

(Address of principal executive offices)

(510) 657-2635

(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes No

At May 12, 2015, the registrant had outstanding 6,775,971 shares of common stock.

DIGITAL POWER CORPORATION

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PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****DIGITAL POWER CORPORATION AND ITS SUBSIDIARY****CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands

	March 31, 2015 Unaudited	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,060	\$ 2,110
Trade receivables	1,025	1,548
Related parties – trade receivables	26	-
Prepaid expenses and other accounts receivable	238	178
Inventories (Note 3)	1,867	1,653
<u>Total current assets</u>	5,216	5,489
PROPERTY AND EQUIPMENT, NET	622	567
INTANGIBLE ASSET, NET	40	66
INVESTMENT IN TELKOOR	157	207
LONG-TERM DEPOSITS	13	13
<u>Total assets</u>	\$ 6,048	\$ 6,342

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

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY**CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands

	March 31, 2015 Unaudited	December 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 928	\$ 1,061
Trade payables - related parties	-	60
Advances from customers and deferred revenue	585	435
Other current liabilities	362	345
<u>Total current liabilities</u>	1,875	1,901
SHAREHOLDERS' EQUITY:		
Share capital -		
Series A Redeemable Convertible Preferred shares, no par value - 500,000 shares authorized; 0 shares issued and outstanding at March 31, 2015 and December 31, 2014	-	-
Preferred shares, no par value - 1,500,000 shares authorized; 0 shares issued and outstanding at March 31, 2015 and December 31, 2014	-	-
Common shares, no par value - 30,000,000 shares authorized; 6,775,971 shares issued and outstanding as of March 31, 2015 and December 31, 2014	-	-
Additional paid-in capital	14,786	14,739
Accumulated deficit	(10,144)	(9,940)
Accumulated other comprehensive loss	(469)	(358)
<u>Total shareholders' equity</u>	4,173	4,441
<u>Total liabilities and shareholders' equity</u>	\$ 6,048	\$ 6,342

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

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY**CONSOLIDATED STATEMENTS OF OPERATIONS****U.S. dollars in thousands, except per share data**

	Three months ended	
	March 31, 2015	2014 Unaudited
Revenues	\$1,896	\$2,037
Cost of revenues	1,183	1,275
Gross profit	713	762
Operating expenses:		
Engineering and product development	234	183
Selling and marketing	260	312
General and administrative	438	422
Total operating expenses	932	917
Operating loss	(219)	(155)
Impairment of investment	(50)	-
Financial income (expenses) , net	65	(3)
Loss before income taxes	(204)	(158)
Income taxes	-	-
Net loss	\$(204)	\$(158)
Basic and diluted net loss per share	\$(0.03)	\$(0.02)

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

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands

	Three months ended	
	March 31, 2015 2014 Unaudited	
Net loss	\$(204)	\$(158)
Other comprehensive loss:		
Change in net foreign currency translation adjustment	(111)	17
Other comprehensive income (loss)	(111)	17
Total comprehensive loss:	\$(315)	(141)

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

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands, except share data

	Common Shares Number	Additional paid-in capital	Accumulated deficit	Other accumulated comprehensive income (loss)	Total shareholders equity
Balance as of January 1, 2015	6,775,971	\$ 14,739	\$(9,940	) \$(358	) \$4,441
Stock compensation related to options granted to employees	-	47	-	-	47
Comprehensive loss:					
Net loss	-	-	(204	) -	(204
Foreign currency translation adjustments	-	-	-	(111	) (111
Balance as of March 31, 2015	6,775,971	\$ 14,786	\$(10,144	) \$(469	) \$4,173
Balance as of January 1, 2014	6,853,161	\$ 14,582	\$(9,282	) \$(253	) \$5,047
Stock compensation related to options granted to non-employees	-	1	-	-	1
Stock compensation related to options	-	22	-	-	22

granted to employees						
Purchase of treasury stock	(54,061	)	(40	)	-	(40
Comprehensive loss:						
Net loss	-		-			