

RF Connectors/Aviel/Worswick/Neulink/Bioconnect

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## **RF Industries' Fourth Quarter Net Income is \$0.13 Per Diluted Share Fiscal 2007 Net Income is \$0.30 Per Diluted Share**

*Company Projects Record First Quarter Sales*

**SAN DIEGO, CA** -- February 8, 2008 -- **RF INDUSTRIES, LTD., (NASDAQ:RFIL)** today announced results for the fourth quarter and fiscal year ended October 31, 2007.

### **Fourth Quarter Results**

For the quarter ended October 31, 2007, sales were \$4,005,000 compared to \$4,123,000 in the same quarter last year. Net income was \$490,000, or \$0.13 per diluted share, compared to \$473,000, or \$0.13 per diluted share, in the same quarter last year.

"Although fiscal 2007 started slow, with inventory corrections from major customers affecting first half shipments, RFI achieved record sales for the second half of fiscal 2007. The RF Connector and cable assembly division experienced increased demand in the fourth quarter for its high-speed "DIN" connectors used in wireless infrastructure build-outs by major telecommunications companies. This demand has continued into the current quarter and RFI expects to report record first quarter sales for the quarter ending January 31, 2008," said Howard Hill, RFI's President and CEO.

"Sales gains at Neulink, combined with sales of higher-margin, high-speed RF Connector products, increased RFI's fiscal 2007 fourth quarter gross margin to 51%, compared to 48% in the same quarter last year. We anticipate that demand for these higher-margin connector products will remain strong throughout the year," said Hill.

### **Fiscal 2007 Results**

For the fiscal year ended October 31, 2007, sales were \$14,853,000, compared to \$15,188,000 in fiscal 2006. Net income was \$1,135,000, or \$0.30 per diluted share, compared to \$1,541,000, or \$0.42 per diluted share, for fiscal 2006.

Hill noted that non-cash option-related expenses related to the adoption of SFAS 123R, "Accounting for Stock Based Compensation" reduced fiscal 2007 net income by approximately \$508,000, or about \$0.14 per diluted share. The Company had previously projected these expenses at approximately \$328,000, after taxes, or \$0.09 per diluted share.

"The slow start in fiscal 2007 reduced RF Connectors' sales 4% to approximately \$11,400,000. Neulink sales jumped 34% to nearly \$1,100,000 and its improved net margins contributed to RFI's profitability for the second straight year. Although Bioconnect sales were off 17% in fiscal 2007, we have taken steps to improve the order flow from their major customers in the current fiscal year. Aviel and Worswick were both profitable on increased sales," said Hill.

*(more)*

## RF Industries' Fourth Quarter Net Income is \$0.11 Per Diluted Share

February 8, 2008

Page Two

"During fiscal 2007, RFI used \$1,212,000 in cash resources, including \$600,000 for the repurchase of common stock, \$196,000 for shareholder dividends and \$167,000 for acquisitions. Even after these cash expenditures, cash and short-term near-liquid resources increased by \$1,066,000 in fiscal 2007, to over \$2.00 per diluted share," said Hill.

At October 31, 2007, RFI reported cash and cash equivalents of \$3,400,000 and investments in available-for-sale securities of \$4,532,000 for a total of \$7,932,000 in liquid and short-term near-liquid resources, working capital of \$14,281,000, a 14 to 1 current ratio, no long-term debt and stockholders' equity of \$14,941,000, or \$4.55 per share.

### 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. RadioMobile is an OEM provider of End-to-End mobile wireless network solutions for public safety, emergency medical, Transportation and industrial customers. 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 future events, the occurrence of which involve risks and uncertainties, including, without limitation, a decrease in the demand for the Company's products as a result of changes in the telecommunications or wireless products markets, increased competition, the effects of recently completed or future acquisitions of other businesses, and other uncertainties detailed in the Company's Securities and Exchange Commission filings. All forward-looking statements are based upon information available to the Company on the date they are published and the Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or new information after the date of this release.*

(tables attached)

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## RF INDUSTRIES, LTD.

Condensed Statements of Income  
(in thousands, except per share and share amounts)  
(unaudited)

	Three Months Ended October 31,		Twelve Months Ended October 31,	
	2007	2006	2007	2006
Net sales	\$ 4,005	\$ 4,123	\$ 14,853	\$ 15,188
Cost of sales	1,950	2,151	7,966	7,932
Gross profit	2,055	1,972	6,887	7,256
Operating expenses:				
Engineering	221	118	571	516
Selling and general	1,218	1,128	4,625	4,312
Total expenses	1,439	1,246	5,196	4,828
Operating income	616	726	1,691	2,428
Other income - interest	100	153	387	336
Income before provision for income taxes	716	879	2,078	2,764
Provision for income taxes	226	406	943	1,223
Net income	\$ 490	\$ 473	\$ 1,135	\$ 1,541
Earnings per share				
Basic	\$ 0.15	\$ 0.15	\$ 0.35	\$ 0.48
Diluted	\$ 0.13	\$ 0.13	\$ 0.30	\$ 0.42
Weighted average shares outstanding				
Basic	3,257,717	3,252,613	3,263,695	3,185,920
Diluted	3,723,349	3,776,464	3,755,449	3,711,535

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

<b>ASSETS</b>	October 31,	
	2007	2006
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,400	\$ 4,613
Investments in available-for-sale securities	4,532	2,253
Trade accounts receivable, net	1,900	2,053
Inventories	4,955	5,251
Other current assets	242	208
Deferred tax assets	322	196
<b>TOTAL CURRENT ASSETS</b>	15,351	14,574
Property and equipment, net	256	376
Goodwill	308	201
Amotizable intangible asset, net	115	73
Note receivable from stockholder	67	67
Other assets	31	28
<b>TOTAL ASSETS</b>	\$ 16,128	\$ 15,319
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 205	\$ 441
Income taxes payable	168	720
Accrued expenses	697	565
Total current liabilities	1,070	1,726
Deferred tax liabilities	70	91
Other long-term liabilities	47	38
<b>TOTAL LIABILITIES</b>	1,187	1,855
 <b>STOCKHOLDERS' EQUITY:</b>		
Common stock	33	33
Additional paid-in capital	5,700	4,583
Retained earnings	9,208	8,843
Net unrealized gain on available-for-sale securities	B	5
<b>TOTAL STOCKHOLDERS' EQUITY</b>	14,941	13,464
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 16,128	\$ 15,319