

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of September 2010  
Commission File Number: 000-26498

**Ellomay Capital Ltd.**

(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 66881, Israel  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

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THE EXHIBITS TO THIS FORM 6-K ARE HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171, 333-115826, 333-114428, 333-47842 AND 333-92493) AND FORM S-8 (NOS. 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

This Report on Form 6-K of Ellomay Capital Ltd. (the "Company") consists of the following documents, which are attached hereto and incorporated by reference herein:

- Exhibit 99.1. Unaudited Interim Consolidated Financial Statements of the Company and its subsidiaries as of June 30, 2010 and the notes thereto.
- Exhibit 99.2. Management's Discussion and Analysis of Results of Operations and Financial Condition for the six months ended June 30, 2010 and 2009.

## Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ellomay Capital Ltd.

By: */s/ Ran Fridrich*

\_\_\_\_\_  
Ran Fridrich

Director and Chief Executive Officer

Dated: September 7, 2010



ELLOMAY CAPITAL LTD. AND ITS SUBSIDIARIES  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2010

IN U. S. DOLLARS

UNAUDITED

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## INTERIM CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	June 30, 2010 <u>Unaudited</u>	December 31, 2009 <u>                    </u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 66,466	\$ 75,280
Restricted cash	5,159	-
Other accounts receivable and prepaid expenses	<u>917</u>	<u>444</u>
<b>Total current assets</b>	<u>72,542</u>	<u>75,724</u>
ASSETS ATTRIBUTABLE TO DISCOUNTED OPERATIONS	<u>8,038</u>	<u>541</u>
OTHER ASSETS	<u>12</u>	<u>26</u>
PROPERTY AND EQUIPMENT, NET	<u>3,152</u>	<u>141</u>
<b>Total assets</b>	<u>\$ 83,744</u>	<u>\$ 76,432</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 1,916	\$ 44
Accrued expenses and other liabilities	<u>1,045</u>	<u>907</u>
<b>Total current liabilities</b>	<u>2,961</u>	<u>951</u>
LIABILITIES ATTRIBUTABLE TO DISCOUNTED OPERATIONS	<u>1,171</u>	<u>795</u>
OTHER LONG TERM LIABILITIES	<u>4,780</u>	<u>4,658</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital -		
Ordinary shares of NIS 1 par value -		
Authorized: 170,000,000 at June 30, 2010 and December 31, 2009; Issued and outstanding: 73,786,428 shares at June 30, 2010 and December 31, 2009	16,820	16,820
Additional paid-in capital	72,388	72,358
Accumulated other comprehensive loss	(888)	-
Accumulated deficit	<u>(13,488)</u>	<u>(19,150)</u>
<b>Total shareholders' equity</b>	<u>74,832</u>	<u>70,028</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 83,744</u>	<u>\$ 76,432</u>

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

ELLOMAY CAPITAL LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands (except per share data)

	Six months ended	
	June 30,	
	2010	2009
	Unaudited	
Operating expenses:		
General and administrative	\$ 1,330	\$ 887
<u>Total operating expenses</u>	<u>1,330</u>	<u>887</u>
Operating loss	(1,330)	(887)
Financial income, net	275	834
Loss from continuing operations before taxes on income	(1,055)	(53)
Taxes on income	449	354
Loss from continuing operations	(1,504)	(407)
Net income (loss) from discontinued operations	7,166	(272)
Net income (loss)	<u>\$ 5,662</u>	<u>\$ (679)</u>
Earnings (loss) per share		
Basic:		
Loss from continuing operations	\$ (0.02)	\$ (0.01)
Earnings (loss) from discontinued operations	0.10	*) -
Net earnings (loss) per share	<u>\$ 0.08</u>	<u>\$ (0.01)</u>
Diluted:		
Loss from continuing operations	\$ (0.02)	\$ (0.01)
Earnings (loss) from discontinued operations	0.08	*) -
Net earnings (loss) per share	\$ 0.06	\$ (0.01)

