FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

Filing Date: **2001-02-02** | Period of Report: **2000-06-30**
SEC Accession No. 0001052812-01-000008

(HTML Version on secdatabase.com)

FILER

CEVA INTERNATIONAL INC

CIK:**1095718**| IRS No.: **841423807**
Type: **10QSB/A** | Act: **34** | File No.: **000-30508** | Film No.: **1522288**
SIC: **2911** Petroleum refining

Mailing Address
75-77 N BRIDGE ST
SOMERVILLE NJ 08876

Business Address
75-77 N BRIDGE ST
SOMERVILLE NJ 08876
9084290030

FORM 10-QSB/A1

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended June 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT O SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from _______ to _______

Commission file number 1-15575

CEVA INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada 22-3113236
(State or other Jurisdiction of (IRS Employer
Incorporation or Organization) Identification No.)

75-77 North Bridge Road, Somerville, New Jersey 08876
(Address of Principal Executive Office) (Zip Code)

(908) 429-0030
(Registrant's telephone number including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes__x__ No _____

The number of shares of Registrant's Common Stock, $0.001 par value, outstanding as of June 30, 2000, was 10,959,415 shares.

CEVA INTERNATIONAL, INC. AND SUBSIDIARIES

INDEX

PART I - Item 1

CEVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

<TABLE>
<CAPTION>

	June 30, 2000
ASSETS	
Current Assets	
<S>	<C>
Cash	$ 601,364
Accounts receivable, net of allowance for doubtful accounts of $314,000	929,157
Inventories	0
Prepaid expenses	12,908

Total Current Assets	1,543,429
Property, plant and equipment, net of accumulated depreciation.......................................	2,522,415
Intangible assets, net of accumulated amortization......	17,195
Deferred charges, net of accumulated amortization.......	162,500
Goodwill, net of accumulated amortization..............	303,833

TOTAL ASSETS	4,549,372
	========
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Accounts payable and accrued expenses	1,304,752
Notes/Loans payable	324,059
Loans payable to stockholders	200,000
Current maturities of capital leases	2,924,563
Deferred credit	76,439

Total Current Liabilities	4,829,813
Redeemable preferred stock - Series A	850,000
Capital leasess, less current portion	387,000

TOTAL LIABILITIES	6,066,813
STOCKHOLDERS' EQUITY	
Preferred Stock, non-voting, $0.001 par value, 25,000,000 shares authorized; Series A - redeemable, non-dividend, $50,000 stated value per share, 100 shares authorized, 17 shares issued and outstanding ($850,000 redeemable preference in either cash or convertible into common shares) ..	
Common Stock, voting, $0.001 par value, 100,000,000 shares authorized, 10,959,415 shares are issued and outstanding............	10,959
Additional paid-in capital	2,677,674
Accumulated deficit....................................	(4,216,813)
Accumulated other comprehensive income - foreign Currency translation adjustment	10,739

TOTAL STOCKHOLDERS' EQUITY (IMPAIRMENT)..........	(1,517,441)
TOTAL LIABILITIES AND EQUITY	$ 4,549,372
	==========

</TABLE>

See notes to consolidated financial statements

CEVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
<S>	<C>	<C>	<C>	<C>
Total Revenues............................	$ 250,067	$ 601,676	$ 434,817	$ 1,203,351
Cost of Goods Sold	392,978	300,838	616,570	601,676
Gross Profit	(142,911)	300,838	(181,753)	601,675
Operating expenses	128,636	234,537	360,799	469,074
Operating income (loss)	(271,547)	66,301	(542,552)	132,601
Other income (expense)				
Interest expense, net.................	(107,444)	(31,221)	(222,270)	(62,443)
Income pursuant to Joint Venture......	620,000	-	620,000	-
Total Other Income (Expense)	512,556	(31,221)	397,730	(62,443)
Income (loss) before provision for income taxes......................	$ 241,009	35,080	(144,822)	70,158
Provision for income taxes................	-	-	-	-
Net income (loss)	$ 241,009	$ 35,080	$ (144,822)	$ 70,158
Earnings (loss) per Common Share	$ 0.02	$ 0.01	$ (0.01)	$ 0.01
Weighted Average Number of Common Shares Outstanding	10,329,415	5,494,296	10,129,861	5,494,296

</TABLE>

See notes to consolidated financial statements

CEVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Six Months Ended June 30,

	2000	1999
Net Cash Provided (Used) by Operating Activities	$ 505,564	$ 239,619
Net Cash Provided (Used) by Investing Activities	(16,216)	(190,050)
Net Cash Provided (Used) by Financing Activities	26,451	280,871
Net Increase (Decrease) in Cash	515,799	330,440
Cash at Beginning of Period	85,565	72,621
Cash at End of Period	$ 601,364	$ 403,061

