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RADA ELECTRONIC INDUSTRIES LTD
Form 6-K
October 21, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 October 2003

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 Statement File No. 333-11716.

RADA ELECTRONIC INDUSTRIES LTD.

6-K Items

1. Press Release re RADA Electronic Industries Ltd. Announces Results for the Nine Months Ended September 30, 2003 dated October 20, 2003.

ITEM 1

Press Release

Source: RADA Electronic Industries Ltd.

RADA Electronic Industries Ltd. Announces Results for the
Nine Months Ended September 30, 2003.

Monday October 20, 1:43 pm ET

NETANYA, Israel, Oct. 20 /PRNewswire-FirstCall/ -- RADA Electronic Industries Ltd. (Nasdaq SmallCap: RADIF - News) today reported its financial results for the nine months ended September 30, 2003. The company reported \$7.3 million in revenues and \$261,000 of net income.

The financials statements reflect the previously announced debt settlement agreement with its banks that closed on September 24, 2003. Other income related to the debt settlement agreement amounted to \$832,000. As a result of the debt settlement the company had shareholders equity of \$2,554,000 at September 30, 2003.

About RADA

RADA Electronic Industries Ltd. is an Israel based company involved in the military and commercial aerospace industries, with 100 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.

RADA ELECTRONIC INDUSTRIES LIMITED AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

In thousands of U.S. dollars (except per share data)

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| | September 30, 2003 (Unaudited) | December 31, 2002 (Audited) |
|--|--------------------------------------|-----------------------------------|
| Current assets | | |
| Cash and cash equivalents | \$689 | \$570 |
| Trade receivables (net of allowance for doubtful accounts of \$214 as of September 30, 2003 and December 31, 2002) | 1,774 | 1,832 |
| Other receivables and prepaid expenses | 498 | 93 |
| Inventories | 1,094 | 1,077 |
| Total current assets | 4,055 | 3,572 |
| Long-term receivables and deposits | | |
| Long-term receivables | 975 | 893 |
| Leasing deposits | 70 | 70 |
| Severance pay funds | 1,695 | 1,334 |
| | 2,740 | 2,297 |
| Property and equipment, net | | |
| Cost | 16,503 | 16,456 |
| Less - accumulated depreciation | 11,559 | 10,845 |
| Total property and equipment, net | 4,944 | 5,611 |
| Intangible assets, net | 2,834 | 3,127 |
| Total assets | \$14,573 | \$14,607 |
| Current liabilities | | |
| Short-term bank credits and loans | \$2,076 | \$5,697 |
| Trade payables | 557 | 635 |
| Other payables and accrued expenses | 2,657 | 2,949 |
| Deferred revenues | 1,590 | 1,771 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 2,508 | 575 |
| Total current liabilities | 9,388 | 11,627 |
| Long-term liabilities | | |
| Accrued severance pay | 2,208 | 2,043 |
| Minority interests | 423 | 452 |
| Shareholders' equity | | |
| Share capital | | |
| Ordinary shares of NIS 0.005 par value: | | |
| Authorized - 45,000,000 shares as of September 30, 2003 and December 31, 2002; | | |
| Issued and outstanding - 18,510,716 shares as of September 30, 2003 and December 31, 2002 | | |
| | 108 | 108 |
| Additional paid-in capital | 59,140 | 58,785 |
| Warrants | 1,577 | 124 |
| Accumulated deficit | (58,271) | (58,532) |
| Total shareholders' equity | 2,554 | 485 |
| Total liabilities and shareholders' equity | \$14,573 | \$14,607 |

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RADA ELECTRONIC INDUSTRIES LIMITED AND ITS SUBSIDIARY

UNAUDITED CONSOLIDATED INCOME STATEMENTS

In thousands of U.S. dollars

| | For the three months ended September 30, 2003 (Unaudited) | For the nine months ended September 30, 2003 (Unaudited) |
|--|--|---|
| Revenues | | |
| Products | \$1,921 | \$4,806 |
| Services | 853 | 2,515 |
| | 2,774 | 7,321 |
| Cost of revenues | | |
| Products | 1,639 | 4,323 |
| Services | 495 | 1,439 |
| | 2,134 | 5,762 |
| Gross profit | 640 | 1,559 |
| Operating expenses: | | |
| Marketing, selling, general and administrative expenses | 674 | 1,981 |
| Operating loss | (34) | (422) |
| Financing expenses, net | (49) | (280) |
| Other income, net | 872 | 934 |
| | 789 | 232 |
| Minority interest in losses of subsidiary | 22 | 29 |
| Net income | \$811 | \$261 |

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

Herzle Bodinger, Chairman

Date: October 21, 2003