

16 August 2012

BATM Advanced Communications Limited

Interim results for six months ended 30 June 2012

BATM Advanced Communications Limited (“BATM” or the “Company”) (LSE: BVC), a leading provider of real-time technologies for the networked telecoms and medical laboratory equipment markets, announces its interim results for the six months ended 30 June 2012.

Financial Summary

- ◆ Revenue of \$53.2m (H1 2011: \$55.6m)
- ◆ Gross profit of \$17.8m (H1 2011: \$21.2m)
- ◆ Gross margin at 33.4% (H1 2011: 38%)
- ◆ Gross operating profit of \$0.36m (H1 2011: \$2.3m)
- ◆ EBITDA of \$1.2m (H1 2011: \$3.4m)
- ◆ Net profit/(loss) for the period was \$(0.02m) (H1 2011: \$2.5m profit)
- ◆ Basic loss per share of \$0.01 (H1 2011: \$0.61 earnings per share)
- ◆ As at 30 June 2012, the Company had cash and cash equivalents and deposits of \$42.3m (31 December 2011: \$46.9m; 30 June 2011: \$54.7m), following a reduction in debt of \$4.5m

Operational Summary

- ◆ Telecom division:
 - Contributed 53% to total sales
 - Completed restructuring of the Telecom division to focus on the growing Carrier Ethernet portfolio
 - Establishment of CELARE for the provision of comprehensive cyber security
 - Initial contributions from OEM agreements signed with Motorola and the world’s largest Tier 1 global vendor at the end of 2011
 - Telco Systems (“Telco”) subsidiary awarded a number of contracts, including with NebraskaLink for the provision of a Nebraska-wide fibre optic network
 - Unveiling by Telco of T-Metro 8000 product and EdgeGenie Service Management System (“EdgeGenie”)
- ◆ Medical division:
 - Contributed 47% to total sales
 - Further global approvals for the sterilization and medical waste disposal products
 - Granted CE certification for the Company’s HCV (Hepatitis C) Screening Kit and its Detect HIV 4th generation (AIDS 4th generation) Total Screening Kit, with initial deliveries to customers of both products having commenced

Dr Zvi Marom, Chief Executive Officer of BATM, said:

“The first half results reflect the transitional state of the Company. Despite challenging trading conditions, our Medical division showed good growth and our Telecom division is poised to return to growth following the restructuring in the early part of the year.”

“Looking ahead, we have entered the second half of the year better placed than six months ago. With its innovative solutions, the restructured Telecom division is well positioned to leverage the growth in its target markets; and the Medical division has established a great platform for further expansion and improving margins as the division should benefit from the economies of scale

resulting from its increased sales. Consequently, in line with market expectations, the Company is on track to break even in the third quarter of 2012 and achieve profitability in the fourth quarter.”

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Conference call and Webcast presentation

Dr Zvi Marom, Chief Executive Officer, and Ofer Bar-Ner, Chief Financial Officer, will be hosting a live conference call and webcast presentation to review the BATM Interim Results 2012 at 9.30am BST today. The presentation can be viewed by via the ‘Webcasts and Presentations’ page on the Investor Relations section of the Company’s website: www.batm.com. To participate in the Q&A, analysts and investors must also dial into the conference call on the following numbers:

UK: 0208 817 9301
 Israel: 1 809 212 643
 US: 718 354 1226

A replay of the conference call will also be available. To access the replay, please dial 00353 14364267 or 0044 2077696425 and enter passcode 8076 641#.

Operational Review

Revenues in the first half of 2012 were \$53.2m, down 4.3% compared with the first half of 2011 (H1 2011: \$55.6m). However, in Q2 2012 sales grew by 10% sequentially to \$27.9m (Q1 2012: \$25.3m) and were flat year-on-year despite a greater contribution from the Nokia Siemens Networks (“NSN”) business in the second quarter of 2011 (Q2 2011: \$28.2m). In H1 2012, the Telecom business contributed 53% of total sales and the Medical business accounted for 47% of total sales.

These results demonstrate a business in transition as the Company’s Telecom division stabilises following the curtailment of its legacy products while the Medical division has delivered strong growth. BATM is now focused on providing real-time technologies to the networked telecoms markets and the global medical laboratory markets.

