

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

Form 20-F/A
(Amendment No. 1)

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report...March 4, 2010

Commission File Number 000-26498

ELLOMAY CAPITAL LTD.

(Exact Name of Registrant as specified in its charter)

ISRAEL

(Jurisdiction of incorporation or organization)

9 Rothschild Boulevard, 2nd floor

Tel Aviv 66881, Israel

(Address of principal executive offices)

Kalia Weintraub, Chief Financial Officer

Tel: +972-3-797-1108; Facsimile: +972-3-797-1122

9 Rothschild Boulevard, 2nd floor

Tel Aviv 66881, Israel

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act: None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Ordinary Shares

NIS 1.00 par value per share

Title of Class

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Title of Class

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of March 4, 2010: 73,786,428 ordinary shares, NIS 1.00 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as
issued
by the International Accounting Standards
Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

EXPLANATORY NOTE

This Amendment no. 1 (the “Amendment”) to the Annual Report on Form 20-F for the year ended December 31, 2009 and Shell Company Report (the “Original Report”), of Ellomay Capital Ltd. (the “Registrant”) is being filed to include the auditors’ report of BDO Limited (formerly BDO McCabe Lo Limited) (“BDO”), which were the independent auditors of one of our subsidiaries until December 31, 2007.

The Original Report, filed by the Registrant on March 10, 2010, included BDO’s consent for the incorporation by reference of their audit report, dated June 26, 2008, in previously filed registration statements of the Registrant. However, the audit report itself was inadvertently omitted from the Original Report. It should be noted that BDO’s report, dated June 26, 2008, was included in the Registrant’s Annual Reports for the years ended December 31, 2007 and December 31, 2008.

Other than as expressly set forth herein, this Amendment does not, and does not purport to, amend or restate any other information contained in the Original Report, nor does this Amendment reflect any events that have occurred after the Original Report was filed.

ITEM 18: Financial Statements

See Financial Statements included at the end of this report.

ITEM 19: Exhibits

Number Description

- 1.1 Memorandum of Association of the Registrant (translated from Hebrew)(1)
- 1.2 Second Amended and Restated Articles of the Registrant(2)
- 2.1 Specimen Certificate for ordinary shares(3)
- 2.2 Form of Warrant Agreement, dated April 17, 2005 between the Registrant and Dan Purjes(4)
- 2.3 Form of Registration Rights Agreement, dated March 7, 2005, between the Registrant and Dan Purjes(5)
- 2.4 Form of Warrant Agreement, dated October 31, 2005, among the Registrant and certain investors(6)
- 2.5 Form of Registration Rights Agreement, dated September 12, 2005, among the Registrant, certain investors, Bank Hapoalim, Bank Leumi and Israel Discount Bank(6)
- 2.6 Form of Warrant Agreement, dated December 8, 2005, between the Registrant and Bank Hapoalim B.M.(6)
- 2.7 Form of Warrant Agreement, dated December 8, 2005, between the Registrant and Bank Leumi le-Israel B.M.(6)
- 2.8 Form of Warrant Agreement, dated December 8, 2005, between the Registrant and Israel Discount Bank Ltd.(6)
- 2.9 Form of Subscription Agreement, between the Registrant and certain investors, executed in connection with a private placement completed in January and February 2007(7)
- 2.10 Form of Warrant Agreement, between the Registrant and certain investors, executed in connection with a private placement completed in January and February 2007 (7)
- 4.1 1995 Israel Stock Option Plan (previously referred to in Company filings as the 1995 Flexible Stock Incentive Plan or the 1995 Stock Option / Stock Purchase Plan)(2)
- 4.2 Amendment to the 1995 Israel Stock Option Plan(8)
- 4.3 1997 Stock Option Plan(9)
- 4.4 1998 Non-Employee Directors Share Option Plan(7)
- 4.5 2000 Stock Option Plan(7)
- 4.6 Form of Indemnification Agreement and Form of Exemption Letter between the Registrant and its officers and directors(10)
- 4.7 Asset Purchase Agreement, dated December 9, 2007, between the Registrant and Hewlett-Packard Company(11)
- 4.8 Management Services Agreement, by and among the Registrant, Kanir Joint Investments (2005) Limited Partnership and Meisaf Blue & White Holdings Ltd., effective as of March 31, 2008(12)

Number **Description**

4.9	Form of Offer to Repurchase Employee Stock Options, dated April 2, 2008(13)
4.10	Engineering Procurement & Construction Contract for the Construction of a Photovoltaic System in Cingoli, between Ellomay PV One S.R.L. and Ecoware S.P.A., dated March 4, 2010(14)
4.11	Engineering Procurement & Construction Contract for the Construction of a Photovoltaic System in Senigallia, between Ellomay PV One S.R.L. and Ecoware S.P.A., dated March 4, 2010(14)
4.12	Side Agreement, between Ellomay PV One S.R.L. and Ecoware S.P.A., dated March 5, 2010(14)
8	List of Subsidiaries of the Registrant (Not Applicable)
11	Code of Ethics(15)
12.1	Certification of Principal Executive Officer required by Rule 13a-14(a) and Rule 15d-14(a) (Section 302 Certification)
12.2	Certification of Principal Financial Officer required by Rule 13a-14(a) and Rule 15d-14(a) (Section 302 Certification)
13	Certification of Principal Executive Officer and Principal Financial Officer required by Rule 13a-14(b) and Rule 15d-14(b) (Section 906 Certification)
14.1	Consent of Kost Forer Gabbay & Kasierer
14.2	Consent of BDO Limited

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- (1) Previously filed with the Registrant's Form 20-F for the year ended December 31, 2007 and incorporated by reference herein.
 - (2) Previously filed with the Registrant's Form 20-F for the year ended December 31, 2008 and incorporated by reference herein.
 - (3) Previously filed with the Registrant's Form F-1 (File No. 33-93160) and incorporated by reference herein.
 - (4) Previously filed with the Registrant's Form 6-K dated February 6, 2005 and incorporated by reference herein.
 - (5) Previously filed with the Registrant's Form 20-F for the year ended December 31, 2004 and incorporated by reference herein.
 - (6) Previously filed with the Registrant's Form 6-K dated October 14, 2005 and incorporated by reference herein.
 - (7) Previously filed with the Registrant's Form 20-F for the year ended December 31, 2006 and incorporated by reference herein.
 - (8) Previously filed with the Registrant's Form F-1 (File No. 333-66103) and incorporated by reference herein.
 - (9) Previously filed with the Registrant's Form 6-K dated October 14, 1997 and incorporated by reference herein.
 - (10) Previously filed with the Registrant's Form 6-K dated November 24, 2009 and incorporated by reference herein.
 - (11) Previously filed with the Registrant's Form 6-K dated January 3, 2008 and incorporated by reference herein.
 - (12) Previously filed with the Registrant's Form 6-K dated December 1, 2008 and incorporated by reference herein.
 - (13) Previously filed with the Registrant's Form CB dated April 3, 2008 and incorporated by reference herein.
 - (14) Previously filed with the Original Report and incorporated by reference herein.
 - (15) Previously filed with the Registrant's Form 20-F for the year ended December 31, 2003 and incorporated by reference herein.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this report on its behalf.

Ellomay Capital Ltd.

