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 October 2014
Commission File Number: 001-35284

Ellomay Capital Ltd.
(Translation of registrant's name into English)

9 Rothschild Blvd., Tel Aviv 6688112, 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- ________

EXHIBITS 99.2 AND 99.3 TO THIS FORM 6-K ARE HEREBY INCORPORATED BY REFERENCE INTO THE REGISTRANT'S REGISTRATION STATEMENTS ON FORM F-3 (NOS. 333-144171) AND FORM S-8 (NOS. 333-187533, 333-102288 AND 333-92491), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

Exhibit 99.1. Press Release: "Ellomay Capital Reports Results for the Six Months Ended June 30, 2014," dated September 30, 2014.

Exhibit 99.2. Condensed Consolidated Interim Financial Statements as at June 30, 2014 (Unaudited).

Exhibit 99.3 Operating Results and Financial Review and Prospects for the six months ended June 30, 2014.

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
Chief Executive Officer and Director

Dated: October 2, 2014

Exhibit 99.1

ellomay
CAPITAL LIMITED

Ellomay Capital Reports Results for the Six Months Ended June 30, 2014

Will Host Six Months Earnings call on Tuesday, October 7th at 8:30am ET

Tel-Aviv, Israel, September 30, 2014 – **Ellomay Capital Ltd. (NYSE MKT: ELLO; TASE: ELOM) ("Ellomay" or the "Company")**, an emerging operator in the renewable energy and energy infrastructure sector, today reported its unaudited financial results for the six month period ended June 30, 2014.

Financial Highlights

- Revenues were approximately $7.5 million for the six months ended June 30, 2014. Operating expenses were approximately $1.5 million for the six months ended June 30, 2014. Depreciation expenses were approximately $2.6 million for the six months ended June 30, 2014. These results include the results of two photovoltaic plants in the Veneto Region, Italy acquired on June 26, 2013 (the "**Veneto PV Plants**").

- Gross profit was approximately $2.8 million for the six months ended June 30, 2014 and included impairment charges of approximately $0.6 million due to the approval by the Italian parliament in August 2014 and the conversion into law of the Italian decree, issued by the Italian President in June 2014, providing for a decrease in the Feed-in-Tariff guaranteed to existing Italian photovoltaic plants.

- General and administrative expenses were approximately $2.3 million for the six months ended June 30, 2014 and included expenses in the amount of approximately $0.5 million, such as payment of bonuses to employees and expenses in connection with a pre-bid agreement executed with respect to a joint offer to acquire participating interests in two exploration and drilling licenses off-shore Israel, which were not incurred by the Company in the six month period ended June 30, 2013.

- Share of losses of equity accounted investees was approximately $0.2 million for the six months ended June 30, 2014, primarily due to expenses in connection with the delay in the commencement of operations of the power plant operated by Dorad Energy Ltd., a Company investee ("**Dorad**").

- Other Income was approximately $1.8 million for the six months ended June 30, 2014 and was primarily attributable to compensation to be received in connection with a pumped storage project in the Gilboa, Israel.

- EBITDA was approximately $4.7 million for the six months ended June 30, 2014.

- Financial expenses, net were approximately $2.5 million for the six months ended June 30, 2014, including approximately $1 million expenses in connection with the repayment of a loan by a wholly-owned Italian subsidiary of the Company and termination of related swap contract and approximately $0.9 million financial expenses attributable to the Company's unsecured non-convertible Series A Debentures issued during 2014. The Series A Debentures are traded on the TASE (Tel Aviv Stock Exchange).

- Total comprehensive loss for the six months ended June 30, 2014 was approximately $1.6 million, compared to total comprehensive income of approximately $13.3 million in the six months ended June 30, 2013. The total comprehensive income for the six months ended June 30, 2013 was primarily due to a gain on bargain purchase in the amount of approximately $10.2 million recorded in connection with the acquisition of the Veneto PV Plants, approximately $2.6 million income in connection with the fair value measurement of an option to purchase additional shares of U. Dori Energy Infrastructures Ltd ("**Dori Energy**") and approximately $1.2 million financing income attributable to the fair value measurement of swap contracts.

- Net cash provided by operating activities was approximately $0.1 million for the six months ended June 30, 2014.

- During the six months ended June 30, 2014, the Company extended an additional aggregate amount of approximately $4 million to Dori Energy in connection with Dorad's funding requirements from Dori Energy pursuant to the agreement between Dorad and its shareholders.

- During the six month period ended June 30, 2014, the Company repaid a loan from Discount bank in the amount of Euro 13.5 million (approximately $18.6 million) and a loan repaid by Ellomay PV Two S.r.l., a wholly-owned Italian subsidiary of the Company, to an Italian bank (Unicredit S.p.A.) in the amount of Euro 4.6 million (approximately $6.3 million), as this loan was under terms less beneficial to the Company compared to alternative financing resources.

- As of September 15, 2014, the Company held approximately $38.7 million in cash and cash equivalents, approximately $4 million in short-term deposits and approximately $4.6 million in restricted cash.

The Company's management will host a conference call on Tuesday, October 7th at 8:30am ET to discuss the six month results for the period ending June 30, 2014. To access the call participants can dial 1-888-504-7963 or international 1-719-325-2420. A replay will be available for thirty days at 1-877-870-5176 or international 1-858-384-5517 both with a pin of 5755689. The call will also be simultaneously webcast and can be accessed with the following link: http://public.viavid.com/index.php?id=111042.

The Company will furnish its unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2014 and related operating and financial review and prospects to the Securities and Exchange Commission on or about October 2, 2014 under Form 6-K. To review the Form 6-K, visit the SEC's website at: www.sec.gov or the Company's website at: www.ellomay.com.

Ran Fridrich, CEO and a board member of Ellomay commented: "During the six months ended June 30, 2014 the Company completed the acquisition of three Spanish photovoltaic plants with an aggregate installed capacity of approximately 5.6 MW. The results of these projects will be credited to the Company commencing July 2014. Moreover, the Dorad power plant successfully began commercial operation in May 2014. In addition, due to the recent change in Italian legislation, the Company recorded impairment charges of approximately $0.6 million, and following such impairment the book value of the Company's PV plants in Italy and Spain was approximately $90 million."

Information for the Company's Series A Debenture Holders

As of June 30, 2014, the Company's Net Financial Debt (as such term is defined in the Series A Debentures Deed of Trust) was approximately $17.4 million (consisting of approximately $15 million of short-term and long-term debt from banks and other interest bearing financial obligations and approximately $56.5 million in connection with the Series A Debentures issuances (in January and June 2014), net of approximately $42.9 million of cash and cash equivalents and net of approximately $11.2 million of project finance and related hedging transactions of the Company's subsidiaries).

Use of NON-IFRS Financial Measures

EBITDA is a non-IFRS measure and is defined as earnings before financial expenses, net, taxes, depreciation and amortization . The Company presents this measure in order to enhance the understanding of the Company's historical financial performance and to enable comparability between periods. While the Company considers EBITDA to be an important measure of comparative operating performance, EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of profitability or liquidity. EBITDA does not take into account the Company's commitments, including capital expenditures, and restricted cash and, accordingly, is not necessarily indicative of amounts that may be available for discretionary uses. Not all companies calculate EBITDA in the same manner, and the measure as presented may not be comparable to similarly-titled measures presented by other companies. The Company's EBITDA may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. See the reconciliation between the net income (loss) and the EBITDA presented at the end of this Press Release.

About Ellomay Capital Ltd.

Ellomay is an Israeli based company whose shares are registered with the NYSE MKT, under the trading symbol “ELLO” and with the Tel Aviv Stock Exchange under the trading symbol “ELOM.” Since 2009, Ellomay Capital focuses its business in the energy and infrastructure sectors worldwide. Ellomay (formerly Nur Macroprinters Ltd.) previously was a supplier of wide format and super-wide format digital printing systems and related products worldwide, and sold this business to Hewlett-Packard Company during 2008 for more than $100 million.

To date, Ellomay has evaluated numerous opportunities and invested significant funds in the renewable, clean energy and natural resources industries in Israel, Italy and Spain, including:

- Approx. 22.6MW of photovoltaic power plants in Italy and approximately 5.6MW and 85% of 2.3MW of photovoltaic power plants in Spain;

- 7.5% indirect interest, with an option to increase its holdings to 9.375%, in Dorad Energy Ltd. Israel’s largest private power plant, with production capacity of approximately 800 MW, representing about 8% of Israel’s total current electricity consumption;

Ellomay Capital is controlled by Mr. Shlomo Nehama, Mr. Hemi Raphael and Mr. Ran Fridrich.

Mr. Nehama is one of Israel’s prominent businessmen and the former Chairman of Israel’s leading bank, Bank Hapohalim, and Messrs. Raphael and Fridrich both have vast experience in financial and industrial businesses. These controlling shareholders, along with Ellomay’s dedicated professional management, accumulated extensive experience in recognizing suitable business opportunities worldwide. The expertise of Ellomay’s controlling shareholders and management enables the company to access the capital markets, as well as assemble global institutional investors and other potential partners. As a result, Ellomay is capable of considering significant and complex transactions, beyond its immediate financial resources.

For more information about Ellomay, visit http://www.ellomay.com.

