

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
November 06, 2006

UNITED STATES
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

Date of Report: November 6, 2006
Commission File No.: 000-30688

NOVA MEASURING INSTRUMENTS LTD.

Building 22 Weitzmann Science Park, Rehovoth

P.O.B 266

Israel

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 is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

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 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 12g3-2(b):

N/A.

Attached hereto and incorporated by way of reference herein is the Registrant's press release entitled "Nova Measuring Instruments Announces 2006 Third Quarter Results".

This report on Form 6-K is hereby incorporated by reference into Nova Measuring Instruments Ltd.'s registration statements on Form S-8, filed with the Securities and Exchange Commission on the following dates: September 13, 2000 (File No. 333-12546); March 5, 2002 (File No. 333-83734); December 24, 2002 (File No. 333-102193, as amended by Amendment No. 1, filed on January 5, 2006); March 24, 2003 (File No. 333-103981); May 17, 2004 (three files, File Nos. 333-115554, 333-115555, and 333-115556, as amended by Amendment No. 1, filed on January 5, 2006); March 7, 2005 (File No. 333-123158); December 29, 2005 (File No. 333-130745); and September 21, 2006 (File No. _____).

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.

NOVA MEASURING INSTRUMENTS LTD.
(the "Registrant")

By: */s/ Dror David*

Dror David
Chief Financial Officer

Date: November 6, 2006

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Company Press Release

NOVA MEASURING INSTRUMENTS ANNOUNCES

2006 THIRD QUARTER RESULTS

New Products Traction Lead to Higher Bookings and Revenues

Rehovoth, Israel, November 6, 2006 Nova Measuring Instruments Ltd. (Nasdaq: NVMI), the market leader in integrated measurement and process control for the semiconductor industry, today reported its financial results for the third quarter of 2006.

Total revenues for the third quarter of 2006 were \$12.5 million, an increase of \$3.6 million or 40% over total revenues of \$8.9 million reported for the third quarter of 2005 and an increase of \$1.1 million or 9% over total revenues of \$11.4 million reported for the second quarter of 2006.

The Company reported a gross profit of \$5.1 million compared with a gross profit of \$3.4 million for the third quarter of 2005 and a gross profit of \$5.0 million for the previous quarter. Gross margin for the third quarter of 2006 was 41% compared with 39% for the third quarter of 2005, and compared with 43% for the previous quarter.

Total operating expenses were \$6.0 million for the third quarter of 2006, compared with \$4.6 million in the third quarter of 2005, and \$5.4 million in the second quarter of 2006.

Net loss was \$0.8 million, or \$0.05 per share, compared with a net loss of \$1.0 million for the third quarter of 2005, or \$0.06 per share, and compared with a net loss of \$0.4 million for the second quarter of 2006, or \$0.02 per share.

Cash reserves at the end of the third quarter of 2006 were \$16 million, a decrease of \$1.8 million compared to the end of previous quarter.

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As previously announced, HyperNex Inc. acquisition was completed on August 8, 2006. The third quarter financial results include the assets, liabilities and operational results of HyperNex as of that date. The main implications of the acquisition on the third quarter financial results were a \$1.5 million increase in inventories, a \$3.2 million increase in intangible assets, and \$0.5 million additional operating expenses during the third quarter.

During the third quarter of 2006, we continued to benefit from positive overall trends in the market, and our visibility has further improved, said Gabi Seligsohn, President and CEO. This is reflected in our bookings, which continue to increase and also reflect growing traction from the NovaScan 3090 product family both in the stand-alone and integrated metrology, for Optical CD and CMP applications.

We are pleased with our execution during an important period for the company, continued Seligsohn. The integration of the HyperNex acquisition went very smoothly. In addition, the significant management changes, which were announced separately today, were also accomplished in record time with no disruption to the business, and position us for our next phase of growth. With these hurdles behind us, we are turning our full attention to increasing sales of our NovaScan 3090 and NovaMARS software and closing sales for the Wide-angle X-Ray Diffraction systems. With an improving revenue mix and even more focus on controlling costs, our goal is to improve profitability as we grow. We have set aggressive targets for ourselves based on further increasing our share in existing markets and expansion into new segments where we can leverage our current capabilities.

The Company will host a conference call today, November 6, 2006, at 10:00am EST. To participate please dial in the U.S.: 1-888-281 1167 UK: 0-800-917-9141 or internationally: +972-3-918-0609 at least 5 minutes before the start of the call. A recording of the call will be available on Nova's website, within 24 hours following the end of the call.

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 contains forward-looking statements within the meaning of safe harbor provisions of the Private Securities Litigation Reform Act of 1995 relating to future events or our future performance, such as statements regarding trends, demand for our products, expected deliveries, transaction, expected revenues, operating results, and earnings. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in those forward-looking statements. These risks and other factors include but are not limited to: our dependency on a single integrated process control product line; the highly cyclical nature of the markets we target; our inability to reduce spending during a slowdown in the semiconductor industry; our ability to respond effectively on a timely basis to rapid technological changes; risks associated with our dependence on a single manufacturing facility; our ability to expand our manufacturing capacity or marketing efforts to support our future growth; our dependency on a small number of large customers and small number of suppliers; risks related to our intellectual property; 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; changes in tax requirements; changes in customer demand for our products and risks related to our operations in Israel. We 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 Annual Report on Form 20-F for the year ended December 31, 2005 filed with the Securities and Exchange Commission on June 29, 2006. 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.

