

BOS BETTER ONLINE SOLUTIONS LTD
Form 6-K
May 18, 2009

FORM 6 K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the Month of May 2009

B.O.S. Better Online Solutions Ltd.

(Translation of Registrant's Name into English)

20 Freiman Street, Rishon LeZion, 75100, Israel

(Address of Principal Corporate 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): _____

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): _____

Indicate by check mark whether the registrant by furnishing the information contained in this form 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): N/A

The GAAP financial statements included in the press release that is attached hereto on Form 6-K are hereby incorporated by reference into all effective Registration Statements and into the Registration Statement on Form F-3 (no. 333-152020) as amended, filed by us under the Securities Act of 1933, to the extent not superseded by documents or reports subsequently filed or furnished.

B.O.S. Better Online Solutions Announces Financial Results for the First Quarter of 2009

Signature

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.

B.O.S. Better Online Solutions Ltd.
(Registrant)

By: /s/ Eyal Cohen

Eyal Cohen
CFO

Dated: May 18, 2009

B.O.S. Better Online Solutions Announces Financial Results for the First Quarter 2009

RISHON LEZION, Israel, May 18, 2009 (GLOBE NEWSWIRE) B.O.S. Better Online Solutions Ltd. (BOS or the Company) (NasdaqGM:BOSC) a leading provider of comprehensive RFID, Mobile and Supply Chain Solutions, with operations in Israel and the U.S., today reported its results for the first quarter ended March 31, 2009.

Financial highlights for the first quarter ended March 31, 2009 (NON-GAAP):

Revenue for the first quarter of 2009 amounted to \$9.0 million compared to \$12.1 million in the comparable quarter in 2008.

International sales in the first quarter of 2009 accounted for 84% of revenues and North and South America sales accounted for 16% of revenues.

Gross profit as a percentage of revenues improved to 25% in the first quarter of 2009 compared to 22% in the comparable quarter in 2008.

Operating loss for the first quarter of 2009 amounted to \$198,000 compared to operating income of \$179,000 in the comparable quarter in 2008.

EBITDA for the first quarter of 2009 amounted to (\$150,000) compared to \$223,000 in the comparable quarter in 2008.

Net loss for the first quarter of 2009 amounted to \$433,000 compared to a net income of \$147,000 in the comparable quarter in 2008.

Review of results on a GAAP basis:

Revenues for the first quarter of 2009 amounted to \$9.0 million compared to \$12.1 million in the comparable quarter in 2008.

Gross profit as a percentage of revenues improved to 25% in the first quarter of 2009 compared to 22% in the comparable quarter in 2008.

Operating loss for the first quarter of 2009 amounted to \$337,000 as compared to an operating loss of \$92,000 in the comparable quarter in 2008 as the improvement in the gross profit percentage and a decrease in expenses was offset by the decrease in revenues.

Other expenses for the first quarter of 2009 of \$167,000, consisted primarily of a further impairment in our investment in New World Brands Inc. (OTC BB: NWBD.OB) in which we hold less than 20%.

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Net loss for the first quarter of 2009 amounted to \$746,000 compared to net loss of \$89,000 in the comparable quarter in 2008.

As of March 31, 2009, cash and cash equivalents were \$1.1 million, short term bank loans amounted to \$11.0 million and long term bank loans were \$2.9 million.

Review of results on a GAAP basis:

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	Three months ended March 31,		Year ended December 31,
Revenues	\$ 9,044	\$ 12,151	\$ 50,849
Cost of revenues	6,775	9,472	40,850
Gross profit	2,269	2,679	9,999
Operating costs and expenses:			
Research and development	208	271	844
Sales and marketing	2,016	2,067	9,712
General and administrative	382	433	2,029
Impairment of goodwill	-	-	1,873
Total operating costs and expenses	2,606	2,771	14,458
Operating loss	(337)	(92)	(4,459)
Financial expenses, net	(90)	(214)	(636)
Other expenses, net	(167)	-	(1,448)
Loss before taxes on income	(594)	(306)	(6,543)
Taxes on income (tax benefit)	(152)	217	(403)
Loss from continuing operations	\$ (746)	\$ (89)	\$ (6,140)
Loss related to discontinued operations	-	-	(260)
Net loss	\$ (746)	\$ (89)	\$ (6,400)
Basic net loss per share	\$ (0.06)	\$ (0.01)	\$ (0.51)
Diluted net loss per share from discontinued operations	\$ -	\$ -	\$ (0.02)
Diluted net loss per share	\$ (0.06)	\$ (0.01)	\$ (0.53)
Weighted average number of shares used in computing basic net earnings per share	12,379,656	8,816,570	11,979,216
Weighted average number of shares used in computing diluted net earnings per share	12,379,656	8,816,570	11,979,216

