

CAMTEK LTD
Form 6-K
August 08, 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
under the Securities Exchange Act of 1934**

For the Month of August 2006

CAMTEK LTD.

(Translation of Registrant's Name into English)

**Ramat Gavriel Industrial Zone
P.O. Box 544
Migdal Haemek 23150
ISRAEL**

(Address of Principal Corporate Offices)

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 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 and Exchange Act of 1934.

Yes No

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SIGNATURE

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.

CAMTEK LTD.
(Registrant)

By: /s/ Ronit Dulberg

Ronit Dulberg,
Chief Financial Officer

Dated: August 7, 2006

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CAMTEK LTD. ANNOUNCES RECORD RESULTS FOR Q2 2006

Camtek Achieved Record Revenues of \$27.9 Million
Record Gross Profit of \$15.2 million and Record Net Income of \$5.2 million, with
\$0.17 EPS

MIGDAL HAEMEK, Israel August 7, 2006 Camtek Ltd. (NASDAQ: CAMT), today announced record results for the second quarter ended June 30, 2006.

Revenues for the second quarter of 2006 were \$27.9 million, 67% above \$16.8 million in the second quarter of 2005, and up 12% sequentially from \$24.9 million reported in the first quarter of 2006.

Gross profit margin for the second quarter of 2006 was 54.6%, compared to 49.7% for the second quarter of 2005, and 52.5% for the first quarter of 2006.

The Company reported second quarter net income of \$5.2 million, or \$0.17 per diluted share, compared to a net income of \$1.5 million, or \$0.05 per diluted share, in the second quarter of last year, and \$4.4 million, or \$0.16 per diluted share, in the first quarter of 2006.

Rafi Amit, Camtek's CEO, commented: Camtek's operational and financial performance excelled this quarter. We continued building our strong position in the semiconductor manufacturing and packaging industry as our revenues from this industry reached \$13 million and contributed 47% of our total revenues. We continue to see the same level of activity as last quarter in the PCB and HDI-S markets, which contributed \$14.9 million to our revenues.

Mr. Amit continued, In parallel to our activities of supporting our growth, we have been developing new capabilities for all our served markets. We will announce a few of these capabilities in the near future.

Mrs. Ronit Dulberg, Camtek's CFO, added, We are very pleased to have achieved the targets we have set for ourselves in terms of revenues, margins and profitability, which are the highest quarterly results we have ever recorded. It is worth noting that while we have been investing significant resources in expanding the organization, we were still able to record a positive operating cash flow of \$3.4 million since the beginning of the year.

Mr. Amit concluded, Given our performance in the first half of the year, our current activity level and the signals we are receiving from our marketplaces, we feel comfortable with our previously updated guidance of \$100-110 million revenues for the year. At this point we can estimate our third quarter revenues at the range of \$26-30 million.

Camtek will hold a conference call today, Monday August 7, 2006 at 11:00 EDT (for other time zones see below). Rafi Amit, CEO, Ronit Dulberg, Chief Financial Officer, and Yuval Attias, Director of finance, will host the call and will be available to answer questions.

To participate, please call one of the following telephone numbers below.

| | | |
|----------------|-----------------|-----------------------|
| US: | 1 866 860 9642 | at 11 a.m. EDT |
| UK: | 0 800 917 5108 | at 4 p.m. GMT |
| Israel: | 03 918 0600 | at 6 p.m. Israel time |
| International: | +972 3 918 0600 | |

The teleconference will be available for replay for 14 days on Camtek's website at <http://www.camtek.co.il>, beginning 48 hours after the call.

About Camtek Ltd.

With headquarters in Migdal Ha Emek Israel, Camtek Ltd., designs, develops, manufactures, and markets automatic optical inspection systems and related products. Camtek's automatic inspection systems are used to enhance both production processes and yield for manufacturers in the printed circuit board industry, the high density interconnect substrate industry and the semiconductor manufacturing and packaging industry. This press release is available at www.camtek.co.il.