\*) Represents an amount lower than \$ 0.01

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

ELLOMAY CAPITAL LTD. AND ITS SUBSIDIARIES

INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands (except per share data)

	Number of Ordinary Shares outstanding	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total comprehensive income	Total shareholders' equity
Balance as of January 1, 2009	73,786,428	\$ 16,820	\$ 72,289	\$ -	\$ (18,180)		\$ 70,929
Stock - based compensation	-	-	69	-	-		69
Net loss	-	-	-	-	(970)		(970)
Balance as of December 31, 2009	73,786,428	16,820	72,358	-	(19,150)		70,028
Stock - based compensation	-	-	30	-	-		30
Net income	-	-	-	-	5,662	\$ 5,662	5,662
Foreign currency translation adjustments, net of \$209 tax	-	-	-	(888)	-	(888)	(888)
Total comprehensive income						\$ 4,774	
Balance as of June 30, 2010 (unaudited)	<u>73,786,428</u>	<u>\$ 16,820</u>	<u>\$ 72,388</u>	<u>\$ (888)</u>	<u>\$ (13,488)</u>		<u>\$ 74,832</u>

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



## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,	
	2010	2009
	Unaudited	
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 5,662	\$ (679)
Less: Income (loss) from discontinued operations	7,166	(272)
Loss from continuing operations	(1,504)	(407)
<b>Adjustments to reconcile net loss from continuing operations to net cash used in operating activities:</b>		
Increase (decrease) in accrued severance pay, net	9	(1)
Depreciation and amortization	9	1
Stock based compensation	30	-
Increase in other accounts receivable and prepaid expenses	(467)	(947)
Increase in other long-term liability	110	323
Increase in other assets	-	(3)
Increase in trade payables	159	148
Increase in accrued expenses and other liabilities	347	2
Net cash used in operating activities from continuing operations	(1,307)	(885)
Net cash provided by (used in) operating activities from discontinued operations	45	(158)
Net cash used in operating activities	(1,262)	(1,042)
<b>Cash flows (used in) provided by investing activities:</b>		
Purchase of property and equipment	(1,371)	(106)
Investment in restricted cash	(5,159)	-
Proceeds from short term bank deposits	-	49,000
Net cash provided by (used in) investing activities from continuing operations	(6,530)	48,894
Net cash provided by investing activities from discontinued operations	-	694
Net cash provided by (used in) investing activities	(6,530)	49,588
Effect of exchange rate changes on cash	(1,022)	-
Increase (decrease) in cash and cash equivalents	(8,814)	48,546
Cash and cash equivalents at the beginning of the period	75,280	26,979
Cash and cash equivalents at the end of the period	\$ 66,466	\$ 75,525
<b>Non cash activities related to discontinued operations:</b>		
Receivable from the sale of business to HP	\$ 7,497	\$ -
Purchase of property and equipment on credit	\$ 1,722	\$ -

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

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands (except share and per share data)**

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**NOTE 1:- GENERAL**

- a. Ellomay Capital Ltd. (the "Company") (formerly: NUR Macroprinters Ltd.), an Israeli Company which has invested a portion of its funds in the photovoltaic industry in Italy and whose current plan of operations is to expand its investments in the renewable energy field and to identify and evaluate suitable business opportunities and strategic alternatives in other fields, including through the acquisition of all or part of an existing business, pursuing business combinations or otherwise.

In each of March and June 2010, the Company entered into Engineering Procurement & Construction Contracts with an Italian contractor, for the design, supply, construction, assembly and commissioning of four photovoltaic plants expected to produce approximately 750KWp each, to be located in Italy, for an aggregate cost of approximately € 10.1 million (\$ 12,400 as of June 30, 2010). Additional ancillary expenses are expected to amount to approximately € 0.35 million (\$ 430 as of June 30, 2010). Following the commissioning of the four photovoltaic plants, it is intended that the contractor shall operate and maintain the photovoltaic power plants, for an annual fee, and an annual fee shall also be paid to the owners of the land under the land rights use agreements executed. In connection with these projects, the Company operates via designated wholly owned subsidiaries in Luxemburg and Italy that were incorporated in 2010.