Information Relating to Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties, including statements that are based on the current expectations and assumptions of the Company’s management. All statements, other than statements of historical facts, included in this press release regarding the Company’s plans and objectives, expectations and assumptions of management are forward-looking statements. The use of certain words, including the words “estimate,” “project,” “intend,” “expect,” “believe” and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements and you should not place undue reliance on the Company’s forward-looking statements. Various important factors could cause actual results or events to differ materially from those that may be expressed or implied by our forward-looking statements including changes in regulation, seasonality of the PV business and market conditions. These and other risks and uncertainties associated with the Company’s business are described in greater detail in the filings the Company makes from time to time with Securities and Exchange Commission, including its Annual Report on Form 20-F. The forward-looking statements are made as of this date and the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:
Kalia Weintraub
CFO
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Email: anatb@ellomay.com

Condensed Consolidated Interim Statements of Financial Position (Unaudited)

	June 30 2014	December 31 2013
	US$ in thousands	
Assets		
Current assets:		
Cash and cash equivalents	**42,893**	9,738
Short-term deposits	**-**	2,653
Restricted cash	**318**	5,653
Trade receivables	**207**	134
Other receivables and prepaid expenses	**6,032**	4,357
	49,450	22,535
Non-current assets		
Investment in equity accounted investee	**28,727**	24,601
Financial asset	**1,835**	389
Advance payment on account of investment	**408**	-
Property, plant and equipment, net	**89,638**	93,671
Restricted cash and deposits	**4,309**	4,315
Other assets	**2,097**	1,419
	127,014	124,395
Total assets	**176,464**	146,930
Liabilities and Equity		
Current liabilities		
Loans and borrowings	**623**	19,454
Debentures	**5,511**	-
Accounts payable	**2,236**	2,154
Accrued expenses and other payables	**4,892**	5,311
	13,262	26,919
Non-current liabilities		
Finance lease obligations	**6,550**	6,814
Long-term loans	**4,629**	11,050
Debentures	**50,957**	-
Other long-term liabilities	**2,899**	2,386
	65,035	20,250
Total liabilities	**78,297**	47,169
Equity		
Share capital	**26,180**	26,180
Share premium	**76,932**	76,932
Treasury shares	**(522)**	(522)
Reserves	**3,082**	4,154
Accumulated deficit	**(7,527)**	(7,011)
Total equity attributed to shareholders of the Company	**98,145**	99,733
Non-Controlling Interest	**22**	28
Total equity	**98,167**	99,761
Total liabilities and equity	**176,464**	146,930

Condensed Consolidated Interim Statements of Comprehensive Income (Loss) (Unaudited)

	For the six months ended June 30	
	2014	**2013**
	US$ in thousands (except per share data)	
Revenues	**7,531**	4,840
Operating expenses	**1,529**	882
Depreciation expenses	**2,615**	1,422
Impairment charges	**574**	-
Gross profit	**2,813**	2,536
General and administrative expenses	**2,348**	1,294
Company's share of losses of investee accounted for at equity	**230**	*233
Other income, net	**1,843**	*2,638
Gain on bargain purchase	**-**	10,237
Operating Profit	**2,078**	13,884
Financing income	**736**	126
Financing income (expenses) in connection with derivatives reevaluation , net	**(343)**	*1,189
Financing expenses	**(2,915)**	(1,587)
Financing expenses, net	**(2,522)**	(272)
Profit (loss) before taxes on income	**(444)**	13,612
Taxes on income	**78**	777
Net income (loss) for the period	**(522)**	12,835
Income (Loss) attributable to:		
Shareholders of the Company	**(516)**	12,791
Non-controlling interests	**(6)**	44
Net income (loss) for the period	**(522)**	12,835
Other comprehensive income (loss)		
Items that are or may be reclassified to profit or loss:		
Foreign currency translation adjustments	**(303)**	500
Items that would not be reclassified to profit or loss:		
Presentation currency translation adjustments	**(769)**	-
Total other comprehensive income (loss)	**(1,072)**	500
Total comprehensive income (loss)	**(1,594)**	13,335
Basic and Diluted net earnings (loss) per share	**(0.05)**	1.2

* During the current period the Company changed the comprehensive income statement classification of Company's investments results in energy projects. The results of such investments have recorded within the operating results. Accordingly, the share of losses of investee accounted for under the equity method and re-evaluation of option to acquire additional shares in the investee to Operating Profit to reflect more appropriately the Company's operations as a holding company operating in the business of energy and infrastructure. Comparative amounts were reclassified for consistency.

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)

	Attributable to owners of the Company							Non-controlling interests	Total Equity
	Share capital	Share premium	Accumulated deficit	Treasury shares	Translation reserve from foreign operations	Presentation currency translation reserve	Total		
	US$ in thousands								
For the six months ended June 30, 2014									
Balance as at January 1, 2014	**26,180**	**76,932**	**(7,011)**	**(522)**	**4,154**	**-**	**99,733**	**28**	**99,761**
Loss for the period	**-**	**-**	**(516)**	**-**	**-**		**(516)**	**(6)**	**(522)**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(303)**	**(769)**	**(1,072)**	**-**	**(1,072)**
Total comprehensive loss	**-**	**-**	**(516)**	**-**	**(303)**	**(769)**	**(1,588)**	**(6)**	**(1,594)**
Balance as at June 30, 2014	**26,180**	**76,932**	**(7,527)**	**(522)**	**3,851**	**(769)**	**98,145**	**22**	**98,167**

	Attributable to owners of the Company						Non-controlling interests	Total Equity
	Share capital	Share premium	Accumulated deficit	Treasury shares	Translation reserve from foreign operations	Total		
	US$ in thousands							
For the six months ended June 30, 2013								
Balance as at January 1, 2013	26,180	76,410	(17,079)	(522)	(1,884)	83,105	9	83,114
Income for the period	-	-	12,791	-	-	12,791	44	12,835
Other comprehensive income	-	-	-	-	500	500	-	500
Total comprehensive income	-	-	12,791	-	500	13,291	44	13,335
Balance as at June 30, 2013	26,180	76,410	(4,288)	(522)	(1,384)	96,396	53	96,449

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

	Six months ended June 30	
	2014	**2013**
	US$ thousands	
Cash flows from operating activities		
Income (loss) for the period	**(522)**	12,835
Adjustments for:		
Financing expenses (income), net	**2,522**	*272
Gain on bargain purchase	**-**	(10,237)
Impairment charges	**574**	-
Depreciation	**2,615**	1,422
Company's share of losses of investees accounted for at equity	**230**	233
Decrease in trade receivables	**(74)**	(74)
Increase in other receivables and prepaid expenses	**(2,259)**	(2,482)
Increase in financial assets	**(1,478)**	* (2,631)
Increase (decrease) in accrued severance pay, net	**(27)**	10
Increase in trade payables	**177**	38
Increase (decrease) in accrued expenses and other payables	**541**	(590)
Tax expenses	**78**	777
Tax paid	**181**	-
Interest received	**58**	86
Interest paid	**(2,525)**	(905)
Net cash provided by (used in) operating activities	**91**	(1,246)
Cash flows from investing activities:		
Purchase of property and equipment	**(92)**	(6,910)
Acquisition of subsidiary, net of cash acquired	**-**	(30,742)
Advance payment on account of investment	**(408)**	-
Investment in equity accounted investees	**(4,058)**	(2,129)
Settlement of forward contract	**-**	(169)
Proceeds from (Investment in) restricted cash	**5,321**	(1,589)
Proceeds from (Investment in) long-terms deposits	**2,653**	(16)
Net cash Provided by (used in) investing activities	**3,416**	(41,555)
Cash flows from financing activities		
Repayment of loans	**(25,506)**	(6,659)
Proceeds from loans and Debentures, net	**55,791**	17,692
Net cash provided by financing activities	**30,285**	11,033

* During the current period the Company changed the comprehensive income statement classification of Company's investments results in energy projects. The results of such investments have recorded within the operating results. Accordingly, the share of losses of investee accounted for under the equity method and re-evaluation of option to acquire additional shares in the investee to Operating Profit to reflect more appropriately the Company's operations as a holding company operating in the business of energy and infrastructure. Comparative amounts were reclassified for consistency.

Condensed Consolidated Interim Statements of Cash Flows (cont'd) (Unaudited)

	Six months ended June 30	
	2014	**2013**
	US$ thousands	
Exchange differences on balance of cash and cash equivalents	**(637)**	108
Increase (decrease) in cash and cash equivalents	**33,155**	(31,660)
Cash and cash equivalents at the beginning of the period	**9,738**	33,292
Cash and cash equivalents at the end of the period	**42,893**	1,632

Reconciliation of Net income (loss) to EBITDA (in US$ thousands)

	For the Six Months ended June 30, 2014	For the Six Months ended June 30, 2013
	Unaudited	Unaudited
Net income (loss) for the period	**(522)**	12,835
Financing expenses, net	**2,522**	272
Taxes on income (benefit)	**78**	777
Depreciation	**2,615**	1,422
EBITDA from continuing operations	**4,693**	15,306

Exhibit 99.2

Ellomay Capital Ltd. and its Subsidiaries

Condensed Consolidated Interim Financial Statements
As at June 30, 2014
(Unaudited)

Interim Condensed Consolidated Financial Statements as at June 30, 2014 (Unaudited)

Contents

Condensed Consolidated Interim Statements of Financial Position (Unaudited)

	Note	June 30 2014	December 31 2013
		US$ in thousands	
Assets			
Current assets:			
Cash and cash equivalents		**42,893**	7,238
Short-term deposits		**-**	5,153
Restricted cash		**318**	5,653
Trade receivables		**207**	134
Other receivables and prepaid expenses		**6,032**	4,357
		49,450	22,535
Non-current assets			
Investment in equity accounted investee	9	**28,727**	24,601
Financial asset	9	**1,835**	389
Advance payment on account of investment	11	**408**	-
Property, plant and equipment, net	5	**89,638**	93,671
Restricted cash and deposits		**4,309**	4,315
Other assets		**2,097**	1,419
		127,014	124,395
Total assets		**176,464**	146,930
Liabilities and Equity			
Current liabilities			
Loans and borrowings	6,7	**623**	19,454
Debentures	8	**5,511**	-
Accounts payable		**2,236**	2,154
Accrued expenses and other payables		**4,892**	5,311
		13,262	26,919
Non-current liabilities			
Finance lease obligations	7	**6,550**	6,814
Long-term loans	6	**4,629**	11,050
Debentures	8	**50,957**	-
Other long-term liabilities		**2,899**	2,386
		65,035	20,250
Total liabilities		**78,297**	47,169
Equity			
Share capital		**26,180**	26,180
Share premium		**76,932**	76,932
Treasury shares		**(522)**	(522)
Reserves		**3,082**	4,154
Accumulated deficit		**(7,527)**	(7,011)
Total equity attributed to shareholders of the Company		**98,145**	99,733
Non-Controlling Interest		**22**	28
Total equity		**98,167**	99,761
Total liabilities and equity		**176,464**	146,930

