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RADA ELECTRONIC INDUSTRIES LTD  
Form 6-K  
September 15, 2006

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  
September 2006

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 Registrant's Form F-3  
Registration Statements File Nos. 333-12074, 333-115598, 333-117954, and  
333-127491 and Form S-8 Registration Statement File No. 333-111437.

RADA ELECTRONIC INDUSTRIES LTD.

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6-K Items

1. Press Release re RADA Electronic Industries Announces Q2 2006 Results dated September 15, 2006.

ITEM 1

Press Release

Source: RADA Electronic Industries Ltd.

RADA Electronic Industries Announces Q2 2006 Results

Friday September 15, 4:00 pm ET

NETANYA, Israel, September 15 /PRNewswire-FirstCall/ -- RADA Electronic Industries Ltd. (Nasdaq SmallCap: RADI - News) today reported its financial results for the six month period ended June 30, 2006. The company reported revenues in the six month period of \$4.6 million, compared to revenues of \$6.6 million for the same period in 2005. For the six months ended June 30, 2006 cost of revenues increased to \$5.5 million from \$5.4 million in the comparable period in 2005, while operating expenses decreased to \$1.3 million from \$1.5 million in the first six months of 2005. As a result, the company reported a net loss of \$2.5 million for the six months ended June 30, 2006 compared to a net loss of \$0.6 million in the first six months of 2005.

Commenting on the results, Major General (Ret.) Herzle Bodinger, RADA's CEO said, "The loss in the first half of 2006 was greater than originally expected due to delays in the receipt of orders that the company still anticipates that it will receive in 2006. The company continues to believe that there will be an improvement in its financial results in the second half of 2006. As a result of the timing delays in the receipt of the anticipated orders, and in order to bridge the gap, the company received a \$850K three month loan from its controlling shareholders. This loan further demonstrates the confidence and continuing support by our shareholders. As indicated in our financials, we maintain a relative steady cost structure and we are continuing to monitor and tighten our expenses. We believe that we have the right cost structure and that any increase of revenue will generate increased profit margins

MR. Bodinger noted, "We are continuing to see an increasing demand for our products, in particular the Net Centric Digital Recorder (NCDR). RADA has already won new program awards this year for additional NCDR programs that were not included in our 2006 forecast. We are also receiving additional Requests For Proposals (RFPs). During the last six months we have increased our backlog by over \$9 million and expect to further increase our backlog during the remainder of the year from a number of significant programs."

"We continue to focus our marketing efforts on our strategic markets in the US, India, and Israel. Reflected in our backlog this year are key contracts in the US with Lockheed Martin, Smiths, and Boeing. In India, we won a contract for the NCDR and we expect to further increase our presence in that market," concluded Mr. Bodinger

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### About RADA

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

Contact: Elan Sigal- C.F.O  
RADA Electronic Industries Ltd.  
Tel: +972-9-8921111

### CONSOLIDATED BALANCE SHEETS

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

|  | June 30,<br>2006<br>Unaudited | December<br>31, 2005<br>Audited |
|--|-------------------------------|---------------------------------|
| ASSETS   |                               |                                 |
| CURRENT ASSETS:  |                               |                                 |
| Cash and cash equivalents  | \$ 1,312                      | \$ 350                          |
| Restricted cash  | 1,050                         | 1,017                           |
| Trade receivables (net of allowance for doubtful accounts of \$ 0 and \$ 6 at June 30, 2006 and December 31, 2005, respectively) | 1,961                         | 4,920                           |
| Other receivables and prepaid expenses   | 321                           | 156                             |
| Costs and estimated earnings in excess of billings on uncompleted contracts  | 1,229                         | 1,396                           |
| Inventories  | 2,208                         | 1,942                           |
| Total current assets   | 8,081                         | 9,781                           |
| LONG-TERM RECEIVABLES AND DEPOSITS:  |                               |                                 |
| Long-term receivables  | 983                           | 983                             |
| Leasing deposits   | 77                            | 72                              |
| Severance pay fund   | 1,688                         | 1,614                           |
| Total long-term receivables and deposits   | 2,748                         | 2,669                           |
| PROPERTY AND EQUIPMENT, NET  | 3,578                         | 3,931                           |
| OTHER ASSETS:  |                               |                                 |
| Intangible assets, net   | 2,210                         | 2,469                           |
| Deferred charges, net  | 30                            | 40                              |
| Total other assets   | 2,240                         | 2,509                           |
| Total assets   | \$ 16,647                     | \$ 18,890                       |

