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## **RF Industries Third Quarter Sales Increase 10% to a Record \$4.3 Million; Net Income for the Quarter is \$0.12 Per Diluted Share**

*Company declares \$0.02 per share quarterly dividend*

**SAN DIEGO, CA** -- September 17, 2007 -- **RF INDUSTRIES, LTD., (NASDAQ:RFIL)** today announced record results for the third quarter ended July 31, 2007.

### **Third Quarter Results**

For the quarter ended July 31, 2007, sales increased 10% to a record \$4,313,000 compared to \$3,920,000 in the same quarter last year. Net income increased 7% to \$434,000, or \$0.12 per diluted share, compared to \$407,000, or \$0.11 per diluted share in the same quarter last year.

"Third quarter record sales, for 2007, benefited from improved RF Connectors' sales to our major distributors and record sales at our Neulink Division. Neulink has opportunities for continued growth and the inventory adjustments from RF Connector's major distributors, which affected coax and cable sales in the first half of fiscal 2006, have clearly run their course," said Howard Hill, RFI's President and CEO.

Hill noted that RFI's September 1, 2007 acquisition of RadioMobile, Inc., a supplier and system integrator of custom wireless radio and transceiver products, is expected to be accretive to earnings in the current fiscal year. RadioMobile's revenue exceeded \$700,000 for the eight months ended August 31, 2007.

RFI's Board of Directors, upon review of the Company's current business environment and financial position, has declared a quarterly dividend of \$0.02 per common share, payable on October 16, 2007 to shareholders of record as of September 30, 2007. RFI's Board periodically reviews the dividend policy in light of the Company's performance and cash requirements.

### **Nine Months Results**

For the nine months ended July 31, 2007, net sales were \$10,848,000, compared to \$11,064,000 for the same period last year. Net income was \$645,000, or \$0.17 per diluted share, compared to \$1,067,000, or \$0.29 per diluted share, for the same period last year. Non-cash, after-tax option related expenses for the nine months ended July 31, 2007 were approximately \$402,000, or \$0.12 per diluted share. These expenses are projected to total approximately \$536,000, or \$0.15 per diluted share, for the current fiscal year ending October 31, 2007.

As of July 31, 2007, RFI reported cash and cash equivalents of \$4,959,000, investments in available for sale securities of \$2,857,000, working capital of \$13,730,000, a 12.6 to 1 current ratio, no long-term debt and stockholders' equity of \$14,248,000 or \$4.40 book value per share. Treasury stock of \$459,000 at July 31, 2007 represents the historical cost of stock acquired under the Company's stock repurchase program, as announced on April 4, 2007.

*(more)*

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## About RF Industries

The RF Connectors and Cable Assembly division designs and distributes radio frequency (RF) coaxial connectors and cable assemblies used for Wi-Fi, PCS, radio, test instruments, computer networks and antenna devices. Aviel Electronics provides custom microwave and RF Connector solutions to aerospace, OEM and Government agencies. Worswick provides coaxial connectors and cable assemblies primarily to retail and local multi-media and communications systems customers. 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.**  
**CONDENSED STATEMENTS OF INCOME**  
(Unaudited)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net sales	\$ 4,313,346	\$ 3,920,233	\$10,848,465	\$ 11,064,465
Cost of sales	<u>2,264,283</u>	<u>1,989,226</u>	<u>6,016,255</u>	<u>5,781,047</u>
Gross profit	2,049,063	1,931,007	4,832,210	5,283,418
Operating expenses:				
Engineering	117,171	118,712	350,104	398,875
Selling and general	<u>1,125,974</u>	<u>1,131,938</u>	<u>3,407,451</u>	<u>3,182,084</u>
Total expenses	<u>1,243,145</u>	<u>1,250,650</u>	<u>3,757,555</u>	<u>3,580,959</u>
Operating income	805,918	680,357	1,074,655	1,702,459
Other income - interest	<u>89,608</u>	<u>76,291</u>	<u>287,278</u>	<u>182,374</u>
Income before provision for income taxes	895,526	756,648	1,361,933	1,884,833
Provision for income taxes	<u>461,457</u>	<u>349,164</u>	<u>716,557</u>	<u>817,464</u>
Net income	<u>\$ 434,069</u>	<u>\$ 407,484</u>	<u>\$ 645,376</u>	<u>\$ 1,067,369</u>
Earnings per share:				
Basic	<u>\$ 0.13</u>	<u>\$ 0.13</u>	<u>\$ 0.20</u>	<u>\$ 0.34</u>
Diluted	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.17</u>	<u>\$ 0.29</u>
Weighted average shares outstanding				
Basic	<u>3,248,058</u>	<u>3,209,484</u>	<u>3,265,739</u>	<u>3,171,260</u>
Diluted	<u>3,693,613</u>	<u>3,723,927</u>	<u>3,766,200</u>	<u>3,694,522</u>

**RF INDUSTRIES, LTD.**  
**CONDENSED BALANCE SHEETS**  
(in thousands)(Unaudited)

<b>ASSETS</b>	<u>July 31, 2007</u>	<u>October 31, 2006</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 4,959	\$ 4,613
Investments in available-for-sale securities	2,857	2,253
Trade accounts receivable, net	1,877	2,053
Inventories	4,738	5,251
Other current assets	228	208
Deferred tax assets	<u>260</u>	<u>196</u>
<b>TOTAL CURRENT ASSETS</b>	<b>14,919</b>	<b>14,574</b>
Property, and equipment, net	304	376
Goodwill	201	201
Amortizable intangible asset	43	73
Note receivable from stockholder	67	67
Other assets	<u>28</u>	<u>28</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 15,562</u></b>	<b><u>\$ 15,319</u></b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 372	\$ 441
Accrued expenses	435	603
Income taxes payable	<u>381</u>	<u>720</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,188</b>	<b>1,764</b>
Deferred tax liabilities	<u>125</u>	<u>91</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,313</u></b>	<b><u>1,855</u></b>
 <b>STOCKHOLDERS' EQUITY</b>		
Common stock	33	33
Additional paid-in capital	5,315	4,583
Treasury Stock	(459)	--
Retained earnings	9,358	8,843
Accumulated other comprehensive income	<u>2</u>	<u>5</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>14,249</u></b>	<b><u>13,464</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 15,562</u></b>	<b><u>\$ 15,319</u></b>