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

Condensed Consolidated Interim Statements of Comprehensive Income (Loss) (Unaudited)

	Note	For the six months ended June 30	
		2014	2013
		US$ in thousands (except per share data)	
Revenues		**7,531**	4,840
Operating expenses		**1,529**	882
Depreciation expenses		**2,615**	1,422
Impairment charges	5	**574**	-
Gross profit		**2,813**	2,536
General and administrative expenses		**2,348**	1,294
Company's share of losses of investee accounted for at equity		**230**	*233
Other income, net		**1,843**	*2,638
Gain on bargain purchase		**-**	10,237
Operating Profit		**2,078**	13,884
Financing income		**736**	126
Financing income (expenses) in connection with derivatives reevaluation , net		**(343)**	*1,189
Financing expenses		**(2,915)**	(1,587)
Financing expenses, net		**(2,522)**	(272)
Profit (loss) before taxes on income		**(444)**	13,612
Taxes on income		**78**	777
Net income (loss) for the period		**(522)**	12,835
Income (Loss) attributable to:			
Shareholders of the Company		**(516)**	12,791
Non-controlling interests		**(6)**	44
Net income (loss) for the period		**(522)**	12,835
Other comprehensive income (loss)			
Items that are or may be reclassified to profit or loss:			
Foreign currency translation adjustments		**(303)**	500
Items that would not be reclassified to profit or loss:			
Presentation currency translation adjustments		**(769)**	-
Total other comprehensive income (loss)		**(1,072)**	500
Total comprehensive income (loss)		**(1,594)**	13,335
Basic and Diluted net earnings (loss) per share		**(0.05)**	1.2

*Reclassification – see Note 2C.

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

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)

	Attributable to owners of the Company							Non-controlling interests	Total Equity
	Share capital	Share premium	Accumulated deficit	Treasury shares	Translation reserve from foreign operations	Presentation currency translation reserve	Total		
	US$ in thousands								
For the six months ended June 30, 2014									
Balance as at January 1, 2014	**26,180**	**76,932**	**(7,011)**	**(522)**	**4,154**	**-**	**99,733**	**28**	**99,761**
Loss for the period	**-**	**-**	**(516)**	**-**	**-**		**(516)**	**(6)**	**(522)**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(303)**	**(769)**	**(1,072)**	**-**	**(1,072)**
Total comprehensive loss	**-**	**-**	**(516)**	**-**	**(303)**	**(769)**	**(1,588)**	**(6)**	**(1,594)**
Balance as at June 30, 2014	**26,180**	**76,932**	**(7,527)**	**(522)**	**3,851**	**(769)**	**98,145**	**22**	**98,167**

	Attributable to owners of the Company						Non-controlling interests	Total Equity
	Share capital	Share premium	Accumulated deficit	Treasury shares	Translation reserve from foreign operations	Total		
	US$ in thousands							
For the six months ended June 30, 2013								
Balance as at January 1, 2013	26,180	76,410	(17,079)	(522)	(1,884)	83,105	9	83,114
Income for the period	-	-	12,791	-	-	12,791	44	12,835
Other comprehensive income	-	-	-	-	500	500	-	500
Total comprehensive income	-	-	12,791	-	500	13,291	44	13,335
Balance as at June 30, 2013	26,180	76,410	(4,288)	(522)	(1,384)	96,396	53	96,449

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

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

	Six months ended June 30	
	2014	**2013**
	US$ thousands	
Cash flows from operating activities		
Income (loss) for the period	**(522)**	12,835
Adjustments for:		
Financing expenses (income), net	**2,522**	*272
Gain on bargain purchase	**-**	(10,237)
Impairment charges	**574**	-
Depreciation	**2,615**	1,422
Company's share of losses of investees accounted for at equity	**230**	233
Decrease in trade receivables	**(74)**	(74)
Increase in other receivables and prepaid expenses	**(2,259)**	(2,482)
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Increase in trade payables	**177**	38
Increase (decrease) in accrued expenses and other payables	**541**	(590)
Tax expenses	**78**	777
Tax paid	**181**	-
Interest received	**58**	86
Interest paid	**(2,525)**	(905)
Net cash provided by (used in) operating activities	**91**	(1,246)
Cash flows from investing activities:		
Purchase of property and equipment	**(92)**	(6,910)
Acquisition of subsidiary, net of cash acquired	**-**	(30,742)
Advance payment on account of investment	**(408)**	-
Investment in equity accounted investees	**(4,058)**	(2,129)
Settlement of forward contract	**-**	(169)
Proceeds from (Investment in) restricted cash	**5,321**	(1,589)
Proceeds from (Investment in) deposits	**5,153**	(16)
Net cash Provided by (used in) investing activities	**5,916**	(41,555)
Cash flows from financing activities		
Repayment of loans	**(25,506)**	(6,659)
Proceeds from loans and Debentures, net	**55,791**	17,692
Net cash provided by financing activities	**30,285**	11,033

*Reclassification – see Note 2C.

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

Condensed Consolidated Interim Statements of Cash Flows (cont'd) (Unaudited)

	Six months ended June 30	
	2014	**2013**
	US$ thousands	
Exchange differences on balance of cash and cash equivalents	**(637)**	108
Increase (decrease) in cash and cash equivalents	**35,655**	(31,660)
Cash and cash equivalents at the beginning of the period	**7,238**	33,292
Cash and cash equivalents at the end of the period	**42,893**	1,632

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

Note 1 – General

Ellomay Capital Ltd. (hereinafter - the "Company"), is an Israeli Company in the business of energy and infrastructure and its operations currently mainly include production of renewable and clean energy. The Company owns sixteen photovoltaic plants that are connected to their respective national grids and operating as follows: (i) twelve photovoltaic plants in Italy with an aggregate installed capacity of approximately 22.6 MWp, (ii) three photovoltaic plants in Spain with an aggregate installed capacity of approximately 5.6 MWp (see Note 11) and (iii) 85% of one photovoltaic plant in Spain with an installed capacity of approximately 2.3 MWp. In addition, the Company indirectly owns 7.5% of Dorad Energy Ltd. (hereinafter – “Dorad”) (and an option to increase its indirect holdings in Dorad under certain conditions to 9.375%).

The securities of the Company are listed on the NYSE MKT (under the symbol “ELLO”) and on the Tel Aviv Stock Exchange (under the symbol “ELOM”). The address of the Company’s registered office is 9 Rothschild Blvd., Tel Aviv, Israel.

Note 2 - Basis of Preparation

A. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all of the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended December 31, 2013 (hereinafter – “the annual financial statements”).

These condensed consolidated interim financial statements were authorized for issue on October 2, 2014.

These condensed consolidated interim financial statements are presented in US Dollar.

As a result of the significant funds raised in Israel in the beginning of 2014 and the related currency interest rate swap transactions used to exchange the NIS denominated Series A Debentures notional principal with a Euro notional principal (see Note 8) together with the increasing influence of the Euro over the primary economic environment in which the Company operates and the increase in the Company’s holdings of photovoltaic operations in Italy and Spain, the Company has re-evaluated its functional currency. Consequently, management has determinate that the functional currency of the Company has changed from the US Dollar to the Euro with effect from January 1, 2014. The change of the Company’s functional currency has been accounted for prospectively in accordance with IAS 21 “The Effects of changes in Foreign Exchange Rates”. Items included in the financial statements of each of the Company’s subsidiaries and associates are measured using their functional currency. The Company elected the US dollar as its presentation currency.

Translation to presentation currency is as follow:

- Assets and liabilities presented at the closing rate at the date of balance sheet.
- Income and expenses are translated at average exchange rate.

The resulting exchange different are recognized in a ‘presentation currency translation reserve’.

No reclassification to profit or loss of the ‘presentation currency translation reserve’ with respect to our Euro functional currency subsidiaries would be recognized upon their disposals.

Note 2 - Basis of Preparation (cont'd)

B. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except as described below in Note 5, the significant judgments made by management in applying the Company's accounting policies and the principal assumptions used in the estimation of uncertainty were the same as those that applied to the annual financial statements.

During the six month period ended June 30, 2014 management reassessed its estimates in respect of the recoverable amount of certain photovoltaic plants, see Note 5.

C. Reclassification

Following the expansion of the Company's activities during 2014, including the commencement of Dorad operation, during the current period the Company changed the comprehensive income statement classification of the Company's investments results in its energy and infrastructure projects, so that the result of such investments is recorded within the operating results. Accordingly, the share of losses of investee accounted for under the equity method, re-evaluation of option to acquire additional shares in the investee and other related energy transactions (see note 9A(2)) is included within the Operating Profit. The Company believes that such change reflects more appropriately the Company's operations as a holding company, operating in the business of energy and infrastructure. Comparative amounts were reclassified for consistency.

Note 3 - Significant Accounting Policies

Except as described above in Note 2C, the accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the annual financial statements.

Presented hereunder is a description of the changes in accounting policies that were applied in these condensed consolidated interim financial statements and their effect:

A. Initial application of new standards

As from January 1, 2014 the Company applies the new standards and amendments described below:

Amendment to IAS 36, *Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets*
The amendment to IAS 36 includes new disclosure requirements for situations in which impairment is recognized and the recoverable amount is determined on the basis of fair value less costs of disposal. Furthermore, the amendment removes the requirement to provide disclosure of the recoverable amount of material cash-generating units if no impairment was recognized in their respect. The amendment to IAS 36 is applicable retrospectively. The application of the amendment to IAS 36 did not have a material effect on the financial statements.

