



REVIEW

JANUARY - DECEMBER

2012



ORBOTECH LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2012

| | December 31 2012 | December 31 2011 |
|---|----------------------------|---------------------|
| | U. S. dollars in thousands | |
| <u>Assets</u> | | |
| <u>CURRENT ASSETS:</u> | | |
| Cash and cash equivalents | 260,761 | 151,237 |
| Short-term bank deposits | 3,014 | 145,292 |
| Marketable securities | 2,238 | |
| Accounts receivable: | | |
| Trade | 164,498 | 196,232 |
| Other | 29,908 | 26,163 |
| Deferred income taxes | 7,862 | 6,580 |
| Inventories | 93,854 | 105,109 |
| | 562,135 | 630,613 |
| <u>INVESTMENTS AND NON-CURRENT ASSETS:</u> | | |
| Marketable securities | 12,788 | |
| Funds in respect of employee rights upon retirement | 11,280 | 11,846 |
| Deferred income taxes | 13,634 | 8,999 |
| Other long-term investments | 1,880 | 2,426 |
| | 39,582 | 23,271 |
| <u>PROPERTY, PLANT AND EQUIPMENT, net</u> | 24,715 | 26,664 |
| <u>GOODWILL</u> | 12,444 | 12,444 |
| <u>OTHER INTANGIBLE ASSETS, net</u> | 14,442 | 54,491 |
| | 653,318 | 747,483 |
| <u>Liabilities and equity</u> | | |
| <u>CURRENT LIABILITIES:</u> | | |
| Current maturities of long-term bank loan | 64,000 | 32,000 |
| Accounts payable and accruals: | | |
| Trade | 27,587 | 32,357 |
| Other | 51,895 | 57,590 |
| Deferred income | 17,388 | 25,910 |
| | 160,870 | 147,857 |
| <u>LONG-TERM LIABILITIES:</u> | | |
| Long-term bank loan | | 64,000 |
| Liability for employee rights upon retirement | 26,221 | 26,797 |
| Deferred income taxes | 2,236 | 1,759 |
| Other tax liabilities | 16,478 | 16,938 |
| T o t a l long-term liabilities | 44,935 | 109,494 |
| | 205,805 | 257,351 |
| <u>EQUITY:</u> | | |
| Share capital | 2,102 | 2,092 |
| Additional paid-in capital | 274,856 | 270,966 |
| Retained earnings | 228,569 | 274,148 |
| Accumulated other comprehensive income (loss) | 628 | (1,460) |
| | 506,155 | 545,746 |
| Less treasury shares, at cost | (59,151) | (57,192) |
| T o t a l Orbotech Ltd. shareholders' equity | 447,004 | 488,554 |
| Non-controlling interest | 509 | 1,578 |
| T o t a l equity | 447,513 | 490,132 |
| | 653,318 | 747,483 |

