



Orad Hi-Tec Systems Ltd. ('Orad' or the 'Company') Results for the first quarter of 2010

Orad Hi-Tec Systems Ltd. (Frankfurt - Prime Standard; Symbol: OHT), a leading developer, marketer and distributor of state-of-the-art, 3D real-time graphic solutions for the broadcasting markets, today announces its results for the first quarter of 2010.

- **Revenues increased by 25% to US\$7 million compared to US\$ 5.6 million in Q1/09.**
- **Net profits of US\$756K in Q1/10 compared to net losses of US\$238K in Q1/09.**
- **Cash, cash equivalents and restricted cash increased to the level of US\$18.2 million with a positive cash flow of US\$859K in Q1/10.**
- **Gross margin increased to 74% compared to 70% in Q1/09**

"We are very proud with the results of the first quarter of 2010", said Avi Sharir President and CEO of Orad and continued: "During Q1/10 we won several large deals from major networks in the US primarily for the graphics and sports production. The order back-log in Eastern Europe is getting better. During the NAB show in April we launched several new solutions including super slow motion for sport server, true three dimension stereo graphics and new version of virtual studios. We continue to be optimistic regarding the results for 2010.

For further information:

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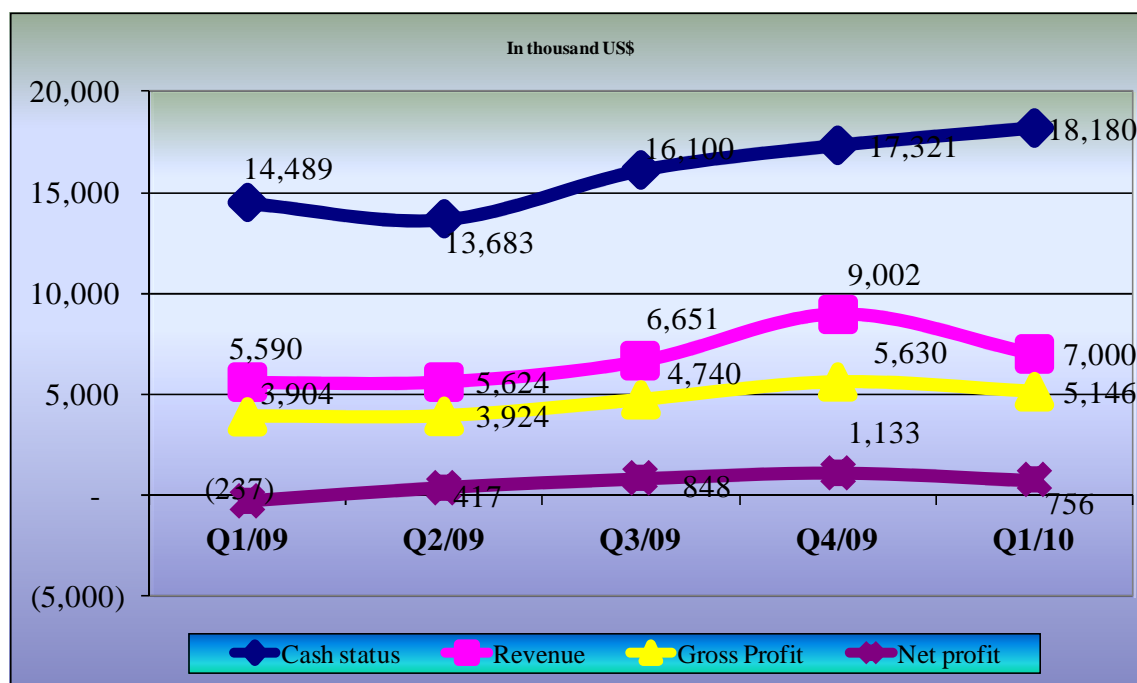
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Orad Hi-Tec Systems Ltd ('Orad' or the 'Company')

Results for the first quarter of 2010 compared to Q1/09 and Q4/09

Revenues, gross profit, net profit and cash status:



Operational expenses:

