

SILICOM LTD  
Form 6-K  
April 27, 2009

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**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16 OF**

**THE SECURITIES EXCHANGE ACT OF 1934**

*For the month of April, 2009*

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**SILICOM LTD.**

(Translation of Registrant's name into English)

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**8 Hanagar St., P.O.Box 2164, Kfar-Sava 44425, Israel**

(Address of Principal Executive Offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

**Form 20-F  Form 40-F**

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

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Attached hereto and incorporated by reference herein is Registrant's press release dated April 27, 2009 announcing Registrant's first quarter financial results.

This report on Form 6-K is incorporated by reference into the Registrant's Registration Statement on Form F-3, Registration Statement No. 333-143565. This report on Form 6-K is also incorporated by reference into all other effective registration statements filed by the Registrant under the Securities Act of 1933.

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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.

SILICOM Ltd.  
(Registrant)

By: /s/ Eran Gilad

Eran Gilad  
CFO

Dated: April 27<sup>th</sup>, 2009

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**FOR IMMEDIATE RELEASE**

**EARNINGS RELEASE**

**SILICOM REPORTS FINANCIAL**  
**RESULTS FOR Q1 2009**

***Positive Cash Flow of \$0.9M Brings Cash and Equivalents to \$40M***

**KFAR SAVA, Israel April 27, 2009 Silicom Ltd. (NASDAQ and TASE: SILC)** today reported its financial results for the first quarter ended March 31, 2009.

Revenues for the first quarter of 2009 were \$5.0 million compared with \$7.7 million for the first quarter of 2008. Net income for the quarter was \$0.9 million, or \$0.13 per share (basic and diluted), compared with \$1.7 million, or \$0.26 per share (basic and diluted), for the first quarter of 2008.

As of March 31, 2009, the Company's cash, cash equivalents and marketable securities totaled \$40.1 million, an increase of \$0.9 million compared with December 31, 2008.

Commenting on the results, Shaikha Orbach, President and CEO, said, "In the face of economic headwinds, we are pleased to have been able to deliver good bottom line performance and to generate additional cash of nearly \$1 million, an achievement that demonstrates the efficiency of our operations and the attractiveness of our business model. The reduction in our sales is due entirely to today's difficult market environment especially the decision of two of our 10% customers to cut their inventories dramatically, leading them to reduce the volume of ongoing purchase orders in the short term as they draw down existing stocks. The fact that we have been able to compensate partially through sales to other customers confirms the importance of our large and diverse customer base, a key asset which remains intact despite today's macro environment. The combination of this solid customer base, the long-term potential of our largest customers and our significant cash reserves represents a steady platform from which we are weathering the downturn and continuing to move forward."

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**Conference Call Details:**

Silicom's Management will host an interactive conference today, April 27<sup>th</sup>, at 9am EDT (6am Pacific Time, 4pm Israel Time) to review and discuss the results. To participate, please call one of the following numbers approximately 10 minutes before that time.

US: 1 866 345 5855 (toll free)  
UK: 0 800 404 8418 (toll free)  
ISRAEL: 03 918 0609 (not toll free)  
INTERNATIONAL: +972 3 918 0609 (not toll free)

The call will also be broadcast live over the web, through a link accessible from Silicom's website prior to the call. For those unable to listen to the live call, a replay of the call will be available for three months from the day after the call under the investor relations section of Silicom's website, at: [www.silicom.co.il](http://www.silicom.co.il)

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**About Silicom**

Silicom Ltd. is an industry-leading provider of high-performance server/appliances networking solutions. The Company's flagship products include a variety of multi-port Gigabit Ethernet, copper and fiber-optic, server adapters and innovative BYPASS adapters designed to increase throughput and availability of server-based systems, WAN Optimization and security appliances and other mission-critical gateway applications. For more information, please visit: [www.silicom.co.il](http://www.silicom.co.il).

Statements in this press release which are not historical data are forward-looking statements which involve known and unknown risks, uncertainties, or other factors not under the Company's control, which may cause actual results, performance, or achievements of the Company to be materially different from the results, performance, or other expectations implied by these forward-looking statements. These factors include, but are not limited to, those detailed in the Company's periodic filings with the Securities and Exchange Commission. The Company disclaims any duty to update such statements.