(Tables to Follow)

NOVA MEASURING INSTRUMENTS LTD. **QUARTERLY CONSOLIDATED STATEMENTS OF OPERATIONS**

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

| | Q3-2006 | Q3-2005 | Q2-2006 |
|-----------------|---------|-------------|---------|
| | | (corrected) | |
| REVENUES | | | |
| Product sales | 9,857 | 6,658 | 9,141 |

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| | Q3-2006 | Q3-2005 | Q2-2006 |
|---|---------------|---------------|---------------|
| Services | 2,644 | 2,244 | 2,302 |
| | <u>12,501</u> | <u>8,902</u> | <u>11,443</u> |
| COST OF REVENUES | | | |
| Product sales | 5,175 | 3,313 | 4,335 |
| Services | 2,247 | 2,156 | 2,160 |
| | <u>7,422</u> | <u>5,469</u> | <u>6,495</u> |
| GROSS PROFIT | <u>5,079</u> | <u>3,433</u> | <u>4,948</u> |
| OPERATING EXPENSES | | | |
| Research & Development expenses, net | 2,272 | 1,990 | 2,010 |
| Sales & Marketing expenses | 2,292 | 1,510 | 2,043 |
| General & Administration expenses | 1,423 | 1,068 | 1,382 |
| | <u>5,987</u> | <u>4,568</u> | <u>5,435</u> |
| OPERATING LOSS | 908 | 1,135 | 487 |
| INTEREST INCOME, NET | <u>130</u> | <u>133</u> | <u>128</u> |
| NET LOSS | <u>778</u> | <u>1,002</u> | <u>359</u> |
| Loss per share | <u>0.05</u> | <u>0.06</u> | <u>0.02</u> |
| Shares used for calculation of loss per share | <u>16,178</u> | <u>15,453</u> | <u>15,481</u> |

NOVA MEASURING INSTRUMENTS LTD.
CONSOLIDATED STATEMENT OF OPERATIONS
(U.S. dollars in thousands, except per share data)

| | Nine-months ended | |
|-----------------|-----------------------|-----------------------|
| | September 30, 2006 | September 30, 2005 |
| | | (corrected) |
| REVENUES | | |
| Product sales | 26,795 | 15,384 |
| Services | 7,431 | 5,921 |
| | <u>34,226</u> | <u>21,305</u> |

| | Nine-months ended | |
|---|-------------------|---------------|
| COST OF REVENUES | | |
| Product sales | 12,690 | 8,474 |
| Services | 6,740 | 5,741 |
| | <u>19,430</u> | <u>14,215</u> |
| GROSS PROFIT | <u>14,796</u> | <u>7,090</u> |
| OPERATING EXPENSES | | |
| Research & Development expenses, net | 6,579 | 7,021 |
| Sales & Marketing expenses | 6,007 | 4,943 |
| General & Administrative expenses | 3,853 | 2,537 |
| | <u>16,439</u> | <u>14,501</u> |
| OPERATING LOSS | 1,643 | 7,411 |
| INTEREST INCOME, NET | 469 | 522 |
| NET LOSS | <u>1,174</u> | <u>6,889</u> |
| Loss per share | <u>0.08</u> | <u>0.45</u> |
| Shares used for calculation of loss per share | <u>15,713</u> | <u>15,394</u> |

NOVA MEASURING INSTRUMENTS LTD.
CONSOLIDATED BALANCE SHEET
(U.S. dollars in thousands)

| | September 30, 2006 | December 31, 2005 |
|---|-----------------------|----------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 5,702 | 5,776 |
| Short-term interest-bearing bank deposits | 501 | 1,206 |
| Short-term investments | -- | 3,500 |
| Held to maturity securities | 4,098 | 4,388 |
| Trade accounts receivable, net | 8,905 | 6,841 |
| Inventories | 9,129 | 6,606 |
| Other current assets | 1,401 | 1,141 |
| | <u>29,736</u> | <u>29,458</u> |
| LONG-TERM ASSETS | | |
| Long-term interest-bearing bank deposits | 3,148 | 2,974 |

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| | September 30, 2006 | December 31, 2005 |
|--|-----------------------|----------------------|
| Held to maturity securities | 2,605 | 4,952 |
| Other Long-term assets | 259 | 262 |
| Severance pay funds | 2,348 | 2,186 |
| | <u>8,360</u> | <u>10,374</u> |
| FIXED ASSETS, NET | <u>2,398</u> | <u>2,507</u> |
| INTANGIBLE ASSETS | <u>3,236</u> | <u>--</u> |
| Total assets | <u>43,730</u> | <u>42,339</u> |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 6,059 | 5,744 |
| Other current liabilities | 8,448 | 8,880 |
| | <u>14,507</u> | <u>14,624</u> |
| LONG-TERM LIABILITIES | | |
| Liability for employee termination benefits | 3,237 | 2,907 |
| Deferred income | 929 | 1,264 |
| Other long-term liability | 73 | 100 |
| | <u>4,239</u> | <u>4,271</u> |
| SHAREHOLDERS' EQUITY | | |
| Ordinary shares | 50 | 46 |
| Additional paid-in capital | 76,901 | 73,636 |
| Deferred stock-based compensation | (712) | -- |
| Accumulated other comprehensive income | 139 | (18) |
| Accumulated deficit | (51,394) | (50,220) |
| | <u>24,984</u> | <u>23,444</u> |
| Total shareholders' equity | <u>24,984</u> | <u>23,444</u> |
| Total liabilities and shareholders' equity | <u>43,730</u> | <u>42,339</u> |