ORBOTECH LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR AND THREE MONTHS ENDED DECEMBER 31, 2012

| | 12 months ended | | 3 months ended | |
|--|---|---------|----------------|---------|
| | December 31 | | December 31 | |
| | 2012 | 2011 | 2012 | 2011 |
| | U.S. dollars in thousands (except per share data) | | | |
| <u>REVENUES</u> | 400,731 | 565,313 | 100,301 | 133,333 |
| <u>COST OF REVENUES</u> | 235,223 | 329,442 | 60,977 | 78,037 |
| <u>WRITE- DOWN OF INVENTORIES</u> | 14,255 | 6,743 | 0 | 6,743 |
| <u>GROSS PROFIT</u> | 151,253 | 229,128 | 39,324 | 48,553 |
| <u>RESEARCH AND DEVELOPMENT COSTS - net</u> | 71,815 | 84,180 | 17,752 | 21,598 |
| <u>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</u> | 75,142 | 72,583 | 17,982 | 18,894 |
| <u>AMORTIZATION OF INTANGIBLE ASSETS</u> | 9,907 | 12,304 | 991 | 3,091 |
| <u>RESTRUCTURING CHARGES</u> | 5,063 | | 3,145 | |
| <u>IMPAIRMENT OF INTANGIBLE ASSETS</u> | 30,142 | | 162 | |
| <u>OPERATING INCOME (LOSS)</u> | (40,816) | 60,061 | (708) | 4,970 |
| <u>FINANCIAL EXPENSES (INCOME)- net</u> | 5,100 | 6,551 | (146) | 845 |
| <u>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES ON INCOME</u> | (45,916) | 53,510 | (562) | 4,125 |
| <u>TAXES ON INCOME</u> | 456 | 7,677 | 234 | 1,855 |
| | (46,372) | 45,833 | (796) | 2,270 |
| <u>SHARE IN LOSSES OF ASSOCIATED COMPANY</u> | 165 | 179 | 50 | 70 |
| <u>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</u> | (46,537) | 45,654 | (846) | 2,200 |
| <u>INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX</u> | 0 | 1,363 | | |
| <u>NET INCOME (LOSS)</u> | (46,537) | 47,017 | (846) | 2,200 |
| <u>NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</u> | (958) | (322) | (112) | (347) |
| <u>NET INCOME (LOSS) ATTRIBUTABLE TO ORBOTECH LTD.</u> | (45,579) | 47,339 | (734) | 2,547 |
| <u>AMOUNTS ATTRIBUTABLE TO ORBOTECH LTD.:</u> | | | | |
| <u>INCOME (LOSS) FROM CONTINUING OPERATIONS</u> | (45,579) | 45,976 | (734) | 2,547 |
| <u>INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX</u> | 0 | 1,363 | | |
| <u>NET INCOME (LOSS) ATTRIBUTABLE TO ORBOTECH LTD.</u> | (45,579) | 47,339 | (734) | 2,547 |
| <u>EARNINGS PER SHARE:</u> | | | | |
| <u>INCOME (LOSS) FROM CONTINUING OPERATIONS:</u> | | | | |
| <u>BASIC</u> | (\$1.05) | \$1.15 | (\$0.02) | \$0.06 |
| <u>DILUTED</u> | (\$1.05) | \$1.13 | (\$0.02) | \$0.06 |
| <u>NET INCOME (LOSS) ATTRIBUTABLE TO ORBOTECH LTD.:</u> | | | | |
| <u>BASIC</u> | (\$1.05) | \$1.19 | (\$0.02) | \$0.06 |
| <u>DILUTED</u> | (\$1.05) | \$1.16 | (\$0.02) | \$0.06 |
| <u>WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF EARNINGS PER SHARE - IN THOUSANDS:</u> | | | | |
| <u>BASIC</u> | 43,501 | 39,909 | 43,537 | 43,261 |
| <u>DILUTED</u> | 43,501 | 40,816 | 43,537 | 43,966 |

ORBOTECH LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR AND THREE MONTHS ENDED DECEMBER 31, 2012

| | 12 months ended | | 3 months ended | |
|--|---------------------------|------------------|----------------|-----------------|
| | December 31 | | December 31 | |
| | 2012 | 2011 | 2012 | 2011 |
| | U.S. dollars in thousands | | | |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | | | |
| Net income (loss) | (46,537) | 47,017 | (846) | 2,200 |
| Adjustment to reconcile net income to net cash provided by operating activities: | | | | |
| Income from discontinued operations | | (1,363) | | |
| Depreciation and amortization | 17,964 | 19,958 | 3,240 | 4,885 |
| Impairment of Intangible assets | 30,142 | 0 | 162 | 0 |
| Compensation relating to equity awards granted to employees and others | 3,070 | 3,728 | 784 | 813 |
| Decrease in liability for employee rights upon retirement | (576) | (704) | (1,296) | (650) |
| Deferred income taxes | (5,440) | 2,584 | (1,770) | 249 |
| Non-cash expenses in respect of restructuring | 601 | | 0 | |
| Loss from sales and write down of marketable securities | | 395 | | |
| Amortization of premium and accretion of discount on marketable Securities, net | 588 | | 151 | |
| Other, including capital loss (gain) | 1,455 | 1,224 | 315 | 155 |
| Decrease (increase) in accounts receivable: | | | | |
| Trade | 31,734 | (42,714) | 14,936 | 771 |
| Other | (2,743) | 2,698 | (883) | 1,577 |
| Increase (decrease) in accounts payable and accruals: | | | | |
| Trade | (4,770) | 5,822 | (7,147) | (7,449) |
| Deferred income and other | (14,484) | 6,105 | 676 | 352 |
| Decrease in inventories | 11,925 | 6,870 | 4,351 | 14,986 |
| Net cash provided by operating activities - continuing operations | 22,929 | 51,620 | 12,673 | 17,889 |
| Net cash used in operating activities - discontinued operations | | (787) | | (47) |
| Net cash provided by operating activities | 22,929 | 50,833 | 12,673 | 17,842 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | | | |
| Purchase of property, plant and equipment | (9,611) | (7,554) | (3,053) | (2,366) |
| Withdraw (placement) of bank deposits | 142,278 | (142,325) | 26,694 | (15,025) |
| Redemption (purchase) of marketable securities | (15,614) | 1,967 | (242) | |
| Other investment | | (2,810) | | (500) |
| Proceeds from disposal of property, plant and equipment | 3,036 | 35 | 3,038 | |
| Decrease (increase) in funds in respect of employee rights upon retirement | (254) | 331 | (64) | 344 |
| Net cash provided by (used in) investing activities - continuing operations | 119,835 | (150,356) | 26,373 | (17,547) |
| Net cash provided by investing activities - discontinued operations | | 9,155 | | |
| Net cash provided by (used in) investing activities | 119,835 | (141,201) | 26,373 | (17,547) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u> | | | | |
| Repayment of long-term bank loan | (32,000) | (32,000) | (8,000) | (8,000) |
| Employee stock options exercised | 719 | 2,063 | 57 | 414 |
| Issuance of shares, net | | 90,683 | | |
| Acquisition of treasury shares | (1,959) | | (1,959) | |
| Net cash provided by (used in) financing activities | (33,240) | 60,746 | (9,902) | (7,586) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 109,524 | (29,622) | 29,144 | (7,291) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 151,237 | 180,859 | 231,617 | 158,528 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 260,761 | 151,237 | 260,761 | 151,237 |