(in thousand USD)	<u>Q1/09</u>	<u>Q4/09</u>	<u>Q1/10</u>
Research and Development	869	964	1,037
Sales and Marketing	2,160	2,509	2,299
General and Administrative	<u>663</u>	<u>791</u>	<u>640</u>
Total Operating Expenses:	<u>3,692</u>	<u>4,264</u>	<u>3,976</u>

ORAD HI-TEC SYSTEMS LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2010

U.S. DOLLARS IN THOUSANDS

UNAUDITED

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CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except share and per share data

	March 31, 2010	December 31, 2009
	Unaudited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 17,815	\$ 16,949
Restricted cash	365	372
Trade receivables (net of allowance for doubtful accounts of \$176 and \$184 at March 31, 2010 and December 31, 2009, respectively)	3,515	3,155
Other accounts receivable and prepaid expenses	1,542	1,306
Inventories	2,054	1,912
<u>Total current assets</u>	<u>25,291</u>	<u>23,694</u>
SEVERANCE PAY FUND	1,944	1,836
PROPERTY AND EQUIPMENT, NET	1,325	1,442
<u>Total assets</u>	<u>\$ 28,560</u>	<u>\$ 26,972</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 1,975	\$ 1,532
Deferred revenues	1,989	1,454
Other accounts payable and accrued expenses	4,125	4,463
<u>Total current liabilities</u>	<u>8,089</u>	<u>7,449</u>
ACCRUED SEVERANCE PAY	2,514	2,380
<u>Total liabilities</u>	<u>10,603</u>	<u>9,829</u>
SHAREHOLDERS' EQUITY:		
Share capital -		
Ordinary shares of NIS 0.01 par value -		
Authorized: 27,000,000 shares at March 31, 2010 and December 31, 2009; Issued: 11,749,304 shares at March 31, 2010 and December 31, 2009; Outstanding: 10,820,550 shares at March 31, 2010 and December 31, 2009	29	29
Additional paid-in capital	75,975	75,917
Foreign currency translation adjustments	(547)	(547)
Accumulated deficit	(57,500)	(58,256)
<u>Total shareholders' equity</u>	<u>17,957</u>	<u>17,143</u>
<u>Total liabilities and shareholders' equity</u>	<u>\$ 28,560</u>	<u>\$ 26,972</u>

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

May 17, 2010		
Date of approval of the financial statements	Avi Sharir Director and Chief Executive Officer	Ehud Ben Yair Chief Financial Officer

ORAD HI-TEC SYSTEMS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

U.S. dollars in thousands, except share and per share data

	Three months ended		Year ended
	March 31,		December 31,
	2010	2009	2009
	Unaudited		
Revenues	\$ 7,000	\$ 5,590	\$ 26,867
Cost of revenues	<u>1,854</u>	<u>1,686</u>	<u>8,669</u>
Gross profit	<u>5,146</u>	<u>3,904</u>	<u>18,198</u>
Operating expenses:			
Research and development, net	1,037	869	3,633
Sales and marketing	2,299	2,160	9,467
General and administrative	<u>640</u>	<u>663</u>	<u>2,711</u>
<u>Total operating expenses</u>	<u>3,976</u>	<u>3,692</u>	<u>15,811</u>
Operating income	1,170	212	2,387
Financial income (expenses), net	(422)	(452)	(223)
Other income (expenses), net	<u>8</u>	<u>3</u>	<u>(6)</u>
Net income (loss)	<u>\$ 756</u>	<u>\$ (238)</u>	<u>\$ 2,158</u>
Basic net earnings (loss) per share	<u>\$ 0.07</u>	<u>\$ (0.022)</u>	<u>\$ 0.20</u>
Weighted average number of shares used in computing basic net earnings (loss) per share (in thousands)	<u>10,821</u>	<u>10,821</u>	<u>10,821</u>
Diluted net earnings (loss) per share	<u>\$ 0.07</u>	<u>\$ (0.022)</u>	<u>\$ 0.20</u>
Weighted average number of shares used in computing diluted net earnings (loss) per share (in thousands)	<u>10,948</u>	<u>10,821</u>	<u>10,943</u>

