

SECURITIES AND EXCHANGE COMMISSION

FORM 6-K

Current report of foreign issuer pursuant to Rules 13a-16 and 15d-16 Amendments

Filing Date: **2005-05-02** | Period of Report: **2005-05-02**
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FILER

GIVEN IMAGING LTD

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SIC: **3841** Surgical & medical instruments & apparatus

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of: May 2005

Given Imaging Ltd.

(Exact name of registrant as specified in charter)

13 Ha'Yetzira Street, Yoqneam 20692, Israel

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F X

Form 40-F ---

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No X

EXPLANATORY NOTE

On May 2, 2005, Given Imaging Ltd. (the "Company") issued a press release entitled "Given Imaging Announces First Quarter 2005 Results." Copies of the press release and the Company's unaudited interim consolidated financial statements as of March 31, 2005 are attached to this Form 6-K as Exhibit 1 and

Exhibit 2, respectively.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GIVEN IMAGING LTD.

Date: May 2, 2005

By: /s/ Zvi Ben David

Name: Zvi Ben David
Title: Vice President and
Chief Financial Officer

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EXHIBIT INDEX

The following exhibits are filed as part of this Form 6-K:

Exhibit -----	Description -----
1.	Press Release dated May 2, 2005, entitled "Given Imaging Announces First Quarter 2005 Results."
2.	Unaudited interim consolidated financial statements of Given Imaging Ltd. as of March 31, 2005.

For Immediate Release
For further information contact:

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Given Imaging Ltd.

Fern Lazar/David Carey
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GIVEN IMAGING REPORTS FIRST QUARTER 2005 RESULTS

- Quarterly sales growth of 73% to \$22 million with EPS of 4 cents -
- A record 29,340 PillCam SB Capsules sold in the first quarter -

Yoqneam, Israel - May 2, 2005-Given Imaging Ltd. (NASDAQ: GIVN) today announced results for the first quarter ended March 31, 2005.

Worldwide sales of the Given(R) System and PillCam(TM) video capsules reached \$22 million in the first quarter of 2005, a 73% increase over sales of \$12.7 million in the first quarter of 2004. Gross margin in the quarter was 70.9% of revenues compared to 70.7% of revenues in the first quarter of 2004. Sales and gross margin both include the impact of the special PillCam ESO and DataRecorder 2.0 promotion that commenced last year and continued through the end of the first quarter, contributing approximately \$3.2 million in sales this quarter with a reduced gross margin. Net profit for the first quarter was \$1.2 million, or \$0.04 per share on a diluted basis, compared to a net loss of \$585,000 or \$(0.02) per share in the first quarter of 2004. Cash balance at the end of the first quarter was \$81.8 million.

"With a record of PillCam SB reorders, our results this quarter underscore that our recurring revenue model is working well," said Gavriel D. Meron, president and CEO of Given Imaging. "In the first quarter, together with InScope, we have built one of the most formidable sales forces in the GI endoscopy market. This team is now poised to

leverage on our large and growing installed base to further drive the growth of PillCam sales."

First Quarter 2005 Revenue Analysis

The geographic breakdown of first quarter 2005 sales is as follows:

(Millions of U.S. dollars)

United States	\$16.3
Europe and ROW	\$ 5.7

In the first quarter of 2005, worldwide reorders of the PillCam SB capsule endoscope grew to 27,900, 58% higher than the first quarter of 2004 and 15% higher than the fourth quarter of 2004. Sales in the United States increased by 85% mainly due to growth in PillCam SB sales as well as the PillCam ESO and DR 2.0 special promotion. Sales in Europe and ROW increased by 45% compared to the first quarter of 2004, due mainly to strong growth in capsule utilization in Italy, France and Australia. The total number of PillCam SB capsules sold in the quarter was 29,340, 55% higher than in the first quarter of 2004 and 11% higher than the fourth quarter of 2004. To date, cumulative unit sales of PillCam SB have reached 201,000. As part of the PillCam ESO and DataRecorder 2.0 promotional campaign, 6,700 PillCam ESO capsules were sold in the first quarter of 2005, including capsules sold for customer evaluations and for use in clinical trials, compared to 5,300 PillCam ESO capsules sold in the fourth quarter of 2004. Due primarily to the lack of reimbursement coverage, reorders of PillCam ESO capsules in the first quarter were insignificant.