ORBOTECH LTD.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS FROM CONTINUING OPERATIONS
FOR THE YEAR AND THREE MONTHS ENDED DECEMBER 31, 2012

| | 12 months ended | | 3 months ended | |
|---|---|---------------|----------------|---------------|
| | December 31 | | December 31 | |
| | 2012 | 2011 | 2012 | 2011 |
| | U.S. dollars in thousands (except per share data) | | | |
| <u>Reported operating income (loss) on GAAP basis</u> | (40,816) | 60,061 | (708) | 4,970 |
| Equity based compensation expenses | 3,070 | 3,728 | 784 | 813 |
| Restructuring charges, net of tax credit | 4,593 | | 2,675 | |
| Impairment of Intangible assets | 30,142 | | 162 | |
| Amortization of intangible assets | 9,907 | 12,304 | 991 | 3,091 |
| Non-GAAP operating income | <u>6,896</u> | <u>76,093</u> | <u>3,904</u> | <u>8,874</u> |
| <u>Reported net income (loss) attributable to Orbotech Ltd. on GAAP basis</u> | (45,579) | 47,339 | (734) | 2,547 |
| Equity based compensation expenses | 3,070 | 3,728 | 784 | 813 |
| Amortization of intangible assets | 9,907 | 12,304 | 991 | 3,091 |
| Income from discontinued operations | | (1,363) | | |
| Restructuring charges, net of tax credit | 4,593 | | 2,675 | |
| Impairment of Intangible assets | 30,142 | | 162 | |
| Share in losses of associated company | 165 | 179 | 50 | 70 |
| Non-GAAP net income from continuing operations | <u>2,298</u> | <u>62,187</u> | <u>3,928</u> | <u>6,521</u> |
| Non-GAAP earnings per diluted share | <u>\$0.05</u> | <u>\$1.52</u> | <u>\$0.09</u> | <u>\$0.15</u> |
| Shares used in earnings per diluted share calculation-in thousands | <u>44,071</u> | <u>40,816</u> | <u>44,107</u> | <u>43,966</u> |

