

D. MEDICAL INDUSTRIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
NIS in thousands

	June 30, 2011 <u>(Unaudited)</u>	December 31, 2010 <u>(Audited)</u>	Convenience translation into US\$ (in thousands) June 30, 2011 <u>(Unaudited)</u>
A s s e t s			
CURRENT ASSETS:			
Cash and cash equivalents	14,926	35,085	4,371
Short term deposits	212	3,769	62
Trade and other receivables:			
Trade accounts receivable	364	322	107
Other	1,794	1,904	525
Inventory	2,028	2,494	594
	<u>19,324</u>	<u>43,574</u>	<u>5,659</u>
Assets of discontinued operation	3,123	-	914
T o t a l current assets	<u>22,447</u>	<u>43,574</u>	<u>6,573</u>
NON-CURRENT ASSETS :			
Property and equipment, net	3,720	3,815	1,089
Intangible assets, net	10,175	13,505	2,980
Long-term receivables	570	693	167
T o t a l non-current assets	<u>14,465</u>	<u>18,013</u>	<u>4,236</u>
T o t a l assets	<u>36,912</u>	<u>61,587</u>	<u>10,809</u>
Liabilities and equity			
CURRENT LIABILITIES:			
Trade and other payables:			
Trade accounts payable	1,764	3,726	516
Other	2,810	3,161	823
	<u>4,574</u>	<u>6,887</u>	<u>1,339</u>
Liabilities of discontinued operation	166	-	49
T o t a l current liabilities	<u>4,740</u>	<u>6,887</u>	<u>1,388</u>
NON-CURRENT LIABILITIES:			
Provision for royalties to the Israeli Office of Chief Scientist	5,243	5,236	1,535
Liability for severance pay - net	51	76	15
T o t a l non-current liabilities	<u>5,294</u>	<u>5,312</u>	<u>1,550</u>
T o t a l liabilities	<u>10,034</u>	<u>12,199</u>	<u>2,938</u>
EQUITY:			
Equity attributable to owners of the parent:			
Share capital - issued and outstanding - December 31, 2010 – 7,777,436 shares June 30, 2011 - 7,821,506 shares			
Ordinary shares	2,563	2,549	750
Share premium and other reserves	228,423	227,015	66,888
Warrants and equity portion of convertible debt	3,048	3,048	893
Accumulated losses	(207,462)	(186,168)	(60,750)
	<u>26,572</u>	<u>46,444</u>	<u>7,781</u>
Non-controlling interest	306	2,944	90
T o t a l equity	<u>26,878</u>	<u>49,388</u>	<u>7,871</u>
T o t a l liabilities and equity	<u>36,912</u>	<u>61,587</u>	<u>10,809</u>

D. MEDICAL INDUSTRIES LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
NIS in thousands except per share data

	Three months ended		Six months ended		Year ended	Convenience translation into US\$	
	June 30		June 30			December 31,	(in thousands)
	2011	2010	2011	2010	2010		Three months ended June 30
	(Unaudited)				(Audited)	(Unaudited)	
CONTINUING OPERATIONS:							
Sales-net	523	721	840	1,264	1,264	153	246
Cost of sales	2,599	1,431	6,025	2,729	9,085	761	1,764
Gross loss	<u>2,076</u>	<u>710</u>	<u>5,185</u>	<u>1,465</u>	<u>7,821</u>	<u>608</u>	<u>1,518</u>
Research and development expenses - net	3,118	1,981	7,946	4,053	13,689	913	2,327
Selling and marketing expenses	749	738	1,714	1,322	2,962	219	502
General and administrative expenses	3,283	2,279	6,137	4,489	9,737	961	1,797
Other (income) expenses - net	(225)	(129)	(228)	102	(867)	(65)	(67)
Operating loss	<u>9,001</u>	<u>5,579</u>	<u>20,754</u>	<u>11,431</u>	<u>33,342</u>	<u>2,636</u>	<u>6,077</u>
Registration costs	-	-	-	716	716	-	-
Finance income	(77)	(92)	(224)	(123)	(243)	(23)	(66)
Fair value losses on warrants at fair value through profit or loss	-	-	-	2,469	2,469	-	-
Finance costs	235	398	252	402	2,279	69	74
Finance costs - net	<u>158</u>	<u>306</u>	<u>28</u>	<u>2,748</u>	<u>4,505</u>	<u>46</u>	<u>8</u>
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	<u>9,159</u>	<u>5,885</u>	<u>20,782</u>	<u>14,895</u>	<u>38,563</u>	<u>2,682</u>	<u>6,085</u>
DISCONTINUED OPERATION							
Loss from discontinued operation	<u>71</u>	<u>429</u>	<u>3,683</u>	<u>6,308</u>	<u>7,331</u>	<u>21</u>	<u>1,078</u>
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>9,230</u>	<u>6,314</u>	<u>24,465</u>	<u>21,203</u>	<u>45,894</u>	<u>2,703</u>	<u>7,163</u>
ATTRIBUTABLE TO:							
Owners of the parent:							
Owners of the parent from continuing operations	8,799	5,448	20,076	14,140	36,185	2,577	5,878
Owners of the parent from discontinuing operations	14	196	1,218	5,849	6,546	4	357
Non-controlling interest:							
Non-controlling interest from continuing operations	360	437	706	755	2,378	105	207
Non-controlling interest from discontinuing operations	57	233	2,465	459	785	17	721
	<u>9,230</u>	<u>6,314</u>	<u>24,465</u>	<u>21,203</u>	<u>45,894</u>	<u>2,703</u>	<u>7,163</u>
LOSS PER SHARE FROM CONTINUING AND DISCONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY:							
Basic and diluted							
From continuing operations	1.13	0.89	2.58	2.43	5.50	0.33	0.76
From discontinuing operations	*	0.03	0.16	1.01	0.99	**	0.04
	<u>1.13</u>	<u>0.92</u>	<u>2.73</u>	<u>3.44</u>	<u>6.49</u>	<u>0.33</u>	<u>0.80</u>

* Represents an amount less than NIS 1.

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