R F INDUSTRIES LTD
Form 10QSB
June 12, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-QSB

Quarterly Report Under Section 13 or 15 (d) of
Securities Exchange Act of 1934

for Quarter ended April 30, 2003
Commission File Number 0-13301

RF INDUSTRIES, LTD.

(Exact name of registrant as specified in its charter)

Nevada 88-0168936

(State of Incorporation) (I.R.S. Employer Identification No.)

7610 Miramar Road., Bldg. 6000, San Diego, California 92126-4202

(Address of principal executive offices) (Zip Code)

(858) 549-6340 FAX (858) 549-6345

(Issuer's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act: None.

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days

Yes X   No

State the number of shares outstanding of each of the issuer's classes of common stock at the latest practicable date.

As of June 6, 2003, the registrant had 2,643,087 shares of Common Stock, $.01 par value, outstanding.

Transitional small business disclosure format

Yes   No X

Part I. FINANCIAL INFORMATION

Item 1: Financial Statements

RF INDUSTRIES, LTD. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30 2003 (Unaudited)	October 31 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,402,309	$ 3,939,299
Trade accounts receivable, net of allowance for doubtful accounts of $99,022 and $84,806	1,029,933	1,146,439
Notes receivable	12,000	12,000
Inventories	3,923,622	4,143,617
Other current assets	290,717	169,396
Deferred tax assets	162,600	162,600
TOTAL CURRENT ASSETS	9,821,181	9,573,351
PROPERTY AND EQUIPMENT		
Equipment and tooling	1,119,993	1,082,813
Furniture and office equipment	251,514	251,514
	1,371,507	1,334,327
Less accumulated depreciation	980,637	899,504
Total	390,870	434,823
Notes receivable from related parties	50,340	56,505
Note receivable from stockholder	70,000	70,000
Other assets	14,171	11,471
TOTAL ASSETS	$10,346,562	$10,146,150

See Notes to Condensed Consolidated Unaudited Financial Statements.

Item 1: Financial Statements (continued)

RF INDUSTRIES, LTD. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30 2003 (Unaudited)	October 31 2002
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES		
Accounts payable	$ 218,860	$ 70,806
Notes payable	0	44,582
Accrued expenses	241,132	327,271
Total current liabilities	459,992	442,659
Deferred tax liabilities	107,800	107,800
TOTAL LIABILITIES	567,792	550,459
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock - authorized 10,000,000 shares of $.01 par value; 3,441,054 shares issued ...	34,410	34,410
Additional paid-in capital	4,695,147	4,695,147
Retained earnings	5,136,899	4,923,060
Receivables from sales of stock	(1,715)	(1,715)
Treasury stock, at cost - 43,800 and 31,700 shares	(85,971)	(55,211)
TOTAL STOCKHOLDERS' EQUITY	9,778,770	9,595,691
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 10,346,562	$ 10,146,150

See Notes to Condensed Consolidated Unaudited Financial Statements.

Item 1: Financial Statements (continued)

RF INDUSTRIES, LTD. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF
INCOME AND COMPREHENSIVE INCOME

	Three Months Ended April 30		Six Months Ended April 30	
	(Unaudited)		(Unaudited)	
	2003	2002	2003	2002
Net sales	$2,166,024	$2,090,989	$4,492,900	$4,275,906

Cost of sales	1,071,487	956,996	2,263,645	2,106,676
Gross profit	1,094,537	1,133,993	2,229,255	2,169,230
Operating expenses:				
Engineering	187,718	142,192	386,298	306,227
Selling and general	772,384	735,628	1,496,223	1,505,611
Totals	960,102	877,820	1,882,521	1,811,838
Operating income	134,435	256,173	346,734	357,392
Other income:				
Commissions	0	0	0	8,215
Interest	4,608	16,249	16,105	40,003
Totals	4,608	16,249	16,105	48,218
Income before provision for income tax	139,043	272,422	362,839	405,610
Provision for income tax	60,000	111,000	149,000	162,000
Net income	$ 79,043	$ 161,422	$ 213,839	$ 243,610
Basic earnings per share	$ 0.02	$ 0.05	$ 0.06	$ 0.07
Diluted earnings per share	$ 0.02	$ 0.04	$ 0.06	$ 0.06
Basic weighted average shares outstanding	3,398,014	3,409,354	3,399,146	3,409,354
Diluted weighted average shares outstanding	3,709,455	3,851,303	3,680,993	3,848,809
COMPREHENSIVE INCOME:				
Net income	$ 79,043	$ 161,422	$ 213,839	$ 243,610
Unrealized gain on available-for-sale securities, net of deferred tax	0	1,613	0	8,709
Total comprehensive income	$ 79,043	$ 163,035	$ 213,839	$ 252,319

See Notes to Condensed Consolidated Unaudited Financial Statements.

