22 septembre, 2008

ATTESTATION SUR LES COMPTES SEMESTRIEL DE L'EXERCICE CLOS LE 30/06/2008 :

J'atteste, à ma connaissance, que les comptes sont établis conformément aux normes comptables applicables et donnent une image fidèle du patrimoine, de la situation financière et du résultat de la société et de l'ensemble des entreprises comprises dans la consolidation et que le rapport de gestion ci-joint présente un tableau fidèle de l'évolution des affaires, des résultats et de la situation financière de la société et de l'ensemble des entreprises comprises dans la consolidation ainsi qu'une description des principaux risques et incertitudes auxquels elles sont confrontées.

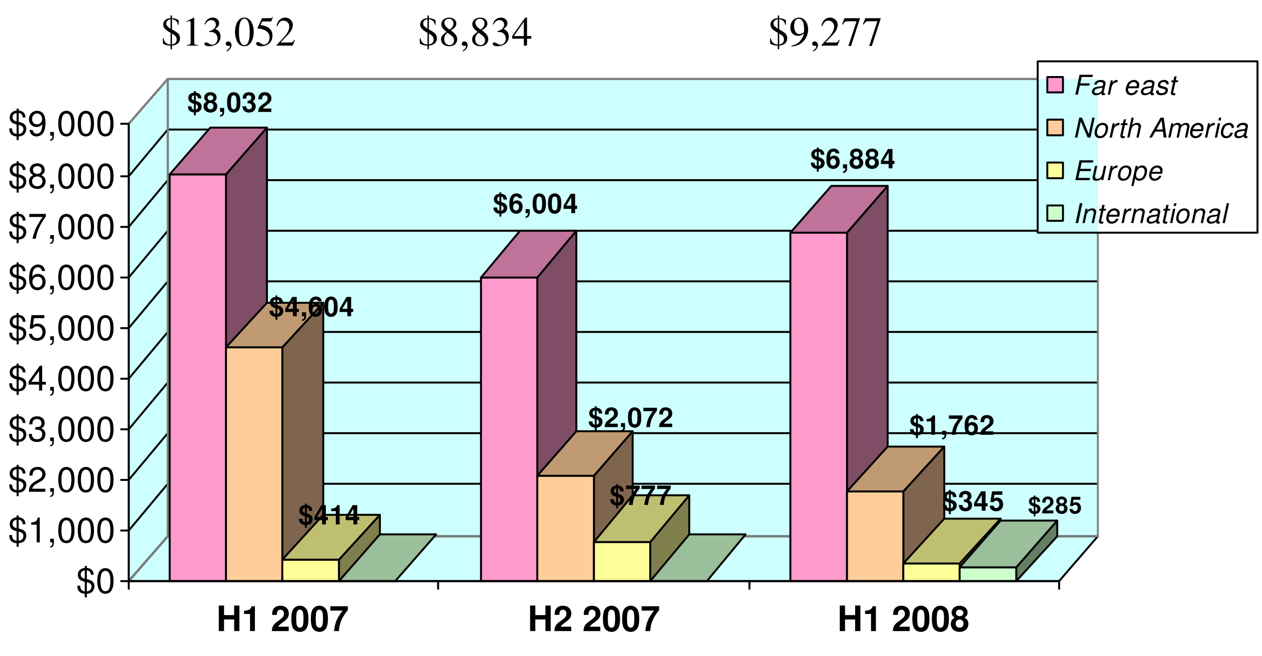
Madame Chaya GREENBERG

Présidente du Conseil d'Administration

Management Report
On H1 2008

First six months results

In-line with management expectations, and as previously disclosed in the last communications of the Company, the first half of 2008 shows a decrease in sales and a net loss, accentuated by a negative currency environment. The sales for the first six months of 2008 amounted to 9.8 millions USD compared to 13 millions USD for the same period last year, a 24.6% decrease. The revenues of the Company in the financial report were split to revenues from sales of products and revenues from R&D work, in accordance with the IFRS requirements. The geographical breakdown of the revenues shows a significant decrease in the sales in North America. An improvement was noted after the Agreement with Viztek became operational.



