Sarin Technologies Ltd.
and its Subsidiaries

(Incorporated in Israel)

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Comprehensive Income for the (US$'000):

	Group Quarter ended March 31,		
	2013	2012	Change %
Revenue	**20,214**	**19,684**	**2.7**
Cost of sales	5,656	5,662	(0.1)
Gross profit	**14,558**	**14,022**	**3.8**
Research and development expenses	1,666	1,475	12.9
Sales and marketing expenses	2,732	2,074	31.7
General and administrative expenses	1,098	1,221	(10.1)
Profit from operations	**9,062**	**9,252**	**(2.1)**
Net finance income	113	101	11.9
Profit before income tax	**9,175**	**9,353**	**(1.9)**
Income tax expense	(1,110)	(1,518)	(26.9)
Profit for the period	**8,065**	**7,835**	**2.9**
Other comprehensive expense			
Foreign currency translation differences from foreign operations	(24)	(58)	(58.6)
Total comprehensive income for the period	**8,041**	**7,777**	**3.4**

Notes to consolidated statements of comprehensive income (US$'000)
Profit before income tax is stated after charging the following:

	Group Quarter ended March 31,		
	2013	2012	Change %
(Write-back) allowance for doubtful trade receivables	(33)	15	NM
Depreciation and amortization	941	787	19.6
Interest (expenses)/income, net	(36)	71	NM
Exchange rate differences	149	30	396.7
Warranty provision	3	4	(25.0)

NM- Not meaningful

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Statement of Financial Position as at (US$'000):

	Group		Company	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Assets				
Property, plant and equipment	10,363	5,482	1,023	1,078
Intangible assets	9,324	9,208	--	--
Investment in equity accounted investee and subsidiaries	--	--	15,973	9,975
Deferred tax assets	763	659	372	324
Total non-current assets	20,450	15,349	17,368	11,377
Inventories	6,321	6,832	4,593	4,940
Trade receivables	11,168	7,366	2,467	2,061
Other receivables	2,150	1,474	1,270	665
Restricted cash	--	485	--	485
Short-term investments (bank deposits)	20,252	17,147	11,534	12,244
Cash and cash equivalents	19,972	19,155	16,489	14,549
Total current assets	59,863	52,459	36,353	34,944
Total assets	80,313	67,808	53,721	46,321
Equity				
Share capital*	--	--	--	--
Dormant shares, at cost	--	(1,113)	--	(1,113)
Share premium, reserves and retained earnings	67,274	57,251	44,494	39,563
Total equity	67,274	56,138	44,494	38,450
Liabilities				
Long-term liabilities	240	369	240	369
Employee benefits	192	187	169	165
Total non-current liabilities	432	556	409	534
Trade payables	2,925	2,016	2,468	1,395
Other payables	8,244	7,469	5,523	4,638
Current tax payable	1,028	1,222	590	1,069
Warranty provision	410	407	237	235
Total current liabilities	12,607	11,114	8,818	7,337
Total liabilities	13,039	11,670	9,227	7,871
Total equity and liabilities	80,313	67,808	53,721	46,321

*No par value

1(b)(ii) **Aggregate amount of Group's borrowings and debt securities.**
Zero borrowings from banks.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Cash Flows (US$'000):

	Group Period ended March 31, 2013	2012
Cash flows from operating activities		
Profit for the period	8,065	7,835
Adjustments for:		
Share-based payment expenses	310	206
Income tax expense	1,110	1,518
Depreciation of property, plant and equipment	428	274
Amortization of intangible assets	513	513
Net finance income	(113)	(101)
Changes in working capital		
Inventories	511	(484)
Trade receivables	(3,802)	(2,680)
Other receivables	(676)	246
Trade payables	909	1,513
Other short- and long-term liabilities	799	965
Employee benefits	5	5
Cash generated from operations	8,059	9,810
Income tax paid	(1,408)	(891)
Net cash from operating activities	6,651	8,919
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(5,483)	(733)
Restricted cash	485	--
Acquisition of intellectual property	--	(346)
Short-term investments, net	(3,105)	(8,270)
Capitalization of R&D expenses	(629)	(361)
Interest received	105	148
Net cash used in investing activities	(8,627)	(9,562)
Cash flows used in financing activities		
Proceeds from exercise of share options	258	290
Sale of Company's shares by the Company	2,527	--
Interest paid	(141)	(77)
Net cash from financing activities	2,644	213
Net increase (decrease) in cash and cash equivalents	668	(430)
Cash and cash equivalents at beginning of the period	19,155	14,356
Exchange rate differences	149	30
Cash and cash equivalents at end of the period	19,972	13,956

