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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2002

Carmel Container Systems Ltd.

(Translation of registrant's name into English)

2 Chalamish Street, Caesarea Industrial Park, Caesarea, Israel 38900

(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 whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

PROCESSED

MAY 23 2002

THOMSON  
FINANCIAL

*W. King*

The following is included in this Report on Form 6-K:

1. Notice sent to the Israeli Registrar of Companies dated May 8, 2002 in Hebrew with English translation.

# BALTER, GUTH, ALONI & CO.

בלטר, גוט, אלוני ושות'

Tel Aviv Jerusalem Tiberias Haifa

Law Offices

Tel Aviv, 8 May, 2002

MOSHE BALTER\*  
EHUD GUTH\*  
SHAUL ALONI  
DR. MEIR ROSENNE  
JACOB LIRAZ\*  
YOHANAN WEINER  
AVNER TZUR  
GILA ORGAL\*  
ZE'EV SLILAT  
AVI GZRA (CPA ISR.)  
GIORA MICHAELI  
LIGRA KLEYENK  
MARK J. FLORESHEIM\*  
ESTHER WINDER  
ISCA ROTENBERG  
YARL SALOMON  
SMADAR WEINREB  
HANAN DORON  
IZHACK HALEVY  
ARNON DAREL  
JONATHAN BARSAD\*  
ZIVA ZEPPE\*  
ZMIRA KWINT-IZRAEL  
OSNAT RAZIN  
ZION LEVI  
RAVED PAZ  
YIPAT NAFTALI  
OREN NATIV  
LIMOR SOBOL  
SHARON AVNI  
ORIT WEINER  
DAVID ABADI  
EHUD ROCKACH  
ELADY GORTLER COHN\*  
GARY SPICER\*\*  
MIRAV NIV  
MOTTI KRAOVS  
SHARON MONTIFICORI  
DAVID BOTESAZAN  
LILACH REINICK  
TALI INBAR  
MICHAL BAR-SHALOM  
YOCHAI BATSKA  
MERI AZULAI  
HILA NUDLER-DONADI  
ZOHAR SCHOLISKY  
NAGHAM ABU-KHEIT  
SHAVIT YARDEN  
AMIT COHEN  
RAMI NASSER  
ROJE FREGOMAN  
YOAV RAVINA  
SHLOMO SHTUNER  
ANR ZIMAN  
AMITAI SHAPIRA  
RONI BEN-YITZHAK  
EYAL BAR-ELIEZER  
SHIREL GUTMAN-ANGRA  
URJ DADO  
EREZ COHEN  
YOSSI LUZON  
ADHAM SAFADII  
EINAT KOPPEL-BLECHER  
MERAV SHLOMO  
HILA TROSH  
BADER ROCK  
HILA TZUR  
\*NOTARY  
ALSO ADMITTED:  
\*N.Y.  
\*ONTARIO, CANADA  
\*AUSTRALIA

*Via Facsimile*

Registrar of Companies  
P.O. Box 767  
Jerusalem 91007

Fax No.: 02-6222847

RE: CARMEL CONTAINER SYSTEMS LTD.  
PUB. CO. No.: 52-003573-4  
IMMEDIATE REPORT

Gentlemen/Ladies:

Carmel Container Systems Ltd. (hereinafter, the "Company") hereby gives notice that on May 6, 2002 the Board of Directors of the Company approved the Company's financial statements for March 31, 2002.

Attached hereto are copies of the Company's financial statements.

Sincerely yours,  
BALTER, GUTH, ALONI & CO.

By:   
Yossi Luzon, Adv.

c.c.: Carmel Container Systems Ltd.  
Fax No.: 04-623-9370

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2 KAUFMAN STREET • TEXTILE CENTER • TEL AVIV 68012 • ISRAEL  
TEL: +972-3-511-1111 • FAX: +972-3-510-2678 • E-MAIL: bgalaw@bgalaw.co.il

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**בלטר, גוט, אלוני ושות' משרד עורכי דין**  
**BALTER, GUTH, ALONI & CO. LAW OFFICES**

תל אביב, בית הטקסטיל, רחוב קויפמן 2, 68012, טל' 03-5111111  
 ת.ד. 50207 תל אביב 61501, פקסימילה: 03-5102166  
 דואר אלקטרוני: E-MAIL: BGALAW@BGALAW.CO.IL

ירושלים, רחוב חלל 23, קומה 5, 94581, טל' 02-6233250  
 ת.ד. 2430 ירושלים 91023, פקסימילה: 02-6233248  
 דואר אלקטרוני: E-MAIL: EGUTH@BGALAW.CO.IL