Geographical breakdown
Revenues from sales of products

The gross margin reached 42.6% compared to 49% for the same period last year. This margin is expected to persist as DR sales increase.

The operating expenses show an 11.6% decrease compared to the same period last year, in spite of significant investments in R&D, reaching 3 millions USD compared to 2.8 millions USD for the same period last year.

During the first six months the company bought its shares back in the frame of its buy back program for an amount of 0.234 million USD. As of June 30, 2008 the balance of the shares bought represents about 3% of the company's share capital.

The cash position of the company as of June 30, 2008 is at 13.75 millions USD, compared to 14.3 on December 31, 2007.

The first six months ended with a loss form continuing operations of USD 1.8M, compared to a loss of USD 0.5 M for the same period last year.

Main events

On March 17, 2008, the Company signed a development agreement with a major client. According to the agreement, the Company will develop and provide digital radiography and fluoroscopy system based on the Company exclusive technology to be integrated into X-ray diagnosis system. The total consideration for the Company is $ 1,000 thousand, which will be paid in two equal installments, upon delivery of first and final prototypes. As of balance sheet date, the first installment was already received.

On June 6, 2008, the Company signed a technology development agreement with a third party. According to the agreement, both parties will conduct a twelve months feasibility study based on the Company's exclusive technology in the field of X-ray systems. The total consideration for the Company is $ 600 thousand, which will be paid upon milestones progresses.

Events after balance sheet date

As the Company already announced, 2008 is expected to be a transitional year. The change in management, the new strategy of growth and adding new dynamics to the existing management team were the corner stones. I am very pleased that CMT was able to attract Mr. Amit Meridor, experienced manager, to become the President and CEO of the company.
Mr. Meridor comes to CMT from Syneron Medical Ltd. (NASDAQ: ELOS) where he served as Executive VP for Business Development and International Marketing. Syneron is a world leader in aesthetic medical products. Prior to his position at Syneron, Amit served, at Nilit, a leading global manufacturer of nylon fibbers for fashion and intimate apparel. In his last role as Executive VP at NILIT, Amit managed a multinational division with over $160 million in sales .Mr. Meridor holds a MBA degree from Tel Aviv University and a B.Sc in industrial engineering from the Technion, Haifa.

The Board of Directors is confident that Mr. Meridor will succeed in his new position and will realize the great potential of the company for the benefit of its customers, employees and shareholders

Main risk sources

The Company currently sells its products to two main customers. The Company expects these customers to account for a substantial percentage of the Company's revenues in the coming years. Should these customers cease trading with the Company, its results of operations could be adversely affected.
For the year ended December 31, 2007 and for the six months ended on June 2008, these customers accounted for 72% and 82% of the Company's consolidated revenues, respectively.

The Company obtains certain key components from two sources, which are located in Europe. The Company has strategic agreements with these suppliers, which defines CMT as a preferred customer. This preference minimizes the risk involved.

Concentration of credit risks:

Financial instruments that potentially subject the Group to concentration of credit risks consist principally of cash, cash equivalents, short-term deposits and trade receivables.
Cash and cash equivalents short-term and deposits are invested in major banks in Israel and the United States. Such deposits in the United States may be in excess of insured limits and are not insured in other jurisdictions. Management believes that the financial institutions that hold the Company investments are financially sound and accordingly, minimal credit risk exists with respect to these investments.
The Group's maximum exposure to credit risk arising from default of the counter party is equal to the carrying amount of these instruments.

The Company's trade receivables are mainly derived from sales to customers in the Far East, North America and Europe. The Company performs ongoing credit evaluations of its customers and to date has not experienced any material losses. In addition, receivables balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. An allowance for doubtful debts is determined with respect to these amounts that the Company has determined to be doubtful of collection. The maximum exposure is the carrying amount.

