IMPORTANT

This document is an unofficial translation of the Hebrew original, March 31, 2012 financial report of Hadasit Bio-Holdings Ltd. that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on May 17, 2012.

The Hebrew version submitted to the TASE and the Israeli Securities Authority shall be the sole binding legal version. This translation is for the convenience of English readers only.

HBL - Hadasit Bio-Holdings Ltd. (the "Company")

Board of Directors Report for the Quarter Ended March 31, 2012

A. Introduction and summary of the Corporation's business areas

The Company's main assets are holdings in companies in the field of bio-technology (the "**Portfolio Companies**"), which are generally based on intellectual property that was developed in Hadassah hospital, and is owned by it. This intellectual property has generally been transferred by license to the subsidiaries, and serves as the basis for their activities.

The main resource allowing the Company to achieve its objectives is the obtaining of financing sources in order to enable the delivery of measured and monitored cash flows to the Portfolio Companies, for the purpose of allowing them to meet pre-defined milestones in the areas of research and development, production, intellectual property and regulation, in a manner that will enable them to reach human clinical trial phases.

The Company's main objective is to improve and promote the Portfolio Companies in which it maintains holdings, by providing, *inter alia*, the financing resources required by them (within the limits of the Company's ability) for the research and development of the science, technology and

products that serve as the foundations of the Portfolio Companies. The provision of these resources is intended to enable the Portfolio Companies to move forward and achieve clearly defined milestones, which, in the bio-technology industry, serve as an indication of real substance in the areas of research, clinical development, regulatory process, business development and other criteria related to a company's activity, as expressed in financial value for its owners. This value is developed over a prolonged period of time, and involves the investment of significant financial and managerial resources.

As of the report date, the Company has holdings in six private and active portfolio companies. As of the report date, three of the six portfolio companies in which the Company has holdings are in phases of conducting clinical trials on humans (Enlivex; Thrombotech; and BioMarCare). An additional portfolio company held by the Company, Verto Ltd., has completed clinical trials on humans, but, as detailed below, the Company recommended that Verto Ltd. cease its activities.

As of the report date, four out of seven of the Portfolio Companies in which the Company maintains holdings were in or after the human clinical trial Phase: [A] Verto - Entered a clinical trial in 2007, and completed a Phase II/I trial in 2008; [B] Enlivex Ltd. (previously known as TolRex Ltd.) - Entered the clinical trial phase in 2009, and expects to complete the trial in 2011; [C] Thrombotech Ltd. - Entered the human clinical trial phase in February 2010, completed Phase I of the trial in August 2010, and began recruiting patients for Phase IIa in July 2011; [D] BioMarCare - Currently conducting an additional human clinical trial.

The Company supervises, and, depending on the circumstances, is also involved in the management of the Portfolio Companies, on the level of strategic planning, creating work plans and budgets, recruiting personnel, business development, and more. By means of this involvement, the Company attempts to ensure that the resources it provides, and the resources raised by the Portfolio Companies, are used in the best possible manner. It should be noted that not all of the Portfolio Companies are under the Company's control, meaning that its ability to be involved, and its degree of involvement, differ among the various Portfolio Companies. As of the report date, representatives of the Company are serving in all the boards of directors of the Portfolio Companies. The Company also invests financial and managerial resources that are available to it in those Portfolio Companies which are most advanced, and which have the highest scientific and business potential. These prioritization decisions are reached following recommendations made by the Company's management, strategic discussions held by the Company's board of directors, and are based on the recommendations of its scientific advisory board.

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The foregoing and following sections are presented from the perspective of the Company's board of directors, and are largely based on projections and estimates which may not be realized, or whose date of realization may be delayed. It is possible, either for regulatory reasons, or due to the rate of progress of research and development, its results, a lack of available financing sources, or other reasons, that the Portfolio Companies may not meet these projections and estimates.

B. The Company's rate of holding in the Portfolio Companies:

The following are details regarding the Company's holdings in the Portfolio Companies as of March 31, 2012:

Name of the Portfolio Company in which the Company maintains holdings	**Rate of the Company's holdings as of March 31, 2012**		**Portfolio Company's area of operation**
	Not at full dilution	**At full dilution**	
Thrombotech Ltd.	24.83%	22.05%	Development of drugs intended for focused, selective dissolution of blood clots
Cell Cure Neurosciences Ltd.	26.28%	25.54%	Stem-cell based treatment for AMD (Age-Related Macular Degeneration), Parkinson's, and other neurodegenerative diseases
ProtAb Ltd.	69.79%	50.10%	Drugs for the treatment of rheumatoid arthritis and other auto-immune diseases
BioMarCare Ltd. (Formerly Incure Ltd.)	87.49%	91.77%	Kit for early detection of metastasis in certain types of cancer (breast, colorectal) and development of a treatment platform
KAHR Medical 2005 Ltd.	69.5%	64.83%	Development of a protein platform enabling treatments for auto-immune diseases and various types of cancer
Enlivex Therapeutics Ltd.	91.99%	83.63%	Development of a system (device and drug) for the treatment of graft-versus-host disease in transplants, and in inflammatory and auto-immune diseases

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BioLineRX Ltd.	0.18%	0.18%	Development of drugs in BioLine laboratories and in outsourced laboratories, in order to move them forward towards advanced clinical trial phases

The Company's ability to maintain its current rate of holdings in the Portfolio Companies is contingent upon the Company's financial capability being such that will enable it, subject to the investing principles for the Portfolio Companies, to participate in investment rounds in the Portfolio Companies. It is possible that, in subsequent financing rounds, the Company will not have the means necessary to maintain its current rates of holding in the Portfolio Companies (all or some), and it is also possible that, in the aforementioned rounds, the Company will decide that it would be inappropriate or undesirable to participate in such rounds.

As noted above, the Company's board of directors supports the continued delivery of financing to the Portfolio Companies, while operating maximal discretion with regard to the position of each particular Portfolio Company, its proximity to a clinical trial, and other significant milestones, and its regarding its ability to raise additional financing from sources other than the Company (investors, support provided by the Chief Scientist, etc.).

Concurrently, some of the Portfolio Companies are currently conducting negotiations with external investors in advance of an investment. The Company is also evaluating various financing possibilities in advance of a capital raising during 2012.

The Company's representatives are involved, as much as possible, in the management of the Portfolio Companies, and represent the Company on the boards of directors of those companies. In this way, they are involved in the planning of the scientific and business goals of the companies, such that the provision of financing is only implemented in the event that the companies fulfill those goals. In the event of a failure to meet these goals, the Company changes the manner of provision of financing, or delays it.

C. Main developments in the Portfolio Companies during the first quarter of 2012

(1) Enlivex

As part of a clinical trial performed by Enlivex Ltd. on the ApoCell drug for the treatment of graft vs. host disease (GvHD), Enlivex completed, during January 2012, the recruitment and treatment of all of the research patients (not including the expansion of the trials) including 13 patients (see immediate report submitted in the matter – reference number: 2012-01-015507). The Company performs follow-up for the patients and gathers data as determined in the protocol, and expects that towards the end of

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the second quarter of 2012, it will have a final report including the data of all of the patients after the transplantation, and that around the end of the third quarter in 2012 it will have a final report summarizing the study (not including the expansion of the trial, if performed).

After the balance sheet date, an agreement for the provision of a convertible loan in the amount of NIS 600 thousand was signed between Enlivex and the Company. It was agreed that the loan will bear annual interest at a rate of prime + 3%, and will be repaid, unless converted to Enlivex shares, on January 1, 2015. In the event that Enlivex offers securities in an offer whose total amount will be no less than USD 500,000, the Company will be entitled to convert the loan (with the addition of accumulated interest) into Enlivex shares, at a discounted rate of 35% from the value of the shares in such allocation. In the event that an investment is not performed in Enlivex by January 1, 2015, the Company will be entitled, up to 30 days following January 1, 2015, to issue a notice to Enlivex stating that the loan will be converted to shares in Enlivex, with the worth of Enlivex being calculated as USD 500,000 (pre-money valuation).

(2) KAHR Medical

KAHR is continuing pre-clinical development of its products. KAHR is continuing the development of two products, KAHR-101 and KAHR-102, intended for the treatment of various types of cancer and auto-immune diseases (affecting the immune system). During the first quarter, KAHR continued to focus its findings on the development of KAHR-102 only, which previously displayed significant activity in different models of auto-immune diseases in animals, as well as activity on cancerous cells from human sources. KAHR recently succeeded in showing significant activity of the product in the treatment of lymphomic cancer in mice models. Additionally, KAHR continues to develop the production process for the KAHR-102 product, in collaboration with Recipharm-Cobra Ltd., in advance of a clinical trial involving lymphoma patients at Hadassah.

(3) Cell Cure Neurosciences Ltd.

Cell Cure continued to operate in the first quarter of 2012 for the development of the Company's product – OpRegen®. OpRegen®, which is intended for the treatment of dry-AMD (Age-Related Macular Degeneration). The disease is widespread among seniors, and is caused by the death of RPE cells, which support the retina and are located below it. The OpRegen® cells will replace the patient's dying RPE cells. The RPE cells are selected from human stem cells which grow on a culture of supportive fibroblast cells from a human source.

During the quarter, Cell Cure continued pre-clinical trials before submission to regulatory bodies. The process included the final characterization and safety testing of the product OpRegen® [the pigment

cells of the retina (RPEs)]. The safety tests included a number of animal tests. The first batch of RPE cells was performed under cGMP conditions, by using the efficient and advanced method developed by the Company to produce RPEs at a high output and level of cleanliness under xeno-free conditions (without the use of materials derived from animals).

