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RADA ELECTRONIC INDUSTRIES LTD  
Form 6-K  
November 01, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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F O R M 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR  
15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of  
November 2004

RADA ELECTRONIC INDUSTRIES LIMITED  
(Name of Registrant)

7 Giborei Israel Street, Netanya 42504, 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-\_\_\_\_\_

This Form 6-K is being incorporated by reference into the Company's  
Form F-3 Registration Statements File Nos. 333- 12074, 333-115598 and  
333-117954.

RADA ELECTRONIC INDUSTRIES LTD.

## Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

1. Press Release re RADA Electronic Industries Ltd. Q3 Financial Results - Steady Growth and Improved Margins dated November 1, 2004.

ITEM 1

Press Release

Source: Rada Electronic Industries Ltd

RADA Electronic Industries Ltd. Q3 Financial Results - Steady Growth and Improved Margins

Monday November 1, 6:15 am ET

NETANYA, Israel, November 1 /PRNewswire-FirstCall/ -- RADA Electronic Industries Ltd. (Nasdaq SmallCap: RADIF - News) today reported its financial position and results of operations for the three month ended September 30, 2004.

Third quarter 2004 revenues reached US\$3.74 million an increase of 35% compared with US\$2.77 million reported in the same period in 2003.

Gross profit reached US\$1.20 million in the third quarter of 2004, compared with US\$640,000 in the third quarter of the last year. Gross margins reached 32.1% in the third quarter of 2004 compared with gross margins of 23.1% in the same period of 2003.

Operating income reached US\$455,000 in the third quarter of 2004, compared with an operating loss of US\$34,000 in the same period last year.

For the nine-month period ended September 30, 2004, the company reported \$10.66 million in revenues, an increase of 46 percent compared to \$7.32 million for the same period of 2003.

Gross profit reached US\$2.89 million, representing a gross margin of 27.1% in the nine-month period ended September 30, 2004 compared with US\$1.56 million, representing a gross margin of 21.3% in the same period in 2003.

Operating income reached US\$762,000 in the nine-month period ended September 30, 2004 compared with an operating loss of US\$422,000 in the same period of 2003.

Financial expenses in the nine-month period ended September 30, 2004 were US\$321,000 compared with a financial income of US\$733,000 in the same period of 2003.

Net income reached US\$476,000, representing diluted net earnings per share of US\$0.02 in the nine-month period ended September 30, 2004 compared with US\$261,000, representing diluted net earnings per share of US\$0.01 in the same period of 2003.

"Our business has seen significant growth throughout 2004, with our financials showing improvements across the board. In particular, we are proud of our improving gross margins." said Adar Azancot, CEO of RADA. "We believe that our organic growth rate has stabilized at an annual rate of between 15-20%, above the industry average. Furthermore, we foresee additional growth due to

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acquisitions that we are currently looking into, as well as larger scale contracts that we are pursuing," concluded Azancot.

### Conference call

The company will host a conference call to discuss these results today Monday, November 2 at 09:00 am EDT (16:00 Israel time). To participate, please call +1-866-860-9642 (U.S. toll free), or +972-3-918-0600 (International).

The conference call also will be available for replay for two days starting 11:00am EDT on the day of the call, by calling +1-866-276-1002 (U.S.) or +972-3-925-5936 (International).

### About RADA

RADA Electronic Industries Ltd. is an Israel based company involved in the military and commercial aerospace industries, with 90 staff. The company specializes in Avionics, Ground Debriefing Stations (Video, ACMI and Maintenance) and Automatic Test Equipment.

Note: Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risk uncertainties and other factors include, but are not limited to, changes in general economic conditions, risks in product and technology developments, market acceptance of new products and continuing product demand, level of competition and other factors described in the Company's Annual Reports on Form 20-F and other filings with the Securities and Exchange Commission.

### Contacts

Company:	Investor Relations:
RADA Electronic Industries Ltd.	Gelbart Kahana
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### CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except share and per share data

	September 30, 2004	December 31, 2003
ASSETS		
CURRENT ASSETS	8,699	5,262
LONG-TERM RECEIVABLES AND DEPOSITS	3,828	2,572

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PROPERTY AND EQUIPMENT, NET	4,381	4,728
OTHER ASSETS, NET	1,843	1,987
Total assets	18,751	14,549
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES	7,041	7,978
LONG-TERM LIABILITIES	4,689	3,268
MINORITY INTERESTS	407	425
SHAREHOLDERS' EQUITY:		
Share capital		
Ordinary shares of NIS 0.005 par value -		
Authorized: 45,000,000 shares at September		
30, 2004 and December 31, 2003; Issued and		
outstanding: 20,417,446 and 18,510,716		
shares at September 30, 2004 and December		
31, 2003, respectively		
Additional paid-in capital	110	108
Warrants	61,845	59,139
Accumulated deficit	1,957	1,405
Total shareholders' equity	(57,298)	(57,774)
Total liabilities and shareholders' equity	6,614	2,878
	18,751	14,549

### CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands, except share and per share data

	Nine months ended		Three months ended		Year ended
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003	December 31, 2003
Revenues:					
Products	8,372	4,806	3,162	1,921	8,977
Services	2,286	2,515	578	853	3,338
	10,658	7,321	3,740	2,774	12,315
Cost of revenues:					
Products	6,579	4,323	2,219	1,639	6,933
Services	1,192	1,439	319	495	2,659
	7,771	5,762	2,538	2,134	9,592
Gross profit	2,887	1,559	1,202	640	2,723
Operating expenses:					
Marketing, selling, general and administrative expenses	2,125	1,981	747	674	2,698
Operating income (loss)	762	(422)	455	(34)	25
Financial income (expenses), net	(321)	733*	(149)	964	708
Other income (expenses), net	17	(79)*	7	(141)	(2)
	458	232	313	789	731
Minority interests in losses of subsidiary	18	29	-	22	27
Net income	476	261	313	811	758
Earnings per share:					
Basic net earnings per share	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.04
Diluted net earnings per share	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.04

\* Reclassified

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STATEMENTS OF CHANGES IN SHARHOLDERS' EQUITY  
U.S. dollars in thousands, except share data

	Number of Ordinary shares	Share capital	Additional paid-in capital	Warrants	Accumulated deficit	Total share- holders' equity
Balance at January 1, 2003	18,510,716	108	58,785	124	(58,532)	485
Adjustment of accrual for issuance expenses	-	-	354	-	-	354
Fair value of warrants issued in connection with settlement of debt, net *	-	-	-	1,267	-	1,267
Fair value of warrants issued to suppliers	-	-	-	14	-	14
Net income	-	-	-	-	758	758
Balance at December 31, 2003	18,510,716	108	59,139	1,405	(57,774)	2,878
Issuance of Ordinary shares, net **	1,864,313	2	2,624	-	-	2,626
Issuance of warrants	-	-	-	552	-	552
Beneficial conversion feature on convertible note	-	-	53	-	-	53
Exercise of options	42,417	-	29	-	-	29
Net income	-	-	-	-	476	476
Balance at						

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September  
30, 2004      20,417,446   \$ 110      \$ 61,845      \$ 1,957      \$ (57,298)      \$ 6,614

- o Net of issuance expenses of approximately \$ 38 ended December 31, 2003.
- o Net of issuance expenses of approximately \$ 95 ended September 30, 2004.

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.

Rada Electronic Industries Ltd.  
(Registrant)

By: /s/Herzle Bodinger  
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Herzle Bodinger, Chairman

Date: November 1, 2004