By: */s/ Ran Fridrich*

Ran Fridrich

Chief Executive Officer

Dated: November 12, 2010

ELLOMAY CAPITAL LTD. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009

IN U. S. DOLLARS

INDEX

	<u>Page</u>
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Balance Sheets</u>	F-3 - F-4
<u>Consolidated Statements of Income (Operations)</u>	F-5
<u>Statements of Changes in Shareholders' Equity (Deficiency)</u>	F-6 - F-7
<u>Consolidated Statements of Cash Flows</u>	F-8 - F-9
<u>Notes to Consolidated Financial Statements</u>	F-10 - F-31



**REPORT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Shareholders and Board of Directors of
ELLOMAY CAPITAL LTD.**

We have audited the accompanying consolidated balance sheets of Ellomay Capital Ltd. ("the Company") and its subsidiaries as of December 31, 2008 and 2009 and the related consolidated statements of income (operations), changes in shareholders' equity (deficiency) and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of a consolidated subsidiary, whose revenues constitute 8% of total consolidated revenues for the year ended December 31, 2007. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for this subsidiary, is based solely on the report of the other auditor.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditor provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditor, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries at December 31, 2008 and 2009 and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2i to the consolidated financial statements, the Company adopted the provisions of Statement of Accounting Standards Codification ("ASC") 740-10, Income Taxes (formerly, Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes"), on January 1, 2007.

Tel-Aviv, Israel
March 10, 2010

/s/ KOST FORER GABBAY & KASIERER
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
NUR Asia Pacific Limited

We have audited the accompanying balance sheet of NUR Asia Pacific Limited (the "Company") as of December 31, 2007 and the related statements of operations, stockholders' deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NUR Asia Pacific Limited as of December 31, 2007, and the results of its operations and cash flows for year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO McCabe Lo Limited

BDO McCabe Lo Limited
Certified Public Accountants

Hong Kong, June 26, 2008

ELLOMAY CAPITAL LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	December 31,	
	2008	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 26,979	\$ 75,280
Short term deposits	49,000	-
Other accounts receivable and prepaid expenses (Note 3)	2,151	944
<u>Total current assets</u>	<u>78,130</u>	<u>76,224</u>
<u>OTHER ASSETS</u>	<u>102</u>	<u>67</u>
PROPERTY AND EQUIPMENT, NET (Note 4)	-	141
<u>Total assets</u>	<u>\$ 78,232</u>	<u>\$ 76,432</u>

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

CONSOLIDATED BALANCE SHEETS

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

	December 31,	
	2008	2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	37	44
Other accounts payable and accrued expenses (Note 5)	1,974	1,006
Total current liabilities	2,011	1,050
OTHER LONG TERM LIABILITIES (Note 6, Note 10b)	5,292	5,354
COMMITMENTS AND CONTINGENT LIABILITIES (Note 7)		
SHAREHOLDERS' EQUITY (Note 9):		
Share capital -		
Ordinary shares of NIS 1 par value:		
Authorized: 170,000,000 at December 31, 2008 and 2009; Issued and outstanding: 73,786,428 at December 31, 2008 and 2009	16,820	16,820
Additional paid-in capital	72,289	72,358
Accumulated deficit	(18,180)	(19,150)
Total shareholders' equity	70,929	70,028
Total liabilities and shareholders' equity	\$ 78,232	\$ 76,432

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

CONSOLIDATED STATEMENTS OF INCOME (OPERATIONS)

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

	Year ended December 31,		
	2007	2008	2009
Revenues (Note 12):			
Products	\$ 80,228	\$ 10,568	\$ -
Services	5,379	842	-
<u>Total revenues</u>	<u>85,607</u>	<u>11,410</u>	<u>-</u>
Cost of revenues:			
Products (a)	46,549	7,927	-
Inventory write-off	1,169	197	-
	47,718	8,124	-
Services	8,759	2,862	-
<u>Total cost of revenues</u>	<u>56,477</u>	<u>10,986</u>	<u>-</u>
Gross profit	29,130	424	-
Operating expenses:			
Research and development, net (Note 13a)	7,046	1,942	-
Selling and marketing	13,815	3,075	-
Doubtful accounts expenses	942	368	-
General and administrative	11,171	9,830	2,194
<u>Total operating expenses</u>	<u>32,974</u>	<u>15,215</u>	<u>2,194</u>
Operating loss	(3,844)	(14,791)	(2,194)
Gain on sale of Company's business, net	-	95,137	-
Financial income (expenses), net (Note 13b)	(1,738)	7,596	1,329
(Loss) income before taxes on income	(5,582)	87,942	(865)
Taxes on income (Note 10d)	838	966	105
Net (loss) income	<u>\$ (6,420)</u>	<u>\$ 86,976</u>	<u>\$ (970)</u>
Basic (loss) earnings per share	<u>\$ (0.09)</u>	<u>\$ 1.19</u>	<u>\$ (0.01)</u>
Diluted (loss) earnings per share	<u>\$ (0.09)</u>	<u>\$ 1.01</u>	<u>\$ (0.01)</u>
Weighted average number of shares used for computing basic (loss) earnings per share	<u>71,537,501</u>	<u>72,972,565</u>	<u>73,786,428</u>
Weighted average number of shares used for computing diluted (loss) earnings per share	<u>71,537,501</u>	<u>86,102,748</u>	<u>73,786,428</u>

(a) Includes rent expenses charged by a related party totaling \$ 372, \$ 62 and \$ 0 for the years ended December 31, 2007, 2008 and 2009, respectively.

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

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

	<u>Number of Ordinary Shares outstanding</u>	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Accumulated deficit</u>	<u>Total comprehensive income (loss)</u>	<u>Total shareholders' equity (deficiency)</u>
Balance as of January 1, 2007	60,523,886	\$ 13,635	\$ 61,956	\$ (475)	\$ (96,119)	-	\$ (21,003)
Issuance of shares and warrants, net	11,734,950	2,774	3,303	-	-	-	6,077
Stock - based compensation	-	-	1,003	-	-	-	1,003
Exercise of stock options	451,669	113	66	-	-	-	179
Cumulative effect adjustment upon adoption of ASC 740	-	-	-	-	(2,617)	-	(2,617)
Comprehensive loss:							
Net loss	-	-	-	-	(6,420)	\$ (6,420)	(6,420)
Foreign currency translation adjustments	-	-	-	602	-	602	602
Total comprehensive loss						<u>\$ (5,818)</u>	
Balance as of December 31, 2007	<u>72,710,505</u>	<u>16,522</u>	<u>66,328</u>	<u>127</u>	<u>(105,156)</u>		<u>(22,179)</u>

