

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
November 01, 2011

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

November 1, 2011

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 is a press release issued by the Registrant and entitled: "Nova Announces 2011 Third Quarter Results".

The financial statements tables included in the press release are 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); December 29, 2005 (File No. 333-130745); September 21,

2006 (File No. 333-137491) and November 5, 2007 (File No. 333-147140).

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: November 1, 2011

By: /s/ Dror David

Dror David
Chief Financial Officer

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Company Press Release

NOVA ANNOUNCES 2011 THIRD QUARTER RESULTS

Rehovot, Israel – November 1, 2011 - 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 2011 third quarter results.

Highlights for the Third Quarter of 2011

- Quarterly revenues of \$25.8 million, up 7% year over year
 - Gross margin of 55%
 - Net margin of 23%
- Quarterly net income of \$5.9 million, or \$0.22 per diluted share
- Positive cash flow from operating activities of \$5.9 million
- Total cash reserves reached a record level of \$83.7 million

Management Comments

“During the third quarter we continued to demonstrate solid financial performance with significant net income and positive cash flow, and the stage is now set for our full year results to show record revenue levels of around \$100 million,” said Gabi Seligsohn, President and CEO of Nova. “This achievement, combined with excellent profitability and positive cash flow, is a direct result of our technology leadership and market share gains built over the last several years.”

“The pace of business during the second half of 2011 is slow and the macro-economic concerns are weighing on our customers’ spending. Short term visibility at this time is also very limited. Under these circumstances, the transition to next generation design rules of below 30nm has been slower than originally expected in foundry and memory segments, and several projects have been delayed. However, in light of end-user market demand and ongoing announcements of new mobile devices, the transition cannot be held off much longer, and our leading customers are already preparing limited capacity to deal with these requirements.”

“Through continued close collaboration with our customers and the introduction of new products and capabilities, we have already been supplying tools to several of these next generation manufacturing and development processes, securing our ability to participate in their ramp up when the general economic status improves. We plan to continue and cultivate these collaborations as they are the key to securing our long term growth plans”.

2011 Fourth Quarter Guidance

For the fourth quarter of 2011, management expects revenues of \$16-\$19 million, with net profitability of 1%-8%.

In terms of the company's 2011 annual results, this guidance implies record annual revenues of \$100M-\$103M and record annual net income of \$23M-\$25M.

2011 Third Quarter Results

Total revenues for the third quarter of 2011 were \$25.8 million, an increase of 7% relative to the third quarter of 2010, and a decrease of 13% relative to the second quarter of 2011.

Gross margin for the third quarter of 2011 was 55%, compared with 56% in the third quarter of 2010 and 58% in the second quarter of 2011.

Operating expenses in the third quarter of 2011 were \$8.4 million, compared with \$6.4 million in the third quarter of 2010 and \$8.2 million in the second quarter of 2011.

The company reported net income of \$5.9 million, or \$0.22 per diluted share, in the third quarter of 2011. This compares to a net income of \$7.3 million, or \$0.27 per diluted share, in the third quarter of 2010, and a net income of \$9.2 million, or \$0.34 per diluted share, in the second quarter of 2011.

The company generated \$5.9 million in cash from operating activities during the third quarter of 2011. Total cash reserves at the end of the third quarter of 2011 were \$83.7 million.