See notes to consolidated financial statements

CEVA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2000

BACKGROUND

CEVA International, Inc. (the "Company") was founded as a New Jersey corporation in 1991 for the purpose of engaging in the environmental services business in Central and Eastern Europe ("CEE"). Since its inception, the Company's founder, Herbert G. Case, Jr., its current President and Chief Executive Officer, has spent most of his time living and working in CEE, residing in Budapest, Hungary. During this period through the date hereof, Mr. Case has devoted his full time to establishing the business operations of the Company. In 1998, the Company was reincorporated in the State of Delaware.

On March 29, 1999, the Company and Oro Bueno, Inc., a Nevada corporation, entered into an Agreement and Plan of Merger, pursuant to which the shareholders of the Company were offered the opportunity to exchange their Company common shares for common shares of Oro Bueno, Inc. On May 10, 1999, the Company merged with Oro Bueno, Inc., as a result of which the shareholders of the Company exchanged their holdings for approximately 77% of the common shares of Oro Bueno, Inc. with the remaining balance of such shares, or approximately 23%, being retained by the shareholders of Oro Bueno, Inc. As part of that merger, Oro Bueno, Inc. changed its name to CEVA International, Inc. and the Delaware corporation was dissolved. Currently, therefore, the Company is incorporated under the laws of the State of Nevada. The transaction is considered a re-capitalization of the Company for accounting purposes and all financial information regarding operations is that of the Company.

The principal offices of the Company are located at 75-77 North Bridge Street, Somerville, New Jersey 08876. Whenever we refer to "Company" or use the terms "we", "us" or "our" in this report, we are referring to CEVA International, Inc.

CORPORATE STRUCTURE

Our Company is currently composed of CEVA International, Inc., a Nevada corporation with its principal offices located in New Jersey, a Czech affiliate (CevaTech) and a Hungarian subsidiary (CEVA Hungary Ltd.). Our Hungarian subsidiary was previously 50% owned by Hungarian partners although our Company was and remains the managing shareholder. During the second quarter 2000, two of our Hungarian partners who owned an equity interest in our Hungarian subsidiary, exchanged their 35% equity ownership interest in the Hungarian subsidiary for 700,000 common shares in our Company. We expect the remaining Hungarian partner who currently holds 15% to also convey his ownership interests in exchange for our Company common shares which shall result in the reorganization of this operation as a wholly owned subsidiary.

Our Czech affiliate is owned 60% by Herbert G. Case, Jr., the Company's President and Chief Executive Officer and 40% by local Czech partners. We have control and management authority. There were no material operations during 2000 or prior years.

BUSINESS

We are engaged in the business of providing technology and services to public and private clients in Central and Eastern Europe in the alternative energy and environmental reclamation industries.

ALTERNATIVE FUEL BUSINESS

We recover the energy-content of certain wastes by processing high concentrations of hydrocarbons contained in petroleum wastes into Alternative Fuel ("AF"). Our AF business is applicable to the wastes generated by heavy industries such as the petroleum refining (by-products filter cake, oily filter media, separator waste, sludges, acid tar, slop and waste oil, tank rail bottoms), steel (coal tar bottoms), chemical (solvents, chemical tars) mining (coal tars), manufactured gas and pharmaceutical industries. The processed alternative fuel then can be used by cement kilns, power plants and other industrial boilers as a cheaper source of energy.

Technology:

Alternative Fuel technology is used to clean up pollutants by converting them into a reusable fuel form. The alternative fuel ("AF") is derived from either the liquefaction or solidification of residual petroleum and oily wastes and by-products. The Company's liquefaction process was developed in the United States to rejuvenate solidified coal tar. Liquefying the solidified tar enables this material to be utilized as raw materials or as supplementary fuel. The liquefied material can be re-used in waste fuel recycling programs in cement kilns and other industrial furnaces. Using the technology of liquefaction helps eliminate land disposal-related liability and increases useable/saleable tar product volume, resulting in environmental and economic benefits. The liquid fuel is referred to as "liquid AF", or alternative fuel.

Solidification processes were developed to prepare AF into a form to replace coal in large industrial boilers, power plants and cement kilns.

