Driving innovation! Delivering value!

Letter to our Shareholders

Fourth Quarter 2010 and Full Fiscal Year 2010 Results

Dear shareholders and friends of LifeWatch,

LifeWatch marked the end of a challenging year on a positive note with a return to growth and profitability in the fourth quarter of 2010. Revenues and ACT enrollments increased in Q4 compared to the prior quarter and both EBIT and EBITDA returned to positive levels. The Company continues to make improvements in all areas of its business and these efforts are expected to lead to further gains in the future. Yacov Geva returned to the CEO position in November and actively engaged with the management team to ensure a smooth transition.

During Q4 2010, the Centers for Medicare & Medicaid Services (CMS) set national pricing guidelines for payment code 93229, which is the CPT payment code used by Medicare for payment for our ACT service. The national pricing went into effect on January 1, 2011 and the reimbursement levels have been in line with expectations. LifeWatch believes that this development will have a positive impact on its industry as it increases clarity and brings stability to the marketplace. The Company also continues to actively engage with the Reimbursement Denial carriers to overturn their current policies. While LifeWatch has not reached the level of success in this area as hoped, the Company is confident that the CMS ruling will have a favorable influence on our ongoing negotiations.

Fourth Quarter 2010 Financial Highlights:

- Revenues of USD 21.9 million, a 11.9% increase from the prior quarter and a 19.1% decrease year-on-year
- EBIT and EBITDA of USD 1.9 million and USD 2.5 million, respectively, and a return to profitability
- Excluding one-off restructuring and other costs, EBIT and EBITDA were USD 2.6 million and USD 3.2 million, respectively
- Net Income of USD 3.3 million
- Negative operating cash flow of USD 1.5 million
- Cash, cash equivalents, marketable securities and structures of USD 37.9 million on December 31, 2010
- ACT enrollments of 18,598, a 2.3% increase from the prior quarter and a 7.4% decrease year-on-year
- NiteWatch Home Sleep Test enrollments of 423, a 22.5% decrease from the prior quarter

Full Fiscal Year 2010 Financial Highlights:

- Revenues of USD 87.1 million, compared to USD 123.0 million in FFY 2009
- LBIT and EBITDA of USD 4.9 million and USD 0.4 million, respectively, compared to EBIT and EBITDA of USD 26.6 million and USD 32.9 million, respectively, in FFY 2009
- Excluding one-off restructuring and other costs, LBIT and EBITDA in FFY 2010 were USD 4.3 million and USD 0.9 million, respectively
- Net Income of USD 0.8 million, compared to USD 29.2 million in FFY 2009
- Operating cash flow of USD 8.4 million
- Cash, cash equivalents, marketable securities and structures of USD 37.9 million on December 31, 2010
- ACT enrollments of 77,388, a 4.1% increase from FFY 2009
- NiteWatch Home Sleep Test enrollments of 1,887

Key Figures for Q4 2010 and Full Fiscal Year 2010

USD in millions	Q4 10 Unaudited	Q4 09 Unaudited	FY 2010 Unaudited	FY 2009 Audited
Revenue	21.9	27.0	87.1	123.0
Gross Profit	13.3	15.7	43.7	75.2
As % of revenue	*61%*	*58%*	*50%*	*61%*
EBITDA	2.5	6.7	0.4	32.9
As % of revenue	*11%*	*25%*	*0%*	*27%*
EBIT / (LBIT)	1.9	5.0	(4.9)	26.6
As % of revenue	*9%*	*18%*	*N/A*	*22%*
Net Income	3.3	5.9	0.8	29.2
As % of revenue	*15%*	*22%*	*1%*	*24%*
Total fixed assets, net	12.1	14.7	12.1	14.7
Total equity	74.2	74.3	74.2	74.3
Operating statistics				
ACT enrollments	18,598	20,081	77,388	74,369
Year-over-year growth	*-7%*	*80%*	*4%*	*133%*
NiteWatch enrollments	423	-	1,887	-
Total employees	645	678	645	678

Management's Discussion and Analysis of the Results of Operations

Service Enrollments

Enrollments for our ACT service were down 7.4% to 18,598 during Q4 2010 compared with 20,081 enrollments in Q4 2009. The decline in enrollments was primarily due to the impact of Reimbursement Denials. ACT enrollments in Q4 2010 grew 2.3% from the prior quarter, the first sequential increase in three quarters. NiteWatch enrollments declined 22.5% sequentially to 423 enrollments in Q4 2010 from 546 enrollments in the prior quarter. Enrollments have been affected by changes to the NiteWatch organization during the quarter. Total enrollments for ACT, NiteWatch, Event and Holter services grew at a 5.6% rate to 59,662 enrollments in Q4 2010 from 56,509 enrollments in Q4 2009.