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

ORAD HI-TEC SYSTEMS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands, except share data

	Number of outstanding Ordinary shares	Share capital	Additional paid-in capital	Foreign currency translation adjustments	Accumulated deficit	Total comprehensive income	Total
Balance as of January 1, 2009	10,820,550	\$ 29	\$75,672	\$ (547)	\$ (60,414)		\$14,740
Net income	-	-	-	-	2,158	\$ 2,158	2,158
Stock-based compensation	-	-	245	-	-	-	245
Total comprehensive income						<u>\$ 2,158</u>	
Balance as of December 31, 2009	10,820,550	29	75,917	(547)	(58,256)		17,143
Net income	-	-	-	-	756	756	756
Stock-based compensation	-	-	58	-	-	-	58
Total comprehensive income						<u>\$ 756</u>	
Balance as of March 31, 2010 (unaudited)	<u>10,820,550</u>	<u>\$ 29</u>	<u>\$75,975</u>	<u>\$ (547)</u>	<u>\$ (57,500)</u>		<u>\$17,957</u>
Balance as of January 1, 2009	10,820,550	\$ 29	\$75,672	\$ (547)	\$ (60,414)		\$14,740
Net losses	-	-	-	-	(238)	\$ (238)	(238)
Unrealized gain (loss) on call and put options contracts, net	-	-	-	(33)			(33)
Stock-based compensation	-	-	62	-	-		62
Total comprehensive losses						<u>\$ (238)</u>	
Balance as of March 31, 2009 (unaudited)	<u>10,820,550</u>	<u>\$ 29</u>	<u>\$75,734</u>	<u>\$ (580)</u>	<u>\$ (60,652)</u>		<u>\$14,531</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended		Year ended
	March 31,		December 31,
	2010	2009	2009
	Unaudited		
<u>Cash flows from operating activities:</u>			
Net income (loss)	\$ 756	\$ (238)	\$ 2,158
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	187	192	780
Share-based compensation	58	62	245
Decrease (increase) in trade receivables, net and other accounts receivable and prepaid expenses	(596)	354	686
Decrease (increase) in inventories	(147)	84	639
Increase (decrease) in trade payables and other accounts payable and accrued expenses and accrued severance pay, net	131	(857)	(1,012)
Increase (decrease) in deferred revenues	535	255	(760)
Revaluation of restricted cash	7	4	(4)
Net cash provided by (used) in operating activities	<u>931</u>	<u>(144)</u>	<u>2,732</u>
<u>Cash flows from investing activities:</u>			
Purchase of property and equipment	(65)	(125)	(178)
Proceeds from sale of property and equipment	-	3	4
Decrease (increase) in restricted cash	-	(178)	-
Net cash provided by (used) investing activities	<u>(65)</u>	<u>(300)</u>	<u>(174)</u>
Increase (decrease) in cash and cash equivalents	866	(444)	2,558
Cash and cash equivalents at the beginning of the period	<u>16,949</u>	<u>14,391</u>	<u>14,391</u>
Cash and cash equivalents at the end of the period	<u>\$ 17,815</u>	<u>\$ 13,947</u>	<u>\$ 16,949</u>
<u>Non-cash transactions:</u>			
Classification between property and equipment and inventories, net	<u>\$ 5</u>	<u>\$ 44</u>	<u>\$ 99</u>
Unrealized gain (loss) on call and put options contracts, net	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ -</u>

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

a. The Company's shares and options held by members of the Board of Directors and officers of the Company:

	Number of Ordinary shares	Number of share options *)
Avi Sharir	2,143,238	319,253
Moshe Nissim	-	40,000
Ehud Ben-Yair	-	75,000
Orna Nehustan	-	60,000
Dan Falk	-	20,000
Shimon Ravid	-	10,000
Uzi Peled	-	10,000
Daniel Furman	753,300	10,000

*) Each share option is convertible into one Ordinary share.

b. As of March 31, 2010, the Company employs 177 employees.