End Use:

According to the 1992 Portland Cement Association's publication "A Sensible Solution-Putting Waste to Work", both liquefied and solidified waste derived fuels can be utilized in cement kilns. The use of cement kilns to recycle hazardous industrial wastes has become an important component of environmentally acceptable handling procedures in the Western world

Competitive Technologies:

AF is principally considered a clean-up technology which is an alternative to other forms of disposal or remediation. The fact that a valuable by-product is created is important economically because it reduces the net cost of the clean up. Primary alternatives are:

Hazardous waste landfill: There is limited capacity in Central and Eastern Europe; because of their generally remote locations, landfills require transportation and handling resulting in relatively higher costs and expenses for disposal.

Incineration: There are only a limited number of incinerators in Central and Eastern Europe; because of this limited capacity and the generally remote location of these incinerators, transportation and handling costs make incinerator disposition a very expensive alternative.

SOIL REMEDIATION BUSINESS

Heavy industries often contaminate soil and other solid mixtures by hydrocarbons in ways where they energy content cannot be directly recovered. In these instances, we employ Low Temperature Thermal Desorption ("LTTD"), a soil remediation process. Sites where these sorts of contamination can be found are often neighboring the sites of wastes processed for AF. Central and Eastern Europe has large quantities of contaminated soil, which need to be cleaned. Contaminated soil is found principally in heavy industries including oil and gas refineries, railways, energy plants, mining sites, as well as in and around former Soviet military bases.

The LTTD Technology:

We have selected a technology known as "low temperature thermal desorption"

("LTTD") as the method to clean contaminated soil in this marketplace. This technology has been developed by Astec, Industries, Inc. of Chattanooga, Tennessee, a leading manufacturer of LTTD equipment The LTTD system was introduced to the United States market in 1989 and has proved to be a successful, cost-effective method of removing light and heavy refinery and hydrocarbon wastes from all types of soil. Contaminant destruction efficiencies in the afterburners of these units are greater than 99.99% according to methods prescribed by United States Environmental Protection Agency stack tests performed on equipment manufactured by Astec Industries, Inc. Decontaminated soil retains its physical properties and ability to support biological activity.

An LTTD unit of equipment contains several large compartments where at one end, contaminated soil is fed into the unit on conveyor belts and is treated by heat processing in various enclosed chambers; once treated, the "clean" soil is deposited at the other end of the unit. The LTTD equipment heats the soil to temperatures ranging from 90 to 320 degrees Centigrade (200-600 degrees Fahrenheit) to vaporize the petroleum, physically separating it from the soil. The vapor stream is then captured and sent to the afterburner where it is thermally destroyed.

Service Agreement with Green Globe, LLC:

We partnered with a United States based LTTD operator, Green Globe, LLC, ("Green Globe") for soil decontamination projects in Central and Eastern Europe. In the Fall of 1998, we entered into a contract with Green Globe pursuant to the general terms of which, we agreed to give Green Globe all soil decontamination projects generated through our business relationships in Central and Eastern Europe. Green Globe agreed to provide, transport, install an LTTD equipment unit in the region and train our local workforce to operate the unit. After provision for costs, profits generated would be shared equally between Green Globe and us. In order to reduce importation and tariff charges, Green Globe and our Hungarian subsidiary entered into a lease agreement for the LTTD units. In connection with these agreements, Green Globe transported and installed a large LTTD unit to Budapest, Hungary, in preparation to begin a soil decontamination project commissioned by the City of Budapest for which our Hungarian subsidiary was awarded a contract.

Applicability and Limitations:

The target contaminant groups for an LTTD system are oil and other organic compounds (hydrocarbons). Such compounds are generated by the petroleum refining, chemical, railroads, mining industries and governmental organizations, such as the military, airports, and state-owned dumpsites. The low temperature desorption processes are best suited for removal of organics from soil, sand, gravel, or rock fractions. The high-absorption capacity of clay decreases the partitioning of organics to the vapor phase.

The following factors may limit the applicability and effectiveness of the LTTD technology and process:
(i) specific feed size and materials handling requirements that can impact applicability or cost at specific sites; (ii) high moisture content of the soil decreases capacity of the LTTD equipment unit; (iii) highly abrasive feed potentially can damage the LTTD equipment; (iv) heavy metals in the decontaminated soil may produce a treated solid residue that requires stabilization and further treatment.

Competitive Technologies:

There are other technologies that compete with our LTTD equipment technology for the treatment of contaminated soil.

Bioremediation: Although not as capital intensive as the requirements to put an LTTD equipment unit in operation, is a very time consuming process that does not always work. In addition, bioremediation is recognized throughout the world as effective only when treating lightly contaminated soil and requires a large operating area and space.

"Soil washing": Soil washing is a widely used technology in Western Europe. Soil washing is an effective technology to clean soils contaminated with heavy metals. However, soil remediation is an expensive process and generally does not neutralize oil and gas residue or hydrocarbon contamination.