FINANCIAL DATA

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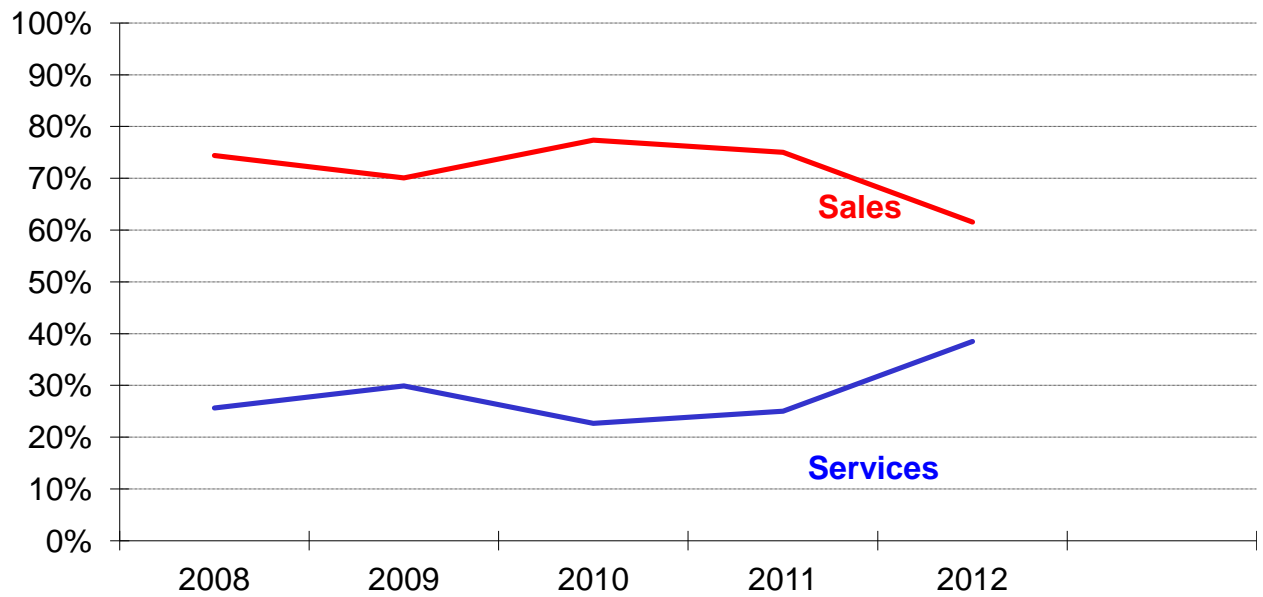
| | 2008 | 2009 | 2010 | | | | | 2011 | | | | | 2012 | | | | |
|--|--------------|--------------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|-----------|--------------|
| | <u>Total</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
| BALANCE SHEET | | | | | | | | | | | | | | | | | |
| Assets | 634.9 | 605.8 | 602.9 | 616.2 | 650.0 | 628.3 | | 638.0 | 761.3 | 758.5 | 747.5 | | 723.6 | 714.8 | 668.7 | 653.3 | |
| Debt | 160.0 | 160.0 | 152.0 | 144.0 | 136.0 | 128.0 | | 120.0 | 112.0 | 104.0 | 96.0 | | 88.0 | 80.0 | 72.0 | 64.0 | |
| Equity | 313.0 | 312.5 | 314.2 | 324.8 | 343.7 | 349.6 | | 362.9 | 472.2 | 486.4 | 490.1 | | 494.5 | 492.5 | 448.7 | 447.5 | |
| Net working capital | 165.4 | 322.6 | 326.1 | 333.0 | 358.2 | 356.4 | | 368.3 | 475.7 | 485.1 | 482.8 | | 471.0 | 464.4 | 444.4 | 400.4 | |
| Capital expenditures | 11.2 | 3.9 | 0.7 | 1.5 | 1.2 | 3.3 | 6.7 | 1.2 | 1.1 | 2.8 | 2.4 | 7.6 | 1.5 | 1.9 | 3.1 | 3.1 | 9.6 |
| Depreciation | 10.0 | 11.3 | 2.4 | 2.3 | 2.4 | 2.3 | 9.5 | 2.0 | 1.8 | 2.0 | 1.8 | 7.7 | 2.0 | 1.9 | 1.9 | 2.2 | 8.1 |
| Current ratio | 1.6 | 3.5 | 3.5 | 3.3 | 3.2 | 3.5 | | 3.5 | 3.9 | 4.1 | 1,230.2 | | 4.7 | 4.6 | 4.3 | 3.5 | |
| Equity / Assets | 49.3% | 51.6% | 52.1% | 52.7% | 52.9% | 55.6% | | 56.9% | 62.0% | 64.1% | 65.6% | | 68.3% | 68.9% | 67.1% | 68.5% | |
| Book value / share (US\$) | 9.2 | 9.0 | 9.0 | 9.3 | 9.8 | 10.0 | | 10.3 | 10.9 | 11.3 | 11.3 | | 11.4 | 11.3 | 10.3 | 10.6 | |
| Days sales outstanding | 126 | 145 | 148 | 150 | 133 | 106 | | 107 | 102 | 109 | 127 | | 136 | 139 | 151 | 150 | |
| INCOME STATEMENT | | | | | | | | | | | | | | | | | |
| | <u>Total</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
| Revenues | 408.0 | 359.3 | 100.0 | 144.9 | 156.1 | 128.4 | 529.4 | 134.2 | 153.4 | 144.4 | 133.3 | 565.3 | 100.2 | 101.3 | 98.9 | 100.3 | 400.7 |
| GAAP Operating income (Loss) | (95.4) | (5.1) | 6.9 | 19.6 | 24.4 | 6.8 | 57.7 | 15.0 | 21.8 | 18.3 | 5.0 | 60.1 | 3.1 | 1.7 | (44.9) | (0.7) | (40.8) |
| GAAP Net income (Loss) | (135.3) | (19.9) | 1.6 | 12.4 | 16.1 | 4.0 | 34.1 | 11.2 | 18.9 | 14.7 | 2.5 | 47.3 | 1.6 | (0.8) | (45.7) | (0.7) | (45.6) |
| Non GAAP Operating income (Loss) | (69.2) | 17.9 | 11.8 | 24.3 | 29.0 | 11.5 | 76.6 | 19.2 | 25.8 | 22.1 | 8.9 | 76.1 | 9.0 | 5.5 | (11.6) | 3.9 | 6.9 |
| Non GAAP Net income (Loss) | 27.8 | 7.0 | 8.5 | 18.8 | 23.8 | 10.7 | 61.8 | 15.2 | 21.8 | 18.6 | 6.5 | 62.2 | 7.6 | 3.1 | (12.3) | 3.9 | 2.3 |