Item 1: Financial Statements (continued)

RF INDUSTRIES, LTD. AND SUBSIDIARY
CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS

Six months ended April 30

OPERATING ACTIVITIES	(Unaudited) 2003	2002
Net income	$ 213,839	$ 243,610
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for bad debts	24,000	50,000
Depreciation and amortization	81,133	82,721
Amortization of unearned compensation		23,490
Changes in operating assets and liabilities:		
Trade accounts receivable	92,506	(256,017)
Inventories	219,994	473,495
Other assets	(124,021)	6,329
Accounts payable	148,054	25,865
Accrued expenses	(86,139)	(75,458)
Net cash provided by operating activities	569,366	574,035
INVESTING ACTIVITIES		
Investment in available-for-sale securities		(30,910)
Capital expenditures	(37,179)	(17,591)
Repayments of related party notes	6,165	
Net cash used in investing activities	(31,014)	(48,501)
FINANCING ACTIVITIES		
Payments on loans payable	(44,582)	(47,500)
Purchase of treasury stock	(30,760)	
Net cash used in financing activities	(75,342)	(47,500)
Net increase in cash and cash equivalents	463,010	478,034
Cash and cash equivalents at the beginning of the period	3,939,299	915,538
Cash and cash equivalents at the end of the period	$ 4,402,309	$ 1,393,572

See Notes to Condensed Consolidated Unaudited Financial Statements.

RF INDUSTRIES, LTD. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Unaudited interim financial statements:

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America 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. Operating results for the three and six month periods ended April

30, 2003 are not necessarily indicative of the results that may be expected for the year ending October 31, 2003. The unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended October 31, 2002.

Note 2 - Components of inventory

	April 30 2003 (Unaudited)	October 31 2002
Raw material and supplies	$ 553,600	$ 655,746
Finished goods	3,370,022	3,487,871
Totals	$3,923,622	$4,143,617

Note 3 - Earnings per share:

As further explained in Note 1 of the notes to the audited financial statements of the Company, included in Form 10-KSB for the fiscal year ended October 31, 2002, basic earnings per share is computed by dividing net earnings by the weighted average number of common stock outstanding during the period. Diluted earnings per share is computed by dividing net earnings by the weighted average number of shares of common stock increased by the effects of assuming that other potentially dilutive securities (such as stock options) outstanding during the period had been exercised and the treasury stock method had been applied.

The following table summarizes the computation of basic and diluted weighted average shares:

	Three Months Ended January 31		Six Months Ended April 30	
	2003	2002	2003	2002
Weighted average shares outstanding for basic net earnings per share	3,398,014	3,409,354	3,399,146	3,409,354
Add effects of potentially dilutive securities- assumed exercised of stock options	311,441	441,949	281,847	439,455
Weighted average shares for diluted net earnings per share	3,709,455	3,851,303	3,680,993	3,848,809

Note 4 - Segment Information

The Company's segments are described in Note 6 of the notes to the audited financial statements of the Company included in Form 10-KSB for the fiscal year ended October 31, 2002.

The Company had reported segment information in its previous filings for the operations associated with its Connector, Neulink and Bioconnect business units in the same format as reviewed by the Company's management. The sales, operating income and assets of the Bioconnect segment no longer meet the thresholds that require separate disclosures and the product line of Bioconnect is comparable with the Connector business unit. Accordingly, the Company discontinued reporting segment information on the Bioconnect segment separately and included this information in the Connector business unit in the second quarter for the year ending October 31, 2003. The comparable segment information for the second quarter year ending October 31, 2002 has been restated to conform with the 2003 presentation.

Substantially all of the Company's operations are conducted in the United States; however, the Company derives a portion of its revenue from export sales.

