

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

G WILLI FOOD INTERNATIONAL LTD
Form 6-K
March 12, 2009

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 March 2009

G. WILLI-FOOD INTERNATIONAL LTD.
(Translation of registrant's name into English)

4 Nahal Harif St., Yavne, Israel 81106
(Address of principal executive offices)

Indicate by check mark whether 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 registrant 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-_____.

Attached hereto and incorporated by reference herein is a press release issued by G. Willi-Food International Ltd. ("Registrant") on March 12, 2009.

This report on Form 6-K shall be deemed to be incorporated by reference in the Registration Statements on Form F-3 (File No. 333-11848 and 333-138200) of the Registrant.

SIGNATURES

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

In accordance with 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.

G. WILLI-FOOD INTERNATIONAL LTD.

Dated: March 12, 2009

By: /s/ Ety Sabach

Ety Sabach
Chief Financial Officer

News

FOR IMMEDIATE RELEASE

G. WILLI-FOOD REPORTS NET LOSS OF NIS 7.5 MILLION FOR THE FOURTH QUARTER OF 2008 AND NET LOSS OF NIS 0.8 MILLION FOR FISCAL 2008

PRICE VOLATILITY OF GLOBAL FOOD COMMODITIES CONTINUES

YAVNE, ISRAEL - MARCH 12, 2009 - G. WILLI-FOOD INTERNATIONAL LTD. (NASDAQ: WILC) (the "COMPANY" or "WILLI FOOD"), one of Israel's largest food importers and a single-source supplier of one of the world's most extensive range of quality kosher food products, today announced its audited financial results for the fourth quarter and fiscal year ended December 31, 2008.

FOURTH QUARTER FISCAL 2008 SUMMARY

- o 34.8% increase in sales over fourth quarter of 2007
- o 7.4% gross profit in fourth quarter of 2008
- o Operating loss of NIS 6.7 million (US \$1.8 million) in fourth quarter 2008
- o Loss before taxes of NIS 10.5 million (US \$2.8 million) in fourth quarter of 2008
- o Loss after taxes of NIS 8.6 million (US \$2.3 million) in fourth quarter of 2008
- o Net loss related to Company Shareholders of NIS 7.5 million (US \$2.0 million) in fourth quarter of 2008

Sales for the fourth quarter of fiscal 2008 increased by 34.8% to NIS 84.6 million (US \$22.3 million) compared to sales of NIS 62.8 million (US \$16.5 million) in the fourth quarter of 2007. Willi-Food's organic growth in its home market of Israel was very slow in the fourth quarter, and most of the sales increase resulted from the recent consolidation of the revenues of the two subsidiaries - Shamir Salads and the Danish dairy distributor.

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

Gross profit for the fourth quarter of 2008 increased by 14.6% to NIS 6.3 million (US \$1.7 million) compared to gross profit of NIS 5.5 million (US \$1.4 million) in the fourth quarter of 2007. Fourth quarter gross margin was 7.4% compared to gross margin of 8.7% during the same period in 2007. As previously announced by the Company on December 29, 2008, during the fourth quarter of 2008, the global purchase prices of food products sharply decreased, resulting in the sharp decrease in the selling prices of the Company's products as well. Because the Company's commitments to purchase food products were based on higher prices from its vendors, the immediate consequence was a decline in the gross margin in the fourth quarter of 2008 and the Company expects a further decline until approximately mid 2009 when the Company will complete the sale of the inventory in the orders from vendors backlog acquired at the higher prices. The decrease of global purchase prices of food products compounded with the recent strengthening of the U.S. dollar versus the NIS (a depreciation of more than 11% of the value of the NIS in the fourth quarter of 2008) and the general effects of the global economic recession, led to a gross margin of 7.4% in the fourth quarter of 2008. The gross margin for the fourth quarter of 2007 was also impacted by an impairment charge in the amount of NIS 3.2 million (US \$0.8 million) for expired and unsaleable Laish inventory.

To the extent that global purchase prices of food products continue to decline, or the depreciation of the NIS versus the U.S. dollar will continue (the depreciation of the NIS versus the U.S. dollar from January 1, 2009 through March 10, 2009 was 12%), the Company's gross margins may be impacted beyond the second quarter of 2009 because the Company must continue to purchase inventory from foreign vendors in advance to take into account the time for manufacture and shipment of products.