| EBITDA \$ | 37.5 | 29.1 | 14.3 | 26.6 | 31.3 | 13.7 | 85.9 | 21.2 | 27.7 | 24.1 | 10.8 | 83.7 | 11.1 | 7.7 | 4.9 | 6.7 | 30.5 |
| EBITDA/Revenues | 9.2% | 8.1% | 14.3% | 18.4% | 20.1% | 10.6% | 16.2% | 15.8% | 18.0% | 16.7% | 8.1% | 14.8% | 11.0% | 7.6% | 5.0% | 6.7% | 7.6% |
| GAAP Earnings (Losses) per share diluted | (4.04) | (0.58) | 0.05 | 0.35 | 0.45 | 0.11 | 0.84 | 0.31 | 0.48 | 0.34 | 0.06 | 1.16 | 0.04 | (0.02) | (1.05) | (0.02) | (1.05) |
| Non GAAP Earnings (Losses) per share diluted | 0.83 | 0.20 | 0.24 | 0.52 | 0.67 | 0.30 | 1.43 | 0.42 | 0.56 | 0.42 | 0.15 | 1.52 | 0.17 | 0.07 | (0.28) | 0.09 | 0.05 |
| Average shares outstanding GAAP (K) | 33,512 | 34,501 | 35,641 | 35,904 | 35,810 | 35,754 | 35,778 | 36,458 | 38,967 | 43,872 | 43,966 | 40,816 | 43,944 | 43,507 | 43,537 | 43,537 | 43,501 |
| Average shares outstanding Non GAAP (K) | 34,743 | 35,076 | 35,641 | 35,904 | 35,810 | 35,754 | 35,778 | 36,458 | 38,967 | 43,872 | 43,966 | 40,816 | 43,944 | 43,507 | 43,537 | 44,107 | 44,071 |
| MARGIN ANALYSIS | | | | | | | | | | | | | | | | | |
| | <u>Total</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>Total</u> |
| Gross margin (excluding X-items) | 39.9% | 38.7% | 42.1% | 41.8% | 42.3% | 37.2% | 40.9% | 41.5% | 41.8% | 42.0% | 36.4% | 40.5% | 44.7% | 41.5% | 25.3% | 39.2% | 37.7% |
| Operating margin (excluding X-items) | -23.4% | -1.4% | 6.9% | 13.5% | 15.7% | 5.3% | 10.9% | 11.2% | 14.2% | 12.7% | 3.7% | 10.6% | 3.1% | 1.7% | -45.4% | -0.7% | -10.3% |
| Net margin (excluding X-items) | -33.2% | -5.5% | 1.6% | 8.6% | 10.3% | 3.1% | 6.5% | 8.3% | 12.3% | 10.2% | 1.9% | 8.4% | 1.6% | -0.8% | -46.2% | -0.7% | -11.5% |
| Net margin (reported) | -33.2% | -5.5% | 1.6% | 8.6% | 10.3% | 3.1% | 6.5% | 8.3% | 12.3% | 10.2% | 1.9% | 8.4% | 1.6% | -0.8% | -46.2% | -0.7% | -11.5% |
| R & D / revenues (excluding X-items) | 18.8% | 18.9% | 17.1% | 13.7% | 13.0% | 16.4% | 14.8% | 15.1% | 13.7% | 14.8% | 16.2% | 14.9% | 18.0% | 17.8% | 18.1% | 17.7% | 17.9% |
| S,G&A/revenues (includ. goodwill amort.) | 21.7% | 23.8% | 14.5% | 12.1% | 11.4% | 12.7% | 12.5% | 12.9% | 12.0% | 12.5% | 14.2% | 12.8% | 18.6% | 19.1% | 19.4% | 17.9% | 18.8% |
| Effective tax rate (excluding X-items) | -0.2% | 2.0% | 22.0% | 19.4% | 15.9% | -11.5% | 14.7% | 14.2% | 11.5% | 10.3% | 45.0% | 14.3% | 26.9% | -65.9% | 1.6% | -41.6% | -19.8% |
| No. of employees | 1,616 | 1,525 | 1,546 | 1,601 | 1,655 | 1,689 | | 1,701 | 1,745 | 1,783 | 1,755 | | 1,694 | 1,717 | 1,736 | 1,642 | |

