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RADA ELECTRONIC INDUSTRIES LTD
Form 6-K
February 26, 2004

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
February 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 X

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

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1. Press Release re RADA Electronic Industries Announces Full Year 2003 Results with Significant Growth in Revenues dated February 26, 2004.

ITEM 1

Press Release

Source: Rada Electronic Industries Ltd

RADA Electronic Industries Announces Full Year 2003 Results with Significant Growth in Revenues. RADA Has Achieved \$758,000 Net Profit after Six Years of Losses

Thursday February 26, 1:36 pm ET

NETANYA, Israel, February 26 /PRNewswire-FirstCall/ --

RADA Electronic Industries Ltd. (Nasdaq SmallCap: RADIF - News) today reported its financial results for the year ended December 31, 2003. The company reported net profit of \$758,000 after six years of losses. Revenues in 2003 increased by 18% to \$12.3 million. The Company's net income of \$758,000, or \$0.04 per share, compares with a loss of \$2.5 million, or \$0.15 per share, for the year ended December 31, 2002. Gross operating margin increased to 22% in 2003 from 11% at 2002.

Commenting on the results, RADA's CEO, Mr. Adar Azancot stated, "2003 was an important year for RADA, as the impact of the efforts of management and employees over the past five years began to materialize. We foresee continued growth in 2004 and expect that our operating results will continue to improve, as we emerge from our turnaround period. We have defined both a short and long term growth strategy for our company and we are implementing those actions that are necessary to achieve our growth targets."

About RADA

RADA Electronic Industries Ltd. is an Israel based company involved in the military and commercial aerospace industries, with 110 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.

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CONSOLIDATED BALANCE SHEETS

US dollars in thousands, except share and per share data

| | December 31, | |
|---|------------------|------------------|
| | 2003 | 2002 |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 467 | \$ 570 |
| Trade receivables (net of allowance for doubtful accounts of \$ 214 at December 31, 2003 and 2002, respectively) | 3,496 | 1,832 |
| Other accounts receivable and prepaid expenses | 250 | 93 |
| Cost and estimated earnings in excess of billing on uncompleted contracts | 176 | - |
| Inventories | 873 | 1,077 |
| Total current assets | 5,262 | 3,572 |
| LONG-TERM RECEIVABLES AND DEPOSITS: | | |
| Long-term receivables | 990 | 893 |
| Leasing deposits | 71 | 70 |
| Severance pay fund | 1,511 | 1,334 |
| | 2,572 | 2,297 |
| PROPERTY AND EQUIPMENT, NET | 4,728 | 5,611 |
| INTANGIBLE ASSETS, NET | 1,987 | 3,127 |
| Total assets | \$ 14,549 | \$ 14,607 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Short-term bank credit and loans | \$ 2,343 | \$ 5,697 |
| Trade payables | 640 | 635 |
| Other accounts payable and accrued expenses | 3,317 | 2,949 |
| Deferred revenues | 1,062 | 1,771 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 1,836 | 575 |
| Total current liabilities | 9,198 | 11,627 |
| ACCRUED SEVERANCE PAY | 2,048 | 2,043 |
| CONTINGENCIES, COMMITMENTS AND CHARGES | | |
| MINORITY INTEREST | 425 | 452 |
| SHAREHOLDERS' EQUITY: | | |
| Share capital | | |
| Ordinary shares of NIS 0.005 par value - Authorized: 45,000,000 shares at December 31, 2003 and 2002; Issued and outstanding: 18,510,716 shares at December 31, 2003 and 2002 | 108 | 108 |
| Additional paid-in capital | 59,139 | 58,785 |
| Warrants | 1,405 | 124 |
| Accumulated deficit | (57,774) | (58,532) |

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| | | |
|--|-----------|-----------|
| Total shareholders' equity | 2,878 | 485 |
| Total liabilities and shareholders' equity | \$ 14,549 | \$ 14,607 |

CONSOLIDATED STATEMENTS OF OPERATIONS

US dollars in thousands, except share and per share data

| | Year ended December 31, | | |
|--|-------------------------|------------|------------|
| | 2003 | 2002 | 2001 |
| Revenues: | | | |
| Products | \$ 8,977 | \$ 6,773 | \$ 5,883 |
| Services | 3,338 | 3,626 | 2,459 |
| | 12,315 | 10,399 | 8,342 |
| Cost of revenues: | | | |
| Products | 6,933 | 6,685 | 6,079 |
| Services | 2,659 | 2,538 | 1,337 |
| | 9,592 | 9,223 | 7,416 |
| Gross profit | 2,723 | 1,176 | 926 |
| Operating expenses: | | | |
| Research and development expenses | - | 122 | 534 |
| Marketing, selling, general and administrative expenses | 2,698 | 3,089 | 3,617 |
| Total operating expenses | 2,698 | 3,211 | 4,151 |
| Operating income (loss) | 25 | (2,035) | (3,225) |
| Financial income (expenses), net | 708 | (364) | (210) |
| Other expenses, net | (2) | (290) | (30) |
| | 731 | (2,689) | (3,465) |
| Minority interest in losses of subsidiaries | 27 | 206 | 96 |
| Net income (loss) | \$ 758 | \$ (2,483) | \$ (3,369) |
| Basic net income (loss) per share | \$ 0.04 | \$ (0.15) | \$ (0.24) |
| Diluted net income (loss) per share | \$ 0.04 | \$ (0.15) | \$ (0.24) |
| Weighted average number of shares used in computing basic net income (loss) per share (in thousands) | 18,511 | 16,555 | 13,817 |
| Weighted average number of shares used in computing diluted net income (loss) per share (in thousands) | 19,704 | 16,555 | 13,817 |

Contact:

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RADA Electronic Industries Ltd.,
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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.

Rada Electronic Industries Ltd.
(Registrant)

By: /s/Herzle Bodinger

Herzle Bodinger, Chairman

Date: February 26, 2004