Telecom Division

In H1 2012, there was a \$6.7m decline in the revenue contribution from NSN compared with H1 2011. Overall revenues in the Telecom division were \$5.6m (16.6%) lower than the same period last year at \$28.0m (H1 2011: \$33.6m) due to the decline partially being offset by a 15.5% growth in the IP business in the US.

Telecom division operating profit, excluding amortization of intangible assets, for the first half of 2012 was \$1.4m (H1 2011: \$4.2m). Gross profit margin improved sequentially in H1 2012 to 43.4% compared with 41.9% in H2 2011.

During the first half of the year, the Company completed the restructuring of its Telecom division by separating the legacy Telecom business (the “Legacy business”) and focusing on growing the Carrier Ethernet portfolio following the decline of the NSN business.

The OEM agreements signed towards the end of 2011 commenced contributing to revenues in the first half and new customers were gained in Europe, USA, Latin America and the Asia-Pacific region as the division focuses on being a key supplier to next generation telecoms networks. The division won a number of contracts, including with NebraskaLink for the provision of a Nebraska-wide fibre optic network. BATM now has a good direct market penetration in North and South America.

During the period, Telco unveiled two significant new products: the T-Metro 8000 and EdgeGenie. The T-Metro 8000 is a carrier cloud gateway aggregation platform, which represents the industry’s first open architecture platform with best-in-class carrier Ethernet/MPLS density, scalability and price performance for cloud, mobile backhaul and business services. It is currently being tested by several major carriers and will be generally available from later in the third quarter of this year. The EdgeGenie system offers a complete solution for planning, managing, monitoring and maintaining Ethernet services, representing a breakthrough in managing multi-vendor Ethernet/MPLS services end-to-end across third-party core equipment.

BATM’s efforts in the area of networks security have increased significantly during the first half of 2012, including the establishment of the CELARE subsidiary in May. This is in response to growing demand for products to protect networks against cyber-attacks, which is primarily due to the expansion of cloud-based architecture. Following the award of a contract in this field in Israel,

BATM has recently begun to deploy its unique solution. Based on early customer acceptance, the Company expects this area to grow significantly in the coming years.

Medical Division

In H1 2012, revenues in the Medical division were 14.5% higher at \$25.2m (H1 2011: \$22.0m), and operating margins also improved. Operating loss in the Medical division narrowed to \$1.0m in H1 2012 compared with operating losses of \$1.9m in H1 2011 and \$1.5m in H2 2011. The gross profit margin increased to 22.2% compared with 21.6% in H2 2011 and 21.2% in H1 2011, reflecting improved margins in all three parts of the division.

The distribution part of the business contributed approximately 63% percent of revenues in H1 2012. During the period, the distribution business increased its footprint into Bulgaria following a contract to represent one of the top three vendors in this field in this territory.

The sterilization business met management's targets of 10% growth during the period. It now constitutes 15% of the Medical division's revenues. In the first half, it received certification for the sale of the Integrated Sterilizer and Shredder ("ISS") in Israel. It also experienced growing interest and orders for the medical waste solution from distributors of sterilizers in South America, Russia and the Middle East. The Company intends to continue to develop this solution and believes that revenues from this business are on track for it to become the largest selling product of the sterilization segment in the coming years. The division has also seen demand from large vendors in this field who have expressed interest in entering into an OEM relationship with the sterilization business. It is the Company's intention to use these indirect sales channels to penetrate and certify its product in territories it has not accessed before, particularly in the US.

In the diagnostics business, which constitutes 22% of Medical division revenues, the focus over the past two years has been on developing smaller, more mobile products for the developing countries such as Brazil, China, India, Russia and Mexico. These countries have smaller laboratories that are dispersed in different localities and hence require the solutions provided by the Company's diagnostics business. In the first half of the year, the diagnostics business received CE (European) certification for its Detect HIV 4th generation (AIDS 4th generation) and HCV (Hepatitis C) Screening Kits. These certifications are important milestones as the business continues to execute its strategy to develop and sell reagents for its testing instruments. As a result, it is well-positioned to build a stable source of recurring revenues in this field in addition to the revenues generated by the sale of its testing instruments.