Sales of Given Systems totaled 145 for the first quarter of 2005, compared to 134 systems sold in the first quarter of 2004. Of these systems, 100 were sold in the United States during the first quarter of 2005, compared to 91 sold in the United States in the first quarter of 2004. Cumulatively, there are 2,435 systems placed worldwide, of which 1,432 are in the U.S. reflecting a penetration rate of approximately 20% of the U.S. market.

o 4th International Conference on Capsule Endoscopy (ICCE)

In March, more than 430 physicians from 37 countries attended ICCE, the International Conference on Capsule Endoscopy. During the conference, international thought leaders convened to reach consensus on the role of Capsule Endoscopy in the treatment algorithm for the major disease indications. In addition, 118 abstracts were presented on various topics, including use of Capsule Endoscopy in the diagnosis of celiac disease, evaluation of esophageal varices using PillCam ESO in patients with end stage liver disease, and use of PillCam SB in the evaluation of mucosal healing in patients with Crohn's disease.

o Expanding Reimbursement

PillCam SB

- o The Central Consultation Committee for Reimbursement Issues of Germany's Federal Chamber of Physicians approved reimbursement for capsule endoscopy as a first line tool for obscure gastrointestinal bleeding. This decision provides reimbursement for the 8.2 million German citizens who are covered by private insurance.
- o In the U.S, as a result of decisions made by Blue Cross Blue Shield Minnesota, Blue Cross Blue Shield Vermont and Medicare South Carolina to revise their capsule endoscopy policies to cover expanded indications, there are now 172 million people in the United States, compared to 167 million at the end of 2004, who have reimbursement coverage for use of the PillCam SB capsule for expanded indications, such as suspected Crohn's disease and small bowel tumors. The total number of covered lives in the U.S. remains at 206 million.

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- o Australia's minister for Health and Ageing approved reimbursement of PillCam SB for pediatric patients for the obscure GI bleeding indication effective May 1.

In Europe, the population with reimbursable access to capsule endoscopy grew from 102 million at the end of 2004 to 110 million at the end of the first quarter of 2005. The number of lives with reimbursement for expanded indications remained at 87 million.

The worldwide population with reimbursable access to capsule endoscopy grew to 335 million at the end of the first quarter of 2005 from 327 million at the end of 2004, and the number of lives with reimbursement for expanded indications grew to 258 million at the end of the first quarter from 253 million at the end of 2004.

PillCam ESO

- o Two private insurance companies in Israel, Menora Insurance Company and Clal Insurance, approved coverage policy for PillCam ESO for visualization of the esophagus.
- o Efforts are ongoing with private payers in the United states to initiate coverage policies for PillCam ESO.
- o Given Imaging and partner InScope completed the special promotional campaign offering a PillCam ESO 10-Pack and new DataRecorder 2.0 at a combined discounted price. In addition, Given Imaging completed the upgrade of the installed base to RAPID 3, resulting in 1,300 sites in the United States now software compatible with PillCam ESO.

New Product Update

- o The Company continued intensive efforts and made progress during the quarter in the development of the PillCam(TM) COLON. This capsule under development is designed as an ingestible video capsule for screening the colon, leveraging on the Rapid platform. At the coming Digestive Disease Week meeting, to take place May 15-19, in Chicago, IL, the Company plans to commence enrolling sites for

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initial clinical trials with the product, which are expected to begin later this year. We expect to submit the product for clearance by FDA and launch it in Europe in 2006.

Operational News

- o Given Imaging completed construction of a second production line for PillCam ESO in a new facility in Yoqneam.

Second Quarter Guidance/Confirming Annual Guidance

For the second quarter of 2005 the company expects sales of \$22 to \$24 million, with earnings between \$0.06 and \$0.10 per share. (In the first quarter the company completed the special PillCam ESO and DR 2.0 promotion, which contributed \$3.2 million to the \$22 million total revenue in the first quarter). The guided EPS for the second quarter reflects accelerated investments in new product development, expansion of U.S. sale and marketing activities and preparations for anticipated launch in Japan this year. The company confirms its previously provided annual guidance of \$95 - 105 million and earnings per share of \$0.40-\$0.50.

