

NOVA MEASURING INSTRUMENTS LTD
Form 6-K
November 10, 2004

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

November 10th, 2004

NOVA MEASURING INSTRUMENTS LTD.

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

[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 Rule 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 Rule 12g3-2(b): N/A.

Attached hereto and incorporated by way of reference herein the Registrants notice regarding 2004 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
Nova Measuring Instruments Ltd (the Registrant)

November 10th, 2004

BY: /S/ Chai Toren

Chai Toren
Chief Financial Officer

Company Contact:

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Company Press Release

**Nova Measuring Instruments Announces 2004 Third Quarter Results,
Continuing Trend of Growth in Revenue, Margins and Profit**

Rehovoth, Israel, November 10, 2004 Nova Measuring Instruments, Ltd. (Nasdaq: NVMI), the market leader in integrated measurement and process control for the semiconductor industry, today reported results for the third quarter of 2004.

2004 Third Quarter Results

Total revenues for the third quarter of 2004 were \$10.7 million, a 45% increase over revenues of \$7.4 million reported for the third quarter of 2003 and a 5% sequential increase over revenues of \$10.2 million reported for the second quarter of 2004. Total revenues for the first 9 months of 2004 were \$30.1 million, a 62% increase over revenues of \$18.6 million reported for the first three quarters of 2003.

The Company reported a gross profit of \$5.1 million compared with gross profit of \$3.1 million for the third quarter of 2003 and gross profit of \$4.7 million for the previous quarter. This represents a sequential and year-over-year improvement in gross margins. Gross margin for the third quarter of 2004 was 47.4% compared with 41.6% for the third quarter of 2003 and 46.0% for the previous quarter.

Research and development expenses were \$2.1 million (20% of revenues) compared with \$1.8 million (25% of revenues) in the third quarter of 2003, and \$2.0 million (20% of revenues) in the second quarter of 2004. Sales and marketing expenses were \$1.8 million (16% of revenues) as compared with \$1.7 million (23% of revenues) in the third quarter of 2003, and \$1.7 million (16% of revenues) in the second quarter of 2004. General and Administrative expenses remained more or less flat at US\$0.6 million during the third quarter of 2004, compared with US\$0.5 million in the third quarter of 2003 and US\$0.6 million during the previous quarter.

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Operating income for the quarter was \$0.6 million (5.6% of revenues), compared with operating loss of \$0.9 million for the third quarter of 2003 and \$0.4 million (3.4% of revenues) as reported in the previous quarter.

Net income for the quarter was \$0.8 million or \$0.05 per share, compared with a net loss of \$0.8 million, or \$0.06 per share, for the third quarter of 2003 and profit of \$0.5 million, or \$0.03 per share, for the second quarter of 2004.

Cash and cash equivalents, bank deposits and held to maturity securities at the end of the quarter were \$30.9 million, an increase of \$1.6 million compared to the previous quarter.

Dr. Giora Dishon, President & CEO of Nova commented, The third quarter results reflect continuous improvements and growth in the company. It is the third consecutive quarter with growing net income and the 13th quarter of continuous growth (excluding the first quarter of 2003). The company has achieved a gradual increase in net profit and 2004 year to date profit is \$1.3 million or 4% of the first 9 months revenues. The continuing improvement in our financial performance has been in line with the outlook we provided at the beginning of the July quarter. For the fourth quarter of 2004, as previously guided, we expect revenues to remain flat sequentially. As we have explained, this is due to the current limited visibility in the semiconductor equipment market.

Dr. Dishon added, The market is experiencing a moderate downturn and the various market research reports indicate a 5-20% decline for the semiconductor equipment sector in 2005. However, with the growing usage of Integrated Metrology, our expansion into new areas such as Copper CMP and Etch, and with maintaining over 60% market share in the integrated metrology market, we expect to continue to grow in the next year.

The Company will host a conference call today, November 10, 2004, at 14:00 EST. To participate please dial in the U.S: 1-866-500-4964 or internationally: +972-3-925-5910 at least 5 minutes before the start of the call. A conference call presentation will be available for download on the company's website www.nova.co.il, before and during 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 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
SEQUENTIAL COMPARISON

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

| | Three months ended | |
|--|--------------------|---------------|
| | September 30, 2004 | June 30, 2004 |
| | (unaudited) | |
| REVENUES: | | |
| Product sales | 8,602 | 7,921 |
| Services | 2,083 | 2,296 |
| | <u>10,685</u> | <u>10,217</u> |
| COST OF REVENUES: | | |
| Product sales | 3,916 | 3,784 |
| Services | 1,702 | 1,729 |
| | <u>5,618</u> | <u>5,513</u> |
| GROSS PROFIT | <u>5,067</u> | <u>4,704</u> |
| OPERATING EXPENSES | | |
| Research & Development expenses, net | 2,124 | 2,045 |
| Sales & Marketing expenses | 1,751 | 1,666 |
| General & Administrative expenses | 591 | 641 |
| | <u>4,466</u> | <u>4,352</u> |
| OPERATING PROFIT (LOSS) | 601 | 352 |
| INTEREST INCOME | <u>160</u> | <u>98</u> |
| NET INCOME FOR THE PERIOD | <u>761</u> | <u>450</u> |
| EARNINGS PER SHARE | <u>0.05</u> | <u>0.03</u> |
| Comments: | | |
| 1. Employee Stock Based Compensation expenses | - | - |
| 2. Shares for calculation of earnings (loss) per share | | |
| Basic and Diluted | <u>15,268</u> | <u>15,261</u> |
| 3. The adjusted results excluding Employee Stock Based Compensation: | | |
| Gross profit | 5,067 | 4,704 |
| Operating expenses | 4,466 | 4,352 |
| Net Income | 761 | 450 |