Mr. Zwi Williger, President and COO of Willi-Food commented, "Fourth quarter results were affected by the sharp decrease in global purchase prices, the depreciation of the NIS versus the U.S. dollar, the continued environment of uncertainty in the global financial markets, and the recession that has begun in our home market. We believe that Willi-Food's results in 2009 will be affected by the economic situation and significant recession that has affected our customers and the global markets."

Willi-Food's operating loss for the fourth quarter of 2008 decreased by 25.9% to NIS 6.7 million (US \$1.8 million) compared to NIS 9.0 million (US \$2.4 million) reported in the comparable quarter of last year. Selling expenses as a percentage of revenues increased in the fourth quarter of 2008 to 9.4% compared to 8.5% in the fourth quarter of 2007. General and administrative expenses as a percentage of revenue decreased in the fourth quarter of 2008 to 4.7% from 10.5% in the fourth quarter of 2007. General and administrative expenses in the fourth quarter of 2007 included an unrecoverable accounts receivables adjustment in the amount of NIS 2.2 million (US \$0.6 million) at Laish. In addition, impairment of goodwill related to the Danish dairy distributor was NIS 1.1 million (US \$0.3 million) in the fourth quarter of 2008 compared to an impairment of goodwill related to Laish in the amount of NIS 3.1 million (US \$0.8 million) in the fourth quarter of 2007.

Willi-Food's loss before taxes for the fourth quarter of 2008 increased by 22.2% to NIS 10.5 million (US \$2.8 million) compared to loss before taxes of NIS 8.6 million (US \$2.3 million) recorded in the fourth quarter of 2007. Willi Food's net loss related to Company Shareholders in the fourth quarter of 2008 decreased by 5.1% to NIS 7.5 million (US \$2.0 million), or NIS 0.73 (US \$0.19) per share compared to a net loss related to Company Shareholders of NIS 7.9 million (US \$2.1 million), or NIS 0.77 (US \$0.20) per share, recorded in the fourth quarter of 2007.

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

FISCAL 2008 SUMMARY

- o 39.9% increase in sales over fiscal 2007
- o 33.2% increase in gross profit over fiscal 2007
- o 48.1% increase in operating income over fiscal 2007
- o 76.4% decrease in income before taxes on income over fiscal 2007
- o 94.2% decrease in income after taxes on income over fiscal 2007
- o Net loss related to Company Shareholders of NIS 0.8 million (US \$0.2 million) in fiscal 2008 compared with net income related to Company Shareholders of NIS 2.3 million (US \$0.6 million) in fiscal 2007

Willi-Food's sales for fiscal 2008 increased by 39.9% to NIS 349.2 million (US \$91.9 million) compared to sales of NIS 249.7 million (US \$65.7 million) in fiscal 2007. Gross profit for 2008 increased 33.2% to NIS 67.6 million (US \$17.8 million) compared to gross profit of NIS 50.7 million (US \$13.3 million) for the prior year. Gross margin in 2008 was 19.4% compared to gross margin of 20.3% in 2007.

Operating income in 2008 increased by 48.1% to NIS 7.4 million (US \$2.0 million) from NIS 5.0 million (US \$1.3 million) reported in 2007. Income before taxes in 2008 decreased by 76.4% to NIS 1.7 million (US \$0.5 million) compared to NIS 7.3 million (US \$1.9 million) recorded in 2007. Net loss related to Company Shareholders in 2008 was NIS 0.8 million (US \$0.2 million), or NIS 0.08 (US \$0.02) per share, compared to net income related to the Company Shareholders, of NIS 2.3 million (US \$0.6 million), or NIS 0.23 (US \$0.06) per share, recorded in 2007.

OUTLOOK

Mr. Williger commented, "Willi-Food is facing a global recession that we expect will harm our results in 2009 - both in terms of sales and net profit. In 2008, we faced challenges pertaining to food commodities that exceeded global inflation rates. Our top line growth was a reflection of the synergies we have created to channel the broad range of products coming from our own sourcing and that of our subsidiaries. We expect that growth to stop in 2009 due to the global economic situation and to increased unemployment both of which are affecting, and we expect will continue to affect, our customer base, both in the retail and in the wholesale markets, in Israel and abroad. "

Mr. Williger concluded, "In light of the anticipated continued recession and increasing unemployment rates, our foreseeable challenges ahead will be in managing our expenses, and in particular the cost of our products, to an acceptable degree in order to accommodate our consumers' anticipated desire to acquire lower cost products. We hope that in these difficult times we will be able to maintain our customer base both in the retail and in the wholesale markets."