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

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

	<u>Number of Ordinary Shares outstanding</u>	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive income</u>	<u>Accumulated deficit</u>	<u>Total comprehensive income</u>	<u>Total shareholders' equity</u>
Balance as of January 1, 2008	72,710,505	16,522	66,328	127	(105,156)		(22,179)
Stock - based compensation	-	-	2,196	-	-	-	2,196
Exercise of warrants	1,065,923	295	215	-	-	-	510
Exercise of stock options	10,000	3	1	-	-	-	4
Repurchase of employee stock options	-	-	(1,451)	-	-	-	(1,451)
Cancellation of a subordinated note to related parties	-	-	5,000	-	-	-	5,000
Comprehensive income:							
Net income	-	-	-	-	86,976	\$ 86,976	86,976
Realization of foreign currency translation, net				(127)		(127)	(127)
Total comprehensive income						<u>\$ 86,849</u>	
Balance as of December 31, 2008	73,786,428	16,820	72,289	-	(18,180)		70,929
Stock - based compensation	-	-	69	-	-	-	69
Net loss	-	-	-	-	(970)		(970)
Balance as of December 31, 2009	<u>73,786,428</u>	<u>\$ 16,820</u>	<u>\$ 72,358</u>	<u>\$ -</u>	<u>\$ (19,150)</u>		<u>\$ 70,028</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		
	2007	2008	2009
<u>Cash flows used in operating activities:</u>			
Net income (loss)	\$ (6,420)	\$ 86,976	\$ (970)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Gain from sale of Company's business	-	(95,137)	-
Depreciation and amortization	1,387	256	11
Amortization of other intangible assets	42	-	-
Stock – based compensation	1,003	2,196	69
Foreign currency translation loss (gain) on inter company balances with foreign subsidiaries	(453)	109	-
Currency fluctuation of long-term debt	115	24	-
Amortization of accrued interest on restructured debt	-	(7,335)	-
Accrued severance pay, net	14	(405)	-
Decrease (increase) in trade receivables, net	(4,661)	4,812	-
Decrease (increase) in other accounts receivable and prepaid expenses	(1,831)	1,103	513
Increase in inventories	(4,478)	(2,768)	-
Write-off of inventories	1,169	197	-
Decrease(increase) in other assets	(111)	(26)	36
Increase in trade payables	9,833	2,192	7
Increase (decrease) in deferred revenues	170	718	-
Decrease in other accounts payable and accrued expenses	(726)	(3,735)	(968)
Increase in other long-term liability	811	1,661	61
Net cash used in operating activities	(4,136)	(9,162)	(1,241)
<u>Cash flows used in investing activities:</u>			
Proceeds from (investment in) restricted cash	(29)	146	-
Investment in short-term bank deposit	-	(49,000)	-
Proceeds from short term bank deposits			49,000
Purchase of property and equipment	(1,170)	(148)	(152)
Proceeds from sale of the Company's business, net (Note 1b)	-	103,554	694
Net cash provided by (used in) investing activities	(1,199)	54,552	49,542

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		
	2007	2008	2009
<u>Cash flows from financing activities:</u>			
Proceeds from issuance of shares and warrants, net	6,077	-	-
Proceeds from exercise of options and warrants	179	514	-
Repurchase of employee stock option	-	(1,451)	-
Short-term bank credit and short-term loans, net	(66)	(8,960)	-
Payment of long-term loans, including interest on restructured debt	(1,608)	(12,344)	-
Net cash provided by (used in) financing activities	4,582	(22,241)	-
Effect of exchange rate changes on cash and cash equivalents	187	(472)	-
Increase (decrease) in cash and cash equivalents	(566)	22,677	48,301
Cash and cash equivalents at the beginning of the year	4,868	4,302	26,979
Cash and cash equivalents at the end of the year	<u>\$ 4,302</u>	<u>\$ 26,979</u>	<u>\$ 75,280</u>
(1) <u>Supplemental disclosure of cash flows activities:</u>			
Cash paid during the year for:			
Interest	<u>\$ 1,524</u>	<u>\$ 527</u>	<u>\$ -</u>
Taxes	<u>\$ 96</u>	<u>\$ -</u>	<u>\$ -</u>
(2) <u>Supplemental disclosure of non-cash investing activities:</u>			
Transfer of equipment from inventory to property, plant and equipment	<u>\$ 227</u>	<u>\$ 443</u>	<u>\$ -</u>
Proceeds to be received from HP (see Note 1b)	<u>\$ -</u>	<u>\$ 1,183</u>	<u>\$ -</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 1:- GENERAL

- a. Ellomay Capital Ltd. (the "Company") (formerly: NUR Macroprinters Ltd.), an Israeli Company, is a shell company whose current plan of operations is to identify and evaluate suitable business opportunities and strategic alternatives, including through the acquisition of all or part of an existing business, pursuing business combinations or otherwise. Refer to Note 14, Subsequent event, for transaction entered into in February 2010. Until February 29, 2008, the Company and its subsidiaries (collectively, the "Group") developed, manufactured, sold and provided support services for digital wide format and super-wide format printing systems for on-demand, short-run printing as well as related consumable products.

Until February 29, 2008, the Company operated through wholly-owned subsidiaries for sales, support services and marketing of the Company's products in their country or region of domicile, some of which were sold to HP. Such entities include NUR Europe S.A. ("NUR Europe") in Belgium (sold to HP), NUR America, Inc. ("NUR America") in the U.S. (dissolved in 2008), NUR Asia Pacific Limited ("NUR Asia Pacific") in Hong Kong, NUR Do Brazil Ltda. ("NUR Brazil") in Brazil (sold to HP) and NUR Japan Ltd. ("NUR Japan") in Japan (sold to HP). As of December 31, 2009 the Company wholly owns, directly and indirectly, several subsidiaries that are currently inactive, most of which are already in the process of being dissolved.

- b. On February 29, 2008 (the "Closing Date"), the sale of the Company's business to HP (the "HP Transaction") was finalized. The aggregate consideration in connection with the HP Transaction amounted to \$ 122,600. Of the total consideration, an amount of \$ 500 withheld in connection with NUR Europe's obligations with respect to the government grants, and \$ 14,500 was deposited into an escrow account to secure the indemnity obligations of the Company and its remaining subsidiaries. The escrow funds, net of amounts distributed to HP in satisfaction of indemnity obligations, were to be distributed to the Company in two installments: \$ 9,500 was to be distributed eighteen months following the Closing Date and \$ 5,000 was to be distributed twenty-four months following the Closing Date.

In August 2009, the Company received two officer's certificates from HP requesting the release of funds in the aggregate amounts of approximately \$8,100 and Euro 2.4 million from the escrow funds. The claims included in the officer's certificates mainly refer to payments HP made to the Israeli Office of the Chief Scientist (the "OCS"), in connection with the transfer of technology claimed to have been developed with OCS funding, claims made by suppliers and alleged non-compliance with different environmental and safety regulations. The Company replied and objected to the claims made in the two Officer's Certificates on October 21, 2009 declining the vast majority of HP's claims (the Company has agreed to release an amount of approximately \$300 out of the escrow funds).

An additional officer's certificate was sent by HP in January 2010 in which HP claims additional losses in the aggregate amount of approximately \$2,900 in connection with further issues relating to non-compliance with safety regulations. With respect to the last Officer's Certificate, the Company rejects the claims made in the Officer's Certificate. The Company is of the position that since the due date for submitting an Officer's Certificate has passed, HP cannot attempt to raise new claims against the Escrow Funds.

At this stage it is premature to estimate the outcome and scope of indemnification to be paid to HP, if any, and therefore the escrow funds were not recorded as a receivable and were excluded from the calculation of the capital gain.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 1:- GENERAL (Cont.)

As part of the Agreement, the Company agreed to change its corporate name. The Company's name was changed to Ellomay Capital Ltd. in April 2008. In addition, the Company agreed not to solicit any former employees who were transferred to HP or to engage in any business engaged directly in the same business as conducted by the Company at closing, both for a period of three years following the Closing Date.

In connection with the HP Transaction, the Company's Board of Directors approved the acceleration of the vesting of all outstanding employee stock options following the Closing Date and the repurchase, subject to the fulfillment of regulatory requirements, of the then outstanding employee stock options, representing, in the aggregate, rights to purchase approximately 9.9 million ordinary shares of the Company. The aggregate consideration for such employee stock options was approximately \$ 3,800. Of the total aggregate consideration, approximately \$ 3,100 was paid in July 2008 and an additional payment, up to the aggregate amount, will be calculated after all HP Transaction related issues and other financial aspects of the Company are known and verified and will be paid following the release of the funds deposited in escrow. The Company recorded an accrual in the amount of \$ 414 with respect to its future liability, which is included within other long term liabilities.

