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CAMTEK LTD. ANNOUNCES RESULTS FOR Q3 2008

MIGDAL HAEMEK, Israel – November 18, 2008 – Camtek Ltd. (NASDAQ: CAMT, TASE: CAMT), today announced its results for the third quarter ended September 30, 2008.

Revenues for the third quarter of 2008 were \$19.1 million, 5% below \$20.2 million in the third quarter of 2007 and 16% below the \$22.7 million reported in the second quarter of 2008.

Gross profit in the 2008 third quarter was \$6.5 million, or 34.2% of revenues, and included an inventory write-off of \$1.5 million.

The Company reported a third quarter net loss of \$4 million, or \$0.14 per share. This is compared to a net profit of \$85 thousand, or \$0 per share, in the third quarter of last year and net loss of \$0.5 million, or \$0.016 per share in the second quarter of 2008.

The net loss in the third quarter of 2008 included the above mentioned \$1.5 million inventory write-off and a total of \$1 million of certain legal and professional expenses with respect to an aborted acquisition and a patent lawsuit that Rudolph Technologies, Inc. filed against Camtek.

During the quarter, the Company commenced its previously announced share repurchase program, buying back a total of 812,900 shares in the third quarter at a total cost of \$685 thousand. During October 2008 and until the date of this press release, the Company purchased an additional 267,857 shares for total consideration of \$220 thousand. The repurchase program allows for total aggregate purchases of up to \$2 million.

Rafi Amit, Camtek's CEO, commented, "We are pleased with our third quarter revenues which were well within our expected target range. Under the current global slowdown conditions, we are implementing the following four point strategy: cash generation and preservation; maintaining our competitive edge through on-going R&D activities; preserving our responsive customer support; and seeking cooperation with strategic partners to develop and market new products. We believe that this strategy will help us keep our strong balance sheet position and navigate the company safely through the current crisis."

Mr. Amit added, looking ahead into the fourth quarter, we expect revenues between \$12 and \$14 million. However, the current low visibility may result in significant deviation from this guidance".

Camtek will hold a conference call today, Tuesday November 18, 2008 at 9:00 ET. Rafi Amit, CEO, Roy Porat General Manager- Israel and Mira Rosensweig, CFO will host the call and will be available to answer questions.

To participate, please call one of the following telephone numbers at least 10 minutes before the start of the call.

US:	1 888 668 9141	at 9:00a.m.EasternTime
Israel:	03 918 0650	at 4:00p.m. Israel Time
International:	+972 3 918 0650	

For those unable to participate, the teleconference will be available for replay on Camtek's website www.camtek.co.il beginning 24 hours after the call.

ABOUT CAMTEK LTD.

With headquarters in Migdal Ha'Emek Israel, Camtek Ltd., designs, develops, manufactures, and markets automatic optical inspection systems and related products. Camtek's automatic inspection systems are used to enhance both production processes and yield for manufacturers in the printed circuit board industry, the high density interconnect substrate industry and the semiconductor manufacturing and packaging industry. This press release is available at www.camtek.co.il.

This press release may contain projections or other forward-looking statements regarding future events or the future performance of the Company. These statements are only predictions and may change as time passes. We do not assume any obligation to update that information. Actual events or results may differ materially from those

projected, including as a result of changing industry and market trends, reduced demand for our products, the timely development of our new products and their adoption by the market, increased competition in the industry, price reductions as well as due to risks identified in the documents filed by the Company with the SEC.

CONTACT INFORMATION

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Consolidated Balance Sheets

(in thousands, except share data)

	<u>September</u> <u>2008</u>	<u>December</u> <u>2007</u>
	<u>U.S. Dollars</u>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	16,690	18,601
Marketable securities	-	1,395
Accounts receivable, net	23,354	23,500
Inventories	35,526	34,243
Due from affiliates	432	251
Other current assets	2,921	2,616
Deferred tax	124	124
Total current assets	<u>79,047</u>	<u>80,730</u>
Fixed assets, net	<u>14,216</u>	<u>15,325</u>
Marketable securities	400	1,075
Deferred tax	612	612
Other assets	928	723
	<u>1,940</u>	<u>2,410</u>
Total assets	<u>95,203</u>	<u>98,465</u>
LIABILITIES		
CURRENT LIABILITIES		
Convertible loan	1,667	1,667
Accounts payable –trade	10,023	7,960
Due to affiliates	387	866
Other current liabilities	12,825	11,465
Total current liabilities	<u>24,902</u>	<u>21,958</u>
Convertible loan	1,666	3,333
Liability for employee severance benefits	302	268
Total liabilities	<u>26,870</u>	<u>25,559</u>
SHAREHOLDERS' EQUITY		
Ordinary shares NIS 0.01 par value, authorized 100,000,000 shares, issued 31,149,934 in 2008 and 31,145,334 in 2007, outstanding 29,325,415 in 2008 and 30,133,715 in 2007.	132	132
Additional paid-in capital	60,082	59,878
Accumulated other comprehensive loss		
Unrealized loss on marketable securities	-	-
Retained earnings	9,797	13,889
	<u>70,011</u>	<u>73,899</u>
Treasury stock, at cost (1,824,519 shares in 2008 and 1,011,619 in 2007)	<u>(1,678)</u>	<u>(993)</u>
Total shareholders' equity	<u>68,333</u>	<u>72,906</u>
Total liabilities and shareholders' equity	<u>95,203</u>	<u>98,465</u>

Consolidated Statements of Operations

(in thousands, except share data)

	Nine Months ended September 30,		Three Months ended September 30,		Year ended December 31,
	2008	2007	2008	2007	2007
	U.S. dollars		U.S. dollars		U.S. dollars
Revenues	63,064	49,941	19,119	20,165	70,969
Cost of revenues	38,229	30,099	12,580	12,576	41,940
Gross profit	24,835	19,842	6,539	7,589	29,029
Research and development costs	9,513	9,148	3,173	2,353	12,111
Selling, general and administrative expenses	19,512	18,021	7,183	5,020	24,119
	29,025	27,169	10,356	7,373	36,230
Operating income (loss)	(4,190)	(7,327)	(3,817)	216	(7,201)
Financial income (expenses), net	298	(194)	(224)	(15)	(128)
Income (loss) before income taxes	(3,892)	(7,521)	(4,041)	201	(7,329)
Income tax	200	199	46	116	362
Net income (loss)	(4,092)	(7,720)	(4,087)	85	(7,691)
Net income (loss) per ordinary share:					
Basic	(0.14)	(0.26)	(0.14)	0.00	(0.25)
Diluted	(0.14)	(0.26)	(0.14)	0.00	(0.25)
Weighted average number of ordinary shares outstanding:					
Basic	30,190	30,229	30,076	30,246	30,145
Diluted	30,190	30,229	30,076	30,246	30,145