

ALVARION LTD  
Form 6-K  
July 29, 2009

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**UNITED STATES**  
**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 July 2009

Commission File Number: 0-30628

**ALVARION LTD.**

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(Translation of registrant's name into English)

21A Habarzel Street, Tel Aviv 69710, Israel

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(Address of principal executive office)

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 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 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-\_\_\_\_\_

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The following are included in this report on Form 6-K:

| <u>Exhibit</u> | <u>Description</u> | <u>Sequential<br/>Page Number</u> |
|----------------|--------------------|-----------------------------------|
|----------------|--------------------|-----------------------------------|

1.

Press release on **Alvarion® Reports Q2 2009**

**Results.**

Dated July 29<sup>th</sup>, 2009

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### 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.

ALVARION LTD.

Date: July 29<sup>th</sup>, 2009

By: /s/ Efrat Makov

Efrat Makov  
CFO

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### EXHIBIT 1

#### Contacts

Efrat Makov, CFO

+972-3-645-6252

+760-517-3187

[efrat.makov@alvarion.com](mailto:efrat.makov@alvarion.com)

Claudia Gatlin, Investor Relations

+212-830-9080

[claudia.gatlin@alvarion.com](mailto:claudia.gatlin@alvarion.com)

### FOR IMMEDIATE RELEASE

## Alvarion® Reports Q2 2009 Results

**Tel Aviv, July 29, 2009** Alvarion Ltd. (NASDAQ:ALVR), the world's leading provider of WiMAX and wireless broadband solutions, today announced financial results for the second quarter ended June, 30, 2009.

#### Strategic highlights include:

Several large deal wins not yet reflected in results

Expansion of the partnership with NSN

Progress in turnkey projects capabilities and deal wins

Expense reduction target achieved, further lowering breakeven level

#### Q2 Financial Highlights:

WiMAX shipments down 11% from Q2 2008 to \$39.2 million

WiMAX revenues up 18% from Q2 2008 to \$44.9 million

GAAP net loss of (\$0.06); non-GAAP net loss of (\$0.01)

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In the second quarter of 2009, total revenues were \$58.7 million, a decrease of 13% from \$67.9 million in the first quarter of 2009, and a decrease of 16% from \$69.7 million in the second quarter of 2008.

GAAP net loss in the second quarter of 2009 was (\$4.0) million, or (\$0.06) per share, including net charges of \$1.7 million mainly in connection with the organizational changes implemented in April 2009, compared to net loss of (\$852,000), or (\$0.01) per share in Q1 2009. GAAP net loss in the second quarter of 2008 was (\$812,000), or (\$0.01) per share.

Excluding the amortization of intangibles, stock based compensation expenses, and net charges in Q2 2009, on a non-GAAP basis, the company reported a net loss in the second quarter of 2009 of approximately (\$605,000), or (\$0.01) per diluted share, compared with non-GAAP net income of \$754,000, or \$0.01 per diluted share in the first quarter of 2009, and non-GAAP net income of approximately \$1.7 million, or \$0.03 per diluted share in Q2 2008.

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Cash used in operations was (\$2.2) million. As of June 30, 2009, cash, cash equivalents and investments were \$132 million. For supplemental information to facilitate evaluation of the impact of net charges and comparisons with historical results of operations, see the attached table showing the detailed reconciliation of GAAP to non-GAAP results for Q2 2009, and the comparative periods.

### **Comments from Management:**

We are encouraged by the improvement in order intake during the second quarter as well as by several major strategic customer wins which we expect to translate into hundreds of millions of dollars in future revenues, said Tzvika Friedman, President and CEO of Alvarion. We continued to reduce operating expenses and carefully manage our working capital in Q2, positioning the company for profit margin expansion when revenue growth resumes. We expect gradual improvement in profitability during the second half of 2009, accelerating next year.