Note 3 - Significant Accounting Policies (cont'd)

B. New standards and interpretations not yet adopted

IFRS 15, ***Revenue from Contracts with Customers***

IFRS 15 replaces the current guidance regarding recognition of revenues and presents a new model for recognizing revenue from contracts with customers. IFRS 15 provides two approaches for recognizing revenue: at a point in time or over time. The model includes five steps for analyzing transactions so as to determine when to recognize revenue and at what amount. Furthermore, IFRS 15 provides new and more extensive disclosure requirements than those that exist under current guidance. IFRS 15 is applicable for annual periods beginning on or after January 1, 2017 and earlier application is permitted. IFRS 15 includes various alternative transitional provisions, so that companies can choose between one of the following alternatives at initial application: full retrospective application, full retrospective application with practical expedients, or application as from the mandatory effective date, with an adjustment to the balance of retained earnings at that date in respect of transactions that are not yet complete.

The Company is examining the effects of IFRS 15 on the financial statements.

IFRS 9 (2014), ***Financial Instruments***

A final version of the standard, which includes revised guidance on the classification and measurement of financial instruments, and a new model for measuring impairment of financial assets. This guidance has been added to the chapter dealing with general hedge accounting requirements issued in 2013.

Classification and measurement-
In accordance with IFRS 9 (2014), there are three principal categories for measuring financial assets: amortized cost, fair value through profit and loss and fair value through other comprehensive income. The basis of classification for debt instruments is the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. Investments in equity instruments will be measured at fair value through profit and loss (unless the entity elected at initial recognition to present fair value changes in other comprehensive income).

IFRS 9 (2014) requires that changes in fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes in its credit risk, should usually be recognized in other comprehensive income.

Hedge accounting – general
Under IFRS 9 (2014), additional hedging strategies that are used for risk management will qualify for hedge accounting. IFRS 9 (2014) replaces the present 80%-125% test for determining hedge effectiveness, with the requirement that there be an economic relationship between the hedged item and the hedging instrument, with no quantitative threshold. In addition, IFRS 9 (2014) introduces new models that are alternatives to hedge accounting as regards credit exposures and certain contracts outside the scope of IFRS 9 (2014) and sets new principles for accounting for hedging instruments. In addition, IFRS 9 (2014) provides new disclosure requirements. IFRS 9 (2014) is effective for annual periods beginning on or after January 1, 2018 with early adoption being permitted. It will be applied retrospectively with some exemptions.

The Company is examining the effects of IFRS 9 (2014) on the financial statements.

Note 4 - Seasonality

Solar power production has a seasonal cycle due to its dependency on the direct and indirect sunlight and the effect the amount of sunlight has on the output of energy produced. Thus, low radiation levels during the winter months decrease power production.

Note 5 - Property, Plant and Equipment, net

Impairment charges

Following the approval by the Italian parliament in August 2014 and the conversion into law of the Italian decree (the "Decree"), executed by the Italian President in June 2014, providing for a decrease in the Feed-in-Tariff ("FiT") guaranteed to existing photovoltaic plants with installed capacity of more than 200 kW ("Law 116/2014"), the Company examined as at June 30, 2014, in accordance with IAS 36, the recoverability of its photovoltaic plants in Italy, based on the information currently available to the Company (see Note 9 B). Since the book value of some of the photovoltaic plants exceeded their recoverable amount, the Company recognized in those cases an impairment loss during the reporting period which was attributed to the fixed assets comprising the photovoltaic plants.

The recoverable amount which is measured on the basis of fair value was estimated based on projected cash flows for the useful life of each photovoltaic plant , based on the alternative reducing the FiT for photovoltaic plants by 8% discounted at an after tax rate of 5.75%.

In the six month period ended June 30, 2014, the Company recorded an impairment charge of $ 574 thousand.

Note 6 - Loans and borrowings

A. Composed as follows:

	Linkage terms	Interest rate 2014	June 30 2014
		%	US$ in thousands
Bank loans (including current maturities)	EURIBOR	1.6-3.5	3,811
Other long-term loans (including current maturities)	EURIBOR	5.15	1,043
Less current maturities			(225)
Total long-term loans			4,629

	Linkage terms	Interest rate 2013	December 31 2013
		%	US$ in thousands
Bank loans (including current maturities)	EURIBOR	1.6-5.15	10,334
Other long-term loans (including current maturities)	EURIBOR	5.15	1,175
Less current maturities			(459)
Total long-term loans			11,050

Note 6 - Loans and borrowings (cont'd)

B. Details of loan

During the six month period ended June 30, 2014, the Company repaid a loan from Discount bank in the amount of Euro 13.5 million (approximately $ 18,600 thousand) and a loan repaid by a wholly-owned Italian subsidiary of the Company to an Italian bank (Unicredit S.p.A.) in the amount of Euro 4.6 million (approximately $ 6,347 thousand).

As at June 30, 2014 financial covenants were met.

In order to minimize the interest-rate risk resulting from liabilities to banks and financing institutions in Italy linked to the Euribor, the Company executed swap transactions.

Note 7 – Finance Lease Obligation

Composed as follows:

	Linkage terms	Interest rate 2013 and 2014	June 30 2014	December 31 2013
		%	US$ in thousands	
Leasing institution (including current maturities)	EURIBOR	3.43	**6,948**	7,210
Less current maturities			**(398)**	(396)
Total long-term finance lease obligations			**6,550**	6,814

As at June 30, 2014 financial covenants were met.

In order to minimize the interest-rate risk resulting from liabilities to banks and financing institutions in Italy linked to the Euribor, the Company executed swap transactions.

Note 8 – Debentures

A. Composed as follows:

Original amount	Interest rate	Payment date	June 30, 2014 Face value	June 30, 2014 Carrying amount
US$ in thousands	%	of principal	US$ in thousands	
(*)58,173	4.6	December 31	**58,173**	**56,468**
	Less current maturities		**5,817**	**5,511**
	Total long-term debentures		**52,356**	**50,957**

(*) The exchange rate is as at June 30, 2014.

Note 8 – Debentures (cont'd)

B. Series A Debentures – Details

On January 13, 2014, the Company issued NIS 120M (approximately $ 34,404 thousand) principal amount of unsecured non-convertible Series A Debentures through a public offering that was limited to residents of Israel. The Series A Debentures are traded on the TASE (Tel Aviv Stock Exchange).

On June 19, 2014, the Company issued additional NIS 80.341M principal amount of Series A Debentures (approximately $ 23,222 thousand).

As at June 30, 2014 financial covenants were met (see Note 22 to the Company's annual financial statements).

In order to minimize the currency risk resulting from Series A Debentures, the Company executed currency interest rate swap transactions. In February and in July 2014 the Company exchanged Series A Debentures NIS denominated notional principal in the aggregate amount of NIS 86 million (approximately $ 25 million) with a Euro notional principal (currency swap transactions). Following the closing of the acquisition of three additional photovoltaic plants in Spain (see Note 11), the Company expects to execute an additional currency swap transaction in the aggregate amount of the consideration paid in connection with such acquisition.

Such currency swap transactions do not qualify for hedge accounting. The currency swaps are measured at fair value with all changes in fair value recognized in profit or loss.

Note 9 - Investee Companies and Other Investments

A. Information about investee companies

1. U. Dori Energy Infrastructures Ltd. ("Dori Energy") –

The Company through its wholly owned subsidiary, Ellomay Clean Energy Ltd. ("Ellomay Energy") entered into an Investment Agreement (the "Dori Investment Agreement") with Dori Group Ltd. ("Dori Group"), and Dori Energy, with respect to an investment in Dori Energy. Dori Energy holds 18.75% of the share capital of Dorad, which owns an approximate 800 MWp bi-fuel operated power plant in the vicinity of Ashkelon, Israel (the "power plant").

On May 12, 2014 Dorad was issued production licenses for 20 years and a supply license for one year and on May 19, 2014 Dorad began commercial operation of the power plant.

During the six month period ended June 30, 2014, the Company extended approximately $ 4,058 thousand subordinated shareholder loans to Dori Energy. The shareholder loans are linked to the Israeli CPI and bear an annual interest rate of 3% higher than the annual interest Dorad is committed to pay to Dorad's financing consortium during the financial period in respect of the "senior debt" (5.5% as at June 30, 2014, i.e., the annual interest rate on the shareholder loans was 8.5% as at June 30, 2014).

Note 9 - Investee Companies and Other Investments (cont'd)

A. Information about investee companies and other investments (cont'd)

1. U. Dori Energy Infrastructures Ltd. ("Dori Energy") – (cont'd)

During 2014 Dorad provided, through its shareholders at their proportionate holdings, additional guarantees in favor of the Public Utilities Authority - Electricity ("the Electricity Authority") in order to comply with its license conditions and as required by its agreement with Israel Electric Corporation. Total additional performance guarantees provided by Dorad amounted to approximately NIS 180 million (approximately $ 52.4 million), of which, indirectly, the Company's share is approximately NIS 13.5 million (approximately $ 3.9 million).

The option to purchase additional shares of Dori Energy is measured based on its fair value in every reported period and changes are recorded as other income or expenses. As at June 30, 2014, the fair value of the option is approximately $ 355 thousand and it is recorded as financial asset. The revaluation of the option was recognized as other income, net in the amount of $ 38 thousand for the six month period ended June 30, 2014.

2. Pumped Storage Projects ("PSP") –

As discussed in note 6 to the annual financial statements, with respect to Erez Electricity agreement following the financial closing of PSP Gilboa, the Company is entitled to receive the first installment of NIS 1,200 thousand ($ 349 thousand), which was received in July 2014. The Company believes it will be entitled to receive also the second installment amounting to NIS 5,500 thousand (approximately $ 1,600 thousand) which is contingent upon receipt of permanent licenses for generation of power and the approval of the technical advisor appointed by the financial institutions who have financed PSP Gilboa to the transfer from set up phase to operational phase. As at June 30, 2014, the Company estimated the fair value of the second installment to be paid at approximately NIS 5,087 thousand (approximately $ 1,480 thousand) using a discounted cash flow model. Both installments were recognized as Other Income in profit and loss.