Currency

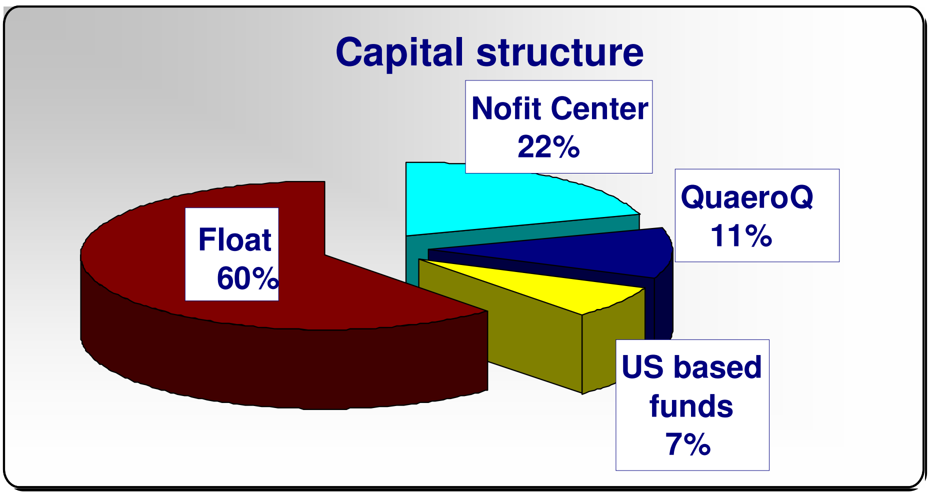
In the first six months of 2008 the appreciation of the NIS / $ exchange rate – caused the operational costs to increase in $ terms by an average of 10%. As currency uncertainties continues, the Company, with the advice of currencies experts, will continue to do its best to reduce the currency effects. Since the bulk of its expenses are in NIS and most revenues in US $ the Company's options are limited.

Buy back

During the first six months the company bought its shares back in the frame of its buy back program for an amount of 0.234 million USD. As of June 30, 2008 the balance of the shares bought represents about 3% of the company's share capital.

Shareholders

To the best of our knowledge, the capital structure as of the 30.06.08 was as follows:
Total number of shares for the same date was 3,807,834 1 NIS par value.



C.M.T. MEDICAL TECHNOLOGIES LTD.

AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2008

U.S. DOLLARS IN THOUSANDS

UNAUDITED

INDEX

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The Shareholders
C.M.T. Medical Technologies Ltd.

Re: Review of interim condensed consolidated financial statements for the six months ended June 30, 2008

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of C.M.T. Medical Technologies Ltd. and its subsidiaries as of June 30, 2008, comprising of the interim condensed consolidated balance sheet as of June 30, 2008, and the related interim condensed consolidated statements of operation, changes in equity and cash flows for the six months then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements, in accordance with International Financial Reporting Standard IAS 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We have been furnished with the report of other auditors in respect of the review of the interim financial statements, prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), of a subsidiary, whose assets constitute approximately 9.2% of total consolidated assets as of June 30, 2008, and whose revenues constitute approximately 4.6% of total consolidated revenues for the six months then ended, after the reconciliations of those interim financial statements from U.S. GAAP to International Financial Reporting Standards, which we have reviewed.

In addition we have been furnished with the report of other auditors in respect of the review of the interim financial statements of an associate, the investment in which, at equity, amounted to $ 702 thousand as of June 30, 2008, and the Company's share in its loss amounted to $ 436 thousand, for the six months then ended.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors referred to above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Tel-Aviv, Israel
August 31, 2008

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED BALANCE SHEETS

	December 31, 2007	June 30, 2007	June 30, 2008	Convenience translation (Note 2b) June 30, 2008
	Audited	Unaudited		Unaudited
	U.S. dollars (In thousands)			Euros
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	1,718	1,156	3,120	1,979
Short-term deposits	11,678	11,673	10,629	6,742
Trade receivables	3,378	4,096	3,577	2,269
Income tax receivable	-	357	-	-
Other current assets	1,244	1,210	685	434
Inventories	1,815	2,266	1,701	1,079
Total current assets	19,833	20,758	19,712	12,503
NON-CURRENT ASSETS:				
Deferred taxes	877	681	752	477
Long-term investments	955	1,855	-	-
Interest in a joint venture	1,138	-	702	445
Long-term receivables	240	218	275	174
Property and equipment, net	671	746	630	400
Total non-current assets	3,881	3,500	2,359	1,496
Total assets	23,714	24,258	22,071	13,999

