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**FOR IMMEDIATE RELEASE**

**CAMTEK ANNOUNCES FIRST QUARTER 2015 RESULTS**

*Q1 revenues of \$21.8 million; Non-GAAP operating income of \$1.2m; Q2 revenue guidance of \$23-25m*

**MIGDAL HAEMEK, Israel –August 04, 2015** – Camtek Ltd. (NASDAQ and TASE: CAMT), today announced its financial results for the quarter ended March 31, 2015.

**Highlights of the First Quarter 2015**

- Revenues of \$21.8 million, up 6% sequentially;
- Non-GAAP operating income of \$1.2 million; GAAP operating income of \$1.1 million;
- Non-GAAP net income of \$0.3 million; GAAP net income of \$0.1 million;
- Q2 revenue guidance of \$23 to 25 million;
- Gryphon is being evaluated by a new major PCB manufacturer; and
- Gryphon SL machines, utilizing Camtek's 3D functional inkjet technology, are being built in anticipation of customers' evaluations and orders.

**Rafi Amit, Camtek's Chairman and CEO, commented,** "Following a number of recent sales of our Eagle system to new accounts, we expect increasing second quarter revenues in our semiconductor business. We see this positive momentum continuing into the third quarter as well, which supports our year-over-year double-digit growth target in our semiconductor business."

**Continued Mr. Amit,** "We are pleased with the progress we have made in the Gryphon commercialization. We have started an evaluation process at a major PCB manufacturer and we are expanding our marketing efforts for Gryphon into the Asian market, which is the largest market for PCB manufacturers. Our recently launched next generation model, the Gryphon SL, enables both legend and solder mask deposition. We believe that our customers are, and will be, attracted by the prospect of using Gryphon for both these processes, which are currently very time consuming. Following the initial feedback from this launch, in anticipation of customers' evaluations and orders, we are now building Gryphon SL machines."

"All in all we expect a good second quarter, with a total sales of \$23-25 million." **concluded Mr. Amit.**

**First Quarter 2015 Financial Results**

**Revenues** for the first quarter of 2015 were \$21.8 million. This compares to first quarter 2014 revenues of \$22.1 million and fourth quarter 2014 revenues of \$20.6 million.

**Gross profit** on a GAAP basis in the quarter totaled \$9.8 million (45.1% of revenues), compared to \$10.1 million (45.8% of revenues) in the first quarter 2014 and \$9.5 million in the fourth quarter of 2014 (45.9% of revenues).

**Gross profit** on a non-GAAP basis in the quarter totaled \$9.8 million (45.2% of revenues), compared to \$10.1 million (45.9% of revenues) in the first quarter 2014 and \$9.7 million in the fourth quarter of 2014 (47.2% of revenues).

**Operating profit** on a GAAP basis in the quarter totaled \$1.1 million (5.2% of revenues), compared to \$1.2 million (5.3% of revenues) in the first quarter 2014 and \$361 thousand in the fourth quarter of 2014 (1.8% of revenues).

**Operating profit** on a non-GAAP basis in the quarter totaled \$1.2 million (5.5% of revenues), compared to \$1.2 million (5.5% of revenues) in the first quarter 2014 and \$702 thousand in the fourth quarter of 2014 (3.4% of revenues).

**Financial expenses** on a GAAP basis in the quarter totaled \$847 thousand, compared to \$365 thousand in the first quarter 2014 and \$358 thousand in the fourth quarter of 2014.

**Financial expenses** on a non-GAAP basis in the quarter totaled \$624 thousand, compared to \$159 thousand in the first quarter 2014 and \$358 thousand in the fourth quarter of 2014.

**Net income** on a GAAP basis in the quarter totaled \$52 thousand, or \$0.00 per diluted share. This compares to net income of \$639 thousand, or \$0.02 per diluted share, in the first quarter 2014 and a net income of \$68 thousand, or \$0.00 per diluted share, in the fourth quarter of 2014.