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Shareholders' Equity

Group (US$'000)

	Share capital*	Share premium and reserves	Translation reserve	Retained earnings	Dormant shares	Total
Balance at January 1, 2012	--	15,740	(307)	33,661	(891)	48,203
Profit for the period ended March 31, 2012	--	--	--	7,835	--	7,835
Other comprehensive income for the period ended March 31, 2012	--	--	(58)	--	--	(58)
Share-based payment expenses	--	206	--	--	--	206
Exercise of options	--	290	--	--	--	290
Balance at March 31, 2012	--	16,236	(365)	41,496	(891)	56,476
Balance at January 1, 2013	--	17,158	(633)	40,726	(1,113)	56,138
Profit for the period ended March 31, 2013	--	--	--	8,065	--	8,065
Other comprehensive income for the period ended March 31, 2013	--	--	(24)	--	--	(24)
Share-based payment expenses	--	310	--	--	--	310
Exercise of options	--	258	--	--	--	258
Dormant shares	--	1,414	--	--	1,113	2,527
Balance at March 31, 2013	--	19,140	(657)	48,791	--	67,274

* No par value

Statement of Changes in Shareholders' Equity

Company (US$'000)

	Share capital*	Share premium and reserves	Translation reserve	Retained earnings	Dormant shares	Total
Balance at January 1, 2012	--	15,740	(307)	25,389	(891)	39,931
Profit for the period ended March 31, 2012	--	--	--	4,123	--	4,123
Other comprehensive income for the period ended March 31, 2012	--	--	(58)	--	--	(58)
Share-based payment expenses	--	206	--	--	--	206
Exercise of options	--	290	--	--	--	290
Balance at March 31, 2012	--	16,236	(365)	29,512	(891)	44,492
Balance at January 1, 2013	--	17,158	(633)	23,038	(1,113)	38,450
Profit for the period ended March 31, 2013	--	--	--	2,973	--	2,973
Other comprehensive income for the period ended March 31, 2013	--	--	(24)	--	--	(24)
Share-based payment expenses	--	310	--	--	--	310
Exercise of options	--	258	--	--	--	258
Dormant shares	--	1,414	--	--	1,113	2,527
Balance at March 31, 2013	--	19,140	(657)	26,011	--	44,494

* No par value

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	March 31, 2013	December 31, 2012	*March 31, 2012**	March 31, 2012
	No. of shares	No. of shares	*No. of shares**	No. of shares
Authorized:				
Ordinary shares of no par value	2,000,000,000	2,000,000,000	*2,000,000,000*	2,000,000,000
Issued and fully paid:				
Ordinary shares of no par value	341,576,342	340,560,255	*339,471,130*	271,576,904
Dormant shares (out of the issued and fully paid share capital):				
Ordinary shares of no par value	--	2,411,250	*2,111,250*	1,689,000
Total number of issued shares (excluding dormant shares)	341,576,342	338,149,005	*337,359,880*	269,887,904

** This column is adjusted for the May 2012 bonus issue to shareholders on the basis of one bonus share for every four existing ordinary shares in the capital of the Company.*

For the quarter ended March 31, 2013, a total of 1,016,087 employee share options were exercised into ordinary shares. For the three months ended March 31, 2013, the Company sold 2,411,250 dormant shares to third-parties in on-market transactions (net proceeds to the Company of US$ 2.5 million). In accordance with Israeli Companies Law, Company shares that have been acquired and are held by the Company are dormant shares (treasury shares in Singaporean terms) as long as they are held by the Company, and as such they do not bear any rights until they are transferred to a third party. The issued and fully paid shares include the dormant shares.

