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RADA ELECTRONIC INDUSTRIES LTD
Form 6-K
September 09, 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 September 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. Six Months Results for
June 30, 2003 dated September 9, 2003.

ITEM 1

Press Release

Source: RADA Electronic Industries Ltd.

RADA Electronic Industries Ltd. Six Months Results for June 30, 2003

Tuesday September 9, 9:21 am ET

NETANYA, Israel, Sept. 9 /PRNewswire-FirstCall/ -- RADA Electronic Industries Ltd. (Nasdaq: RADIF - News) today reported its financial position and results of operations for the six months ended June 30, 2003. The company reported \$4.5 million in revenues, \$550,000 net loss and earnings before interest, depreciation, taxes and amortization (EBIDTA) of approximately \$340,000 for the six months compared with EBIDTA of \$276,000 for the twelve months ended December 31, 2002.

The Company also reported its results of operations and financial position as of June 30, 2003 on a pro forma basis giving effect to the previously announced debt settlement agreement with its banks that is scheduled to close on or before September 15, 2003. Although the Company reported shareholders' equity of approximately \$290,000 at June 30, 2003, the reported shareholders' equity on a pro forma basis is approximately \$2.6 million.

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.

Contact:

Adar Azancot - C.E.O
RADA Electronic Industries Ltd.
Tel: 011-972-9-8921109

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UNAUDITED CONSOLIDATED BALANCE SHEETS In thousands of U.S. dollars

		June 30,	
	Note	2003 Actual	2003 Pro Forma (*)
Current assets			
Cash and cash equivalents	2	\$ 1,412	\$ 312
Trade receivables (net of allowance for doubtful accounts of \$214)		1,639	1,639
Other receivables and prepaid expenses		456	456
Inventories		1,269	1,269
Total current assets		4,776	3,676
Long-term receivables and deposits			
Long-term receivables		1,012	1,012
Leasing deposits		70	70
Severance pay funds		1,583	1,583
		2,665	2,665
Property and equipment, net			
Cost		16,498	16,498
Less - accumulated depreciation		11,325	11,325
Total property and equipment, net		5,173	5,173
Intangible assets, net		2,932	2,932
Total assets		\$ 15,546	\$ 14,446
Current liabilities			
Short-term bank credits and loans	2	\$ 5,480	\$ 2,029
Trade payables		621	621
Other payables and accrued expenses	2	2,831	2,901
Deferred revenues		769	769
Billings in excess of costs and estimated earnings on uncompleted contracts		2,778	2,778
Total current liabilities		12,479	9,098
Accrued severance pay		2,336	2,336
Minority interests		441	441
Shareholders' equity			
Share capital	2		
Ordinary shares of NIS 0.005 par value:			
Authorized - 45,000,000 shares; Issued and outstanding - 18,510,716 shares		108	108
Additional paid-in capital		59,140	59,140
Warrants		124	1,338
Accumulated deficit		(59,082)	(58,015)
Total shareholders' equity		290	2,571
Total liabilities and shareholders' equity		\$15,546	\$14,446

(*) See note 2

The accompanying notes are an integral part of these consolidated financial statements

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RADA ELECTRONIC INDUSTRIES LIMITED AND ITS SUBSIDIARY

UNAUDITED CONSOLIDATED INCOME STATEMENTS In thousands of U.S. dollars

	Note	For the six months ended June 30, 2003	
		Actual	Pro Forma (*)
Revenues			
Products		\$ 2,885	\$ 2,885
Services		1,662	1,662
		4,547	4,547
Cost of revenues			
Products		2,426	2,426
Services		1,202	1,202
		3,628	3,628
Gross profit		919	919
Operating expenses:			
Marketing, selling, general and administrative expenses		1,307	1,307
Operating loss		(388)	(388)
Financing expenses, net		(231)	(231)
Other income	2	62	1,129
		(557)	510
Minority interest in losses of subsidiaries		7	7
Net income (loss)		\$ (550)	\$ 517

(*) See note 2

The accompanying notes are an integral part of these consolidated financial statements

RADA ELECTRONIC INDUSTRIES LIMITED AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS In thousands of U.S. dollars

NOTE 1 - GENERAL

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Although the Company believes that the disclosure presented herein is adequate to make the information presented not misleading, it is suggested that these balance sheets statements be read in conjunction with the 2002 annual financial statements and footnotes.

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NOTE 2 - BANK SETTLEMENT AGREEMENT - PRO FORMA ADJUSTMENTS

On June 22, 2003, the Company signed a memorandum of agreement pursuant to which it has entered into a settlement agreement with Bank Hapoalim B.M. and Bank Leumi Le-Israel B.M, (the "Banks"). The agreement was approved by the Company's shareholders in an extraordinary general meeting of shareholders held on July 22, 2003. Pursuant to this agreement, the Company will (i) repay the Banks \$1,100 thousand on account of its debt to them, (ii) issue the banks warrants to purchase ordinary shares in lieu of \$1,251 thousand of debt and (iii) in addition the banks agreed to write-off \$1,100 thousand of the Company's debt.

The pro forma financial statements reflect the financial position of the Company as of June 30, 2003 and the results of operation for the six months ended June 30, 2003 as if the agreement with the banks was declared effective on June 30, 2003. Accordingly, the pro forma financial statements are not necessarily indicative of what actually would have occurred if the agreement with the bank were effective on June 30, 2003, nor are they necessary indicative of future results.

The pro forma adjustments reflect the repayment of \$1,100 thousand of outstanding debt, write off of \$1,100 thousand of debt and the conversion of \$1,251 thousand (net of \$37 thousand issuance expenses) of debt to warrants to purchase ordinary shares.

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: September 9, 2003