ACT enrollments for FFY 2010 were up 4.1% to 77,388 compared to 74,369 in FFY 2009. Total enrollments for ACT, NiteWatch, Event and Holter services grew at a 3.0% rate to 239,253 enrollments in FFY 2010 from 232,358 enrollments in FFY 2009.

Revenues

Revenues decreased 19.1% to USD 21.9 million in Q4 2010 from USD 27.0 million in Q4 2009. The decrease in revenues was primarily due to Reimbursement Denials and the overall reduction in reimbursement rates. Revenues in Q4 2010 grew 11.9% from the prior quarter, primarily due to an increase in enrollments and improvement in the ACT average selling price.

LifeWatch's revenues by segment for the fourth quarter of 2010 are below:

- By geography
  - U.S. revenues were USD 21.7 million in Q4 2010, compared with USD 26.2 million in Q4 2009
  - Non-U.S. revenues, were USD 0.2 million in Q4 2010, compared with USD 0.8 million in Q4 2009
- By business segment
  - Revenues from monitoring services were USD 21.7 million in Q4 2010, compared with USD 25.8 million in Q4 2009
  - Revenues from sales of systems were USD 0.2 million in Q4 2010, compared with USD 1.2 million in Q4 2009

Revenues for FFY 2010 decreased 29.2% to USD 87.1 million from USD 123.0 million in FFY 2009. The decrease in revenues was primarily due to Reimbursement Denials and the overall reduction in reimbursement rates.

LifeWatch’s revenues by segment for the FFY 2010 are below:

- By geography
  - U.S. revenues were USD 85.9 million in FFY 2010, compared with USD 120.7 million in FFY 2009
  - Non-U.S. revenues, were USD 1.2 million in FFY 2010, compared with USD 2.3 million in FFY 2009
- By business segment
  - Revenues from monitoring services were USD 85.1 million in FFY 2010, compared with USD 116.4 million in FFY 2009
  - Revenues from sales of systems were USD 2.0 million in FFY 2010, compared with USD 6.7 million in FFY 2009

Gross Profit

Gross profit was USD 13.3 million in Q4 2010 with a margin of 60.9%, compared with USD 15.7 million with a 58.0% margin in Q4 2009. While gross profits in Q4 2010 decreased compared to Q4 2009 reflecting a lower revenue base, gross margins increased due to the impact of efficiency initiatives. Gross profit in Q4 2010 grew 42.1% from the prior quarter largely due to increases in enrollments, revenues and the ACT average selling price.

Gross profit in FFY 2010 was USD 43.7 million with a margin of 50.2%, compared with USD 75.2 million with a 61.1% margin in FFY 2009. The decrease in gross profit and gross margins is largely attributable to the decrease in the overall average selling prices and the impact of Reimbursement Denials.

Operating Expenses

The Company’s operating expenses for the fourth quarter of 2010 are broken down as follows:

- Research and Development (R&D) expenses were USD 1.3 million or 5.8% of total revenues, compared with USD 1.0 million or 3.8% of total revenues in Q4 2009
- Sales and Marketing (S&M) expenses were USD 5.1 million or 23.4% of total revenues, compared with USD 5.8 million or 21.3% of total revenues in Q4 2009
- General and Administration (G&A) expenses were USD 4.3 million or 19.8% of total revenues, compared with USD 3.9 million or 14.5% of total revenues in Q4 2009
- One-off restructuring and other costs were USD 0.7 million

R&D expenses increased due to an increase in personnel-related costs as LifeWatch continues to invest in the development of future services. The decrease in S&M expenditures in Q4 2010 compared to Q4 2009 was mainly due to reductions in headcount and reductions in overall revenues and related sales commissions. The increase in G&A expenditures in Q4 2010 compared to Q4

2009 was mainly due to the net effect of increases in personnel costs and professional services fees and a decrease in bad debt expenses. G&A expenditures in Q4 2010 decreased compared to the prior quarter by 26.0% mainly due to reductions in bad debt expenses and professional services fees.

