

RADWARE LTD  
Form 6-K  
January 31, 2005

**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 January, 2005

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

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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

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**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 RECORD RESULTS**, Dated January 31, 2005.

**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: January 31, 2005

By: /s/ Meir Moshe

Meir Moshe

Chief Financial Officer

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**EXHIBIT INDEX**

Exhibit Number

Description of Exhibit

10.1

**Press Release: RADWARE LTD. ANNOUNCES RECORD RESULTS**, Dated January 31, 2005.

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**EXHIBIT 10.1**

**Contact:**

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

**011-972-3766-8610**

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

**(203) 255-7902**

**RADWARE LTD. ANNOUNCES RECORD RESULTS**

- \* Record Quarterly revenues of \$19.0 million**
- \* Record Quarterly profit of \$4.3 million or \$0.22 per diluted share**
- \* Record annual sales of \$68.4 million**

Tel Aviv, Israel, January 31, 2005 Radware (Nasdaq: RDWR), the leader in Intelligent Application Switching (IAS), ensuring availability, performance and security of networked applications, today reported record revenues of \$19.0

million for the fourth quarter of 2004, an increase of 27% compared with revenues of \$15.0 million for the fourth quarter of 2003, and a sequential increase of 8% vs. \$17.6 million revenues for the third quarter of 2004.

This represents the thirteenth consecutive quarter of growth in revenues, bringing the Company's total revenues for 2004 to a record \$68.4 million, an increase of 25% compared with revenues of \$54.8 million in 2003.

Net income for the fourth quarter of 2004 was \$4.3 million, an increase of 74% compared with net income of \$2.5 million in the fourth quarter of 2003 and a sequential increase of 20% vs. net income of \$3.6 million in the third quarter of 2004.

Diluted net earnings per share for the fourth quarter of 2004 were \$0.22, compared to \$0.13 in the fourth quarter of 2003 and \$0.19 in the third quarter of 2004.

Net income for 2004 was \$13.8 million or \$0.70 per diluted share, compared to net income of \$6.4 million or \$0.34 per diluted share for 2003.

The Company continued to maintain a positive operational cash flow, as in the last twelve quarters. In the fourth quarter of 2004 the Company generated cash in the amount of \$7.8 million, bringing 2004 total cash generation to \$18 million. This led to a balance of \$157 million in cash, short-term and long-term bank deposits and marketable securities.

We are pleased to announce another excellent quarter, completing a strong and profitable 2004, with stable growth in all business parameters and across all product lines, said Roy Zisapel, President and CEO, Radware. Our Intelligent Application Switching solutions continued to gain momentum as more and more customers recognize the advantage of our end-to-end solutions.

**During the quarter ended December 31, 2004, Radware released the following significant announcements:**

•

Radware Secures Leading Telcos from Application Based Attacks with DefensePro Intrusion Prevention Switches

•

Dollar Thrifty Automotive Group Selects Radware's Application Switching Solution for End-to-End Application Continuity

•

St.George Bank Deploys Radware for Guaranteed Application Availability, Performance and Security

Company management will host a quarterly investor conference call at 8:45 AM EST on January 31, 2005. The call will focus on financial results for the quarter ended December 31, 2004, and certain other matters related to the Company's business.

The conference call will be webcast on January 31, 2005 at 8:45 AM (EST in the listen only mode via the Internet at:

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

### **About Radware**

Radware (NASDAQ:RDWR) is the Global Leader in Intelligent Application Switching, enabling the complete security, maximum performance and full availability of all mission critical networked applications while dramatically cutting operating and scaling costs.

Radware's integrated Application Security, Application Infrastructure and End-to-End Connectivity solutions are deployed by over 2,500 enterprises and carriers worldwide. Radware offers the broadest product line in the industry, meeting application needs at every critical point across the network including Web and Application Servers, Firewalls, VPNs, ISP links, Anti-Virus Gateways and Cache.

Learn more on how Radware Intelligent Application Switching Solutions can enable the security, performance and availability of mission critical applications at [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 industry, changes in demand for Application Switching 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.