Financial Review

Revenues in the first half of 2012 decreased by \$2.4m to \$53.2m (H1 2011: \$55.6m). Telecom division revenues decreased by 16.6% to \$28.0m (H1 2011: \$33.6m) whilst Medical division revenues increased by 14.5% to \$25.2m (H1 2011: \$22.0m), with the latter being the result of organic growth.

The blended gross profit margin for the first half of 2012 was 33.4% (H1 2011: 38.0%), which was 0.5% higher than the gross profit margin in the second half of 2011.

Sales and marketing expenses were \$7.9m (H1 2011: \$7.8m), representing 14.9% of revenue, compared with 14.1% in the first half of 2011.

General and administrative expenses were \$4.7m (H1 2011: \$5.0m), reflecting a decrease of 6% mainly as a result of the new structure of the Telecom business.

R&D investment in the first half of 2012 was \$4.8m (H1 2011: \$6.0m). This decrease of \$1.2m was primarily due to a \$0.5m contribution from the Israeli Chief Scientist (no contribution in H1 2011) and the restructuring of the Telecom business at the beginning of 2012.

Net finance income was \$0.9m (H1 2011: \$1.1m), comprising \$0.3m of interest income as well as \$1.0m of mostly forward contracts gains on converting Euro deposits to US dollars, which were partially offset by a loss of \$0.2m on foreign exchange differences and \$0.2m of finance costs.

Net loss after tax attributable to equity holders of the parent amounted to \$0.02m (H1 2011: profit of \$2.45m), resulting in a basic loss per share of 0.01¢ (H1 2011: income of 0.61¢).

The Company's balance sheet remains strong with effective liquidity of \$42.3m, a decrease of \$4.6m compared with \$46.9m as at 31 December 2011. The decline in cash balances is mainly due to a reduction in trade payables (\$2.6m), and the payment of an ISE bank loan of \$1.3m and mortgage of \$0.6m. These payments resulted in a reduction of short term debt respectively. Period end cash is comprised as follows: cash and deposits up to three months duration of \$14.9m, and short term cash deposits up to one year of \$27.4m.

Intangible assets and Goodwill decreased to \$24.0m (December 2011: \$26.2m). The decrease is due to the amortization of intangible assets.

Property, plant and equipment remained unchanged since the end of 2011.

Total inventories decreased from \$24.3m at the end of 2011 to \$18.0m at 30 June 2012. The majority of the decrease is the Legacy stock, which is now part of the discontinued operations.

Trade and other receivables increased to \$28.6m from \$27.5m at the end of 2011.

The trade and other payables as noted above decreased to \$23.6m from \$27.4m at the end of 2011.

Registration of Shares in Tel-Aviv

The Board of BATM is pleased to announce that the Company has received the final confirmation from the Tel-Aviv Exchange to list its shares also on the Tel-Aviv Stock Exchange. As stated in the Company's AGM statement of 2 July 2012, it is expected that trading will commence before 1 September 2012.

Current Trading and Prospects

The Company has entered the second half of 2012 better placed than six months ago to take advantage of the opportunities in the Telecom division as well the Medical division. In the Telecom division, the Company expects to continue to increase contributions from the OEM agreements signed late last year as well as experience growth in the IP business. The Board anticipates that this division will return to growth in 2013. In the Medical division, the distribution business is expected to continue to grow as it expands its reach in Eastern Europe. BATM also continues to see increased demand for its medical waste disposal products, and the contribution to revenues from the diagnostics business is expected to grow following the receipt of certifications. As a result, in line with market expectations, the Company is on track to break even in the third quarter of 2012 and achieve profitability in the fourth quarter.