The Company's operating expenses for FFY 2010 are broken down as follows:

- Research and Development (R&D) expenses were USD 5.2 million or 5.9% of total revenues, compared with USD 3.5 million or 2.9% of total revenues in FFY 2009
- Sales and Marketing (S&M) expenses were USD 21.1 million or 24.3% of total revenues, compared with USD 24.2 million or 19.7% of total revenues in FFY 2009
- General and Administration (G&A) expenses were USD 21.7 million or 25.0% of total revenues, compared with USD 20.9 million or 17.0% of total revenues in FFY 2009
- One-off restructuring and other costs were USD 0.5 million

R&D expenses increased due to an increase in personnel-related costs as LifeWatch continues to invest in the development of future services. The decrease in S&M expenditures in FFY 2010 was mainly due to reductions in headcount and reductions in overall revenues and related sales commissions. The increase in G&A expenditures was due to the net effect of increases in personnel costs and professional services fees and a decrease in bad debt expenses.

Operating Profit

EBIT in Q4 2010 was USD 1.9 million with a margin of 8.6%, compared with EBIT of USD 5.0 million with a margin of 18.4% in Q4 2009. EBITDA during the quarter reached USD 2.5 million with a margin of 11.2%, compared with EBITDA of USD 6.7 million with a margin of 24.9% in Q4 2009.

For FFY 2010, LBIT was USD 4.9 million and EBITDA was USD 0.4 million compared to EBIT of USD 26.6 million and EBITDA of 32.9 million in FFY 2009.

Net Income

Net Income for the fourth quarter of 2010 was USD 3.3 million, compared with net income of USD 5.9 million recorded in Q4 2009. Fully-diluted earnings per share were USD 0.25 in the fourth quarter of 2010 compared with fully-diluted earnings per share of USD 0.45 reported for the fourth quarter of 2009.

Net Income for FFY 2010 was USD 0.8 million, compared with net income of USD 29.2 million recorded in FFY 2009. Fully-diluted earnings per share were USD 0.06 in FFY 2010 compared with fully-diluted earnings per share of USD 2.22 reported for FFY 2009.

Operating Cash Flow

LifeWatch operations used cash in the amount of USD 1.5 million during the fourth quarter of 2010, compared with USD 11.0 million generated from operations during the fourth quarter of 2009. The balance of cash, cash equivalents, marketable securities and structures in the fourth quarter of 2010 was USD 37.9 million, compared with the USD 39.1 million reported in the fourth quarter of 2009.

During FFY 2010, LifeWatch operations generated cash in the amount of USD 8.4 million, compared with USD 32.8 million generated from operations in FFY 2009.

Business Update

Remote Cardiac Monitoring

LifeWatch recently released a new version of its ACT software. The new release includes several improvements to the previous version including:

- Enhanced and more descriptive ACT cell phone messaging
- Simplified customer activation process
- Support of current generation mobile phones with battery life improvement of 25 – 30%
- New format for daily summary reports and end of session reports

LifeWatch is continuously working to improve its flagship ACT service and enhance its value proposition to physicians and patients.

The Company also recently released an iPhone application, a complementary product to the previously released iPad application. Similar to the iPad application in scope and function, the iPhone application provides yet another value-added feature to physicians and cardiologists.

NiteWatch

As discussed last quarter, NiteWatch has underperformed in 2010 and a new plan was being developed to “re-launch” the service. To lead our efforts, the Company appointed Rafi Heumann, a veteran of LifeWatch, as business leader for NiteWatch. Along with Rafi, the Company has hired talented individuals to join the NiteWatch team including Amy Holstead, a former NovaSom executive that will focus on NiteWatch sales.

The NiteWatch re-launch includes a refined, multi-faceted sales strategy. As of the end of February 2011, the Company has built a 9 person dedicated NiteWatch sales team to augment our NiteWatch sales efforts in our cardiology sales force. Our cardiology sales force will focus on NiteWatch sales in cardiology accounts while the new, dedicated team will focus on other medical disciplines such as ENTs (ear, nose and throat), pulmonologists and general practitioners. In addition to these efforts, LifeWatch is building a team of independent representatives that will work strictly on commission. Lastly, the Company continues to seek partnerships with sleep labs and sleep equipment vendors across all regions of the country.

