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## Light at the end of the tunnel

**After seven years involving heavy losses, the supplier of measurement equipment to the chip manufacturing industry nears a turnaround. The share could actually double in value.**

Since their formation, the metrology specialist went through an eventful period. The Israeli company made it just in time to NASDAQ, shortly before the collapse of the new economy bubble. The novice collected 60 million US dollars. Back then, the company was priced with an adventurous value of 270 million dollars. Shortly after their listing, the share price fell dramatically. Up to the year of 2002, the value of the share was lower than one sixth of the original initial offering price. And justifiably so because since the year of 2000, the Israelis suffered continuous losses.

### Reorientation to core projects

Now, the turnaround is about to happen. In August of 2006, Gabi Seligsohn took charge as the new CEO & President. He focused on decreasing the costs. 30 employees were laid off. This saved two million dollars annually. In addition, the new manager slashed projects and focused on the most important orders. The company's technology emphasizes on a measurement procedure that measures the wafer's surface structure by light and its reflection. This is a type of quality control. Among their customers are 21 of the 25 largest memory chip producers worldwide, such as Infineon and Samsung.

### Reorganized and with large growth potential.

The company currently has 270 employees. Last year, the sales figure was increased by 60 percent to 48 million US dollars. The growth trend continues: The sales figure for the first quarter grew in comparison to the first three months of 2006 again by 30 percent to 13.4 million dollars. If it weren't for one-time charges, the company would have even been able to show a profit. It can be expected that the company will finish the second quarter in the black. Thanks to the saving efforts, the CEO & President, Mr. Seligsohn, will achieve the break-even once the quarterly sales figure gets to 13 million dollars. Since beginning of October the share price climbed from 1.48 Euro to recently 2.12 Euros. In spite of the share price increase, the stock listed on NASDAQ is strongly underrated.

### In spite of full coffers, super cheap price

The war chest contains 21 million dollars. The financial statements are free of debt. The market value at approximately 50 million dollars is dirt-cheap. Latest when the Israelis report black numbers for the first time, the share price may go through the roof. It is possible that the price will even double. Due to the high amount of cash assets, the risk is manageable.

Upside price objective for Nova: 4.20 Euros. Stop: 1.70 Euro.