Details of changes in share options:

	Average exercise price in US$ cents per share	Options
At January 1,2013	30.7	11,537,842
Granted	99.6	5,160,000
Cancelled	--	--
Exercised	25.3	(1,016,087)
At March 31, 2013	53.3	15,681,755

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at March 31, 2013, the total number of issued shares excluding dormant shares was 341,576,342 (as at December 31, 2012: 338,149,005).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

For the three months ended March 31, 2013, the Company sold 2,411,250 dormant shares to third-parties in on-market transactions (net proceeds to the Company of US$ 2.5 million).

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended December 31, 2012 have been applied in the preparation for the financial statements for the period ended March 31, 2013, except for the IFRS amendment to IAS 19, Employee Benefits, that was implemented during the period ended March 31, 2013.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group implemented IFRS amendment to IAS 19, Employee Benefits, as of January 1, 2013. The implementation did not have a material impact on the Company's and Group's financial statements.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	For the quarter ended March 31,	
	2013	**2012**
Basic earnings per share (US cents)	2.38	2.33
Diluted earnings per share (US cents)	2.34	2.30

Basic earnings per share for the three months ended March 31, 2013 are calculated based on the weighted average number of 339,329,369 ordinary shares issued during the current period and the equivalent of 336,937,011 ordinary shares (adjusted for the May 2012 bonus issue) during the preceding period.

Diluted earnings per share for the three months ended March 31, 2013 are calculated based on weighted average number of 344,323,882 ordinary shares and outstanding options and the equivalent of 341,724,735 ordinary shares (adjusted for the May 2012 bonus issue) during the preceding period.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
   (a) current financial period reported on; and
   (b) immediately preceding financial year.

	Group		Company	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Net asset value (US$ thousands)	67,274	56,138	44,494	38,450
Net asset value per ordinary share (US cents)	19.70	16.60	13.03	11.37

At March 31, 2013, net asset value per share is calculated based on the number of ordinary shares in issue at March 31, 2013 of 341,576,342 (there were no dormant ordinary shares at March 31, 2013).

At December 31, 2012, net asset value per share is calculated based on the number of ordinary shares in issue at December 31, 2012 of 340,560,255 less the number of dormant ordinary shares at December 31, 2012 of 2,411,250.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
   (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
   (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

The Group reported record quarterly revenues in Q1 2013 of US$ 20.2 million and record net profit of US$ 8.1 million, as compared to revenues of US$19.7 million and net profit of US$ 7.8 million reported in Q1 2012 and revenues of US$ 14.2 million and net profit of US$ 3.8 million reported in Q4 2012. The improved operating performance in Q1 2013 on a year-over-year and sequential basis stemmed from an improved overall business sentiment and increased Galaxy™-related revenues.

Galaxy™ penetration continues to grow, with deliveries in Q1 2013 of nine Galaxy™ family systems to customers (deliveries having been hampered at the quarter's end by the Passover holiday in Israel and bureaucratic issues in India having to do with their fiscal year end). As of March 31, 2013, the Group has an installed base of 105 Galaxy™ family systems. Galaxy™-related recurring revenues increased by just under 50% in Q1 2013, as compared to Q1 2012, and overall recurring revenues (including Galaxy™-related, Quazer services, annual maintenance contracts, etc.) are nearing 30% of our overall sales.

Balance Sheet and Cash Flow Highlights

As at March 31, 2013, cash and cash equivalents, restricted cash and short-term investments (bank deposits) increased to US$ 40.2 million from the US$ 36.8 million reported as of December 31, 2012 following the Group's strong operating results in Q1 2013 and after the closing on the purchase of approximately 500 square meters of office space at a cost of US$ 5.0 million in the new International Gem Tower in New York City (which is why Property, Plant and Equipment increased by close to US$ 5.0 million this quarter), and after the proceeds of US$ 2.5 million from the sale of 2.4 million dormant (treasury) shares. Trade receivables increased to US$ 11.2 million as at March 31, 2013 from US$ $ 7.4 million as at December 31, 2012, on the basis of higher receivables associated with increased recurring revenues in Q1 2013 and following the provision of credit terms on several large purchases by our customers in the quarter.