Cell Cure is in constant contact with the FDA and is working to develop the OpRegen® product in accordance with the regulatory requirements set forth for products based on embryonic stem cells.

(4) Thrombotech Ltd.

During the first quarter, Thrombotech continued to recruit patients in three hospitals in Israel (Hadassah, Ichilov and Wolfson). The commencement of the clinical trial in the three centers in India, which is contingent upon receipt of national regulatory approval, was delayed due to bureaucratic reasons, and is expected during the second quarter. Additionally, during the first quarter, Thrombotech received approval from the ethics committee of the hospital in Barcelona and submitted a request to the National Committee of Spain. The beginning of the clinical trials in Spain is contingent on the receipt of approval from the national committee in Spain. Additionally, Thrombotech identified additional appropriate centers in Germany and Austria and submitted requests to the local regulatory authorities for the approval of the performance of the trials.

During January 2012, Thrombotech submitted an IND request for regulatory approval from the FDA for the performance of phase IIA clinical trials (Phase IIa) in the United States. During February 2012, FDA approval was received for the beginning of the said trials (see reference: 2012-01-054114). The beginning of patient recruitment in Europe is expected during the second quarter of 2012 after receiving regulatory approvals.

At the beginning of the quarter, Thrombotech recruited about USD 1.4 million for financing the clinical trials (Phase IIa). Of the total amount, the Company invested its proportional share in the amount of USD 350,000 and maintained its relative share in the holdings in Thrombotech. The remaining financing was invested by additional shareholders of Thrombotech: Klal Biotechnologies and Ofer High Tech Group.

Parallel to the clinical development, Thrombotech continued pre-clinical trials in order to support the development of the treatment with the product in combination with tPA in a time window three hours after the stroke. As of the publication of the report, a draft report of the first results of the trial from the said series of trials was received which was inconclusive. Thrombotech estimates that the series of trials should be continued in various models in a larger number of animals. During the first quarter,

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Thrombotech began negotiations for the acquisition of Thrombotech by D-Pharm Ltd. (see reference: 2012-01-049995).

In the first quarter of 2012, the Chief Scientist in the Ministry of Industry, Trade and Labor approved an R&D budget for the continued development of the product especially for further clinical trials (the total program to Thrombotech, for the fourth consecutive year is about NIS 4.6 million of which NIS 2.2 million is at a participation rate of 50% and approximately NIS 2.4 million at a participation rate of 30%). See reference: 2012-01-061857.

(5) ProtAb

During the quarter, ProtAb continued to act for the development of its leading antibody (an antibody produced from pilot batches (pilot engineering run)).

In continuation to the extensive consultation project conducted in the recent quarters of 2011 and the submission of the request to the FDA for a preliminary meeting (pre-IND) regarding the leading antibody of ProtAb, ProtAb prepared regulatory documents during the first quarter of 2012, submitted to the FDA in preparation for the meeting. The meeting with the FDA took place immediately after the first quarter of 2012 and confirmed that the innovative analytical methods to characterize the functional properties of the antibody are indeed fitting for the regulatory requirements for preliminary clinical trials in humans. The FDA requested additional toxicological testing in animals which ProtAb is currently preparing with the material produced from the clinical batch.

During the first quarter of 2012, ProtAb began toxicological trials in rodents under GLP conditions, which was performed with the antibody produced in the pediment production process. The trial was performed in the Harlan Israel Ltd. company.

During the first quarter of 2012, ProtAb entered the national phase in several countries with an application for a patent that protects the various sequences of the "human" antibody, and on their use in the treatment of patients with auto-immune diseases in general and the treatment of patients with rheumatoid arthritis and inflammatory bowel disease in particular, following submission of the PCT application on the subject in September 2010.

During the first quarter of 2012, ProtAb submitted a request to extend the R&D period until July 2012 to the office of the Chief Scientist in the Ministry of Industry, Trade and Labor. ProtAb received approval in the matter during April 2012.

ProtAb is continuing to conduct business discussions in order to raise additional funding during the second quarter of 2012 and to progress to the production of the clinical batch, regulatory submissions, and the performance of Phase I trials in healthy volunteers.

(6) BioMarCare

On March 26, 2012, an investment agreement was signed between Micromedic Technologies Ltd. and BioMarCare Technologies Ltd. in the framework of which MicroMedic undertook to invest an amount of USD 1 million in BioMarCare against the allocation of ordinary shares of BioMarCare that would constitute about 33% of the issued and paid up capital of BioMarCare (on a fully diluted basis, after the allocation). Additionally, an option was granted to MicroMedic to perform an additional investment in BioMarCare in an amount totaling USD 1 million ("the Option"), against the additional allocation of ordinary shares, which would constitute, immediately after the options exercise and together with the investment shares, about 53% of the issued and paid up capital of BioMarCare (on a fully diluted basis). This investment will be transferred by MicroMedic to BioMarCare in four payments, against the transfer of investment shares in installments, along with each payment (see reference: 2012-01-080559).

The completion of the investment agreement was subject to the fulfillment of a number of preconditions, inter alia, the conversion of all convertible loans given in the past to BioMarCare by some of its shareholders, including the Company, such that after the investment agreement is completed (and before the option is exercised) the Company will hold about 64.2% of the issued and paid up capital of BioMarCare (on a fully diluted basis). The preconditions for the existence of the transaction were only completed on April 3, 2012, inter alia, in the framework of a document called Closing Memorandum which included new understandings and adjustments with respect to the preconditions listed in the investment agreement.

During the first quarter, BioMarCare received final approval from the BIRD Fund, the Bi-national Fund of Israel and the United States for financing the collaboration with the American company, Ariadne Diagnostics LLC in the amount of USD 900 thousand. The financing was intended for the development of this nCRC-StratTM test for the companion diagnostics market intended to predict medicinal treatment for colon cancer patients in metastatic stages.

BioMarCare received a notice of the preliminary transfer of USD 66 thousand and signed a development agreement with a subcontractor for clinical pathology. In addition, BioMarCare received approval from the Helsinki committee of the Rambam Hospital to open an additional clinical site for the recruitment of samples.

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In the first quarter, BioMarCare was engaged in accelerating the development of a diagnostic method of molecular biomarkers in the blood (plasma), considered a challenge and high technological barrier. The aim of the activities was to develop Colon-MarCarePlex™ test for the pre-cancerous and cancerous diagnosis of biological signs in non-invasive testing. BioMarCare is collecting dozens of blood samples of patients with negative and positive colonoscopies. Blood tests are designed to replace the stool test which is considered a screening test with low sensitivity and very limited public responsiveness.

In the development of the PAR Panle™ test, BioMarCare expanded its activities of testing the biomarkers in biopsies of breast cancer patients. BioMarCare is developing a predictive test for patients with positive hormone receptors that may benefit from a combination of chemotherapy together with tamoxifen treatment.

This development relies on a second year scientific plan in which during the quarter the final budget was approved (after adjustments) of NIS 1.5 million, of which the actual grant is 60% (NIS 900 thousand). In the quarter, BioMarCare recruited about 150 patients with informed consent and built a unique tissue array. In parallel, PAR antibodies are tested for dyeing the tissue.

During the first quarter, BioMarCare received approval from the office of the Chief Scientist in the Ministry of Trade, Industry and Labor for an R&D budget for the continued development of the products, especially for the continuation of clinical trials (the scope of the plan for BioMarCare in the second consecutive year is about NIS 1.5 million, at a participation rate of 60% - favorable financing due to the Company's activities in Jerusalem (see reference: 2012-01-061857).

(7) Verto Ltd.

During November 2011, the Company recommended that Verto cease its operations.

Verto has no business or research activities.

The total loans that the Company provided Verto amount to about USD 750 thousand (NIS 3,515 thousand including interests). Upon the liquidation of Verto, the loans were not returned to the Company.

The board of directors meeting of Verto dated May 16, 2012, resolved for voluntary liquidation.

The contents of this section are forward-looking information and are contingent, inter alia, on the recruitment of financial sources required therefor, the success of the preliminary trials and the receipt of regulatory approvals required.

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D. Financial position and financing sources

The Company's current assets as of March 31, 2012 totaled approx. NIS 23,932, versus NIS 31,473 thousand as of March 31, 2011. The decrease resulted from a decrease in the cash as a result of the continued activities and impairment of the investment in BioLine.

The balance of cash and cash equivalents as of March 31, 2012 amounted to approx. NIS 7,702 thousand, as compared with NIS 13,835 thousand as of March 31, 2011. The decrease resulted mainly from the investment in Thrombotech and the combustion of cash in ongoing operations.

The investment in marketable securities as of March 31, 2012 amounted to NIS 13,589 thousand, as compared with NIS 14,840 thousand for March 31, 2011. This decrease was due to the partial repayment of debentures.

Available-for-sale financial assets as of March 31, 2012 amount to approximately NIS 338 thousand as of March 31, 2010 in comparison to the amount of NIS 738 thousand for March 31, 2011. The decrease results from the impairment of BioLine shares.

Fixed assets of the Company as of March 31, 2012 amount to about of NIS 471 thousand, in comparison to the amount of NIS 1,397 thousand for March 31, 2011. The decrease mainly results from the impairment and depreciation of the period.

The total balance of investments in affiliates as of March 31, 2012 amounted to approx. NIS 11,654 thousand, in comparison to NIS 16,776 thousand for March 31, 2011. The decrease mainly results from the removal of equity losses of affiliated companies.

The current liabilities of the Company as of March 31, 2012 amounted to approx. NIS 3,300 thousand, in comparison to the NIS 4,433 thousand as of March 31, 2011. The decrease results mainly from the decrease in supplier balances.

