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## Orad High-Tec Systems: Second Half Year Looks Better

The target price of 3 EUR that we gave at the end of February for the Israeli company **Orad Hi-Tec Systems** still has to be reached. True, the specialist for graphic solutions and production of advertising has already recovered from the economic crisis of the first half year. Price declines in the interim period were manageable, however, and consisted rather of a volatile sideward movement.

Interviewed by BetaFaktor, CEO **Ehud Ben-Yair** emphasized that the second half year would definitely be far better: "In the first half year there was a clear decline in the field of graphic systems. But now we see the market recovering."

What is apparently aiding Orad is a bold decision in the first half year that **no employees would be laid off**. "We can now show our superiority with experienced employees in a market that is rising again", says Ben-Yair. With **cash** in the till (**13.7 million USD** at the end of June), Orad is now looking "actively at acquisitions in Europe and the USA". To date there have been, amongst others, a large order from the Dutch Eredivise Football League and an OEM deal for the 'Virtual Studio' entry-level system. "The first 50 systems have been ordered," says the CFO, "but this has far greater potential".

In spite of a good second half year of 2009, Orad will certainly not be able to achieve the 2008 figures. **VEM Aktienbank** analysts' estimate for this year is 27.1 million USD sales (compared with 31.9) and an **EPS** of **16** (31) cents. "I think we can reach the VEM figures," Ben-Yair confirms. EM's target price is **2.95 EUR**.

In contrast to many other small-cap companies, Orad has not appeared on the indices at all since the classic March low. There's a good chance that its potential for a price increase will be discovered quite suddenly.

Potential for a Price Increase

Company: Orad Hi-Tec

ISIN IL0010838071

Price 2.03 EUR

No. of Shares 11 million

Bourse value 22.3 million Euros

