



### **Babylon Announces First Quarter 2014 Results**

**The Company's Q1 2014 revenues totaled approximately \$13.4M;  
The net profit totaled approximately \$4.8M**

**The Company has cash reserves of \$53.4 million and equity of \$60.5 million**

#### **Noam Lanir, Babylon's Chairman:**

"The Company's management, led by Shanit Pe'er Tsfoni, continues to study the changes that have taken place in the industry and the implications in terms of making adjustments in the fields of activity and the organization itself. We continue to explore and examine new collaborations and I believe that we must act in order to enhance the technology and knowledge that are available and exist in the Company and in addition invest in acquiring outside technologies and activities. "

May 12, 2014 – **Babylon**, the international Internet Company, traded on the Tel Aviv Stock Exchange, reported today its financial results for the first quarter of 2014.

**The Company's revenues** for the first quarter amounted to approximately \$13.4 million as compared to approximately \$48.1 million in the corresponding quarter last year.

The decline in the Company's revenues is primarily due to the decrease in the investment in acquiring new users. The decrease in investment is expected to continue and cause a significant reduction in the Company's revenues and profits in coming quarters. Most of the Company's revenues during the reporting period derived from the partnership with Yahoo (63%).

The Company's revenues were positively impacted as a result of increase in the Company's activity of providing distribution services of software products during the reporting period.

**Operating income** in the first quarter of 2014 totaled approximately \$6 million, compared to \$12.6 million for the corresponding period last year. **Net income** in the first quarter totaled approximately \$4.8 million, compared to \$10.9 million for the corresponding period last year.



**Cash and cash equivalents** of the Company on March 31, 2014 totaled approximately \$ 53.4 million compared to approximately \$45.7 million on December 31, 2013. The Company's **equity capital** at the end of the reporting period totaled approximately \$60.5 million compared to \$55.5 at the end of 2013.

**Noam Lanir, Babylon's Chairman** "The Company's management, led by Shanit Pe'er Tsfoni, continues to study the changes that have taken place in the industry and the implications in terms of making adjustments in the fields of activity and the organization itself. We continue to explore and examine new collaborations, and I believe that we must act in order to enhance the technology and knowledge that are available and exist in the Company and in addition invest in acquiring outside technologies and activities. In recent months we have received inquiries from leading companies in the digital advertising industry, the online search and monetization, along with requests from innovative startup companies in the field, with offers for mergers and investment on our part. In view of this, Shanit and I are examining the various options available to us."

**Shanit Pe'er Tsfoni, Babylon's CEO**, "Babylon of today is not the same Company that went into turmoil in the fourth quarter of 2013. In recent months we have focused on adapting the Company's size to the fluctuating volume and nature of activity, both at corporate level and strategic-business level. We have a cash reserve that enables us to develop additional knowledge-based ventures alongside the existing activity, and to examine investment opportunities in interesting companies and technologies in the field."

**Disclaimer – Forward-Looking Statements**

This press release contains a number of forward-looking statements. The Company announces that there is no certainty that these will be realized.