69)	14	325
Net income	<u>\$ 1,600</u>	<u>\$ 2,320</u>	<u>\$ 122</u>	<u>\$ 823</u>	<u>\$ 3,378</u>
Basic net earnings per share	<u>\$ 0.14</u>	<u>\$ 0.21</u>	<u>\$ 0.01</u>	<u>\$ 0.07</u>	<u>\$ 0.30</u>
Weighted average number of shares used in computing basic net earnings per share (in thousands)	<u>11,241</u>	<u>11,034</u>	<u>11,241</u>	<u>11,048</u>	<u>11,087</u>
Diluted net earnings per share	<u>\$ 0.14</u>	<u>\$ 0.21</u>	<u>\$ 0.01</u>	<u>\$ 0.07</u>	<u>\$ 0.30</u>
Weighted average number of shares used in computing diluted net earnings per share (in thousands)	<u>11,290</u>	<u>11,193</u>	<u>11,274</u>	<u>11,235</u>	<u>11,196</u>
Other comprehensive income (loss):					
Unrealized gain (loss) on forward and options contracts, designated as cash flow hedge, net	(16)	15	102	101	73
Foreign currency translation adjustments	(33)	(113)	(14)	(113)	(30)
Total other comprehensive income (loss)	(50)	(98)	88	(112)	43
Total comprehensive income	<u>\$ 1,551</u>	<u>\$ 2,222</u>	<u>\$ 210</u>	<u>\$ 711</u>	<u>\$ 3,421</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**U.S. dollars in thousands, except share and per share data**

	<b>Number of outstanding Ordinary shares</b>	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Non- controlling interest</b>	<b>Accumulated deficit</b>	<b>Total comprehensive income</b>	<b>Total</b>
Balance as of January 1, 2011	10,978,621	\$ 30	\$ 76,366	\$ (547)	\$ -	\$ (57,388)		\$ 18,461
Net income	-	-	-	-	-	3,378	\$ 3,378	3,378
Unrealized gain on forward and options contracts, designated as cash flow hedge, net	-	-	-	73	-	-	73	73
Foreign currency translation adjustments	-	-	-	(30)	-	-	(30)	(30)
Stock-based compensation of non-controlling interest due to acquisition of a subsidiary	-	-	-	-	282	-	-	282
Issuance of shares upon exercise of employee share options	121,526	1	274	-	-	-	-	275
Distribution of earnings to shareholders	-	-	-	-	-	(4,961)	-	(4,961)
Stock-based compensation	-	-	274	-	-	-	-	274
Total comprehensive income							<u>\$ 3,421</u>	
Balance as of December 31, 2011	11,100,147	31	76,914	(504)	282	(58,971)		17,752
Net income	-	-	-	-	-	1,600	\$ 1,600	1,600
Unrealized loss on forward and options contracts, designated as cash flow hedge, net	-	-	-	(16)	-	-	(16)	(16)
Foreign currency translation adjustments	-	-	-	(33)	-	-	(33)	(33)
Stock-based compensation of non-controlling interest due to acquisition of a subsidiary	-	-	-	-	167	-	-	167
Issuance of shares upon exercise of employee share options	140,432	-	312	-	-	-	-	312
Distribution of earnings to shareholders	-	-	-	-	-	(3,034)	-	(3,034)
Stock-based compensation	-	-	135	-	-	-	-	135
Total comprehensive income							<u>\$ 1,551</u>	
Balance as of September 30, 2012 (unaudited)	<u>11,240,579</u>	<u>31</u>	<u>77,361</u>	<u>(553)</u>	<u>449</u>	<u>(60,405)</u>		<u>16,883</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

U.S. dollars in thousands, except share and per share data

	<b>Number of outstanding Ordinary shares</b>	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Non- controlling interest</b>	<b>Accumulated deficit</b>	<b>Total comprehensive income</b>	<b>Total</b>
Balance as of January 1, 2011	10,978,621	\$ 30	\$ 76,366	\$ (547)	\$ -	\$ (57,388)		\$ 18,461
Net income	-	-	-	-	-	2,320	\$ 2,320	2,320
Issuance of shares upon exercise of employee share options	106,526	1	246	-	-	-	-	247
Unrealized loss on forward and options contracts, net	-	-	-	15	-	-	15	15
Non-controlling interest	-	-	-	-	174	-	-	174
Distribution of earnings to shareholders	-	-	-	-	-	(4,961)	-	(4,961)
Foreign currency translation adjustments	-	-	-	(113)	-	-	(113)	(113)
Stock-based compensation	-	-	210	-	-	-	-	210
Total comprehensive income							<u>\$ 2,222</u>	
Balance as of September 30, 2011 (unaudited)	<u>11,085,147</u>	<u>\$ 31</u>	<u>\$ 76,822</u>	<u>\$ (645)</u>	<u>\$ 174</u>	<u>\$ (60,029)</u>		<u>\$ 16,353</u>