Non-current liabilities as of March 31, 2012 amounted to about of NIS 4,636 thousand, similar to the amount of NIS 4,420 thousand as of March 31, 2011.

The Company's capital attributed to equity holders in the Company as of March 31, 2012 amounted to a total of NIS 27,908 thousand, as compared with capital of NIS 45,834 thousand as of March 31, 201. The decrease results mainly from the current losses of the Company.

E. Results of operations:

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The Group's loss attributed to equity holders in the Company, for the quarter ended March 31, 2012, amounted to a total of approx. NIS 4,040 thousand, as compared with income of approx. NIS 7,195 thousand for the corresponding period last year.

Administrative and general expenses for the quarter ended March 31, 2012 amounted to a total of approx. NIS 1,501 thousand, similar to the NIS 1,421 thousand for the corresponding period last year.

Other expenses - the Group did not register other expenses for the quarter ending on March 31, 2012, versus the loss of about NIS 381 thousand during the corresponding period last year.

R&D Expenses:

The following is a description of the R&D expenses incurred in the held companies in the first quarter ending on March 31, 2012, compared to the R&D of the corresponding year

	March 31, 2012	**March 31, 2011**
	Thousands of NIS	**Thousands of NIS**
	Subsidiaries	
Verto	-	32
Enlivex	509	592
KAHR	504	530
BioMarCare	(282)	525
Total in subsidiaries	**731**	**1,679**
	Affiliates	
Cell Cure	2,383	2,755
ProtAb	1,288	2,746
Thrombotech Ltd.	89	322

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Total in affiliates	**3,760**	**5,833**
Total R&D expenses	**4,491**	**7,512**

The Company's investments in the Investees serve, for the most part, to finance those companies' research and development activities. Additionally, these investments assist the Investees in raising additional funds, specifically support funds received from the Office of the Chief Scientist at the Ministry of Industry, Trade and Labor. It should be noted that this external financing received from the Chief Scientist does not dilute the Company's holding in the Portfolio Companies, and may reach a total of 50% of their total research and development expenses.

F. Liquidity status

For the quarter ended March 31, 2012, cash used in operating activities amounted to a total of NIS 2,852 thousand, as compared with NIS 1,459 and 10,611 for the corresponding quarter last year.

Cash flows provided from investing activities for the quarter ended March 31, 2012 amounted to approx. NIS 387 thousand, and resulted mainly from the exercise of securities and bonds and other investments in affiliated companies. In comparison, cash flows arising from investing activities in the

amount of NIS 6,484 thousand, for the corresponding quarter last year, mainly as a result of the exercise of tradable securities.

Cash flows arising from financing activities for the quarter ended March 31, 2012 amounted to a total of approx. NIS 120 thousand, and resulted mainly from receipt of loans from the Chief Scientist, as compared with NIS 21 thousand in the corresponding quarter last year.

G. Economic exposures and exposure to market risks and methods for handling them

As of the report date, the potential risks embedded in the Company's activities are:

1. **Market risks**: changes in the price of the Company's shares in the stock exchange (which can lead to (series 3) warrants not being exercised); change in share price of BioLine.

2. **Economic exposures**: economic slowdown materially influences the ability of the Company to recruit financial resources. Adequate financial resources are the input required to portfolio companies in order to advance research and development processes. Without adequate financial resources, the portfolio companies cannot acquire the input required for the performance of R&D and for preparing and entering the phase of clinical trials on humans. The Company is raising capital through several means.

   Other than the above, the Company has not yet identified additional market risks that it is exposed to during its operations. With identifying such market risks, the Company determines instructions for managing the said risks. The entity responsible in the Company for the management of market risks is the CEO of the Company, Mr. Ophir Shahaf.

H. Directors possessed of accounting and financial expertise

In light of the complexity of the Company's accounting and financial affairs, the Company's board of directors determined, in accordance with the provisions of Section 92(a)(12) of the Companies Law, 5759 - 1999, that the Company's board of directors will include at least two directors possessed of accounting and financial expertise; in other words, directors who do not fulfill an additional role in the Company, and by virtue of their education, experience and skills, are possessed of significant expertise and understanding with regard to business and accounting matters and financial statements, in a manner that enables them to understand the financial statements in depth, and to discuss issues related to the manner of presentation of the financial statements.

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As of the report date, all of the directors serving in the Company fulfill the established criteria with regard to accounting and financial expertise, and also with regard to professional qualifications, by virtue of their education and experience in company management.

I. Report regarding independent directors

The Company has not yet adopted into its Articles of Incorporation the provision set forth in Section 219(e) of the Companies Law, 5759 - 1999, with regard to the number of independent directors.

As of the report date, four independent directors are serving in the Company (these two are Ms. Michal Sapir and Mr. Yaron Kulas, Prof. Adi Raveh and Mr. Doron Berger).

J. Details regarding the approval process for the Corporation's financial statements

The corporate organs responsible for over-supervision are the Chairman of the Board - Dr. Rafi Hofstein, and the CEO of the Company - Mr. Ophir Shahaf.

The financial statements are prepared by the Company's CEO, with the assistance of the CFO and the Company's financial staff. After performance of the auditor's review, and prior to their approval by the Company's board of directors, the draft statements are delivered for the advance review of specific directors serving as the Company's balance sheet committee - Mr. Yaron Kulas, chairman (external director), and Ms. Michal Sapir (external director), and Prof. Adi Raveh, who review the statements and deliver their remarks and recommendations to the board of directors several days before the date established for the board of directors' meeting, in accordance with the provisions of the Companies Regulations (Provisions and Conditions Regarding the Approval Process for Financial Statements), 5770 - 2010 (hereinafter: the "**Approval Process Regulations**").

All balance sheet committee members were determined by the Company's board of directors as possessing accounting and financial expertise, and in any case are possessed of the ability to read and understand financial statements. All committee members have delivered a statement as required in Section 1(1) of the Approval Process Regulations.

Approval process in the balance sheet committee

The Company's financial statements were discussed in a balance sheet committee meeting held on May 13, 2012. All balance committee members participated in the discussion. The meeting was also attended by the Company's auditor, the Company's internal auditor, the Company's CEO and other invited consultants. In the meeting, discussions were held regarding the effectiveness of internal control over financial reporting and disclosure, as well as a discussion of principles with regard to

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estimates and evaluations made by the Company, and the completeness and appropriateness of disclosure, accounting policy and accounting treatment. Additionally, recommendations to the board of directors were formed with regard to the approval process of the financial statements.

Details regarding the processes used by the balance sheet committee for the purpose of forming its recommendation to the board of directors

Prior to the meeting, the following were sent to the committee for review: [A] the Company's draft quarterly financial statements; [B] supporting documents used in the preparation of the financial statements.

As part of the meeting, a presentation was made to those attending, and an evaluation was conducted by the committee members, regarding the estimates and assessments made with respect to the financial statements, the processes of internal control over financial reporting, the risk management policy, the completeness and appropriateness of the financial statements, the accounting policy and accounting treatment applied with regard to material issues, and the figures presented in the Company's financial statements.

The information accompanying the figures presented in the financial statements was reviewed by the directors, including information regarding the Company's financial and operational position.

Following consultation with the Company's auditors, the balance sheet committee members reached a conclusion that the Company had applied a proper accounting policy, and had used proper estimates and assessments.

The committee formed recommendations with regard to the approval of the Company's financial statements, and these were delivered for the review of the Company's directors approx. two days before the Board's meeting, which is a reasonable period of time in the opinion of the Company's board of directors.

The Company's financial statements were discussed and approved in a meeting held by the Company's board of directors on May 16, 2012. In the board of directors meeting, the recommendations of the balance sheet committee were presented to the Board members, and a review and analysis was conducted by the Company's CEO regarding the main points of the financial statements, including those pertaining to the results of its operations, its financial position, cash flows, etc. Major transactions for the period were also presented. The board of directors meeting was attended by the Company's auditors and the balance sheet committee chairman (Mr. Yaron Kulas).

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K. Details regarding compensation of the Company's senior corporate officers

The Company does not pay salaries to its employees. Management services are granted to the Company from Hadasit (a holder of control). For details regarding the management agreement signed between the Company and Hadasit – see the chapter on the Company's business in the annual report for 2011 (reference: 2012-01-078078).

No changes occurred on the matter over the course of the quarter.

L. Donations policy

As of the report date, the Company has not yet adopted a donations policy. However, the Company's Articles of Incorporation state that the Company may donate reasonable sums of money towards worthy causes. As of the report date, the Company donated to the "Tmura" association which raises money from high tech companies and directs the donations to support for children.

M. Internal auditor

During the report period, no material changes occurred on the subjects specified in Regulation 10(b)(11) of the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970.

N. Report regarding exposure to market risks and methods for handling them:

The Company's cash and cash equivalents balances are deposited in Israeli banking corporations possessed of an A rating.

According to the Company's policy, the Company invests its liquid balances in NIS and USD deposits, and also in corporate bonds which hold a rating of A or higher.

The officers responsible for managing the Company's market risks are Mr. Ophir Shahaf, the Company's CEO, and Dr. Rafi Hopstein, the Chairman of the Board.