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED INCOME STATEMENTS**

	Six months ended 30 June	
	2 0 1 2	2 0 1 1
	US\$ in thousands	
	<u>Unaudited</u>	<u>Unaudited</u>
Revenues	53,226	55,588
Cost of revenues	<u>35,456</u>	<u>34,441</u>
Gross profit	<u>17,770</u>	<u>21,147</u>
Operating expenses		
Sales and marketing expenses	7,963	7,811
General and administrative expenses	4,695	5,023
Research and development expenses	4,753	6,042
Other operating expenses	<u>1,805</u>	<u>1,877</u>
Total operating expenses	<u>19,216</u>	<u>20,753</u>
Operating profit/(loss)	<u>(1,446)</u>	<u>394</u>
Finance income	1,307	2,323
Finance expenses	<u>(412)</u>	<u>(1,190)</u>
Profit/(loss) before tax	(551)	1,527
Income tax expenses	<u>(345)</u>	<u>(824)</u>
Profit/(loss) for the period from continuing operations	(896)	703
Profit for the period from discontinued operations	<u>647</u>	<u>1,150</u>
Profit/(loss) for the period	<u>(249)</u>	<u>1,853</u>
<u>Attributable to:</u>		
Owners of the Company	(25)	2,452
Non-controlling interests	<u>(224)</u>	<u>(599)</u>
Income/(loss) for the period	<u>(249)</u>	<u>1,853</u>
<u>Earnings/(loss) per share (In cents):</u>		
From continuing and discontinued operations		
Basic and Diluted	<u>(0.01)</u>	<u>0.61</u>
From continuing operations		
Basic and Diluted	<u>(0.17)</u>	<u>0.32</u>

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Six months ended 30 June	
	2 0 1 2	2 0 1 1
	US\$ in thousands	
	<u>Unaudited</u>	<u>Unaudited</u>
Profit/(loss) for the period	(249)	1,853
Exchange differences on translating foreign operations	<u>(1,006)</u>	<u>1,824</u>
Total Comprehensive Income/(loss) of the Period	<u>(1,255)</u>	<u>3,677</u>
Attributable to:		
Owners of the Company	(970)	4,321
Non-controlling interests	<u>(285)</u>	<u>(644)</u>
	<u>(1,255)</u>	<u>3,677</u>

BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30 June 2 0 1 2	30 June 2 0 1 1 US\$ in thousands	31 December 2 0 1 1
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Non-current assets			
Goodwill	11,630	13,895	11,616
Other intangible assets	12,367	18,581	14,539
Property, plant and equipment	24,845	26,234	25,153
Deferred tax asset	5,381	5,469	5,525
	<u>54,223</u>	<u>64,179</u>	<u>56,833</u>
Current assets			
Inventories	17,999	26,255	24,297
Financial assets	27,461	35,807	23,883
Trade and other receivables	28,587	32,193	27,529
Cash and cash equivalents	14,852	18,856	23,012
	<u>88,899</u>	<u>113,111</u>	<u>98,721</u>
Disposal group classified as held for sale	5,407	-	-
Total assets	<u>148,529</u>	<u>177,290</u>	<u>155,554</u>
Current liabilities			
Short-term bank credit	3,888	4,850	6,770
Trade and other payables	23,551	36,646	27,441
Provisions	2,051	2,969	2,507
	<u>29,490</u>	<u>44,465</u>	<u>36,718</u>
Net current assets	<u>59,409</u>	<u>68,646</u>	<u>62,003</u>
Non-current liabilities			
Long-term liabilities	6,031	9,555	6,019
Deferred tax liabilities	1,522	1,888	1,538
Retirement benefit obligation	973	984	1,001
	<u>8,526</u>	<u>12,427</u>	<u>8,558</u>
Liabilities directly associated with disposal group classified as held for sale	1,365	-	-
Total liabilities	<u>39,381</u>	<u>56,892</u>	<u>45,276</u>
Net assets	<u>109,148</u>	<u>120,398</u>	<u>110,278</u>
Equity			
Share capital	1,215	1,215	1,215
Share premium account	407,017	406,747	406,892
Foreign currency translation reserve and other reserves	(14,762)	(8,637)	(13,073)
Accumulated deficit	(286,113)	(279,916)	(286,088)
Equity attributable to equity holders of the:			
Owners of the Company	107,357	119,409	108,946
Non-controlling interest	1,791	989	1,332
Total equity	<u>109,148</u>	<u>120,398</u>	<u>110,278</u>

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Six months ended 30 June 2012

	Share Capital	Share Premium Account	Foreign currency translation reserve	Other reserve	Accumulated Deficit	Attributable to owners of the Company	Non- Controlling Interests	Total equity
	US\$ in thousands							
As at 1 January 2012	1,215	406,892	(13,482)	409	(286,088)	108,946	1,332	110,278
Recognition of share-based payments		125				125	-	125
Purchase of non- controlling interest			-	(744)		(744)	744	-
Comprehensive Income for the period			(945)		(25)	(970)	(285)	(1,255)
As at 30 June 2012 (unaudited)	<u>1,215</u>	<u>407,017</u>	<u>(14,427)</u>	<u>(335)</u>	<u>(286,113)</u>	<u>107,357</u>	<u>1,791</u>	<u>109,148</u>