Pumped-storage project in the Manara Cliff in Israel-

As discussed in Note 22B to the annual financial statements, with respect to Ortam agreement, on May 20, 2014 the Company entered into an agreement with Electra, an Israeli publicly listed company, pursuant to which, subject to the fulfillment of conditions as set forth below, the Company shall acquire Electra's holdings (24.75%) in the Partnership as well as Electra's holdings: (i) in the GP (25%), and (ii) in the EPC (50%). In addition, the Company entered into an agreement with Electra on May 20, 2014 pursuant to which Electra shall, upon closing of the transactions contemplated by the aforementioned agreements, acquire the Company's holdings in the EPC. In addition, pursuant to such Agreement, the Company was granted with a call option to acquire the EPC from Electra, and Electra was granted a put option to sell the EPC to the Company, in each case within 12 months as of the aforementioned closing.

In addition to the aforementioned agreements, on January 19, 2014 the Company entered into an agreement with Galilee Development Cooperative Ltd, an Israeli cooperative, pursuant to which, subject to the fulfillment of conditions as set forth below, the Company shall acquire the cooperative's holdings (24.75%) in the Partnership as well as its holdings: (i) in the GP (25%), and (ii) in the EPC (50%).

Note 9 - Investee Companies and Other Investments (cont'd)

A. Information about investee companies and other investments (cont'd)

2. Pumped Storage Projects ("PSP") – (cont'd)

The consummation of the transactions contemplated by the Agreements described above is subject to the fulfillment of various conditions precedent, including the obtainment of third party approvals.

3. Pre-Bid Agreement

On June 10, 2014 the Company entered into a Pre-Bid Agreement (the "Pre-Bid Agreement") with several other companies (together with the Company, the "Consortium") in connection with the possible submission of an offer (the "Offer") for the acquisition of the participating interest in the 364/"Alon A" License and the 366/"Alon C" License, both exploration and drilling licenses offshore Israel, from Noble Energy Mediterranean Ltd., Delek Drilling L.P. and Avner Oil Exploration L.P. Pursuant to the Pre-Bid Agreement, the Company can choose whether or not to join the Offer but is required to participate in the costs of preparing and submitting the Offer, regardless of whether or not it chooses to join the Offer. Therefore, as at June 30, 2014 the Company accrued related costs of approximately $ 156 thousand. Should the Company choose to join the Offer, it is expected to hold approximately 20% of the Consortium. The Company cannot currently assess whether it will join the Offer, and there is no assurance that the Offer will be accepted and under what terms.

B. Subsidiaries – Regulatory updates

Italy

Following the approval by the Italian parliament in August 2014, the Decree executed by the Italian president in June was converted into law providing for a decrease in the FiT guaranteed to existing photovoltaic plants with installed capacity of more than 200 kW. Pursuant to Law 116/2014, operators of existing photovoltaic plants, such as the Company, which received a guaranteed 20-year FiT under current Italian legislation, will be required to choose between the following four alternatives:

(i) a reduction of 8% in the FiT for photovoltaic plants with installed capacity above 900 kW, a reduction of 7% in the FiT for photovoltaic plants with installed capacity between 500 kW and 900 kW and a reduction of 6% in the FiT for photovoltaic plants with installed capacity between 200 kW and 500 kW (i.e., out of the twelve Italian photovoltaic plants owned by the Company, eight will be subject to a reduction of 8% in the FiT and four will be subject to a reduction of 7% in the FiT);

(ii) extending the 20-year term of the FiT to 24 years with a reduction in the FiT in a range of 17%-25%, depending on the time remaining on the term of the FiT for the relevant photovoltaic plant, with higher reductions applicable to photovoltaic plants that commenced operations earlier (based on the remaining years in the initial guaranteed FiT period of the Company's existing Italian photovoltaic plants, the expected reduction in the FiT for the Company's photovoltaic plants is approximately 19%);

(iii) a rescheduling in the FiT so that during an initial period the FiT is reduced and during the second period the FiT is increased in the same amount of the reduction (the percentages of the decrease and length of the initial period have not yet been published and will be determined by the Italian Ministry of Economic Development by October 1, 2014 but based on Law 116/2014 the goal is to provide for a scheme that will guarantee an annual saving of at least Euro 600 million by the Italian public between 2015 and 2019, assuming all photovoltaic operators opt for this alternative); or (iv) the beneficiaries of FiT incentive schemes can sell up to 80% of the revenues deriving from the incentives generated by the photovoltaic plant to a selected buyer to be identified among the top EU banks.

Note 9 - Investee Companies and Other Investments (cont'd)

B. Subsidiaries – Regulatory updates (cont'd)

Italy (cont'd)

The selected buyer will become eligible to receive the original FiT and will not be subject to the changes set forth in alternatives (i) through (iii) above. The exact terms of this alternative will be set by the Italian Authority for Electricity and Gas by November 20, 2014.

The operators that will choose one of the alternatives set forth in (i) - (iii) above can benefit from governmentally subsidized lines of credit or guarantees, for a maximum amount equal to the difference between the incentive due as at December 31, 2014 and the rescheduled incentive under the alternative chosen. The guarantee or line of credit will be made available by Cassa depositi e prestiti, a financing institution controlled by the Italian government, according to criteria that will be determined in the future by a specific decree.

As at June 30, 2014, the Company examined the recoverability of its photovoltaic plants in Italy. As the book value of some of the photovoltaic plants exceeded their recoverable amount, the Company recognized in those cases an impairment loss. see Note 5.

Spain

Since July 2013, a new remunerative regime for photovoltaic plants is in force pursuant to RDL 9/2013. The former feed-in tariff has been replaced by the so-called "specific retribution" system that provides the owner of a renewable installation with a defined yield to be calculated as 10-year government bonds plus 300 basis points. The "specific retribution" includes (i) the proceeds for the sale of electricity according to market price, (ii) an "investment retribution" enough to cover the investment costs of a so-called “standard facility” – provided that such costs are not fully recoverable through the sale of energy in the market and (iii) an "operational retribution" enough to cover the difference, if any, between the operational income and costs of a standard plant that participates in the market. The "specific retribution" is calculated according to the formula and parameters established in RD 413/2014 and Order 1045/2014 (approved and published in the Official Gazette in June 2014). The amounts received in terms of feed-in tariff since 14 July 2013 are be subject to a final settlement that will be conducted during the first nine monthly payments following July 2014. The sixth provisional settlement of 2014 (corresponding to the energy produce in June 2014) is the first payment calculated pursuant to the new methodology set forth in RD 413/2014 and Order 1045/2014.

Note 10 - Financial Instruments

Fair value

(1) Financial instruments measured at fair value for disclosure purposes only

The carrying amounts of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other receivables, other short-term investments, deposits, derivatives, bank overdraft, short-term loans and borrowings, trade payables, other payables are the same or proximate to their fair value.

The fair values of the other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	June 30, 2014	
	Carrying amount	Fair value
	US$ in thousands	
Liabilities		
Marketable non-convertible debentures (including current maturities)	**56,468**	**57,940**
Loans from banks and others (including current maturities)	**4,854**	**4,800**
Finance lease obligations (including current maturities)	**6,948**	**5,845**
	68,270	**68,585**

	December 31, 2013	
	Carrying amount	Fair value
	US$ in thousands	
Liabilities		
Loans from banks and others (including current maturities)	30,108	29,992
Finance lease obligations (including current maturities)	7,210	5,925
	37,318	35,917

(2) Fair value hierarchy of financial instruments measured at fair value

The table below presents an analysis of financial instruments measured at fair value on the temporal basis using valuation methodology in accordance with hierarchy fair value levels. The various levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: inputs that are not based on observable market data (unobservable inputs).

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
	NIS thousands			
Financial assets:				
Other asset	**-**	**-**	**1,480**	**1,480**
Swap contracts	**-**	**349**	**-**	**349**
Option to acquire additional	**-**	**-**	**355**	**355**
	-	**349**	**1,835**	**2,184**

Note 10 - Financial Instruments (cont'd)

Fair value (cont'd)

(2) Fair value hierarchy of financial instruments measured at fair value (cont'd)

	June 30, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
	NIS thousands			
Financial liabilities:				
Swap contracts	**-**	**3,184**	**-**	**3,184**

	December 31, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
	NIS thousands			
Financial assets:				
Option to acquire additional	-	-	389	389
Financial liabilities:				
Swap contracts	-	2,520	-	2,520

There have been no transfers from any Level to another Level in 2014.

Note 10 - Financial Instruments (cont'd)

Fair value (cont'd)

(3) Details regarding fair value measurement at Levels 2 and 3

Option to acquire additional shares in investee - The fair value of non-marketable options is determined based on valuations on a regular basis. Unobservable inputs relate to the fair value of the option to acquire additional shares in investee was calculated based on a binomial option pricing model considering estimates and parameters such as NAV (net asset value) of Dori Energy, which was determined based on the value of Dorad, estimated according to the discounted operational cash flows of Dorad, discounted by the return on equity of Dorad and net of its financial liabilities as at June 30, 2014.

Swap contracts – The fair value of swap contracts is measured on the basis of discounting the difference between the forward price in the contract and the current price for the residual period until redemption using market interest rates appropriate for similar instruments, including the adjustment required for the parties' credit risks.

Other asset – refers to a receivable in connection with PSP Gilboa, see Note 9A(2). The fair value is estimated according to the cash flows expected to be received in 4.5 years following the financial closing of PSP Gilboa, discounted at a weighted interest rate reflecting the credit risk of the debtor.

(4) Valuation processes used by the Company

The fair value of non-marketable options is determined based on valuations on a quarterly basis.