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

|  | <b>December 31,<br/>2003</b><br>(Audited) | <b>December 31,<br/>2004</b><br>(Audited) |
|--|---|---|
| <b>Current assets</b>                  |   |   |
| Cash and cash equivalents              | 31,771                                    | 30,073                                    |
| Short-term bank deposits               | -   | 64,892                                    |
| Short-term marketable securities       | 31,111                                    | 14,055                                    |
| Trade receivables, net                 | 9,690                                     | 13,166                                    |
| Other receivables and prepaid expenses | 1,089                                     | 1,332                                     |
| Inventories                            | 2,998                                     | 4,094                                     |
|  | 76,659                                    | 127,612                                   |
| <b><u>Long-term investments</u></b>    |   |   |
| Long-term bank deposits                | 72,017                                    | 9,224                                     |
| Long-term marketable securities        | 4,122                                     | 38,797                                    |
| Severance pay funds                    | 1,435                                     | 1,921                                     |
|  | 77,574                                    | 49,942                                    |
| Property and equipment, net            | 3,479                                     | 4,452                                     |
| Other assets, net                      | 402                                       | 1,235                                     |
| Total assets                           | 158,114                                   | 183,241                                   |
| <b>Current liabilities</b>             |   |   |
| Trade payables                         | 4,285                                     | 5,075                                     |
| Deferred revenues                      | 7,058                                     | 9,888                                     |
| Other payables and accrued expenses    | 4,839                                     | 4,962                                     |
|  | 16,182                                    | 19,925                                    |
| Accrued severance pay                  | 1,625                                     | 2,399                                     |
| Minority interest                      | 61  | -   |
| Total liabilities                      | 17,868                                    | 22,324                                    |
| <b>Shareholders equity</b>             |   |   |
| Share capital                          | 439                                       | 457                                       |
| Additional paid-in capital             | 138,552                                   | 145,439                                   |
| Accumulated other comprehensive loss   | (38)                                      | (52)                                      |

|  |         |         |
|--|---------|---------|
| Retained earnings                          | 1,293   | 15,073  |
| Total shareholders' equity                 | 140,246 | 160,917 |
| Total liabilities and shareholders' equity | 158,114 | 183,241 |

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

|  | <b>For the Three<br/>months ended<br/>December 31,<br/>2003</b> | <b>For the Three<br/>months ended<br/>December 31,<br/>2004</b> | <b>For the Year<br/>ended<br/>December 31,<br/>2003</b> | <b>For the Year<br/>ended<br/>December 31,<br/>2004</b> |
|--|---|---|---|---|
|  | (Unaudited)   | (Unaudited)   | (Audited)   | (Audited)   |
| Revenues   | 15,005  | 19,047  | 54,780  | 68,439  |
| Cost of revenues                                       | 2,703   | 3,395   | 9,854   | 12,184  |
| Gross profit   | 12,302  | 15,652  | 44,926  | 56,255  |
| Research and development                               | 2,209   | 2,878   | 8,398   | 10,342  |
| Sales and marketing                                    | 7,519   | 8,402   | 29,753  | 31,898  |
| General and administrative                             | 1,012   | 1,243   | 4,120   | 4,493   |
| Total operating expenses                               | 10,740  | 12,523  | 42,271  | 46,733  |
| Operating income                                       | 1,562   | 3,129   | 2,655   | 9,522   |
| Financial income, net                                  | 908   | 1,353   | 3,740   | 4,565   |
| Income before taxes on income                          | 2,470   | 4,482   | 6,395   | 14,087  |
| Taxes on income  | -   | 135   | -   | 341   |
| Income after taxes on income                           | 2,470   | 4,347   | 6,395   | 13,746  |
| Minority interest in losses (earnings) of a subsidiary | 33  | -   | (40)  | 34  |
| Net income   | 2,503   | 4,347   | 6,355   | 13,780  |
| Basic net earnings per share                           | <b>\$ 0.14</b>  | <b>\$ 0.24</b>  | <b>\$ 0.37</b>  | <b>\$ 0.77</b>  |
|  | 17,454,093  | 18,243,688  | 17,184,141  | 17,995,207  |



Weighted average  
number of shares used to  
compute basic net  
earnings per share

Diluted net earnings per  
share

|           |             |           |             |           |             |           |             |
|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| <b>\$</b> | <b>0.13</b> | <b>\$</b> | <b>0.22</b> | <b>\$</b> | <b>0.34</b> | <b>\$</b> | <b>0.70</b> |
|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|

Weighted average  
number of shares used to  
compute diluted net  
earnings per share

|            |            |            |            |
|------------|------------|------------|------------|
| 19,801,325 | 20,167,394 | 18,666,140 | 19,804,896 |
|------------|------------|------------|------------|