

Edgar Filing: ELTEK LTD - Form 6-K

ELTEK LTD
Form 6-K
September 28, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR
15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2004

ELTEK LTD.
(Name of Registrant)

Sgoola Industrial Zone, Petach Tikva, Israel
(Address of Principal Executive Office)

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

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):__

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

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

ELTEK LTD.

Amnon Shemer, CFO
+972-3-9395023
amnon@eltek.co.il

ELTEK LTD. REPORTS SECOND QUARTER AND FIRST HALF 2004 RESULTS

SLOWDOWN IN SECOND QUARTER HAS BEEN FOLLOWED BY A SIGNIFICANT INCREASE IN REVENUES IN THE THIRD QUARTER

PETACH-TIKVA, Israel, September 28, 2004-Eltek Ltd. (NASDAQ: ELTK), the leading

Edgar Filing: ELTEK LTD - Form 6-K

Israeli manufacturer of advanced circuitry solutions, today announced its results for the second quarter and the six months ended June 30, 2004.

Eltek reported revenues for the six-month period ended June 30, 2004, of NIS 57.4 million (\$12.8 million) compared with revenues of NIS 53.6 million (\$11.9 million) for the comparable period in 2003.

Net loss for the six-month period ended June 30, 2004 was NIS 6.8 million (\$1.5 million), or NIS 1.64 per NIS 1 par value of shares (\$ 0.36), compared with a net loss of NIS 6.2 million (\$1.4 million) or NIS 2.11 per NIS 1 par value of shares (\$ 0.47) for the same period in 2003.

Revenues for the three months ended June 30, 2004 were NIS 27.1 million (\$6.0 million) compared with NIS 25.5 million (\$5.7 million) during the second quarter of 2003. Net loss for the quarter totaled NIS 4.3 million (\$952,000), or NIS 1.03 per NIS 1 par value of shares (\$0.23) compared with a net loss of NIS 2.5 million (\$566,000), or NIS 0.94 per diluted NIS 1 par value of shares (\$0.21) for the second quarter of 2003.

Revenues for the quarter ended March 31, 2004 were NIS 30.3 million (\$6.7 million) compared to NIS 28.1 million (\$6.2 million) for the quarter ended March 31, 2003. Net loss for the first quarter of 2004 was NIS 2.6 million (\$570,000), or NIS 0.61 per NIS 1 par value of shares (\$0.14), compared to a net loss of NIS 3.6 million (\$810,000), or NIS 1.25 per NIS 1 par value of shares (\$0.28), for the corresponding period last year.

"Since the end of second quarter we have experienced a significant increase in purchase orders from our customers for flex-rigid printed circuit boards pursuant to long term projects. These orders are in line with our strategic plans to focus on this lucrative niche and will present a positive change following the slowdown of the second quarter," commented Arie Reichart, President and Chief Executive Officer of Eltek. "I am particularly encouraged by the continued increase in our international operations and by the number of projects from new customers. It seems that the decline in revenues we experienced in the second quarter is part of the price we paid for shifting the Company's product mix towards flex-rigid boards and increasing our international operations," added Mr. Reichart.

About the Company

Eltek is Israel's leading manufacturers of printed circuit boards, the core circuitry of most electronic devices. It specializes in the complex high-end of PCB manufacturing, i.e., HDI, multi-layered and flex-rigid boards. Eltek's technologically advanced circuitry solutions are used in today's increasingly sophisticated and compact electronic products. The Company has invested heavily in upgrading its production facilities over the past five years.

For more information, visit Eltek's World Wide Web site at www.eltekglobal.com

Certain matters discussed in this news release are forward-looking statements that involve a number of risks and uncertainties including, but not limited to statements regarding expected results in future quarters, risks in product and technology development and rapid technological change, product demand, the impact of competitive products and pricing, market acceptance, the sales cycle, changing economic conditions and other risk factors detailed in the Company's filings with the United States Securities and Exchange Commission.