Long-term growth drivers continue to support WiMAX demand. These include: low broadband penetration in many countries, continuing growth in demand for mobile computing in developed markets, improving operator business case due to declining cost and widespread availability and types of subscriber devices, and upcoming spectrum auctions in several key countries. We are pleased with the level of sales activity, and requests for proposals and new project opportunities are increasing, as governments around the world invest alongside private industry to encourage broadband availability and stimulate the economy. However, sales cycles remain quite long, and it is difficult to predict how rapidly these projects will move forward. After we win a deal, it takes time until we receive orders that are translated to shipments and, in turn, into revenues. Meanwhile, we believe that our industry position is very strong, and our determination to control costs and win more deals has never been stronger.

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### **Q3 2009 Guidance:**

The company's revenue guidance for Q3 2009 is from \$53 to \$63 million. Based on the indicated revenue range and, due to reduction in expenses, Q3 non-GAAP per share results are expected to range between a loss of (\$0.06) and profit of \$0.01. GAAP per share results are expected to range between a loss of (\$0.09) and (\$0.02).

Alvarion management will host a conference call today, July 29, at 9:00 a.m. Eastern time to discuss the quarter.

Please call the following dial in number to participate:  
**USA:** (800) 230-1093; **International:** +1-(612) 332-0107.

The public is invited to listen to the live webcast of the conference call.

For details please visit Alvarion's website at [www.alvarion.com](http://www.alvarion.com).  
An archive of the online broadcast will be available on the website.

A replay of the call will be available from 10:00 a.m. EDT on July 29, 2009 through 11:59 p.m. EDT on August 29, 2009.

To access the replay, please call:

**USA:** (USA) (800) 475-6701;

**International:** +1(320) 365-3844.

To access the replay, users will need to enter the following code: **106462**.

Alvarion has scheduled dates for the earnings announcements during 2009 and this schedule is available on the website at <http://www.alvarion.com/investors/earnings/>.

**About Alvarion**

Alvarion (NASDAQ: ALVR) is the largest WiMAX pure-player with the most extensive WiMAX customer base and over 250 commercial deployments around the globe. Committed to growing the WiMAX market, the company offers solutions for a wide range of frequency bands supporting a variety of business cases. Through its OPEN WiMAX strategy, superior IP and OFDMA know-how, and ability to deploy end-to-end turnkey WiMAX projects, Alvarion is shaping the new wireless broadband experience ([www.alvarion.com](http://www.alvarion.com)).

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*This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on the current expectations or beliefs of Alvarion's management and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: potential impact on our business of the current global recession, the failure of the market for WiMAX products to develop as anticipated; Alvarion's inability to capture market share in the expected growth of the WiMAX market as anticipated, due to, among other things, competitive reasons or failure to execute in our sales, services provisioning, marketing or manufacturing objectives; inability to further identify, develop and achieve success for new products, services and technologies; increased competition and its effect on pricing, spending, third-party relationships and revenues; as well as the inability to establish and maintain relationships with commerce, advertising, marketing, and technology providers, and other risks detailed from time to time in the Company's 20-F Annual Report Risk Factors section as well as in other filings with the Securities and Exchange Commission.*

*Information set forth in this press release pertaining to third parties has not been independently verified by Alvarion and is based solely on publicly available information or on information provided to Alvarion by such third parties for inclusion in this press release. The web sites appearing in this press release are not and will not be included or incorporated by reference in any filing made by Alvarion with the Securities and Exchange Commission, which this press release will be a part of.*

You may request Alvarion's future press releases or a complete Investor Kit by contacting **Kika Stayerman**, [kika.stayerman@alvarion.com](mailto:kika.stayerman@alvarion.com) or +972.3.767.4159.

*WiMAX Forum is a registered trademark of the WiMAX Forum. WiMAX, the WiMAX Forum logo, WiMAX Forum Certified and the WiMAX Forum Certified logo are trademarks of the WiMAX Forum.*

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**ALVARION LTD. & ITS SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
U.S. dollars in thousands (except per share data)**

| Six<br>Months Ended<br>June 30, | Six<br>Months Ended<br>June 30, | Three<br>Months Ended<br>June 30, | Three<br>Months Ended<br>June 30, | Three<br>Months Ended<br>March 31, |
|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------------|
| 2009                            | 2008                            | 2009                              | 2008                              | 2009                               |

