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FOR IMMEDIATE RELEASE

LANOPTICS ANNOUNCES 130% REVENUE GROWTH IN 2007

Yokneam, Israel, February 11, 2008 -- LanOptics Ltd. (NASDAQ: EZCH), a provider of network processors, today announced its results for the fourth quarter and full year ended December 31, 2007.

Fourth Quarter and Full Year 2007 Highlights:

- Annual revenues increased 130% year-over-year, reaching \$19.5 million
- Fourth quarter revenues increased 70% year-over-year, reaching \$5.7 million
- Gross margin for the quarter totaled 59.3%, on non-GAAP basis, 54.4% on GAAP basis
- Net income for the quarter of \$0.4 million, on non-GAAP basis; net loss for the quarter of \$0.6 million, on GAAP basis
- Cash position of \$42.6 million at the end of December 2007

Fourth Quarter Results:

Total revenues in the fourth quarter of 2007 were \$5.7 million, an increase of 70% compared to \$3.4 million in the fourth quarter of 2006, and an increase of 9% compared to \$5.2 million in the third quarter of 2007. All of LanOptics' revenues were attributable to its EZchip Technologies Ltd. subsidiary.

Net loss on a GAAP basis for the fourth quarter of 2007 was \$0.6 million, or \$0.03 per share, compared to a net loss of \$5.1 million, or \$0.42 per share, in the fourth quarter of 2006, and a net loss of \$0.8 million, or \$0.05 per share, in the third quarter of 2007.

Net income on a non-GAAP basis for the fourth quarter of 2007 was \$0.4 million, or \$0.02 per share, compared with non-GAAP net loss of \$0.9 million, or \$0.08 per share, in the fourth quarter of 2006, and non-GAAP net income of \$0.4 million, or \$0.02 per share, in the third quarter of 2007.

Cash, cash equivalents and marketable securities as of December 31, 2007, totaled \$42.6 million compared to \$47.5 million as of September 30, 2007. The decrease resulted from the repayment during the quarter of all outstanding long-term debt in the amount of \$4 million, combined with approximately \$2.3 million paid during the quarter as part of the \$14.2 million acquisition of EZchip shares in the preceding quarter. Such amounts were partially offset by approximately \$1.4M generated from operating activities.

Full Year Results:

Total revenues for the year 2007 were \$19.5 million, an increase of 130% compared to \$8.5 million in 2006. **Net loss on a GAAP basis** for the year was \$4.1 million, or \$0.25 per share, compared to a net loss of \$12.3 million, or \$1.06 per share, in 2006. **Net income on a non-GAAP basis** for the year was \$0.4 million, or \$0.02 per share, compared with non-GAAP net loss of \$6.7 million, or \$0.57 per share, in 2006.

“2007 was a true breakthrough year for LanOptics and its sole subsidiary, EZchip Technologies, in terms of business and financial performance. During the year we saw a strong ramp up in sales, with major networking vendors launching new and innovative products based on EZchip’s network processors,” **commented Eli Fruchter, CEO of EZchip Technologies.** “Furthermore, this year we introduced a series of new products aimed at broadening and enhancing our product offering, which we believe will triple our addressable market. Finally, in 2007 we also attained substantial financial milestones, with annual revenues nearing \$20 million and with net income for the year, on a non-GAAP basis.”

“Looking ahead, we believe that our innovative technology, strong product portfolio and sound financial resources grouped together under the new, unified holding structure will enable us to continue and grow our top line, improve our bottom line and set new milestones in 2008 in terms of performance and execution,” concluded **Mr. Fruchter.**

Conference Call

The Company will be hosting a conference call today, February 11, 2008, at 10:00am ET, 07:00am PDT, 03:00pm UK time and 05:00pm Israel time. On the call, management will review and discuss the results, and will be available to answer investor questions.

To participate through live webcast, please access the corporate website, <http://www.ezchip.com>, at least 10 minutes before the conference call commences.

To participate through dial-in, please call one of the following teleconferencing numbers. Please begin placing your calls at least 10 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1 888 935 4577; International Dial-in Number (US): +1 718 354 1389;
Israel Dial-in Number: 1 809 246 002

For those unable to listen to the live call, a replay of the call will be available the day after the call under the 'Investor Relations' section of the website.

Additional Information

Additional financial information, including statements of operations for the full year ended December 31, 2007, can be found on the Company's website under 'Investor Relations – Financial Releases'.

Use of Non-GAAP Financial Information

In addition to disclosing financial results calculated in accordance with United States generally accepted accounting principles (GAAP), this release of operating results also contains non-GAAP financial measures, which LanOptics believes are the principal indicators of the operating and financial performance of its business. The non-GAAP financial measures exclude the effects of stock-based compensation charges recorded in accordance with SFAS 123R, amortization of intangible assets, in-process research and development charge, minority interest in loss of EZchip and non-cash interest expense relating to redeemable preferred shares in EZchip. Management believes the non-GAAP financial measures provided are useful to investors’ understanding and assessment of LanOptics’ on-going core operations and prospects for the future, as the charges eliminated are not part of the day-to-day business or reflective of the core operational activities of the Company. Management uses these non-GAAP financial measures as a basis for strategic decisions, forecasting future results and evaluating the Company's current performance. However, such measures should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. Reconciliation of the non-GAAP measures to the most comparable GAAP measures are provided in the schedules attached to this release.