Net sales and income (loss) before provision for income taxes for the three months ended April 30, 2003 and 2002 follows:

	Connector	Neulink	Common/ Corporate	Total
2003				
Net sales	$ 1,926,928	$ 239,096		$ 2,166,024
Income (loss) before provision for income taxes	212,629	(78,194)	4,608	139,043
Depreciation and amortization	35,855	4,612		40,467
Total assets	9,556,926	789,636		10,346,562
Additions to property and equipment	31,245			31,245
2002				
Net sales	$ 1,887,075	$ 203,914		$ 2,090,989
Income (loss) before provision for income taxes	276,859	(20,686)	$ 16,249	272,422
Depreciation and amortization	35,494	6,042		41,536
Total assets	8,758,307	1,105,355		9,863,662
Additions to property and equipment	13,040			13,040

Net sales and income (loss) before provision for income taxes for the six months ended April 30, 2003 and 2002 follows:

	Connector	Neulink	Common/ Corporate	Total

2003				
Net sales	$ 3,786,575	$ 706,325		$ 4,492,900
Income (loss) before provision for income taxes	385,752	(39,018)	16,105	362,839
Depreciation and amortization	71,954	9,179		81,133
Total assets	9,556,926	789,636		10,346,562
Additions to property and equipment	37,179			37,179
2002				
Net sales	$ 3,722,760	$ 553,146		$ 4,275,906
Income (loss) before provision for income taxes	321,813	43,794	$40,003	405,610
Depreciation and amortization	71,678	11,043		82,721
Total assets	8,758,307	1,105,355		9,863,662
Additions to property and equipment	17,591			17,591

Note 5- Stock Option Plan

A description of the Company's 1990 and 2000 Stock Option Plans and other information related to stock options are included in Note 8 in its Annual Report on Form 10-KSB for the year ended October 31, 2002.

The Company continues to measure compensation cost related to stock options issued to employees using the intrinsic value method of accounting prescribed by Accounting Principles Board Opinion No. 25 ("APB 25"), Accounting For Stock Issued to Employees. The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Principles No. 123 ("SFAS 123"), Accounting for Stock-Based Compensation. Accordingly, no earned or unearned compensation cost was recognized in the accompanying condensed consolidated financial statements for the stock options granted by the Company to its employees since all of those options have been granted at exercise prices that equaled or exceeded the market value at the date of grant. The Company's historical net income and earnings per common share and pro forma net income and earnings per share assuming compensation cost had been determined based on the fair value at the grant date for all awards by the Company consistent with the provisions of SFAS 123 are set forth below:

	Three Months Ended April 30		Six Months Ended April 30	
	2003	2002	2003	200

Net income - as reported	$ 79,043	$ 161,422	$ 213,839	$ 243,
Deduct total stock-based employee compensation expense determined under fair value-based method for all awards	(20,000)	(20,000)	(40,000)	(40,
Net income - pro forma	$ 59,043	$ 141,422	$ 173,839	$ 203,
Basic earnings per share - as reported ...	$ 0.02	$ 0.05	$ 0.06	$ 0
Basic earnings per share - pro forma	$ 0.02	$ 0.04	$ 0.05	$ 0
Diluted earnings per share - as reported..	$ 0.02	$ 0.04	$ 0.06	$ 0
Diluted earnings per share - pro forma ...	$ 0.02	$ 0.04	$ 0.05	$ 0

Note 6 - Subsequent Events

On May 22, 2003, the Company announced the repurchase, for $3.00 per share, in a single private transaction, of a 752,167 share block of its common stock. These shares represent 22% of the total shares outstanding immediately prior to the purchase and were owned by a single, unaffiliated shareholder. With the retirement of these shares, the total number of RFI common shares outstanding has been reduced to approximately 2,645,000 shares.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

99.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. ss. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. ss. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

None.

Item 2: Management's discussion and analysis of financial condition and results of operations

This report contains forward-looking statements. These statements relate to future events or the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "except," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the

Company, nor any other person, assumes responsibility for the accuracy and completeness of the forward-looking statements. The Company is under no obligation to update any of the forward-looking statements after the filing of this Quarterly Report on Form 10-QSB to conform such statements to actual results or to changes in its expectations.

The following discussion should be read in conjunction with the Company's financial statements and the related notes and other financial information appearing elsewhere in this Form 10-QSB. Readers are also urged to carefully review and consider the various disclosures made by the Company which attempt to advise interested parties of the factors which affect the Company's business, including without limitation the disclosures made under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the caption "Risk Factors," and the audited financial statements and related notes included in the Company's Annual Report filed on Form 10-KSB for the year ended October 31, 2002 and other reports and filings made with the Securities and Exchange Commission.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements of RF Industries and Subsidiary are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires our management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of financial statements.

REVENUE RECOGNITION

The Company recognizes revenue from the sale of products at the time of shipment of the product. In addition, the Company has a strategic alliance with a supplier where the Company recognizes commission income when payment is received.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company maintains an allowance for doubtful accounts based on historical collections of accounts receivable. The Company monitors its accounts receivable balances on a continual basis. If the financial condition of customers deteriorates, additional allowances may be required.