CONDENSED CONSOLIDATED BALANCE SHEET
(U.S. dollars in thousands)

March 31, 2009	December 31, 2008
(Unaudited)	(Audited)

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	March 31, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,135	\$ 1,637
Trade receivables, net	11,583	13,314
Other accounts receivable and prepaid expenses	1,483	1,155
Inventories	10,785	10,346
Total current assets	24,986	26,452
LONG-TERM ASSETS:		
Severance pay fund	605	652
Investment in other companies	689	882
Deferred tax	271	452
Total long-term assets	1,565	1,986
PROPERTY, PLANT AND EQUIPMENT, NET	1,027	1,128
OTHER INTANGIBLE ASSETS, NET	2,238	2,418
GOODWILL	4,979	5,361
Total assets	\$ 34,795	\$ 37,345
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term bank loans and current maturities	\$ 10,950	\$ 10,299
Trade payables	5,655	6,458
Employees and payroll accruals	665	843
Deferred revenues	431	826
Accrued expenses and other liabilities	1,761	3,111
Total Current Liabilities	19,462	21,537
LONG-TERM LIABILITIES:		
Long-term bank loans, net of current maturities	2,947	2,256
Deferred taxes	480	541
Accrued severance pay	791	929
Other long-term liabilities	814	838
Total long-term liabilities	5,032	4,564
SHAREHOLDERS' EQUITY	10,301	11,244
Total liabilities and shareholder's equity	\$ 34,795	\$ 37,345

**RECONCILIATION OF NON-GAAP FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(U.S. dollars in thousands, except per share amounts)

	Three months ended March 31,		
	2009		
	GAAP (as reported)	Adjustments	Non-GAAP
	(Unaudited)		
Revenues	\$ 9,044	\$ -	\$ 9,044
Gross profit	2,269	(10)a	2,259
Operating costs and expenses:			
Research and development	208	-	208
Sales and marketing	2,016	(36)a, (100)b	1,880
General and administrative	382	(13)b	369
Total operating costs and expenses	2,606	(149)	2,457
Operating income (loss)	(337)	139	(198)
Financial expenses, net	(90)	-	(90)
Other expenses, net	(167)	167c	-
Income (loss) before taxes on income	(594)	306	(288)
Taxes on income	(152)	7a	(145)
Net income (loss)	\$ (746)	\$ 313	\$ (433)
Basic net income (loss) per share	\$ (0.06)		\$ (0.03)
Diluted net income (loss) per share	\$ (0.06)		\$ (0.03)
Weighted average number of shares used in computing basic net income per share	12,379,656		12,379,656
Weighted average number of shares used in computing diluted net income per share	12,379,656		12,379,656

Notes to the reconciliation:

- a Amortization of intangible assets and its related tax benefit.
- b Stock based compensation.
- c Impairment related to investment in Companies.

**RECONCILIATION OF NON-GAAP FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(U.S. dollars in thousands, except per share amounts)

	Three months ended March 31, 2008		
	GAAP basis	Adjustments	Non GAAP
	(Unaudited)		
Revenues :	\$ 12,151	-	\$ 12,151
Gross profit	2,679	40a	2,719
Operating costs and expenses:			
Research and development	271	-	271
Sales and marketing	2,067	(74)a, (48)b	1,945
General and administrative	433	(109)b	324
Total operating costs and expenses	2,771	(231)	2,540
Operating income (loss)	(92)	271	179
Financial expenses, net	(214)	-	(214)
Other income, net	-	-	-
Income (loss) before taxes on income	(306)	271	(35)
Taxes benefit	217	(35)a	182
Net income (loss) from continuing operations	\$ (89)	\$ 236	\$ 147

Notes to the reconciliation:

- a Amortization of intangible assets and its related tax benefit.
- b Stock based compensation.

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**RECONCILIATION OF NON-GAAP FINANCIAL RESULTS
CONDENSED EBITDA FROM CONTINUING OPERATIONS**

(U.S. dollars in thousands, except per share amounts)

	Three months ended March 31,	
	2009	2008
	(Unaudited)	
Net loss Non-GAAP from continuing operations	\$ (433)	\$ 147

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	<u>Three months ended March 31,</u>	
Non GAAP adjustment:		
Financial expenses, net	90	214
Depreciation	48	44
Tax on income	145	(182)
EBITDA	<u>\$ (150)</u>	<u>\$ 223</u>

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