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O. Linkage balance sheet of the balance of financial assets and liabilities:

The following are the linkage conditions of monetary balances as of March 31, 2011 (thousands of NIS):

	In non-linked NIS	In CPI-linked NIS	In foreign currency or linked thereto	Total
Assets				
Cash and cash equivalents	13,406	-	429	13,835
Investments in marketable securities	14,245	595	-	14,840
Receivables and others	1,296	202	-	1,498
Available-for-sale financial assets	738	-	-	738
Non-current assets:				
Investment in options of affiliates	-	-	832	832
Rental fees receivable	-	1,100	-	1,100
Total assets	**29,685**	**1,897**	**1,261**	**32,843**
Liabilities				
Liabilities :				
Credit from banks	**-8-**	**?**	?	8
Suppliers and service providers	1,606	-	547	2,153
Accounts payables	1,212	522	-	1,734
Loans from external shareholders in subsidiaries	-	-	266	266
Non-current liabilities:				
Royalties payable		-	1,032	1,032
Expenses payable	--	3,328	-	3,328
Total liabilities	**2,826**	**3,850**	**1,845**	**8,51**
Surplus of financial assets / (liabilities) over liabilities / financial assets	**26,859**	**(1,953)**	**(584)**	**24,322**

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The following are the linkage conditions of monetary balances as of March 31, 2012 (thousands of NIS):

	In non-linked NIS	In CPI-linked NIS	In foreign currency or linked thereto	Total
Assets				
Continuous assets:				
Cash and cash equivalents	3,801	-	3,901	7,702
Short term deposits	-	-	-	-
Investments in marketable securities	9,411	4,718	-	13,589
Receivables and others	2,065	164	-	2,229
Available-for-sale financial assets	338	-	-	338
Non-current assets:				
Investment in options of affiliates	-	-	271	271
Rental fees receivable	-	930	-	930
Total assets	**15,615**	**5,272**	**4,172**	**25,059**
Liabilities				
Current Liabilities:				
Suppliers and service providers	824	-	304-	1,128
Accounts payable	988	489	-	1,477
Loans from external shareholders in subsidiaries	334	-	-	334
Non-current liabilities:				
Royalty payable	-	45	1,649	1,694
Expenses payable	-	2,762	-	2,762
Total liabilities	**2,146**	**3,296**	**1,953**	**7,395**
Surplus of financial assets over liabilities	**13,469**	**1,976**	**2,219**	**17,664**

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Hadasit Bio-Holdings Ltd.

P. Sensitivity tests

The Company performed sensitivity tests in respect of changes in ranges of 3%, 5% and 10% for the relevant market factors.

Currency risk:

The Group holds balances in foreign currency, mainly in USD, resulting in exposure to volatility in USD/NIS exchange rates. The following table presents the effects of potential losses by Group resulting from an increase / decrease of 10% and 5% in the USD/NIS exchange rate:

Sensitivity to changes in the USD/NIS exchange rate					
	Profit from the changes		Fair value as of March 31, 2012: USD/NIS 3.715	Loss from the changes	
	Increase of 10% in market factor (USD/NIS 4.087)	Increase of 5% in market factor (USD/NIS 3.901)		Decline of 5% in market factor (USD/NIS 3.529)	Decline of 10% in market factor (USD/NIS 3.344)
	Thousands of NIS				
Exposure in the linkage balance sheet	188	94	1,885	(94)	(188)

The Group's exposure to changes in the exchange rates of other foreign currencies amounted to immaterial sums.

Hadasit Bio-Holdings Ltd.

The expected exposure of changes in the consumer price index on the Group's losses:

Sensitivity to changes in the consumer price index					
	Profit from the changes		Index as of March 31, 2012 120.4 points*	Loss from the changes	
	Increase of 10% in market factor (132.4)	Increase of 5% in market factor (126.4)		Decline of 5% in market factor (114.4)	Decline of 10% in market factor (108.3)
Thousands of NIS					
Exposure in the linkage balance sheet	198	99	1,977	(99)	(198)

The changes chosen for the relevant risk variables were selected based on estimates made by management regarding reasonably possible changes in these risk variables.

The evaluation of the aforementioned risk factors was performed on the basis of the materiality of the exposure of the results of operations in respect of each risk factor, with respect to the operating currency, and assuming that all other variables will remain constant.

Q. Critical accounting estimates

For details regarding the Company's critical accounting estimates, see Note 3 of the Company's financial statements as of December 31, 2011.

Hadasit Bio-Holdings Ltd.

Date: May 16, 2012

Ophir Shahaf	**Dr. Rafi Hofstein**
CEO	**Chairman of the Board**

HBL - Hadasit Bio-Holdings Ltd.

Summary Consolidated Financial Statements
as of March 31, 2012

(Unaudited)

HBL - Hadasit Bio-Holdings Ltd.

Summary Consolidated Financial Statements
as of March 31, 2012
(Unaudited)

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Auditors' Review Report to the Shareholders of

HBL - Hadasit Bio-Holdings Ltd.

Introduction

We have reviewed the attached financial information of **HBL - Hadasit Bio-Holdings Ltd.** (hereinafter: the "Company") and its subsidiaries (hereinafter: the "Group"), including the summary consolidated financial statement of financial position as of March 31, 2012, as well as the summary consolidated financial statement of comprehensive loss, the statement of changes in shareholders' equity, and the statement of cash flows for the three month period then ended. The board of directors and management are responsible for the preparation and presentation of financial information for this interim period, pursuant to International Accounting Standard IAS 34, "Interim Financial Reporting". They are also responsible for preparing the financial information for this interim period pursuant to Section D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion regarding the financial information for this interim period, based on our review.

We did not survey the summary interim financial information as of March 31, 2011 for a consolidated company whose assets as included in the consolidation constituted approx. 0.53% of the Company's total consolidated assets on the above date, and whose results as included in the consolidation, for the three month period ended on the above date, constituted approx. 10.3%. The summary interim financial information of that company was reviewed by other auditors, whose review reports were provided to us, and our conclusion, inasmuch as it relates to the financial information in respect of that company, is based on the review reports prepared by the other auditors.

Scope of the Review

We conducted our review in accordance with Review Standard no. 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Prepared by the Entity's Auditor". A review of interim financial information includes making inquiries, particularly with the people responsible for financial and accounting matters, and performing analytic and other review procedures. A review is significantly limited in scope in comparison to an audit conducted in accordance with generally accepted accounting standards in Israel, and therefore does not allow us to reach an assurance that we have become aware of all material issues which may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and on the review reports provided by other auditors, nothing has come to our attention which would lead us to believe that the above financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to the contents of the preceding paragraph, based on our review and on the review reports provided by other auditors, nothing has come to our attention which would lead us to believe that the above financial information does not fulfill, in all material respects, the disclosure requirements set forth in Section D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Brightman Almagor Zohar & Co.
Accountants

Jerusalem, May 16, 2012

HBL - Hadasit Bio-Holdings Ltd.

Summarized Consolidated Statements of Financial Position

	As of March 31		As of December 31
	2012	2011	2011
	Thousands of NIS		
	Unaudited		Audited
Current assets			
Cash and cash equivalents	7,702	13,835(*)	10,154
Investment in marketable securities	13,589	14,840	15,154
Other accounts receivable	2,303	2,060	1,436
Available-for-sale financial assets	338	738	353
	23,932	31,473	27,097
Non-current assets			
Pledged cash	453	420 (*)	448
Prepaid expenses	12	12	12
Investment in associates	11,654	16,776	12,386
Investment in options of associates	271	832	395
Rental fees receivable	930	1,100	966
Fixed assets, net	471	1,397 (*)	498
Intangible assets	1,733	2,329	1,794
	15,524	22,866	16,499
Total assets	39,456	54,339	43,596
Current liabilities			
Credit from banks	-	8	-
Trade payables	1,128	2,153	1,702
Other accounts payable	1,838	2,006 (*)	1,611
Loans from external shareholders in subsidiaries, net	334	266	341
	3,300	4,433	3,654
Non-current liabilities			
Liabilities in respect of benefits to employees	71	60	67
Royalties payable	1,694	1,032	1,311
Provision for onerous contract	-	- (*)	-
Expenses payable	2,762	3,328	2,872
Deferred income	109	-	80
	4,636	4,420	4,330
Capital			
Share capital	875	875	875
Premium on shares	99,661	98,645	99,365
Warrants	10,902	10,902	10,902
Capital fund from operations with controlling shareholder	754	754	754
Capital fund for share-based payment transactions	1,858	2,604	2,126
Capital fund for available-for-sale financial assets	80	480	95
	114,130	114,260	114,117
Accumulated losses	(86,222)	(68,426)	(82,182)
Total capital attributable to owners of the Company's capital interests	27,908	45,834	31,935
Non-controlling interests	3,612	(348)	3,677
Total capital	31,520	45,486	35,612
Total liabilities and capital	39,456	54,339	43,596

(*) Re-classified

May 16, 2012		
Approval date of the financial statements	**Dr. Rafi Hofstein Chairman of the Board**	**Ophir Shahaf CEO / CFO**

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

HBL - Hadasit Bio-Holdings Ltd.
Summary Consolidated Statements of Comprehensive Loss

	For the Three Month Period Ended March 31		For the Year Ended December 31
	2012	2011	2011
	Thousands of NIS		
	Unaudited		Audited
Research and development expenses	(731)	(1,679)	(7,955)
Marketing expenses	(1)	(4)	(23)
Selling, general and administrative expenses	(1,501)	(1,421)	(7,120)
Other expenses, net	-	(381)	(1,426)
Loss from regular activities	(2,233)	(3,485)	(16,524)
Financial income	311	165	1,620
Financing expenses	(325)	(314)	(1,426)
Financing income (expenses), net	(14)	(149)	194
Loss after financing	(2,247)	(3,634)	(16,330)
Company's share in losses of investees	(2,068)	(3,876)	(8,265)
Loss for the period	(4,315)	(7,510)	(24,595)
Other comprehensive loss			
Loss from fair value adjustment of available-for-sale financial assets	(15)	(253)	(638)
Total comprehensive loss for the period	(4,330)	(7,763)	(25,233)
Loss for the period attributable to:			
Owners of the company's capital interests	(4,040)	(7,195)	(22,045)
Non-controlling interests	(275)	(315)	(2,550)
	(4,315)	(7,510)	(24,595)
Comprehensive loss for the period attributable to:			
Owners of the company's capital interests	(4,055)	(7,448)	(22,683)
Non-controlling interests	(275)	(315)	(2,550)
	(4,330)	(7,763)	(25,233)
Loss per ordinary share of NIS 0.01 par value			
Basic and diluted loss per share (in NIS)	(0.05)	(0.09)	(0.38)
Number of shares used in the above calculation (in thousands)	87,523	87,523	87,523

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

HBL - Hadasit Bio-Holdings Ltd.