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|  | Six<br>Months Ended<br>June 30, | Six<br>Months Ended<br>June 30, | Three<br>Months Ended<br>June 30, | Three<br>Months Ended<br>June 30, | Three<br>Months Ended<br>March 31, |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------------|
| <b>Sales</b>   | \$ 126,615                      | \$ 136,908                      | \$ 58,741                         | \$ 69,740                         | \$ 67,874                          |
| <b>Cost of sales</b>   | 69,327                          | 69,934                          | 32,089                            | 35,591                            | 37,238                             |
| <b>Gross profit</b>  | 57,288                          | 66,974                          | 26,652                            | 34,149                            | 30,636                             |
| <b>Operating expenses:</b>   |                                 |                                 |                                   |                                   |                                    |
| Research and development, net  | 27,419                          | 30,904                          | 12,779                            | 15,791                            | 14,640                             |
| Selling and marketing  | 26,341                          | 29,559                          | 12,970                            | 14,905                            | 13,371                             |
| General and administrative   | 7,746                           | 9,309                           | 3,723                             | 4,696                             | 4,023                              |
| Amortization of intangible assets  | 66                              | 1,266                           | 33                                | 633                               | 33                                 |
| Restructuring and other related expenses (*)                                   | 919                             |                                 | 919                               |                                   | -                                  |
| <b>Total Operating expenses</b>  | 62,491                          | 71,038                          | 30,424                            | 36,025                            | 32,067                             |
| <b>Operating loss</b>  | (5,203)                         | (4,064)                         | (3,772)                           | (1,876)                           | (1,431)                            |
| <b>Other loss</b>  | (749)                           | -                               | (749)                             | -                                 | -                                  |
| <b>Financial income, net</b>   | 1,097                           | 2,651                           | 518                               | 1,064                             | 579                                |
| <b>Net loss</b>  | (4,855)                         | (1,413)                         | (4,003)                           | (812)                             | (852)                              |
| <b>Basic net loss per share:</b>   | \$ (0.08)                       | \$ (0.02)                       | \$ (0.06)                         | \$ (0.01)                         | \$ (0.01)                          |
| Weighted average number of shares used in computing basic net loss per share   | 61,971                          | 63,099                          | 61,995                            | 63,140                            | 61,948                             |
| <b>Diluted net loss per share:</b>   | \$ (0.08)                       | \$ (0.02)                       | \$ (0.06)                         | \$ (0.01)                         | \$ (0.01)                          |
| Weighted average number of shares used in computing diluted net loss per share | 61,971                          | 63,099                          | 61,995                            | 63,140                            | 61,948                             |

(\*) Results of the organizational change implemented in April 2009.

**ALVARION LTD. & ITS SUBSIDIARIES**  
**RECONCILIATION BETWEEN GAAP TO NON-GAAP STATEMENT OF INCOME**  
U.S. dollars in thousands (except per share data)

|  | GAAP | Three<br>Months Ended<br>June 30,<br>2009 | Non-GAAP | Three<br>Months Ended<br>March 31,<br>2009 |
|--|------|---|----------|--|
|--|------|---|----------|--|

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|   |           | <u>Adjustments</u> |         | <u>Non-GAAP</u> |
|---|-----------|--------------------|---------|-----------------|
| <b>Sales</b>  | \$ 58,741 | \$ -               | 58,741  | \$ 67,874       |
| <b>Cost of sales</b>  | 32,089    | (143)(a)           | 31,946  | 37,111          |
| <b>Gross profit</b>   | 26,652    | 143                | 26,795  | 30,763          |
| <b>Operating expenses:</b>  |           |                    |         |                 |
| Research and development, net   | 12,779    | (545)(a)           | 12,234  | 14,135          |
| Selling and marketing   | 12,970    | (506)(a)           | 12,464  | 12,921          |
| General and administrative  | 3,723     | (503)(a)           | 3,220   | 3,532           |
| Amortization of intangible assets   | 33        | (33)(b)            | -       | -               |
| Restructuring and other related expenses  | 919       | (919)(c)           | -       | -               |
| <b>Total Operating expenses</b>   | 30,424    | (2,506)            | 27,918  | 30,588          |
| <b>Operating profit (loss)</b>  | (3,772)   | 2,649              | (1,123) | 175             |
| <b>Other loss</b>   | (749)     | 749(d)             | -       | -               |
| <b>Financial income, net</b>  | 518       | -                  | 518     | 579             |
| <b>Net income (loss)</b>  | (4,003)   | 3,398              | (605)   | 754             |
| <b>Basic net earnings (loss) per share</b>  | \$ (0.06) |                    | (0.01)  | \$ 0.01         |
| Weighted average number of shares used in computing basic net earnings (loss) per share   | 61,995    |                    | 61,995  | 61,948          |
| <b>Diluted net earnings (loss) per share</b>  | \$ (0.06) |                    | (0.01)  | \$ 0.01         |
| Weighted average number of shares used in computing diluted net earnings (loss) per share | 61,995    |                    | 61,995  | 62,468          |

