

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
August 13, 2003

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the **Securities Exchange Act of**
1934

August 13th, 2003

NOVA MEASURING INSTRUMENTS LTD.

Building 22 Weitzmann Science Park, Rehovoth
P.O.B 266

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 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

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A.

Attached hereto and incorporated by way of reference herein the Registrants notice regarding 2003 Second Quarter Results

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.

August 13th, 2003

Nova Measuring Instruments Ltd
(the "Registrant")

BY: /S/ Chai Toren

Chai Toren
Chief Financial Officer

Company Contact:

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Company Press Release

**Nova Measuring Instruments
Announces 2003 Second Quarter Results**

Rehovoth, Israel, August 13, 2003 Nova Measuring Instruments, Ltd. (Nasdaq: NVMI), today reported results for the second quarter of 2003.

2003 Second Quarter Results

Total revenues for the second quarter of 2003 were \$6.4 million, a 20% increase over revenues of \$5.4 million reported for the second quarter of 2002, and a 35% sequential increase over revenues of \$4.8 million for the first quarter of 2003.

The Company reported gross profit of \$2.4 million (38% of revenues) compared with gross profit of \$1.9 million (36% of revenues) for the second quarter of 2002 and gross profit of \$1.5 million (32% of revenues) sequentially.

Net loss for the quarter was \$(1.4) million, or \$(0.09) per share, compared with a net loss in the second quarter of 2002 of \$(2.9) million, or \$(0.20) per share and a net loss of \$(2.6) million, or \$(0.17) per share sequentially. Second quarter 2003 results include stock-based compensation expenses of \$0.1 million. Excluding these expenses, net loss was \$(0.08) per share.

Research and development expenses were \$1.6 million (25% of revenues) compared with \$2.5 million (46% of revenues) in the second quarter of 2002 and \$2.2 million (45% of revenues) sequentially. Sales and marketing expenses were \$1.8 million (28% of revenues) compared with \$1.8 million (33% of revenues) in the second quarter of 2002 and \$1.5 million (32% of revenues) sequentially.

The second quarter results reflect several positive trends. These includes a 35% sequential revenue growth; approaching the breakeven point and the start of sales of the new NovaScan CD (in Stand-alone and integrated configurations) and visibility of increasing sales of the NovaScan CD in the next 12 months. In addition, we saw some important gains of multiple sales in several major accounts in Japan and Asia Pacific and we maintain our leading integrated metrology market share of over 70%. Dr. Giora Dishon, President & CEO of Nova commented, "This has been a good quarter with increased revenues, improved margins and reduction of losses. We continue to grow in Asia Pacific, Taiwan and Japan and expect that these territories will continue to lead in the coming quarters. The formal introduction during Semicon West of the NovaScan CD system a process control equipment segment, which Dataquest expects to grow by 25 times in the next 4 years (from \$4M in 2002 to about \$100M in 2006), with orders for stand-alone and integrated systems, is very encouraging. We have also seen an increase in upgrade activity, which we believe may demonstrate an initial sign of a recovery in the sector.

Dr. Dishon concluded, "We are encouraged by the results and the trends in the industry. However, while the visibility is still limited, we continue to manage our business looking forward with a high sense of caution controlling the costs of operations and continuing to reduce losses, to return the business to profitability."

About Nova

Nova Measuring Instruments Ltd. develops, designs and produces integrated process control systems in the semiconductor manufacturing industry. Nova provides a broad range of integrated process control solutions that link between different semiconductor processes and process equipment. The Company's website is www.nova.co.il.

This press release may contain forward-looking statements, including statements related to anticipated growth rates, manufacturing capacity and tax rate. Actual results may differ materially from those projected due to a number of risks, including changes in customer demands for our products, new product offerings from our competitors, changes in or an inability to execute our business strategy, unanticipated manufacturing or supply problems, or changes in tax requirements. Nova cannot guarantee future results, levels of activity, performance or achievements. The matters discussed in this press release also involve risks and uncertainties summarized under the heading "Risk Factors" in Nova's Form F-1

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filed with the Securities and Exchange Commission on April 9, 2000. These factors are updated from time to time through the filing of reports and registration statements with the Securities and Exchange Commission. Nova Measuring Instruments Ltd. does not assume any obligation to update the forward-looking information contained in this press release.