- b. Until February 29, 2008, the Company and its subsidiaries developed, manufactured, sold and provided support services for digital wide format and super-wide format printing systems for on-demand, short-run printing as well as related consumable products. On February 29, 2008 (the "Closing Date"), the sale of this business to Hewlett-Packard Company ("HP" and the "HP Transaction") was finalized. Prior to the Closing Date, the Company operated through wholly-owned subsidiaries for sales, support services and marketing of the Company's products in their country or region of domicile, some of which were sold to HP and some of which have been dissolved during 2008. Other inactive subsidiaries were dissolved during 2009 and 2010.

The aggregate consideration received in connection with the HP Transaction amounted to \$ 122,600. Of the total consideration, an amount of \$ 500 was withheld in connection with one of the subsidiaries that were sold to HP obligations with respect to the government grants, and an amount of \$ 14,500 was deposited into an escrow account to secure the indemnity obligations of the Company and its remaining subsidiaries. The amount deposited in the escrow account, net of amounts distributed to HP in satisfaction of indemnity obligations, was to be distributed to the Company in two installments: \$ 9,500 was to be distributed eighteen months following the Closing Date and \$ 5,000 was to be distributed twenty-four months following the Closing Date.

In August 2009 the Company received two officer's certificates from HP requesting the release of funds from the escrow account in the aggregate amounts of \$ 8,094 and € 2,415 thousand. The claims included in the officer's certificates mainly referred to payments HP made to the Israeli Office of Chief Scientist ("OCS") in connection with the transfer of technology claimed to have been developed with OCS funding, claims made by suppliers and alleged non compliance with different environmental and safety regulations.

On July 27, 2010, a settlement agreement between the Company and HP with respect to the release of funds deposited in the escrow account (the "Settlement Agreement") was executed. Under the terms of the Settlement Agreement HP received \$ 7,300 of the escrow funds (plus accrued interest) and the Company received \$ 7,200 of the escrow funds (plus accrued interest). In addition, HP released to the Company the amount of \$ 500 that was withheld in connection with the obligations of one of the subsidiaries that were sold to HP with respect to Government grants.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**U.S. dollars in thousands (except share and per share data)**

**NOTE 1:- GENERAL (Cont.)**

As such, the Company recorded the amount released from the escrow account pursuant to the Settlement Agreement, net of related costs (approximately \$7,200), as income from discontinued operations during the six month period ended June 30, 2010.

In addition, the parties to the Settlement Agreement agreed to waive any current and future claims against each other and further agreed that the Company will not be responsible for any future claims with respect to the HP Transaction and the assets acquired thereunder.

Following the execution of the Settlement Agreement the Company paid and expects to pay additional payments to former employees as bonuses and in connection with the repurchase of employee stock options, all as previously approved by the Company's Board of Directors. The Company increased its provision for such payments during the six month period ended June 30, 2010.

- c. The operating results and cash flows attributed to the digital wide format and super-wide format printing system business were presented in the Company's statements of operations and cash flows as discontinued operations. Balance sheet amounts related to this business are presented as assets and liabilities attributed to discontinued operations and are expected to be settled in one to two years

The following table sets forth the income from discontinued operations in the amount of \$ 7,166 for the six month period ended June 30, 2010 (Unaudited):

Proceeds from settlement with HP (Note 1b)	\$ 7,280
Settlement of claims, net of legal fees	242
Related expenses	<u>(356)</u>
<b>Net income from discontinued operations</b>	<b><u>\$ 7,166</u></b>

The loss from discontinued operations for the six month period ended June 30, 2009 is due to expenses incurred in connection with activities relating to liquidating the non operating subsidiaries of the Company following the closing of the HP Transaction.