This press release may contain projections or other forward-looking statements regarding future events or the future performance of the Company. These statements are only predictions and may change as time passes. We do not assume any obligation to update that information. Actual events or results may differ materially from those projected, including as a result of changing industry and market trends, reduced demand for our products, the timely development of our new products and their adoption by the market, increased competition in the industry, price reductions as well as due to risks identified in the documents filed by the Company with the SEC.

CONTACT INFORMATION

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CAMTEK LTD.
Consolidated Balance Sheets
(in thousands, except share data)

| | June 30, | December 31, |
|--|----------------|---------------|
| | 2006 | 2005 |
| | US dollars | |
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 25,399 | 8,714 |
| Marketable securities | 2,994 | 2,101 |
| Accounts receivable, net | 34,095 | 26,412 |
| Inventories | 33,944 | 24,942 |
| Due from affiliates | 238 | 290 |
| Other current assets | 3,917 | 2,817 |
| | 100,587 | 65,276 |
| | | |
| Fixed assets, net | 10,362 | 9,963 |
| | | |
| Total assets | 110,949 | 75,239 |
| | | |
| <u>LIABILITIES</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable -trade | 17,239 | 8,678 |
| Other current liabilities | 10,988 | 8,721 |
| | 28,227 | 17,399 |
| | | |
| Convertible loan | 5,000 | 5,000 |
| Accrued severance pay, net of amounts funded | 222 | 222 |
| | 33,449 | 22,621 |
| Total liabilities | 33,449 | 22,621 |
| | | |
| SHAREHOLDERS' EQUITY | | |
| Ordinary shares NIS 0.01 par value, authorized 100,000,000 shares, issued 28,095,516 in 2005 and 30,868,291 in 2006, outstanding 27,083,897 in 2005 and 29,856,672 in 2006 | 131 | 125 |
| Additional paid-in capital | 58,764 | 43,732 |
| Deferred stock-based compensation | - | (221) |
| Accumulated other comprehensive income (loss) | | |
| Unrealized income (loss) on marketable securities | 3 | (2) |
| Retained earnings | 19,595 | 9,977 |
| Treasury stock, at cost (1,011,619 shares in 2005 and 2006) | (993) | (993) |
| | 77,500 | 52,618 |
| | 77,500 | 52,618 |

| | <u>June 30,</u> | <u>December 31,</u> |
|---|-----------------------|----------------------|
| Total liabilities and shareholders' equity | <u>110,949</u> | <u>75,239</u> |

CAMTEK LTD.
Consolidated Statements of Operations
(in thousands, except share data)

| | Six Months Ended June 30 | | Three Months Ended June 30 | | Year Ended December 31 |
|---|-----------------------------|--------|-------------------------------|--------|---------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2005 |
| Revenues | 52,756 | 25,912 | 27,876 | 16,771 | 63,032 |
| Cost of revenues | 24,477 | 13,809 | 12,660 | 8,435 | 32,781 |
| Gross Profit | 28,279 | 12,103 | 15,216 | 8,336 | 30,251 |
| Research and development costs | 4,894 | 3,862 | 2,457 | 2,043 | 8,469 |
| Selling, general and administrative expenses | 13,523 | 8,819 | 7,314 | 4,844 | 18,760 |
| Total operating expenses | 18,417 | 12,681 | 9,771 | 6,887 | 27,229 |
| Operating income (loss) | 9,862 | (578) | 5,445 | 1,449 | 3,022 |
| Financial and other income (expenses), net | 26 | (308) | (80) | 53 | (320) |
| Income (loss) before income taxes | 9,888 | (886) | 5,365 | 1,502 | 2,702 |
| Provision for income taxes | 270 | - | 170 | - | - |
| Net income (loss) | 9,618 | (886) | 5,195 | 1,502 | 2,702 |
| Net income (loss) per ordinary share: | | | | | |
| Basic | 0.34 | (0.03) | 0.18 | 0.06 | 0.10 |
| Diluted | 0.33 | (0.03) | 0.17 | 0.05 | 0.10 |
| Weighted average number of ordinary shares outstanding: | | | | | |
| Basic | 28,270 | 27,203 | 29,173 | 27,205 | 27,253 |
| Diluted | 29,617 | 27,495 | 30,531 | 27,496 | 27,586 |