Revenues
Revenue by geographic segments --
Q1 2013, Q1 2012 and Q4 2012, (US$ '000)

Q1 2013 versus Q1 2012				
Region	**Q1 2013**	**Q1 2012**	**$ change**	**% change**
India	15,501	16,539	(1,038)	(6.3)
Africa	1,248	884	364	41.2
Europe	523	366	157	42.9
North America	212	431	(219)	(50.8)
Israel	880	771	109	14.1
Other	1,850	693	1,157	167.0
Total	20,214	19,684	530	2.7

Q1 2013 versus Q4 2012				
Region	**Q1 2013**	**Q4 2012**	**$ change**	**% change**
India	15,501	10,631	4,870	45.8
Africa	1,248	864	384	44.4
Europe	523	435	88	20.2
North America	212	188	24	12.8
Israel	880	985	(105)	(10.7)
Other	1,850	1,090	760	69.7
Total	20,214	14,193	6,021	42.4

The Group reported record revenues in Q1 2013 of US$ 20.2 million, an increase of 3% as compared to US$ 19.7 million in Q1 2012 and an increase of 42% as compared to US$ 14.2 million in Q4 2012 (which included the Divali holiday in India). As noted, the improved operating performance in Q1 2013 on a year-over-year and sequential basis stemmed from an improved overall business sentiment and increased Galaxy™-related revenues.

Cost of sales and gross profit

Cost of sales for Q1 2013 of US$ 5.7 million was in line with Q1 2012, with gross profit margins of 72% in Q1 2013 versus 71% in Q1 2012. On a sequential basis, cost of sales for Q1 2013 increased by 19% to US$ 5.7 million as compared to US$ 4.7 million for Q4 2012, with gross profit margins of 72% in Q1 2013 versus 67% in Q4 2012. The increase in the cost of sales and the improvement in the gross profit margin in Q1 2013 as compared to Q4 2012 were due to increased sales volumes and composition of product mix.

Research and development expenses

Research and development expenses for Q1 2013 and for the comparable periods are as per the table below. The Group capitalised (in compliance with IFRS), costs associated with the development of the Sarine Light™ system (commercialised in April 2013), based on the Light Performance Technology acquired in Q4 2010, and the Sarine Loupe™ system, based on the imaging technology acquired from DSee Imaging in Q4 2011. We expect to continue to capitalise the development of the Sarine Loupe™ system until the start of revenue contribution, as discussed below in Section 10.

US$ (thousands)	Q1 2013	Q1 2012	Q4 2012
R&D expenses as reported	1,666	1,475	1,731
Capitalised R&D costs	629	361	440
Total R&D costs incurred	2,295	1,836	2,171

The increase in research and development expenditures for Q1 2013 versus Q1 2012, and for the sequential quarter, is in line with the Group's strategic research and development plans and is primarily related to the Groups' development of new products and services for polished diamonds, the ongoing refinement and enhancement of the Galaxy™ family of inclusion mapping systems and of the rough planning products, along with other programs, as more fully detailed in section 10.

Sales and marketing expenses

Sales and marketing expenses for the Q1 2013 increased by 32% to US$ 2.7 million as compared to US$ 2.1 million for Q1 2012 and increased by 13% as compared to US$ 2.4 in Q4 2012. The increase in sales and marketing expenses for Q1 2013 versus Q1 2012, and for the sequential quarter was primarily due to increased business development and marketing expenses associated with activities related to the launch of our new polished diamond products and services.

General and administrative expenses

General and administrative expenses decreased by US$ 0.1 million to US$ 1.1 million for Q1 2013 as compared to US$ 1.2 million in Q1 2012, primarily due to lower incentive-based compensation expenses. On a sequential basis, general and administrative expenses increased US$ $0.1 million from US$ 1.0 million in Q4 2012, primarily due to increased incentive-based compensation and legal expenses.

Profit from operations

Profit from operations for Q1 2013 decreased by 2% to US$ 9.1 million as compared to US$ 9.3 million for Q1 2012. The decrease in profit from operations was due primarily to the higher sales and marketing expenses, offset somewhat increased gross profits. Sequentially, profit from operations for Q1 2013 increased by 111% to US$ 9.1 million as compared to US$ 4.3 million in Q4 2012, on higher sales volume, as discussed above.

Net finance income

Net finance income for Q1 2013 was US$ 0.1 million as compared to US$ 0.1 million in Q1 2012 and US$0.1 million in Q4 2012.