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

CONSOLIDATED BALANCE SHEETS

	December 31, 2007	June 30, 2007	June 30, 2008	Convenience translation (Note 2b) June 30, 2008
	Audited	Unaudited		Unaudited
	U.S. dollars (In thousands)			Euros
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Trade payables	2,414	2,618	2,510	1,592
Provision for warranty	66	78	47	30
Income tax payables	376	-	123	78
Other current liabilities	1,556	1,590	1,515	961
Total current liabilities	4,412	4,286	4,195	2,661
NON-CURRENT LIABILITIES:				
Government grants	1,732	908	2,036	1,291
Accrued severance pay, net	426	633	512	325
Total non-current liabilities	2,158	1,541	2,548	1,616
EQUITY:				
Share capital	1,080	1,080	1,080	686
Additional paid-in capital	9,523	8,911	9,798	6,214
Retained earnings	7,234	9,133	5,377	3,410
Treasury shares	(693)	(693)	(927)	(588)
Total equity	17,144	18,431	15,328	9,722
Total liabilities and equity	23,714	24,258	22,071	13,999

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

August 31, 2008		
Date of approval of the financial statements	Chaya Greenberg Chairwoman of the Board of Directors	Nadine Tomaschoff Chief Financial Officer

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31, 2007	Six months ended June 30, 2007	Six months ended June 30, 2008	Convenience translation (Note 2b) Six months ended June 30, 2008
	Audited	Unaudited	Unaudited	Unaudited
	U.S. dollars			Euros
	(In thousands, except per share data)			
Revenues	21,885	13,052	9,277	5,883
Revenues from constructing contracts	500	-	550	349
Total revenues	22,385	13,052	9,827	6,232
Cost of revenues	11,461	6,600	5,635	3,573
Gross profit	10,924	6,452	4,192	2,659
Operating expenses:				
Development costs, net	5,603	2,838	3,009	1,908
Selling and marketing	2,610	1,482	1,133	719
General and administrative	3,404	1,689	1,343	852
Impairment of goodwill	200	200	-	-
Total operating expenses	11,817	6,209	5,485	3,479
Other income (expenses)	(5)	1	-	-
Operating profit (loss)	(898)	244	(1,293)	(820)
Financial income	726	230	227	145
Financial expenses	(306)	(42)	(236)	(150)
Share of losses of a joint venture	(414)	-	(436)	(277)
Profit (loss) before taxes on income	(892)	432	(1,738)	(1,102)
Income taxes (expenses)	(159)	(14)	123	78
Loss for the period from continuing operations	(733)	418	(1,861)	(1,180)
Profit (loss) from discontinued operation	(890)	(947)	4	2
Loss	(1,623)	(529)	(1,857)	(1,178)
Basic and diluted loss per share from continuing operations	(0.19)	(0.14)	(0.48)	(0.3)
Basic and diluted loss per share for the period	(0.42)	(0.14)	(0.48)	(0.3)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of shares	Share capital	Additional paid-in capital	Retained earnings	Treasury shares	Total equity
		U.S. dollars in thousands				
Balance as of January 1, 2007 (audited)	3,893,462	1,079	8,493	9,662	(283)	18,951
Purchase of treasury shares	(38,689)	-	-	-	(410)	(410)
Proceeds from exercise of stock options	3,000	1	267	-	-	268
Cash dividend	-	-	-	(805)	-	(805)
Cost of share-based payments	-	-	763	-	-	763
Net loss	-	-	-	(1,623)	-	(1,623)
Balance as of December 31, 2007	3,857,773	1,080	9,523	7,234	(693)	17,144
Purchase of treasury shares	(49,939)	-	-	-	(234)	(234)
Cost of share-based payments	-	-	275		-	275
Net loss	-	-	-	(1,857)	-	(1,857)
Balance as of June 30, 2008 (unaudited)	3,807,834	1,080	9,798	5,377	(927)	15,328
Balance as of January 1, 2007	3,893,462	1,079	8,493	9,662	(283)	18,951
Purchase of treasury shares	(38,689)	-	-	-	(410)	(410)
Exercise of stock options	3,000	1	104	-	-	105
Cost of share-based payments	-	-	314	-	-	314
Net loss	-	-	-	(529)	-	(529)
Balance as of June 30, 2007 (unaudited)	3,857,773	1,080	8,911	9,133	(693)	18,431
		Convenience translation in Euro (Note 2e) (In thousands)				
Balance as of January 1, 2008	3,857,773	686	6,040	4,588	(440)	10,874
Purchase of treasury shares	(49,939)	-	-	-	(148)	(148)
Cost of share-based payments	-	-	174		-	174
Net loss	-	-	-	(1,178)	-	(1,178)
Balance as of June 30, 2008	3,807,834	686	6,214	3,410	(588)	9,722