SALES AND SERVICE INCOME - 2007-2012

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| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| SALES | 303.5 74.4% | 251.9 70.1% | 409.6 77.4% | 424.0 75.0% | 246.5 61.5% |
| SERVICE INCOME | 104.5 25.6% | 107.5 29.9% | 119.8 22.6% | 141.3 25.0% | 154.2 38.5% |
| TOTAL REVENUES | 408.0 100% | 359.4 100% | 529.4 100% | 565.3 100% | 400.7 100% |

% of Total Revenues



ORBOTECH LTD.
REVENUES BY DIVISION
US dollars in millions

2008

2009

2010

2011

2012

SALES

| | TOTAL | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL |
|-----------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|
| PCB | 135.5 45% | 74.5 29% | 38.3 52% | 41.5 36% | 42.4 33% | 50.1 52% | 172.3 42% | 57.1 56% | 58.7 50% | 56.6 52% | 52.7 54% | 225.1 53% | 48.5 79% | 48.7 78% | 42.0 71% | 42.2 68% | 181.4 74% |
| FPD | 158.3 52% | 169.6 68% | 33.9 46% | 72.5 63% | 80.5 65% | 42.7 45% | 229.6 56% | 43.2 43% | 56.7 49% | 49.6 46% | 42.5 44% | 192.0 45% | 11.8 18% | 12.3 19% | 15.3 26% | 17.6 28% | 57.0 23% |
| Character Recognition | 9.7 3% | 7.8 3% | 1.5 2% | 1.6 1% | 2.1 2% | 2.5 3% | 7.7 2% | 1.4 1% | 1.6 1% | 1.8 2% | 2.1 2% | 0.5 2% | 2.0 3% | 0.8 3% | 2.0 3% | 2.5 4% | 8.1 3% |
| TOTAL | 303.5 100% | 251.9 100% | 73.7 100% | 115.6 100% | 125.0 100% | 95.3 100% | 409.6 100% | 101.7 100% | 117.0 100% | 108.0 100% | 97.3 100% | 424.0 100% | 62.3 100% | 62.6 100% | 59.3 100% | 62.3 100% | 246.5 100% |

SERVICE

| | TOTAL | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL |
|-----------------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|
| PCB | 82.1 79% | 69.5 65% | 16.9 64% | 18.7 64% | 20.1 64% | 22.1 67% | 77.8 65% | 21.4 66% | 23.3 65% | 24.6 67% | 25.3 70% | 94.6 67% | 25.9 68% | 26.4 68% | 28.1 70% | 27.5 72% | 107.8 70% |
| FPD | 16.8 16% | 31.7 29% | 7.8 30% | 9.2 31% | 9.5 31% | 9.5 28% | 36.0 30% | 9.6 29% | 11.6 31% | 10.4 29% | 9.3 26% | 40.9 29% | 10.4 28% | 10.9 28% | 10.0 26% | 8.8 23% | 40.2 26% |
| Character Recognition | 5.6 5% | 6.3 6% | 1.5 6% | 1.5 5% | 1.5 5% | 1.5 5% | 6.0 5% | 1.5 5% | 1.5 4% | 1.4 4% | 1.4 4% | 5.8 4% | 1.6 4% | 1.4 4% | 1.5 4% | 1.7 5% | 6.2 4% |
| TOTAL | 104.5 100% | 107.5 100% | 26.2 100% | 29.4 100% | 31.1 100% | 33.1 100% | 119.8 100% | 32.5 100% | 36.4 100% | 36.4 100% | 36.0 100% | 141.3 100% | 37.9 100% | 38.7 100% | 39.6 100% | 38.0 100% | 154.2 100% |

TOTAL REVENUES

| | TOTAL | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL |
|-----------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|
| PCB | 217.6 53% | 144.0 40% | 55.2 55% | 60.2 42% | 62.5 40% | 72.2 57% | 250.1 47% | 78.5 59% | 82.0 53% | 81.2 56% | 78.0 58% | 319.7 57% | 74.4 74% | 75.1 74% | 70.1 70% | 69.7 69% | 289.2 72% |
| FPD | 175.1 43% | 201.3 56% | 41.7 42% | 81.7 56% | 90.0 58% | 52.2 40% | 265.6 50% | 52.8 39% | 68.3 45% | 60.0 42% | 51.8 39% | 232.9 41% | 22.2 22% | 23.2 23% | 25.3 26% | 26.4 27% | 97.2 24% |
| Character Recognition | 15.3 4% | 14.1 4% | 3.0 3% | 3.1 2% | 3.6 2% | 4.0 3% | 13.7 3% | 2.9 2% | 3.1 2% | 3.2 2% | 3.5 3% | 12.7 2% | 3.6 4% | 3.0 3% | 3.5 4% | 4.2 4% | 14.3 4% |
| TOTAL | 408.0 100% | 359.4 100% | 99.9 100% | 145.0 100% | 156.1 100% | 128.4 100% | 529.4 100% | 134.2 100% | 153.4 100% | 144.4 100% | 133.3 100% | 565.3 100% | 100.2 100% | 101.3 100% | 98.9 100% | 100.3 100% | 400.7 100% |