Edgar Filing: ELTEK LTD - Form 6-K

ELTEK LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	SIX MONTHS ENDED JUNE 30,			
	CONVENIENCE TRANSLATION -----			
	2003 NIS (UNAUDITED)	2004 NIS (UNAUDITED)	2004 U.S. \$ (UNAUDITED)	2003 NIS (UNAUDITED)
*ADJUSTED AMOUNTS	*REPORTED AMOUNTS	*REPORTED AMOUNTS	**ADJUSTED AMOUNTS	
Revenues	53,572	57,416	12,768	25,496
Costs of revenues	(51,248)	(52,825)	(11,747)	(24,367)
Gross profit	2,324	4,591	1,021	1,129
Research and development, net	18	-	-	-
Selling, general and administrative expenses	(7,608)	(9,176)	(2,040)	(3,519)
Amortization of goodwill	(254)	(294)	(65)	(127)
Operating loss	(5,520)	(4,879)	(1,084)	(2,517)
Financial income (expenses), net	(445)	(1,816)	(404)	28
Loss before other income (expenses), net	(5,965)	(6,695)	(1,488)	(2,489)
Other income (expenses), net	29	(184)	(41)	24
Loss before taxes on income	(5,936)	(6,879)	(1,529)	(2,465)
Taxes on income	(183)	-	-	(59)
Net loss after taxes on income	(6,119)	(6,879)	(1,529)	(2,524)
Minority share in subsidiary's net results	(68)	38	8	(22)
Net loss for the period	(6,187)	(6,841)	(1,521)	(2,546)

Edgar Filing: ELTEK LTD - Form 6-K

Basic loss per NIS 1 par value of the share capital***	(2.11)	(1.64)	(0.36)	(0.87)
	=====	=====	=====	=====
Total par value of shares used to compute basic net loss per NIS 1 par value of share	2,932	4,131	4,131	2,932
	=====	=====	=====	=====
Diluted loss per NIS 1 par value of the share capital***	(2.11)	(1.64)	(0.36)	(0.94)
	=====	=====	=====	=====
Total par value of shares used to compute diluted net loss per NIS 1 par value of share	2,932	4,131	4,131	3,201
	=====	=====	=====	=====

* With respect to discontinuance of adjustment for the effect of inflation as from CPI of December 2003.

** Amounts adjusted to the effect of inflation in terms of NIS of December 2003.

*** Ordinary shares of a par value of NIS 0.6 each.

ELTEK LTD.
CONSOLIDATED CONDENSED BALANCE SHEETS

	JUNE 30,	
	2003	2004
	UNAUDITED	UNAUDITED
	NIS	NIS
	-----	-----
	**ADJUSTED	*REPORTED
	AMOUNTS	AMOUNTS
	-----	-----
	(IN THOUSANDS)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,255	4,710
Receivables: Trade	24,888	18,786
Other	1,973	953
Inventories	12,051	13,004
Prepaid expenses	1,003	843
	-----	-----

Edgar Filing: ELTEK LTD - Form 6-K

TOTAL CURRENT ASSETS	43,170	38,296
	-----	-----
PROPERTY AND EQUIPMENT, NET	47,871	37,201
	-----	-----
GOODWILL	4,626	4,621
	-----	-----
TOTAL ASSETS	95,667	80,118
	=====	=====
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Short-term credit and current maturities of long-term debts	17,053	21,235
Trade payables	25,091	21,214
Other liabilities and accrued expenses	8,768	9,808
	-----	-----
TOTAL CURRENT LIABILITIES	50,912	52,257
	-----	-----
LONG- TERM LIABILITIES		
Long term debt, excluding current maturities	17,236	10,123
Employee severance benefits	922	988
	-----	-----
TOTAL LIABILITIES	69,070	63,368
	-----	-----
MINORITY INTERESTS	1,901	1,909
	-----	-----
CONVERTIBLE DEBENTURE NOTE	-	1,532
	-----	-----
SHAREHOLDER'S EQUITY		
Ordinary shares, NIS 0.6 par value. Authorized 50,000,000 shares, issued and outstanding 5,491,711 shares at June 30, 2004 and 4,885,651 shares at June 30, 2003	29,334	29,698
Additional paid in capital	51,985	52,500
Capital reserves related to loans from controlling shareholders	10,010	10,010
Cumulative foreign currency translation adjustments	503	1,878
Capital reserve	6,685	6,685
Accumulated deficit	(73,821)	(87,462)
	-----	-----
TOTAL SHAREHOLDER'S EQUITY	24,696	13,309
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	95,667	80,118
	=====	=====

* With respect to discontinuance of adjustment for the effect of inflation as from CPI of December 2003.

** Amounts adjusted to the effect of inflation in terms of NIS of December

Edgar Filing: ELTEK LTD - Form 6-K

2003.

SIGNATURES

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.

ELTEK LTD.
(Registrant)

By: /s/Arieh Reichart

Arieh Reichart
President and Chief Executive Officer

Date: September 28, 2004