The breakdown of assets and liabilities attributed to discontinued operations of the Company is as follows:

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
	<b><u>Unaudited</u></b>	
<b>ASSETS:</b>		
Other current assets and prepaid expenses	\$ 7,997	\$ 500
Other assets	<u>41</u>	<u>41</u>
	<b><u>\$ 8,038</u></b>	<b><u>\$ 541</u></b>

\*) Mainly includes receivable from HP.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands (except share and per share data)

**NOTE 1:- GENERAL (Cont.)**

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
	<u>Unaudited</u>	
<b>LAIBILITIES:</b>		
Accrued expenses and other liabilities	\$ 1,171	\$ 99
Other long term liabilities	-	696
	<u>\$ 1,171</u>	<u>\$ 795</u>

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared according to U.S. generally accepted accounting principles, as follows:

a. Unaudited interim financial information:

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information. In the opinion of management, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for a fair presentation of the Company's consolidated financial position as of June 30, 2010, consolidated results of operations for the six months ended June 30, 2010 and 2009 and consolidated cash flows for the six months ended June 30, 2010 and 2009.

The balance sheet at December 31, 2009 has been derived from the audited consolidated financial statements of the Company at that date but does not include all of information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2009 included in the Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC") on March 10, 2010. Results for the six months ended June 30, 2010 are not necessarily indicative of results that may be expected for the year ending December 31, 2010.

Unless otherwise noted, all references to "dollars" or "\$" are to United States dollars.

b. Use of estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates, judgments and assumptions. The Company's management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**U.S. dollars in thousands (except share and per share data)**

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

c. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly- owned subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation.

d. Reclassifications:

Certain financial statement data for prior years has been reclassified to conform to current year financial statement presentation.

**NOTE 3:- PROPERTY AND EQUIPMENT**

In connection with the establishment of the Company's photovoltaic plants, the Company had recorded, as of June 30, 2010, property and equipment aggregating approximately \$ 3,014, in accordance with milestones set in the Engineering Procurement & Construction Contracts with the contractor. As such, this amount was not yet subject to depreciation, which commences upon completion of construction of the plants.

**NOTE 4:- CONTINGENT LIABILITIES**

Legal proceedings:

- a. During 2008, a former employee of a subsidiary filed a lawsuit against the Company in the amount of \$ 322.5 alleging the Company did provide him with the appropriate amount of time to exercise his stock options following the termination of the applicable blackout period. The Company and the former employee negotiated a settlement proposal by which the Company undertakes to pay an amount of \$ 33 and this amount shall be considered as the gross, exhaustive and final consideration paid to the former employee. A provision was recorded in the amount offered. Although the parties did not arrive to a settlement the former employee chose on the hearing on April 3, 2009 to withdraw his claim. The former employee is within his rights to re-launch his claim in this matter.
- b. During 2002, an end-user filed a lawsuit in China against a subsidiary alleging bad quality of products. The court ruled that the subsidiary should reimburse the client with the amount of \$ 186. Following an appeal filed by the subsidiary, the court ruled in September 2003 in favor of the end-user. The subsidiary is in the process of liquidation and has no assets; therefore the plaintiff has no remedy against the subsidiary.

The customer may elect to start new proceedings against another subsidiary operating in Hong Kong. However, to date, the customer has not filed any claim in Hong Kong. Based on management's estimation and the opinion of its legal counsel, it is less than likely that the subsidiary in Hong Kong will be required to pay the amount ruled against the subsidiary in China. Therefore, no provision was recorded with respect to this claim.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands (except share and per share data)**

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**NOTE 4:- CONTINGENT LIABILITIES (Cont.)**

