

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
November 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

Date of Report: November 13, 2003
Commission File No.: 000-30688

NOVA MEASURING INSTRUMENTS LTD.

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

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 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 as Exhibit 99.1 and incorporated by way of reference herein is the Registrant's press release regarding 2003 Third 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.

Nova Measuring Instruments Ltd.
(the "Registrant")

Date: November 13, 2003

BY: /S/ Chai Toren

Chai Toren
VP Finance and Operations

Company Contact:

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Nova Measuring Instruments Announces 2003 Third Quarter Results

Rehovoth, Israel, November 13, 2003 Nova Measuring Instruments, Ltd. (Nasdaq: NVMI), the worldwide market leader in Integrated Metrology systems for the semiconductor industry today reported results for the third quarter of 2003.

2003 Third Quarter Results

Total revenues for the third quarter of 2003 were \$7.4 million, a 36% increase over revenues of \$5.4 million reported for the third quarter of 2002, and a 15% sequential increase over revenues of \$6.4 million for the previous quarter.

The Company reported gross profit of \$3.1 million (42% of revenues) compared with gross profit of \$2.0 million (37% of revenues) for the third quarter of 2002 and gross profit of \$2.4 million (38% of revenues) in the previous quarter.

Net loss for the quarter was \$(0.8) million, or \$(0.06) per share, compared with a net loss in the third quarter of 2002 of \$(2.7) million, or \$(0.18) per share and a net loss of \$(1.4) million, or \$(0.09) per share in the previous quarter. Third quarter 2003 results include stock-based compensation expenses of \$0.1 million. Excluding these expenses, net loss was \$(0.05) per share.

Research and development expenses were \$1.8 million (25% of revenues) compared with \$2.4 million (44% of revenues) in the third quarter of 2002 and \$1.6 million (25% of revenues) in the previous quarter. Sales and marketing expenses were \$1.7 million (23% of revenues) compared with \$1.8 million (33% of revenues) in the third quarter of 2002 and \$1.8 million (28% of revenues) in the previous quarter.

At the end of the third quarter, cash and cash equivalents, short and long term bank deposits were \$32 million, the same level as at the end of previous quarter. Working capital was recorded at \$29 million.

The third quarter results reflects a continuing sequential revenue growth of 36% over the same quarter last year and 15% sequentially. The results also show a continuing reduction in the net loss, from \$1.4M to \$0.8M and approaching the breakeven point.

Sales of the quarter included the delivery of the new NovaScan CD systems, both in stand-alone and integrated configurations. We believe there is now a higher probability of increasing sales of the NovaScan CD in the next 12 months. In addition, over the quarter, the company has seen some important gains of multiple systems sales in several major accounts in Japan and Asia Pacific, and maintained its leading integrated metrology market share of over 70%.

Dr. Giora Dishon, President & CEO of Nova commented: The company is succeeding to improve its performance significantly and consistently: increased revenues, improved margins and reduction of losses for several quarters. Improvements are across all regions, but most significantly in Asia Pacific and Japan, and we expect that these territories will continue to lead in the coming quarters. We are proud that 18 of the top 20 semiconductor manufacturers are now using our integrated metrology systems and Advanced Process Control (APC) solutions. Orders and deliveries in both stand-alone and integrated systems of the new NovaScan 3030CD system for optical CD control a process control equipment segment, which Dataquest expects to grow from \$8M last year to about \$100M in 2006, are very encouraging. Most of the sales to the different CMP equipment manufacturers were of our new 300mm systems, and yet we have also seen a trend of increase in upgrade activity. These combined, may be initial signs of a recovery in the sector, and they do represent an additional opportunity for the company.

Dr. Dishon concluded, We are encouraged by the results and the trends in the industry. However, as long as the visibility is still limited, we continue to manage our business looking forward with a high sense of caution ramping up and continuing introduction of our new integrated systems, while controlling the cost of the operations to reduce losses and 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 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.