חיפה, חלונות הסיטי - בניין אורן, רחוב פל-ים 2, 33095  
 טל' 04-8667733 04-8673058, פקסימילה:  
 דואר אלקטרוני: E-MAIL: BGALAW@BGALAW.CO.IL

טבריה, רחוב הקישור, 14201, טל' 04-6722815  
 ת.ד. 1685 טבריה 14116, פקסימילה: 04-6723183  
 דואר אלקטרוני: E-MAIL: ATZUR@BGALAW.CO.IL

אתר אינטרנט: [HTTP://WWW.BGALAW.CO.IL](http://www.BGALAW.CO.IL)

לכבוד  
 רשם החברות  
 רח' יפו 97, בנין כלל  
 ת.ד. 767  
 ירושלים 91007  
 פקס: 02-6222847

ג.א.ג.

חנדון: כרמל מערכות מיכלים בע"מ  
 ח.צ. 4-003573-52

כרמל מערכות מיכלים בע"מ (להלן "החברה"), מודיעה בזה כי חבר המנהלים של החברה  
 אישר ביום 6 במאי 2002 את הדוחות הכספיים של החברה ליום 31 במרץ 2002.

מצ"ב העתק מן הדוחות הכספיים של החברה.

בכבוד רב

בלטר, גוט, אלוני ושות' עורכי דין

יוסי לוזון, עו"ד

- \* בשה בלטר
- \* אהוד גוט
- שאול אלוני
- ד"ר מאיר דרון
- מעקב לרוי \*\*\*\*
- יוחנן וינר
- אבנר עזר
- נילח אורגל \*\*\*\*
- זאב סלילת
- אביגרא (רו"ח)
- ניורא מיכאלי
- \* מרק כלוורסחיים
- אסתר וינדר
- יסכח דטנברג
- סאיר סלומון
- סבדר וינרב
- חנן דורון
- ינחק חלוי
- ארגון דראל
- יחונתן בר-עדה
- זיח ניפון \*\*\*\*
- ופירח קוינט
- אסנת רזין
- ציון לוי
- רבה כז
- ינעת נמחלי
- אורן נתיב
- ליסור סובול
- שרון אבני
- אורית וינר
- דוד עבדי
- אתוד רוקח
- איליין גורטל-כהן \*\*
- נרי ספייסר \*\*\*
- סרבוב
- נוטי קראוס
- שרון מונטיפיורי
- דוד בוטסון
- לידך רוניק
- טלי ענבר
- מיכל בר שלום
- יוחאי בטשא
- מירא אזולאי
- חילת נדיר-דובני
- זהר סוחוליצקי
- נרם אבו-חייט
- שביט ירון
- עמית כהן
- אסף שימשי
- דאמי נאסר
- יואב רבנא
- שלמה שטיינר
- אמיר ויסן
- אסתי שפירא
- רוני בן ינחק
- איל בר אליעזר
- שיראל גוטמף-עמיר
- אורי דו
- ארו כהן
- יוסי לוזון
- אדחס ספרי
- עונת בלייכר
- מירב שלמה
- חילת תירוש
- בדר רוק
- חילת צור

- \* חבר לשכת עורכי הדין
- \*\* בנין חדר
- \*\* חבר לשכת עורכי הדין
- באגסרד (קנדה)
- חבר לשכת עורכי הדין
- \*\*\*\* מדיסונה, אוסטרליה
- נוטריון



**CARMEL CONTAINER SYSTEMS LTD.**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2002**

**ADJUSTED TO THE NIS OF MARCH 2002**

**UNAUDITED**

**CARMEL CONTAINER SYSTEMS LTD.**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2002**

**ADJUSTED TO THE NIS OF MARCH 2002**

**UNAUDITED**

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• Kost Forer & Gabbay  
3 Aminadav St.  
Tel-Aviv 67067, Israel

• Phone: 972-3-6232525  
Fax: 972-3-5622555

The Board of Directors  
Carmel Container Systems Ltd.

Re: Review report of unaudited interim consolidated financial statements  
as of and for the three months ended March 31, 2002

At your request, we have reviewed the accompanying interim consolidated balance sheet of Carmel Container Systems Ltd. as of March 31, 2002, and the related interim consolidated statements of operations, changes in equity and cash flows for the three months then ended.

We did not review interim financial statements of certain subsidiaries, whose assets included in consolidation, constitute approximately 22% and 21% of total consolidated assets as of March 31, 2002 and 2001, and whose revenues included in consolidation, constitute approximately 23% and 29% of total consolidated revenues for the period ended March 31, 2002 and 2001, respectively.