- c. During 2002, a client filed a lawsuit in China against a subsidiary seeking reimbursement in the amount of \$ 400 alleging bad quality of products. In July 2005, the court ruled that the subsidiary is to reimburse the client an amount of \$ 286. The subsidiary no longer operates in China and under current law the ruling in China is not enforceable in Hong Kong. The subsidiary notified the customer in March 2006 that it intends to vigorously defend its claims if submitted to court in Hong Kong. To date, the customer has not filed any claim in Hong Kong. Based on management's estimation and the opinion of its legal counsel, it is less than likely that the subsidiary in Hong Kong will be required to pay the amount ruled against it in China. Therefore, no provision was recorded with respect to this claim.
- d. In September 2003, the Company filed a lawsuit against a former distributor of the Company, for the collection of unpaid invoices in the amount of \$ 420. In February 2004, the former distributor filed a statement of defense denying the Company's claims and it also filed a counter-claim for alleged damages caused to it by the Company in the amount of \$ 210. Based on the opinion of its legal counsel, management believes that the counterclaim filed by the former distributor is without merit and that a loss is not probable. Therefore, a provision was not recorded with respect to this claim.
- e. In December 2003, a client of a subsidiary filed a lawsuit alleging that a machine purchased by it failed to perform. This lawsuit was launched as a counterclaim to lawsuit filed by the subsidiary for the collection of unpaid outstanding invoices. The customer sought reimbursement of the purchase price paid by it in the amount of \$ 290. In January 2010 the court dismissed the suit. On May 15, 2010, a settlement agreement was reached between the client and the Company, according to which the Company is entitled to receive an aggregate consideration of approximately \$ 216 to be received in installments. The settlement is included within income from discontinued operations for the six month period ended June 30, 2010.
- f. In February 2007, a claim was filed against the Company and one of its former officers by a person claiming to have been an agent of the Company in West Africa for commissions on sales of printers. The claim is for NIS 3,000 thousand (\$ 774 as of June 30, 2010). The Company filed a statement of defense denying all claims, both with respect to the causes of action and with respect to the factual allegations in the claim. The plaintiff's filed a motion with the Court to strike Ellomay's statement of defense, which was rejected. The plaintiff filed an appeal to the Supreme Court. That motion was rejected in July 2010. A pre-trial was scheduled for September 5, 2010, which mainly involved technical procedures. Based on management's estimation and the opinion of its legal counsel, no provision was recorded with respect to this claim.

From time to time, the Company is party to other various legal proceedings, claims and litigation that arise in the normal course of business. It is the opinion of management that the ultimate outcome of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 5: - INCOME TAXES

As of June 30, 2010, the total amount of unrecognized tax benefits was \$ 4,754, which, if recognized, would affect the effective tax rates in future periods. Included in that amount are accrued interest and penalties in respect to uncertain tax positions of \$ 1,136 at June 30, 2010, of which \$ 110 for interest and penalties expenses were recorded during 2010. A reconciliation of the beginning and ending amounts of unrecognized tax benefits as of June 30, 2010 was as follows:

Balance as of January 1, 2010	\$ 4,644
Additions for prior year tax positions	<u>110</u>
Balance as of June 30, 2010 (unaudited)	<u>\$ 4,754</u>

## NOTE 6:- BASIC AND DILUTED NET EARNING (LOSS) PER SHARE

Basic net earning (loss) per share is computed based on the weighted average number of Ordinary shares outstanding during each period. Diluted net earning (loss) per share is computed based on the weighted average number of Ordinary shares outstanding during each period plus dilutive potential Ordinary shares considered outstanding during the period, in accordance with ASC No. 260, "Earnings Per Share".

The following table sets forth the computation of basic and diluted net earning per share of common stock (in thousands):

	Six months ended	
	June 30,	
	2010	2009
	<u>Unaudited</u>	
Numerator:		
Net income (loss), numerator for basic and diluted per share	<u>\$ 5,662</u>	<u>\$ (679)</u>
Denominator:		
Weighted average number of Ordinary shares	73,786,428	73,786,428
Effect of dilutive securities:		
Employee stock options and warrants	<u>12,749,371</u>	<u>-</u>
Denominator for diluted net earning per share - weighted average assuming exercise of options	<u>86,535,799</u>	<u>73,786,428</u>

The total weighted average number of shares related to the outstanding options and warrants excluded from the calculations of diluted net earnings per share, as they would have been anti-dilutive was 6,374,941 for the six months ended June 30, 2010. For the six months ended June 30, 2009 the Company had a net loss, therefore there was no effect of dilutive securities and all of the shares related to the outstanding options and warrants were excluded.