Sales Force

LifeWatch has implemented several meaningful changes to the sales organization. The Company is aggressively looking to hire talented individuals and recently has been successful in filling 5 out of the 8 Director of Sales positions. LifeWatch has also hired 15 sales representatives since the beginning of Q4 2010. As of the end of January 2011, the U.S. sales force included the following:

- 68 sales representatives
- 12 field service representatives
- 8 Directors of Sales

LifeWatch has also conducted extensive market research to identify 10 – 12 key markets for expansion and to quantify market opportunities across the various geographies. This market sizing data is a critical component to the development and deployment of a new sales compensation plan that is customized for each sales representative.

Operations

In February 2011, LifeWatch opened a new office in San Francisco, CA. The office will house approximately 50 – 60 employees when fully staffed by the end of summer 2011 and will primarily be devoted to clinical call center operations. The Company now operates call centers in 3 time zones providing redundancy, flexibility and a competitive advantage in the marketplace.

Outlook 2011

While 2010 has been a challenging year for LifeWatch, we concluded the year on a positive note and expect to continue the momentum throughout 2011 and beyond. Our outlook for FFY 2011 is USD 100 – 105 million of revenue, EBIT margin of 10% plus and EBITDA margin of 15% plus. As part of its long-term growth strategy, LifeWatch will continue to prudently invest in new services and geographies.

Sincerely,

Yacov Geva
Chairman of the Board and Chief Executive Officer

Information for our investors

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Valor-No.:	1281545
Reuters:	LIFE.S

Further information on our website: www.lifewatch.com

LifeWatch®
Watching Life™

LIFEWATCH AG

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR December 31, 2010

<u>Unaudited</u>

Contents

LifeWatch®
Watching Life™

Condensed Consolidated Balance Sheet

USD thousands	December 31, 2010	December 31, 2009	
	Unaudited	Audited	
Assets			
Cash and cash equivalents	33,509	36,185	
Marketable securities and structures	514	100	
Accounts receivable (trade & other), net	13,258	17,984	
Deferred income taxes	5,997	10,201	
Inventories	1,516	4,060	
Total current assets	**54,794**	**68,530**	
Marketable securities and structures	3,828	2,828	
Other investments & non-current receivables (trade & others)	11,882	1,031	**(*)**
Total investment and non-current receivables	**15,710**	**3,859**	
Fixed assets, net	12,124	14,733	
Goodwill, intangible and other assets, net	15,025	15,161	
Total assets	**97,653**	**102,283**	
Liabilities and shareholders' equity			
Current maturities of long-term loans and other liabilities	1,937	4,760	
Accounts payable and accruals (trade and other)	21,253	21,019	
Total current liabilities	**23,190**	**25,779**	
Loans and other liabilities, net of current maturities	141	2,074	
Liability for employee rights upon retirement, net	114	107	
Total long-term liabilities	**255**	**2,181**	
Total liabilities	**23,445**	**27,960**	
Share capital, warrants, treasury stock & capital surplus	153,960	154,908	
Accumulated deficit	(80,585)	(109,799)	
Net income for current period	833	29,214	
Total shareholders' equity	**74,208**	**74,323**	
Total liabilities & shareholders' equity	**97,653**	**102,283**	

(*) Reclassified

Condensed Consolidated Statement of Operations

	3 months ending December 31,		12 months ending December 31,	
USD thousands (except share and per share data)	**2010 Unaudited**	**2009 Unaudited**	**2010 Unaudited**	**2009 Audited**
Monitoring Services	21,714	25,835	85,072	116,370
Sales of Systems	162	1,198	2,013	6,677
Total revenues	**21,876**	**27,033**	**87,085**	**123,047**
Cost of revenues	8,554	11,359	43,375	47,836
Gross profit	**13,322**	**15,674**	**43,710**	**75,211**
Research & development expenses, net	1,277	1,017	5,169	3,509
Selling and marketing expenses	5,115	5,760	21,136	24,243
General and administrative expenses	4,334	3,910	21,737	20,880
Costs associated with restructuring and other	720	-	520	-
Total operating expenses	**11,446**	**10,687**	**48,562**	**48,632**
Income (loss) from operation	**1,876**	**4,987**	**(4,852)**	**26,579**
Financial expenses and other, net	(228)	(362)	(775)	(1,125)
Income (loss) before taxes	**1,648**	**4,625**	**(5,627)**	**25,454**
Tax benefit	1,639	1,260	6,460	3,760
Net income for the period	**3,287**	**5,885**	**833**	**29,214**

