



FOR IMMEDIATE RELEASE

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RF Industries Reports Fourth Quarter and Fiscal 2014 Results

San Diego, California, January 29, 2015 -- RF Industries, Ltd. (NASDAQ: RFIL) today announced results for the fourth quarter and fiscal year ended October 31, 2014.

Fourth Quarter Results

Sales for the fiscal fourth quarter of 2014 declined by \$2.4 million to \$6.0 million compared to sales of \$8.4 million for the same quarter last year. Net income was \$325,000, or \$0.04 per diluted share, compared to \$25,000, or \$0.00 per diluted share, in the same period last year. Net income for the fourth quarter 2013 reflects a \$695,000 loss from discontinued operations primarily due to the sale of its RadioMobile division. Results for the fourth quarter and fiscal year ended October 31, 2013 have been adjusted to reflect immaterial corrections made to the Company's previously audited financial statements.

Fourth quarter fiscal 2014 net sales were primarily affected by a \$2.0 million sales decline at the Cables Unlimited, Inc. (CUI) segment to \$1.9 million for the quarter, compared to sales of \$3.9 million at CUI in the same quarter last year.

Gross profit declined to \$2.6 million from \$3.4 million, but improved, as a percentage of sales, to 44% from 41% of sales in the fourth quarter last year. Fourth quarter selling and general expenses declined by \$82,000 to \$1.8 million, primarily due to a decrease in headcount in fiscal 2014.

Johnny Walker, President and CEO said, "As part of our strategy to expand sales and market share in the telecom, fiber optic and data center market, the Company acquired New Jersey-based Comnet Telecom Supply, Inc. (Comnet) on January 20, 2015. The acquisition of Comnet was effective as of November 1, 2014 and will, therefore, contribute to our financial results for the entire fiscal year ending October 31, 2015. Like Cables Unlimited, Comnet is a Corning Gold Assembly House and distributes telecommunications and data products. We believe that this acquisition provides a growth opportunity for our fiber optic and custom cabling operations and enables us to enter into the data center equipment solutions market."

Fiscal Year Results

Net sales for the fiscal year ended October 31, 2014 were \$23.1 million, compared to sales of \$36.6 million for fiscal 2013. Net income was \$1.4 million, or \$0.16 per diluted share, as compared to \$3.6 million, or \$0.43 per diluted share, for the same period last year. Net income for fiscal 2013 reflects a \$1.1 million loss from discontinued operations due to the sale of its RadioMobile and RF Neulink divisions.

Net sales were primarily affected by a \$12.1 million decline in sales at CUI to \$7.2 million for the year, compared to sales of \$19.3 million at CUI for fiscal 2013. As a result of the drop in sales, CUI had an operating loss of \$484,000 for fiscal 2014, compared to operating income of \$3.9 million in fiscal 2013.

(more)

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The Company's gross profit declined to \$10.5 million for fiscal 2014, compared to \$15.9 million last year, but improved, as a percentage of sales, to 45% in fiscal 2014 versus 43% of sales in the previous year. Selling and general expenses declined to \$7.2 million, compared to \$8.2 million in fiscal 2013. The decrease in selling and general expenses was primarily due to lower compensation and benefits expense as a result of a decrease in headcount. Additionally, general expenses in fiscal 2013 included lump-sum bonus payments to senior management and to increased legal and consulting fees in connection with the termination and replacement of an employee.

"Fiscal 2014 results declined primarily due to the completion of a large one-time project to deliver a single line of new cabling product to address the needs of certain telecommunications companies, coupled with an industry-wide decline in the demand for RF Connector and cabling products. We are introducing new products and have acquired Comnet, a complementary business to Cables Unlimited, to expand our market presence in fiber optic cabling and complementary data center products. Our cash position remains strong and we are confident that the Company will remain profitable and that our new product lines and enhanced market presence will reward our investors," said Mr. Walker.

Balance Sheet Data

At October 31, 2014, the Company had working capital of \$21.1 million, including cash and cash equivalents of \$14.7 million, a current ratio of approximately 10-to-1, no long-term obligations and stockholders' equity of \$25.9 million. During fiscal 2014, the Company returned \$2.3 million of equity capital to its stockholders as cash dividends and repurchased and retired 22,828 shares of its common stock, in open market transactions, for \$104,000.

Conference Call Information

The Company has scheduled a conference call at 11:00 a.m. EST this morning to discuss its results for the quarter and fiscal year 2014. To participate in the call, dial (877) 407-9210 or (201) 689-8049. A simultaneous webcast of the conference call may be accessed online from the [Webcasts/Conference Call](#) link on the Investor Info tab at www.rfindustries.com. A replay will be available after 1:00 p.m. EST at this same Internet address. For a telephone replay, dial (877) 660-6853 or (201) 612-7415, conference ID #13599173, after 1:00 p.m. EST.

