

RADWARE LTD  
Form 6-K  
May 02, 2007

**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington D.C. 20549**

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 Under

The Securities Exchange Act of 1934

For the month of May, 2007

Commission File Number: 0-30324

**Radware Ltd.**

(Translation of Registrant's Name into English)

**22 Raoul Wallenberg Street, Tel Aviv 69710, Israel**

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover 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): N/A

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): N/A

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- N/A

### CONTENTS

This report on Form 6-K of Radware Ltd. consists of the following documents, which are attached hereto and incorporated by reference herein:

1. Press Release: *Radware Ltd. Announces Q1 Results* Dated, May 2, 2007

### 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.

RADWARE LTD.

Date: May 2, 2007

By: /S/ Meir Moshe

Meir Moshe

Chief Financial Officer

**EXHIBIT INDEX**

Exhibit Number

Description of Exhibit

1.1

**Press Release: *Radware Ltd. Announces Q1 Results***, dated May 2, 2007.

**Dennis S. Dobson, Inc.**

**Dennis S. Dobson, CEO**

**Financial Public Relations**

**1522 Mill Plain Road**

**Fairfield, CT 06430**

**Global Financial Public Relations For Technology Companies**

**Telephone 203-255-7902**

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**FOR IMMEDIATE RELEASE**

**Contact:**

**Meir Moshe, Chief Financial Officer, Radware Ltd.**

**011-972-3766-8610**

**Dennis S. Dobson, for Radware Ltd.**

**(203) 255-7902**

**RADWARE LTD. ANNOUNCES Q1 RESULTS**

**\* Quarterly revenues of \$19.7 million**

**\*\* GAAP loss per share \$0.18, Non-GAAP loss per share \$0.07**

Tel Aviv, Israel, May 2, 2007 Radware (NASDAQ: RDWR), the leading provider of integrated application delivery solutions for business-smart networking, today reported revenues of \$19.7 million for the first quarter of 2007. The results represent a slight decrease compared with revenues of \$20.0 million for the first quarter of 2006 and compared with revenues of \$21.1 million for the fourth quarter of 2006.

Net loss on a GAAP basis for the first quarter of 2007 was \$3.6 million or \$0.18 per diluted share, compared to net income of \$0.1 million or \$0.01 per diluted share in the fourth quarter of 2006 and net income of \$0.3 million or \$0.02 per diluted share in the first quarter of 2006.

For comparative purposes, net loss for the first quarter of 2007, excluding the effects of stock-based compensation expense and of a one-time inventory write-off, was \$1.4 million or \$0.07 per diluted share, compared with net income of \$0.9 million or \$0.05 per diluted share in the fourth quarter of 2006 and net income of \$1.4 million or \$0.07 per diluted share in the first quarter of 2006.

In the first quarter of 2007 the Company continued to maintain a positive operational cash flow. The company's cash position, including cash, short-term and long-term bank deposits and marketable securities, increased during the first quarter in \$0.7 million, to an amount of \$164.8 million

We believe that our new business-smart networking positioning and go-to-market strategy, coupled with the recent acquisition of Covelight Systems, will not only allow us to provide greater value to potential and existing customers but will also create more business opportunities for the company, said Roy Zisapel, CEO of Radware. Over the course of the last several months we have worked diligently to formulate and execute a series of strategic and tactical plans that we expect to bring positive improvements to the business.

**During the quarter ended March 31, 2007, Radware released the following significant announcements:**

–

Radware Signs Magirus to Extend Global Channel Reach

–  
Radware Unveils Advanced Behavioral Security Strategy for Enterprises and Carriers

–  
Radware Protects Customers from Malicious Worm Outbreak

Company management will host a quarterly investor conference call at 8:45 AM EDT on May 2, 2007. The call will focus on financial results for the quarter ended March 31, 2007, and certain other matters related to the Company's business.

The conference call will be webcast on May 2, 2007 at 8:45 AM EDT in the listen only mode via the Internet at:

<http://www.radware.com/content/company/investorrelations/default.asp>

Please use the following dial-in numbers to participate in the first quarter 2007 call:

Participants in the U.S. call: 1-866-233-3844 (Toll Free)

Participants outside the U.S. call: 1-612-332-0806

## **About Radware**

Radware (NASDAQ:RDWR), the global leader in integrated application delivery solutions, assures the full availability, maximum performance, and complete security of business-critical applications for more than 5,000 enterprises and carriers worldwide. With APSolute™, Radware's comprehensive and award-winning suite of intelligent front end, access, and security products, companies in every industry can drive business productivity, improve profitability, and reduce IT operating and infrastructure costs by making their networks business smart. For more information, please visit [www.radware.com](http://www.radware.com).

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This press release may contain forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the Application Switching and Network Security industry, changes in demand for Application Switching and Network Security products, the timing and amount or cancellation of orders and other risks detailed from time to time in Radware's filings with the Securities and Exchange Commission, including Radware's Form 20-F.