WEIGHTED AVERAGE NUMBER OF SHARES IN THOUSANDS USED IN COMPUTATION OF EARNING PER SHARE				
Basic	12,709	12,861	12,802	12,816
Diluted	12,894	13,227	13,041	13,153
EARNING PER SHARE (USD)				
Basic	0.26	0.46	0.07	2.28
Diluted	0.25	0.45	0.06	2.22

Condensed Consolidated Statement of Changes in Shareholders' Equity

USD thousands	Paid in share capital including premium	Warrants	Accumulated deficit	Treasury stock	Accumulated other comprehensive loss	Total
BALANCE AT JANUARY 1, 2010 (AUDITED)	**157,108**	**899**	**(80,585)**	**(2,878)**	**(221)**	**74,323**
Changes During The Twelve Months Ended December 31, 2010 (Unaudited):						
Net Incomes			833			**833**
Difference from translation of financial statements of subsidiaries					2	**2**
Unrealized profit on marketable securities					62	**62**
Total comprehensive income						**897**
Issuance of shares in respect of exercise of options granted to employees and warrant granted to service providers	405					**405**
Treasury Stock				(2,464)		**(2,464)**
Profit from treasury stock	67					**67**
Compensation expenses due to issuance of warrants to service providers		54				**54**
Stock-based compensation expense	926					**926**
BALANCE AT DECEMBER 31, 2010 (UNAUDITED)	**158,506**	**953**	**(79,752)**	**(5,342)**	**(157)**	**74,208**
BALANCE AT JANUARY 1, 2009 (AUDITED)	**155,315**	**628**	**(109,799)**	**(133)**	**(260)**	**45,751**
Changes During The Twelve Months Ended December 31, 2009 (Audited):						
Net Income			29,214			**29,214**
Difference from translation of financial statements of subsidiaries					(1)	**(1)**
Unrealized profit on marketable securities					40	**40**
Total comprehensive income						**29,253**
Issuance of shares in respect of exercise of options granted to employees and warrant granted to service providers	884			9		**893**
Treasury Stock				(2,754)		**(2,754)**
Profit from treasury stock	642					**642**
Compensation expenses due to issuance of warrants to service providers		271				**271**
Stock-based compensation expense	267					**267**
BALANCE AT DECEMBER 31, 2009 (AUDITED)	**157,108**	**899**	**(80,585)**	**(2,878)**	**(221)**	**74,323**

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Condensed Consolidated Statement of Cash Flow

USD thousands	3 months ending December 31, 2010 Unaudited	3 months ending December 31, 2009 Unaudited	12 months ending December 31, 2010 Unaudited	12 months ending December 31, 2009 Audited
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income for the period	3,287	5,885	833	29,214
Adjustments required to reconcile net income for the period to net cash provided by operating activities:				
Income and expenses not involving cash flows:				
Depreciation and amortization	585	1,731	5,244	6,332
Amount charged in respect of options and warrants granted to employees & service providers	199	98	980	538
Change in deferred income tax, net	(1,773)	(1,048)	(6,748)	(5,041)
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable, including non-current portion	(105)	390	5,073	(3,777)
(Increase) decrease in inventories	(71)	(255)	2,544	921
Increase (decrease) in accounts payable, others	(3,653)	4,155	515	4,629
Net cash provided by (used in) operating activities	**(1,531)**	**10,956**	**8,441**	**32,816**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(785)	(2,273)	(2,734)	(9,388)
Proceed from maturity of marketable securities and structures	(251)	(1,801)	(1,854)	(1,801)
Purchase of marketable securities and structures	100	-	300	770
Restricted bank deposit	-	-	-	390
Purchase of intangible assets	-	(50)	-	(50)
Net cash used in investing activities	**(936)**	**(4,124)**	**(4,288)**	**(10,079)**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issuance of shares in respect of exercise of employee stock options	55	181	405	884
Purchase of treasury stock, net	(815)	(1,431)	(2,397)	(2,103)
Obligations under capital leases undertaken	-	-	-	1,672
Discharge of long term loan and capital lease obligations	(1,046)	(1,350)	(4,756)	(6,028)
Long-term loan received	-	-	-	725
Short term credit from bank and others, net	-	(5,000)	-	(3,890)
Net cash used in financing activities	**(1,806)**	**(7,600)**	**(6,748)**	**(8,740)**
Translation differences on cash balances of subsidiaries	(46)	187	(81)	192
Increase (decrease) in cash and cash equivalents	(4,319)	(581)	(2,676)	14,189
Balance of cash and cash equivalents at beginning of period	**37,828**	**36,766**	**36,185**	**21,996**
Balance of cash and cash equivalents at end of period	**33,509**	**36,185**	**33,509**	**36,185**