**Management's Discussion and Analysis of Results of Operations and Financial Condition for the six months ended June 30, 2010 and 2009**

Our discussion and analysis of our financial condition and results of operation are based upon our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. Our operating and financial review and prospects should be read in conjunction with our unaudited interim consolidated financial statements for the six month period ended June 30, 2010 and in conjunction with our consolidated financial statements and the related notes and other financial information included in our Annual Report on Form 20-F for the year ended December 31, 2009, filed with the Securities and Exchange Commission, or SEC, on March 10, 2010. Certain statements in this discussion are forward-looking statements.

**Overview**

The sale of our wide-format printing business to Hewlett-Packard Company, or HP, and several of its subsidiaries, or the HP Transaction, was consummated on February 29, 2008, or the Closing Date. The aggregate consideration in connection with the HP Transaction amounted to \$122.6 million. Of the total consideration, an amount of \$0.5 million withheld in connection with the obligations of our former Belgian subsidiary NUR Europe that was sold to HP with respect to government grants, and \$14.5 million was deposited into an escrow account to secure the indemnity obligations of the Company and its remaining subsidiaries. The escrow funds, net of amounts distributed to HP in satisfaction of indemnity obligations, were to be distributed to us in two installments: \$9.5 million was to be distributed eighteen months following the Closing Date and \$5 million was to be distributed twenty-four months following the Closing Date.

In August 2009 we received two officer's certificates from HP requesting the release of funds from the escrow account in the aggregate amounts of approximately \$8.1 million and Euro 2.4 million. The claims included in the officer's certificates mainly refer to payments HP made to the Israeli Office of the Chief Scientist, or OCS, in connection with the transfer of technology claimed to have been developed with OCS funding, claims made by suppliers and alleged non-compliance with different environmental and safety regulations.

On July 27, 2010 a settlement agreement between HP and us with respect to the release of funds deposited in the escrow account, or the Settlement Agreement, was executed. Under the terms of the Settlement Agreement HP received approximately \$7.3 million of the escrow funds (plus accrued interest) while we received approximately \$7.2 million of the escrow funds (plus accrued interest). HP also released to us the amount of \$0.5 million which was withheld in connection with NUR Europe's obligations with respect to the government grants.

In addition, the parties to the Settlement Agreement agreed to waive any current and future claims against each other and further agreed that the Company will not be responsible for any future claims with respect to the HP Transaction and the assets acquired thereunder.

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Following the execution of the Settlement Agreement we paid and expect to pay additional payments to former employees as bonuses and in connection with the repurchase of employee stock options, all as previously approved by our Board of Directors.

Our current plan of operation is to expand our investments in the renewable energy field and to identify and evaluate suitable business opportunities and strategic alternatives in other fields, including through the acquisition of all or part of an existing business, pursuing business combinations or otherwise.

In each of March and June 2010 we signed Engineering Procurement & Construction Contracts with an Italian contractor, for the design, supply, construction, assembly and commissioning of four photovoltaic plants of approximately 750KWp each, to be located in Italy, for an aggregate cost of approximately Euro 10.1 million. Additional ancillary expenses are expected to amount to approximately Euro 0.35 million. Following the commissioning of the four photovoltaic plants, it is intended that the contractor shall operate and maintain the photovoltaic power plants, for an annual fee, and an annual fee shall also be paid to the owners of the land under the land rights use agreements executed. The investment in these photovoltaic plants will represent approximately 15% of our assets at current valuations. We may consider making additional investments in this market in the future and are already in the process of due diligence activities with respect to two additional photovoltaic plants in Italy.