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Three months ended

Earnings per share

0.05

0.03

NOVA MEASURING INSTRUMENTS LTD.
INTERIM CONSOLIDATED STATEMENT OF OPERATIONS
YEAR-OVER-YEAR COMPARISON

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

| | Three months ended | |
|---|--------------------|--------------------|
| | September 30, 2004 | September 30, 2003 |
| | (unaudited) | |
| REVENUES: | | |
| Product sales | 8,602 | 5,827 |
| Services | 2,083 | 1,565 |
| | 10,685 | 7,392 |
| COST OF REVENUES: | | |
| Product sales | 3,916 | 2,794 |
| Services | 1,702 | 1,526 |
| | 5,618 | 4,320 |
| GROSS PROFIT | 5,067 | 3,072 |
| OPERATING EXPENSES | | |
| Research & Development expenses, net | 2,124 | 1,813 |
| Sales & Marketing expenses | 1,751 | 1,727 |
| General & Administrative expenses | 591 | 466 |
| | 4,466 | 4,006 |
| OPERATING PROFIT (LOSS) | 601 | (934) |
| INTEREST INCOME | 160 | 87 |
| NET INCOME (LOSS) FOR THE PERIOD | 761 | (847) |
| EARNINGS (LOSS) PER SHARE | 0.05 | (0.06) |
| Comments: | | |
| 1.Employee Stock Based Compensation expenses | - | 134 |
| 2.Shares for calculation of earnings (loss) per share Basic and Diluted | 15,268 | 14,988 |
| 3.The adjusted results excluding employee Stock Based Compensation: | | |

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| | Three months ended | |
|---------------------------|---------------------------|--------|
| Gross profit | 5,067 | 3,088 |
| Operating expenses | 4,466 | 3,888 |
| Net Income (Loss) | 761 | (713) |
| Earnings (Loss) per share | 0.05 | (0.05) |

NOVA MEASURING INSTRUMENTS LTD.
INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

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

| | Nine months ended | |
|---|--------------------|--------------------|
| | September 30, 2004 | September 30, 2003 |
| | (unaudited) | |
| REVENUES: | | |
| Product sales | 23,994 | 14,644 |
| Services | 6,080 | 3,954 |
| | 30,074 | 18,598 |
| COST OF REVENUES: | | |
| Product sales | 11,305 | 7,129 |
| Services | 4,933 | 4,458 |
| | 16,238 | 11,587 |
| GROSS PROFIT | 13,836 | 7,011 |
| RATING EXPENSES | | |
| Research & Development expenses, net | 6,295 | 5,570 |
| Sales & Marketing expenses | 4,920 | 5,018 |
| General & Administrative expenses | 1,689 | 1,540 |
| | 12,904 | 12,128 |
| OPERATING PROFIT (LOSS) | 932 | (5,117) |
| INTEREST INCOME | 348 | 328 |
| NET INCOME (LOSS) FOR THE PERIOD | 1,280 | (4,789) |
| EARNINGS (LOSS) PER SHARE | 0.08 | (0.32) |
| Comments: | | |
| 1. Employee Stock Based Compensation expenses | - | 407 |
| 2. Shares for calculation of earnings (loss) per share Basic and Diluted | 15,251 | 14,953 |
| 3. The adjusted results excluding employee Stock Based Compensation: | | |
| Gross profit | 13,836 | 7,060 |
| Operating expenses | 12,904 | 11,770 |
| Net Income (Loss) | 1,280 | (4,382) |

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Nine months ended

Earnings (Loss) per share

0.08

(0.29)

NOVA MEASURING INSTRUMENTS LTD.
CONSOLIDATED BALANCE SHEET

(U.S. dollars in thousands)

| | As of September 30, 2004 | As of December 31, 2003 |
|---|-----------------------------|----------------------------|
| | (unaudited) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 14,499 | 26,634 |
| Short-term interest-bearing bank deposits | 2,033 | 711 |
| Held to maturity securities | 3,499 | 4,296 |
| Trade accounts receivable | 8,106 | 5,804 |
| Inventories | 4,467 | 4,152 |
| Other current assets | 1,290 | 1,244 |
| | 33,894 | 42,841 |
| LONG-TERM ASSETS | | |
| Long-term interest-bearing bank deposits | 501 | 1,386 |
| Held to maturity securities | 10,416 | - |
| Other long- term assets | 298 | 242 |
| Severance pay funds | 2,190 | 2,024 |
| Fixed assets, net | 1,521 | 1,425 |
| | 14,926 | 5,077 |
| | 48,820 | 47,918 |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 5,053 | 5,389 |
| Other current liabilities | 6,145 | 7,102 |
| | 11,198 | 12,491 |
| LONG-TERM LIABILITIES | | |
| Liability for employee termination benefits | 2,975 | 2,653 |
| Deferred Income | 355 | 263 |
| Other long-term liability | 143 | 175 |
| | 3,473 | 3,091 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 46 | 46 |
| Additional paid-in capital | 73,216 | 72,785 |
| Deferred stock-based compensation | - | (122) |
| Accumulated other comprehensive income (loss) | (7) | 13 |
| Accumulated deficit | (39,106) | (40,386) |
| | 34,149 | 32,336 |

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| <u>As of September 30,</u> | <u>As of December 31, 2003</u> |
|----------------------------|------------------------------------|
| 48,820 | 47,918 |