First Quarter Webcast Information

Given Imaging will host a conference call tomorrow, Wednesday, May 3, 2005, at 9:00 am Eastern Time to discuss first quarter results. The conference call will be webcast through the Company's website www.givenimaging.com.

About Given Imaging

Given Imaging is redefining gastrointestinal diagnosis by developing, producing and marketing innovative, patient-friendly products for detecting gastrointestinal disorders. The company is developing a complete line of PillCam video capsules for detecting disorders throughout the gastrointestinal tract. The company's technology platform is the Given(R) Diagnostic System, featuring the PillCam(TM) video capsule, a disposable, miniature video camera contained in a capsule, which is ingested by the patient. The PillCam(TM) SB video capsule is the only naturally ingested method for direct visualization of the entire small intestine. It is currently

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marketed in the United States and in more than 50 other countries and has benefited more than 200,000 patients worldwide. The PillCam(TM) ESO video capsule, which provides visual examination of the esophagus, has been cleared for marketing by the FDA. Additional capsules for visualization of the stomach and colon are under development. Given Imaging's headquarters, manufacturing and R&D facilities are located in Yoqneam, Israel; it has direct sales and marketing operations in the United States, Germany and France, and local offices in Tokyo, Madrid and Sydney. For more information, visit <http://www.givenimaging.com>.

This press release contains forward-looking statements about Given Imaging, including projections about our business and our future revenues, expenses and profitability, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. For example, statements in the future tense, words such as "anticipates," "estimates," "expects," "intends," "plans," "believes," and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify such forward-looking statements. Those forward-looking statements are not guarantees of future performance and actual results could differ materially from our current expectations as a result of numerous factors, including but not limited to the following: changes in regulatory environment, our success in implementing our sales, marketing and manufacturing plan, protection and validity of patents and other intellectual property rights, the impact of currency exchange rates, the effect of competition by other companies, the outcome of future litigation, the reimbursement policies for our product from healthcare payors, quarterly variations in operating results, the impact of the newly adopted SFAS 123R for expensing option-based payments, the possibility of armed conflict or civil or military unrest in Israel and other risks disclosed in our filings with the U.S. Securities and Exchange Commission.

(Financial tables follow)

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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Balance Sheets
In thousands except share data

<TABLE>
<CAPTION>

	March 31, ----- 2005 ----- <C>	December 31, ----- 2004 ----- <C>
<S>		
Assets		
Current assets		
Cash and cash equivalents	\$ 81,769	\$ 80,861
Accounts receivable:		
Trade - (Net of provisions for doubtful debts of \$115 as of March 31, 2005 and December 31, 2004)	12,766	12,261
Other	1,391	1,271
Inventories	14,060	13,794
Prepaid expenses	1,103	954
Deferred taxes	855	737
Advances to suppliers	305	555
Total current assets	----- 112,249 -----	----- 110,433 -----
Deposits	409	425
Assets held for severance benefits	1,395	1,339
Fixed assets, at cost, less accumulated depreciation	11,882	9,862
Other assets, at cost, less accumulated amortization	2,134	2,165
Total Assets	----- \$ 128,069 =====	----- \$ 124,224 =====
Liabilities and shareholders' equity		
Current liabilities		
Current installments of obligation under capital lease	\$ 12	\$ 11
Accounts payable		
Trade	5,946	5,147
Other	6,984	8,678
Deferred revenue	2,542	3,610
Total current liabilities	----- 15,484 -----	----- 17,446 -----
Long-term liabilities		
Deferred income	13,737	9,340
Obligation under capital lease, net	44	48
Liability for employee severance benefits	1,662	1,596
Total long-term liabilities	----- 15,443 -----	----- 10,984 -----
Total liabilities	----- 30,927 -----	----- 28,430 -----
Minority interest	908	1,177
Shareholders' equity	96,234	94,617
Total liabilities and shareholders' equity	----- \$ 128,069 =====	----- \$ 124,224 =====

</TABLE>

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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Statements of Operations
In thousands except share and per share data

<TABLE>
<CAPTION>

	Three month period ended March 31,		Year ended December 31,
	----- 2005 ----- <C>	----- 2004 ----- <C>	----- 2004 ----- <C>
<S>			