Income tax expense

The statutory corporate tax rate in Israel in 2013 is 25% (25% in 2012). The Group's effective tax rate of approximately 12% is a blend of the statutory tax rate in Israel and substantial tax benefits, in accordance to tax directives enacted as of 2011, accorded to our export oriented revenue mix (marginally taxed at between 7%-12.5% (10%-15% in 2012), offset somewhat by the higher statutory tax rate (34%) in India.

For Q1 2013, the Group recorded income tax expense of US$ 1.1 million, as compared to an expense of US$ 1.5 million in Q1 2012. The decrease in the income tax expense was due to a lower marginal tax rate in 2013 due to tax benefits associated with the Group's export oriented sales (from the Galatea subsidiary in particular which develops, manufactures and sells the Galaxy™ family of inclusion mapping systems).

Profit for the period

The Group recorded record net profit of US$ 8.1 million in Q1 2013, an increase of 3%, as compared to US$ 7.8 million for Q1 2012. The increase in net profit in Q1 2013 was due primarily to higher sales volumes, a higher gross margin and a lower tax rate, offset somewhat by increased sales and marketing expenses. Sequentially, net profit for Q1 2013 increased by 111% to US$ 8.1 million as compared to US$ 3.8 million in Q4 2012, on higher sales volumes and gross margins.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

We expect the following industry trends to continue influencing our business:

a. The data from the U.S. indicate the biggest gain in U.S. consumer spending in two years helped the world's largest economy accelerate in the first quarter and that the housing sector has also made further progress. Indeed, better than expected orders from U.S. diamond jewellery retailers has significantly contributed to the improved sentiment in the diamond industry. Economic expansion in China is continuing at a robust pace, though "only" at 7.7%, slightly under the 8% previously expected. India's economic growth remains somewhat sluggish and less than that of China's at a projected 6.4%, with unresolved government policy issues still an impediment. Japan has, as expected, initiated varied economic stimulus measures that include drastic monetary-easing steps and fiscal expenditures, which are expected to contribute to domestic economic recovery, as well as help growth in developing nations, as noted by the President of the World Bank - "The improvement in high-income countries' economies is critically important for growth in developing countries; growth in Japan is good for developing countries."

b. The expected surge in rough diamond consumption by the growing middle classes in China and India should continue to push global polished diamond consumption at an annual compound growth rate of 5.5 – 6% per year, according to the 2012 Global Diamond Industry Report, released in late December by Bain & Company. China (along with Hong Kong), Taiwan and India are expected to almost equal the U.S. market for polished diamonds in three years time - 32% of global demand vs. the United States market decreasing to 35% of global sales.

c. The improvement in overall industry sentiment has stabilised polished diamond prices on the heels of the drop in rough diamond prices in late 2012. This has had a positive effect particularly on the manufacturing sector, as reported earlier. If the current conditions prevail and rough and polished diamond prices continue to trend in tandem, this should continue to contribute to the positive sentiment in the industry. However, there are early indications of renewed speculative buying of rough diamonds on the belief a shortage may arise after the reduced sales of rough stones the past nine months. Thus, selected sellers have modestly increased prices to take advantage of the rising premiums some manufacturers have been willing to pay. As always, these trends need to be closely monitored, as they can impact the industry sentiment, and hence our performance.

d. As has been discussed previously, the banks financing the diamond industry have become more circumspect in their extension of credit to their customers. We believe this caution on the part of the banks, and the more limited availability of working capital, has become the norm. We have witnessed some hardship on the part of smaller industry players striving to attain financing. Notwithstanding this, we continue to see that investment in our technology on the part of the more established manufacturers has not only not softened, but has actually accelerated (as attested to by this quarter's record results), as it provides them with tangible and immediate benefits.