Landfills: Another soil remediation technique is to simply transport these soils to a hazardous waste landfill. However, there are very few licensed and permitted hazardous waste landfills in Central and Eastern Europe. For example, the Country of Hungary has only one hazardous waste landfill in Aszod, and it has an annual capacity of only approximately 5,000 tons.

Incineration: Another method to dispose of decontaminated soil is to burn it in incinerators. Incineration is the most expensive process to treat contaminated soil. Because of its high cost, incineration is primarily used to treat the more hazardous types of wastes. There is a very limited capacity for incinerator disposal in Central and Eastern Europe.

LTTD technology will process difficult to process materials, such as coal tar, heavy oils and various refinery tars in soils which cannot be efficiently removed by bioremediation. Further, LTTD technology is designed to meet US EPA emissions standards.

CEVA INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Item 310 of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. [sentence omitted]. The unaudited financial statements should be read in conjunction with the audited consolidated financial statements and footnotes thereto for the years ended December 31, 1999 and 1998 which may be obtained by requesting copies from the Company's principal offices.

Going Concern Uncertainty
The report from the Company's independent auditors for the year ended December 31, 1999, contains a statement that the financial statements had been prepared assuming that the Company will continue as a going concern, that the Company had incurred significant operating losses and had a stockholders' impairment, that these conditions raised substantial doubt about the Company's ability to continue as a going concern, and that the financial statements did not include any adjustments that might result from the outcome of this uncertainty. Management's plans with regard to those matters are described in the section "Management's Discussion and Analysis".

Principles of Consolidation
The consolidated financial statements include the accounts of CEVA International, Inc. and its subsidiary. All significant inter-company balances and transactions have been eliminated in consolidation.

Depreciation and Amortization
The cost of equipment is depreciated for financial reporting on a straight-line basis over the estimated useful lives of such assets, which is between 3 and 7 years. Maintenance and repairs which do not extend the useful lives of the related assets are charged to operations as incurred. Deferred charges in connection with LTTD contracts and intangibles are being amortized over 5 years.

Income Taxes
The Company is taxed as a "C" Corporation for federal purposes and deferred taxes are recognized for operating losses that are anticipated to offset future federal income taxes.

The basic corporate income tax rate applicable to CEVA Hungary Ltd. is 18% . In addition, a supplementary tax of up to 35% is payable on dividends from post-1994 profits. The actual rate of supplementary tax depends on the residence of the recipient shareholder and the terms of the applicable tax treaty between Hungary and the relevant foreign country. A rate of 35% applies to Hungarian shareholders.

Revenue Recognition
Revenue is recognized in accordance with contracts as services are rendered.

Net Loss Per Share
In accordance with the provisions of Financial Accounting Standards Board No. 128, "Earnings Per Share" basic earnings (loss) per common share amounts are computed by dividing net loss by the weighted average number of shares of Common Stock outstanding during the period. Common Stock equivalents have not been included in this computation since the effect would be anti-dilutive.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Securities Issued for Services
The Company accounts for stock and stock purchase warrants issued for services by reference to the fair market value of the Company's stock on the date of stock issuance or warrant grant in accordance with Financial Accounting Standards Board Statement No. 123, "Accounting for Stock-based Compensation". Compensation /consulting expense is recorded for the fair market value of the stock and warrants issued.

Foreign Currency Translation
For CEVA Hungary Ltd. whose functional currency is the Hungarian Forint, balance sheet accounts are translated into U.S. Dollars at exchange rates in effect at the end of the reporting period (US$1.00:HFL271 at June 30, 2000) and income statement accounts are translated at average exchange rates for the periods covered. Translation gains and losses are included as a separate component of stockholders' equity (impairment).

Use of Estimates
The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF BUSINESS AND CREDIT RISK

At times throughout the reporting periods the Company may maintain certain bank accounts in excess of FDIC limits.

The Company conducts its business primarily in Eastern European nations.

The Company has contracts with a small number of customers; the loss of one of the major ones would have a near-term severe impact on the Company.