Summary Statements of Changes in Shareholder's Equity

	Share Capital	Premium on Shares	Warrants	Capital Fund from Operations with Controlling Shareholder	Capital Fund for Share-Based Payment Transactions	Capital Fund for Available-For-Sale Financial Assets	Accumulated Losses	Total	Non-Controlling Interests	Total Capital
	Thousands of NIS									
For the Three Month Period Ended March 31, 2012 (Unaudited)										
Balance as of January 1, 2012	875	99,365	10,902	754	2,126	95	(82,182)	31,935	3,677	35,612
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(15)	-	(15)	-	(15)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	-	210	210
Share-based payment	-	-	-	-	28	-	-	28	-	28
Expiration of options	-	296	-	-	(296)	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(4,040)	(4,040)	(275)	(4,315)
Balance as of March 31, 2012	875	99,661	10,902	754	1,858	80	(86,222)	279,908	3,612	31,520

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

HBL - Hadasit Bio-Holdings Ltd.

Summary Statements of Changes in Shareholder's Equity

	Share Capital	Premium on Shares	Warrants	Capital Fund from Operations with Controlling Shareholder	Capital Fund for Share-Based Payment Transactions	Capital Fund for Available-For-Sale Financial Assets	Accumulated Losses	Total	Non-Controlling Interests	Total Capital
	Thousands of NIS									
For the Three Month Period Ended March 31, 2011 (Unaudited)										
Balance as of January 1, 2011	875	98,645	10,902	754	2,432	733	(61,231)	53,110	(51)	53,059
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(253)	-	(253)	-	(253)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	-	18	18
Share-based payment	-	-	-	-	172	-	-	172	-	172
Loss for the period	-	-	-	-	-	-	(7,195)	(7,195)	(315)	(7,510)
Balance as of March 31, 2011	875	98,645	10,902	754	2,604	480	(68,426)	45,834	(348)	45,486

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

HBL - Hadasit Bio-Holdings Ltd.

Summary Statements of Changes in Shareholder's Equity

	Share Capital	Premium on Shares	Warrants	Capital Fund from Operations with Controlling Shareholder	Capital Fund for Share-Based Payment Transactions	Capital Fund for Available-For-Sale Financial Assets	Accumulated Losses	Total	Non-Controlling Interests	Total Capital
	Thousands of NIS									
For the year ended December 31, 2011										
Audited										
Balance as of January 1, 2011	875	98,645	10,902	754	2,432	733	(61,231)	53,110	(51)	53,059
Fair value adjustment of available-for-sale financial assets	-	-	-	-	-	(638)	-	(638)	-	(638)
Investment in subsidiary - transaction with minority interest	-	-	-	-	-	-	1,094	1,094	5,259	6,353
Share-based payment in subsidiaries	-	-	-	-	-	-	-	-	10,149	1,019
Share-based payment	-	-	-	-	414	-	-	414	-	414
Expiration of options	-	720	-	-	(720)	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	(22,045)	(22,045)	(2,550)	(24,595)
Balance as of December 31, 2011	875	99,365	10,902	754	2,126	95	(82,182)	31,935	3,677	35,612

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

HBL - Hadasit Bio-Holdings Ltd.

Summarized Consolidated Statements of Cash Flows

	For the Three Month Period Ended March 31		For the Year Ended December 31
	2012	2011	2011
	Thousands of NIS		
	Unaudited		Audited
Cash flows for operating activities			
Loss for the period	(4,315)	(7,510)	(24,595)
Adjustments required to present cash flows for operating activities (Appendix A)	1,463	6,051	12,256
Net cash, used in operating activities	(2,852)	(1,459)	(12,339)
Cash flows arising from (used in) investing activities			
Interest receipts	103	99	702
Investment in marketable securities	-	-	(7,431)
Realization of marketable securities	1,640	5,993	12,986
Investments in investees	(1,335)	-	-
Realization of short term deposits	-	410 (*)	410
Purchase of fixed assets	(21)	(18)	(81)
Net cash, arising from investing activities	387	6,484	6,586
Cash flows arising from (used in) financing activities			
Interest payments and bank fees	(5)	(1)	(29)
Loans from the Chief Scientist	125	27	147
Investment of the minority interest in a subsidiary	-	-	6,353
Credit from banks	-	(5)	(13)
Net cash, arising from financing activities	120	21	6,458
Impact of changes in exchange rates on balances of cash and cash equivalents	(107)	(12) (*)	648
Increase (decrease) in cash and cash equivalents	(2,452)	5,034	1,353
Balance of cash and cash equivalents at beginning of period	10,154	8,801	8,801
Balance of cash and cash equivalents at end of period	7,702	13,835(*)	10,154

(*) Re-classified

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

HBL - Hadasit Bio-Holdings Ltd.
Summarized Consolidated Statements of Cash Flows

Appendix A - Adjustments Required to Present Cash Flows from Operating Activities

	For the Three Month Period Ended March 31		For the Year Ended December 31
	2012	2011	2011
	Thousands of NIS		
	Unaudited		Audited
Expenses not related to cash flows:			
Share in losses of investees	2,068	3,876	8,265
Depreciation and write-downs	109	208	660
Financing expenses	325	314	1,426
Financial income	(311)	(165)	(1,620)
Share-based payment	28	172	414
Increase in liabilities in respect of benefits to employees	4	2	9
Share-based payment in subsidiaries	210	18	1,019
Changes to assets and liabilities items:			
Decrease (increase) in other accounts receivable	(514)	409	1,242
Increase (decrease) in other accounts payable, and other liabilities	220	276 (*)	(187)
Decrease in expenses payable	(118)	(41)	(478)
Increase in royalties payable	-	65	-
Provision for impairment	-	381 (*)	1,426
Increase in deferred income	16	-	-
Increase (decrease) in trade payables	(574)	536	80
	1,463	6,051	12,256

(*) Re-classified

The notes to the summary consolidated financial statements constitute an inseparable part thereof.

Note 1 - General

A. HBL - Hadasit Bio-Holdings Ltd (hereinafter: the "Company"), was founded on September 19, 2005, by Hadasit Medical Research Services & Development Ltd. (hereinafter: "Hadasit"). The Company's main office is located in Jerusalem.

The Company is engaged, through Investees, in research and development in the medical and bio-medical fields.

In September 2005, an agreement was signed between Hadasit and the Company, after which, in January 2006, Hadasit transferred to the Company its holding in a number of information-rich companies active in the field of medical and bio-technological research and development (hereinafter: the "R&D Companies"). The transfer of holdings was implemented in order to enable the Company to raise funds from the public through the public offering and registration of its of its securities for trading on the Tel Aviv Stock Exchange (hereinafter: the "Stock Exchange").

Hadasit is a company fully owned and controlled by the Hadassah Medical Organization (hereinafter: "Hadassah").

Hadassah is a medical institution that includes two hospitals in the city of Jerusalem: "Hadassah Ein Kerem" and "Hadassah Har Hatzofim", in addition to medical schools and research centers.

Hadasit is the technology transfer office of Hadassah. Discoveries and developments produced by doctors at Hadassah (hereinafter: the "Researchers") are transferred for handling to Hadasit, whose responsibility is to maintain intellectual copyrights, to raise funds and to market the scientific discoveries.

The commercialization of scientific ideas and fundraising is performed by Hadasit, by founding Investees which are given license to use the intellectual property, and which work to commercialize the scientific discoveries developed at Hadassah. Hadasit and the R&D Companies were established in this manner.

In January 2006, the Company performed its initial public offering of shares and warrants on the Stock Exchange.

B. See the current summary statements for details regarding the Company's financial statements as of December 31, 2011, and for the year then ended, as well as their accompanying notes.

Note 1 - General (Cont.)

C. Definitions:

The Company	**-**	HBL - Hadasit Bio-Holdings Ltd.
The Group	-	The Company and its Investees (the R&D companies).
Related Parties	-	As defined in IAS 24.
Interested Parties	-	As defined in the Securities Law, 5728 - 1968, including regulations enacted thereupon.
Controlling Shareholders	-	As defined in the Securities Regulations (Yearly Financial Statements), 5770 - 2010.
Index	-	The consumer price index, as published by the Central Bureau of Statistics.
Dollar	**-**	US Dollar.
Subsidiaries	**-**	Companies over which the Company holds control (as defined in IAS 27), whether directly or indirectly, and whose financial statements are fully consolidated with the Company's statements.
Associates	-	Companies over which the Company has material influence, and where the Group's investments in those companies, whether directly or indirectly, is included in the financial statements using the equity method.
Investees	-	Subsidiaries and Associates.
Other Companies	**-**	Companies which are held by the Company, and over which it does not have control, joint control, or material influence.