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### LIABILITIES AND SHAREHOLDERS' EQUITY

#### CURRENT LIABILITIES:

|   |        |        |
|---|--------|--------|
| Short-term bank credit and loans  | \$ 943 | \$ 877 |
| Trade payables  | 1,867  | 1,671  |
| Other payables and accrued expenses   | 3,286  | 3,217  |
| Deferred revenues   | -      | 50     |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 182    | 391    |
| Total current liabilities   | 6,278  | 6,206  |

#### LONG-TERM LIABILITIES:

|                             |       |       |
|-----------------------------|-------|-------|
| Convertible note            | 2,672 | 2,560 |
| Accrued severance pay       | 2,077 | 2,009 |
| Total long-term liabilities | 4,749 | 4,569 |

|                    |     |     |
|--------------------|-----|-----|
| MINORITY INTERESTS | 380 | 380 |
|--------------------|-----|-----|

#### SHAREHOLDERS' EQUITY:

|   |           |           |
|---|-----------|-----------|
| Share capital   |           |           |
| Ordinary shares of NIS 0.005 par value - Authorized: 47,500,000 shares at March 31, 2006 and December 31, 2005; Issued and outstanding: 26,170,527 and 26,144,027 shares at June 30, 2006 and December 31, 2005, respectively | 116       | 116       |
| Additional paid-in capital  | 66,955    | 66,900    |
| Accumulated deficit   | (61,831)  | (59,281)  |
| Total shareholders' equity  | 5,240     | 7,735     |
| Total liabilities and shareholders' equity  | \$ 16,647 | \$ 18,890 |

### CONSOLIDATED STATEMENTS OF OPERATIONS

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

|                          | Six months<br>ended<br>June 30, |          | Three months<br>ended<br>June 30, |           | Year<br>ended<br>December 31, |
|--------------------------|---------------------------------|----------|-----------------------------------|-----------|-------------------------------|
|                          | 2006                            | 2005     | 2006                              | 2005      | 2005                          |
|                          | (Unaudited)                     |          |                                   | (Audited) |                               |
| Revenues:                |                                 |          |                                   |           |                               |
| Products                 | \$ 3,661                        | \$ 5,426 | \$ 2,151                          | \$ 3,178  | \$ 11,303                     |
| Services                 | 916                             | 1,222    | 419                               | 628       | 2,118                         |
|                          | 4,577                           | 6,648    | 2,570                             | 3,806     | 13,421                        |
| Cost of revenues:        |                                 |          |                                   |           |                               |
| Products                 | 4,957                           | 4,817    | 2,749                             | 2,590     | 10,829                        |
| Services                 | 581                             | 596      | 295                               | 290       | 1,481                         |
|                          | 5,538                           | 5,413    | 3,044                             | 2,880     | 12,310                        |
| Gross profit (loss)      | (961)                           | 1,235    | (474)                             | 926       | 1,111                         |
| Operating expenses:      |                                 |          |                                   |           |                               |
| Research and development | 69                              | -        | 44                                | -         | -                             |
| Marketing and selling    | 440                             | 538      | 213                               | 360       | 927                           |
| General and              |                                 |          |                                   |           |                               |

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|  |            |           |            |            |            |
|--|------------|-----------|------------|------------|------------|
| administrative                             | 800        | 997       | 405        | 469        | 1,939      |
| Total operating expenses:                  | 1,309      | 1,535     | 662        | 829        | 2,866      |
| Operating income (loss)                    | (2,270)    | (300)     | (1,136)    | 97         | (1,755)    |
| Financial expense, net                     | (347)      | (297)     | (227)      | (178)      | (624)      |
| Other income (expenses), net               | 68         | -         | (3)        | -          | 33         |
|  | (2,549)    | (597)     | (1,366)    | (81)       | (2,346)    |
| Minority interests in losses of subsidiary | -          | 11        | 9          | 3          | 17         |
| Net loss                                   | \$ (2,549) | \$ (586)  | \$ (1,357) | \$ (78)    | \$ (2,329) |
| Net loss per share:                        |            |           |            |            |            |
| Basic and diluted net loss per share       | \$ (0.10)  | \$ (0.03) | \$ (0.05)  | \$ (0.004) | \$ (0.10)  |

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: September 15, 2006