ABOUT G. WILLI-FOOD INTERNATIONAL, LTD.

G. Willi-Food International Ltd. is one of Israel's largest food importers and a single-source supplier of one of the world's most extensive ranges of quality kosher food products. It currently imports, markets and distributes more than

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

2,500 food products manufactured by some 120 top-tier suppliers throughout the world to more than 1,500 customers. Willi-Food excels in identifying changing tastes in its markets and sourcing high-quality kosher products to address them. The Company also operates several subsidiaries: its subsidiary, Gold Frost Ltd., develops and distributes kosher chilled and frozen dairy food products internationally together with its Danish dairy distributor subsidiary; the joint venture with the Baron Family engages in the global import, export and distribution of kosher products worldwide; and Shamir Salads is a leading international manufacturer and distributor of pre-packaged chilled Mediterranean dips and spreads. For more information, please visit the Company's website at <http://www.willi-food.co.il>.

THIS PRESS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 RELATING TO FUTURE EVENTS OR OUR FUTURE PERFORMANCE, SUCH AS STATEMENTS REGARDING TRENDS, DEMAND FOR OUR PRODUCTS AND EXPECTED REVENUES, OPERATING RESULTS, AND EARNINGS. FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED IN THOSE FORWARD-LOOKING STATEMENTS. THESE RISKS AND OTHER FACTORS INCLUDE BUT ARE NOT LIMITED TO: CHANGES AFFECTING CURRENCY EXCHANGE RATES, INCLUDING THE NIS/U.S. DOLLAR EXCHANGE RATE, PAYMENT DEFAULT BY ANY OF OUR MAJOR CLIENTS, THE LOSS OF ONE OF MORE OF OUR KEY PERSONNEL, CHANGES IN LAWS AND REGULATIONS, INCLUDING THOSE RELATING TO THE FOOD DISTRIBUTION INDUSTRY, AND INABILITY TO MEET AND MAINTAIN REGULATORY QUALIFICATIONS AND APPROVALS FOR OUR PRODUCTS, TERMINATION OF ARRANGEMENTS WITH OUR SUPPLIERS, IN PARTICULAR ARLA FOODS, LOSS OF ONE OR MORE OF OUR PRINCIPAL CLIENTS, INCREASING LEVELS OF COMPETITION IN ISRAEL AND OTHER MARKETS IN WHICH WE DO BUSINESS, CHANGES IN ECONOMIC CONDITIONS IN ISRAEL, INCLUDING IN PARTICULAR ECONOMIC CONDITIONS IN THE COMPANY'S CORE MARKETS, OUR INABILITY TO ACCURATELY PREDICT CONSUMPTION OF OUR PRODUCTS AND RISKS ASSOCIATED WITH PRODUCT LIABILITY CLAIMS. WE CANNOT GUARANTEE FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS. THE MATTERS DISCUSSED IN THIS PRESS RELEASE ALSO INVOLVE RISKS AND UNCERTAINTIES SUMMARIZED UNDER THE HEADING "RISK FACTORS" IN THE COMPANY'S ANNUAL REPORT ON FORM 20-F FOR THE YEAR ENDED DECEMBER 31, 2007, FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE FACTORS ARE UPDATED FROM TIME TO TIME THROUGH THE FILING OF REPORTS AND REGISTRATION STATEMENTS WITH THE SECURITIES AND EXCHANGE COMMISSION. WE DO NOT ASSUME ANY OBLIGATION TO UPDATE THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE.

NOTE A: CONVENIENCE TRANSLATION TO DOLLARS

The convenience translation of New Israeli Shekels (NIS) into U.S. dollars was made at the rate of exchange prevailing on December 31, 2008, U.S. \$1.00 equals NIS 3.802. The translation was made solely for the convenience of the reader.