LifeWatch® Watching Life™

NOTE 1
Basis of presentation

The unaudited condensed consolidated interim financial statements for LifeWatch AG and its subsidiaries (the "Company") have been prepared on the basis of accounting principles generally accepted in the Unites States of America ("US GAAP") for interim financial information. Accordingly, such financial statements do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2009.

NOTE 2
Fixed Assets

a. Composition of assets, grouped by major classifications, is as follows:

USD thousands	**December 31, 2010**	**December 31, 2009**
	Unaudited	**Audited**
Cost		
Manufacturing and peripheral equipment	10,259	10,977
Office furniture and equipment	2,686	2,569
Monitoring units	17,669	17,697
Motor vehicles	186	186
Leasehold improvements	1,381	1,369
Total costs	**32,181**	**32,798**
Less – accumulated depreciation and amortization	**20,057**	**18,065**
Total	**12,124**	**14,733**

b. Depreciation expenses in respect of fixed assets totaled USD 5,108,000 and USD 6,147,000 for the twelve months ended December 31, 2010 and December 31, 2009, respectively.

NOTE 3
Segment and geographic information

The Company operates in three reportable operating segments:

- Sales of Systems – Development, manufacture and marketing of trans-telephonic and wireless diagnostic equipment for the medical industry.
- Monitoring Services – Cardiac event monitoring, pacemaker, ambulatory heart monitoring device and sleep disorder services.
- Other – Company activities and expenses that are not assigned directly to either of the above segments.

The table below presents information about reported segments:

Information to segment reporting

USD thousands	Sales of Systems	Monitoring Services	Other	Inter segment eliminations	Consolidated total
For the 12 months ended Dec. 31, 2010 (Unaudited):					
Revenues from external customers	2,013	85,072	-	-	87,085
Inter-segments revenues	1,158	-	-	(1,158)	-
Total	**3,171**	**85,072**	**-**	**(1,158)**	**87,085**
Operating income (loss)	(8,900)	(11,783)	(4,648)	20,479	(4,852)
Depreciation and amortization	481	25,387	-	(20,624)	5,244
Goodwill	-	14,976	-	-	14,976
Total assets	158,702	145,805	4,161	(211,015)	97,653
For the 12 months ended Dec. 31, 2009 (Audited):					
Revenues from external customers	6,677	116,370	-	-	123,047
Inter-segments revenues	68,354	-	-	(68,354)	-
Total	**75,031**	**116,370**	**-**	**(68,354)**	**123,047**
Operating income (loss)	63,210	9,055	(4,390)	(41,296)	26,579
Depreciation and amortization	442	30,960	-	(25,070)	6,332
Goodwill	-	14,976	-	-	14,976
Total assets	160,557	147,018	4,751	(210,043)	102,283

NOTE 3

Segment and geographic information (*continued)*

Following are data regarding revenues and long-lived assets classified by geographical location of the customers:

USD thousands	USA and Canada	Europe	Asia	Other	Total
For the 12 months ended Dec. 31, 2010 (Unaudited)					
Revenues	85,895	329	852	9	87,085
Long-lived assets	11,415	33	18	658	12,124
For the 12 months ended Dec. 31, 2009 (Audited)					
Revenues	120,737	612	1,345	353	123,047
Long-lived assets	14,033	-	28	672	14,733