Note 10 - Financial Instruments (cont'd)

Fair value (cont'd)

(5) Level 3 financial instruments carried at fair value

The table hereunder presents reconciliation from the opening balance to the closing balance of financial instruments carried at fair value level 3 of the fair value hierarchy:

	Financial assets
	Other asset
	US$ in thousands
Balance as at December 31, 2013	**-**
Total income recognized in profit or loss	**1,480**
Balance as at June 30, 2014	**1,480**

	Financial assets
	Option to purchase Additional shares in investee
	US$ in thousands
Balance as at December 31, 2012	**485**
Total loss recognized in profit or loss	**(236)**
Foreign currency translation adjustments	**140**
Balance as at December 31, 2013	**389**
Total loss recognized in profit or loss	**(38)**
Foreign currency translation adjustments	**4**
Balance as at June 30, 2014	**355**

Note 10 - Financial Instruments (cont'd)

Fair value (cont'd)

(6) Fair value sensitivity analysis of level 3 financial instruments carried at fair value

Even though the Company believes that the fair values determined for measurement and/or disclosure purposes are appropriate, the application of different assumptions or different measurement methods may change such fair values. As regards fair value measurements classified in level 3 of the fair value hierarchy, a reasonably possible change in one or more unobservable inputs would have increased (decreased) profit or loss and equity as follows (after tax):

Option to purchase additional shares in investee:

	June 30, 2014			
	Increase		Decrease	
	Profit or loss	Equity	Profit or loss	Equity
	US$ in thousands			
Change in volatility of 10%	**150**	**150**	**(140)**	**(140)**
Change in volatility of 20%	**315**	**315**	**(258)**	**(258)**
Change in interest rate of 1%	**10**	**10**	**(7)**	**(7)**
Change in interest rate of 2%	**20**	**20**	**(7)**	**(7)**

	December 31, 2013			
	Increase		Decrease	
	Profit or loss	Equity	Profit or loss	Equity
	US$ in thousands			
Change in volatility of 10%	135	135	(116)	(116)
Change in volatility of 20%	268	268	(211)	(211)
Change in interest rate of 1%	10	10	(9)	(9)
Change in interest rate of 2%	21	21	(9)	(9)

Other asset:

	June 30, 2014			
	Increase		Decrease	
	Profit or loss	Equity	Profit or loss	Equity
	US$ in thousands			
Change in interest rate of 1%	**(57)**	**(57)**	**59**	**59**
Change in interest rate of 2%	**(111)**	**(111)**	**122**	**122**

Note 11 - Subsequent Events

In July 2014 the Company entered into definitive agreements for the purchase of three photovoltaic (solar) plants with installed capacity of approximately 5.6MWp in the aggregate (the "Spanish PV Plants").

The Spanish PV Plants are ground mounted fixed technology plants and are located in Murcia, Spain.

The Spanish PV Plants were already constructed and operating and were connected to the Spanish national grid in 2011.

The Spanish PV Plants were acquired from a Spanish company whose German parent company has entered into insolvency proceedings. The Spanish PV Plants and all associated assets and rights were purchased by Ellomay for an aggregate purchase price of Euro 9.5 million (approximately $13,000 thousand), subject to certain purchase price adjustments. In May 2014, a non-refundable down payment of $ 408 thousand was paid.

The transaction was closed after the balance sheet date.

Exhibit 99.3

Operating and Financial Review and Prospects

The following discussion and analysis is based on and should be read in conjunction with our unaudited condensed consolidated interim financial statements for the six month period ended June 30, 2014 furnished herewith as Exhibit 99.1 and in conjunction with our consolidated financial statements, including the related notes, and the other financial information included in our annual report on Form 20-F for the year ended December 31, 2013, or the Annual Report, filed with the Securities and Exchange Commission, or SEC, on March 31, 2014. The following discussion contains forward-looking statements that reflect our current plans, estimates and beliefs and involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and in the Annual Report.

IFRS

Our financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the IASB, which differ in certain respects from U.S. Generally Accepted Accounting Principles, or U.S. GAAP.

Overview

We are in the business of energy and infrastructure and our operations mainly include production of renewable and clean energy. We own sixteen photovoltaic plants, or PV Plants, that are connected to their respective national grids and operating as follows: (i) twelve photovoltaic plants in Italy with an aggregate installed capacity of approximately 22.6 MWp, (ii) three photovoltaic plants in Spain with an aggregate installed capacity of approximately 5.6 MWp and (iii) 85% of one photovoltaic plant in Spain with a installed capacity of approximately 2.3 MWp. In addition, we indirectly own 7.5% of Dorad Energy Ltd., or Dorad, which owns an approximate 800 MWp bi-fuel operated power plant in the vicinity of Ashkelon, Israel (and an option to increase our indirect holdings in Dorad under certain conditions to 9.375%).

The following table includes information concerning our PV Plants:

PV Plant Title	Installed Capacity[1]	Location	Technology of Panels	Connection to Grid	FiT (€/kWh)[2]	Revenue in the six months ended June 30, 2013 (in thousands)[3]	Revenue in the six months ended June 30, 2014 (in thousands)[3]
"Troia 8"	995.67 kWp	Province of Foggia, Municipality of Troia, Puglia region, Italy	Fix	January 14, 2011	0.346	$400	$369
"Troia 9"	995.67 kWp	Province of Foggia, Municipality of Troia, Puglia region, Italy	Fix	January 14, 2011	0.346	$403	$377
"Del Bianco"	734.40 kWp	Province of Macerata, Municipality of Cingoli, Marche region, Italy	Fix	April 1, 2011	0.346	$209	$259
"Giaché"	730.01 kWp	Province of Ancona, Municipality of Filotrano, Marche region, Italy	Duel Axes Tracker	April 14, 2011	0.346	$296	$306
"Costantini"	734.40 kWp	Province of Ancona, Municipality of Senigallia, Marche region, Italy	Fix	April 27, 2011	0.346	$258	$275
"Massaccesi"	749.7 kWp	Province of Ancona, Municipality of Arcevia, Marche region, Italy	Duel Axes Tracker	April 29, 2011	0.346	$289	$323
"Galatina"	994.43 kWp	Province of Lecce, Municipality of Galatina, Puglia region, Italy	Fix	May 25, 2011	0.346	$406	$344

PV Plant Title	Installed Capacity[1]	Location	Technology of Panels	Connection to Grid	FiT (€/kWh)[2]	Revenue in the six months ended June 30, 2013 (in thousands)[3]	Revenue in the six months ended June 30, 2014 (in thousands)[3]
"Pedale (Corato)"	2,993 kWp	Province of Bari, Municipality of Corato, Puglia region, Italy	Single Axes Tracker	May 31, 2011	0.289	$1,227	$1,173
"Acquafresca"	947.6 kWp	Province of Barletta-Andria-Trani, Municipality of Minervino Murge, Puglia region, Italy	Fix	June 2011	0.291	$325	$295
"D'Angella"	930.5 kWp	Province of Barletta-Andria-Trani, Municipality of Minervino Murge, Puglia region, Italy	Fix	June 2011	0.291	$317	$292
"Soleco"	5,923.5 kWp	Province of Rovigo, Municipality of Canaro, Veneto region, Italy	Fix	August 2011	0.238	$-[4]	$1,570
"Tecnoenergy"	5,899.5 kWp	Province of Rovigo, Municipality of Canaro, Veneto region, Italy	Fix	August 2011	0.238	$-[4]	$1,508
"Rinconada II"[5]	2,275 kWp	Municipality of Córdoba, Andalusia, Spain	Fix	July 2010	N/A (the FiT for 2013 was 0.322162)[6]	$710	$440
"Rodríguez I"	1,675 kWp	Province of Murcia, Spain	Fix	November 2011	N/A[6]	$-[7]	$-[7]
"Rodríguez II"	2,691 kWp	Province of Murcia, Spain	Fix	November 2011	N/A[6]	$-[7]	$-[7]
"Fuente Librilla"	1,248 kWp	Province of Murcia, Spain	Fix	June 2011	N/A[6]	$-[7]	$-[7]

1. The actual capacity of a photovoltaic plant is generally subject to a degradation of 0.5%-0.7% per year, depending on climate conditions and quality of the solar panels.

2. In addition to the Feed in Tariff, or FiT, payment, our Italian PV Plants are eligible to receive the price paid for the electricity generated by the plant ("ritiro dedicato") equal to the applicable electricity market price. Until December 31, 2013 Italian PV plants with a capacity under 1 MW were eligible to receive a minimum market price guarantee, as a function of supply and demand, on an hourly basis for different zones within Italy. Resolution no. 618/2013/R/EFR dated December 19, 2013 set a replacement, starting January 1, 2014, of the minimum guaranteed prices with the zonal hourly prices set out for each specific area (so called prezzi zonali orari, i.e. the average monthly price, correspondent to each hour, as resulting from the electric market price on the area where the PV plant is located).

3. Due to regulatory changes in Italy, principally Law 116/2014, which generally provides for a decrease in the FiT guaranteed to existing photovoltaic plants commencing January 1, 2015, these results are not indicative of our results in future periods. These results are also not indicative of future results due to other various factors, including changes in the climate and the degradation of the solar panels. For more information concerning recent regulatory changes see note 9 to our unaudited condensed consolidated interim financial statements as at June 30, 2014.

4. The acquisition of this PV Plant was consummated on June 26, 2013 and therefore revenues for the period prior to consummation of the acquisition are not reflected herein and in our results for the six months ended June 30, 2013.

5. This PV Plant is 85% owned by us.

6. Due to regulatory changes in Spain, principally RDL 9/2013, which replaced the remunerative regime for owners of a renewable installation, these results are not indicative of our results in future periods. For more information concerning recent regulatory changes see note 9 to our unaudited condensed consolidated interim financial statements as at June 30, 2014.

7. As the acquisition of these PV Plants was consummated after the balance sheet date, revenues for these PV Plants are not reflected in these amounts and in our results for such periods.

Our ordinary shares are listed on the NYSE MKT under the symbol ELLO and on the Tel Aviv Stock Exchange under the symbol ELOM. The address of our registered office is 9 Rothschild Blvd., Tel Aviv, Israel.