**Net income** on a non-GAAP basis in the quarter totaled \$336 thousand, or \$0.01 per diluted share. This compares to net income of \$883 thousand, or \$0.03 per diluted share, in the first quarter 2014 and a net income of \$408 thousand, or \$0.01 per diluted share, in the fourth quarter of 2014.

**Cash, cash equivalents, short and long-term restricted deposits**, as of March 31, 2015 were \$21.9 million (out of which \$7.9 million are restricted deposits) compared to \$26.8 million as of December 31, 2014. The Company generated a negative operating cash flow of \$4.2 million during the quarter, principally due to an increase in inventory and accounts receivable.

## Conference Call

Camtek will host a conference call today, April 30, 2015, at 10:00 am ET.

Rafi Amit, Chairman and CEO, and Moshe Eisenberg, Chief Financial Officer, will host the call and will be available to answer questions after presenting the results. To participate, please call one of the following telephone numbers a few minutes before the start of the call.

<b>US:</b>	1 888 668 9141	at 10:00 am Eastern Time
<b>Israel:</b>	03 918 0609	at 5:00 pm Israel Time
<b>International:</b>	+972 3 918 0609	

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

## **ABOUT CAMTEK LTD.**

Camtek Ltd. provides automated and technologically advanced solutions dedicated to enhancing production processes, increasing products yield and reliability, enabling and supporting customer's latest technologies in the Semiconductors, Printed Circuit Boards (PCB) and IC Substrates industries. Camtek addresses the specific needs of these interconnected industries with dedicated solutions based on a wide and advanced platform of technologies including intelligent imaging, image processing and functional 3D inkjet printing.

This press release is available at [www.camtek.co.il](http://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, intellectual property litigation, price reductions as well as due to risks identified in the documents filed by the Company with the SEC.*

### *Use of non-GAAP Measures*

*This press release provides financial measures that exclude certain items such as: (i) amortization of acquired intangible assets and revaluation of liabilities with respect to the acquisitions of Sela and Printar; and (ii) share based compensation expenses, and are therefore not calculated in accordance with generally accepted accounting principles (GAAP). Management believes that these Non-GAAP financial measures provide meaningful supplemental information regarding our performance. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management uses both GAAP and non-GAAP measures when evaluating the business internally and therefore felt it is important to make these non-GAAP adjustments available to investors. A reconciliation between the GAAP and non-GAAP results appears in the tables at the end of this press release.*

## Consolidated Balance Sheets

(In thousands)

	March 31, 2015	December 31, 2014
	U.S. Dollars (In thousands)	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,013	18,220
Short-term deposits	729	8,607
Trade accounts receivable, net	26,648	22,341
Inventories	26,988	24,650
Due from affiliated companies	-	501
Other current assets	2,238	2,382
Deferred tax asset	858	858
Total current assets	<u>71,474</u>	<u>77,559</u>
Fixed assets, net	<u>12,981</u>	13,025
Long term inventory	1,214	1,476
Long-term restricted deposit	7,875	729
Deferred tax asset	831	891
Other assets, net	348	348
Intangible assets, net	920	928
Goodwill	1,555	1,555
	<u>12,743</u>	<u>5,927</u>
<b>Total assets</b>	<u><u>97,198</u></u>	<u><u>96,511</u></u>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Trade accounts payable	9,378	9,490
Due to affiliated companies	241	-
Other current liabilities	16,660	16,279
Total current liabilities	<u>26,279</u>	<u>25,769</u>
<b>Long term liabilities</b>		
Liability for employee severance benefits	748	860
Other long term liabilities	4,324	4,150
	<u>5,072</u>	<u>5,010</u>
Total liabilities	<u>31,351</u>	<u>30,779</u>
<b>Commitments and contingencies</b>		
<b>Shareholders' equity</b>		
Ordinary shares NIS 0.01 par value, 100,000,000 shares authorized at March 31 2015 and at December 31, 2014; 32,586,898 issued shares at March 31, 2015 and at December 31, 2014; 30,494,522 shares outstanding at March 31, 2015 and at December 31, 2014	134	134
Additional paid-in capital	63,528	63,465
Retained earnings	4,083	4,031
	<u>67,745</u>	<u>67,630</u>
Treasury stock, at cost (2,092,376 as of March 31, 2015 and December 31, 2014)	<u>(1,898)</u>	<u>(1,898)</u>
Total shareholders' equity	<u>65,847</u>	<u>65,732</u>
<b>Total liabilities and shareholders' equity</b>	<u><u>97,198</u></u>	<u><u>96,511</u></u>

