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Form 8-K

January 07, 2005

RF INDUSTRIES, LTD.  
RF Connectors/Aviel/Neulink/Bioconnect

For Immediate Release

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RF Industries' Fourth Quarter Net Jumps 45% to \$0.12  
Per Share On 10% Sales Gain

Fiscal 2004 Net Increases 81% on 15% Sales Gain

SAN DIEGO, CA, January 7, 2004 . . . RF INDUSTRIES, LTD.  
(NASDAQ:RFIL) today announced that for the fourth quarter ended October 31, 2004, net income increased 45% to \$437,000, or \$0.12 per diluted share, compared to \$301,000, or \$0.09 per diluted share, in the same quarter last year. Sales increased 10% to a record \$3,335,000, compared to \$3,045,000, in same quarter last year. The fourth quarter acquisition of Aviel Electronics added approximately \$190,000 and \$36,000 to sales and operating profits, respectively, for the period.

For the fiscal year ended October 31, 2004, net income increased 81% to \$1,288,000, or \$0.34 per diluted share, compared to \$711,000, or \$0.19 per diluted share, for fiscal 2003. Sales increased 15% to a record \$11,333,000, compared to sales of \$9,875,000 last year.

"RF Connector and cable assembly sales increased 18%, to \$9,805,000, and set the pace for our record fourth quarter and fiscal 2004 results. Connector's performance reflects strong growth for primary wireless, telecommunications and Wi-Fi markets. We are particularly pleased that connector and cable sales to Aerospace, Government and Military customers, ex-Aviel, increased 152%. This improved market penetration will help support our cross-selling efforts between RF Connector and Aviel's customer bases. Contributing to these record results, Bioconnect's sales doubled to \$686,000, and this business turned profitable in the fiscal fourth quarter," said Howard Hill, president of RF Industries.

RFI's operating income, which improved to 19% of sales, compared to 12% of sales in fiscal 2003, benefited from a strong product mix at RF Connector and improved profitability at Bioconnect. "With the integration of Aviel Electronics' profitable line of specialized connector products and opportunities for Neulink's NL6000 high-speed narrow band modem products, we anticipate another record year in fiscal 2005," said Hill.

At October 31, 2004, RFI reported cash and cash equivalents of \$4,497,000, working capital of \$9,760,000, a 18 to 1 current ratio, no long-term debt and stockholders' equity of \$10,519,000, or \$3.51 per share.

RFI's RF Connectors 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. 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

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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

	Three Months Ended October 31,		
	2004	2003	
	(unaudited)		
Net sales	\$ 3,335,090	\$ 3,045,189	\$ 11
Cost of sales	1,562,040	1,664,516	5
Gross profit	1,773,050	1,380,673	5
Operating expenses:			
Engineering	148,612	188,331	
Selling and general	873,407	666,231	3
Total expenses	1,022,019	854,562	3
Operating income	751,031	526,111	2
Interest income	7,697	5,094	
Income before provision for income taxes	758,728	531,205	2
Provision for income taxes	322,000	230,050	
Net Income	\$ 436,728	\$ 301,155	\$ 1
Earnings per share - basic	\$ .15	\$ .11	\$
Earnings per share - diluted	\$ .12	\$ .09	\$
Basic weighted average shares outstanding	2,964,362	2,661,384	2
Diluted weighted average shares outstanding	3,805,263	3,329,159	3

#### Condensed Balance Sheets

	October 31, 2004	October 31, 2003
Cash and investments	\$ 4,497,322	\$ 2,683,896
Accounts receivable, net	1,622,059	1,701,618

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Inventories	3,789,958	3,455,018
Other current assets	414,138	305,679
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Total current assets	10,323,477	8,146,211
Property plant & equipment, net	563,040	328,124
Other assets	248,229	133,755
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Total assets	\$11,134,746	\$ 8,608,090
	=====	=====
Current liabilities	\$ 563,056	\$ 509,992
Deferred tax liabilities	53,000	40,000
Stockholders' equity	10,518,690	8,058,098
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Total liabilities & stockholders' equity	\$11,134,746	\$ 8,608,090
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