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RADCOM LTD
Form 6-K
October 22, 2003

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
The Securities Exchange Act of 1934

For the month of October, 2003

Commission File Number: 0-29452

RADCOM LTD.
(Translation of Registrant's Name into English)

24 Raoul Wallenberg Street, Tel Aviv 69719, Israel
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form:40-F _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): N/A

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): N/A

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:
Yes _____ No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- N/A

THIS REPORT ON FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO RADCOM LTD.'S ("RADCOM") REGISTRATION STATEMENTS ON FORM S-8 (REGISTRATION STATEMENT NOS. 333-13244, 333-13246, 333-13248, 333-13250, 333-13254, 333-13252, 333-13236), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FILED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OF FURNISHED.

CONTENTS

This report on Form 6-K of Radcom consists of the following documents, which is attached hereto and incorporated by reference herein:

1. Press Release: RADCOM REPORTS RESULTS FOR 3RD QUARTER AND 1ST NINE MONTHS OF

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2003. Dated October 20, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Radcom Ltd.
(Registrant)

Dated: October 22, 2003

By: /s/David Zigdon

David Zigdon
Chief Financial Officer

EXHIBIT INDEX

| Exhibit Number | Description of Exhibit |
|----------------|--|
| 10.1 | Press Release: RADCOM REPORTS RESULTS FOR 3RD QUARTER AND 1ST NINE MONTHS OF 2003. Dated October 20, 2003. |

EXHIBIT 10.1

Contact:
David Zigdon, CFO
(972) 3-6455004
davidz@radcom.com

RADCOM REPORTS RESULTS FOR 3RD QUARTER AND 1ST NINE MONTHS OF 2003

-- Sales of Breakthrough Cellular Performer Boost Revenues Another 28% --

TEL-AVIV, Israel--October 20, 2003-- RADCOM Ltd. (RADCOM) (NASDAQ: RDCM) today announced financial results for the third quarter and nine months ended September 30, 2003.

Results of the Third Quarter

Revenues for the third quarter of 2003 were \$3,121,000, an increase of 28% compared to \$2,436,000 in the second quarter of 2003. Revenues for the third

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quarter of 2002 were \$3,502,000.

Net loss for the third quarter of 2003 decreased to \$(1,014,000), or \$(0.10) per ordinary share, compared to \$(1,680,000), or \$(0.16) per share for the second quarter of 2003. Net loss for the third quarter of 2002 was \$(852,000), or \$(0.08) per share.

Results of the First Nine Months

Revenues for the nine months ended September 30, 2003 were \$7,157,000 compared to \$11,004,000 for the first nine months of 2002. Net loss for the nine months ended September 30, 2003 was \$(5,874,000), or \$(0.56) per ordinary share, compared to \$(3,631,000), or \$(0.35) per ordinary share, for the parallel period of 2002.

Comments of Management

Commenting on the results, Arnon Toussia-Cohen, President and CEO of RADCOM, said, "We are pleased to report another quarter of revenue growth, mainly through increased sales of our Cellular Performer. The product's GEAR-chip-based hardware platform is proving to be unique in the marketplace, giving it versatility and a significant technological barrier-of-entry. We are working to take full advantage of the product's value for both cellular equipment vendors and service providers with the goal of increasing its market penetration and transforming initial sales into long-term global sales agreements.

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"In parallel, sales of the VoIP Performer and Omni-Q remained steady during the quarter. Taken as a whole, converged network solutions now account for more than 60% of our revenues, confirming our strategic course. Though the market remains cautious and volatile, investment in converged and wireless services has begun to rise, a development that is playing to our strengths."

A teleconference to discuss the quarter will be held today, October 20, 2003, at 9:00 a.m. Eastern Time. To participate, please call 1-800-450-0785 from the U.S., or +1-612-332-0819 from international locations, approximately five minutes before the call is scheduled to begin. A replay of the call will be available from 10:10 AM Eastern Time on October 20th until midnight October 27th. To access the replay, please call 1-800-475-6701 from the U.S., or +1-320-365-3844 from international locations, and use the access code 701333. You can also listen to the conference call online at www.radcom.com.

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RADCOM designs, manufactures, markets and supports network test and quality management solutions for service providers, developers and enterprises worldwide. The company specializes in comprehensive performance measurement and voice quality management systems for VoIP and cellular converged networks as well as in a line of high quality, integrated, multitechnology WAN/LAN/ATM test solutions. For more information, please visit www.RADCOM.com.

Certain statements made herein that use the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks and uncertainties which could cause the actual results, performance or achievements of the Company to be materially different from those

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which may be expressed or implied by such statements, including, among others, changes in general economic and business conditions and specifically, decline in demand to the Company's products, inability to timely develop and introduce new technologies, products and applications and loss of market share and pressure on prices resulting from competition. For additional information regarding these and other risks and uncertainties associated with the Company's business, reference is made to the Company's reports filed from time to time with the Securities and Exchange Commission.

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RADCOM Ltd. Consolidated Statements of Operations

(1000's of U.S. dollars, except per share data)

Three months ended

September 30,

| | 2003 | 2002 | 2003 |
|--------------------------------------|-------------|-------------|-------------|
| (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Sales | \$ 3,121 | \$ 3,502 | \$ 7, |
| Cost of sales | 1,106 | 1,191 | 3, |
| Gross profit | 2,015 | 2,311 | 3 |
| Research and development, gross | 1,431 | 1,506 | 4, |
| Less - royalty-bearing participation | 499 | 653 | 1, |
| Research and development, net | 932 | 853 | 2, |
| Sales and marketing | 1,733 | 1,933 | 5, |
| General and administrative | 389 | 426 | 1, |
| Total operating expenses | 3,054 | 3,212 | 9, |
| Operating loss | (1,039) | (901) | (5, |
| Financing income, net | 25 | 49 | |
| Net loss | (1,014) | (852) | (5,8 |
| | ===== | ===== | ===== |

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| | | | |
|--|------------|------------|------------|
| Basic loss per ordinary share | \$ (0.10) | \$ (0.08) | \$ (0.08) |
| Weighted average number of Ordinary shares (basic) | 10,492,050 | 10,492,050 | 10,492,050 |

(Additional table to follow)

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RADCOM Ltd.
Consolidated Balance Sheets
(1000's of U.S. dollars)

As of
September 30, 2003

(unaudited)

Current Assets

| | |
|---------------------------------------|---------------|
| Cash and cash equivalents | 5,927 |
| Short-term bank deposits | - |
| Trade receivables, net | 3,055 |
| Inventories and inventory prepayments | 1,622 |
| Other current assets | 352 |
| Total Current Assets | 10,956 |
| Assets held for severance benefits | 1,358 |
| Property and equipment, net | 1,632 |
| Total Assets | 13,946 |
| Liabilities and Shareholders' Equity | |
| Current Liabilities | |
| Trade payables | 947 |
| Other payables and accrued expenses | 4,398 |
| Total Current Liabilities | 5,345 |

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| | | |
|--|----------|-------|
| Liability for employees severance pay benefits | 2,052 | |
| | ----- | ----- |
| | ----- | ----- |
| Total Liabilities | 7,397 | |
| | ----- | ----- |
| | ----- | ----- |
| Shareholders' Equity | | |
| Share capital | 57 | |
| Additional paid-in capital | 38,225 | |
| Accumulated deficit | (31,733) | |
| | ----- | ----- |
| | ----- | ----- |
| Total Shareholders' Equity | 6,549 | |
| | ----- | ----- |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | 13,946 | |
| | ===== | ===== |