NOTE B: IFRS

The Company's consolidated financial results for the three-month and fiscal year ended December 31, 2008 are presented in accordance with International Financial Reporting Standards ("IFRS"). In prior years the Company prepared its financial reports in accordance with generally accepted accounting principles in Israel ("IL GAAP"). The Company recasted the comparative amounts included in this financial results to IFRS.

COMPANY CONTACT:

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

G. WILLI FOOD INTERNATIONAL LTD.
 Ety Sabach, CFO
 (+972) 8-932-1000
 ety@willi-food.co.il

G. WILLI-FOOD INTERNATIONAL LTD. CONDENSED CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,		
	2 0 0 8	2 0 0 7	2 0 0 8
	NIS		US DOLLAR
	(IN THOUSANDS)		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	78,749	61,649	20,711
Marketable securities	9,367	31,267	2,466
Trade receivables	79,599	63,798	20,933
Other receivables and prepaid expenses	6,443	2,520	1,691
Inventories	34,417	31,020	9,051
TOTAL CURRENT ASSETS	208,575	190,254	54,861
FIXED ASSETS			
Cost	54,920	44,569	14,441
Less: accumulated depreciation and amortization	12,813	8,355	3,371
	42,107	36,214	11,070
OTHER ASSETS, NET	22,660	12,984	5,951
	273,342	239,452	71,882
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term loans	17,561	5,978	4,611
Trade payables	53,728	34,330	14,131
Related parties	1,467	3,945	381
Other payables and accrued expenses	13,296	3,356	3,491
TOTAL CURRENT LIABILITIES	86,052	47,609	22,611
LONG TERM LIABILITIES			
Long term loan	267	-	71
Deffered tax	442	33	111
Accrued severance pay	994	163	261

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

TOTAL LONG TERM LIABILITIES	1,703	196	44
	-----	-----	-----
WARRANTS TO ISSUE SHARES	5	1,040	
	-----	-----	-----
SHAREHOLDERS' EQUITY			
Ordinary shares NIS 0.10 par value (authorized - 50,000,000 shares, issued and outstanding - 10,267,893 shares	1,113	1,113	29
Additional paid-in capital	59,056	59,056	15,53
Capital fund	247	-	6
Foreign currency translation reserve	369	(414)	9
Retained earnings	111,447	112,233	29,31
Minority Interest	13,350	18,619	3,51
	-----	-----	-----
	185,582	190,607	48,81
	=====	=====	=====
	273,342	239,452	71,89
	=====	=====	=====

(*) Convenience translation into US dollars

G. WILLI-FOOD INTERNATIONAL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31,		
	2 0 0 8	2 0 0 7	2 0 0 8
	-----	-----	-----
	NIS		US DOLLAR
	-----	-----	-----
	(IN THOUSANDS, EXCEPT FOR SHARE DATA)		
	-----	-----	-----
Sales	349,227	249,693	91,8
Cost of sales	281,651	198,961	74,0
	-----	-----	-----
GROSS PROFIT	67,576	50,732	17,7
	-----	-----	-----
Selling expenses	33,759	24,263	8,8
General and administrative expenses	23,127	18,869	6,0
Other (Income) Expense	2,195	(470)	5
Impairment of Goodwill	1,067	3,054	2
	-----	-----	-----
Total operating expenses	60,148	45,716	15,8
	-----	-----	-----
OPERATING INCOME	7,428	5,016	1,9
Financial income	(4,095)	2,304	(1,0
Financial expense	1,612	30	4
	-----	-----	-----
Income before taxes on income	1,721	7,290	4

Edgar Filing: G WILLI FOOD INTERNATIONAL LTD - Form 6-K

Taxes on income	1,454	2,649	3
	-----	-----	-----
INCOME AFTER TAXES ON INCOME	267	4,641	
	=====	=====	=====
RELATED TO:			
Company Shareholders'	(786)	2,339	(2
Minority interest	1,053	2,302	2
	-----	-----	-----
NET INCOME	267	4,641	
	=====	=====	=====
Earnings per share data:			
Earnings per share:			
Basic	(0.08)	0.23	(0.
	=====	=====	=====
Diluted	(0.08)	0.23	(0.
	=====	=====	=====
Shares used in computing basic and diluted earnings per ordinary share:	10,267,893	10,267,893	10,267,8
	=====	=====	=====

(*) Convenience translation into US dollars