

ALVARION LTD
Form 6-K
May 07, 2007

**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 May 2007

Commission File Number: 0-30628

ALVARION LTD.

(Translation of registrant's name into English)

21A Habarzel Street, Tel Aviv 69710, Israel

(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-_____

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

| <u>Exhibit Description</u> | <u>Sequential Page Number</u> |
|---|---------------------------------------|
| 1. Press release on Alvarion Reports First Quarter 2007 Results dated May 2 nd , 2007 | 4 |

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: May 2nd, 2007

By: /s/ Efrat Makov_____

Name: Efrat Makov

Title:

CFO

EXHIBIT 1

Contacts

| | |
|--|--|
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FOR IMMEDIATE RELEASE

Alvarion Reports First Quarter 2007 Results

TEL AVIV, Israel - May 2, 2007 - Alvarion Ltd. (NASDAQ: ALVR), the leading provider of WiMAX and wireless broadband solutions, today announced financial results for the first quarter ended March 31, 2007.

Highlights:

- Positive momentum continued with revenues of \$52.1 million;
 - 10 customers with over \$1 million in revenue each;
 - Non-GAAP EPS of \$0.02; GAAP loss per share of (\$0.01);
 - Gross margin of 51%;
- Shipped BreezeMAX 802.16e platform to over 20 customers;
 - Record BreezeMAX revenues of \$25 million;

In the first quarter of 2007, revenues increased to \$52.1 million, a 4% increase from \$50.3 million in the fourth quarter of 2006 and a 19% increase from \$43.6 million in the first quarter of 2006. BreezeMAX revenue in Q1 2007 was approximately \$25 million, 48% of total revenue, compared to about \$24 million in Q4.

GAAP net loss in the first quarter of 2007 was (\$623,000), or (\$0.01) per share, which included income from discontinued operations of \$436,000. Net loss from continuing operations was (\$1.1) million or (\$0.02) loss per share, compared to a loss from continuing operations of (\$282,000), or (\$0.00) per share in Q4. The increased loss was mainly a result of additional investment in WiMAX and the effects of currency fluctuations. Loss from continuing operations in the first quarter of 2006 was (\$574,000), or (\$0.01) per share.

Excluding discontinued operations, amortization of acquired intangibles and deferred stock compensation, on a non-GAAP basis, the company reported a net profit of \$1.3

million, or \$0.02 per diluted share, compared with a non-GAAP net profit of \$2.1 million, or \$0.03 per diluted share in the fourth quarter of 2006, and a non-GAAP net profit of \$1.5 million, or \$0.02 per diluted share in Q1 2006.

The company generated positive cash flow from operating activities of approximately \$4 million during Q1 2007. Cash reserves as of March 31, 2007 totaled approximately \$120 million, up from \$118.4 million in the previous quarter.

For supplemental information to facilitate evaluation of the impact of non-cash charges and comparisons with historical results of continuing and discontinued operations, see the attached table showing the detailed reconciliation of GAAP to non-GAAP results for Q1 2007 and the comparative quarters.

Comments from Management

“We are pleased by the momentum of Q1”, said Tzvika Friedman, President and CEO of Alvarion. “Strong BreezeMAX shipments of approximately \$33 million and a sequential revenue increase during a quarter that is typically affected by seasonal weakness, show the impact of the growth drivers we’ve been pointing to, as well as good execution by our team.

“The demand for WiMAX, particularly in emerging markets, is growing and at the end of Q1, we had more than 150 commercial deployments among satisfied customers generating revenue from WiMAX services. We also had about 220 active trials, many of them with operators interested in deploying mobile WiMAX. Our 4Motion solution is among the most advanced in the industry and we achieved several important technical milestones during Q1. These included initial interoperability with numerous devices using embedded chipsets from a variety of vendors in preparation for certification of 802.16e systems. We also demonstrated mobile TV over WiMAX at CTIA and, together with Intel, we conducted the first live demo of Matrix B MIMO using their new WiMAX chip for the Centrino platform.”

Q2 2007 Guidance

The company’s revenue guidance for Q2 2007 is \$53 to \$57 million. Based on this revenue range, non-GAAP per share results from continuing operations are expected to range between \$0.00 and \$0.03. GAAP per share results are expected to range between (\$0.00) and \$(0.03).

Alvarion’s management will host a conference call today, May 2, at 9:00 a.m. Eastern time to discuss the quarter. To participate in the call, please dial one of the following numbers approximately five minutes prior to the scheduled start time: USA: (612) 332-0637, International: +1 (612) 332-0637.

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. An archive of the on-line broadcast will be available on the website. A replay of the call will be available from 11:45 a.m. ET on May 2, 2007 through 11:59 p.m. ET on May 9, 2007. To access the replay, please call USA: (800) 475-6701, International: +1-(320) 365-3844. To access the replay, users will need to enter the following code: 869335.

About Alvarion

With more than 3 million units deployed in 150 countries, Alvarion (www.alvarion.com) is the world's leading provider of innovative wireless broadband network solutions enabling Personal Broadband to improve lifestyles and productivity with portable and mobile data, VoIP video and other services.