PROPERTY AND EQUIPMENT
<TABLE>
<CAPTION>
Property and equipment consist of the following at June 30, 2000:

<S>	<C>
Equipment under capital leases	$ 3,029,626
Field and office equipment	847,138
Subtotal	3,876,764

Less accumulated depreciation	1,354,349
Total	$ 2,522,415

</TABLE>

PROFIT SHARING ARRANGEMENT / DEFERRED CHARGES

In 1997 the Company entered into an agreement to share profits with a vendor on its Low Temperature Thermal Desorption (LTTD) contracts. The vendor also has the exclusive right to provide equipment and services that might be required under any LTTD contracts. This agreement has a term of ten years and may be terminated earlier by mutual consent of the parties. In 1998, the vendor provided for a $250,000 portion of an agreed upon $500,000 advance, whereby the amount of $500,000 was included in a lease obligation to be repaid (see "CAPITAL LEASES"). The remaining $250,000 was recorded as a deferred charge, and amortizes over the repayment term of the 5 year lease. Amortization expense totaled $50,000 and $12,500 during the years ended December 31, 199 and 1998, respectively, and $25,000 during the two quarters ended June 30, 2000.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses totaled $1,304,752 at June 30, 2000 and consisted primarily of trade accounts payable, accrued interest and compensations and professional fees payable.

NOTES PAYABLE

<TABLE>
<CAPTION>
At June 30, 2000, the Company had borrowings under short term loan agreements with the following terms and conditions: Note payable accruing interest at

<S>	<C>	<C>
	12% per year, due in full on December 31, 1999. Maturity has been extended to June 30, 2000, with interest accruing at the rate of 24% per year, starting with January 1, 2000. The note is guaranteed by the principal stockholder.	$ 200,000
	Non-interest bearing note originally due April 30, 2000, subsequently extended, payable either in cash or convertible into common shares of the Company at $0.50 per share. The note was subsequently converted into common shares.	10,000
	Short-term cash advances by three stockholders, due on demand.	110,000
	Other loans payable.	4,059
	Total	$324,059

</TABLE>

LOANS PAYABLE TO STOCKHOLDER

The majority stockholder has advanced working capital to the Company. Such advances include a $200,000 unsecured loan, due on demand, accruing interest at 10% per year. Repayment may be made either in cash, or, at the option of the stockholder, the loan may be converted into common shares at a conversion rate of $0.25 per share, with a 10% dividend rate.

CAPITAL LEASES

The Company leases certain equipment under capital leases expiring in various years through 2003. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset at the inception of the lease. The assets are amortized over the lesser of their related lease terms or their estimated productive lives. Amortization of assets under capital leases is included in depreciation expense. At December 31, 1999, the Company was in default on payments under an equipment lease with Green Globe LLC which default has not been cured as of June 30, 2000, and the entire liability under that lease of approximately $2,593,000 (present value) had been reclassified as current liability even though no formal demand for payment had been issued.

Liabilities from capital leases are as follows at June 30, 2000:

Payments due under capital leases (present value)	$ 3,311,563
Less current portion	2,924,563
Capital leases, less current portion	$ 387,000

DEFERRED CREDIT

CEVA Hungary Ltd. sold equipment which was then leased back in a sale-leaseback transaction. Total profits from the sale amounted to $102,638 at December 31, 1999 and are recognized over the term of the lease.

INCOME TAXES

At December 31, 1999, the Company had approximately $800,000 of federal net operating loss carryforwards available for income tax purposes which expire on December 31, 2019.

The Company's total deferred tax asset and valuation allowance at December 31, 1999 are as follows:

Total deferred tax asset	$ 225,000
Less valuation allowance	225,000
Net deferred tax asset	$ -

RELATED PARTY TRANSACTIONS

During the second quarter 2000, certain fees were incurred by individuals who also are officers and/or stockholders of the Company. Such fees amounted to $ 65,653 .

PREFERRED STOCK

There are issued and outstanding 17 shares of redeemable Series A preferred stock with a stated value of $850,000, held by the Company's president and CEO. The shares were issued originally pursuant to the conversion of outstanding loans in the approximate same amount. These shares have certain redemption rights and liquidation preferences (see Exhibit 4 of Form 10-QSB for the quarter ended March 31, 2000, as filed with the Commission, included herein by reference). This redeemable stock has been classified as a long-term liability.

CHANGES IN KEY PERSONNEL

On June 1, 2000, James Atkins was appointed Chief Financial Officer, and Dennis Konnick was appointed Operations Director.

Our success depends to a material and significant extent on the services of Herbert G. Case, Jr., our President and Chief Executive Officer as well as our ability to attract and retain additional key personnel with the skills necessary to manage our existing business and strategic plans. The loss of Mr. Case or other key personnel could have a material adverse effect on our business, results of operations, liquidity and financial position. We do not have an employment agreement with Mr. Case. If we cannot retain Mr. Case or hire and retain qualified personnel, our business, results of operations, financial condition and prospects could be adversely affected.