Upon closing of the HP Transaction, the acceleration resulted in full recognition of the remaining unrecognized compensation costs of \$ 2,187. The repurchase was accounted for as a settlement in accordance ASC 718 "Compensation - Stock Compensation" and the amount paid in excess of the fair value of the options repurchased was recognized as additional compensation cost of \$1,610 in the statements of income (operations).

In connection with the HP Transaction, the Company's Board of Directors also approved the payment of transaction bonuses to certain employees in the aggregate amount of approximately \$ 700 and established that, subject to the aforementioned determination and verification of all transaction related issues and other financial aspects of the Company, additional bonuses may be paid to certain employees, based on criteria, amounts and percentages pre-determined by the Board. The amount of \$ 700 was paid during 2008 and was recorded as expense. In addition, the Company recorded a liability for the additional transaction bonuses in the amount of \$ 35.

As a result of the HP Transaction and the cessation of virtually all operations, a majority of the Company's employees that have not transferred to HP, including the majority of the Company's senior management, have been terminated by the Company. In connection with such terminations, the Company recorded severance-related expenses in 2008 in the approximate amount of \$ 2,800.

In March 2008, following the consummation of the HP Transaction, the Company fully repaid its short-term debt to its lender banks (the "Banks") in the amount of \$9,800. In April 2008, it fully repaid outstanding long-term debt to its banks in the amount of \$12,100. In May 2008, a \$ 5,000 subordinated note due to a related party was cancelled effective as of March 30, 2008. In connection with the cancellation of the subordinated note, the Company recognized a capital contribution of \$ 5,000. Upon full repayment of the loans, the Company recognized the remaining balance of accrued interest on restructured debt as financial income of approximately \$ 7,335.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)**NOTE 1:- GENERAL (Cont.)**

As the Company did not acquire a new operating business during the year ended December 31, 2009, the results of operations prior to the consummation of the sale of the business to HP are not reported as "discontinued operations" in the consolidated financial statements in accordance with ASC 360 "Property, Plant, and Equipment".

Following the consummation of the HP Transaction, the Company's primary asset is cash and cash equivalents and therefore, the sole source of income is the interest that such deposits earn. (See Note 14, Subsequent events)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared according to United States generally accepted accounting principles, as follows:

a. Use of estimates:

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

b. Financial statements in U.S. dollars:

Following the HP Transaction, the Company's management believes that the currency of the primary economic environment in which the Company operates is the U.S. dollar ("dollar"). Thus, the dollar is the reporting and functional currency of the Company and its remaining subsidiaries.

Therefore, transactions and balances that are denominated in dollars are presented at their original amounts. Non-dollar transactions and balances have been remeasured to dollars in accordance with ASC 830 "Foreign Currency Matters".

All foreign currency transaction gains and losses are reflected in the statements of income (operations) as financial income or expenses, as appropriate.

Prior to the HP Transaction, for certain subsidiaries the functional currency was determined to be their local currency. For those subsidiaries, assets and liabilities were translated at year-end exchange rates and statement of income (operations) items were translated at average exchange rates prevailing during the year. Such translation adjustments were recorded as a separate component of accumulated other comprehensive loss in shareholders' equity (deficiency).

c. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany transactions and balances, including profit from intercompany sales not yet realized outside the Group, have been eliminated upon consolidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

d. Cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the date acquired.

e. Short-term deposits:

Bank deposits with maturities of more than three months but less than one year are included in short-term deposits. Such short-term deposits are stated at cost which approximates market values.

f. Reclassifications:

Certain amounts in prior years' financial statements have been reclassified to conform to the current year's presentation.

g. Property and equipment, net:

Property and equipment were stated at cost, net of accumulated depreciation. Depreciation was calculated using the straight-line method over the estimated useful lives of the assets at the following annual rates:

	%
Office furniture and equipment	6 - 33
Leasehold improvements	Over the shorter of the term of the lease or the useful life

h. Impairment of long-lived assets:

The Group's long-lived assets were reviewed for impairment in accordance with ASC 360 "Property, Plant, and Equipment". Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held for use is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. During 2007, 2008 and 2009, no impairment losses were identified.

i. Income taxes:

The Company accounts for income taxes in accordance with ASC 740 "Income Taxes". ASC 740 prescribes the use of the liability method whereby deferred tax assets and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to amounts more likely than not to be realized. Deferred tax liabilities and assets are classified as current or non current based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences if not related to an asset or liability for financial reporting.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

On January 1, 2007, the Company adopted ASC 740 "Income Taxes" (formerly FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes"). The guidance contains a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with ASC 740. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income tax.

Upon adoption on January 1, 2007, the Group recorded \$ 2,617 to accumulated deficit for uncertain tax positions which, if recognized, would affect the effective tax rate. This amount includes accrued interest expenses and penalties related to the unrecognized tax benefit as of that date.

j. Concentrations of credit risk:

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents and short-term deposits.

The majority of the Group's cash and cash equivalents are invested in U.S. dollar instruments with major banks in Israel and United States. Such deposits in the United States may be in excess of insured limits and are not insured in other jurisdictions. However, management believes that such financial institutions are financially sound, and accordingly, low credit risk exists with respect to these investments.

The Group has no off-balance-sheet concentration of credit risk.

k. Severance pay:

The Company's liability for severance pay with respect to employees in Israel, which are not pursuant section 14 of the Severance Pay Law -1963, is calculated pursuant to Israeli severance pay law based on the most recent salary of each employee multiplied by the number of years of employment, as of the balance sheet date. Employees are entitled to one month's salary for each year of employment, or a portion thereof. Every month the Company makes payments equal to 8.33% of the employee's salary, to various managers' insurance policies or similar financial instruments. The Company records as an expense the increase in the severance liability, net of earnings (losses) from the the managers' insurance policy. The Company's liability is partially provided by such monthly deposits and any unfunded amounts (due to increase in the employee's salary over time, or losses incurred by the insurance policy fund that invests our deposits) would be paid from operating funds and are covered by a provision the Company records.

With respect to agreements with employees in Israel, pursuant to section 14 of the Severance Pay Law -1963, the Company's contributions for severance pay are instead of its severance liability. Upon fulfillment of the Company's obligation to make a monthly contribution to the managers' insurance policies or similar financial instruments in the amount of 8.33% of the employee's monthly salary, no additional payments must later be made to the employee regarding the matter of severance pay upon termination of the employment relationship. Further, the amounts deposited on behalf of such obligation are not stated in the balance sheet, as the Company is released from any further obligation towards the employee once they have been deposited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Severance expenses for the years ended December 31, 2007, 2008 and 2009 amounted to approximately \$ 905, \$ 2,900 and \$ 43, respectively. The severance expenses for the year ended December 31, 2008 are mainly attributed to the termination of certain of our employees and of a majority of our senior management in connection with the HP Transaction.

l. Fair value of financial instruments:

The carrying amounts of cash and cash equivalents, short-term deposits, and other accounts payable approximate their fair value, due to the short-term maturity of such instruments.

m. Basic and diluted earnings (loss) per share:

Basic earnings (loss) per share is computed based on the weighted average number of Ordinary shares outstanding during each year. Diluted earnings (loss) per share is computed based on the weighted average number of Ordinary shares outstanding during the year plus dilutive potential Ordinary shares considered outstanding during the year, in accordance with ASC 260, "Earnings Per Share".