The Company will host a conference call today, November 1, 2011, at 9:00am ET. To participate, please dial in the US: 1 866 564 0425; or internationally: +972-3-721 7906 / +1 646 254 3374. 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 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; our ability to retain our competitive position despite the ongoing consolidation in our industry; 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; our dependency on our key employees; risks related to changes in our order backlog; risks related to the financial, political and environmental instabilities in Asia; 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, 2010 filed with the Securities and Exchange Commission on March 30, 2011. 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 September 30, 2011 | As of December 31, 2010 |
|---|-----------------------------------|----------------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 7,682 | 25,394 |
| Short-term interest-bearing bank deposits | 74,291 | 35,562 |
| Held to maturity securities | 1,100 | -- |
| Trade accounts receivable | 12,121 | 13,162 |
| Inventories | 11,370 | 10,849 |
| Other current assets | 1,237 | 1,736 |
| | 107,801 | 86,703 |
| LONG-TERM ASSETS | | |
| Long-term interest-bearing bank deposits | 631 | 631 |
| Other Long-term assets | 311 | 163 |
| Severance pay funds | 2,970 | 2,786 |
| | 3,912 | 3,580 |
| FIXED ASSETS, NET | 5,099 | 3,094 |
| Total assets | 116,812 | 93,377 |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 7,985 | 9,956 |
| Deferred income | 2,247 | 3,397 |
| Other current liabilities | 7,451 | 7,908 |
| | 17,683 | 21,261 |
| LONG-TERM LIABILITIES | | |
| Liability for employee severance pay | 3,996 | 3,709 |
| Deferred income | 823 | - |
| Other long-term liability | 14 | 23 |
| | 4,833 | 3,732 |
| SHAREHOLDERS' EQUITY | 94,296 | 68,384 |
| Total liabilities and shareholders' equity | 116,812 | 93,377 |

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

| | Three months ended | | |
|--|-----------------------|------------------|-----------------------|
| | September 30, 2011 | June 30, 2011 | September 30, 2010 |
| REVENUES | | | |
| Product sales | 21,382 | 24,989 | 20,350 |
| Services | 4,438 | 4,658 | 3,860 |
| | 25,820 | 29,647 | 24,210 |
| COST OF REVENUES | | | |
| Products | 8,921 | 9,698 | 8,182 |
| Services | 2,782 | 2,833 | 2,542 |
| | 11,703 | 12,531 | 10,724 |
| GROSS PROFIT | 14,117 | 17,116 | 13,486 |
| OPERATING EXPENSES | | | |
| Research & Development expenses, net | 4,627 | 4,516 | 2,783 |
| Sales & Marketing expenses | 2,933 | 2,778 | 2,810 |
| General & Administration expenses | 809 | 945 | 795 |
| | 8,369 | 8,239 | 6,388 |
| OPERATING PROFIT | 5,748 | 8,877 | 7,098 |
| INTEREST INCOME, NET | 189 | 286 | 176 |
| NET INCOME FOR THE PERIOD | 5,937 | 9,163 | 7,274 |
| Net income per share: | | | |
| Basic | 0.23 | 0.35 | 0.29 |
| Diluted | 0.22 | 0.34 | 0.27 |
| Shares used for calculation of net income per share: | | | |
| Basic | 26,334 | 26,250 | 25,008 |
| Diluted | 27,079 | 27,176 | 26,478 |

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

| | Nine-months ended | |
|--|-----------------------|-----------------------|
| | September 30, 2011 | September 30, 2010 |
| REVENUES | | |
| Product sales | 70,289 | 49,140 |
| Services | 13,347 | 10,491 |
| | 83,636 | 59,631 |
| COST OF REVENUES | | |
| Product sales | 27,817 | 20,214 |
| Services | 8,350 | 7,383 |
| | 36,167 | 27,597 |
| GROSS PROFIT | 47,469 | 32,034 |
| OPERATING EXPENSES | | |
| Research & Development expenses, net | 14,110 | 8,165 |
| Sales & Marketing expenses | 8,422 | 7,248 |
| General & Administration expenses | 2,483 | 2,125 |
| | 25,015 | 17,538 |
| OPERATING PROFIT | 22,454 | 14,496 |
| INTEREST INCOME, NET | 694 | 186 |
| NET INCOME FOR THE PERIOD | 23,148 | 14,682 |
| Net income per share: | | |
| Basic | 0.88 | 0.61 |
| Diluted | 0.86 | 0.57 |
| Shares used for calculation of net income per share: | | |
| Basic | 26,182 | 24,182 |
| Diluted | 27,010 | 25,540 |