Revenues	\$ 22,009	\$ 12,751	\$ 65,020
Cost of revenues	6,401	3,736	17,734
	-----	-----	-----
Gross profit	15,608	9,015	47,286
Operating expenses			
Research and development, gross	(1,903)	(1,621)	(7,363)
Royalty bearing participation	-	-	1,140
	-----	-----	-----
Research and development, net	(1,903)	(1,621)	(6,223)
Sales and marketing expenses	(10,812)	(7,019)	(33,652)
General and administrative expenses	(2,039)	(1,208)	(6,916)
	-----	-----	-----
Total operating expenses	(14,754)	(9,848)	(46,791)
	-----	-----	-----
Operating profit (loss)	854	(833)	495
Financing income, net	51	61	956
	-----	-----	-----
Profit (loss) before taxes on income	905	(772)	1,451
Taxes on income	74	-	690
	-----	-----	-----
Profit (loss) before minority share	979	(772)	2,141
Minority share in losses of subsidiary	269	187	747
	-----	-----	-----
Net profit (loss)	\$ 1,248	\$ (585)	\$ 2,888
	=====	=====	=====
Basic profit (loss) per Ordinary Share	\$ 0.05	\$ (0.02)	\$ 0.11
	=====	=====	=====
Diluted profit (loss) per Ordinary Share	\$ 0.04	\$ (0.02)	\$ 0.10
	=====	=====	=====
Weighted average number of Ordinary Shares used to compute basic profit (loss) per Ordinary share	27,638,940	25,694,571	26,633,964
	=====	=====	=====
Weighted average number of Ordinary Shares used to compute dilute profit (loss) per Ordinary share	30,080,423	25,694,571	29,353,448
	=====	=====	=====

</TABLE>

Given Imaging Ltd.
And its Consolidated Subsidiaries
Interim Consolidated Financial Statements
As of March 31, 2005
(Unaudited)

Given Imaging Ltd. and its Consolidated Subsidiaries
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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Balance Sheets
In thousands except share data

<TABLE>
<CAPTION>

	March 31, ----- 2005 ----- (Unaudited)	December 31, ----- 2004 ----- (Audited)
<S>	<C>	<C>
Assets		
Current assets		
Cash and cash equivalents	\$ 81,769	\$ 80,861
Accounts receivable:		
Trade - (Net of provisions for doubtful debts of \$115 as of March 31, 2005 and December 31, 2004)	12,766	12,261
Other	1,391	1,271
Inventories	14,060	13,794
Prepaid expenses	1,103	954
Deferred taxes	855	737
Advances to suppliers	305	555
	-----	-----
Total current assets	112,249	110,433
Deposits	409	425
Assets held for severance benefits	1,395	1,339
Fixed assets, at cost, less accumulated depreciation	11,882	9,862
Other assets, at cost, less accumulated amortization	2,134	2,165
	-----	-----

Total Assets \$ 128,069 \$ 124,224
=====

</TABLE>

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

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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Balance Sheets
In thousands except share data

<TABLE>

<CAPTION>

	March 31, ----- 2005 ----- (Unaudited) ----- <C>	December 31, ----- 2004 ----- (Audited) ----- <C>
<S>		
Liabilities and shareholders' equity		
Current liabilities		
Current installments of obligation under capital lease	\$ 12	\$ 11
Accounts payable		
Trade	5,946	5,147
Other	6,984	8,678
Deferred revenue	2,542	3,610
Total current liabilities	15,484	17,446
Long-term liabilities		
Deferred income	13,737	9,340
Obligation under capital lease, net	44	48
Liability for employee severance benefits	1,662	1,596
Total long-term liabilities	15,443	10,984
Total liabilities	30,927	28,430
Minority interest	908	1,177
Shareholders' equity		
Share capital:		
Ordinary Shares, NIS 0.05 par value each (90,000,000 shares authorized; 27,665,011 and 27,621,386 shares issued and fully paid as of March 31, 2005 and December 31, 2004, respectively)	324	323
Additional paid-in capital	148,243	147,878
Capital reserve	2,166	2,166
Unearned compensation	-	(3)
Accumulated deficit	(54,499)	(55,747)
Total shareholders' equity	96,234	94,617
Total liabilities and shareholders' equity	\$128,069 =====	\$ 124,224 =====

</TABLE>

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

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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Statements of Operations
In thousands except share and per share data

<TABLE>

<CAPTION>

	Three month period ended March 31,		Year ended December 31,
	2005	2004	2004
	----- (Unaudited) -----	----- (Unaudited) -----	----- (Audited) -----