As noted above, the photovoltaic plants have not been commissioned yet. Moreover, our primary assets are still cash and cash equivalents. **Therefore, the data presented in our interim consolidated financial statements and in our discussion below are not indicative of our future operating results or financial position.**

## **Results of Operations**

### ***Six Months Ended June 30, 2010 Compared with Six Months Ended June 30, 2009***

*Operating expenses.* General and administrative expenses were approximately \$1.3 million for the six months ended June 30, 2010, compared to approximately \$0.9 million for the six months ended June 30, 2009. This increase was primarily due to due diligence related expenses and expenses relating to our photovoltaic operations in Italy.

*Net income (loss) from discontinued operations.* Net income from discontinued operations was approximately \$7.2 million for the six months ended June 30, 2010, compared to approximately \$0.3 million loss from discontinued operations in the six months ended June 30, 2009. The increase is attributable to the execution of the settlement agreement between HP and us and the release of funds deposited in the escrow account in the amount of approximately \$7.2 million, net of expenses related to additional payments to former employees as bonuses and in connection with the repurchase of employee stock options and other income and expenses in connection with activities relating to liquidating our non operating subsidiaries.

*Financial income.* Financial income decreased to approximately \$0.3 million in the six months ended June 30, 2010, compared to approximately \$0.8 million in the six months ended June 30, 2009. This decrease was primarily due to a lower interest rate on investments in cash and cash equivalents short-term U.S. dollar-denominated deposits.

*Taxes.* Taxes on income were approximately \$0.4 million in the six months ended June 30, 2010 and the six months ended June 30, 2009.

### **Certain Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based on our interim consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. While all the accounting policies impact the financial statements, certain policies may be viewed to be critical. These policies are most important for the fair portrayal of our financial condition and results of operations and are those that require our management to make difficult, subjective and complex judgments, estimates and assumptions, based upon information available at the time that they are made, historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of expenses during the periods presented. Actual results could differ from those estimates.

The critical accounting policies described in Item 5 in our Annual Report on Form 20-F, filed with the SEC on March 10, 2010, are those that require management's more significant judgments and estimates used in the preparation of our consolidated financial statements.

### **Liquidity and Capital Resources**

As of September 06, 2010, we hold approximately \$71 million in cash and cash equivalents. Our current plan of operation is to expand our investments in the renewable energy field and to identify and evaluate suitable business opportunities and strategic alternatives in other fields, including through the acquisition of all or part of an existing business, pursuing business combinations or otherwise.

Although we now hold the consideration received from HP in connection with the sale of our business (other than portions used in connection with our investments in the photovoltaic market in Italy), we may need additional funds if we seek to acquire certain new businesses and operations. It is our intention to finance the majority of our investments in the photovoltaic market by obtaining financing from a financial institution. If we are unable to raise funds through public or private financing of debt or equity, we will be unable to fund certain business combinations that could ultimately improve our financial results. We cannot assure you that additional financing will be available on commercially reasonable terms or at all. We currently have no commitments for additional financing.

Following the sale of our business to HP at the end of February 2008 and until our recent investments in the Italian photovoltaic market, we only had nominal operations. As our recent aggregate investments in the Italian photovoltaic market in Italy will represent only approximately 15% of our assets at current valuations and as our primary assets are still cash and cash equivalents, our cash balance is sufficient for our present requirements.

We invest our excess cash in cash and cash equivalents that are highly liquid. At June 30, 2010 we had approximately \$66.4 million of cash and cash equivalents compared with \$75.2 million at June 30, 2009. The decrease in cash and cash equivalents is mainly attributable to the classification of an amount of \$5.2 million, which is pledged to secure payments under documentary credit for the purchase of panels at June 30, 2010, to restricted cash and to other payments made in connection with our photovoltaic plants currently under construction.

#### *Operating activities*

In the six months ended June 30, 2010, we had a net income of \$5.7 million. Net cash used in operating activities was approximately \$1.3 million.

In the six months ended June 30, 2009, we had a net loss of \$0.7 million. Net cash used in operating activities was approximately \$1 million.

