



## Press Release

### **Eltek Reports Record Revenues for First Quarter 2013**

- ***\$12.5 Million in Revenues***
- ***Net Income of \$127,000***

PETACH-TIKVA, Israel, May 29, 2013 (NASDAQ:ELTK) - Eltek Ltd., the leading Israeli manufacturer of advanced flex-rigid circuitry solutions, announced today its results for the first quarter of 2013.

**Revenues** for the quarter ended March 31, 2013 were \$12.5 million, compared to revenues of \$12.0 million in the first quarter of 2012.

**Gross Profit** for the first quarter of 2013 was \$1.8 million (14% of revenues), compared to gross profit of \$2.3 million (19% of revenues) in the first quarter of 2012. Gross profit decreased mainly due to increases in the cost of labor and raw materials.

**Operating Profit** for the first quarter of 2013 was \$230,000 compared to the operating profit of \$716,000 in the first quarter of 2012.

**Net Profit** for first quarter of 2013 was \$127,000 or \$0.02 per fully diluted share, compared to net profit of \$526,000 or \$0.08 per fully diluted share in the first quarter of 2012.

**EBITDA:**

In the quarter ended March 31, 2013, Eltek had EBITDA of \$613,000 compared to EBITDA of \$1.2 million in the first quarter of 2012.

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

**Management Comments:**

**Arieh Reichart**, President and Chief Executive Officer of Eltek commented: "I am pleased to report that our customers continue to see the value proposition of our products and have a great deal of trust in our company. Specifically, in our own backyard, we have seen greater interest from our local customers, reflecting the continued market recognition of our high quality and reliable products.

"In addition, despite the increase in the cost of raw materials and labor, we were able to achieve a growth in revenues, with \$12.5 million in revenues for the first quarter of 2013, while maintaining Eltek's ability to stay profitable despite external market-changing elements." Mr. Reichart concluded.



**Amnon Shemer**, Chief Financial Officer of Eltek added: "Although we have been profitable for the last two years, our main challenge continues to be obtaining additional financing, including lines of credit for working capital and investment in fixed assets that are required for the expansion of our production capacity and to replace or refurbish old equipment."

### **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.

**Eltek Ltd.**  
**Consolidated Statements of Operations**  
(In thousands US\$, except per share data)

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>Unaudited</b>	
<b>Revenues</b>	<b>12,452</b>	11,978
<b>Costs of revenues</b>	<b>(10,664)</b>	(9,657)
<b>Gross profit</b>	<b>1,788</b>	2,321
Selling, general and administrative expenses	<b>(1,558)</b>	(1,605)
<b>Operating profit</b>	<b>230</b>	716
Financial income (expenses), net	<b>(100)</b>	(168)
<b>Profit before other income, net</b>	<b>130</b>	548
Other income, net	<b>(3)</b>	0
<b>Profit before income tax expenses</b>	<b>127</b>	548
Income tax (expenses), net	<b>(9)</b>	(5)
<b>Net profit</b>	<b>118</b>	544
Net profit (loss) attributable to non controlling interest	<b>(9)</b>	(18)
<b>Net profit attributable to controlling interest / Eltek</b>	<b>127</b>	526
<b>Earnings per share</b>		
Basic and diluted net gain per ordinary share	<b>0.02</b>	<b>0.08</b>
Weighted average number of ordinary shares used to compute basic and diluted net gain per ordinary share (in thousands)	<b>6,610</b>	6,610

**Eltek Ltd.**  
**Consolidated Balance Sheets**  
(In thousands US\$)

	March 31,	
	2013	2012
	Unaudited	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,217	1,414
Receivables:		
Trade, net of provision for doubtful accounts	9,187	8,565
Other	126	269
Inventories	5,125	5,005
Prepaid expenses	311	350
<b>Total current assets</b>	<b>15,966</b>	<b>15,603</b>
<b>Assets held for employees' severance benefits</b>	<b>49</b>	<b>41</b>
<b>Fixed assets, less accumulated depreciation</b>	<b>9,595</b>	<b>8,214</b>
<b>Goodwill</b>	<b>71</b>	<b>521</b>
<b>Total assets</b>	<b>25,681</b>	<b>24,379</b>
<b>Liabilities and Shareholder's equity</b>		
<b>Current liabilities</b>		
Short-term credit and current maturities of long-term debts	5,452	4,584
Accounts payable:		
Trade	6,999	7,214
Related parties	1,539	1,190
Other	4,768	4,118
<b>Total current liabilities</b>	<b>18,758</b>	<b>17,106</b>
<b>Long-term liabilities</b>		
Long term debt, excluding current maturities	969	1,642
Employee severance benefits	203	164
<b>Total long-term liabilities</b>	<b>1,172</b>	<b>1,806</b>
<b>Equity</b>		
Ordinary shares, NIS 0.6 par value authorized 50,000,000 shares, issued and outstanding 6,610,107.	1,384	1,384
Additional paid-in capital	14,328	14,295
Cumulative foreign currency translation adjustments	2,816	2,829
Capital reserve	695	695
Accumulated deficit	(13,583)	(13,872)
<b>Shareholders' equity</b>	<b>5,640</b>	<b>5,331</b>
<b>Non controlling interest</b>	<b>112</b>	<b>136</b>
<b>Total equity</b>	<b>5,752</b>	<b>5,467</b>
<b>Total liabilities and shareholders' equity</b>	<b>25,681</b>	<b>24,379</b>

**Eltek Ltd.**  
**Unaudited Non-GAAP EBITDA Reconciliations**  
(In thousands US\$, except per share data)

Non-GAAP EBITDA Reconciliations	Three months ended	
	March 31,	
	2013	2012
	Unaudited	
<b>GAAP net Income</b>	127	526
<b>Add back items:</b>		
Financial expenses, net	100	168
Income tax expense	9	5
Depreciation	377	476
<b>Adjusted EBITDA</b>	<b>613</b>	<b>1,174</b>