(a) The effect of stock-based compensation. The Company adopted the provisions of Statement of Financial Accounting Standards No. 123(R), Share-Based Payment on January 1, 2006 using the modified-prospective transition method.

(b) The effect of amortization of intangible assets.

(c) Results of the organizational change implemented in April 2009.

(d) Other one-time charges, net.

## ALVARION LTD. &amp; ITS SUBSIDIARIES

## DISCLOSURE OF NON-US GAAP NET INCOME

**FOR COMPARATIVE PURPOSES NET INCOME AND EARNINGS PER SHARE FROM CONTINUING OPERATIONS  
EXCLUDING  
AMORTIZATION OF ACQUIRED INTANGIBLES, STOCK BASED COMPENSATION EXPENSES, RESTRUCTURING  
EXPENSES  
AND ONE TIME CHARGES**

U.S. dollars in thousands (except per share data)

|  | Six<br>Months Ended<br>June 30, | Six<br>Months Ended<br>June 30, | Three<br>Months Ended<br>June 30, | Three<br>Months Ended<br>June 30, | Three<br>Months Ended<br>March 31, |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------------|
|  | 2009                            | 2008                            | 2009                              | 2008                              | 2009                               |
| <b>Net (loss) according to US GAAP</b>   | \$ (4,855)                      | \$ (1,413)                      | \$ (4,003)                        | \$ (812)                          | \$ (852)                           |
| Amortization of acquired intangibles   | 66                              | 1,266                           | 33                                | 633                               | 33                                 |
| Stock based compensation expenses related to SFAS 123R   | 3,270                           | 3,880                           | 1,697                             | 1,867                             | 1,573                              |
| Restructuring and other related expenses (*)   | 919                             | -                               | 919                               | -                                 | -                                  |
| Other loss   | 749                             | -                               | 749                               | -                                 | -                                  |
| <b>Net Income (loss) excluding amortization of acquired<br/>intangibles, stock based compensation and<br/>restructuring expenses</b>                   | <b>\$ 149</b>                   | <b>\$ 3,733</b>                 | <b>\$ (605)</b>                   | <b>\$ 1,688</b>                   | <b>\$ 754</b>                      |
| <b>Basic net earnings (loss) per share excluding amortization<br/>of acquired intangibles, stock based compensation and<br/>restructuring expenses</b> | <b>\$ 0.00</b>                  | <b>\$ 0.06</b>                  | <b>\$ (0.01)</b>                  | <b>\$ 0.03</b>                    | <b>\$ 0.01</b>                     |
| Weighted average number of shares used in computing basic<br>net earnings (loss) per share   | 61,971                          | 63,099                          | 61,995                            | 63,140                            | 61,948                             |
| <b>Diluted net earnings per share excluding amortization<br/>of acquired intangibles, stock based compensation<br/>and restructuring expenses</b>      | <b>\$ 0.00</b>                  | <b>\$ 0.06</b>                  | <b>\$ (0.01)</b>                  | <b>\$ 0.03</b>                    | <b>\$ 0.01</b>                     |
| Weighted average number of shares used in computing<br>diluted net earnings (loss) per share   | 62,502                          | 64,549                          | 61,995                            | 64,565                            | 62,468                             |

(\*) Results of the organizational change implemented in April 2009.