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**Investor relations contact:**  
**Kenny Green / Ehud Helft**  
**GK Investor Relations**  
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**FINANCIAL TABLES FOLLOW**

## Silicom Ltd. Consolidated Statements of Income

(US\$ thousands, except for share and per share data)

|                                     | Three-month period<br>ended March 31, |                 |
|-------------------------------------|---------------------------------------|-----------------|
|                                     | 2009                                  | 2008            |
| Sales                               | \$ 5,018                              | \$ 7,703        |
| Cost of sales                       | 3,078                                 | 4,445           |
| <b>Gross profit</b>                 | <b>1,940</b>                          | <b>3,258</b>    |
| Research and development costs      | 637                                   | 857             |
| Selling and marketing expenses      | 379                                   | 544             |
| General and administrative expenses | 275                                   | 409             |
| <b>Total operating expenses</b>     | <b>1,291</b>                          | <b>1,810</b>    |
| Operating income                    | 649                                   | 1,448           |
| Financial income, net               | 344                                   | 247             |
| Income before income taxes          | 993                                   | 1,695           |
| Income tax expense (benefit)        | 126                                   | (41)            |
| <b>Net income</b>                   | <b>\$ 867</b>                         | <b>\$ 1,736</b> |

|  | Three-month period<br>ended March 31, |              |
|--|---------------------------------------|--------------|
|  | \$                                    | \$           |
| Basic income per ordinary share  | <u>0.13</u>                           | <u>0.26</u>  |
| Weighted average number of ordinary shares used<br>to compute basic income per share (in thousands)      | <u>6,694</u>                          | <u>6,663</u> |
| Diluted income per ordinary share  | <u>0.13</u>                           | <u>0.26</u>  |
| Weighted average number of ordinary shares used<br>to compute diluted income per share (in<br>thousands) | <u>6,791</u>                          | <u>6,800</u> |

## Silicom Ltd. Consolidated Balance Sheets

(US\$ thousands)

|   | March 31,<br>2009 | December 31,<br>2008 |
|---|-------------------|----------------------|
| <b>Assets</b>                                 |                   |                      |
| <b>Current assets</b>                         |                   |                      |
| Cash and cash equivalents                     | \$ 19,440         | \$ 14,568            |
| Marketable securities                         | 9,822             | 8,426                |
| Accounts receivables: Trade, net              | 4,415             | 4,849                |
| Accounts receivables: Other                   | 294               | 353                  |
| Inventories                                   | 5,371             | 5,269                |
| Deferred tax assets                           | 181               | 210                  |
| <b>Total current assets</b>                   | <u>39,523</u>     | <u>33,675</u>        |
| Marketable securities                         | 10,799            | 16,204               |
| Assets held for employees' severance benefits | 962               | 1,066                |
| Deferred tax assets                           | 214               | 234                  |
| <b>Property, plant and equipment, net</b>     | <u>742</u>        | <u>795</u>           |
| <b>Total assets</b>                           | <u>\$ 52,240</u>  | <u>\$ 51,974</u>     |
| <b>Liabilities and shareholder's equity</b>   |                   |                      |
| <b>Current liabilities</b>                    |                   |                      |
| Trade accounts payable                        | \$ 2,026          | \$ 2,681             |
| Other accounts payable and accrued expenses   | 2,120             | 2,054                |
| <b>Total current liabilities</b>              | <u>4,146</u>      | <u>4,735</u>         |

|  | March 31,<br>2009 | December 31,<br>2008 |
|--|-------------------|----------------------|
| Liability for employees' severance benefits      | 1,785             | 1,905                |
| <b>Total liabilities</b>                         | <b>5,931</b>      | <b>6,640</b>         |
| <b>Shareholders' equity</b>                      |                   |                      |
| Ordinary shares and additional paid-in capital   | 33,210            | 33,102               |
| Treasury shares                                  | (38)              | (38)                 |
| Retained earnings                                | 13,137            | 12,270               |
| <b>Total Shareholders' equity</b>                | <b>46,309</b>     | <b>45,334</b>        |
| <b>Total liabilities and shareholders equity</b> | <b>\$ 52,240</b>  | <b>\$ 51,974</b>     |