The total weighted average number of options and warrants excluded from the calculations of diluted earnings (loss) per share was 54,749,478, 7,393,004 and 41,718,840 for the years ended December 31, 2007, 2008 and 2009, respectively.

n. Fair value measurements

The Company measures their cash equivalents and short term deposits at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Cash equivalents and short-term deposits are classified within level 2. This is because the Company values their cash equivalents and short term deposits using alternative pricing sources and models utilizing market observable inputs.

o. Accounting for stock-based compensation:

The Company accounts for stock-based compensation in accordance with ASC 718 "Compensation - Stock Compensation". ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's consolidated statements of income (operations).

The Company recognizes compensation expenses for the value of its awards granted based on the straight line method over the requisite service period of each of the awards, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Estimated forfeitures are based on actual historical pre-vesting forfeitures.

The Company selected the Black-Scholes-Merton option pricing model as the most appropriate fair value method for its stock-options awards and values restricted stock based on the market value of the underlying shares at the date of grant. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected option term.

Expected volatility was calculated based upon actual historical stock price movements. The expected term of options granted is based upon historical experience and represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

The fair value for options granted in 2007, 2008 and 2009 is estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31,		
	2007	2008	2009
Dividend yield	0%	0%	0%
Expected volatility	1.07	0.8	0.5
Risk-free interest	4.41%	2.76%	1.14%
Expected life (in years)	3.5	2	3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

p. Revenue recognition:

Prior to the consummation of the HP Transaction, the Company generated revenues from the sale of its printers, inks and consumable products and from services to its products. The Company generated revenues from sale of its products directly to end-users and indirectly through independent distributors.

Revenues from printer sales were recognized in accordance with ASC 605 "Revenue Recognition" upon installation, provided that the collection of the resulting receivable was probable, there was persuasive evidence of an arrangement, no significant obligations in respect of installation remained and the price was fixed or determinable. The Company did not grant a right of return.

Revenues from selling these products to independent distributors were deferred until the Company's products were installed in their customers' premises, provided that all other revenue recognition criteria were met.

When a sale involved multiple elements, such as sales of printers that include a right to receive specified upgrades or an extended warranty agreement, the entire fee from the arrangement was evaluated under ASC 605-25, "Multiple-Element Arrangements". In such arrangements, the Company accounted for the separate elements as different units of accounting, provided that the delivered element had value to the customer on a standalone basis and there was objective and reliable evidence of the fair value of the undelivered element. In cases where there was no objective and reliable evidence of the fair value of the undelivered element, the Company accounted for the total arrangement as one unit of accounting. As such, the Company recognized revenue for the arrangement only when all revenue recognition criteria were met for the undelivered element.

The Company considered all arrangements with payment terms extending beyond the standard payment terms not to be fixed or determinable. If the fee was not fixed or determinable, revenue was recognized as payments become due from the customer, provided that all other revenue recognition criteria have been met.

Revenues from ink and other consumable products were generally recognized upon shipment assuming all other revenue recognition criteria were met.

Revenues from services were comprised of maintenance and support arrangements. Revenues from maintenance and support arrangements were recognized on a straight-line basis over the term of the arrangement.

In cases where the Company traded-in old printers as part of sales of new printers, the fair value of the old printer was recorded as revenue, provided that such value could be determined. If such value could not be determined the old printers were recorded at zero value. The amount of revenues recognized for the transaction equaled the fair value of the old printer plus any monetary consideration received.

Deferred revenues included amounts received from customers for which revenue has not yet been recognized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

q. Research and development costs, net:

Research and development costs were charged to the statement of operations as incurred, net of grants received.

NOTE 3:- OTHER ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	December 31,	
	2008	2009
Government authorities	\$ 311	\$ 147
Interest receivable	567	99
Proceeds to be received from HP	1,183	500
Prepaid expenses	33	108
Other	57	90
	<u>\$ 2,151</u>	<u>\$ 944</u>

NOTE 4:- PROPERTY AND EQUIPMENT, NET

Composition of property and equipment was as follows:

	December 31, 2009
Cost:	
Office furniture and equipment	\$ 99
Leasehold improvements	53
	152
Accumulated depreciation	11
Property, plant and equipment, net	<u>\$ 141</u>

NOTE 5:- OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31,	
	2008	2009
Employees and payroll accruals	\$ 532	\$ 119
Government authorities	82	-
Professional services	107	99
Provision for legal claims	180	33
Accrued expenses	1,073	755
	<u>\$ 1,974</u>	<u>\$ 1,006</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 6:- OTHER LONG-TERM LIABILITIES

	<u>December 31,</u>	
	<u>2008</u>	<u>2009</u>
Unrecognized tax benefits (refer to Note 10b)	\$ 4,584	\$ 4,644
Other long-term liabilities	708	710
	<u>\$ 5,292</u>	<u>\$ 5,354</u>

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES

a. Operating and capital lease commitments:

Prior to the HP Transaction, the Company and most of its subsidiaries rented their facilities under various operating lease agreements.

Following HP Transaction, most of the operating and capital lease commitments were assumed by HP (see Note 1b). The Company has retained a lease of premises of its former US subsidiary, NUR America, which is fully sub-leased to a third party. In respect to our leased office space in Tel Aviv, the Company has the option to extend the lease until 2016.

The following table summarizes the remaining annual rental commitments as of the periods indicated under non-cancelable operating leases and sub-lease arrangements with initial or remaining terms of more than one year, reflecting the terms that were in effect as of December 31, 2009:

<u>Year ended December 31,</u>	<u>Operating</u>	<u>Sub-lease</u>	<u>Total</u>
	<u>lease</u>		
2010	\$ 363	\$ (428)	\$ (65)
2011	75	(35)	40
2012	64	-	64
2013	64	-	64
2014 and thereafter	<u>147</u>	<u>-</u>	<u>147</u>
Total minimum lease payments (proceeds)	<u>\$ 713</u>	<u>\$ (463)</u>	<u>\$ 250</u>

Total rental lease expenses (income), net for the years ended December 31, 2007, 2008 and 2009 were \$ 1,691, \$ 282 and \$ (24), respectively.

Total sub-lease income for the years ended December 31, 2007, 2008 and 2009 was \$ 378, \$ 416 and \$ 428, respectively.

Total vehicle lease expenses for the years ended December 31, 2007, 2008 and 2009 were \$ 1,524, \$ 254 and \$ 0, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES (Cont.)

b. Litigation:

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

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

3. During 2002, a client filed a lawsuit in China against a subsidiary seeking reimbursement in the amount of \$ 400 alleging bad quality of products. In July 2005, the court ruled that the subsidiary is to reimburse the client an amount of \$ 286. The subsidiary no longer operates in China and under current law the ruling in China is not enforceable in Hong Kong. The subsidiary notified the customer in March 2006 that it intends to vigorously defend its claims if submitted to court in Hong Kong. To date, the customer has not filed any claim in Hong Kong. Based on management's estimation and the opinion of its legal counsel, it is less than likely that the subsidiary will be required to pay the amount ruled against it in China. Therefore, no provision was recorded with respect to this claim.
4. In September 2003, the Company filed a lawsuit against a former distributor of the Company, for the collection of unpaid invoices in the amount of \$ 420. In February 2004, the former distributor filed a statement of defense denying the Company's claims and it also filed a counter-claim for alleged damages caused to it by the Company in the amount of \$ 210. Based on the opinion of its legal counsel, management believes that the counter-claim that was filed by the former distributor is without merit and that a loss is not probable. Therefore, a provision was not recorded with respect to this claim.
5. In December 2003, a client of a subsidiary filed a lawsuit alleging that a machine purchased by it failed to perform. The customer is seeking reimbursement of the purchase price paid by it in the amount of \$ 290. In January 2010 the court dismissed the suit. The court's ruling may still be subject to an appeal by the client.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES (Cont.)

