

Edgar Filing: ELTEK LTD - Form 6-K

ELTEK LTD  
Form 6-K  
December 03, 2003

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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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 December 2003

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  
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-

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ELTEK LTD.

6-K Items

1. Press Release re Eltek Ltd. Reports Three and Nine Month Periods Ended  
September 30, 2003.

Press Release

Source: ELTEK Ltd.

Eltek Ltd. Reports Results for the Three and Nine Month Periods Ended September 30, 2003

Tuesday December 2, 8:13 am ET

Eltek Announces the Appointment of a New CEO For Its German Subsidiary

First significant order from this strategically important market has been awarded

PETACH-TIKVA, Israel--(BUSINESS WIRE)--Dec. 2, 2003-- Eltek Ltd. (Nasdaq:ELTK - News), the leading Israeli manufacturer of advanced circuitry solutions, today announced its financial results for the three and nine month periods ended September 30, 2003.

Eltek reported revenues for the three months ended September 30, 2003 of NIS 27.2 million (\$6.1 million), compared to NIS 25.5 million (\$5.7 million) during the third quarter of 2002. Net loss for the quarter totaled NIS 3.2 million (\$709,000), or NIS 0.75 per share (\$0.17), compared to a net loss of NIS 6.7 million (\$1.5 million), or NIS 2.28 per share (\$0.51), for the third quarter of 2002.

For the nine-month period ended September 30, 2003, the Company reported revenues of NIS 81 million (\$18.2 million), which is the same as in the comparable period in 2002.

Net loss for the nine-month period ended September 30, 2003 was NIS 9.4 million (\$2.1 million), or NIS 2.8 (\$0.63) per share, compared to a net loss of NIS 8.9 million (\$2 million) or NIS 3.04 (\$0.68) per share for the same period in 2002.

	Q3/2003	Q2/2003	Q1/2003	Q4/2002
( In millions \$)				
Revenues	6.12	5.76	6.35	6.18
Gross Profit (loss)	0.45	0.26	0.27	(0.36)
Operating Loss	(0.44)	(0.57)	(0.68)	(1.37)
Financial Expenses	(0.32)	0.00	(0.11)	(0.16)
Net Loss	(0.71)	(0.58)	(0.82)	(1.54)

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"The results of the third quarter of 2003 reflect our ongoing marketing efforts and our actions to improve our operational results," said Arie Reichart, President and Chief Executive Officer of Eltek.

"Our revenues were on the same level as in the first quarter of 2003, although we reduced our manpower by 50 positions. Gross profit is improving and we are reducing our operating loss in each quarter. Our disappointment is with the pace of the improvement which was adversely impacted by the re-valuation of the NIS against the US\$ beginning in the second quarter. Our financing expenses in the third quarter were unusually high due to the decrease in the CPI during the quarter."

"On July 1, 2003, Mr. Earnst Winkler joined Eltek as CEO of our German subsidiary, Kubatronik. Mr. Winkler brings more than 20 years of extensive marketing and technological experience in the fields of flex rigid and other complex PCBs. He has already played a significant role in our efforts to further penetrate the German market as well as to expand our European activities. We see great potential in these areas."

Mr. Reichart continued: "I am particularly encouraged by the increased contribution of Eltek's international operations to our quarterly revenues as well as to our pipeline for 2004. Our international sales accounted for more than 36% of our overall quarterly revenues in the third quarter. We were recently awarded an initial order of \$220,000 from a new customer in Germany for a complex flex-rigid PCB to be delivered during 2004."

Mr. Reichart concluded: "Our ongoing efforts to further strengthen Eltek's global market position has begun to yield tangible results. We intend to continue to aggressively explore opportunities in the international markets."

### About the Company

Eltek is Israel's leading manufacturers of printed circuit boards (PCB), 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. ELTEK has invested heavily in upgrading its production facilities over the past five years to maintain state of the art technology.

For more information, visit Eltek's World Wide Web site at [www.eltekglobal.com](http://www.eltekglobal.com)

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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.