ORBOTECH LTD.
REVENUES BY REGION
US dollars in millions

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | | | | | <u>2011</u> | | | | | <u>2012</u> | | | | |
|-----------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|
| SALES | | | | | | | | | | | | | | | | | |
| | TOTAL | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL |
| N.AMER | 30.8 10% | 13.9 6% | 5.5 8% | 5.3 5% | 4.1 3% | 7.7 8% | 22.6 5% | 6.3 6% | 5.5 5% | 10.6 10% | 10.6 11% | 33.0 8% | 8.0 13% | 6.0 10% | 4.1 7% | 5.2 8% | 23.3 9% |
| EUROP | 26.7 9% | 9.8 4% | 5.4 7% | 4.0 3% | 1.9 2% | 4.8 5% | 16.1 4% | 2.7 3% | 3.4 3% | 5.1 5% | 2.7 3% | 13.9 3% | 3.3 5% | 1.8 3% | 1.6 3% | 2.2 5.2 | 9.0 4% |
| CHINA | 62.8 21% | 46.5 18% | 20.2 27% | 28.2 24% | 26.5 21% | 26.9 28% | 101.8 25% | 51.1 50% | 74.5 64% | 42.3 39% | 25.5 26% | 193.4 46% | 17.1 28% | 20.2 31% | 19.0 32% | 21.5 34% | 77.8 32% |
| KOREA | 107.5 35% | 52.6 21% | 12.6 17% | 55.2 48% | 58.3 47% | 15.5 16% | 141.6 35% | 17.0 17% | 15.1 13% | 27.8 26% | 9.5 10% | 69.4 16% | 12.6 20% | 5.4 9% | 13.5 23% | 9.1 15% | 40.6 16% |
| TAIWAN | 44.4 15% | 68.6 27% | 25.7 35% | 12.0 10% | 20.1 15% | 25.3 28% | 83.1 20% | 15.1 15% | 7.4 6% | 14.2 13% | 14.1 14% | 50.8 12% | 9.6 15% | 17.9 29% | 10.9 18% | 10.4 17% | 48.7 20% |
| JAPAN | 25.1 8% | 57.7 23% | 3.8 5% | 10.1 9% | 13.3 11% | 13.7 14% | 40.9 10% | 6.6 6% | 4.9 4% | 6.0 5% | 25.5 26% | 43.0 10% | 6.2 10% | 5.8 9% | 5.1 8% | 7.7 12% | 24.8 10% |
| OTHER | 6.2 2% | 2.8 1% | 0.5 1% | 0.8 1% | 0.8 1% | 1.4 1% | 3.5 1% | 2.9 3% | 6.2 5% | 2.0 2% | 9.4 10% | 20.5 5% | 5.5 9% | 5.5 9% | 5.1 9% | 6.2 10% | 22.3 9% |
| TOTAL | 303.5 100% | 251.9 100% | 73.7 100% | 115.6 100% | 125.0 100% | 95.3 100% | 409.6 100% | 101.7 100% | 117.0 100% | 108.0 100% | 97.3 100% | 424.0 100% | 62.3 100% | 62.6 100% | 59.3 100% | 62.3 100% | 246.5 100% |
| SERVICE | | | | | | | | | | | | | | | | | |
| | TOTAL | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL |
| N.AMER | 18.2 17% | 17.7 16% | 4.1 16% | 4.2 14% | 4.4 14% | 4.5 13% | 17.2 14% | 4.5 14% | 4.5 13% | 4.6 13% | 4.8 13% | 18.4 13% | 4.9 13% | 4.9 13% | 4.9 12% | 5.2 14% | 19.9 13% |
| EUROP | 12.3 12% | 10.0 9% | 2.5 9% | 2.4 8% | 2.5 8% | 2.5 8% | 9.9 8% | 2.7 8% | 3.0 8% | 2.8 8% | 2.9 8% | 11.4 8% | 2.8 7% | 2.7 7% | 2.7 7% | 2.7 7% | 10.9 7% |
| CHINA | 26.7 26% | 24.6 23% | 5.6 21% | 6.8 23% | 7.4 24% | 9.2 28% | 29.0 24% | 8.7 27% | 9.4 26% | 10.4 28% | 10.5 30% | 39.0 27% | 11.7 31% | 12.1 31% | 13.4 34% | 11.9 31% | 49.1 32% |