INCOME TAXES

The Company accounts for income taxes pursuant to the asset and liability method which requires deferred income tax assets and liabilities to be computed for temporary differences between the financial statement and tax bases of assets and liabilities that will result in taxable, or deductible amounts in future periods based on enacted laws and rates applicable to the periods in which the temporary differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The income tax provision is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

INVENTORY VALUATION

Inventories are valued at the weighted average cost value. Certain items in the inventory may be considered obsolete or excess and, as such, the Company may establish an allowance to reduce the carrying value of these items to their net realizable value. Based on estimates, assumptions and judgments made from the information available at the time, the Company determines the amounts of these allowances. If these estimates and related assumptions or the market change, we may be required to record additional reserves.

LIQUIDITY AND CAPITAL RESOURCES

Management believes that existing current assets and the amount of cash it anticipates it will generate from current operations will be sufficient to fund the anticipated liquidity and capital resource needs of the Company for at least twelve months. The Company does not, however, currently have any commercial banking arrangements providing for loans, credit facilities or similar matters should the Company need to obtain additional capital. Management believes that its existing assets and the cash expected to be generated from operations will be sufficient during the current fiscal year are based on the following:

- As of April 30, 2003, the amount of cash and cash equivalents was equal to $4,402,309 in the aggregate.

- As of April 30, 2003, the Company had $ 9,821,181 in current assets, and only $459,992 of current liabilities.

- As of April 30, 2003, the Company had no outstanding indebtedness (other than accounts payable and accrued expenses).

In May 2003, the Company used $2,265,500 of its cash to repurchase and retire 752,167 of its then outstanding shares of common stock. Notwithstanding the foregoing repurchase, following the repurchase the Company still had over $2,000,000 of cash and cash equivalents, working capital of approximately $7,000,000, and a current ratio of approximately 16 to 1. Accordingly, the Company does not believe it will need material additional capital equipment in the next twelve months. In the past, the Company has financed some of its property and equipment requirements through capital leases. No additional capital equipment purchases have been currently identified that would require significant additional leasing or capital obligations during the next twelve months. Management also believes that based on the Company's current financial condition, the absence of outstanding bank debt and recent operating results, the Company would be able to obtain bank loans to finance its expansion, if necessary, although there can be no assurance any bank loan would be obtainable, or if obtained, would be on favorable terms or conditions.

As of April 30, 2003, the Company had a total of $ 4,402,309 of cash and cash equivalents compared to a total of $ 3,939,299 of cash and cash equivalents on October 31, 2002. The increase in liquid assets is the result of (i) net income earned by the Company during the six-month period following October 31, 2002, (ii) a decrease in the amount of inventories held by the Company (the Company sold some of its excess inventory that it did not need to replenish) and (iii) additional collections of accounts receivable.

Net cash used in investing activities was $ 31,014 for the six months ended April 30, 2003, and was attributable to $ 37,179 in capital expenditures and $6,165 representing repayments of notes.

Net cash used in financing activities was $ 75,342 for the six months ended April 30, 2003, and was attributable to $30,760 used to purchase treasury stock and payment on a loan incurred in connection with the purchase of Bioconnect for $44,582 (last payment).

As a result of the foregoing factors, the Company generated net cash of $463,010 during the past six months.

Three Months 2003 vs. Three Months 2002

Net sales increased 3.6%, or $75,000, to $2,166,000 from $2,091,000 in the second fiscal quarter last year, due to increased sales at the Company's Neulink division.

Net sales at the RF Connector division, which now includes the Bioconnect product line, increased 2.1%, to $1,927,000 compared to $1,887,000 for the same quarter last year, due to an increase in sales of Bioconnect products in the second quarter.

Net sales at the RF Neulink division increased by 17% to $239,000 compared to $204,000 in the second quarter last year. The increase in sales can be attributed primarily to an increase in the number of RF9600 tranceivers sold.

Cost of sales increased 12% or $114,500, to $1,071,500 from $957,000 in the same quarter last year. The increase is primarily due to increased freight, duty and sales in the second quarter. Overall gross margins, as a percentage of sales, decreased 3.7% compared to the second quarter of last year primarily related to the Neulink and Bioconnect product mix during the quarter.

Engineering expenses increased 32%, or $45,500, to $187,700 from $142,200 in the second quarter last year. Engineering expenses increased primarily as a result of the additional expenses incurred to develop a new high-speed wireless radio modem, to upgrade and replace an existing product line.