6. In May 2007, a former managing director of a subsidiary filed a lawsuit against the Company and two of its subsidiaries claiming his resignation was for just cause due to demotion and therefore should be deemed as a termination of his employment by the subsidiary. The Company denied all the claims made by the former employee. The ruling in favor of the Company was deemed final in March 2009 when the official time for appeal passed.
7. In February 2007, a claim was filed against the Company and one of its former officers by a person claiming to have been an agent of the Company in West Africa for commissions on sales of printers. The claim is for NIS 3,000 thousand (\$ 795). The Company filed a statement of defense denying all claims, both with respect to the causes of action and with respect to the factual allegations in the claim. Based on management's estimation and the opinion of its legal counsel, no provision was recorded with respect to this claim.
8. From time to time, the Company is party to other various legal proceedings, claims and litigation that arise in the normal course of business. It is the opinion of management that the ultimate outcome of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.
9. The Company has an outstanding indemnification obligation pursuant to the terms of the Asset Purchase Agreement with HP (see Note 1b)

NOTE 8:- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

On December 30, 2008, the Company's shareholders approved the terms of a management services agreement entered into among the Company, Kanir Joint Investments (2005) Limited Partnership ("Kanir") and Meisaf Blue & White Holdings Ltd. ("Meisaf"), a company controlled by the Company's chairman of the board and controlling shareholder, effective as of March 31, 2008 (the "Management Agreement"). According to the Management Agreement, Kanir and Meisaf, through their employees, officers and directors, provide assistance to the Company in all aspects of the new operations process, including but not limited to, any activities to be conducted in connection with identification and evaluation of the business opportunities, the negotiations and the integration and management of any new operations and including discussions with the Company's management to assist and advise them on such matters and on any matters concerning the Company's affairs and business. In consideration of the performance of the management services and the board services pursuant to the Management Agreement, the Company agreed to pay Kanir and Meisaf an aggregate annual management services fee in the amount \$ 250.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY)

- a. The Ordinary shares of the Company were traded until May 2005 on the Nasdaq Capital Market. From May 19, 2005, the Company's Ordinary shares have been quoted over-the-counter in the "pink sheets".

On April 17, 2005, the Company's shareholders approved an increase of the Company's authorized Ordinary shares to 120,000,000 and an additional increase to 170,000,000 was approved on October 27, 2005.

- b. Shareholders' rights:

Ordinary shares confer upon their holders voting rights, the right to receive dividends and the right to share in excess assets upon liquidation of the Company.

- c. On March 31, 2008 the principal shareholders, the Fortissimo entities, completed the sale of all of the shares and a majority of the warrants held by them to Kanir Joint Investments (2005) Limited Partnership, which was also previously a controlling shareholder of the Company and to S. Nechama Investments (2008) Ltd., which became a controlling shareholder of the Company as a result of the purchase from the Fortissimo entities and from several other shareholders.

- d. Stock Option Plans:

1. In December 1998, the Company's shareholders approved the non-employee director stock option plan (the "1998 plan") according to which 250,000 options are available for grant with an exercise price of the average of the closing bid and sale price at the issuance date. Each option granted is vested immediately and expires after 10 years. Generally, the Company grants options under the plan with an exercise price equal to the market price of the underlying shares on the date of grant. In January 2008 the Company's board of directors extended the 1998 Plan by an additional 10 years and the current expiration date of the 2000 Plan is December 8, 2018.

In August 2000, the Company's board of directors adopted the 2000 Stock Option Plan (the "2000 Plan"). According to the 2000 Plan, 2,000,000 options may be granted to officers, directors, employees and consultants of the Company and its subsidiaries. The Options usually vest over a three or four-year period. The exercise price of the options under the 2000 Plan is determined to be not less than 80% of the fair market value of the Company's Ordinary shares at the time of grant, and they usually expire after 10 years from the date of grant. In June 2008 the Company's board of directors extended the 2000 Plan by an additional 10 years and the current expiration date of the 2000 Plan is August 31, 2018. Generally, the Company granted options under the plan with an exercise price equal to the market price of the underlying shares on the date of grant.

Following increases in options reserved for issuance under the Company's 1998 and 2000 Plans, the Company reserved for issuance 750,000 and 17,724,590 Ordinary shares, respectively. As of December 31, 2009, 192,530 options are outstanding and 473,303 Ordinary shares are available for future grants under the 1998 Plan and 1,321,100 options are outstanding and 5,950,928 Ordinary shares are available for future grants under the 2000 Plan (the number of Ordinary shares available for issuance under the 2000 Plan was reduced by the number of Ordinary shares underlying options repurchased by the Company as more fully detailed in Note 1b). Options that are cancelled or forfeited before expiration become available for future grant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 9:- SHAREHOLDERS' DEFICIENCY (Cont.)

During 2008, in connection with the HP Transaction (see Note 1b), the Board of Directors approved the acceleration of the vesting of all outstanding employee stock options following the Closing Date and the repurchase, subject to the fulfillment of regulatory requirements, of the then outstanding employee stock options to purchase approximately 9.9 million Ordinary shares of the Company. The repurchase was completed in July 2008.

Any options not repurchased (due to their relatively high exercise price) were canceled during 2008 pursuant to their terms and the terms of the 2000 Plan.

During 2007, 2008 and 2009, the Company granted to directors 30,000, 43,333 and 45,863 options, respectively.

During 2009 the Company granted to one of its senior employee 1,321,100 options. There were no other grants during 2009.

As of December 31, 2009, the Company had approximately \$ 123 of unrecognized compensation expense related to non-vested stock options awards, expected to be recognized over 2 years.

2. A summary of the Company's employee and director share option activity through December 31, 2009 for the Plans is as follows:

	Options outstanding and exercisable	
	Number of options	Weighted average exercise price
Balance as of January 1, 2007	11,852,064	\$ 0.60
Options granted	1,490,000	\$ 0.59
Options exercised	(451,669)	\$ 0.40
Options forfeited or expired	(2,662,194)	\$ 0.81
Balance as of December 31, 2007	10,228,201	\$ 0.54
Options granted	43,333	\$ 0.50
Options exercised	(10,000)	\$ 0.31
Options repurchased	(9,893,550)	\$ 0.52
Options forfeited or expired	(221,317)	\$ 1.50
Balance as of December 31, 2008	146,667	\$ 0.65
Options granted	1,366,963	\$ 0.85
Balance as of December 31, 2009	1,513,630	\$ 0.83
Exercisable as of December 31, 2009	632,747	\$ 0.78
Exercisable as of December 31, 2008	146,667	\$ 0.65

As of December 31, 2009, 632,747 options were outstanding and expected to vest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 9:- SHAREHOLDERS' DEFICIENCY (Cont.)