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont.)**

Six months ended 30 June 2011

	Share Capital	Share Premium Account	Foreign currency translation reserve	Other reserve	Accumulated Deficit US\$ in thousands	Attributable to owners of the Company	Non- Controlling Interests	Total equity
As at 1 January 2011	1,215	406,504	(10,026)	1,228	(277,236)	121,685	1,065	122,750
Exercise of share based options by employees	-	60				60	-	60
Recognition of share-based payments		183				183	-	183
Purchase of non- controlling interest			(889)	(819)		(1,708)	568	(1,140)
Proposed Dividend					(5,132)	(5,132)	-	(5,132)
Comprehensive Income for the period			<u>1,869</u>		<u>2,452</u>	<u>4,321</u>	<u>(644)</u>	<u>3,677</u>
As at 30 June 2011 (unaudited)	<u>1,215</u>	<u>406,747</u>	<u>(9,046)</u>	<u>409</u>	<u>(279,916)</u>	<u>119,409</u>	<u>989</u>	<u>120,398</u>

**BATM ADVANCED COMMUNICATIONS LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>Six months ended 30 June</u>	
	2 0 1 2	2 0 1 1
	US\$ in thousands	
	<u>Unaudited</u>	<u>Unaudited</u>
Net cash from (used in) operating activities (Appendix A)	(2,271)	32
	-----	-----
Investing activities		
Interest received	201	393
Proceeds on disposal of property, plant and equipment	14	61
Proceeds on disposal of financial assets carried at fair value through profit and loss	1,407	-
Proceeds on disposal of deposits	20,909	24,268
Purchases of property, plant and equipment	(767)	(1,045)
Purchases of financial assets carried at fair value through profit and loss	(6,775)	-
Purchases of deposits	(18,855)	(22,605)
Net Cash outflow on acquisition of business combinations	(542)	(2,611)
Net cash used in investing activities	(4,408)	(1,539)
	-----	-----
Financing activities		
Increase in short-term bank credit	348	69
Bank loan repayment	(1,904)	(2,072)
Purchase of non-controlling interest	-	(767)
Proceeds on issue of shares	-	60
Net cash used in financing activities	(1,556)	(2,710)
	-----	-----
Decrease in cash and cash equivalents	(8,235)	(4,217)
Cash and cash equivalents at the beginning of the period	23,012	22,087
Effects of exchange rate changes on the balance of cash held in foreign currencies	75	986
Cash and cash equivalents at the end of the period	<u>14,852</u>	<u>18,856</u>

**BATM ADVANCED COMMUNICATIONS LTD.
APPENDICES TO CONSOLIDATED STATEMENT OF CASH FLOWS**

APPENDIX A

**RECONCILIATION OF OPERATING PROFIT (LOSS) FOR THE PERIOD TO NET CASH
FROM OPERATING ACTIVITIES**

	<u>Six months ended 30 June</u>	
	2 0 1 2	2 0 1 1
	US\$ in thousands	
	<u>Unaudited</u>	<u>Unaudited</u>
Operating profit (loss) from continuing operations	(799)	1,544
Adjustments for:		
Amortization of intangible assets	1,805	1,855
Depreciation of property, plant and equipment	988	1,106
Share based payments	125	183
Increase (decrease) in retirement benefit obligation	(28)	100
Decrease in provisions	<u>(386)</u>	<u>(18)</u>
Operating cash flow before movements in working capital	1,705	4,770
Decrease (Increase) in inventory	2,595	(5,577)
Increase in receivables	(1,760)	(678)
Increase (decrease) in payables	<u>(4,764)</u>	<u>2,148</u>
Cash generated by operations	(2,224)	663
Income taxes paid	(255)	(453)
Income taxes received	323	-
Interest paid	<u>(115)</u>	<u>(178)</u>
Net cash from (used in) operating activities	<u>(2,271)</u>	<u>32</u>

BATM ADVANCED COMMUNICATIONS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Basis of preparation

The interim consolidated financial statements of the Company have been prepared in conformity with International Accounting Standard No. 34 "interim financial reporting" (hereafter "IAS 34").

