

ELTEK LTD  
Form 6-K  
August 11, 2011

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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F O R M 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 2011

ELTEK LTD.  
(Name of Registrant)  
Sgoola Industrial Zone, Petach Tikva, Israel  
(Address of Principal Executive Office)

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 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

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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This Form 6-K is being incorporated by reference into the Registrant's Form S-8 Registration Statements File Nos. 333-12012 and 333-123559.

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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.

ELTEK LTD.  
(Registrant)

By: /s/ Amnon Shemer  
Amnon Shemer  
Chief Financial Officer

Date: August 11, 2011

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Press Release

Eltek Reports Second Quarter 2011 Financial Results

\$1.0 Million Net Profit for the First Six Months of 2011

PETACH-TIKVA, Israel, August 11, 2011 (NASDAQ:ELTK) - Eltek Ltd., a leading Israeli manufacturer of advanced flex-rigid circuitry solutions, announced today its financial results for the quarter ended June 30, 2011.

Second Quarter 2011:

Revenues for the quarter ended June 30, 2011 increased 29% to \$11.5 million compared to revenues of \$9.0 million recorded in the second quarter of 2010.

Gross profit for the second quarter of 2011 increased 63% to \$2.1 million (18% of revenues) from the gross profit of \$1.3 million (14% of revenues) in the second quarter of 2010. The increase in gross profit and gross profit as a percentage of revenues is primarily attributable to the increase in revenues.

Operating profit for the second quarter of 2011 was \$426,000 compared to an operating loss of \$203,000 in the second quarter of 2010.

Net profit for the second quarter of 2011 was \$257,000, or \$0.04 per fully diluted share, compared with a net loss of \$509,000, or (\$0.08) per fully diluted share, in the second quarter of 2010.

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First six months of 2011:

Revenues for the first six months ended June 30, 2011 increased 26% to \$23.4 million compared to revenues of \$18.6 million recorded in the first six months of 2010.

Gross profit for the first six months of 2011 increased 97% to \$4.6 million (20% of revenues) from the gross profit of \$2.3 million (12% of revenues) in the first six months of 2010.

Operating profit for the first six months of 2011 was \$1.3 million compared to an operating loss of \$762,000 in the first six months of 2010.

Net profit for the first six months of 2011 was \$1.0 million, or \$0.16 per fully diluted share, compared with a net loss of \$1.2 million, or (\$0.13) per fully diluted share, in the first six months of 2010.

EBITDA:

In the quarter ended June 30, 2011, Eltek had EBITDA of \$966,000 compared with EBITDA of \$465,000 in the second quarter of 2010. In the first six months of 2011, Eltek had EBITDA of \$2.3 million compared with EBITDA of \$482,000 in the same period in 2010.

ELTEK uses EBITDA as a non-GAAP financial performance measurement. EBITDA is calculated by adding back to net income interest, taxes, depreciation and amortization. EBITDA is provided to investors to complement results provided in accordance with GAAP, as management believes the measure helps illustrate underlying operating trends in the Company's business and uses the measure to establish internal budgets and goals, manage the business and evaluate performance. EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. Reconciliation between the company's results on a GAAP and non-GAAP basis is provided in a table immediately following the Consolidated Statement of Operations

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Management Comments:

Arieh Reichart, President and Chief Executive Officer of Eltek commented: "I am pleased to report that Eltek's revenues increased 29% in the second quarter of 2011 compared with the same period in the previous year. After almost three years of reduced capital expenditures we have resumed investment in new equipment, mainly through supplier financing, in order to strengthen our technology capabilities, increase our production capacity and enable cost reductions. During the second quarter we developed innovative applications for small medical devices that will strengthen our leading position in the medical device market. We believe that these achievements and the recently received orders for boards from a US medical devices company will enable us to establish profitability in future periods."

Amnon Shemer, CFO of Eltek, added: "We were successful in keeping the increase in our cost of goods sold at a lower rate than the increase in revenues, and as a result our gross margins increased by 97% in the first six months of 2011 compared to 2010, and as a percentage of revenues, our gross margins increased from 12% to 20% respectively."

"The \$317,000 financial expenses recorded in the second quarter of 2010 was unusually higher than the \$160,000 of financial expenses recorded in the second quarter of 2011, mainly due to the exchange rate impact on the dollar value of our European customers' debt to us and a net loss recorded from hedging transactions in the comparable period in 2010" Mr. Shemer concluded.

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About the Eltek

Eltek is Israel's leading manufacturer of printed circuit boards, the core circuitry of most electronic devices. It specializes in the complex high-end of PCB manufacturing, i.e., HDI, multilayered and flex-rigid boards. Eltek's technologically advanced circuitry solutions are used in today's increasingly sophisticated and compact electronic products. For more information, visit Eltek's web site at [www.eltekglobal.com](http://www.eltekglobal.com).

Forward Looking Statement:

Certain matters discussed in this news release are forward-looking statements that involve a number of risks and uncertainties including, but not limited to statements regarding expected results in future quarters, risks in product and technology development and rapid technological change, product demand, the impact of competitive products and pricing, market acceptance, the sales cycle, changing economic conditions and other risk factors detailed in the Company's Annual Report on Form 20-F and other filings with the United States Securities and Exchange Commission.

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Eltek Ltd.  
Consolidated Statements of Operations

(In thousands US\$, except per share data)

	Three months ended		Six months ended		Year ended
	June 30, 2011 Unaudited	2010	June 30, 2011 Unaudited	2010	December 31, 2010 Audited
Revenues	11,532	8,961	23,371	18,593	37,514
Costs of revenues	(9,447 )	(7,680 )	(18,804 )	(16,273 )	(32,690 )
Gross profit	2,085	1,281	4,567	2,320	4,824
Selling, general and administrative expenses	(1,659 )	(1,484 )	(3,264 )	(3,082 )	(6,033 )
Operating profit (loss)	426	(203 )	1,303	(762 )	(1,209 )
Financial expenses, net	(160 )	(317 )	(216 )	(486 )	(609 )
Profit (loss) before other income, net	266	(520 )	1,087	(1,248 )	(1,818 )
Other income, net	9	2	9	0	2
Profit (loss) before income tax expenses	275	(518 )	1,096	(1,248 )	(1,816 )
Income tax expenses, net	(3 )	(5 )	(23 )	(11 )	(19 )
Net Profit (loss)	272	(523 )	1,073	(1,259 )	(1,835 )
Net profit (loss) attributable to noncontrolling interest	(15 )	14	(28 )	68	113