Our review was made in accordance with the procedures prescribed by the Institute of Certified Public Accountants in Israel, and included, inter-alia, reading the aforementioned interim consolidated financial statements, reading the minutes of meetings of the shareholders and the board of directors and its committees, and making inquiries of certain officers responsible for financial and accounting matters.

The foregoing procedures do not constitute an examination made in accordance with generally accepted auditing standards in Israel, and are limited in scope. Therefore, we do not express an opinion on the interim consolidated financial statements.

In the course of our review, based on our review and the review reports of the other auditors, nothing came to our attention that would indicate that material changes to the interim consolidated financial statements are required in order that they may be considered prepared in accordance with generally accepted accounting principles in Israel and in accordance with the Israeli Securities Regulations (Periodic and Immediate Statements), 1970.

Tel-Aviv, Israel  
May 6, 2002

*Kost Forer and Gabbay*  
KOST FORER & GABBAY  
A Member of Ernst & Young International

CARMEL CONTAINER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEETS

Adjusted to the NIS of March 2002

	December 31, 2001 Audited	March 31,		Convenience translation (Note 4)
		2001 Unaudited	2002 Unaudited	March 31, 2002 Unaudited
	Adjusted NIS			U.S. dollars
	(In thousands)			
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	470	743	1,175	252
Trade receivables	106,251	134,800	117,586	25,190
Other accounts receivable and prepaid expenses	5,556	5,750	5,320	1,140
Inventories	52,850	51,944	47,034	10,076
	<u>165,127</u>	<u>193,237</u>	<u>171,115</u>	<u>36,658</u>
SEVERANCE PAY FUND, NET	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
PROPERTY AND EQUIPMENT, NET	<u>144,650</u>	<u>157,160</u>	<u>138,680</u>	<u>29,708</u>
	<u>309,790</u>	<u>350,397</u>	<u>309,795</u>	<u>66,366</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CARMEL CONTAINER SYSTEMS LTD.  
CONSOLIDATED BALANCE SHEETS**

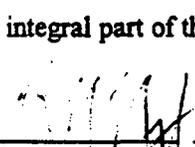
Adjusted to the NIS of March 2002

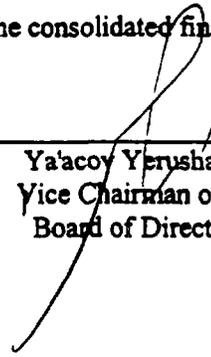
	December 31,		March 31,		Convenience translation (Note 4)
	2001	2001	2002	March 31, 2002	
	Audited	Unaudited		Unaudited	
	Adjusted NIS			U.S. dollars	
	(In thousands)				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Short-term credit from banks and others	11,550	*) 35,683	20,078		4,301
Current maturities of long-term loans and capital lease obligations	24,181	*) 20,082	25,453		5,453
Trade payables	56,042	50,206	55,322		11,851
Other accounts payable and accrued expenses	14,366	19,057	15,193		3,255
	<u>106,139</u>	<u>125,028</u>	<u>116,046</u>		<u>24,860</u>
<b>LONG-TERM LIABILITIES:</b>					
Long-term loans from banks	47,596	49,880	40,332		8,640
Capital lease obligations	11,143	12,528	10,089		2,161
Accrued severance pay, net	-	286	171		37
Deferred income taxes, net	13,718	20,393	13,068		2,799
	<u>72,457</u>	<u>83,087</u>	<u>63,660</u>		<u>13,637</u>
<b>MINORITY INTEREST IN A SUBSIDIARY</b>	<u>11,691</u>	<u>12,040</u>	<u>11,555</u>		<u>2,475</u>
<b>SHAREHOLDERS' EQUITY:</b>					
Share capital	23,232	23,232	23,232		4,977
Additional paid-in capital	44,485	44,485	44,485		9,530
Retained earnings	55,956	66,695	54,987		11,780
	<u>123,673</u>	<u>134,412</u>	<u>122,704</u>		<u>26,287</u>
Less - shares held by a subsidiary	4,170	4,170	4,170		893
	<u>119,503</u>	<u>130,242</u>	<u>118,534</u>		<u>25,394</u>
	<u>309,790</u>	<u>350,397</u>	<u>309,795</u>		<u>66,366</u>

\*) Reclassified.

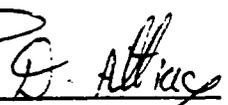
The accompanying notes are an integral part of the consolidated financial statements.

