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ELTEK LTD
Form 6-K
October 03, 2003

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 October 2003

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 X 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 X

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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ELTEK LTD.

6-K Items

1. Press Release re Eltek Ltd. Reports Second Quarter and First Half 2003 Results dated October 2, 2003.

Press Release

Source: ELTEK Ltd.

Eltek Ltd. Reports Second Quarter and First Half 2003 Results

Thursday October 2, 11:44 am ET

PETACH-TIKVA, Israel--(BUSINESS WIRE)--Oct. 2, 2003--Eltek Ltd. (Nasdaq:ELTK - News), the leading Israeli manufacturer of advanced circuitry solutions, today announced results for the second quarter and six months ended June 30, 2003.

Eltek reported revenues for the three months ended June 30, 2003 of NIS 25.9 million (\$6.0 million), compared with NIS 28.2 million (\$6.5 million) during the second quarter of 2002. Net loss for the quarter totaled NIS 2.6 million (\$599,000), or NIS 0.95 per diluted share (\$0.22), compared with a net loss of NIS 1.1 million (\$256,000), or NIS 0.43 per diluted share (\$0.10), for the second quarter of 2002.

For the six-month period ended June 30, 2003, the Company reported revenues of NIS 54.3 million (\$12.6 million), compared with revenues of NIS 56 million (\$13 million) for the comparable period in 2002.

Net loss for the six-month period ended June 30, 2003 was NIS 6.3 million (\$1.5 million), or NIS 2.14 (\$0.50) per share, compared with a net loss of NIS 2.3 million (\$526,000) or NIS 0.77 (\$0.18) per share for the same period in 2002.

"The results of the second quarter of 2003 have met our expectations," commented Arie Reichart, President and Chief Executive Officer of Eltek. "We continued to make progress towards reaching our goal of achieving positive cash flow in the second half of 2003 and were able to report sequential decrease in our quarterly net losses by reducing operating expenses, eliminating non profitable revenue items and stabilizing our gross profit - while increasing our international operations."

| | Q2/2003 | Q1/2003 | Q4/2002 |
|---------------------|--------------|---------|---------|
| | (\$ million) | | |
| Revenues | 6.0 | 6.6 | 6.4 |
| Gross Profit (loss) | 0.27 | 0.28 | (0.38) |
| SG&A | 0.83 | 0.96 | 1.01 |
| Net Loss | (0.60) | (0.86) | (1.60) |

"I am encouraged with Eltek's ongoing progress and feel that much has been accomplished over the past challenging months to position Eltek to realize its potential in the complex high-end of the PCB manufacturing markets. We have the right products and team in place to drive the company to sustained positive cash flow," added Mr. Reichart.

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About the Company

Eltek is Israel's leading manufacturers of printed circuit boards, the core circuitry of most electronic devices. It specializes in the complex high-end of PCB manufacturing, i.e., HDI, multi-layered and flex-rigid boards. Eltek's technologically advanced circuitry solutions are used in today's increasingly sophisticated and compact electronic products. The Company has invested heavily in upgrading its production facilities over the past five years.

For more information, visit Eltek's World Wide Web site at www.eltekglobal.com

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 filings with the United States Securities and Exchange Commission.

ELTEK LTD.
Consolidated Statements of Operations
Adjusted to New Israeli Shekels as of June 2003
(In thousands, except per share data)

| | Convenience Translation ----- | | | Convenience Translation ----- | | |
|--|-------------------------------------|-------------|-----------------|-------------------------------------|-------------|-----------------|
| | Six months ended June 30, | | | Three months ended June 30, | | |
| | 2002 NIS | 2003 NIS | 2003 U.S. \$ | 2002 NIS | 2003 NIS | 2003 U.S. \$ |
| | ----- (Unaudited) ----- | | | | | |
| Revenues | 56,044 | 54,326 | 12,599 | 28,175 | 25,855 | 5,997 |
| Costs of revenues | (51,483) | (51,969) | (12,052) | (25,962) | (24,709) | (5,731) |
| | ----- | | | | | |
| Gross profit | 4,561 | 2,357 | 547 | 2,213 | 1,146 | 266 |
| Research and development costs, net | (118) | 18 | 4 | (118) | - | - |
| Selling, general and administrative expenses | (7,025) | (7,715) | (1,789) | (3,676) | (3,569) | (828) |
| Amortization of goodwill | - | (258) | (60) | - | (129) | (30) |
| | ----- | | | | | |
| Operating | | | | | | |