	<C>	<C>	<C>
<S>			
Revenues	\$ 22,009	\$ 12,751	\$ 65,020
Cost of revenues	6,401	3,736	17,734
	-----	-----	-----
Gross profit	15,608	9,015	47,286
Operating expenses			
Research and development, gross	(1,903)	(1,621)	(7,363)
Royalty bearing participation	-	-	1,140
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Research and development, net	(1,903)	(1,621)	(6,223)
Sales and marketing expenses	(10,812)	(7,019)	(33,652)
General and administrative expenses	(2,039)	(1,208)	(6,916)
	-----	-----	-----
Total operating expenses	(14,754)	(9,848)	(46,791)
	-----	-----	-----
Operating profit (loss)	854	(833)	495
Financing income, net	51	61	956
	-----	-----	-----
Profit (loss) before taxes on income	905	(772)	1,451
Taxes on income	74	-	690
	-----	-----	-----
Profit (loss) before minority share	979	(772)	2,141
Minority share in losses of subsidiary	269	187	747
	-----	-----	-----
Net profit (loss)	\$ 1,248	\$ (585)	\$ 2,888
	=====	=====	=====
Basic profit (loss) per Ordinary Share	\$ 0.05	\$ (0.02)	\$ 0.11
	=====	=====	=====
Diluted profit (loss) per Ordinary Share	\$ 0.04	\$ (0.02)	\$ 0.10
	=====	=====	=====
Weighted average number of Ordinary Shares used to compute basic profit (loss) per Ordinary share	27,638,940	25,694,571	26,633,964
	=====	=====	=====
Weighted average number of Ordinary Shares used to compute dilute profit (loss) per Ordinary share	30,080,423	25,694,571	29,353,448
	=====	=====	=====

</TABLE>

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

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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
In thousands except share data

	Ordinary shares		Additional Paid-In Capital	Capital Reserve	Unearned Compensation	Accumulated Deficit	Total
	Shares	Amount					
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Three month period ended March 31, 2005 (Unaudited)							
Balance as of December 31, 2004	27,621,386	\$ 323	\$147,878	\$ 2,166	\$ (3)	\$ (55,747)	\$ 94,617
Changes during the period:							
Exercise of stock options	43,625	1	365	-	-	-	366
Amortization of unearned compensation	-	-	-	-	3	-	3
Net profit	-	-	-	-	-	1,248	1,248
	-----	-----	-----	-----	-----	-----	-----
Balance as of March 31, 2005 (Unaudited)	27,665,011	\$ 324	\$148,243	\$ 2,166	\$ -	\$ (54,499)	\$ 96,234
	=====	=====	=====	=====	=====	=====	=====
Three month period ended March 31, 2004 (Unaudited)							

Balance as of December 31, 2003	25,649,188	\$ 301	\$100,996	\$ 2,166	\$ (30)	\$ (58,635)	\$ 44,798
Changes during the period:							
Exercise of stock options	101,350	1	611	-	-	-	612
Forfeiture of stock options	-	-	(1)	-	1	-	-
Non-employees' stock options	-	-	62	-	-	-	62
Amortization of unearned compensation	-	-	-	-	10	-	10
Net loss	-	-	-	-	-	(585)	(585)
Balance as of March 31, 2004 (Unaudited)	25,750,538	\$ 302	\$101,668	\$ 2,166	\$ (19)	\$ (59,220)	\$ 44,897
Year ended December 31, 2004 (Audited)							
Balance as of December 31, 2003	25,649,188	\$ 301	\$100,996	\$ 2,166	\$ (30)	\$ (58,635)	\$ 44,798
Changes during the year 2004:							
Ordinary shares issued	1,500,000	17	44,250	-	-	-	44,267
Exercise of stock options	472,198	5	2,581	-	-	-	2,586
Forfeiture of stock options	-	-	(11)	-	3	-	(8)
Non-employees' stock options	-	-	62	-	-	-	62
Amortization of unearned compensation	-	-	-	-	24	-	24
Net profit	-	-	-	-	-	2,888	2,888
Balance as of December 31, 2004 (Audited)	27,621,386	\$ 323	\$147,878	\$ 2,166	\$ (3)	\$ (55,747)	\$ 94,617