May 6, 2002  
Date of approval of the  
financial statements

  
Robert Kraft  
Chairman of the  
Board of Directors

  
Ya'acov Yerushalmi  
Vice Chairman of the  
Board of Directors

  
Doron Kempner  
General Manager

  
Daniel Attias  
Financial Officer

CARMEL CONTAINER SYSTEMS LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

Adjusted to the NIS of March 2002

	Year ended December 31, 2001 Audited	Three months ended March 31,		Convenience translation (Note 4)
		2001 Unaudited	2002 Unaudited	Three months ended March 31, 2002 Unaudited
	Adjusted NIS			U.S. dollars
(In thousands except per share amounts)				
Revenues from sales, net	342,876	101,858	87,323	18,707
Cost of revenues	309,862	85,551	77,902	16,689
Gross profit	33,014	16,307	9,421	2,018
Selling and marketing expenses	17,703	4,638	4,577	981
General and administrative expenses	19,061	5,252	4,506	965
	36,764	9,890	9,083	1,946
Operating income (loss)	(3,750)	6,417	338	72
Financial expenses, net	(10,643)	(3,185)	(2,090)	(447)
	(14,393)	3,232	(1,752)	(375)
Other income, net	149	113	11	2
Income (loss) before taxes on income	(14,244)	3,345	(1,741)	(373)
Taxes on income (tax benefit)	(5,453)	1,050	(636)	(136)
Income (loss) after taxes on income	(8,791)	2,295	(1,105)	(237)
Minority interest in losses (earnings) of a subsidiary, net	227	(120)	136	29
Net income (loss)	(8,564)	2,175	(969)	(208)
Basic net income (loss) per NIS 1 par value of shares (in adjusted NIS)	(3.57)	0.91	(0.40)	(0.09)
Weighted average number of shares outstanding during the period (in thousands)	2,400	2,400	2,400	2,400

The accompanying notes are an integral part of the consolidated financial statements.

CARMEL CONTAINER SYSTEMS LTD.

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

Adjusted to the NIS of March 2002

Audited

	Year ended December 31, 2001				
	Share capital	Additional paid-in capital	Retained earnings	Less - shares held by subsidiary	Total shareholders' equity
	Adjusted NIS (In thousands)				
Balance at the beginning of the year	23,232	44,485	64,520	(4,170)	128,067
Net loss	-	-	(8,564)	-	(8,564)
Balance at the end of the year	<u>23,232</u>	<u>44,485</u>	<u>55,956</u>	<u>(4,170)</u>	<u>119,503</u>

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Adjusted to the NIS of March 2002

Unaudited

	Three months ended March 31, 2001				Three months ended March 31, 2002					
	Share capital	Additional paid-in capital	Retained earnings	Less - shares held by subsidiary	Total shareholders' equity	Share capital	Additional paid-in capital	Retained earnings	Less - shares held by subsidiary	Total shareholders' equity
Balance at the beginning of the period	23,232	44,485	64,520	(4,170)	128,067	23,232	44,485	55,956	(4,170)	119,503
Net income (loss) for the period	-	-	2,175	-	2,175	-	-	(969)	-	(969)
Balance at the end of the period	23,232	44,485	66,695	(4,170)	130,242	23,232	44,485	54,987	(4,170)	118,534

(In thousands)

	Three months ended March 31, 2002				
	Share capital	Additional paid-in capital	Retained earnings	Less - shares held by subsidiary	Total shareholders' equity
Balance at the beginning of the period	4,977	9,530	11,988	(893)	25,602
Loss for the period	-	-	(208)	-	(208)
Balance at the end of the period	4,977	9,530	11,780	(893)	25,394

(In thousands)

Convenience translation into U.S. \$ (Note 4)

The accompanying notes are an integral part of the consolidated financial statements.