	Year ended December 31, 2009	
	Options	Aggregate intrinsic value (in thousands)
Outstanding as of January 1, 2009	146,667	\$ *) 9
Granted	<u>1,366,963</u>	\$ 6
Outstanding as of December 31, 2009	<u>1,513,630</u>	\$ ***) 20
Exercisable as of December 31, 2009	<u>632,747</u>	\$ **) 20

*) Represents intrinsic value of 63,333 options that are in-the-money as of December 31, 2008. The remaining 83,334 options are out of the money as of December 31, 2008 and their intrinsic value was considered as zero.

***) Represents intrinsic value of 140,042 options that are in-the-money as of December 31, 2009. The remaining 492,705 options are out of the money as of December 31, 2009 and their intrinsic value was considered as zero.

**) Represents intrinsic value of 140,500 options that are in-the-money as of December 31, 2009. The remaining 1,373,130 options are out of the money as of December 31, 2009 and their intrinsic value was considered as zero.

3. The options outstanding as of December 31, 2009 have been separated into ranges of exercise price, as follows:

Outstanding			
Range of exercise price	Options outstanding	Weighted average remaining contractual life Years	Weighted average exercise price
\$0.31-0.50	103,833	8.4	\$ 0.45
\$0.58-0.73	62,603	7.43	\$ 0.63
\$0.86-0.92	1,340,527	8.96	\$ 0.86
\$1.63-1.86	<u>6,667</u>	3.88	\$ 1.86
	<u>1,513,630</u>		<u>\$ 0.83</u>

The weighted average remaining contractual term of options exercisable as of December 31, 2009 is 8.58 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 9:- SHAREHOLDERS' DEFICIENCY (Cont.)

4. All options granted during 2007, 2008 and 2009 were granted with exercise price equal or higher than the market price on the date of grant. Weighted average fair values and exercise price of options on dates of grant are as follows:

	Equal market price		
	2007	2008	2009
Weighted average exercise prices	\$ 0.59	\$ 0.50	\$ 0.85
Weighted average fair value on grant date	\$ 0.41	\$ 0.22	\$ 0.14

5. The Company's outstanding warrants as of December 31, 2009, are as follows:

Issuance date	Number of warrants issued	Exercise price per share	Warrants exercisable	Expiration date
April 2005	3,000,000	\$ 0.75	3,000,000	April 2010
October 2005	25,714,286	\$ 0.40	25,714,286	October 2010
December 2005	8,000,000	\$ 0.35	8,000,000	December 2010
January 2007	2,131,596	\$ 0.65	2,131,596	January 2012
February 2007	1,388,889	\$ 0.65	1,388,889	February 2012
	<u>40,234,771</u>		<u>40,234,771</u>	

In September 2008, warrants to purchase 240,000 ordinary shares, at an exercise price of \$ 0.52 per share, were exercised. In October 2008, warrants to purchase 825,923 ordinary shares at an exercise price of \$0.34 per share, held equally by Kanir and Shlomo Nehama, were exercised. These exercises resulted in the receipt by us of aggregate consideration in the amount of \$ 510.

6. Dividends:

In the event that cash dividends are declared in the future, such dividends will be paid in NIS. A dividend paid to shareholders outside Israel will be converted into dollars, on the basis of the exchange rate prevailing at the date of payment. The Company does not intend to pay cash dividends in the foreseeable future.

NOTE 10:- TAXES ON INCOME

- a. Israeli taxation:

Corporate tax structure:

Taxable income of Israeli companies is subject to tax at the rate of, 29% in 2007, 27% in 2008, 26% in 2009, 25% in 2010, 24% in 2011, 23% in 2012, 22% in 2013, 21% in 2014, 20% in 2015 and 18% in 2016 and thereafter.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 10:- TAXES ON INCOME (Cont.)

b. Uncertain tax positions:

As of December 31, 2009, the total amount of unrecognized tax benefits was \$ 4,644 which, if recognized, would affect the effective tax rates in future periods. Included in that amount are cumulative accrued interest and penalties in respect to uncertain tax positions of \$ 1,026 at December 31, 2009, of which \$ 60 for interest and penalties expenses were recorded during 2009.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<u>2008</u>	<u>2009</u>
Beginning balance	\$ 3,618	\$ 4,584
Additions for prior year tax positions	318	60
Additions for current year tax position	<u>648</u>	<u>-</u>
Ending balance	<u>\$ 4,584</u>	<u>\$ 4,644</u>

The amount of income taxes paid by the Group is subject to ongoing audit by federal, state and foreign tax authorities, which often results in proposed assessments. Management performs a comprehensive review of its global tax positions on an annual basis and accrues amounts for contingent tax liabilities. Based on these reviews, the result of discussions and resolutions of matters with certain tax authorities and the closure of tax years subject to tax audit, reserves are adjusted as necessary. However, future results may include favorable or unfavorable adjustments to estimated tax liabilities in the period the assessments are determined or resolved. Additionally, the jurisdictions in which earnings and/or deductions are realized may differ from current expectations used as a basis for the above estimates. The Company does not expect that any tax audit would be completed within the next twelve months; therefore, the Company does not anticipate any significant impact on its unrecognized tax benefit balance in 2009. The Company has tax assessments that are considered to be final up to 2002.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 10:- TAXES ON INCOME (Cont.)

c. Theoretical tax expenses:

Statutory rate applied to corporations in Israel and the actual tax expense, is as follows:

	Year ended December 31,		
	2007	2008	2009
(Loss) income before taxes on income	\$ (5,582)	\$ 87,942	\$ (865)
Statutory tax rate	29%	27%	26%
Theoretical tax expense (benefit)	\$ (1,619)	\$ 23,744	\$ (225)
Increase (decrease) in taxes:			
Approved enterprise	1,225	490	-
Income subject to reduced tax rate	226	(920)	26
Permanent differences	1,168	(17,500)	24
Foreign exchange differences	180	1,279	(20)
Utilization of carryforward losses for which valuation allowance was provided	(1,327)	(10,294)	-
Deferred taxes on losses, reserves and allowances for which a valuation allowance was provided	985	4,167	300
Actual tax expense	\$ 838	\$ 966	\$ 105
Basic net Income (loss) per share amount of the tax benefit resulting from "Approved Enterprise" status	*) -	-	-
Diluted net Income (loss) per share amount of the tax benefit resulting from "Approved Enterprise" status	*) -	-	-

*) Less than \$ 0.01

d. Taxes on income included in the statements of income (operations):

	Year ended December 31,		
	2007	2008	2009
Current:			
Domestic	\$ 434	\$ 130	\$ 60
Foreign	404	836	45
	\$ 838	\$ 966	\$ 105

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 10:- TAXES ON INCOME (Cont.)

e. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Group's deferred tax assets are as follows:

	December 31,	
	2008	2009
Deferred tax asset:		
Net operating losses and deductions carryforward	\$ 23,825	\$ 22,179
Stock-based compensation	587	-
Others	158	-
Deferred tax assets before valuation allowance	24,571	22,179
Valuation allowance (1)	(24,571)	(22,179)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

(1) The Group has provided valuation allowances in respect of deferred tax assets resulting from tax losses carryforward and other temporary differences. Management currently believes that since the Company has a history of losses it is more likely than not that the deferred tax regarding all losses carryforward will not be utilized in the foreseeable future.

The net change in the valuation allowance in the year ended 31 December, 2009 in the amount of approximately \$2,392 was mainly as a result of the change in the Israeli tax rate in future years.

f. Carryforward tax losses and deductions:

As of December 31, 2009, Ellomay Capital Ltd. had available carryforward tax losses and deductions aggregating to approximately \$ 31,000, which have no expiration date.