In preparing these interim consolidated financial statements, the Company implemented accounting policies, presentation principles and calculation methods identical to those implemented in preparation of its consolidated financial statements as of 31 December 2011 and for the period ended on that date. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRSs.

Application of new and revised International Financial Reporting Standards (IFRSs)

For information regarding application of new and revised International Financial Reporting Standards, see Note 2 in the annual financial statements of the Company as of 31 December 2011 and for the period ended on that date.

- IFRS 9 "Financial Instruments"
- IFRS 10 "Consolidated Financial Statements"
- Amendment of IAS 1 (Revised) "Presentation of Financial Statements" (on display items of other comprehensive income in the income statement)
 - Amendment of IAS 1 (Revised) "Presentation of Financial Statements" (presenting a report on the financial position to the beginning of the previous period)
- The amendment provides cases where an entity applies an accounting policy retrospectively and/or performs restatement and/or a reclassification of items in its financial statements, which materially affects the report on the financial position for the beginning of the reporting period, must present a statement of financial position at that date. In addition, the amendment clarified that companies are not required to display disclosures for the same report about financial position. Amendment will be applied retrospectively for annual periods beginning on or after 1 January 2013, or thereafter. Early adoption is permitted.
- Amendment to IFRS 7 "Financial Instruments: Disclosures" (offsetting financial assets and financial liabilities)
 - The amendment provides for additional disclosure requirements regarding display financial assets and financial liabilities in order to assess of potential impacts of various display agreements. Amendment will be applied retrospectively for annual reporting periods beginning on 1 January 2013 or thereafter. Early adoption is permitted.

BATM ADVANCED COMMUNICATIONS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Profit/(loss) per share

Profit/(loss) per share is based on the weighted average number of shares in issue for the period of 402,915,820 (H1 2011: 402,833,721). The number used for the calculation of the diluted profit per share for the period (which includes the effect of dilutive stock option plans) is 402,915,820 shares (H1 2011: 403,196,592).

Note 3 – Disposal group classified as held for sale

During June 2012, the Company entered into a MOU agreement to dispose of its older time division multiplexing (TDM) based products ("Legacy") business, which formed part of the Group's Telecom operations. This event, which will complete until 30 June 2013, is consistent with the Group's long-term policy to focus on growing the Carrier Ethernet portfolio.

Profit for the period from discontinued operations:

	<u>Six months ended 30 June</u>	
	2 0 1 2	2 0 1 1
	US\$ in thousands	
	<u>Unaudited</u>	<u>Unaudited</u>
Revenues	4,949	8,939
Expenses	4,302	7,789
Profit for the period	<u>647</u>	<u>1,150</u>

Cash flows from discontinued operations

	<u>Six months ended 30 June</u>	
	2 0 1 2	2 0 1 1
	US\$ in thousands	
	<u>Unaudited</u>	<u>Unaudited</u>
Net cash inflows from operating activities	1,961	(1,299)
Net cash inflows from investing activities	-	-
Net cash outflows from financing activities	-	-
Net cash inflows	<u>1,961</u>	<u>(1,299)</u>

Earnings per share (In cents):

	<u>Six months ended 30 June</u>	
	2 0 1 2	2 0 1 1
	<u>Unaudited</u>	<u>Unaudited</u>
From discontinued operations		
Basic and Diluted	<u>0.16</u>	<u>0.28</u>

BATM ADVANCED COMMUNICATIONS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 – Segments

Business Segment

Six months ended 30 June 2012

	Telecommunications	Medical US\$ in thousands	Total
Revenues	28,053	25,173	53,226
Operating profit/(loss)*	1,437	(1,078)	359
Other operating expenses			(1,805)
Finance income			<u>895</u>
Loss before tax			<u>(551)</u>

Six months ended 30 June 2011

	Telecommunications	Medical US\$ in thousands	Total
Revenues	33,629	21,959	55,588
Operating profit/(loss)*	4,173	(1,902)	2,271
Other operating expenses			(1,877)
Finance income			<u>1,133</u>
Profit before tax			<u>1,527</u>

* Excluding other operating expenses