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ELTEK LTD.  
 Consolidated Statements of Operations  
 Adjusted to New Israeli Shekels as of September 2003  
 (In thousands, except per share data)

	Conven- ience Trans- lation			Conven- ience Trans- lation		
	-----			-----		
	Nine months ended September 30,			Three months ended September 30,		
	2002	2003	2003	2002	2003	2003
	NIS	NIS	U.S. \$	NIS	NIS	U.S. \$
	(Un- audited)	(Un- audited)	(Un- audited)	(Un- audited)	(Un- audited)	(Un- audited)
Revenues	81,017	80,981	18,235	25,527	27,194	6,124
Costs of revenues	(77,820)	(76,631)	(17,256)	(26,848)	(25,177)	(5,669)
Gross profit (loss)	3,197	4,350	979	(1,321)	2,017	455
Research and develop- ment costs, net	(117)	18	4	-	-	-
Selling, general and adminis- trative expenses	(10,883)	(11,467)	(2,582)	(3,927)	(3,829)	(862)
Amortization of goodwill	(157)	(409)	(92)	(157)	(154)	(35)
Operating loss	(7,960)	(7,508)	(1,691)	(5,405)	(1,966)	(442)
Financial expenses, net	(751)	(1,882)	(424)	(1,068)	(1,435)	(323)
Loss before other income (expenses), net	(8,711)	(9,390)	(2,115)	(6,473)	(3,401)	(765)
Other income (expenses), net	(7)	164	37	(15)	135	30
Loss before taxes on income	(8,718)	(9,226)	(2,078)	(6,488)	(3,266)	(735)
Taxes on income	(95)	(101)	(23)	(139)	83	19

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Net loss after taxes on income	(8,813)	(9,327)	(2,101)	(6,627)	(3,183)	(716)
Minority share in subsidiary's net loss (income)	(118)	(37)	(8)	(59)	31	7
Net loss for the period	(8,931)	(9,364)	(2,109)	(6,686)	(3,152)	(709)
Basic and diluted loss per NIS 1 par value of the share capital (a)	(3.04)	(2.80)	(0.63)	(2.28)	(0.75)	(0.17)
Total par value of shares used to compute basic and diluted net loss per NIS 1 par value of share	2,932	3,332	3,332	2,932	4,132	4,132

(a) shares of a par value of NIS 0.6 each.

Eltek Ltd.  
Consolidated Condensed Balance Sheets  
Adjusted to New Israeli Shekels as of September 2003

	September 30,		Convenience Translation September 30,
	2002 Unaudited NIS	2003 Unaudited NIS	2003 Unaudited U.S. \$
(in thousands)			
Assets			
Current assets			
Cash and cash equivalents	10,407	4,210	948
Receivables: Trade	24,669 (b)	20,566	4,631
Other	776	1,832	413

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Inventories	12,981	12,135	2,733
Prepaid expenses	907	615	138
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Total current assets	49,740	39,358	8,863
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Property and equipment, net	55,956	45,478	10,240
	-----	-----	-----
Goodwill	4,927	4,798	1,080
	-----	-----	-----
Total assets	110,623	89,634	20,183
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Liabilities and Shareholder's equity

Current liabilities

Short-term credit and current maturities of long-term debts	22,182	19,797	4,458
Trade payables	18,872	20,847	4,694
Other liabilities and accrued expenses	8,723 (b)	7,334	1,651
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Total current liabilities	49,777	47,978	10,803
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Long-term liabilities

Long term debt, excluding current maturities	20,435	14,100	3,175
Employee severance benefits	955	1,018	229
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Total liabilities	71,167	63,096	14,207
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Minority interests	1,985	1,993	449
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Convertible note	-	2,270	511
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Shareholder's equity

Ordinary shares, NIS 0.6 par value. Authorized 50,000,000 shares, issued and outstanding 4,885,651 shares	29,452	29,452	6,632
Additional paid in capital	52,194	52,194	11,753
Capital reserves related to loans from controlling shareholders	10,050	10,050	2,263
Cumulative foreign currency translation adjustments	121	1,137	256
Capital reserve	6,712	6,712	1,511
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Accumulated deficit	(61,058)	(77,270)	(17,399)
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Total shareholder's equity	37,471	22,275	5,016
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Total liabilities and shareholders' equity	110,623	89,634	20,183
	=====	=====	=====

(b) Reclassified

[GRAPHIC OMITTED]

Contact:

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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.

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(Registrant)

By: /s/Arieh Reichart

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Arieh Reichart  
President and Chief Executive Officer

Date: December 3, 2003