The accompanying notes are an integral part of the consolidated financial statements.



**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	<b>Nine months ended September 30,</b>		<b>Year ended December 31,</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
	<b>Unaudited</b>		
<b><u>Cash flows from operating activities:</u></b>			
Net income	\$ 1,600	\$ 2,320	\$ 3,378
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	559	474	602
Non-controlling interest due to acquisition of a subsidiary	167	(14)	92
Share-based compensation	135	210	274
Increase in trade receivables, net and other accounts receivable and prepaid expenses	(2,975)	(1,291)	(3,115)
Increase in inventories	(390)	(837)	(845)
Decrease (increase) in deferred tax assets	130	-	(350)
Increase (decrease) in trade payables and other accounts payable and accrued expenses and accrued severance pay, net	245	(1,996)	(1,645)
Increase (decrease) in deferred revenues	25	(18)	(129)
Revaluation of restricted cash	(4)	(1)	27
Net cash used in operating activities	<u>(508)</u>	<u>(1,153)</u>	<u>(1,711)</u>
<b><u>Cash flows from investing activities:</u></b>			
Purchase of property and equipment	(613)	(275)	(439)
Increase (decrease) in restricted cash	270	(102)	(117)
Payment for acquisition of IBIS Ltd. (a)	-	(246)	(246)
Net cash used in investing activities	<u>(343)</u>	<u>(623)</u>	<u>(802)</u>
<b><u>Cash flows from financing activities:</u></b>			
Issuance of shares upon exercise of employee share options	312	247	275
Distribution of earnings to shareholders	(2,782)	(4,149)	(4,961)
Net cash used in finance activities	<u>(2,470)</u>	<u>(3,902)</u>	<u>(4,686)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(14)</u>	<u>(121)</u>	<u>(64)</u>
Decrease in cash and cash equivalents	(3,335)	(5,799)	(7,263)
Cash and cash equivalents at the beginning of the period	<u>11,649</u>	<u>18,912</u>	<u>18,912</u>
Cash and cash equivalents at the end of the period	<u>\$ 8,314</u>	<u>\$ 13,113</u>	<u>\$ 11,649</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Nine months ended September 30,		Year ended December 31,
	2012	2011	2011
	Unaudited		
<u>Non-cash transactions:</u>			
Classification between property and equipment and inventories, net	\$ 249	\$ 176	\$ 341
Dividend withholding taxes	\$ 192	\$ 646	\$ -
Dividend to pay	\$ 60	\$ 166	\$ -
<u>Supplementary cash flow activities:</u>			
Cash paid for income taxes	\$ -	\$ -	\$ 141
 (a) <u>Acquisition of IBIS Ltd.:</u>			
Fair value of assets acquired and liabilities assumed at the acquisition date:			
Working capital deficit (excluding cash and cash equivalents)	-	\$ (1,734)	\$ (1,734)
Other long-term assets	-	308	308
Property and equipment, net	-	13	13
Intangible assets and goodwill	-	2,098	1,849
Employees stock options	-	(439)	(190)
	-	\$ 246	\$ 246

The accompanying notes are an integral part of the consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share data**

- a. The Company's shares and options held by members of the Board of Directors and officers of the Company:

	<u>Number of Ordinary shares</u>	<u>Number of share options *)</u>
AviSharir	2,787,952	250,000
Moshe Nissim	-	5,000
Ilan Sidi	-	25,000
OrnaNehustan	-	55,000
Dan Falk	-	45,000
Shimon Ravid	-	30,000
Uzi Peled	-	30,000
Daniel Furman	768,300	30,000
Jackie Goren	-	20,000

\*) Each share option is convertible into one Ordinary share.

- b. As of September 30, 2012, the Company employs 261 employees.

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