About LanOptics

LanOptics' business consists exclusively of the business of EZchip, a company that is engaged in the development and marketing of Ethernet network processors for networking equipment. EZchip provides its customers with solutions that scale from 1-Gigabit to 100-Gigabits per second with a common architecture and software across all products. EZchip's network processors provide the flexibility and integration that enable triple-play data, voice and video services in systems that make up the new Carrier Ethernet networks. Flexibility and integration make EZchip's solutions ideal for building systems for a wide range of applications in telecom networks, enterprise backbones and data centers. For more information on LanOptics and EZchip, visit the web site at <http://www.ezchip.com>.

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that are not historical facts and may include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. These statements are only predictions based on LanOptics' current expectations and projections about future events. There are important factors that could cause LanOptics' actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. Those factors include, but are not limited to, the impact of competitive products, product demand and market acceptance risks, customer order cancellations, reliance on key strategic alliances, fluctuations in operating results, delays in development of highly-complex products and other factors indicated in LanOptics' filings with the Securities and Exchange Commission (SEC). For more details, refer to LanOptics' SEC filings and the amendments thereto, including its Annual Report on Form 20-F filed on March 30, 2007 and its Current Reports on Form 6-K. LanOptics undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in our expectations, except as may be required by law.

-- FINANCIAL TABLES FOLLOW --

LanOptics Ltd.
Condensed Consolidated Statements of Operations
(U.S. Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		
	December 31, 2007	September 30, 2007	December 31, 2006
Revenues	\$ 5,735	\$ 5,240	\$ 3,382
Cost of revenues	2,398	2,048	1,422
Amortization of technology	218	234	103
Gross profit	3,119	2,958	1,857
Operating expenses:			
Research and development, net	2,257	1,945	2,032
In-process research and development charge	--	396	2,033
Selling, general and administrative	1,395	1,470	1,173
Total operating expenses	3,652	3,811	5,238
Operating income (loss)	(533)	(853)	(3,381)
Financial and other income (expenses), net	(60)	68	(1,880)
Income (loss) before minority interest	(593)	(785)	(5,261)
Minority interest in loss of EZchip	17	17	161
Net income (loss)	\$ (576)	\$ (768)	\$ (5,100)
Net income (loss) per share	\$ (0.03)	\$ (0.05)	\$ (0.42)
Weighted average number of shares used in per share calculation	18,312,245	16,301,375	12,043,240

LanOptics Ltd.
Condensed Consolidated Statements of Operations
(U.S. Dollars in thousands, except per share amounts)
(Unaudited)

	Twelve Months Ended	
	December 31, 2007	December 31, 2006
Revenues	\$ 19,488	\$ 8,468
Cost of revenues	8,032	3,662
Amortization of technology	1,208	361
Gross profit	10,248	4,445
Operating expenses:		
Research and development, net	8,529	8,403
In-process research and development charge	396	2,033
Selling, general and administrative	5,927	4,295
Total operating expenses	14,852	14,731
Operating income (loss)	(4,604)	(10,286)
Financial and other income (expenses), net	71	(2,204)
Income (loss) before minority interest	(4,533)	(12,490)
Minority interest in loss of EZchip	445	173
Net income (loss)	\$ (4,088)	\$ (12,317)
Net income (loss) per share	\$ (0.25)	\$ (1.06)
Weighted average number of shares used in per share calculation	16,533,369	11,644,723

LanOptics Ltd.
Reconciliation of GAAP to Non-GAAP Measures
(U.S. Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended December 31, 2007		Three Months Ended September 30, 2007		Three Months Ended December 31, 2006	
	GAAP	Non- GAAP	GAAP	Non- GAAP	GAAP	Non- GAAP
Revenues	\$ 5,735	\$ 5,735	\$ 5,240	\$ 5,240	\$ 3,382	\$ 3,382
Cost of revenues	2,398	2,335	2,048	2,011	1,422	1,403
Amortization of technology	218	--	234	--	103	--
Gross profit	3,119	3,400	2,958	3,229	1,857	1,979
	54.4%	59.3%	56.5%	61.6%	54.9%	58.5%
Operating expenses:						
Research and development, net	2,257	2,116	1,945	1,846	2,032	1,927
In-process research and development charge	--	--	396	--	2,033	--
Selling, general and administrative	1,395	1,249	1,470	1,137	1,173	1,069
Total operating expenses	3,652	3,365	3,811	2,983	5,238	2,996
Operating income (loss)	(533)	35	(853)	246	(3,381)	(1,017)
Financial and other income (expenses), net	(60)	409	68	139	(1,880)	85
Income (loss) before minority interest	(593)	444	(785)	385	(5,261)	(932)
Minority interest in loss of EZchip	17	--	17	--	161	--
Net income (loss)	<u>\$ (576)</u>	<u>\$ 444</u>	<u>\$ (768)</u>	<u>\$ 385</u>	<u>\$ (5,100)</u>	<u>\$ (932)</u>
Net income (loss) per share	\$ (0.03)	\$ 0.02	\$ (0.05)	\$ 0.02	\$ (0.42)	\$ (0.08)
Weighted average number of shares used in per share calculation	18,312,245	18,312,245	16,301,375	16,301,375	12,043,240	12,043,240

