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R F INDUSTRIES LTD

Form 8-K

March 03, 2004

RF INDUSTRIES, LTD.  
RF Connectors/Neulink/Bioconnect

For Immediate Release

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RF Industries' First Quarter Net Income  
Increases 73% to \$0.08 per share

RF Connector Coax and Cable Sales Increase 19%

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SAN DIEGO, CALIFORNIA, March 3, 2004 . . . RF INDUSTRIES, LTD., (NASDAQ:RFIL) today announced that net income for the three months ended January 31, 2004 increased 73% to \$234,000, or \$0.08 per diluted share, compared to \$135,000, or \$0.04 per diluted share, in the first quarter of fiscal 2003. Net sales increased 5% to \$2,450,000 compared to \$2,327,000 for the same period last year.

"Sales of RF Connector and coaxial cable products increased 19% to \$2,146,000, an extremely encouraging performance for what is typically RFI's seasonally weakest quarter. This growth was led by higher shipments of new coax connectors and cable assemblies for Wi-Fi and telecom applications. A favorable product mix and the benefit of high margin new products helped increase the Company's gross margin to 51% of sales, compared to 49% of sales in the first quarter last year," said Howard Hill, president of RF Industries.

Hill noted that increased sales of Bioconnect products helped offset lower sales for the Neulink product line. "Bioconnect sales growth and benefits from consolidating the business with RF Connector significantly reduced the operating loss associated with the sales of Bioconnect products to only \$17,000 for the quarter, compared to a loss of \$107,000 on this product line in the first quarter last year." he said.

At January 31, 2004, RFI reported cash and cash equivalents exceeding \$4,120,000, working capital of \$8,597,000, an 18 to 1 current ratio and stockholders' equity of \$8,979,000, or \$3.11 per share.

RF Industries' Connector operation designs and distributes radio frequency (RF) coaxial connectors and cable assemblies used for Wi-Fi, PCS, radio, test instruments, computer networks and antenna devices. Neulink designs and markets wireless digital data transmission products for industrial monitoring, wide area networks, GPS tracking and locations systems. RFI's Bioconnect operation designs, manufactures and distributes specialized electrical cabling and interconnect products to the medical monitoring market.

The statements contained in this release which are not historical facts may be deemed to contain forward-looking statements with respect to events, the occurrence of which involve risks and uncertainties, including, without limitation, uncertainties detailed in the Company's Securities and Exchange Commission filings.

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RF INDUSTRIES, LTD.  
SUMMARY STATEMENTS OF INCOME  
(unaudited)

	Three Months Ended January 31,	
	2004	2003
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Net Sales .....	\$2,449,359	\$2,326,876
Cost of Sales .....	1,204,475	1,192,158
Gross Profit .....	1,244,884	1,134,718
Operating Expenses:		
Engineering .....	115,382	198,580
Selling, General & Administrative .....	759,365	723,839
Total Operating Expenses .....	874,747	922,419
Operating Income .....	370,137	212,299
Interest income .....	5,733	11,497
Income Before Provision for Income Tax .....	375,870	223,796
Provision for Income Tax .....	142,000	89,000
Net Income .....	\$ 233,870	\$ 134,796
Basic Earnings per Share .....	\$ 0.08	\$ 0.04
Diluted Earnings per Share .....	\$ 0.08	\$ 0.04
Basic Weighted Average Shares Outstanding .....	2,757,542	3,400,254
Diluted Weighted Average Shares Outstanding .....	2,943,398	3,650,571

Summary Balance Sheet

	January 31, 2004	October 31, 2003
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	(Unaudited)	(Audited)
Cash and Cash Equivalents .....	\$4,124,568	\$2,683,896
Trade Accounts Receivable, Net .....	1,114,008	1,701,618
Inventories, net .....	3,540,615	3,455,018
Other Current Assets .....	315,933	305,679
Total Current Assets .....	9,095,124	8,146,211
Property, Plant & Equipment, Net .....	310,161	328,124

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Other Assets .....	111,401	133,755
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Total Assets .....	\$9,516,686	\$8,608,090
	=====	=====
Total Current Liabilities .....	\$ 497,435	\$ 509,992
Other Liabilities .....	40,000	40,000
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Total Liabilities .....	537,435	549,992
Total Stockholders' Equity .....	8,979,251	8,058,098
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Total Liabilities & Stockholders' Equity ...	\$9,516,686	\$8,608,090
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