e. Sales of new Galaxy™ family systems were less than anticipated in the first quarter, with deliveries of only nine systems to customers, just over half of which, as expected, being of the Solaris™ model. Thus, as of 31 March 2013 we have 105 systems deployed worldwide. However, we note that deliveries were hampered at the quarter's end by the Passover holiday in Israel and bureaucratic issues in India having to do with their fiscal year end, which together delayed shipment of several systems for which payments had been received. Looking forward, we remain confident, given the overall positive business conditions and ongoing lack of meaningful competition, and expect to increase the pace of deliveries in Q2 and throughout 2013. Indeed, as of the date of this report, orders for Galaxy™ family systems received during Q2 2013 have already almost equalled those delivered in the previous quarter, the majority continuing to be of the Solaris™ model. For Q1 2013, Galaxy™-related recurring revenues increased by just under 50% over Q1 2012, and overall recurring revenues are nearing 30% of our overall sales.

f. We are progressing with our efforts to establish commercial arrangements with major opinion leaders in the industry, based on the Sarine Light™ system's ability to accurately and consistently assess and grade a polished diamond's Light Performance. As recently announced, the service has been launched in Japan, with one of the country's leading bridal jewellery chains, CIMA, based on an upfront payment for the acquisition and installation of the Sarine Light™ systems and a charge per Light Performance report generated. Our discourse with leading retailers in China and Hong Kong, India and elsewhere in Asia (e.g., Taiwan, Korea and Singapore) continues, as does it with leading retailers in the U.S. We also continue to strive for cooperation with leading gem labs in the Asian and U.S. markets. We expect additional agreements to be concluded throughout the year.

g. The Sarine Loupe™ is continuing its repeat test in India and Israel. Initial data indicate a much improved system over last year's prototype. However, some users are indicating additional refinement of the Sarine Loupe™ is necessary in specific areas (though others have been convinced of the system's merits in its current status). Based on the current results of these evaluations we believe the system's commercial launch in late 2013 is possible.

We continue to focus our research and development initiatives on the following projects:

The Galaxy™ family of products: Work on the new microscope quality system, the Galaxy™ Ultra (Ultra High Definition) announced at the end of 2012, designed to generate and automatically analyse imagery of inclusions nominally beyond the gem labs' definition of a VVS1 stone, including elusive clouds of micron level imperfections, continues as scheduled for its Q2 debut in our service centres in Israel and India, with its introduction in other service centres scheduled for later in the year.

Rough planning products: This line of products continues to be our primary contributor to revenue and one in which we continue to hold a dominant market position, thus being an additional entry barrier to would-be competition for inclusion mapping systems, as previously discussed. We have, as announced in January, released the DiaExpert™ Atom, for the high-speed cost-efficient processing of the smallest of rough stones, thus making our systems' benefits available to manufacturers of all sized goods, with significant numbers of systems having already shipped in Q1 and continued robust orders being realised. During the rest of 2013 we will continue to refine the Advisor™ rough planning software so as to ever more optimise the resulting polished diamonds' values.

Facet polishing products: The Instructor™ software and DiaMension™ HD and DiaMark™ HD platforms are the Group's primary products for this industry segment, utilised by gem labs and others for grading a polished diamond's Cut and Symmetry, as well as for the quality control of the polishing stage of the manufacturing process. We are continuing to refine these systems' accuracy, so as to avail even more accurate assessment of the polished diamond's parameters.

Sarine Light™: Development work is now aimed at resolving teething problems which, as is typical, have arisen during the system's commercial launch, as well as at expanding the Sarine Light's™ capabilities, so as to provide more pervasive Light Performance grading for additional categories of polished diamonds.

Sarine Loupe™: As noted above, the Sarine Loupe™ system is undergoing additional testing in India and Israel, and, based on the results of these tests, we expect some additional refinement will be required and expect to facilitate the system's commercial launch late in 2013.

11. Dividend

(a) Current Financial Period Reported
Any dividend declared/recommended for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

Not applicable.

(d) Date Payable

Not applicable.

(e) Books Closure Date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the current financial period.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions under Rule 920(1)(a)(ii). If no IPT mandate has been obtained a statement to that effect.

The Group has not obtained a general mandate from its shareholders for IPTs.

14. Negative confirmation pursuant to Rule 705(5) (not required for announcement of full year results).

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Group for the period ended March 31, 2013, to be false or misleading, in any material aspect.

On behalf of the Directors

Daniel Benjamin Glinert	Uzi Levami	Avraham Eshed	Eyal Mashiah
Executive Chairman	Executive Director and CEO	Executive Director	Executive Director