Selling and general expenses increased 5% or $36,800, to $772,400 from $735,600 in the same quarter last year. Selling and general expenses were higher in the second quarter this year due primarily to increased marketing, sales, advertising, legal and accouting expenses.

Net interest income decreased to $4,600 from $16,300 in the second quarter last year due to lower interest rates and reduced investments in mutual funds.

Six Months 2003 vs. Six Months 2002

Net sales increased 5.1%, or $217,000, to $4,493,000 from $4,276,000 for the six month period of 2002, primarily due to increased sales at the Neulink Division. Net sales at the RF Connector division, which now includes the Bioconnect product line, increased 1.7%, to $3,786,600 compared to $3,722,800 for the same six months last year, due to a general increase in the demand for connectors,cable assemblies.

Net sales at the RF Neulink division increased by 27.7% to $706,300 compared to $553,000 in the second quarter last year. The increase in sales can be attributed to expanded sales of Neulink wireless tranceivers.

Cost of sales increased 7.5% or $157,000, to $2,264,000 from $2,107,000 in the six month period last year. The increase is primarily due to increased freight costs, duty and sales year to date. Overall gross margins, as a percentage of sales, decreased 1.1% compared to the last year primarily because of the Neulink and Bioconnect product mix during the six months. Engineering expenses increased 26%, or $80,000, to $386,000 from $306,000 in the first half of last year. Engineering expenses increased primarily as a result of the additional expenses incurred by Neulink to develop a new high-speed wireless radio modem.

Selling and general expenses decreased 6.6% or $10,000, to $1,496,000 from $1,506,000 in the same six months last year. Selling and general expenses were higher in the six month period last year due primarily to additional catalog expense.

Net interest income decreased to $16,000 from $40,000 in the first six months last year due to lower interest rates and reduced investments in mutual funds since July of 2002.

MATERIAL CHANGES IN FINANCIAL CONDITION:

Cash and cash equivalents increased by $463,010 to $4,402,309 at April 30, 2003 compared to $3,939,299 at October 31, 2002. The increase is due primarily to lower inventory levels, net income of $213,839 for the first two quarters of 2003, and the collection of accounts receivable.

Trade accounts receivable decreased 10%, or $116,500 to $1,030,000 compared to the October 31, 2002 balance of $1,146,500. The decrease is due primarily to timing of collections and the Company's increased efforts to reduce its outstanding accounts receivable.

Inventories decreased 5%, or $220,000, to $3,923,600, compared to $4,143,600 on October 31, 2002. As part of its business strategy, and because of its off-shore manufacturing arrangements, the Company normally maintains a high level of inventory. For the past year, the Company has been steadily reducing its inventory levels, to a sufficient amount to meet customer demand. However, based on the recent increases in customer demand, the Company does not believe that it will further significantly reduce its inventory.

Other current assets, including prepaid expenses and deposits, increased $121,300 to $291,700, from $169,400 on October 31, 2002. This increase is a seasonal factor associated with annual invoices for prepaid cargo insurance, prepaid property and liability insurance, audit fees, computer maintenance agreements and other miscellaneous expenses.

Subsequent Events

On May 22, 2003, the Company announced the repurchase, for $3.00 per share, in a single private transaction, of a 752,167 share block of its common stock. These shares represent 22% of the total shares outstanding immediately prior to the purchase and were owned by a single, unaffiliated shareholder. With the retirement of these shares, the total number of RFI common shares outstanding has been reduced to approximately 2,645,000 shares. Consequently, the Company's cash position was reduced by $2,256,501.

Item 3. Controls and Procedures.

Within 90 days prior to the date of this quarterly report on Form 10-QSB for the second quarter ended April 30, 2003, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and President, the principal executive officer and the Company's Chief Financial Officer, our principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-14 of the Securities Exchange Act of 1934. Based upon that evaluation, the principal executive officer and the principal financial officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company's periodic SEC filings. There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of our most recent evaluation.

PART II. OTHER INFORMATION

None

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.

RF INDUSTRIES, LTD.

Dated: June 12, 2003

By: /s/ Howard F. Hill

Howard F. Hill, President
Chief Executive Officer

Dated: June 13, 2003

By: /s/ Terrie A. Gross

Terrie A. Gross
Chief Financial Officer

CERTIFICATIONS

I, Howard F. Hill, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of RF Industries, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a)designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of

registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 12, 2003

/s/ Howard F. Hill

Howard F. Hill
Chief Executive Officer

I, Terrie A. Gross, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RF Industries, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 12, 2003

/s/ Terrie A. Gross

Terrie A. Gross
Chief Financial Officer