INVESTMENT IN JOINT VENTURE

In May 2000, the Company signed an agreement with one of the world's largest cement producers whereby the Company will receive a 49% ownership interest in a joint venture to set up and operate alternative fuel processing facilities in Romania, with working capital to be provided by the 51% joint venture partner. The Company will contribute, during the third quarter 2000, a portion of its proprietary production equipment and intellectual property. Additionally, the Company will assign its existing contracts with certain cement producers for delivery of alternate fuels to the joint venture. In consideration of the Company's agreement to accept a minority shareholder position in the joint venture, the partner agreed to and has paid a one-time non-refundable signing fee of $620,000 which has been recognized as extraordinary income during the quarter ended June 30, 2000 . For further details refer to Item 2 "Management's Discussion and Analysis".

INCREASE OF OWNERSHIP INTEREST IN CEVA HUNGARY LTD.

In April 2000, the Company acquired an additional 35% ownership interest from two minority shareholders in its Hungarian subsidiary, bringing the Company's share in CEVA Hungary Ltd. to 85%. In exchange, the Company issued 700,000 shares of its common stock valued at $0.50 per share, or $350,000. As this amount exceeds the fair value of net assets of CEVA Hungary on April 1, 2000, the Company has recognized an amount of $303,833 in Goodwill in its consolidated balance sheet at June 30, 2000, which will be amortized over a period of 10 years.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

CEVA International, Inc. specializes in the application of waste-to-energy alternative fuel and environmental remediation technologies. Its primary target market and current operations focus on Central- and Eastern Europe, specifically Hungary, Romania, and the Czech Republic. These countries not only have rapidly growing energy needs but at the same time are burdened with a legacy of significant problems in the areas of environmental pollution coupled with a scarcity of technical and managerial know-how in addressing these problems. However, the region has started developing and implementing a regulatory, socio-economic and judicial infrastructure which orientates itself on Western standards and that can, when fully implemented, effectively deal with the legacy of decades of centrally controlled state owned economies. CEVA during the last several years has succeeded in establishing a presence and creating a wide ranging network of business contacts and working relationships which facilitates the day-to-day management of the Company's operations and which management expects will bear fruit in the years to come. Despite this progress, however, and although basing its projects and operations on traditional and proven technologies, timing and success of individual projects often depend on factors beyond the control of the Company and the resulting uncertainties make reliable projections difficult. Except where the processing of oil and tar contaminated soil and water depositories results in the manufacture of alternate fuels that produce tangible cost savings when utilized in industrial processes such as cement plants, a general relative scarcity of public or private funding for remedial projects addressing environmental contamination has until now limited the revenue potential for the Company.

Economic Conditions

Our business in Central and Eastern Europe is sensitive to the local financial condition of the economies in which we work, government environmental regulation as well as the condition of worldwide financial markets. We have extensively discussed these topics above. A downturn in economic conditions in one or more of our Central and Eastern European markets, a governmental failure to develop and enforce environmental regulations as well as unforeseen governmental legislation could have a material adverse effect on our results of operations, financial condition, business and prospects. Although we attempt to stay informed of economic and market conditions, government environmental initiatives, changing permit requirements, any continuing failure on our part to identify potentially adverse developments and to respond to such trends would have a material adverse effect on our results of operations, financial condition, business and prospects. Political and economic imperatives, however, are dictating a gradual improvement in this area, and management expects that the Company will be a primary beneficiary in view of its rapidly growing physical presence and investments in the region.

Results of Operations for the Three and Six Months Periods Ended June 30, 2000 compared to Six Months Ended June 30, 1999

For the three and six months periods ended June 30, 2000, the Company had gross revenues of $250,067 and $434,817 respectively (compared to $601,676 and $1,203,351 during the same periods a year ago), most of which was generated by its Hungarian subsidiary. Ceva Hungary accounted for $215,067 for the quarter and $374,817 for the six months period ended June 30, 2000. These revenues were primarily from contracts with MOL, RT., the Hungarian Oil and Gas Company ("MOL") for treatment and processing of waste repositories at the Nyirbogdany and Csepel Island sites owned by MOL. The Company has constructed a processing facility jointly with MOL at the Nyirbogdany site where we converted material into a liquid AF fuel. Activities in Romania in connection with the CIMUS alternative fuel processing project accounted for the remaining $35,000 and $60,000 revenues.

The decrease in revenues from CEVA Hungary compared to the same periods in 1999 is attributable to the fact that a major project involving soil remediation for the City of Budapest District XVIII ("District 18") that accounted for most of the revenues during the first six months in 1999 did not extend into 2000. The Hungary revenues during 2000 therefore are attributable primarily to only one customer, MOL, in connection with soil remediation at the two MOL-owned sites. We are now working jointly with MOL to obtain permits for cement kilns and other outlets so that we can supply them with our processed AF solid and liquid fuel. Once these permits are obtained which may take as long as six months or more we expect to be able to significantly increase our revenues in Hungary, based on further cooperation with MOL.