</TABLE>

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

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Given Imaging Ltd. and its Consolidated Subsidiaries
Consolidated Statements of Cash Flows
In thousands

<TABLE>
<CAPTION>

	Three month period ended		Year ended
	March 31,		December 31,
	2005	2004	2004
	(Unaudited)	(Unaudited)	(Audited)
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net profit (loss)	\$ 1,248	\$ (585)	\$ 2,888
Adjustments required to reconcile net loss to net cash used in operating activities:			
Minority share in losses of subsidiary	(269)	(187)	(747)
Depreciation and amortization	953	774	3,147
Deferred taxes	(118)	-	(737)
Employees' stock options compensation	3	10	16
Non employees' stock option compensation	-	62	62
Other	23	10	48
Decrease (increase) in accounts receivable - trade	(505)	25	(5,316)
Increase in accounts receivable	(32)	(240)	(804)
Decrease (increase) in prepaid expenses	(149)	(80)	360
Decrease (Increase) in advances to suppliers	251	(362)	(508)
Increase in inventories	(341)	(93)	(5,648)
Increase (decrease) in accounts payable	(864)	541	7,107
Increase (decrease) in deferred income	3,329	(76)	12,000
Net cash provided by (used in) operating activities	\$ 3,529	\$ (201)	\$11,868
Cash flows from investing activities:			
Purchase of fixed assets and other assets	\$ (2,868)	\$ (357)	\$ (3,245)
Proceeds from sales of fixed assets	-	12	57
Deposits	3	(3)	(42)
Net cash used in investing activities	\$ (2,865)	\$ (348)	\$ (3,230)
Cash flows from financing activities:			
Principal payments on capital lease obligation	\$ (3)	\$ (18)	\$ (37)
Proceeds from the issuance of Ordinary Shares	278	612	46,853

Net cash provided by financing activities	\$ 275	\$ 594	\$46,816
	-----	-----	-----
Effect of exchange rate changes on cash	\$ (31)	\$ (72)	\$ 40
	-----	-----	-----
Increase (decrease) in cash and cash equivalents	\$ 908	\$ (27)	\$55,494
Cash and cash equivalents at beginning of period	\$80,861	\$25,367	\$25,367
	-----	-----	-----
Cash and cash equivalents at end of period	\$81,769	\$25,340	\$80,861
	=====	=====	=====

	Three month period ended March 31,		Year ended December 31,
	-----	-----	-----
	2005	2004	2004
	-----	-----	-----
	(Unaudited)	(Unaudited)	(Audited)
	-----	-----	-----
(a) Supplementary cash flow information			
Income taxes paid	\$ 40	\$ 16	\$ 107
	=====	=====	=====

</TABLE>

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

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Given Imaging Ltd. and its Consolidated Subsidiaries
Notes to the Consolidated Financial Statements
In thousands except per share data

Note 1 - Organization and Basis of Presentation

A. Description of business

Given Imaging Ltd. (the "Company") was incorporated in Israel in January 1998. The Company has generated profit for the first time in the second quarter of 2004.

The medical device industry in which the Company is involved is characterized by the risks of regulatory barriers and reimbursement issues. Penetration into the world market requires the investment of considerable resources and continuous development efforts. The Company's future success is dependent upon several factors including the technological quality, regulatory approvals and sufficient reimbursement for its products.

B. Basis of presentation

The accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments), which, in the opinion of management, are necessary to present fairly, the financial information included therein. It is suggested that these financial statements be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 20-F for the year ended December 31, 2004. Results for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

Note 2 - Recent Accounting Pronouncements

In April 2005, the Securities and Exchange Commission issued a new rule, which defers the effective date of SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"). According to the new rule, registrants must adopt SFAS No. 123R as of the beginning of their first annual period beginning after June 15, 2005 and not as of beginning of their first interim period beginning after June 15, 2005. Accordingly, the effective date of the adoption of SFAS No. 123R for the Company is deferred from July 1, 2005 to January 1, 2006.

The Company currently expects to adopt SFAS 123R in the first quarter of 2006, using the modified prospective method, although it continues to review its alternatives for adoption under this new pronouncement. Based upon its projection of unvested stock options at the implementation date, the Company expects the adoption of SFAS 123R to result in the recognition of material additional compensation expense

in 2006 and thereafter.