NUR Asia Pacific had available carryforward losses as of December 31, 2009 aggregating to approximately \$ 2,000, which have no expiration date.

NUR Media Solutions had available carryforward losses as of December 31, 2009 aggregating to approximately \$ 6,000, which have no expiration date.

Additional carryforward losses of NUR America and NUR Salsa, which are located in the U.S, amount to approximately \$ 33,000. Utilization of U.S. net operating losses may be subject to substantial annual limitation due to the "change in ownership provision of the Internal Revenue Code of 1986" and similar state provisions. As NUR America and NUR Salsa were dissolved during 2008, once their 2008 tax assessments are deemed final, the remaining unutilized carryforward losses will expire.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 10:- TAXES ON INCOME (Cont.)

g. (Loss) income before taxes on income consists of the following:

	<u>Year ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Domestic	\$ (8,747)	\$ 86,697	\$ (742)
Foreign	<u>3,165</u>	<u>1,245</u>	<u>(123)</u>
	<u>\$ (5,582)</u>	<u>\$ 87,942</u>	<u>\$ (865)</u>

NOTE 11:- EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	<u>Years ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net (loss) income	<u>\$ (6,420)</u>	<u>\$ 86,976</u>	<u>\$ (970)</u>
Weighted average Ordinary shares outstanding	<u>71,537,501</u>	<u>72,972,565</u>	<u>73,786,428</u>
Dilutive effect:			
Employee stock options and warrants	<u>-</u>	<u>13,783,971</u>	<u>-</u>
Diluted weighted average Ordinary shares outstanding	<u>-</u>	<u>86,102,748</u>	<u>73,786,428</u>
Basic earnings (loss) per share	<u>\$ (0.09)</u>	<u>\$ 1.19</u>	<u>\$ (0.01)</u>
Diluted earnings (loss) per share	<u>\$ (0.09)</u>	<u>\$ 1.01</u>	<u>\$ (0.01)</u>

NOTE 12:- MAJOR CUSTOMERS AND GEOGRAPHIC INFORMATION

a. Summary information about geographic areas:

The Company manages its business on the basis of one reportable segment. Refer to Note 1a for a description of the Company's business. The following data is presented in accordance with ASC 280, "Segment Reporting". Total revenues are attributed to geographical areas based on location of end customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 12:- MAJOR CUSTOMERS AND GEOGRAPHIC INFORMATION (Cont.)

The following table presents total revenues for the years ended December 31, 2007, 2008 and 2009 and long-lived assets as of December 31, 2008 and 2009:

	2007		2008		2009	
	Total revenues	Total revenues	Long-lived assets	Total revenues	Long-lived assets	Total revenues
Asia	\$ 10,811	\$ 664	\$ -	\$ -	\$ -	\$ -
Europe and Middle East	48,344	7,589	-	-	-	141
America	26,452	3,157	-	-	-	-
	<u>\$ 85,607</u>	<u>\$ 11,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141</u>

b. Product lines:

Total revenues from external customers distributed on the basis of the Company's product lines are as follows:

	Year ended December 31,		
	2007	2008	2009
Printers and spare parts	\$ 53,592	\$ 6,606	\$ -
Ink	26,636	3,962	-
Services	5,379	842	-
	<u>\$ 85,607</u>	<u>\$ 11,410</u>	<u>\$ -</u>

c. Major customer data as a percentage of total revenues:

The Group did not have any major customers that represented 10% or more of the consolidated revenues for 2007, 2008 and 2009.

NOTE 13:- SELECTED STATEMENTS OF INCOME (OPERATIONS) DATA

a. Research and development, net:

	Year ended December 31,		
	2007	2008	2009
Research and development expenses	\$ 7,425	\$ 1,942	\$ -
Less – participation of the government in research and development projects	379	-	-
	<u>\$ 7,046</u>	<u>\$ 1,942</u>	<u>\$ -</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 13:- SELECTED STATEMENTS OF INCOME (OPERATIONS) DATA (Cont.)

a. Financial expenses, net:

	<u>Year ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses:			
Interest on short-term bank credit and other charges	\$ (512)	\$ (610)	\$ (9)
Interest on long-term loans	(54)	-	-
Foreign currency loss	(9,329)	(3,278)	(123)
	<u>(9,895)</u>	<u>(3,888)</u>	<u>(132)</u>
Income:			
Interest on bank deposits and other	36	1,808	1,314
Interest on restructured debt (see Note 1b)	-	7,335	-
Foreign currency gain	8,121	2,341	147
	<u>8,157</u>	<u>11,484</u>	<u>1,461</u>
	<u>\$ (1,738)</u>	<u>\$ 7,596</u>	<u>\$ 1,329</u>

NOTE 14:- SUBSEQUENT EVENTS

On March 4, 2010, the Company signed two Engineering Procurement & Construction Contracts with an Italian contractor, for the design, supply, construction, assembly and commissioning of two photovoltaic plants approximately 750KWp each, to be located in Italy, for an aggregate cost of approximately 4.5 million Euros. Additional ancillary expenses are expected to amount to approximately 0.2 million Euros. Following the commissioning of the two photovoltaic plants, it is intended that the contractor shall operate and maintain the two photovoltaic power plants, for an annual fee, and an annual fee shall be paid to the owners of the land under the land rights use agreements.

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.

I, Ran Fridrich, certify that:

1. I have reviewed this annual report on Form 20-F/A of Ellomay Capital Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 12, 2010

/s/ Ran Fridrich

Ran Fridrich
Chief Executive Officer



Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934.

I, Kalia Weintraub, certify that:

1. I have reviewed this annual report on Form 20-F/A of Ellomay Capital Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 12, 2010

/s/ Kalia Weintraub
Kalia Weintraub
Chief Financial Officer



Certification Pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934.

In connection with the Annual Report on Form 20-F/A of Ellomay Capital Ltd. (the "Company") for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers of the Company hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- A) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- B) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ran Fridrich

Ran Fridrich
Chief Executive Officer

/s/ Kalia Weintraub

Kalia Weintraub
Chief Financial Officer

Date: November 12, 2010



Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-102288 and 333-92491) pertaining to the Employee Stock Option plans of Ellomay Capital Ltd. (“the Company”) and Form F-3 (File Nos. 333-144171, 333-115826, 333-114428, 333-47842 and 333-92493) of the Company and in the related Prospectuses of our report dated March 10, 2010, with respect to the consolidated financial statements of Ellomay Capital Ltd. and its subsidiaries included in this Annual Report on Form 20-F/A for the year ended December 31, 2009.

Tel Aviv, Israel
November 12, 2010

/s/ Kost Forer Gabbay & Kasierer
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

[BDO Limited Letterhead]

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-102288 and 333-92491) pertaining to the Employee Stock Option plans of Ellomay Capital Ltd. (“the Company”) and Form F-3 (File Nos. 333-144171, 333-115826, 333-114428, 333-47842 and 333-92493) of the Company and in the related Prospectuses of our report dated June 26, 2008 with respect to the financial statements of NUR Asia Pacific Limited included in this Annual Report on Form 20-F/A of Ellomay Capital Ltd. for the year ended December 31, 2009.

Please be advised that BDO McCabe Lo Limited changed its name to BDO Limited on May 1, 2009.

/s/ BDO Limited

BDO Limited
Certified Public Accountants

November 12, 2010