Certain Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our unaudited condensed consolidated interim financial statements, which have been prepared in accordance with IFRS. 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 condensed consolidated interim financial statements, as well as the reported amounts of expenses during the periods presented. Actual results could differ from those estimates.

As a result of the significant funds raised in Israel in the beginning of 2014 and the related currency interest rate swap transactions used to exchange the NIS denominated Series A Debentures notional principle with a Euro notional principal (described below and in note 8 to our unaudited condensed consolidated interim financial statements as at June 30, 2014), together with the increasing influence of the Euro over the primary economic environment in which we operate and the increase in our holdings of photovoltaic operations in Italy and Spain, we re-evaluated our functional currency. Consequently, our management determined that our functional currency changed from the U.S. Dollar to the Euro with effect from January 1, 2014. The change of our functional currency has been accounted for prospectively in accordance with IAS 21 "The Effects of changes in Foreign Exchange Rates." Items included in the financial statements of each of our subsidiaries and associates are measured using their functional currency. We elected the U.S. dollar as our presentation currency.

The critical accounting policies described in Item 5 of our Annual Report and in notes 2 and 3 of our unaudited condensed consolidated interim financial statements as at June 30, 2014, are those that require management's more significant judgments and estimates used in the preparation of our condensed consolidated interim financial statements.

Results of Operations

Six Months Ended June 30, 2014 Compared with Six Months Ended June 30, 2013

Revenues were approximately $7.5 million for the six months ended June 30, 2014, compared to approximately $4.8 million for the six months ended June 30, 2013. Operating expenses were approximately $1.5 million for the six months ended June 30, 2014, compared to approximately $0.9 million for the six months ended June 30, 2013. Depreciation expenses were approximately $2.6 million for the six months ended June 30, 2014, compared to approximately $1.4 million for the six months ended June 30, 2013. These increases resulted from the acquisition of two photovoltaic plants in the Veneto Region, Italy, or the Veneto PV Plants, on June 26, 2013.

Impairment charges were approximately $0.6 million for the six months ended June 30, 2014, compared to $0 for the six months ended June 30, 2013. Due to regulatory changes in Italy, principally Law 116/2014 providing for a decrease in the FiT guaranteed to existing photovoltaic plants, the Company examined the recoverability of its photovoltaic plants in Italy. As the book value as at June 30, 2014 of some of the photovoltaic plants exceeded their recoverable amount, the Company recognized in those cases impairment charges. For more information see note 5 to our unaudited condensed consolidated interim financial statements as at June 30, 2014.

General and administrative expenses were approximately $2.3 million for the six months ended June 30, 2014, compared to approximately $1.3 million for the six months ended June 30, 2013. The increase compared to the corresponding period in 2013 resulted mainly from the inclusion in the general and administrative expenses for the corresponding period in 2013 of proceeds from a bond received from a contractor of four of our photovoltaic plants that entered into insolvency proceedings, in the amount of approximately $0.6 million, which offset general and administrative expenses for that period. In addition, the general and administrative expenses for the six months ended June 30, 2014 include expenses that were not included in the corresponding period in 2013, mainly executive officers' bonuses, an increase in management fees, and expenses in connection with a pre-bid agreement executed with respect to a joint offer to acquire participating interests in two exploration and drilling licenses off-shore Israel.

Share of losses of equity accounted investees, after elimination of intercompany transactions, was approximately $0.2 million in the six months ended June 30, 2014, compared to approximately $0.2 million in the six months ended June 30, 2013.

Other income was approximately $1.8 million for the six months ended June 30, 2014, compared $2.6 million for the six months ended June 30, 2013. Other Income for the six months ended June 30, 2014 was primarily attributable to compensation to be received in connection with a pumped storage project in the Gilboa, Israel. For more information see note 9 to our unaudited condensed consolidated interim financial statements as at June 30, 2014. Other Income for the six months ended June 30, 2013 was primarily attributable to the fair value measurement of options to acquire additional shares of U. Dori Energy Infrastructures Ltd., or Dori Energy.

Gain on bargain purchase was $0 for the six months ended June 30, 2014 compared to approximately $10.2 million for the six months ended June 30, 2013. The gain on bargain purchase for the six months ended June 30, 2013 resulted from the consummation on June 26, 2013 of the acquisition of the Veneto PV Plants. The final consideration paid for the Veneto PV Plants and the related licenses was approximately Euro 23.5 million (approximately $30.7 million). The Veneto PV Plants were acquired in a tender process from Solibra Solar Solutions GmbH, or Solibra, a German company in insolvency proceedings. The factors that we believe contributed to bargain purchase price were: (a) as noted, the seller was in insolvency proceedings and was therefore under pressure to realize the assets and repay its creditors; (b) for various reasons, including the complexity of a cross-border transaction (with due diligence efforts required in both Italy and Germany), a limited number of bids were submitted, and only a few of those were actually considered; (c) one of the critical considerations upon which the liquidator selected the top proposals was the issue of funding, with preference provided to proposals that included full self-financing over proposals that included obtaining financing as a condition on the part of the bidder, and our bid was not conditioned on obtaining additional financial resources in order to fully fund the purchase price; (d) the liquidator was interested in selling the two plants together, mainly due to the complexity of splitting the existing contracts between the two plants (insurance contracts, security, maintenance, etc.) and for reasons of efficiency and time constraints, and our bid entailed the purchase of both plants; (e) we were already familiar with the Veneto PV Plants due to our interest in acquiring them in the past, and therefore we could more easily complete the due diligence process and structure a bid that would be acceptable to the liquidator; and (f) due to the limited number of bids considered by the liquidator, we were also able to enter into direct negotiations with the liquidator following the tender process, which eventually resulted in an additional price reduction as the liquidator believed a further reduction would contribute to the efficient consummation of the acquisition. We believe that these factors, combined with our experience in the Italian photovoltaic field and our familiarity with the Veneto PV Plants, provided the liquidator with the assurance that the transaction, if executed with us, would be consummated swiftly and efficiently. Taking into account the liquidator's interest in realizing the assets under receivership and advancing the insolvency proceedings, the liquidator was willing to sell the Veneto PV Plants to us at a bargain price.

Financing expenses, net were approximately $2.5 million in the six months ended June 30, 2014, compared to approximately $0.3 million in the six months ended June 30, 2013. Approximately $1.5 million of the increase in financing expenses was attributable to the fair value measurement of swap contracts, approximately $1 million is due to expenses in connection with the repayment of a loan by a wholly-owned Italian subsidiary of the Company and termination of related swap contract and approximately $0.9 million is attributable to interst payments made in connection with our Series A Debentures issued in 2014. The increase in financing expenses, net was partially offset by income from exchange rate differences in 2014 compared to expenses in 2013 on cash and cash equivalents, short-term bank loans and Series A Debentures denominated in foreign currencies.

Taxes on income were approximately $0.1 million in the six months ended June 30, 2014, compared to approximately $0.8 million in the six months ended June 30, 2013. This decrease in taxes on income compared to the corresponding period in 2013 resulted mainly from increased tax expenses in the corresponding period in 2013 due to the inclusion in the general and administrative expenses of proceeds from a bond received from a contractor of four of our photovoltaic plants that entered into insolvency proceedings. In addition, increased expenses in connection with the repair of a land slide in one of our Italian PV plants and deferred tax income in connection with impairment charges both resulted in lower tax expenses in the six months ended June 30, 2014.

Other comprehensive loss from foreign currency translation differences from foreign operations were approximately $1 million in the six months ended June 30, 2014, compared to income of approximately $0.5 million in the six months ended June 30, 2013. Income (loss) from foreign currency translation resulted from the revaluation of the Euro against the U.S. dollar and the revaluation of the NIS against the U.S. dollar. Our total comprehensive loss for the six months ended June 30, 2014 was approximately $1.6 million, compared to total comprehensive income of approximately $13.3 million in the six months ended June 30, 2013. The total comprehensive income for the six months ended June 30, 2013 was primarily due to gain on bargain purchase in the amount of approximately $10.2 million recorded in connection with the acquisition of the Veneto PV Plants, approximately $2.6 million income in connection with the fair value measurement of an option to purchase additional shares of Dori Energy and approximately $1.2 million financing income attributable to the fair value measurement of swap contracts.

Impact of Inflation, Devaluation and Fluctuation of Currencies

We hold cash and cash equivalents, restricted cash and short-term deposits in various currencies, including US$, Euro and NIS. Our investments in the Italian and Spanish PV Plants and in Dori Energy are denominated in Euro and NIS. Our Series A Debentures are denominated in NIS and the interest and principal payments are made in NIS and the financing we have obtained in connection with six of our PV Plants bears interest that is based on EURIBOR rate. We therefore are affected by changes in the prevailing Euro/U.S. dollar and Euro/NIS exchange rates. As more fully detailed under “Disclosure about Market Risk” below and in notes 8 and 10 of our unaudited condensed consolidated interim financial statements as at June 30, 2014, we entered into various swap transactions in order to minimize our currency risks. We cannot predict the rate of appreciation/depreciation of the NIS or the U.S. dollar against the Euro in the future, and whether these changes will have a material adverse effect on our finances and operations.

The table below set forth the annual and semi-annual rates of revaluation (or devaluation) of the NIS against the Euro and of the U.S. dollar against the Euro.

	Year ended December 31,		Six months ended June 30,	
	2013	2012	2014	2013
Revaluation (Devaluation) of the NIS against the Euro	(2.8)%	(0.4)%	(1.8)%	(4.1)%
Revaluation (Devaluation) of the U.S. Dollar against the Euro	(4.3)%	(2)%	0.9%	1%

The semi-annual rate of inflation in Israel was 2% in the six months ended June 30, 2013 and it decreased to 0% in the six months ended June 30, 2014.

The representative Euro exchange rate was U.S. dollar 1.3 for one Euro on June 30, 2013, and U.S. dollar 1.37 for one Euro on June 30, 2014. The average exchange rates for converting the U.S. dollar to Euro during the six-month periods ended June 30, 2013 and 2014 were U.S. dollar 1.31 and 1.37 for one Euro, respectively. The exchange rate as of September 15, 2014 was U.S. dollar 1.29 for one Euro.