Alvarion is leading the market to Open WiMAX solutions with the most extensive deployments and proven product portfolio in the industry covering the full range of frequency bands with both fixed and mobile solutions. Alvarion's products enable the delivery of personal mobile broadband, business and residential broadband access, corporate VPNs, toll quality telephony, mobile base station feeding, hotspot coverage extension, community interconnection, public safety communications, and mobile voice and data.

As a wireless broadband pioneer, Alvarion has been driving and delivering innovations for over 10 years from core technology developments to creating and promoting industry standards. Leveraging its key roles in the IEEE and HiperMAN standards committees and experience in deploying OFDM-based systems, the Company's prominent work in the WiMAX Forum is focused on increasing the widespread adoption of standards-based products in the wireless broadband market and leading the entire industry to Open WiMAX solutions.

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: 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, 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.

You may request Alvarion's future press releases or a complete Investor Kit by contacting Esther Loewy, Investor Relations: esther.loewy@alvarion.com or +972.3.767.4476.

| | Three Months Ended March 31, 2007 | Three Months Ended March 31, 2006 | Three Months Ended December 31, 2006 | Three Months Ended December 31, 2006 |
|--|---|--|--|--|
| Sales | \$ 52,077 | \$ 43,623 | \$ 50,267 | \$ 181,594 |
| Cost of sales | 25,801 | 22,086 | 24,308 | 89,882 |
| Gross profit | 26,276 | 21,537 | 25,959 | 91,712 |
| Operating expenses: | | | | |
| Research and development, net | 11,774 | 8,761 | 10,868 | 38,807 |
| Selling and marketing | 12,64 | 40,273 | 12,589 | 44,929 |
| General and administrative | 3,913 | 3,076 | 3,412 | 13,680 |
| Amortization of intangible assets | 636 | 669 | 669 | 2,676 |
| Total Operating expenses | 28,967 | 22,779 | 27,538 | 100,092 |
| Operating loss | (2,691) | (1,242) | (1,579) | (8,380) |
| Financial income, net | 1,632 | 668 | 1,297 | 3,796 |
| Loss from continuing operations | (1,059) | (574) | (282) | (4,584) |
| Income (loss) from discontinued operations, net | 436 | (4,394) | (5,961) | (36,167) |
| Net loss | \$ (623) | \$ (4,968) | \$ (6,243) | \$ (40,751) |
| Basic and Diluted net earnings (loss) per share: | | | | |
| Continuing operations | \$ (0.02) | \$ (0.01) | \$ (0.00) | \$ (0.08) |
| Discontinued operations | \$ 0.01 | \$ (0.07) | \$ (0.10) | \$ (0.59) |
| Total | \$ (0.01) | \$ (0.08) | \$ (0.10) | \$ (0.67) |
| Weighted average number of shares used in computing basic and diluted net earnings (loss) per share | 61,767 | 60,192 | 61,266 | 60,841 |

(* Results of Cellular Mobile Unit that was sold in November 2006, are classified as discontinued operations and are not included in the results from continuing operations for 2007 and 2006.

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

| | Three Months Ended March 31, 2007 | | Three Months Ended December 31, 2007 | |
|---|--------------------------------------|-------------|---|-----------|
| | GAAP | Adjustments | Non-GAAP | Non-GAAP |
| Sales | \$ 52,077 | \$ - | \$ 52,077 | \$ 50,267 |
| Cost of sales | 25,801 | (134) (a) | 25,667 | 24,173 |
| Gross profit | 26,276 | 134 | 26,410 | 26,094 |
| Operating expenses: | | | | |
| Research and development, net | 11,774 | (393) (a) | 11,381 | 10,474 |
| Selling and marketing | 12,644 | (399) (a) | 12,245 | 12,199 |
| General and administrative | 3,913 | (827) (a) | 3,086 | 2,632 |
| Amortization of intangible assets | 636 | (636) (b) | - | - |
| Total operating expenses | 28,967 | (2,255) | 26,712 | 25,305 |
| Operating profit (loss) | (2,691) | 2,389 | (302) | 789 |
| Financial income, net | 1,632 | - | 1,632 | 1,297 |
| Income (loss) from continuing operations(a) | (1,059) | 2,389 | 1,330 | 2,086 |
| Income from discontinued operations, net | 436 | (436) | - | - |
| Net income (loss) | \$ (623) | \$ 1,953 | \$ 1,330 | \$ 2,086 |
| Basic net earnings (loss) per share: | | | | |
| Continuing operations | \$ (0.02) | | 0.02 | \$ 0.03 |
| Discontinued operations | \$ 0.01 | | | |
| Total | \$ (0.01) | | | |
| Weighted average number of shares used in computing basic net earnings (loss) per share | | | | |
| | 61,767 | | 61,767 | 61,266 |
| Diluted net earnings (loss) per share: | | | | |
| Continuing operations | \$ (0.02) | | \$ 0.02 | \$ 0.03 |
| Discontinued operations | \$ 0.01 | | | |
| Total | \$ (0.01) | | | |

| | |
|--|--------|
| Weighted average number of shares used in computing diluted net earnings (loss) per share | 61,767 |
|--|--------|