## CARMEL CONTAINER SYSTEMS LTD.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Adjusted to the NIS of March 2002

	Year ended December 31, 2001 <u>Audited</u>	Three months ended March 31,		Convenience translation (Note 4)
		2001 <u>Unaudited</u>	2002 <u>Unaudited</u>	Three months ended March 31, 2002 <u>Unaudited</u>
	Adjusted NIS			U.S. dollars
	(In thousands)			
<u>Cash flows from operating activities:</u>				
Net income (loss)	(8,564)	2,175	(969)	(208)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Minority interest in earnings (losses) of subsidiary	(227)	120	(136)	(29)
Depreciation	26,239	6,812	6,134	1,314
Deferred income taxes, net	(5,453)	1,020	(638)	(137)
Accrued severance pay, net	(396)	(98)	184	39
Capital gain on sale of property and equipment, net	(149)	(113)	(11)	(2)
Erosion of long-term loans and capital lease obligations	(131)	453	(1,324)	(284)
Decrease (increase) in trade receivables	16,273	(12,259)	(11,335)	(2,428)
Decrease in other accounts receivable and prepaid expenses	681	562	221	48
Decrease in inventories	10,570	11,484	5,816	1,246
Decrease in trade payables	(1,471)	(7,318)	(720)	(154)
Increase (decrease) in other accounts payable and accrued expenses	(3,421)	1,389	830	178
Net cash provided by (used in) operating activities	<u>33,951</u>	<u>4,227</u>	<u>(1,948)</u>	<u>(417)</u>

The accompanying notes are an integral part of the consolidated financial statements.

CARMEL CONTAINER SYSTEMS LTD.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Adjusted to the NIS of March 2002

	Year ended December 31, 2001 Audited	Three months ended March 31,		Convenience translation (Note 4)
		2001 Unaudited	2002 Unaudited	Three months ended March 31, 2002 Unaudited
	Adjusted NIS			U.S. dollars
	(In thousands)			
<u>Cash flows from investing activities:</u>				
Purchase of property and equipment	(10,370)	(3,061)	(377)	(81)
Proceeds from sale of property and equipment	649	247	224	48
Net cash used in investing activities	(9,721)	(2,814)	(153)	(33)
<u>Cash flows from financing activities:</u>				
Proceeds from long-term loans	15,347	-	-	-
Principal payments of long-term loans and capital lease obligations	(19,606)	(4,779)	(5,722)	(1,226)
Principal payments of loans from a related party	(1,836)	(1,836)	-	-
Short-term credit from bank and others, net	(18,159)	5,451	8,528	1,827
Net cash provided by (used in) financing activities	(24,254)	(1,164)	2,806	601
Increase (decrease) in cash and cash equivalents	(24)	249	705	151
Cash and cash equivalents at the beginning of the period	494	494	470	101
Cash and cash equivalents at the end of the period	470	743	1,175	252

The accompanying notes are an integral part of the consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1: GENERAL**

These financial statements have been prepared as of March 31, 2002 and for the three months then ended.

These financial statements are to be read in conjunction with the audited annual financial statements of the Company as of December 31, 2001, and their accompanying notes.

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES**

- a. The significant accounting policies applied in the audited annual financial statements of the Company as of December 31, 2001, are applied consistently in these financial statements.
- b. Certain amounts in the financial statements of the first quarter of 2001 have been reclassified to conform to the current year's presentation. The reclassification had no effect on previously reported net loss, shareholder's equity or cash flows.

**NOTE 3:- FINANCIAL STATEMENTS IN ADJUSTED NIS**

The financial statements are prepared on the basis of the historical cost adjusted to the changes in the general purchasing power of the New Israeli Shekel (NIS).

Comparative figures in these statements were adjusted to the NIS of March 2002.

In the reported period, the Israeli Consumer Price Index increased by 2.4% (corresponding period in the previous year - decreased by 0.5%).

**NOTE 4:- CONVENIENCE TRANSLATION INTO U.S. DOLLARS**

The adjusted financial statements at March 31, 2002 and for the three months then ended, have been translated into U.S. dollars using the representative exchange rate as of such date (\$ 1 = NIS 4.668). The translation was made solely for the convenience of the reader. The amounts presented in these financial statements should not be construed to represent amounts receivable or payable in dollars, or convertible into dollars, unless otherwise indicated in these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**NOTE 5:- CONTINGENT LIABILITIES**

In October 2001, the Investment Center notified C.D. Packaging Systems Ltd. ("C.D."), a subsidiary, that since C.D. is not complying with the conditions stated in the letter of approval from 1992, that it is likely to cancel it.

C.D. is currently discussing with the Investment Center the issue of modifying the conditions stated in the letter of approval and extending the period for carrying out the plan.

The amortized cost of the grants in respect to the aforesaid plan, is approximately adjusted NIS 3 million (originally about adjusted NIS 7 million) which are netted from the "Property and Equipment" item.

C.D.'s management assumes that should it arrive to an arrangement with the Investment Center such arrangement will not significantly effect C.D.'s financial position. Accordingly, C.D. did not record a provision in its books in respect to this matter.

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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.

Carmel Container Systems Ltd.

Date: May 15, 2002

By Doron Kempler  
Doron Kempler  
General Manager