The representative Euro exchange rate was NIS 4.72 for one Euro on June 30, 2013, and NIS 4.69 for one U.S. dollar on June 30, 2014. The average exchange rates for converting the NIS to Euro during the six-month periods ended June 30, 2013 and 2014 were NIS 4.82 and 4.77 for one Euro, respectively. The exchange rate as of September 15, 2014 was NIS 4.69 for one Euro.

For information concerning our functional currency see note 2 to our unaudited condensed consolidated interim financial statements as at June 30, 2014.

Governmental Economic, Fiscal, Monetary or Political Policies or Factors that have or could Materially Affect our Operations or Investments by U.S. Shareholders

Governmental Regulations Affecting the Operations of our PV Plants

Our PV Plants are subject to comprehensive regulation and we sell the electricity produced by our PV Plants for rates determined by governmental legislation and to local governmental entities. Any change in the legislation that affects PV plants such as our PV Plants could materially adversely affect our results of operations. The recent economic crisis in Europe and specifically in Italy and Spain could cause the applicable legislature to reduce benefits provided to operators of PV plants or to revise the Feed-in-Tariff system that currently governs the sale of electricity in Italy and Spain.

In August 2014 a new law, or Law 116/2014, was approved in Italy, providing for a decrease in the FiT guaranteed to existing photovoltaic plants with installed capacity of more than 200 kW. For more information concerning Law 116/2014 and other regulatory information see note 9 of our unaudited condensed consolidated interim financial statements as at June 30, 2014 and “Item 3.D: Risk Factors - Risks Related to the PV Plants” and “Item 4.B: Material Effects of Government Regulations on the PV Plants” of our Annual Report.

Effective Israeli Corporate Tax Rate

Israeli companies are generally subject to company tax on their taxable income. The applicable rate was 26% in 2009, 25% in 2010 and 24% in 2011, and was scheduled to be reduced gradually to 18% by 2016. However, due to amendments introduced in December 2011 to the Israeli Income Tax Ordinance, the rate commencing January 1, 2012 was set at 25% and due to recent amendments from August 2013, the corporate tax rate was raised by 1.5% to a rate of 26.5% as from January 1, 2014.

Liquidity and Capital Resources

As of September 15, 2014, we held approximately $38.7 million in cash and cash equivalents, approximately $0.3 million in short-term restricted cash, approximately $4 million in short-term deposits and approximately $4.3 million in long-term restricted cash.

Although we now hold the aforementioned funds, we may need additional funds if we seek to acquire certain new businesses and operations. 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 ensure that additional financing will be available on commercially reasonable terms or at all.

We entered into various financing agreements in connection with the financing of six of our PV Plants (of which a loan from Unicredit S.p.A with respect to two of our PV Plants was repaid in 2014) and the financing of our portion of Dori Energy's obligations to Dorad. We also secured short term bank financing in connection with the financing of our PV operations from Leumi USA (that was repaid during 2013). In addition, during 2013 we entered into a loan agreement with Israel Discount Bank Ltd. or the Discount Loan Agreement (that was repaid as of June 30, 2014), and in January 2014 we issued the Series A Debentures. For more information concerning the various financing agreements we entered into and our Series A Debentures, please refer to Item 5 of our Annual Report and to notes 6, 7 and 8 to our unaudited condensed consolidated interim financial statements as at June 30, 2014.

We currently have no commitments for additional financing, however we intend to finance the remainder of our PV Plants by bank loans or other means of financing.

As of June 30, 2014 we had a working capital of approximately $36.2 million. In our opinion, our working capital is sufficient for our present requirements.

We currently invest our excess cash in cash and cash equivalents that are highly liquid and in short term deposits.

At June 30, 2014, we held approximately $42.9 million in cash and cash equivalents, approximately $0.3 million in short-term restricted cash and approximately $4.3 million in long-term restricted cash, compared with approximately $7.2 million in cash and cash equivalents, approximately $5.6 million in short-term restricted cash, approximately $5.2 million in short-term deposits and approximately $4.3 million in long-term restricted cash we held at December 31, 2013. The increase in cash and cash equivalents is mainly attributable to the proceeds received from the issuance of our Series A Debentures in January 2014 and the issuance of additional Series A Debentures in June 2014.

As of June 30, 2014, we had recorded commitments for capital expenditures in the amount of approximately $2 million for services that were substantially preformed in connection with agreements entered into during 2010 through 2011. In addition, we had capital expenditures in the amount of approximately $13 million for the purchase of three photovoltaic (solar) plants with installed capacity of approximately 5.6 MWp in the aggregate (see note 11 to our unaudited condensed consolidated interim financial statements as at June 30, 2014). We anticipate using our cash assets and financing from third party financing entities (especially in connection with the financing of our Italian PV Plants) in order to meet such commitments.

Cash flows

The following table summarizes our cash flows for the periods presented:

	Six months ended June 30,	
	2014	**2013**
	(U.S. dollars in thousands)	
Net cash (used in) provided by operating activities	91	(1,246)
Net cash provided by (used in) investing activities	5,916	(41,555)
Net cash provided by financing activities	30,285	11,033
Exchange differences on balances of cash and cash equivalents	(637)	108
Increase (decrease) in cash and cash equivalents	35,655	(31,660)
Cash and cash equivalents at beginning of period	7,238	33,292
Cash and cash equivalents at end of period	42,893	1,632

Operating activities

In the six months ended June 30, 2014, we had a net loss of approximately $0.5 million. Net cash provided by operating activities was approximately $0.1 million.

In the six months ended June 30, 2013, we had net income of approximately $12.8 million. Net cash used in operating activities was approximately $1.2 million, primarily due to a delay in the collection of income from electricity in connection with our Italian PV Plants that was collected subsequent to June 30, 2013.

Investing activities

Net cash provided by investing activities was approximately $5.9 million in the six months ended June 30, 2014, primarily due to restricted cash that was released following the repayment of loans and release of short term deposits, partially offset by the grant of long-term loans to an investee.

Net cash used in investing activities was approximately $41.5 million in the six months ended June 30, 2013, primarily due to acquisition of subsidiaries. The acquisition of two photovoltaic plants in the Veneto Region, Italy occurred on June 26, 2013 and the final consideration paid for the Veneto PV Plants and the related licenses was approximately Euro 23.5 million (approximately $30.7 million).

Financing activities

Net cash provided by financing activities in the six months ended June 30, 2014 was approximately $30.3 million, primarily due to funds raised in connection with issuances of our Series A Debentures in January 2014 and June 2014, net of repayments of long-term bank loans and financial lease obligations.

Net cash provided by financing activities in the six months ended June 30, 2013 was approximately $11 million, primarily due to the Discount Loan Agreement entered into in June 2013, net of repayments of long term bank loans and financial lease obligations.

In January 2014, we issued NIS 120 million (approximately $34.4 million, as of the issuance date) of unsecured non-convertible Series A Debentures through a public offering that was limited to residents of Israel. In June 2014 we issued an additional NIS 80.341 million (approximately $23.3 million, as of the issuance date) Series A Debentures to Israeli classified investors in a private placement. The aggregate net proceeds received in connection with the offering of our Series A Debentures during the six months ended June 30, 2014 were approximately NIS 193.6 million (approximately $55.8 million).

As of June 30, 2014, we were not in default of any financial covenants under the agreements with, Centrobanca and Leasint, or under the Deed of Trust for our Series A Debentures.

As of June 30, 2014, our total current assets amounted to approximately $49.5 million, out of which approximately $42.9 million was in cash and cash equivalents, compared with total current liabilities of approximately $13.2 million. Our assets held in cash equivalents are held in money market accounts and short-term deposits, substantially all of which are highly liquid investments that are readily convertible to cash with original maturities of three months or less at the date acquired.

As of June 30, 2013, our total current assets amounted to approximately $22.5 million, out of which approximately $7.2 million was in cash and cash equivalents and $5.2 in short-term deposits, compared with total current liabilities of approximately $27 million.

The increase in our cash balance is mainly attributable to the issuances of our Series A Debentures in January and June 2014.

Contractual Obligations

As of June 30, 2014, except for the short-term and long-term financing obtained through June 30, 2014 as described above (including the Series A Debenture issuances), there have been no material changes to the contractual obligations we disclosed in our Annual Report.

Disclosure about Market Risk

We are exposed to a variety of risks, including foreign currency fluctuations and changes in interest rates. We regularly assess currency and interest rate risks to minimize any adverse effects on our business as a result of those factors and periodically use hedging transactions in order to attempt to limit the impact of such changes.

We hold cash and cash equivalents, restricted cash and short-term deposits in various currencies, including US$, Euro and NIS. Our investments in the Italian and Spanish PV Plants are denominated in Euro and in Dori Energy are denominated in NIS, the financing we have obtained in connection with six of our PV Plants bears interest that is based on EURIBOR rate and our Series A Debentures are denominated in NIS.

Inflation and Fluctuation of Currencies

We utilized certain foreign currency interest rate swap contracts to manage the foreign exchange risk resulting from Series A Debentures denominated in NIS and our Euro based PV operations. In the future, we may enter into additional forward foreign currency exchange or other derivatives contracts to further hedge our exposure to foreign currency exchange rates.

Interest Rate

As detailed in our Annual Report, we utilize interest rate swap derivatives to convert certain floating-rate debt to fixed-rate debt. Our interest rate swap derivatives involve an agreement to pay a fixed-rate interest and receive a floating-rate interest, at specified intervals, calculated on an agreed notional amount that matches the amount of the original loan and paid on the same installments and maturity dates. In the future, we may enter into additional interest rate swaps or other derivatives contracts to further hedge our exposure to fluctuations in interest rates.

For sensitivity analyses and more information concerning hedging transaction see note 10 of our unaudited condensed consolidated interim financial statements as at June 30, 2014.

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 3.D. "Risk Factors" in our Annual Report, 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.