Non-GAAP net income (loss)	\$ 444	\$ 385	\$ (932)
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Reconciliation items:

Stock-based compensation	(279)	(430)	(214)
Amortization of intangible assets and discount on long-term loan	(758)	(344)	(183)
In-process research and development charge	--	(396)	(2,033)
Minority interest in loss of EZchip*	17	17	161
Accretion to redemption value of redeemable preferred shares in EZchip**	--	--	(1,899)
GAAP net income (loss)	\$ (576)	\$ (768)	\$ (5,100)

* Excluded from Non-GAAP measures since the minority interest primarily relates to EZchip losses accumulated in prior periods.

** As of January 1, 2007 the Company stopped the accretion to redemption value since the redemption right became within the control of the Company.

LanOptics Ltd.
Reconciliation of GAAP to Non-GAAP Measures
(U.S. Dollars in thousands, except per share amounts)
(Unaudited)

	Twelve Months Ended December 31, 2007		Twelve Months Ended December 31, 2006	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenues	\$ 19,488	\$ 19,488	\$ 8,468	\$ 8,468
Cost of revenues	8,032	7,841	3,662	3,566
Amortization of technology	1,208	--	361	--
Gross profit	10,248	11,647	4,445	4,902
	52.6%	59.8%	52.5%	57.9%
Operating expenses:				
Research and development, net	8,529	7,318	8,403	8,036
In-process research and development charge	396	--	2,033	--
Selling, general and administrative	5,927	4,670	4,295	4,059
Total operating expenses	14,852	11,988	14,731	12,095
Operating income (loss)	(4,604)	(341)	(10,286)	(7,193)
Financial and other income (expenses), net	71	735	(2,204)	517
Income (loss) before minority interest	(4,533)	394	(12,490)	(6,676)
Minority interest in loss of EZchip	445	--	173	--
Net income (loss)	\$ (4,088)	\$ 394	\$ (12,317)	\$ (6,676)
Net income (loss) per share	\$ (0.25)	\$ 0.02	\$ (1.06)	\$ (0.57)
Weighted average number of shares used in per share calculation	16,533,369	16,533,369	11,644,723	11,644,723
Non-GAAP net income (loss)		\$ 394		\$ (6,676)
Reconciliation items:				
Stock-based compensation		(2,458)		(609)
Amortization of intangible assets and discount on long-term loan		(2,073)		(517)
In-process research and development charge		(396)		(2,033)
Minority interest in loss of EZchip*		445		173
Accretion to redemption value of redeemable preferred shares in EZchip**		--		(2,655)
GAAP net income (loss)		\$ (4,088)		\$ (12,317)

* Excluded from Non-GAAP measures since the minority interest primarily relates to EZchip losses accumulated in prior periods.

** As of January 1, 2007 the Company stopped the accretion to redemption value since the redemption right became within the control of the Company.

LanOptics Ltd.
Condensed Consolidated Balance Sheet
(U.S. Dollars in thousands)

	December 31, 2007	December 31, 2006
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS:		
Cash, cash equivalents and marketable securities	\$ 42,628	\$ 17,658
Trade receivables, net	2,877	1,706
Other receivables	1,180	683
Inventories	3,109	3,489
Total current assets	49,794	23,536
LONG-TERM INVESTMENTS:		
Prepaid development and production costs, net	148	290
Severance pay fund	2,640	1,951
Total long-term investments	2,788	2,241
PROPERTY AND EQUIPMENT, NET	394	352
Goodwill	49,533	36,531
Intangible assets, net	2,736	3,633
TOTAL ASSETS	\$ 105,245	\$ 66,293
 LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 254	\$ 1,017
Other payables and accrued expenses	3,524	3,092
Total current liabilities	3,778	4,109
LONG TERM LIABILITIES:		
Accrued severance pay	3,272	2,464
Long-term loan	--	3,337
Total long-term liabilities	3,272	5,801
EMPLOYEE STOCK OPTIONS IN EZchip	2,141	557
PREFERRED SHARES IN EZchip	23,770	23,770
SHAREHOLDERS' EQUITY:		
Share capital	106	93
Additional paid-in capital	162,233	117,716
Accumulated other comprehensive income/(loss)	(11)	(19)
Accumulated deficit	(90,044)	(85,734)
Total shareholders' equity	72,284	32,056
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 105,245	\$ 66,293

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