**ALVARION LTD. & ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
U.S. dollars in thousands

|  | <u>June 30,</u><br><u>2009</u> | <u>March 31,</u><br><u>2009</u> |
|--|--------------------------------|---------------------------------|
| <b>ASSETS</b>  |                                |                                 |
| Cash, cash equivalents, short-term and long-term investments | \$ 131,579                     | \$ 135,534                      |
| Trade receivables  | 49,348                         | 53,558                          |
| Other accounts receivable                                    | 9,805                          | 7,720                           |
| Inventories  | 48,619                         | 53,228                          |
| Severance pay fund   | 12,847                         | 11,525                          |
| <b>INVESTMENT IN AFFILIATES</b>                              | -                              | 1,554                           |
| <b>PROPERTY AND EQUIPMENT, NET</b>                           | 17,686                         | 17,683                          |
| <b>GOODWILL AND OTHER INTANGIBLE ASSETS</b>                  | 57,306                         | 57,339                          |
|  | <hr/>                          | <hr/>                           |
| <b><u>TOTAL ASSETS</u></b>                                   | <b>\$ 327,190</b>              | <b>\$ 338,141</b>               |
|  | <hr/>                          | <hr/>                           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                  |                                |                                 |
| <b>CURRENT LIABILITIES</b>                                   |                                |                                 |
| Trade payables   | \$ 47,281                      | \$ 55,094                       |
| Other accounts payable and accrued expenses                  | 46,231                         | 52,931                          |
|  | <hr/>                          | <hr/>                           |
| <b><u>Total</u> current liabilities</b>                      | <b>93,512</b>                  | <b>108,025</b>                  |
| <b>ACCRUED SEVERANCE PAY</b>                                 | 17,534                         | 16,975                          |
|  | <hr/>                          | <hr/>                           |
| <b><u>TOTAL LIABILITIES</u></b>                              | <b>111,046</b>                 | <b>125,000</b>                  |
| <b>SHAREHOLDERS' EQUITY</b>                                  | 216,144                        | 213,141                         |
|  | <hr/>                          | <hr/>                           |
| <b><u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>     | <b>\$ 327,190</b>              | <b>\$ 338,141</b>               |
|  | <hr/>                          | <hr/>                           |

**ALVARION LTD. & ITS SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
U.S. dollars in thousands

**Three**  
**Months ended**



June 30, 2009

|  |                   |
|--|-------------------|
| <b>Cash flows from operating activities:</b>   |                   |
| Net loss   | \$ (4,003)        |
| Adjustments to reconcile net loss to net cash provided by operating activities:                    |                   |
| Depreciation   | 1,848             |
| Impairment of investment in affiliate  | 1,554             |
| Stock based compensation expenses related to SFAS 123R   | 1,697             |
| Amortization of intangibles assets   | 33                |
| Decrease in trade receivables  | 4,210             |
| Increase in other accounts receivable and prepaid expenses   | (1,628)           |
| Decrease in inventories  | 4,609             |
| Decrease in trade payables   | (7,813)           |
| Decrease in other accounts payables and accrued expenses   | (1,977)           |
| Accrued severance pay, net   | (763)             |
| <b>Net cash used in operating activities</b>   | <b>(2,233)</b>    |
| <b>Cash flows from investing activities:</b>   |                   |
| Purchase of fixed assets   | (1,851)           |
| <b>Net cash used in investing activities</b>   | <b>(1,851)</b>    |
| <b>Cash flows from financing activities:</b>   |                   |
| Proceeds from exercise of employees' stock options   | 129               |
| <b>Net cash provided by financing activities</b>   | <b>129</b>        |
| <b>Decrease in cash, cash equivalents, short-term and long-term investments</b>                    | <b>(3,955)</b>    |
| <b>Cash, cash equivalents, short-term and long-term investments at the beginning of the period</b> | <b>135,534</b>    |
| <b>Cash, cash equivalents, short-term and long-term investments at the end of the period</b>       | <b>\$ 131,579</b> |