In Romania we have a contract with S.C. CIMUS S.A., a cement company located in Campulung, Romania, to process and supply supplemental fuels derived from refinery wastes. The contract, initially executed in August, 1998, is exclusive and runs for a 20-year period. In December 1998 we installed a small processing facility at CIMUS. Operations until now have been limited because full-scale production would require capital investments for plant and equipment which the Company has not been in a position to finance. We also entered into an exclusive 10 year contract with the VEGA S.A. refinery in 1997 to remove that refinery's waste materials for use in our alternative fuel, without, however, so far starting any operations at that site. In December 1999 CIMUS was purchased by "Holderbank Cement", a global cement company that owns two other cement facilities in Romania. On May 24, 2000, we signed an agreement with Holderbank Cement to jointly develop a regional AF processing facility to produce fuel and raw material replacements to Holderbank Cement's plants in Romania (the "Holderbank Joint Venture"). The Company will receive a 49% ownership interest in the joint venture. The remaining 51% will be owned by Holderbank Cement who also will supply working capital of an amount to be determined, for the project. As part of this transaction, we agreed to contribute certain processing equipment already installed at the CIMUS site and all of our rights and interests in the CIMUS Contract and the VEGA Contract to this joint venture. A follow-up agreement outlining the specific terms and organization of the venture is currently being negotiated. This project is expected to pave the way towards a significant expansion of the Company's activities in Romania.

Gross profits for the quarter ended June 30, 2000, amounted to negative $142,911 (positive $300,838 in 1999). A large portion of period costs-of-goods-sold are incurred from level amortization expenses in connection with capitalized equipment leases for plant and equipment used in the treatment of contaminated soils and depositories. The effect of unused processing capacities is therefore a significant factor influencing operating margins. In addition, margins fluctuate from project to project depending upon local factors and individually negotiated terms, and any given reporting period's overall results are affected by the mix and timing of such projects. This volatility represents a major risk factor in predicting the Company's future performance and will relatively diminish only upon the Company achieving its revenue goals during the next two years when a larger number of projects are in progress and in combination contribute to a more level gross margin profile. After deducting operating expenses of $128,636 which decreased from $234,537 during the same period last year, substantially due to lesser personnel expenses due to the reduced activities , the Company incurred an operating loss of $271,547 for the quarter (compared to an operating profit of $66,301 in 1999). This loss was more than offset, however, by an amount of $620,000 representing a one-time signing fee paid to CEVA International, Inc. in May in connection with the finalization of the joint venture agreement (see above). Non-operating expenses in form of interest charges totaled $107,444, incurred primarily in connection with capital leases. The quarter concluded with a net profit of $241,009 or $0.02 per share, bringing the first six months' result to a net loss of $144,822 or $0.01 per share, compared to profits of $35,080 or $0.01 per share and $70,158 or $0.01 per share for the three and six months periods in 1999.

Liquidity and Capital Resources

Through the date of this submission, the Company has not yet been able to obtain payment for a past due receivables position of approximately $1 Million for work performed in 1999 in connection with a project involving the District XVIII municipality in Budapest (see "Legal Proceedings"). A cash shortage, evident throughout most of 2000, has been somewhat ameliorated by the receipt of the $620,000 non-refundable fee payment in connection with the joint venture project. However, the Company's overall liquidity remains strained because the level of operations and revenues is still not adequate to finance ongoing operations and the required infrastructure. In addition, the projects pursued by the Company necessitate significant investments in capital equipment that the Company largely financed through capital lease agreements with MOL and Green Globe LLC. These leases resulted in fixed payment obligations which total approximately $3.3 Million (present value) between the years 2000 to 2003. Equipment lease payments due to Green Globe were originally payable through the third quarter in 2003, however, the entire outstanding liability of approximately $2,593,000 has been classified as a current liability due to the failure by the Company to make payments in accordance with the lease agreement. This lease has been declared in default, however, no demand for payment of the entire amount has been made. At June 30, 2000, the working capital deficit amounted to $3,286,384 compared to a deficit of $3,503,154 at December 31, 1999. Cash flow from operations during the six months in 2000 was positive, at $505,564, but would have been negative were it not for the joint venture payment.