| KOREA | 11.3 11% | 18.3 17% | 3.7 14% | 5.2 18% | 5.4 17% | 5.9 18% | 20.2 17% | 5.6 17% | 6.6 18% | 5.9 16% | 5.5 15% | 23.6 17% | 5.6 15% | 6.3 16% | 5.3 13% | 5.1 13% | 22.3 14% |
| TAIWAN | 17.8 17% | 18.5 17% | 4.4 17% | 5.7 19% | 5.5 18% | 5.6 17% | 21.2 18% | 5.2 16% | 6.8 19% | 6.3 17% | 5.9 16% | 24.2 17% | 6.1 16% | 6.5 17% | 7.1 18% | 6.4 17% | 26.1 17% |
| JAPAN | 12.6 12% | 15.6 15% | 5.2 20% | 4.3 15% | 5.0 16% | 5.0 15% | 19.5 17% | 4.9 15% | 5.2 14% | 5.4 15% | 5.3 15% | 20.8 15% | 5.8 16% | 5.0 13% | 4.7 12% | 5.3 14% | 20.8 14% |
| OTHER | 5.6 5% | 2.8 3% | 0.7 3% | 0.8 3% | 0.9 3% | 0.4 1% | 2.8 2% | 0.9 3% | 0.9 2% | 1.0 3% | 1.1 3% | 3.9 3% | 1.0 3% | 1.2 3% | 1.5 4% | 1.4 4% | 5.1 3% |
| TOTAL | 104.5 100% | 107.5 100% | 26.2 100% | 29.4 100% | 31.1 100% | 33.1 100% | 119.8 100% | 32.5 100% | 36.4 100% | 36.4 100% | 36.0 100% | 141.3 100% | 37.9 100% | 38.7 100% | 39.6 100% | 38.0 100% | 154.2 100% |
| TOTAL REVENUES | | | | | | | | | | | | | | | | | |
| | TOTAL | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL | Q1 | Q2 | Q3 | Q4 | TOTAL |
| N.AMER | 49.0 12% | 31.6 9% | 9.6 10% | 9.5 7% | 8.5 5% | 12.2 9% | 39.8 7% | 10.8 8% | 10.0 6% | 15.2 11% | 15.4 12% | 51.4 9% | 12.9 13% | 10.9 11% | 0.1 9% | 0.1 10% | 43.2 11% |
| EUROP | 39.0 10% | 19.8 5% | 7.9 8% | 6.4 4% | 4.4 3% | 7.3 6% | 26.0 5% | 5.4 4% | 6.4 4% | 7.9 5% | 5.6 4% | 25.3 4% | 6.1 6% | 4.5 5% | 4.3 4% | 4.9 5% | 19.9 5% |
| CHINA | 89.5 22% | 71.1 20% | 25.8 26% | 35.0 24% | 33.9 22% | 36.1 28% | 130.8 25% | 59.8 44% | 83.9 55% | 52.7 37% | 36.0 27% | 232.4 41% | 28.8 28% | 32.3 32% | 32.4 33% | 33.4 33% | 126.9 31% |
| KOREA | 118.8 29% | 70.9 20% | 16.3 16% | 60.4 42% | 63.7 41% | 21.4 17% | 161.8 31% | 22.6 17% | 21.7 14% | 33.7 23% | 15.0 11% | 93.0 17% | 18.2 18% | 11.7 12% | 18.8 19% | 14.2 14% | 62.9 16% |
| TAIWAN | 62.2 15% | 87.1 24% | 30.1 30% | 17.7 12% | 25.6 16% | 30.9 24% | 104.3 20% | 20.3 15% | 14.2 9% | 20.5 14% | 20.0 15% | 75.0 13% | 15.7 16% | 24.4 24% | 18.0 18% | 16.8 17% | 74.8 19% |
| JAPAN | 37.6 9% | 73.3 20% | 9.0 9% | 14.4 10% | 18.3 12% | 18.7 15% | 60.4 11% | 11.5 9% | 10.1 7% | 11.4 8% | 30.8 23% | 63.8 11% | 12.0 12% | 10.8 11% | 9.8 10% | 13.0 13% | 45.6 11% |
| OTHER | 11.8 3% | 5.6 2% | 1.2 1% | 1.6 1% | 1.7 1% | 1.8 1% | 6.3 1% | 3.8 3% | 7.1 5% | 3.0 2% | 10.5 8% | 24.4 5% | 6.5 7% | 6.7 7% | 6.6 7% | 7.6 8% | 27.4 7% |
| TOTAL | 408.0 100% | 359.4 100% | 99.9 100% | 145.0 100% | 156.1 100% | 128.4 100% | 529.4 100% | 134.2 100% | 153.4 100% | 144.4 100% | 133.3 100% | 565.3 100% | 100.2 100% | 101.3 100% | 98.9 100% | 100.3 100% | 400.7 100% |