Note 2 - Significant Accounting Policies

A. Basis for Presentation of the Financial Statements:

The Group's summary consolidated financial statements (hereinafter: the "Interim Financial Statements") were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" (hereinafter: "IAS 34").

In preparing these interim financial statements, the Group applied accounting policies, presentation principles and calculation methods that were identical to those used in the preparation of its financial statements as of December 31, 2011, and for the year then ended.

B. The summary consolidated financial statements were prepared in accordance with the disclosure provisions set forth in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970.

C. Exchange rates and linkage basis:

(1) Balances in foreign currency, or linked to foreign currency, are included in the financial statements according to their representative exchange rates, as these were published by the Bank of Israel and were in effect as of the end of the reporting period.

(2) CPI-linked balances are presented according to the last known index at the end of the reporting period (the index for the month preceding the month of the reporting date), or according to the index for the last month of the reporting period (the index for the month of reporting date), depending on the details of the transaction.

(2) The following are exchange rate data for the Dollar and the Index:

	Representative USD Exchange Rate	Index in Israel	
		Actual Index (*)	Known Index (*)
	(NIS per 1 USD)	Points	Points
Date of the financial statements:			
As of March 31, 2012	3.715	120.84	120.38
As of March 31, 2011	3.481	118.64	118.41
As of December 31, 2011	3.821	120.38	120.38
Rates of change:	**%**	**%**	**%**
For the three month period ended:			
March 31, 2012	(2.77)	0.38	-
March 31, 2011	(1.97)	0.7	0.88
For the year ended December 31, 2011	7.61	2.17	2.55

(*) Based on a 2002 average.

Note 3 - Newly Published Financial Reporting Standards and Interpretations

New standards, amendments to standards and interpretations which were published and are not in effect, which were not adopted by the Group, and which are expected to have an impact on subsequent periods:

IFRS 9 - "Financial Instruments":

The new Standard sets forth the provisions pertaining to the classification and measurement of financial instruments. The Standard provides the following method for treatment of all financial assets:

- Debt instruments will be classified and measured after initial recognition at amortized cost, or at fair value through profit and loss. The measurement model will be determined in consideration of the entity's business model with regard to the management of financial assets, and in accordance with the characteristics of the contractual cash flows arising from those financial assets.

- A debt instrument which, according to the tests, is measured at amortized cost, may be designated to fair value through profit or loss, only if such designation cancels out an accounting mismatch in terms of recognition and measurement that would have been created had the asset not been measured at amortized cost.
  Capital instruments will be measured at fair value through profit and loss.

- At the time of initial recognition, capital instruments may be designated to fair value when income or loss are charged to other comprehensive income. Instruments designated as above will no longer be subjected to impairment tests, and profit or loss in respect of them will not be transferred to profit or loss, including at the time of their realization.

- Embedded derivatives will not be separated from host contracts that fall under the Standard's scope of application. Instead, hybrid contracts will be entirely measured at amortized cost, or at fair value, in accordance with the business model and contractual cash flow tests.

- Debt instruments will be reclassified from amortized cost to fair value, and vice versa, only when the entity changes its business model regarding the management of financial assets.

- Investments in capital instruments for which no quote exists in an active market, including derivatives of such instruments, will always be measured at fair value. The alternative involving measurement at cost, which was previously permitted in certain circumstances, was annulled. However, the Standard provides that in certain circumstances, cost may be an adequate approximation of fair value.

  The Standard also includes the following provisions regarding financial liabilities:

- A change in the fair value of a financial liability which was designated upon initial recognition to fair value through profit and loss, and which is attributable to changes in the liability's credit risk, will be charged directly to other comprehensive income, unless such charge creates or increases an accounting mismatch.

- When a financial liability is repaid or settled, amounts charged to other comprehensive income will not be classified to the statement of income.

Note 3 - Newly Published Financial Reporting Standards and Interpretations (Cont.)

New standards, amendments to standards and interpretations which were published and are not in effect, which were not adopted by the Group, and which are expected to have an impact on subsequent periods:

IFRS 9 - "Financial Instruments": (Cont.)

- All derivatives, whether assets or liabilities, will be measured at fair value through profit and loss, including derivative financial instruments that constitute a liability related to an unquoted capital instrument whose fair value is not reliably measurable.

  The Standard's provisions apply to annual reporting periods beginning on or after January 1, 2015. Early adoption is possible. Additionally, and subject to the Standard's transitional provisions, early adoption may only be applied with regard to those provisions of the Standard which pertain to financial assets, without applying the aforementioned provisions to financial liabilities.

  The Standard's provisions may be applied either prospectively or retrospectively, as chosen by the entity. Entities which initially apply the Standard on or after January 1, 2013 are not required to amend comparative figures, but are required to include certain disclosure requirements, as specified in IFRS 7.

  At this stage, the Company's management is unable to estimate the impact that the Standard's adoption will have on its financial position and operating results.

IFRS 10 - "Consolidated Financial Statements"

The Standard provides the following provisions regarding consolidated financial statements:

- An entity's control over a different entity will be determined based on a uniform model, irrespective of the other entity's status as a "special purpose entity". The above also included annulment of the SIC 12 interpretation, "Consolidation - Special Purpose Entities".

- An investor is deemed to hold control over another entity (hereinafter: the "Invested Entity") when the investor holds power over the Invested Entity, and has exposure to variable returns from its involvement in the Invested Entity, and can make use of its power in order to affect the rate of returns.

- The Standard includes provisions regarding the evaluation of the existence of "effective control" in cases here an entity holds less than half of the voting rights in another entity. For this purpose, the investor's stake in the Invested Entity will be evaluated, in addition to, *inter alia*, the scope and distribution of the stake held by the public.

- Potential voting rights in an Invested Entity will be taken into account for the purpose of determining the existence of control in cases where their terms confer a real ability to direct the Entity's relevant activities in the present.

- The Standard does not include changes to the principles applicable to the consolidation of financial statements.

Note 3 - Newly Published Financial Reporting Standards and Interpretations (Cont.)

New standards, amendments to standards and interpretations which were published and are not in effect, which were not adopted by the Group, and which are expected to have an impact on subsequent periods: (Cont.)

IFRS 10 - "Consolidated Financial Statements" (Cont.)

The Standard will be retrospectively applied, excluding the exceptions specified in the Standard, for annual periods beginning on or after January 1, 2013. Early adoption is possible, provided it is performed simultaneously with IFRS 11 - "Joint Arrangements", IFRS 12 - "Disclosures of Interests in Other Entities", and IAS 28 (2011) - "Investments in Associates and Joint Ventures".

At this stage, the Company's management is unable to estimate the impact that the standard's adoption will have on its financial position and operating results.

IFRS 11 - "Joint Arrangements"

The Standard defines a joint arrangement as one in which two or more parties hold joint control (as defined in IFRS 10). The Standard further provides the following types of joint arrangements, and the accounting treatment for them:

- Activities under joint control include joint arrangements between parties holding joint control, which confer upon those parties interests in the assets and liabilities associated with the operation's undertakings. An entity holding joint control of an operation under joint control will recognize its shares in the operation's assets, liabilities, income and expenses in its consolidated financial statements.

- A joint venture is a joint arrangement between parties holding joint control over an arrangement, who hold the rights to the venture's net assets. An entity holding joint control of a joint venture will present its investment therein using the equity method, pursuant to IAS 28 (2011), "Investments in Associates and Joint Ventures".

The Standard will be retrospectively applied, excluding the exceptions specified in the Standard, for annual periods beginning on or after January 1, 2013. Early adoption is possible, provided that it is performed simultaneously with IFRS 10 - "Consolidated Financial Statements", IFRS 12 - "Disclosures of Interests in Other Entities", and IAS 28 (2011) - "Investments in Associates and Joint Ventures".

At this stage, the Company's management is unable to estimate the impact that the standard's adoption will have on its financial position and operating results.

Note 3 - Newly Published Financial Reporting Standards and Interpretations (Cont.)

New standards, amendments to standards and interpretations which were published and are not in effect, which were not adopted by the Group, and which are expected to have an impact on subsequent periods: (Cont.)

IFRS 12 - "Disclosure of Interests in Other Entities"

The Standard provides disclosure requirements regarding an entity's interests in subsidiaries, joint arrangements, associates and non-consolidated structured entities. The disclosures are intended to assist in the assessment of the substance and risks associated with the interests in the above entities, and of the impact of such interests on the reporting entity's financial statements.

The Standard will be retrospectively applied for annual reporting periods beginning on or after January 1, 2013. Early adoption is possible, provided it is performed simultaneously with IFRS 10 - "Consolidated Financial Statements", IFRS 11 - "Joint Arrangements", IFRS 12 - "Disclosures of Interests in Other Entities", and IAS 28 (2011) - "Investments in Associates and Joint Ventures". However, entities may include any of the new disclosures in their financial statements prior to the above date.

IAS 28 (2011) - "Investments in Associates and Joint Ventures"

The Standard includes the following provisions regarding the implementation of the equity method:

- The equity method will be applied equally to associates and joint ventures.
- When an investment in a joint venture is classified as an investment in an associate, or vice versa, the entity's interests in the investee are not re-measured.
- In the event of a decrease in the stake in a joint venture or associate, which does not result in discontinuing the application of the equity method, the investor will reclassify to profit or loss only a relative part of the amounts which were previously recognized under other comprehensive income.
- Part of the investment according to the equity method will be classified as a non-current asset held for sale, provided that the part in question fulfills the conditions for classification as such.

The Standard will be retrospectively applied for annual reporting periods beginning on or after January 1, 2013. Early adoption is possible, provided that it is performed simultaneously with IFRS 10 - "Consolidated Financial Statements", IFRS 11 - "Joint Arrangements" and IFRS 12 - "Disclosures of Interests in Other Entities".