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

C.M.T. MEDICAL TECHNOLOGIES LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2007	Six months ended June 30, 2007	Six months ended June 30, 2008	Convenience translation (Note 2b) Six months ended June 30, 2008
	Audited	Unaudited		Unaudited
	U.S. dollars (In thousands)			Euros
Loss	(1,623)	(529)	(1,857)	(1,178)
Adjustments for:				
Depreciation	200	114	90	57
Impairment of goodwill *)	200	200	-	-
Inventory write-off *)	231	231	-	-
Accrued severance pay, net	(89)	118	86	55
Impairment of property and equipment *)	46	46	-	-
Loss from sale of property and equipment	5	(1)	-	-
Share of loss of a joint venture	414	-	436	277
Exchange differences	(21)	-	(35)	(22)
Accrued interest on Government grants	38	19	34	22
Deferred taxes, net	(280)	(85)	125	79
Cost of share-based payments	763	314	275	173
Operating cash flows before working capital changes	(116)	427	(846)	(537)
Movement in government grants	(46)	(34)	-	-
Decrease (increase) in trade receivables and long-term receivable	1,262	545	(199)	(126)
Decrease (increase) in income taxes	508	151	-	-
Decrease in other current assets	115	149	559	355
Decrease (increase) in inventories	44	(407)	114	72
Increase (decrease) in trade payables	(1,093)	(887)	96	61
Increase (decrease) in provision for warranty	(18)	(6)	(19)	(12)
Increase in income tax payables	376	-	(253)	(160)
Decrease in other current liabilities	(78)	(61)	(41)	(27)
Changes in working capital	1,070	(550)	257	163
Net cash flows provided by (used in) operating activities	954	(123)	(589)	(374)

*) Relates to the discontinued operations.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2007	Six months ended June 30, 2007	Six months ended June 30, 2008	Convenience translation (Note 2b) Six months ended June 30, 2008
	Audited	Unaudited	Unaudited	Unaudited
	U.S. dollars (In thousands)			Euros
Cash flows from investing activities:				
Investment in a joint venture	(1,550)	-	-	-
Proceeds from sale of property and equipment	11	-	-	-
Purchase of property and equipment	(83)	(54)	(49)	(31)
Purchase and realization of short and long-term deposits	677	(218)	2,004	1,271
Net cash flows provided by (used in) investing activities	(945)	(272)	1,955	1,240
Cash flows from financing activities:				
Proceeds from Government grants	800	-	270	171
Proceeds from exercise of stock options	268	105	-	-
Purchase of treasury shares	(410)	(410)	(234)	(148)
Cash dividend	(805)	-	-	-
Net cash flows provided by (used in) financing activities	(147)	(305)	36	23
Increase (decrease) in cash and cash equivalents	(138)	(700)	1,402	889
Cash and cash equivalents at beginning of period	1,856	1,856	1,718	1,090
Cash and cash equivalents at end of period	1,718	1,156	3,120	1,979
(a) Supplemental disclosure of cash flows activities:				
Cash paid during the period for:				
Taxes (operating activities)	66	33	294	187
Cash received during the period for:				
Interest (operating activities)	502	221	504	321
Taxes (operating activities)	883	-	-	-

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

NOTE 1:- GENERAL

a. C.M.T. Medical Technologies Ltd. ("C.M.T." or "the Company"), an Israeli corporation, is an industrial company. C.M.T. develops, manufactures and markets digital image processing systems for X-ray equipment.