The largest single item in the Company's payment obligations is the Green Globe lease with approximately $2,593,000 (present value). Discussions with Green Globe with the goal of obtaining a formal deferment of lease payments until the Company's financial situation improves have not brought tangible results but are continuing. There can be no assurance, however, that such negotiations will be successful by leading to an agreement commensurate with he Company's financial situation and acceptable to both parties. Current lease payment obligations also include contracts with MOL from whom the Company leased certain equipment utilized in the performance of alternative fuel processing projects at MOL sites. Such obligations total approximately $719,000 , to be paid during through 2001. Management expects to be able to meet these obligations, as well as its other current and future liabilities, from increasing contract work in Hungary through MOL-related projects, and from the acceleration of projects in Rumania in connection with the Holderbank Joint Venture.

PART II - OTHER INFORMATION

Item 1 LEGAL PROCEEDINGS

The Company is not involved in any legal proceedings except as follows: on January 5, 2000, we recommenced litigation against a political subdivision of the City of Budapest known as District XVIII in the Hungarian court known as the Economic College of the Metropolitan Court, Budapest, 2nd District Varsanyui u.40-44, to obtain approximately $1,000,000 U.S. for contract payments due us.

In 1998, together with our soil remediation technology partner, Green Globe, LLC, we entered into a contract with District XVIII to remove contamination from approximately 32,000 tons of soil. Utilizing its low temperature thermal desorption unit or "LTTD" unit, Green Globe, LLC completed this soil remediation project in December, 1998. Since that time, we have attempted to obtain the payment due to us under our District XVIII contract through negotiations which were unsuccessful. Accordingly, we commenced a lawsuit to collect the monies due us in January, 2000 in the above identified Hungarian Court. At the first trial date on April 20, 2000, the Hungarian Court awarded us a judgment in the approximate amount of $65,700 U.S. for late contract payments against District XVIII and recognized our principal claim of approximately $835,000 at current exchange rates ($1,000,000 originally) for the contract payments due us. Our next trial date is in October 2000. We intend to vigorously pursue our claim against District XVIII in the Hungarian courts.

Item 2 CHANGES IN SECURITIES - None

c) Issuance of unregistered Securities

During the second quarter of 2000, the Company issued the following unregistered securities:

(i) 700,000 shares of the common stock of the Company to two former shareholders of CEVA Hungary Ltd. in return for their aggregate 35% interest in that subsidiary.

(ii) 30,000 shares of the common stock of the Company to one former creditor in return for cancellation of a $15,000 promissory note.

Item 3 DEFAULTS ON SENIOR SECURITIES - None

Item 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITIES' HOLDERS - None

Item 5 OTHER INFORMATION - None

Item 6 EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit (3)(i) - Articles of Incorporation and Amendments *

Exhibit (3)(ii) - By-laws of the Company *.

Exhibit (27) - Financial Data Schedule - attached hereto.

----
* Previously Filed

(b) Reports on Form 8-K: - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to its report on Form 10-QSB to be signed on its behalf by the undersigned, thereunto duly authorized.

CEVA INTERNATIONAL, INC.

Date: January 31, 2001

By:/s/ Herbert G. Case

Herbert G. Case, Jr.
President and Chief Executive Officer

<TABLE> <S> <C>

<ARTICLE>	5

<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE JUNE 30, 2000 FINANCIAL STATEMENTS OF CEVA INTERNATIONAL, INC. AND SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>

<CIK>	0001095718
<NAME>	CEVA International, Inc.
MULTIPLIER	1

<S>	<C>	
<PERIOD-TYPE>	3-MOS	
<FISCAL-YEAR-END>		Dec-31-2000
<PERIOD-START>		Apr-01-2000
<PERIOD-END>		Jun-30-2000
<CASH>		601,364
<SECURITIES>		0
<RECEIVABLES>		1,243,157
<ALLOWANCES>		314,000
<INVENTORY>		0
<CURRENT-ASSETS>		1,543,429
<PP&E>		3,876,764
<DEPRECIATION>		1,354,349
<TOTAL-ASSETS>		4,549,372
<CURRENT-LIABILITIES>		4,829,813
<BONDS>		387,000
<PREFERRED-MANDATORY>		850,000
<PREFERRED>		0
<COMMON>		10,959
<OTHER-SE>		(1,528,400)
<TOTAL-LIABILITY-AND-EQUITY>		4,549,372
<SALES>		434,817
<TOTAL-REVENUES>		1,054,817
<CGS>		616,570
<TOTAL-COSTS>		616,570
<OTHER-EXPENSES>		360,799
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		222,270
<INCOME-PRETAX>		(144,822)
<INCOME-TAX>		0
<INCOME-CONTINUING>		(144,822)
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		(144,822)
<EPS-BASIC>		(0.01)

<EPS-DILUTED>	(0.01)

</TABLE>