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CAMTEK ANNOUNCES FIRST QUARTER 2009 FINANCIAL RESULTS

MIGDAL HAEMEK, Israel – May 19, 2009 – Camtek Ltd. (NASDAQ and TASE: CAMT), today announced its financial results for the first quarter ended March 31, 2009.

Revenues for the first quarter of 2009 amounted to \$9.3 million, compared to \$21.3 million in the first quarter of 2008 and \$12.4 million in the fourth quarter of 2008. Camtek's revenues continue to be affected by the global recession.

Gross profit margin for the first quarter of 2009 was 37%, compared to 44.5% in the first quarter of 2008 and 24% in the fourth quarter of 2008.

Operating loss for the first quarter of 2009 amounted to \$5.0 million compared to an operating income of \$0.1 million in the first quarter of 2008 and an operating loss of \$5.6 million in the fourth quarter of 2008.

Net loss for the first quarter of 2009 amounted to \$5.5 million, or \$0.19 per share, compared to a net income of \$0.5 million, or \$0.02 per share, in the first quarter of 2008 and a net loss of \$5.5 million, or \$0.19 per share in the fourth quarter of 2008. Net loss for the quarter was influenced by the considerably lower revenues and legal expenses in a sum of approximately \$2.0 million.

Net, cash and cash equivalents at March 31, 2009, totaled \$11.4 million, compared to \$14.4 million at the end of December 31, 2008.

"The efficiency measures implemented both in previous and during the current quarter enabled us to reduce operating expenses this quarter, with savings becoming more evident in the coming quarters. These savings were offset by an approximately \$2 million of legal expenses recorded this quarter. While we are only half way through the second quarter, we estimate that revenues in the second quarter will be higher than those of the first quarter. " **said Rafi Amit, Camtek's CEO.** "We are operating in a highly volatile environment with our markets continuing to be deeply impacted by the global crisis. However, we believe that Camtek, with its leading product portfolio, strong customer base and leaner expense structure, will emerge stronger and more profitable company."

Conference Call

Camtek will host a conference call today, May 19, at 10:00 am EDT. Roy Porat, General Manager Camtek Israel and Mira Rosenzweig, 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 at least 10 minutes before the start of the call, referencing the "Camtek first quarter 2009 results conference call".

US: 1 888 723 3163 at 10:00 am Eastern Time
Israel: 03 918 0691 at 5:00 pm Israel Time
International: +972 3 918 0691

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.

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

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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.

Consolidated Balance Sheets

(In thousands)

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	<u>U.S. Dollars (In thousands)</u>	
Assets		
Current assets		
Cash and cash equivalents	11,444	15,949
Accounts receivable,	15,839	18,156
Inventories	11,614	9,792
Due from affiliates	356	414
Other current assets	1,657	1,929
Deferred tax asset	39	39
Total current assets	<u>40,949</u>	<u>46,279</u>
Fixed assets, net	<u>15,507</u>	<u>15,648</u>
Long term inventory	17,826	21,653
Deferred tax asset	127	127
Other assets, net	1,012	1,028
	<u>18,965</u>	<u>22,808</u>
Total assets	<u>75,421</u>	<u>84,735</u>
Liabilities and shareholder's equity		
Current liabilities		
Short term loan	-	1,500
Accounts payable –trade	2,746	5,240
Due to affiliates	163	294
Convertible loan – current portion	1,667	1,667
Other current liabilities	11,629	11,382
Total current liabilities	<u>16,205</u>	<u>20,083</u>
Long term liabilities		
Convertible loan , net of current portion	1,666	1,666
Liability for employee severance benefits	247	271
Total liabilities	<u>18,118</u>	<u>22,020</u>
Commitments and contingencies		
Shareholders' equity		
Ordinary shares NIS 0.01 par value, authorized 100,000,000 shares, issued 31,227,484 in 2008 and 2009, outstanding 29,135,108 in 2008 and 2009.	132	132
Additional paid-in capital	60,189	60,149
Retained earnings	(1,120)	4,332
	<u>59,201</u>	<u>64,613</u>
Treasury stock, at cost (2,092,376 shares in 2008 and 2009)	(1,898)	(1,898)
Total shareholders' equity	<u>57,303</u>	<u>62,715</u>
Total liabilities and shareholders' equity	<u>75,421</u>	<u>84,735</u>

Consolidated Statements of Operations

(in thousands, except share data)

	Three months ended		Year ended
	March 31,		December 31,
	2009	2008	2008
	U.S. dollars		
Revenues	9,288	21,292	75,463
Cost of revenues	5,827	11,815	47,615
Gross profit	3,461	9,477	27,848
Research and development costs	2,587	2,995	12,801
Selling, general and administrative expenses	5,856	6,368	24,834
	8,443	9,363	37,635
Operating income (loss)	(4,982)	114	(9,787)
Financial income (expenses), net	(377)	466	1,000
Income (loss) before income taxes	(5,359)	580	(8,787)
Income tax	(93)	(87)	(770)
Net income (loss)	(5,452)	493	(9,557)
Net income (loss) per ordinary share:			
Basic	(0.19)	0.02	(0.32)
Diluted	(0.19)	0.02	(0.32)
Weighted average number of ordinary shares outstanding:			
Basic	29,207	30,231	29,916
Diluted	29,207	30,247	29,916