About RF Industries

RF Industries is a leading designer and manufacturer of innovative interconnect products and complex cable assemblies across diversified, high growth markets including wireless carriers & infrastructure, medical and industrial. The Company's products include [RF connectors](#), [coaxial and custom cable assemblies](#), [fiber optic cables](#), [wiring harnesses](#) and [medical wiring](#). The Company's connectivity products are used throughout the growing and evolving wireless infrastructure. Through its newly acquired Comnet Telecom Supply, Inc. subsidiary, the Company also manufactures and sells other cabling technologies and data center equipment solutions. The Company has reported 21 consecutive years of profitability and is headquartered in San Diego, California with operations in Las Vegas, Nevada, Yaphank, New York, and East Brunswick, New Jersey. Please visit the RF Industries website at www.rfindustries.com.

Forward-Looking Statements

This press release contains forward-looking statements with respect to future events which are subject to a number of factors that could cause actual results to differ materially. Factors that could cause or contribute to such differences include, but are not limited to: changes in the telecommunications industry and the Company's reliance on certain distributors for a significant portion of anticipated revenues. Further discussion of these and other potential risk factors may be found in the Company's public filings with the Securities and Exchange Commission (www.sec.gov) including its Form 10-K. 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.

RF INDUSTRIES, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED) (in thousands, except share and per share amounts)

	Three Months Ended October 31,		Twelve Months Ended October 31,	
	2014	2013*	2014	2013*
Net sales	\$ 5,965	\$ 8,405	\$ 23,115	\$ 36,625
Cost of sales	3,334	4,961	12,662	20,716
Gross profit	<u>2,631</u>	<u>3,444</u>	<u>10,453</u>	<u>15,909</u>
Operating expenses:				
Engineering	251	399	948	998
Selling and general	1,844	1,926	7,239	8,209
Total operating expenses	<u>2,095</u>	<u>2,325</u>	<u>8,187</u>	<u>9,207</u>
Operating income	536	1,119	2,266	6,702
Other income - interest	<u>7</u>	<u>7</u>	<u>29</u>	<u>20</u>
Income from continuing operations before provision for income taxes	543	1,126	2,295	6,722
Provision for income taxes	<u>289</u>	<u>406</u>	<u>959</u>	<u>1,980</u>
Income from continuing operations	254	720	1,336	4,742
Income (loss) from discontinued operations, net of tax	<u>71</u>	<u>(695)</u>	<u>103</u>	<u>(1,140)</u>
Consolidated net income	<u>\$ 325</u>	<u>\$ 25</u>	<u>\$ 1,439</u>	<u>\$ 3,602</u>
Earnings (loss) per basic share:				
Continuing operations	\$ 0.03	\$ 0.09	\$ 0.17	\$ 0.62
Discontinued operations	<u>0.01</u>	<u>(0.09)</u>	<u>0.01</u>	<u>(0.15)</u>
Net income (loss) per share	<u>\$ 0.04</u>	<u>\$ (0.00)</u>	<u>\$ 0.18</u>	<u>\$ 0.47</u>
Earnings (loss) per diluted share:				
Continuing operations	\$ 0.03	\$ 0.08	\$ 0.15	\$ 0.56
Discontinued operations	<u>0.01</u>	<u>(0.08)</u>	<u>0.01</u>	<u>(0.13)</u>
Net income per share	<u>\$ 0.04</u>	<u>\$ 0.00</u>	<u>\$ 0.16</u>	<u>\$ 0.43</u>
Weighted average shares outstanding:				
Basic	<u>8,260,964</u>	<u>7,920,628</u>	<u>8,215,688</u>	<u>7,600,029</u>
Diluted	<u>8,685,917</u>	<u>8,666,164</u>	<u>8,742,025</u>	<u>8,455,631</u>

* Results for the fourth quarter and fiscal year ended October 31, 2013 have been adjusted to reflect immaterial corrections made to the Company's previously audited financial statements.

RF INDUSTRIES, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	October 31,	
	2014	2013*
	(audited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,718	\$ 11,881
Trade accounts receivable, net	2,428	3,160
Inventories	5,259	5,924
Other current assets	618	1,587
Deferred tax assets	416	495
	23,439	23,047
Property and equipment, net	829	1,053
Goodwill	3,076	3,076
Amortizable intangible assets, net	1,187	1,407
Non-amortizable intangible assets	410	410
Note receivable from stockholder	67	67
Other assets	21	30
	\$ 29,029	\$ 29,090
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 861	\$ 792
Accrued expenses	1,422	1,761
Customer deposit	6	51
Income taxes payable	73	--
	2,362	2,604
Deferred tax liabilities	811	950
	3,173	3,554
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, authorized 20,000,000 shares of \$0.01 par value; 8,255,979 and 8,075,124 shares issued and outstanding at October 31, 2014 and 2013, respectively	83	81
Additional paid-in capital	17,230	16,049
Retained earnings	8,543	9,406
	25,856	25,536
	\$ 29,029	\$ 29,090

* Results for the fiscal year ended October 31, 2013 have been adjusted to reflect immaterial corrections made to the Company's previously audited financial statements.