Tables to follow

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

| | Three months ended | |
|--------------------------------------|--------------------|---------------|
| | September 30, 2003 | June 30, 2003 |
| | (unaudited) | |
| REVENUES | | |
| Products sale | 5,827 | 5,213 |
| Services | 1,565 | 1,220 |
| | 7,392 | 6,433 |
| COST OF REVENUES | | |
| Products sale | 2,794 | 2,549 |
| Services | 1,526 | 1,455 |
| | 4,320 | 4,004 |
| GROSS PROFIT | 3,072 | 2,429 |
| OPERATING COSTS AND EXPENSES | | |
| Research & Development expenses, net | 1,813 | 1,605 |
| Sales & Marketing expenses | 1,727 | 1,782 |
| General & Administration expenses | 466 | 489 |
| | 4,006 | 3,876 |
| OPERATING LOSS | (934) | (1,447) |
| FINANCING INCOME | 87 | 93 |
| LOSS | (847) | (1,354) |

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| LOSS PER SHARE | Three months ended | |
|--|--------------------|---------|
| | (0.06) | (0.09) |
| | | |
| Comments: | | |
| 1. Employee Stock Based Compensation expenses | 134 | 106 |
| 2. Shares used in calculation of basic loss per share | 14,988 | 14,939 |
| 3. The adjusted results excluding Employee Stock Based Compensation: | | |
| Gross Profit | 3,088 | 2,442 |
| Operating Expenses | 3,888 | 3,783 |
| Loss | (800) | (1,248) |
| Loss per share | (0.05) | (0.08) |

NOVA MEASURING INSTRUMENTS LTD.
INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

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

| | Three months ended | |
|--------------------------------------|--------------------|--------------------|
| | September 30, 2003 | September 30, 2002 |
| | | |
| | (unaudited) | |
| | | |
| REVENUES | | |
| Products sale | 5,827 | 3,662 |
| Services | 1,565 | 1,761 |
| | 7,392 | 5,423 |
| COST OF REVENUES | | |
| Products sale | 2,794 | 1,787 |
| Services | 1,526 | 1,651 |
| | 4,320 | 3,438 |
| GROSS PROFIT | 3,072 | 1,985 |
| OPERATING COSTS AND EXPENSES | | |
| Research & Development expenses, net | 1,813 | 2,390 |
| Sales & Marketing expenses | 1,727 | 1,792 |
| General & Administration expenses | 466 | 434 |
| | 4,006 | 4,616 |
| OPERATING LOSS | (934) | (2,631) |
| FINANCING INCOME (EXPENSES) | 87 | (45) |
| LOSS | (847) | (2,676) |

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| LOSS PER SHARE | Three months ended | |
|--|-----------------------------|-----------------------------|
| | (0.06) | (0.18) |
| | <u> </u> | <u> </u> |
| Comments: | | |
| 1. Employee Stock Based Compensation expenses | 134 | 277 |
| | <u> </u> | <u> </u> |
| 2. Shares used in calculation of basic loss per share | 14,988 | 14,904 |
| 3. The adjusted results excluding Employee Stock Based Compensation: | | |
| Gross Profit | 3,088 | 2,017 |
| Operating Expenses | 3,888 | 4,372 |
| Loss | (800) | (2,399) |
| Loss per share | (0.05) | (0.16) |

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

| | <u>As of September 30, 2003</u> | <u>As of December 31, 2002</u> |
|---|---------------------------------|--------------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents & Short-term interest-bearing bank deposits | 28,383 | 37,586 |
| Held to maturity securities | 1,990 | 994 |
| Trade accounts receivable | 7,015 | 2,663 |
| Inventories | 2,911 | 3,150 |
| Other current assets | 1,103 | 1,137 |
| | <u> </u> | <u> </u> |
| | 41,402 | 45,530 |
| | <u> </u> | <u> </u> |
| LONG-TERM ASSETS | | |
| Long-term interest-bearing bank deposits | 1,483 | - |
| Severance pay funds | 1,960 | 1,701 |
| | <u> </u> | <u> </u> |
| | 3,443 | 1,701 |
| | <u> </u> | <u> </u> |
| FIXED ASSETS, NET | 1,442 | 1,777 |
| | <u> </u> | <u> </u> |
| | 46,287 | 49,008 |
| | <u> </u> | <u> </u> |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 3,787 | 3,340 |
| Other current liabilities | 8,317 | 7,616 |
| | <u> </u> | <u> </u> |
| | 12,104 | 10,956 |
| | <u> </u> | <u> </u> |
| LONG-TERM LIABILITIES | | |
| Liability for employee termination benefits | 2,592 | 2,162 |

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| | As of September 30, 2003 | As of December 31, 2002 |
|--|--------------------------|-------------------------|
| Other long-term liability | 163 | 213 |
| | <u>2,755</u> | <u>2,375</u> |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 46 | 46 |
| Additional paid- in capital | 72,580 | 72,614 |
| Deferred stock-based compensation | (243) | (809) |
| Accumulated other comprehensive income | 8 | - |
| Accumulated deficit | (40,963) | (36,174) |
| | <u>31,428</u> | <u>35,677</u> |
| | <u>46,287</u> | <u>49,008</u> |