

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
August 03, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

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

August 3, 2010

Commission File No.: 000-30688

NOVA MEASURING INSTRUMENTS LTD.
(Translation of registrant's name into English)

Building 22 Weizmann Science Park, Rehovot
P.O.B 266
Israel
(Address of principal executive offices)

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 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

Attached hereto and incorporated by way of reference herein is a press release issued by the Registrant and entitled "Nova Announces Record Quarterly Revenues and Profitability".

This report on Form 6-Ks hereby incorporated by reference into the Registrant'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 (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);

Edgar Filing: NOVA MEASURING INSTRUMENTS LTD - Form 6-K

December 29, 2005 (File No. 333-130745); September 21, 2006 (File No. 333-137491) and November 5, 2007 (File No. 333-147140), and into the Registrant's registration statements on Form F-3, filed with the Securities and Exchange Commission on May 11, 2007 (File No. 333-142834), and on December 8, 2009 (File No. 333-163561, as amended by Amendment No. 1, filed on December 29, 2009).

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.
(Registrant)

Date: August 3, 2010

By: /s/ Dror David

Dror David
Chief Financial Officer

Company Contact:
Dror David, Chief Financial Officer
Nova Measuring Instruments Ltd.
Tel: 972-8-938-7505
E-mail: info@nova.co.il
<http://www.nova.co.il>

Investor relations Contacts:
Ehud Helft / Kenny Green
CCG Investor Relations
Tel: +1-646-201-9246
E-mail: nova@ccgisrael.com

Company Press Release

NOVA ANNOUNCES RECORD QUARTERLY REVENUES AND PROFITABILITY

Strong business momentum leading to significantly improved outlook
Company expects 2010 revenues to be higher than \$78M with net profitability above 21%

Rehovot, Israel - August 3, 2010 - Nova Measuring Instruments Ltd. (Nasdaq: NVMI), provider of leading edge stand alone metrology and the market leader of integrated metrology solutions to the semiconductor process control market, today reported its 2010 second quarter financial results.

Highlights for the Second Quarter of 2010

- Total revenues of \$19.4 million, 22% increase over the first quarter of 2010
- Record level gross margins of 54%, up from 51% in the previous quarter
- GAAP net income of \$4.7 million, or \$0.18 per diluted share
- \$6.3 million positive operating cash flow
- Accelerating standalone metrology customer penetrations

2010 Second Quarter Results

Total revenues for the second quarter of 2010 were \$19.4 million, an increase of 179% relative to the second quarter of 2009, and an increase of 22% relative to the first quarter of 2010.

Gross margin for the second quarter of 2010 was 54%, compared with 41% in the second quarter of 2009, and 51% in the first quarter of 2010.

Operating expenses in the second quarter of 2010 were \$5.8 million, compared with \$3.0 million in the second quarter of 2009, and \$5.4 million in the first quarter of 2010.

On a GAAP basis, the company reported net income of \$4.7 million, or \$0.18 per diluted share, in the second quarter of 2010. This compares to a net loss of \$0.1 million in the second quarter of 2009, and a net income of \$2.7 million, or \$0.11 per diluted share, in the first quarter of 2010.

The company generated \$6.3 million in cash from operating activities during the second quarter of 2010, and total cash reserves at the end of the second quarter of 2010 were \$46.7 million.

Management Comments

“Q2 was an excellent quarter, with record levels of revenues, profitability and operating cash flow” commented Gabi Seligsohn, President and CEO of Nova. “These results demonstrate the success of our strategy which has focused on expanding our product offering, increasing our fab foot print and displacing traditional metrology techniques with our differentiated products”.

“Semiconductor business fundamentals continue to be strong, as evidenced by 15 new fab announcements, some of which are moving much faster than was previously anticipated. The pace of technology transition continues to accelerate, and customers are adding our metrology solutions for a broader range of technology nodes and applications. In parallel, we have been able to increase the value we offer for existing products, through additional features and functionality, which have been very well received by our customers during the quarter”.

“Recent customer design wins have generated very strong demand for our metrology solutions, and will result in significant revenue increase in the second half of the year, as fab expansion rates continue to rise. In parallel, our recently announced customer penetrations in the standalone metrology area lay solid foundation for further growth in the future. The fact that Nova now plays a much more significant role for the semiconductor manufacturing arena is clearly driving the company to an exceptional growth rate”.

Guidance for year 2010

The company’s revised revenue guidance for 2010 is \$78-\$85 million. Based on this revenue guidance, the company is also guiding to net profitability of 21%-24% for 2010.

The company’s previous 2010 full year guidance was revenues of \$61-\$66 million, with net profitability of 13%-17%.

The Company will host a conference call today, August 3, 2010, at 9:00am ET. To participate, please dial in the US: 1 888 935 4575; or internationally: +972 3 721 9509. A recording of the call will be available on Nova’s website, within 24 hours following the end of the call.

In addition, a presentation to accompany the conference call will be available together with a live webcast of the conference call. This will be accessible from a link on Nova’s website at www.nova.co.il.

About Nova

Nova Measuring Instruments Ltd. develops, produces and markets advanced integrated and stand alone metrology solutions for the semiconductor manufacturing industry. Nova is traded on the NASDAQ & TASE under the symbol NVMI. 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, earnings and profitability. 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 two integrated process control product lines; 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; our dependency on OEM suppliers; 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; risks related to currency fluctuations; 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, 2009 filed with the Securities and Exchange Commission on March 26, 2010. 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.
CONSOLIDATED BALANCE SHEET
(U.S. dollars in thousands)

| | As of June 30, 2010 | As of December 31, 2009 |
|---|---------------------------|----------------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 6,838 | 9,861 |
| Short-term interest-bearing bank deposits | 39,294 | 8,607 |
| Trade accounts receivable | 10,853 | 11,545 |
| Inventories | 7,997 | 3,949 |
| Other current assets | 2,307 | 1,728 |
| | 67,289 | 35,690 |
| LONG-TERM ASSETS | | |
| Long-term interest-bearing bank deposits | 570 | 561 |
| Other Long-term assets | 151 | 142 |
| Severance pay funds | 2,338 | 2,368 |
| | 3,059 | 3,071 |
| FIXED ASSETS, NET | 2,302 | 2,163 |
| Total assets | 72,650 | 40,924 |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 6,551 | 3,715 |
| Deferred income | 5,685 | 1,671 |
| Other current liabilities | 5,357 | 5,237 |
| | 17,593 | 10,623 |
| LONG-TERM LIABILITIES | | |
| Liability for employee severance pay | 3,271 | 3,168 |
| Deferred income | 186 | 183 |
| Other long-term liability | 29 | 35 |
| | 3,486 | 3,386 |
| SHAREHOLDERS' EQUITY | 51,571 | 26,915 |
| Total liabilities and shareholders' equity | 72,650 | 40,924 |

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

| | Three months ended | | |
|--------------------------------------|--------------------|-------------------|------------------|
| | June 30, 2010 | March 31, 2010 | June 30, 2009 |
| REVENUES | | | |
| Product sales | 15,889 | 12,901 | 4,631 |
| Services | 3,551 | 3,080 | 2,333 |
| | 19,440 | 15,981 | 6,964 |
| COST OF REVENUES | | | |
| Products | 6,554 | 5,478 | 2,050 |
| Services | 2,452 | 2,389 | 2,091 |
| | 9,006 | 7,867 | 4,141 |
| GROSS PROFIT | 10,434 | 8,114 | 2,823 |
| OPERATING EXPENSES | | | |
| Research & Development expenses, net | 2,828 | 2,554 | |