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| | | | | | | |
|---|---------|---------|---------|---------|---------|--------|
| loss | (2,582) | (5,598) | (1,298) | (1,581) | (2,552) | (592) |
| Financial income (expenses), net | 321 | (451) | (105) | 490 | 28 | 6 |
| Loss before other income, net | (2,261) | (6,049) | (1,403) | (1,091) | (2,524) | (586) |
| Other income, net | 8 | 29 | 7 | - | 24 | 6 |
| Loss before taxes on income | (2,253) | (6,020) | (1,396) | (1,091) | (2,500) | (580) |
| Taxes on income | 46 | (186) | (43) | 46 | (59) | (14) |
| Net loss after taxes on income | (2,207) | (6,206) | (1,439) | (1,045) | (2,559) | (594) |
| Minority share in subsidiary's net income | (60) | (69) | (16) | (60) | (22) | (5) |
| Net loss for the period | (2,267) | (6,275) | (1,455) | (1,105) | (2,581) | (599) |
| Basic loss per NIS 1 par value of the share capital(A) | (0.77) | (2.14) | (0.50) | (0.38) | (0.88) | (0.20) |
| Total par value of shares used to compute basic net loss per NIS 1 par value of share | 2,932 | 2,932 | 2,932 | 2,932 | 2,932 | 2,932 |
| Diluted loss per NIS 1 par value of the share capital(A) | (0.77) | (2.14) | (0.50) | (0.43) | (0.95) | (0.22) |
| Total par value of shares used to compute diluted net loss per NIS 1 par value of share | 2,932 | 2,932 | 2,932 | 3,230 | 3,201 | 3,201 |

Note A: Ordinary shares of a par value of NIS 0.6 each.

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Adjusted to New Israeli Shekels as of June 2003

| | June 30, | | Convenience Translation June 30, |
|---|------------|--------|--|
| | 2002 | 2003 | 2003 |
| | NIS | NIS | U.S. \$ |
| (Unaudited in thousands) | | | |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 12,302 | 3,301 | 766 |
| Receivables: Trade | 31,333 (B) | 25,238 | 5,853 |
| Other | 935 | 2,001 | 464 |
| Inventories | 13,160 | 12,221 | 2,834 |
| Prepaid expenses | 1,122 | 1,017 | 236 |
| | 58,852 | 43,778 | 10,153 |
| Property and equipment, net | 58,139 | 48,545 | 11,258 |
| Goodwill | 5,096 | 4,691 | 1,088 |
| | 122,087 | 97,014 | 22,499 |
| | | | |
| Liabilities and Shareholder's equity | | | |
| Current liabilities | | | |
| Short-term credit and current maturities of long-term debts | 23,209 | 17,293 | 4,010 |
| Trade payables | 19,643 | 25,444 | 5,901 |
| | 53,488 | 51,628 | 11,973 |
| Other liabilities and accrued expenses | 10,636 (B) | 8,891 | 2,062 |
| | 53,488 | 51,628 | 11,973 |
| Long-term liabilities | | | |
| Long term debt, excluding current maturities | 21,160 | 17,479 | 4,054 |
| Employee severance benefits | 965 | 935 | 217 |
| | 75,613 | 70,042 | 16,244 |
| Minority interests | 1,932 | 1,928 | 447 |
| | | | |
| Shareholder's equity Ordinary shares, NIS 0.6 par value. Authorized 50,000,000 shares, | | | |

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| | | | |
|--|----------|----------|----------|
| issued and outstanding 4,885,651 shares | 29,747 | 29,747 | 6,899 |
| Additional paid in capital | 52,717 | 52,717 | 12,226 |
| Capital reserves related to loans from controlling shareholders | 10,151 | 10,151 | 2,354 |
| Cumulative foreign currency translation adjustments | 65 | 510 | 118 |
| Capital reserve | 6,780 | 6,780 | 1,572 |
| Accumulated deficit | (54,918) | (74,861) | (17,361) |
| | ----- | ----- | ----- |
| Total shareholder's equity | 44,542 | 25,044 | 5,808 |
| | ----- | ----- | ----- |
| Total liabilities and shareholders' equity | 122,087 | 97,014 | 22,499 |
| | ===== | ===== | ===== |

Note B: Reclassified

Contact:

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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/Arieh Reichart

Arieh Reichart
President and Chief Executive Officer

Date: October 3, 2003