At this stage, the Company's management is unable to estimate the impact that the Standard's adoption will have on its financial position and operating results.

Note 3 - Newly Published Financial Reporting Standards and Interpretations (Cont.)

New standards, amendments to standards and interpretations which were published and are not in effect, which were not adopted by the Group, and which are expected to have an impact on subsequent periods: (Cont.)

IFRS 13, "Fair Value Measurement":

The Standard replaces the specific guidelines for fair value measurement that were provided in various international financial reporting standards, with guidelines which will be grouped together in a single standard, which will serve as a guide for fair value measurement. Accordingly, guidelines were established regarding fair value measurement for all items measured at fair value in the statement of financial position, or for disclosure purposes.

The Standard defines fair value as the amount that would be received from the sale of an asset, or paid upon the transfer of a liability, in a transaction made in the ordinary course of business between market participants on the measurement date.

The Standard provides the various methods by which fair value can be measured, and states that use should be made of valuation techniques which make maximum use of projected market data. Regarding the fair value measurement of financial assets, the Standard provides that the optimal use of such assets should be estimated, and such estimation should be used to asses their fair value.

The standard will be prospectively applied to annual periods beginning on or after January 1, 2013. Early adoption is possible.

At this stage, the Company's management is unable to estimate the impact that the Standard's adoption will have on its financial position and operating results.

Amendment to IAS 1 (Revised) - "Presentation of Financial Statements" (Regarding the presentation of other comprehensive income items in the statement of comprehensive income)

The Amendment provides that items included under other comprehensive income will be separated and presented under one of the following two groups:

- Items which will be classified in the future under the statement of income, and
- Items which will be classified in the future under the statement of income.

The Amendment further provides that, in the event that the other comprehensive income items are presented gross of tax, the total tax impact will be presented separately for each of the groups. The Standard will be retrospectively applied for annual reporting periods beginning on or after January 1, 2013. Early adoption is possible.

Note 3 - Newly Published Financial Reporting Standards and Interpretations (Cont.)

New standards, amendments to standards and interpretations which were published and are not in effect, which were not adopted by the Group, and which are expected to have an impact on subsequent periods: (Cont.)

Amendment to IAS 32 - "Financial Instruments: Disclosure" (Offsetting of financial assets and financial liabilities)

The Amendment provides that in order to fulfill the conditions for offsetting a financial asset and financial liability, the offsetting rights cannot be dependent on a future event, and must be enforceable in the ordinary course of business, in the event of bankruptcy, insolvency or credit failure. Additionally, the net settlement conditions may also be met when the settlement is effectively performed in gross, if it does not result in significant credit risk or liquidity risk, and if the receivable amounts and payable amounts are part of a single settlement process. The Amendment will be retrospectively applied for annual reporting periods beginning on or after January 1, 2014. Early adoption is possible.

At this stage, the Company's management is unable to estimate the impact that the Amendment will have on its financial position and operating results.

Amendment to IFRS 7 - "Financial Instruments: Disclosure" (Offsetting of financial assets and financial liabilities)

The Amendment provides additional disclosure requirements regarding the offsetting of financial assets and financial liabilities, in order to enable an evaluation of the possible impacts of the various offsetting agreements. The Amendment will be retrospectively applied for annual reporting periods beginning on or after January 1, 2013. Early adoption is possible.

Note 4 - Significant Events During the Reporting Period:

In March 2012, approval was given for an application submitted by BioMarCare Ltd. (a subsidiary of the Company) for a Chief Scientist program, at a budget of NIS 1.5 million, and a grant amount of 60%, for the research and development of a PAR indicator-based diagnostic kit used to identify different types of cancer. Royalties will be paid from all revenues arising from this kit.

Additionally, on March 26, 2012, BioMarCare Ltd. received final authorization from the Israel-U.S. Binational Industrial Research and Development (BIRD) Foundation (hereinafter: the "Foundation"), to finance its collaboration with the American company Ariadne Diagnostics LLC, at a scope of approx. 50% of the project's expenses, up to a total of approx. USD 900 thousand. The terms of the grant payment will be in accordance with the milestones set forth in the agreement between the Foundation and BioMarCare Ltd. The project duration is expected to be approx. 30 months, and 6 months after the project's conclusion, BioMarCare Ltd. is expected to repay the grant it received, with the addition of linkage (to the American consumer price index).

In January 2012, approval was given for an application submitted by Kahr Ltd. (a subsidiary of the Company) for a Chief Scientist program, at a budget of NIS 1.95 million, and a weighted grant amount of 60% for research and development in Israel, and for an additional budget in the amount of NIS 549 thousand, along with a weighted grant amount of 30%, for R&D in connection with the development of a protein platform based on SCP technology, which is intended for the treatment of various types of cancer and autoimmune diseases.
Royalties will be paid from all revenues arising from developments based on this technology.

In February 2012, authorization was given for a request submitted by Thrombotech Ltd. (an investee of the Company) for a Chief Scientist grant to support the company's development plan, at a total budget of approx. NIS 4.6 million, approx. NIS 2.2 million of which are at a participation rate of 50%, and approx. NIS 2.4 million of which are at a participation rate of 30%. Royalties will be paid from all income arising from the development of the Company's products.

In January 2012, Thrombotech signed an investment agreement with existing investors, which stipulated that, in exchange for an investment of USD 1,400,000, the company will be allocated 25,927 Series B preferred shares, at a share price of USD 54. The above capital raising was completed in January 2012. Out of the total amount, the Company invested its relative share in the investment, in the amount of approx. USD 350 thousand, and maintained the relative share in its stake in Thrombotech.

The main consideration from the investment is intended to finance the Phase IIa clinical trial in stroke patients, in three medical centers in Israel, as well as centers in Europe and India.

During the first quarter, Thrombotech received IND approval from the Food and Drug Administration (FDA) to perform a Phase IIa clinical trial in the United States.

On November 25, 2011, the board of directors of BioMarCare Ltd. approved a private allocation of warrants to 4 directors and one external advisor. On February 6, 2012, the general assembly approved the allocation of warrants on a capital track, in accordance with the provisions of Section 3I of the Income Tax Ordinance.

Each warrant is exercisable into a single ordinary share in the Company of NIS 0.01 par value, against payment of an exercise addition of NIS 0.01 per warrant. The warrants will vest in several batches, over a period of approx. 3 years. The vested warrants will be exercisable for a period of 7 years after the allocation date, or 10 years after the program begins, whichever is later. The cost of the benefit embedded in the warrants allocated as above, based on their fair value as of the date of their allocation, is estimated at approx. NIS 179 thousand.

Note 4 - Significant Events During the Reporting Period: (Cont.)

The fair value of the warrants which were allocated as above was measured based on the Company's share price.
The parameters used in the implementation of the model were as follows:

Share price (diluted) (*)	10.53
Exercise price (NIS)	0.01

Since the exercise price is negligible (NIS 0.01) as compared to the share price, it was derived that the option worth is approximate to the share worth, and accordingly, the other parameters are of no importance (risk-free interest rate, standard deviation, early exercise rate and lifetime).

In February 2012, the company's audit committee, followed by the company's board of directors, approved an extension to the exercise period of 11,815,830 warrants (non-marketable) for a period of two years. The (non-marketable) warrants in question were allocated to three private investors on May 7, 2009, as part of a private offering. The general assembly which convened on April 18, 2012 resolved not to approve the company's request to extend the exercise period, and accordingly, on May 7, 2012, all of the above warrants expired.

In February 2012, the company's audit committee, followed by the company's board of directors, approved an extension to the exercise period of warrants (Series 3) traded on the stock exchange, in such manner that made them exercisable until May 7, 2014, instead of May 7, 2012.
In March 2012, the Company filed a motion to the Court requesting approval of the extension. Due to an objection that was filed, in May the Court ordered the convention of shareholders' and warrant holders' assemblies for the purpose of a vote regarding the extension of the exercise period. Additionally, the Court granted the Company's motion for temporary relief, and ordered an extension of the exercise period for warrants (Series 3) until June 21, 2012.

Note 5 - Subsequent Events

On March 26, 2012, an investment agreement was signed between a subsidiary of the Company, BioMarCare Ltd. (hereinafter: "BioMarCare") and Micromedic Technologies Ltd. (a public company traded on the Tel Aviv Stock Exchange Ltd.) (hereinafter: "Micromedic"). Under the investment agreement, Micromedic undertook to invest in BioMarCare a total of USD 1,000,000 against allocation of ordinary shares in BioMarCare (hereinafter: the "Investment Shares"), which will constitute approx. 33% of the issued and paid capital of BioMarCare (at full dilution).

1. Additionally, Micromedic was granted the option to perform an additional investment in BioMarCare in the amount of USD 1,000,000 (the "Option"), against an additional allocation of ordinary shares, which will constitute, immediately after the option is exercised, and jointly with the investment shares, approx. 53% of the issued and paid capital of BioMarCare (at full dilution). The option, in whole or in part, is exercisable beginning on the payment date of the last deferred payment among those described below, until the earlier of: (1) 30 months after the transaction completion date; (2) a breach of payment terms by Micromedic; (3) liquidation events, as described in the investment agreement.

2. Micromedic will be entitled to nominate most members of the board of directors immediately after completion of the investment agreement, and against performance of the first of the payments described below.