NOVA MEASURING INSTRUMENTS LTD.
INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

(U.S. dollars in thousands, except share and per share data)

| | Three months ended | |
|--|---------------------------|-----------------------|
| | June 30, 2003 | March 31, 2003 |
| | (unaudited) | |
| REVENUES | | |
| Products sale | 5,213 | 3,604 |
| Services | 1,220 | 1,169 |
| | 6,433 | 4,773 |
| COST OF REVENUES | | |
| Products sale | 2,549 | 1,858 |
| Services | 1,455 | 1,405 |
| | 4,004 | 3,263 |
| GROSS PROFIT | 2,429 | 1,510 |
| OPERATING COSTS AND EXPENSES | | |
| Research & Development expenses, net | 1,605 | 2,152 |
| Sales & Marketing expenses | 1,782 | 1,509 |
| General & Administration expenses | 489 | 585 |
| | 3,876 | 4,246 |
| OPERATING LOSS | (1,447) | (2,736) |
| FINANCING INCOME | 93 | 148 |
| | (1,354) | (2,588) |
| LOSS | | |
| LOSS PER SHARE | (0.09) | (0.17) |
| Comments: | | |
| 1. Employee Stock Based Compensation expenses | 106 | 167 |
| 2. Shares used in calculation of basic loss per share | 14,939 | 14,931 |
| 3. The adjusted results excluding Employee Stock Based Compensation: | | |
| Gross Profit | 2,442 | 1,530 |
| Operating Expenses | 3,783 | 4,099 |
| Loss | (1,248) | (2,421) |
| Loss per share | (0.08) | (0.16) |

NOVA MEASURING INSTRUMENTS LTD. INTERIM
CONSOLIDATED STATEMENT OF OPERATIONS

(U.S. dollars in thousands, except share and per share data)

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| | Three months ended | |
|--|--------------------|---------------|
| | June 30, 2003 | June 30, 2002 |
| | (unaudited) | |
| REVENUES | | |
| Products sale | 5,213 | 3,823 |
| Services | 1,220 | 1,554 |
| | 6,433 | 5,377 |
| COST OF REVENUES | | |
| Products sale | 2,549 | 1,738 |
| Services | 1,455 | 1,687 |
| | 4,004 | 3,425 |
| GROSS PROFIT | 2,429 | 1,952 |
| OPERATING COSTS AND EXPENSES | | |
| Research & Development expenses, net | 1,605 | 2,519 |
| Sales & Marketing expenses | 1,782 | 1,818 |
| General & Administration expenses | 489 | 375 |
| | 3,876 | 4,712 |
| OPERATING LOSS | (1,447) | (2,760) |
| FINANCING INCOME (EXPENSES) | 93 | (119) |
| LOSS | (1,354) | (2,879) |
| LOSS PER SHARE | (0.09) | (0.20) |
| Comments: | | |
| 1. Employee Stock Based Compensation expenses | 106 | 363 |
| 2. Shares used in calculation of basic loss per share | 14,939 | 14,653 |
| 3. The adjusted results excluding Employee Stock Based Compensation: | | |
| Gross Profit | 2,442 | 1,985 |
| Operating Expenses | 3,783 | 4,473 |
| Loss | (1,248) | (2,607) |
| Loss per share | (0.08) | (0.18) |

NOVA MEASURING INSTRUMENTS LTD. INTERIM

CONSOLIDATED BALANCE SHEET

(U.S. dollars in thousands)

| | |
|---------------------|--------------------|
| | As of December 31, |
| As of June 30, 2003 | 2002 |

CURRENT ASSETS

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| | As of June 30, 2003 | As of December 31, 2002 |
|---|---------------------|----------------------------|
| Cash and cash equivalents | 30,032 | 36,964 |
| Short-term interest-bearing deposits | 651 | 622 |
| Held to maturity securities | 994 | 994 |
| Trade accounts receivable | 6,883 | 2,663 |
| Inventories | 2,704 | 3,150 |
| Other current assets | 1,231 | 1,137 |
| | <u>42,495</u> | <u>45,530</u> |
| LONG-TERM ASSETS | | |
| Severance pay funds | 2,007 | 1,701 |
| Fixed assets, net | 1,546 | 1,777 |
| | <u>3,553</u> | <u>3,478</u> |
| | <u>46,048</u> | <u>49,008</u> |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 3,397 | 3,340 |
| Other current liabilities | 7,780 | 7,616 |
| | <u>11,177</u> | <u>10,956</u> |
| LONG-TERM LIABILITIES | | |
| Liability for employee termination benefits | 2,648 | 2,162 |
| Other long-term liability | 173 | 213 |
| | <u>2,821</u> | <u>2,375</u> |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 46 | 46 |
| Additional paid- in capital | 72,466 | 72,614 |
| Deferred stock-based compensation | (382) | (809) |
| Accumulated other comprehensive income | 36 | - |
| Accumulated deficit | (40,116) | (36,174) |
| | <u>32,050</u> | <u>35,677</u> |
| | <u>46,048</u> | <u>49,008</u> |