b. These financial statements have been prepared in a condensed form as of June 30, 2008, and for the six months then ended and are to be read in conjunction with the Company's audited annual financial statements and accompanying notes as of December 31, 2007.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

a. The significant accounting policies and methods of computation applied in the preparation of the interim condensed consolidated financial statements are the same as those applied in the annual consolidated financial statements as of December 31, 2007, except for:

Revenues from constructing contracts:

Revenues from performance contracts are recognized on the percentage of completion basis provided that the revenues are fixed or can be reasonably estimated, collection is probable, costs related to performing the work are determinable or can be reasonably determined, there is no substantial uncertainty regarding the ability of the Company to complete the contract and to meet the contractual terms, and the percentage of completion can be reasonably estimated. The percentage of completion is determined based on the ratio of actual cost to total estimated cost As for contracts in which a loss is anticipated, a provision is recorded for the full amount of the expected loss.

b. Convenience translation into Euro:

The financial statements as of June 30, 2008, and for the six months then ended have been translated into Euro using the exchange rate as of June 30, 2008 - € 1 = U.S.$ 1.344. The translation was made solely for the convenience of the reader. The Euro amounts presented in these financial statements should not be construed to represent amounts receivable or payable in Euros or convertible into Euros, unless otherwise indicated in these statements.

NOTE 3: - SIGNIFICANT EVENTS DURING THE PERIOD

a. On March 17, 2008, the Company signed a development agreement with a major client. According to the agreement, the Company will develop and provide digital radiography and fluoroscopy system based on the Company exclusive technology to be integrated into X-ray diagnosis system. The total consideration for the Company is $ 1,000 thousand, which will be paid in two equal installments, upon delivery of first and final prototypes. As of balance sheet date, the first installment was already received. NOTE 3: - SIGNIFICANT EVENTS DURING THE PERIOD (Cont.)

b. On June 6, 2008, the Company signed a technology development agreement with a third party. According to the agreement, both parties will conduct a twelve months feasibility study based on the Company's exclusive technology in the field of X-ray systems. The total consideration for the Company is $ 600 thousand, which will be paid upon milestones progresses.

NOTE 4:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Transactions with related parties:

	Year ended December 31,	Six months ended June 30,	
	2007	2007	2008
	Audited	Unaudited	
	U.S. dollars in thousands		
Fees and related benefits to members of the Board of Directors	210	122	161

b. Balances with related parties:

	December 31,	June 30,	
	2007	2007	2008
	Audited	Unaudited	
	U.S. dollars in thousands		
Other current liabilities	79	63	48

c. Compensation of key management personnel of the Group:

	Year ended December 31,	Six months ended June 30,	
	2007	2007	2008
	Audited	Unaudited	
	U.S. dollars in thousands		
Short-term benefits	946	507	498
Termination benefits	56	27	34
Share-based payment	293	71	26
Total compensation paid to key management personnel	1,295	605	558

NOTE 5:- DISCONTINUED OPERATION

In September 2007, the Company's Board of Directors decided to cease the operations of Medibell a separate business segment that is part of the Company operations. The business of Medibell had developed a device in the field of ophthalmology. As of December 31, 2007, Medibell's operations were classified as discontinued operations. In addition, the Company impaired goodwill in the amount of $ 200 thousand recognized in 2006 from the acquisition of minority interests in Medibell.

The results of Medibell are presented below:

	Year ended December 31,	Six months ended June 30,	
	2007	2007	2008
	Audited	Unaudited	
	U.S. dollars in thousands except per share data		
Revenue	51	79	2
Expenses	911	937	1
Gross profit (loss)	(860)	(858)	1
Financial Income (expenses)	(30)	(89)	3
Profit (loss) from a discontinued operation	(890)	(947)	4
Net cash outflow from operating activities	(55)	-	-
Basic and diluted loss per share from discontinued operations	(0.23)	(0.25)	-

NOTE 6:- SUBSEQUENT EVENTS

On August 13, 2008, the Company announced the replacement of its CEO.