3. BioMarCare's Articles of Incorporation, which will enter into force concurrently with its signing of the investment agreement, sets forth several circumstances in which a special majority will be required to approve resolutions, including, *inter alia*, approving changes to the Articles of Incorporation, approving transactions with interested parties, and approving allocations of securities with rights above those embodied in ordinary shares (the "Special Majority").

4. The investment amount will be transferred in four installments by Micromedic to BioMarCare, against the transfer of investment shares in installments linked to each payment. Upon the transaction completion date, and against receipt of the first payment out of the investment amount, BioMarCare will allocate to Micromedic the first batch of the investment shares. The remainder of investment shares will be allocated, upon completion of the investment agreement, to an agreed-upon trustee (the "Trust Shares"), who will hold them in trust and will transfer them to Micromedic, in addition and subject to each payment made by Micromedic (the "Deferred Payments"). The parties further agreed that Micromedic will be entitled, subject to the fulfillment of certain conditions, to assign to a third party its rights to transfer the Deferred Payments. The first payment, in the amount of USD 350,000, was transferred in April 2012.

5. Completion of the Investment Agreement was subject to the fulfillment of a number of suspending conditions, including, *inter alia*, the conversion of all convertible loans previously provided to BioMarCare by (current and previous) shareholders, including by the Company.

On April 3, 2012, the suspending conditions were fulfilled, and immediately upon completion of the transaction, the Company's stake in BioMarCare stood at 64.89%. In light of the fact that Micromedic will be entitled to nominate most members of the board, the Company has the ability to determine the financial and operational policy of BioMarCare, and therefore, has lost control over it. Additionally, the Company is expected to record capital gains of approx. NIS 7.5 million as a result of the aforementioned investment and loss of control. Accounting treatment in respect of the aforementioned loss of control will be reflected in the next quarter's financial statements.

Note 5 - Subsequent Events (Cont.)

In April 2012, a agreement was signed between the Company and Enlivex, regarding a loan convertible to NIS 600 thousand of shares. Under the agreement, the loan will bear annual interest at a rate of prime + 3%, and will be repaid, unless converted to Enlivex shares, on June 1, 2015. In the event that Enlivex offers securities in an offer whose total amount will be no less than USD 500 thousand, the Company will be entitled to convert the loan (with the addition of accumulated interest) into Enlivex shares, at a discounted rate of 35% of the value of the shares in such allocation. In the event that a capital investment is not performed in Enlivex by January 1, 2015, the Company will be entitled, up to 30 days following the above date, to issue a notice to Enlivex stating that the loan will be converted to shares in Enlivex, with the worth of Enlivex being calculated as USD 500 thousand (pre-money valuation).

Note 6 - Non-Cash Transactions

The Group recognized royalties payable against income receivable in the following amounts:

	Thousands of NIS
For the three months ended March 31, 2012	183
For the year ended December 31, 2011	51

Quarterly Report Regarding the Effectiveness of Internal Control over Financial reporting and Disclosure, in Accordance with Regulation 38c(a):

The management of Hadasit Bio-Holdings (hereinafter: the "Corporation"), under the supervision of its Board of Directors, is responsible for establishing and implementing appropriate internal control over financial reporting and disclosure in the Corporation. In this regard, the members of the Company's management are:

1. Ophir Shahaf, Chief Executive Officer

Internal control over financial reporting and disclosure includes controls and procedures used in the Corporation, which were planned by the Chief Executive Officer and Chief Financial Officer, or under their supervision, or by the individual who effectively performs the aforementioned roles, under the supervision the Corporation's Board of Directors, and which are intended to provide reasonable assurance with regards to the reliability of financial reporting, and of the preparation of the reports in accordance with legal requirements, and to ensure that all information which the Corporation is legally required to disclosed in its statements is collected, processed, summarized and reported on the dates and in the format set forth in the law.

Internal control includes, *inter alia*, controls and procedures which were planned with the intention of ensuring that information which the Corporation is required to disclose, as above, is collected and delivered to the Corporation's management, including to its CEO and CFO, or to the individual who effectively performs the aforementioned roles, in order to ensure that decisions are reached at the appropriate time, with regards to disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not intended to provide absolute assurance that all possible material misrepresentations or omissions in the reports were prevented or discovered.

In the quarterly report regarding the effectiveness of internal controls over financial reporting and disclosure which was attached to the periodic report for the period ended March 31st 2012 (hereinafter: the "Last Quarterly Report Regarding Internal Controls"), the Board of Directors and management evaluated internal controls in the Corporation; and based on this evaluation, the Corporation's Board of Directors and management reached the conclusion that the aforementioned internal controls are effective.

Up to the report date, the Board of Directors and management have not become aware of any event or matter that may alter its assessment regarding the effectiveness of internal control.

As of the report date, based on the evaluation of the effectiveness of internal control presented in the most recent annual report regarding internal control, and based on information brought to the attention of the management and the Board of Directors, as described above, the Company's internal control over financial reporting is effective.

CEO's Declaration Pursuant to Regulation 38c(d)(1)

I, Ophir Shahaf, hereby declare that:

(1) I have reviewed the interim financial statements and other financial information included in the interim statements of Hadasit Bio-Holdings Ltd. for the first quarter of 2012 (hereinafter: the "Reports" or the "Interim Reports").

(2) To the best of my knowledge, the interim financial statements and other financial information included in the Interim Reports are free of any misrepresentation of material facts, and are not lacking any representation of material facts required in order to ensure that the representations made, under the circumstances in which they were made, would not be misleading in reference to the period covered by the reports.

(3)To the best of my knowledge, the interim financial statements and other financial information included in the Interim Reports properly reflect, in all material respects, the Corporation's financial position, results of operations, and cash flows as of the dates and for the periods presented in the reports.

(4) Based on my most current assessment of the internal control over financial reporting and disclosure, I have disclosed the following to the Corporation's auditors, Board of Directors, and the Board of Directors' balance sheet committee:

> (a) Any significant deficiencies and material weaknesses in the establishment or implementation of internal control over financial reporting and disclosure, which may reasonably cause negative influence to the Corporation's ability to collect, process, summarize or report financial information in a manner that may cast doubt on the reliability of financial reporting and the manner of preparation of the financial statements, in accordance with the requirements of the law;
>
> And -
>
> (b) Any fraud, whether material or immaterial, involving the CEO or whomsoever is directly subordinate to him or other key employees that have a significant role in the internal control over financial reporting and disclosure.

(5) I, both individually and jointly with others in the Company:

> (a) Have established controls and procedures, or have ensured that such controls and procedures were implemented under my supervision, in order to ensure that material information relating to the Corporation, including its subsidiaries, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 5770 - 2010, has been brought to my attention by others in the Corporation and in the subsidiaries, specifically over the course of the report period;
>
> (b) Have established controls and procedures, or have ensured that such controls and provisions were implemented under my supervision, in order to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with the provisions of law, and in accordance with generally accepted accounting principles in Israel;

(c) Have not been made aware of any event or matter that occurred during the period intervening between the most recent report date and the present report date, which may have altered the conclusion reached by the Board of Directors and management regarding the effectiveness of the Corporation's internal control over financial reporting and disclosure.

The foregoing does not prejudice my legal liability, or that of any other person, as prescribed by law.

May 16, 2011	
Date	**Ophir Shahaf** **CEO**

Declaration of the Company's Chief Financial Officer, Pursuant to Regulation 38c(d)(2)

I, Ophir Shahaf, hereby declare that:

(1) I have reviewed the interim financial statements and other financial information included in the interim reports of Hadasit Bio-Holdings Ltd. for the first quarter of 2012 (hereinafter: the "Reports" or the "Interim Reports").

(2) To the best of my knowledge, the interim financial statements and other financial information included in the Interim Reports are free of any misrepresentation of material facts, and are not lacking any representation of material facts required in order to ensure that the representations made, under the circumstances in which they were made, would not be misleading in reference to the period covered by the reports.

(3) To the best of my knowledge, the interim financial statements and other financial information included in the Interim Reports properly reflect, in all material respects, the Corporation's financial position, results of operations, and cash flows as of the dates and for the periods presented in the reports.

(4) Based on my most current assessment of the internal control over financial reporting and disclosure, I have disclosed the following to the Corporation's auditors, Board of Directors, and the Board of Directors' balance sheet committee:

> (a) Any significant deficiencies and material weaknesses in the establishment or implementation of internal control over financial reporting and disclosure, which may reasonably cause negative influence to the Corporation's ability to collect, process, summarize or report financial information in a manner that may cast doubt on the reliability of financial reporting and the manner of preparation of the financial statements, in accordance with the requirements of the law;
>
> And that-
>
> (b) Any fraud, whether material or immaterial, involving the CEO or whomsoever is directly subordinate to him or other key employees that have a significant role in the internal control over financial reporting and disclosure;

(5) I, both individually and jointly with others in the Company:

> (a) Have established controls and procedures, or have ensured that such controls and procedures were implemented under my supervision, in order to ensure that material information relating to the Corporation, including its subsidiaries, as defined in the Securities Regulations (Preparation of Annual Financial Statements), 5770-2010, has been brought to my attention by others in the Corporation and in the subsidiaries, specifically over the course of the report period;
>
> And –
>
> (b) Have established controls and procedures, or have ensured that such controls and provisions were implemented under my supervision, in order to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with the provisions of law, and in accordance with generally accepted accounting principles in Israel;

(c) I have not been made aware of any event or matter that occurred during the period intervening between the mos recent report date and the present report date, which may have altered the conclusion reached by the Board of Directors and management regarding the effectiveness of the Corporation's internal control over financial reporting and disclosure.

The foregoing does not prejudice my legal liability, or that of any other person, as prescribed by law.

May 16, 2011	
Date	**Uri Ben-Or**