Even following our recent investments in the Italian photovoltaic market, our main asset remains the cash held in cash and cash equivalents. We currently conduct activities relating to administering and supervising the commissioning of the photovoltaic plants, attempting to locate business opportunities and strategic alternatives and activities relating to liquidating our non-operating subsidiaries. We cannot at this point predict whether following the consummation of one or more additional business transactions we will have sufficient working capital in order to fund our operations.

#### *Investing activities*

Net cash used in investing activities was approximately \$6.5 million in the six months ended June 30, 2010 primarily due to payments related to our photovoltaic plants currently under construction and the investment in restricted cash to secure payments under documentary credit in connection with the purchase of solar modules for our photovoltaic plants.

Net cash provided by investing activities was approximately \$49.6 million in the six months ended June 30, 2009 primarily due to proceeds from short-term deposits that were invested in cash equivalents.

#### *Financing activities*

Net cash provided by financing activities in the six months ended June 30, 2010 and the six months ended June 30, 2009 was \$0 million.

As of June 30, 2010, our total current assets amounted to approximately \$80.8 million, out of which \$66.5 million was in cash and cash equivalents, approximately \$5.2 million was in restricted cash and approximately \$8 million was in discontinued operations (mainly in connections with amounts released by HP following the execution of the Settlement Agreement) while our total current liabilities amounted to approximately \$4.3 million.

As of June 30, 2009, our total current assets amounted to approximately \$77.2 million, out of which \$75.5 million was in cash and cash equivalents, while our total current liabilities amounted to approximately \$1.5 million.

The decrease in our cash balance is mainly attributable to our recent investments in the Italian photovoltaic market. The increase in our other current assets is due to additional proceeds from the HP Transaction released pursuant to the Settlement Agreement subsequent to June 30, 2010. The increase in our current liabilities is due to expenses to be paid subsequent to June 30, 2010 in connection with the HP Transaction such as employee compensation and other transaction related expenses and payments to an Italian local contractor in connection with the construction of the photovoltaic plants in Italy.

#### **Disclosure about Market Risk**

A majority of our assets, other than those related to our investments in the Italian photovoltaic field, are cash, cash equivalents and short term bank deposits, invested mostly in U.S. dollar-denominated deposits with U.S. banks which we carefully monitor with respect to their exposure to the current financial market situation. In connection with such short term deposits, another market risk we currently face is the potential decline in the U.S. monetary interest rate that would impact our results of operations.

#### ***Risks relating our recent entry into the Italian photovoltaic market - “foreign currency exchange rate risk”***

Our functional currency is the U.S. dollar, and most of our assets, which consist of cash and cash equivalents, are denominated in U.S. dollars. However, in light of our recent entry into the Italian photovoltaic market, part of our operations is influenced by the exchange rate between the U.S. dollar and the Euro. In order to attempt to limit and control such risks, we may consider entering into various hedging transactions.

#### **Forward-Looking Statements**

With the exception of historical facts, the matters discussed in this report and the financial statements attached hereto are forward-looking statements. Forward-looking statements may relate to, among other things, future actions, future performance generally, business development activities, future capital expenditures, strategies, the outcome of contingencies such as legal proceedings, future financial results, financing sources and availability and the effects of regulation and competition. When we use the words “believe,” “intend,” “expect,” “may,” “will,” “should,” “anticipate,” “could,” “estimate,” “plan,” “predict,” “project,” or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. When we describe strategy that involves risks or uncertainties or include statements that do not relate strictly to historical or current facts, we are making forward-looking statements.

Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Please see Item 4.A. "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2009, filed with the SEC on March 10, 2010, in which we have identified important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by us; any such statement is qualified by reference to the following cautionary statements. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider the said section to be a complete discussion of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements.

We warn you that forward-looking statements are only predictions. Actual events or results may differ as a result of risks that we face. Forward-looking statements speak only as of the date they were made and we undertake no obligation to update them.