**Condensed Consolidated Statements of Operations**  
**(U.S. Dollars in thousands, except share and per share data)**

|  | <u>For the Three<br/>months ended<br/>March 31, 2006</u> | <u>For the Three<br/>months ended<br/>March 31, 2007</u> |
|--|--|--|
| Revenues   | 20,046   | 19,719   |
| Cost of revenues   | <u>3,865</u>   | <u>5,087</u>   |
| Gross profit   | <u>16,181</u>  | <u>14,632</u>  |
| Operating expenses:  |  |  |
| Research and development, net  | 3,832  | 5,207  |
| Sales and marketing  | 12,123   | 13,026   |
| General and administrative   | <u>1,478</u>   | <u>1,756</u>   |
| Total operating expenses   | <u>17,433</u>  | <u>19,989</u>  |
| Operating loss   | (1,252)  | (5,357)  |
| Financial income, net  | <u>1,600</u>   | <u>1,763</u>   |
| Income (loss) before income taxes  | 348  | (3,594)  |
| Income taxes   | <u>(38)</u>  | <u>23</u>  |
| Net income (loss)  | <u>310</u>   | <u>(3,571)</u>   |
| <br>   |  |  |
| Basic net earnings (loss) per share  | <u><b>\$ 0.02</b></u>                                    | <u><b>\$ (0.18)</b></u>                                  |
| Weighted average number of shares used to<br>compute basic net earnings (loss) per share   | 19,182,115   | 19,424,479   |
| <br>   |  |  |
| Diluted net earnings (loss) per share  | <u><b>\$ 0.02</b></u>                                    | <u><b>\$ (0.18)</b></u>                                  |
| Weighted average number of shares used to<br>compute diluted net earnings (loss) per share | 20,217,182   | 19,424,479   |

**Reconciliation of Supplemental Financial Information**  
(U.S. Dollars in thousands, except share and per share data)

|  | <u>For the Three months<br/>ended March 31, 2006</u> | <u>For the Three months<br/>ended March 31, 2007</u> |
|--|--|--|
| GAAP Net income (loss)   | 310  | (3,571)  |
| Stock-based compensation expenses, included in:  |  |  |
| Cost of revenues   | 20   | 18   |
| Research and development, net  | 299  | 217  |
| Sales and marketing  | 757  | 318  |
| General and administrative   | 113  | 381  |
| Income taxes   | (116)  | -  |
|  | <u>1,073</u>   | <u>934</u>   |
| One-time inventory write-off   | <u>-</u>   | <u>1,200</u>   |
| Non-GAAP Net income (loss)   | <u>1,383</u>   | <u>(1,437)</u>                                       |
| Non-GAAP Diluted net earnings (loss) per share   | <u>\$ 0.07</u>                                       | <u>\$ (0.07)</u>                                     |
| Weighted average number of shares used to compute Non-GAAP Diluted net earnings (loss) per share | 20,217,182   | 19,424,479   |

**Condensed Consolidated Balance Sheets**  
(U.S. Dollars in Thousands)

|                           | December 31,<br>2006 | March 31,<br>2007 |
|---------------------------|----------------------|-------------------|
| <b>Current assets</b>     |                      |                   |
| Cash and cash equivalents | 25,324               | 20,168            |



|   |          |          |
|---|----------|----------|
| Short-term marketable securities  | 115,051  | 117,779  |
| Trade receivables, net  | 17,453   | 15,514   |
| Other receivables and prepaid expenses                                      | 1,996    | 2,322    |
| Inventories   | 6,892    | 6,213    |
|   | 166,716  | 161,996  |
| <b>Long-term investments</b>  |          |          |
| Long-term bank deposit  | 9,602    | 9,692    |
| Long-term marketable securities   | 14,154   | 17,189   |
| Severance pay funds   | 2,907    | 3,008    |
|   | 26,663   | 29,889   |
| Property and equipment, net   | 9,253    | 10,733   |
| <b>Other assets</b>   |          |          |
| Intangible assets, net, long-term deferred taxes and other long-term assets | 3,582    | 3,482    |
| Goodwill  | 9,454    | 9,454    |
|   | 13,036   | 12,936   |
| Total assets  | 215,668  | 215,554  |
| <b>Current liabilities</b>  |          |          |
| Trade payables  | 6,956    | 5,000    |
| Deferred revenues, other payables and accrued expenses                      | 22,354   | 26,191   |
|   | 29,310   | 31,191   |
| Accrued severance pay   | 3,944    | 4,203    |
| Total liabilities   | 33,254   | 35,394   |
| <b>Shareholders' equity</b>   |          |          |
| Share capital   | 478      | 479      |
| Additional paid-in capital  | 170,110  | 171,360  |
| Accumulated other comprehensive loss  | (242)    | (176)    |
| Treasury stock, at cost   | (11,069) | (11,069) |
| Retained earnings   | 23,137   | 19,566   |
| Total shareholders' equity  | 182,414  | 180,160  |
| Total liabilities and shareholders' equity                                  | 215,668  | 215,554  |