NOVA MEASURING INSTRUMENTS LTD.
 QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS
 (U.S. dollars in thousands)

| | Three months ended | | |
|---|--------------------------|------------------|--------------------------|
| | September 30, 2011 | June 30, 2011 | September 30, 2010 |
| CASH FLOW – OPERATING ACTIVITIES | | | |
| Net income for the period | 5,937 | 9,163 | 7,274 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 420 | 377 | 354 |
| Amortization of deferred stock-based compensation | 421 | 272 | 215 |
| Increase (decrease) in liability for employee termination benefits, net | (94) | 203 | (10) |
| Decrease (increase) in trade accounts receivables | 7,554 | (4,835) | (1,670) |
| Decrease (increase) in inventories | 1,499 | (2,240) | (2,065) |
| Decrease (increase) in other short and long term assets | 726 | (33) | (776) |
| Increase (decrease) in trade accounts payables and other long term liabilities | (3,967) | (667) | 2,095 |
| Increase (decrease) in other current liabilities | (642) | (502) | 1,738 |
| Increase (decrease) in short and long term deferred income | (5,966) | 5,266 | 746 |
| Net cash provided by operating activities | 5,888 | 7,004 | 7,901 |
| CASH FLOW – INVESTMENT ACTIVITIES | | | |
| Increase in short-term interest-bearing bank deposits | (9,000) | (9,426) | (3,934) |
| Increase (decrease) in short term held to maturity securities | 86 | (1,186) | -- |
| Additions to fixed assets | (460) | (539) | (453) |
| Net cash used in investment activities | (9,374) | (11,151) | (4,387) |
| CASH FLOW – FINANCING ACTIVITIES | | | |
| Shares issued under employee share-based plans | 104 | 225 | 625 |
| Net cash provided by financing activities | 104 | 225 | 625 |
| Increase (decrease) in cash and cash equivalents | (3,382) | (3,922) | 4,139 |
| Cash and cash equivalents – beginning of period | 11,064 | 14,986 | 6,838 |
| Cash and cash equivalents – end of period | 7,682 | 11,064 | 10,977 |

NOVA MEASURING INSTRUMENTS LTD.
YEAR TO DATE CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

| | Nine months ended | |
|---|-----------------------|-----------------------|
| | September 30, 2011 | September 30, 2010 |
| CASH FLOW – OPERATING ACTIVITIES | | |
| Net income for the period | 23,148 | 14,682 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,159 | 1,001 |
| Amortization of deferred stock-based compensation | 959 | 453 |
| Increase in liability for employee termination benefits, net | 103 | 143 |
| Decrease (increase) in trade accounts receivables | 1,041 | (978) |
| Increase in inventories | (2,010) | (6,187) |
| Increase in other short and long term assets | (390) | (1,423) |
| Increase (decrease) in trade accounts payables and other longterm liabilities | (1,971) | 4,929 |
| Increase (decrease) in current liabilities | (466) | 1,762 |
| Increase (decrease) in short and long term deferred income | (327) | 4,763 |
| Net cash provided by operating activities | 21,246 | 19,145 |
| CASH FLOW – INVESTMENT ACTIVITIES | | |
| Increase in short-term interest-bearing bank deposits | (38,729) | (34,621) |
| Investment in short term held to maturity securities | (1,100) | -- |
| Investment in long-term deposits | -- | (9) |
| Additions to fixed assets | (1,675) | (1,165) |
| Net cash used in investment activities | (41,504) | (35,795) |
| CASH FLOW – FINANCING ACTIVITIES | | |
| Shares issued under employee share-based plans and exercise of warrants | 2,546 | 798 |
| Shares issued in public offering | -- | 16,968 |
| Net cash provided by financing activities | 2,546 | 17,766 |
| Increase (decrease) in cash and cash equivalents | (17,712) | 1,116 |
| Cash and cash equivalents – beginning of period | 25,394 | 9,861 |
| Cash and cash equivalents – end of period | 7,682 | 10,977 |