## Consolidated Statements of Operations

(in thousands, except share data)

	Three months ended		Year ended
	March 31,		December 31,
	2015	2014	2014
	U.S. dollars		
<b>Revenues</b>	<b>21,750</b>	22,109	88,313
Cost of revenues	<b>11,931</b>	11,979	47,294
<b>Gross profit</b>	<b>9,819</b>	10,130	41,019
Research and development costs	<b>3,400</b>	3,434	14,406
Selling, general and administrative expenses	<b>5,281</b>	5,526	21,417
Reorganization and impairment	-	-	60
Total operating expenses	<b>8,681</b>	8,960	35,883
<b>Operating income</b>	<b>1,138</b>	1,170	5,136
Financial expenses, net	<b>(847)</b>	(365)	(1,220)
<b>Income before income taxes</b>	<b>291</b>	805	3,916
Income tax	<b>(239)</b>	(166)	(579)
<b>Net income</b>	<b>52</b>	639	3,337
<b>Earnings per ordinary share:</b>			
<b>Basic</b>	<b>0.00</b>	0.02	0.11
<b>Diluted</b>	<b>0.00</b>	0.02	0.11
<b>Weighted average number of ordinary shares outstanding:</b>			
<b>Basic</b>	<b>30,494</b>	30,427	30,464
<b>Diluted</b>	<b>30,555</b>	30,534	30,545

## Reconciliation of GAAP To Non-GAAP results

(In thousands, except share data)

	Three months ended		Year ended
	March 31,		December 31,
	2015	2014	2014
	U.S. dollars		U.S. dollars
<b>Reported net income attributable to Camtek Ltd. on GAAP basis</b>	<b>52</b>	639	3,337
Acquisition of Sela and Printar related expenses (1)	<b>223</b>	206	903
Share-based compensation	<b>60</b>	39	309
<b>Non-GAAP net income</b>	<b>335</b>	884	4,549
<b>Non –GAAP net income per share, basic and diluted</b>	<b>0.01</b>	0.03	0.15
<b>Gross margin on GAAP basis</b>	<b>45.1%</b>	45.8%	46.4%
<b>Reported gross profit on GAAP basis</b>	<b>9,819</b>	10,130	41,019
Acquisition of Sela and Printar related expenses (1)	-	-	264
Share-based compensation	<b>6</b>	16	42
<b>Non- GAAP gross margin</b>	<b>45.2%</b>	45.9%	46.8%
<b>Non-GAAP gross profit</b>	<b>9,825</b>	10,146	41,325
<b>Reported operating income attributable to Camtek Ltd. on GAAP basis</b>	<b>1,138</b>	1,170	5,136
Acquisition of Sela and Printar related expenses (1)	-	-	264
Share-based compensation	<b>60</b>	39	309
<b>Non-GAAP operating income (loss)</b>	<b>1,198</b>	1,209	5,709

- (1) During the three months ended March 31, 2015 and 2014 and the twelve months ended December 31, 2014, the Company recorded acquisition expenses of \$0.2 million, \$0.2 million, and \$0.9 million, respectively, consisting of: (1) Revaluation adjustments of \$0.2 million, \$0.2 million, and \$0.6 million, respectively, of contingent consideration and certain future liabilities recorded at fair value. These amounts are recorded under finance expenses line item; and (2) Implication of re-organization and impairment charges of \$0, \$0, and \$0.3 million respectively.