

Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

RADA ELECTRONIC INDUSTRIES LTD
Form 6-K
March 08, 2007

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
March 2007

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.

Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

1. Press Release re RADA Electronic Industries Announces Full Year 2006 Results dated March 6, 2007.

ITEM 1

Press Release

Source: RADA Electronic Industries Ltd.

RADA Electronic Industries Announces Full Year 2006 Results

Tuesday March 6, 12:10 pm ET

NETANYA, Israel, March 6 /PRNewswire-FirstCall/ -- RADA Electronic Industries Ltd. (Nasdaq: RADID - News) today reported its financial results for the three months and the year ended December 31, 2006. The company reported a net loss of \$2 million or \$0.23 per share. This compares with a net loss of \$2.3 million or \$0.31 per share, for the year ended December 31, 2005. Revenues in 2006 were \$13 million, a decrease of 3% from 2005. The gross margin on sales increased to 16% in 2006 from 10% in 2005. Operating loss for the year was \$1.25 million compared with an operating loss of \$1.8 million in 2005.

The company reported revenues for the three months ended December 31, 2006 of \$5.6 million, compared to revenues of \$4.2 million for the same period in 2005. For the three months ended December 31, 2006 cost of revenues decreased to \$3.7 million from \$3.9 million in the comparable period in 2005 and operating expenses increased to \$1.17 million from \$0.77 million in the comparable period in 2005. As a result, the company reported a net profit of \$534,000 for the three months ended December 31, 2006 compared to a net loss of \$544,000 for the same period in 2005.

Commenting on the results, Major General (Ret.) Herzle Bodinger, RADA's CEO said, "The improvement in our financials is a result of our investments over the past two years. Although the company reported a loss in fiscal 2006, in the second half of 2006 we showed an improvement and reported a net profit of \$550,000, after six quarters of losses. We are continuing with our marketing efforts and are continuing to focus on our main markets in Israel, U.S., and India. In our target markets we are working closely with our customers in order to develop the next generation of products. We believe that these development efforts, together with increasing sales of our existing state-of-the-art products, will result in continued financial improvement."

About RADA

RADA Electronic Industries Ltd. is an Israel based company involved in the military and commercial aerospace industries. The Company specializes in Avionics systems (Digital Video Recorders, Ground Debriefing Stations, Stores Management Systems, Flight Data Recorders, Inertial Navigation Systems), Trainers Upgrades, Avionics systems for the UAV market, and Electro optic cameras for airplanes and armored vehicles.

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

Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

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 Report on Form 20-F and other filings with the Securities and Exchange Commission.

CONSOLIDATED BALANCE SHEETS

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

	December 31,	
	2006	2005
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 990	\$ 350
Restricted cash	704	1,017
Trade receivables (net of allowance for doubtful accounts of \$ 34 and \$ 6 at December 31, 2006 and 2005, respectively)	4,296	4,920
Other accounts receivable and prepaid expenses	200	156
Costs and estimated earnings in excess of billings on uncompleted contracts	668	1,396
Inventories	2,468	1,942
Total current assets	9,326	9,781
LONG-TERM RECEIVABLES AND DEPOSITS:		
Long-term receivables	983	983
Leasing deposits	78	72
Severance pay fund	1,624	1,614
Total long-term receivables and deposits	2,685	2,669
PROPERTY, PLANT AND EQUIPMENT, NET	3,359	3,931
OTHER ASSETS:		
Intangible assets, net and goodwill	2,072	2,469
Deferred charges, net	13	40
Total other assets	2,085	2,509
Total assets	\$ 17,455	\$ 18,890
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term bank credit and current maturities of long-term loans	\$ 559	\$ 877
Trade payables	1,611	1,671
Other accounts payable and accrued expenses	3,419	3,217
Deferred revenues	84	50

Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

Billings in excess of costs and estimated earnings on uncompleted contracts	285	391
Total current liabilities	5,958	6,206
LONG-TERM LIABILITIES:		
Long-term loan	142	
Convertible note	2,858	2,560
Accrued severance pay	2,026	2,009
Total long-term liabilities	5,026	4,569
MINORITY INTERESTS	397	380

SHAREHOLDERS' EQUITY (see note below)

Share capital -		
Ordinary shares of NIS 0.015 par value -		
Authorized: 16,333,333 and 15,833,333 shares		
at December 31, 2006 and 2005, respectively;		
Issued and outstanding: 8,728,509 and		
8,714,676 shares at December 31, 2006 and		
2005, respectively	116	116
Additional paid-in capital	67,239	66,900
Accumulated deficit	(61,281)	(59,281)
Total shareholders' equity	6,074	7,735
Total liabilities and shareholders' equity	\$ 17,455	\$ 18,890

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Year ended December 31,		Three months ended December 31,	
	2006	2005	2006	2005 (unaudited)
Revenues:				
Products	\$ 10,984	\$ 11,303	\$ 4,974	\$ 3,887
Services	2,053	2,118	607	363
	13,037	13,421	5,581	4,250
Cost of revenues:				
Products	9,517	10,601	3,246	3,514
Services	1,482	1,481	494	387
	10,999	12,082	3,740	3,901
Gross profit	2,038	1,339	1,841	349

Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

Operating expenses:				
Research and development	181	-	42	-
Marketing and selling expenses	1,316	1,155	377	271
General and administrative expenses	1,794	1,939	753	498
Total operating expenses	3,291	3,094	1,172	769
Operating income (loss)	(1,253)	(1,755)	669	(420)
Financial expenses, net	(775)	(624)	(125)	(160)
Other income, net	45	33	-	33
	(1,983)	(2,346)	544	(547)
Minority interests in losses (gains) of subsidiary	(17)	17	(10)	3
Net income (loss)	\$ (2,000)	\$ (2,329)	\$ 534	\$ (544)
Net income (loss) per share:				
Basic and diluted net income (loss) per share	\$ (0.23)	\$ (0.31)	\$ 0.06	\$ (0.08)
No. of shares used in computing basic net income (loss) per share	8,723	7,504	8,725	7,194
No. of shares used in computing fully diluted net income (loss) per share	8,723	7,504	8,745	7,194

NOTE:

In February 2007, the Company effected a 3 to 1 reverse stock split with respect to its Ordinary shares. All shares, stock options, warrants and net loss per share amounts in these financial statements have been restated for all prior periods to reflect the reverse stock split.

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)

Edgar Filing: RADA ELECTRONIC INDUSTRIES LTD - Form 6-K

By: /s/Herzle Bodinger

Herzle Bodinger, Chairman

Date: March 8, 2007