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RADCOM LTD  
Form 6-K  
February 10, 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 January, 2003

Commission File Number: 0-29452

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

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 \_\_\_\_\_

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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333-13252, 333-13236), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FILED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OF FURNISHED.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:

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1. Press Release: Radcom reports results for the fourth quarter and full year of 2002. Dated January 27, 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 Limited  
(Registrant)

Dated: February 9, 2003

By: David Zigdon  
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David Zigdon  
Chief Financial Officer

EXHIBIT INDEX

| Exhibit Number | Description of Exhibit  |
|----------------|---|
| 10.1           | Press Release: Radcom reports results for the fourth quarter and full year of 2002. Dated January 27, 2003. |

EXHIBIT 10.1

Contacts:

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FOR IMMEDIATE RELEASE

RADCOM REPORTS RESULTS FOR THE FOURTH QUARTER  
AND FULL YEAR OF 2002

Another Sequential Increase in Quarterly Revenues;

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"Performer" Momentum Building

TEL-AVIV, Israel--January 27, 2003-- RADCOM Ltd. (RADCOM) (NASDAQ: RDCM) today announced financial results for the fourth quarter and full year ended December 31, 2002.

### Results of the Fourth Quarter

Revenues for the fourth quarter of 2002 were \$3,587,000, a sequential increase of 2.4% as compared to \$3,502,000 for the third quarter of 2002. Revenues for the fourth quarter of 2001 were \$5,221,000.

Gross Margin for the fourth quarter was 64%, compared to 66% for the third quarter of 2002, and 62% for the fourth quarter of 2001. The decrease in gross margin was the result of a change in the mix of products sold during the quarter.

General and Administrative expenses for the fourth quarter included a provision for bad debt of approximately \$300,000 related to the bankruptcy of the Company's distributor in Canada.

Net loss for the fourth quarter of 2002 was \$(1,085,000), or \$(0.10) per ordinary share, compared to \$(852,000), or \$(0.08) per ordinary share for the third quarter of 2002, and \$(1,279,000), or \$(0.12) per ordinary share for the fourth quarter of 2001.

### Results of the Full Year

Revenues for 2002 were \$14,591,000 compared to \$18,676,000 for 2001. The Company's gross margin for the period rose to 65%, from a reported gross margin of 53% for the year ended December 31, 2001.

Net loss for 2002 was \$(4,716,000), or \$(0.45) per ordinary share. Reported net loss for the full year 2001 was \$(11,448,000), or \$(1.09) per ordinary share.

(more)

## RADCOM REPORTS/2

### Comments of Management

Commenting on the results, Arnon Toussia-Cohen, President and CEO of RADCOM, said, "2002 was an important transitional year as we repositioned the Company to address dramatically changed markets. Our focus on the Quality Assurance (QA) laboratories of key equipment manufacturers delivered a three-fold increase in sales of our cutting-edge Performer products as compared to 2001, and fueled sequential quarterly revenue growth beginning in the second quarter. In parallel, our cost-cutting program significantly reduced operating expenses by 32%, contributing to a 59% reduction in net loss for the year.

"Intensive product development throughout the year has positioned us to take advantage of emerging opportunities. We are ready to launch our next-generation Performer product series, which we believe is one of the industry's strongest high-end analyzers for cellular-over-data and Voice Over Packet networks. Answering the demands of top-tier vendors and service providers, this new product line will strengthen our offerings to these markets, which we believe should result in a higher level of repeat sales."

A teleconference to discuss the quarter will be held on Tuesday,

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January 28, 2003, at 9:00 a.m. ET. A live broadcast is available through the Company's website, <http://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 a line of high-quality, integrated, multitechnology WAN/LAN test solutions as well as unique performance measurement solutions for VoIP and cellular converged networks. RADCOM's analysis and simulation solutions are used in the development and manufacture of network devices, and in the installation and ongoing maintenance of operational networks to facilitate real-time isolation, diagnosis, and resolution of network problems. RADCOM's sales network includes over 60 distributors in 50 countries worldwide and 10 manufacturer's representatives across North America. RADCOM's customers include Cisco, Lucent, Ericsson, Nokia, Motorola, AT&T, MCI Worldcom, Sprint, British Telecom, Deutsche Telecom and Telstra.

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 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.

To receive RADCOM's press releases online, or to download a complete Digital Investor Kit(TM) including past press releases, regulatory filings and corporate materials, please click on the "Digital Investor Kit(TM)" icon at [www.kcsa.com](http://www.kcsa.com).

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RADCOM Ltd.  
Consolidated Statements of Operations  
(1,000's of U.S. dollars, except for per share data)

|                                      | Three months ended Dec. 31, |           | Twelve mont |
|--------------------------------------|-----------------------------|-----------|-------------|
|                                      | 2002                        | 2001      | 2002        |
|                                      | unaudited                   | unaudited | audited     |
| Sales                                | \$ 3,587                    | \$ 5,221  | \$ 14,59    |
| Cost of sales                        | 1,303                       | 1,995     | 5,04        |
| Gross profit                         | 2,284                       | 3,226     | 9,54        |
| Research and development, gross      | 1,593                       | 2,016     | 6,48        |
| Less - royalty-bearing participation | 725                         | 520       | 2,32        |

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|  |            |            |           |
|--|------------|------------|-----------|
| Research and development, net                      | 868        | 1,496      | 4,15      |
| Sales and marketing                                | 1,837      | 2,583      | 8,30      |
| General and administrative                         | 703        | 494        | 2,01      |
| Total operating expenses                           | 3,408      | 4,573      | 14,47     |
| Operating loss                                     | (1,124)    | (1,347)    | (4,933)   |
| Financing income, net                              | 39         | 68         | 217       |
| Net loss   | (1,085)    | (1,279)    | (4,716)   |
| Basic loss per ordinary share                      | \$ (0.10)  | \$ (0.12)  | \$ (0.45) |
| Weighted average number of ordinary shares (basic) | 10,492,050 | 10,492,050 | 10,492,05 |

(Additional table to follow)

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

|                                    | As of<br>December 31, 2002 | As<br>Decemb |
|------------------------------------|----------------------------|--------------|
|                                    | audited                    |              |
| Current Assets                     |                            |              |
| Cash and cash equivalents          | 7,207                      |              |
| Short-term bank deposits           | 3,006                      |              |
| Marketable securities              | -                          |              |
| Trade receivables, net             | 2,983                      |              |
| Inventories                        | 2,182                      |              |
| Other current assets               | 601                        |              |
| Total Current Assets               | 15,979                     |              |
| Assets held for severance benefits | 1,187                      |              |
| Property and Equipment, Net        | 2,263                      |              |
| Total Assets                       | 19,429                     |              |

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Liabilities and Shareholders' Equity

Current Liabilities

|                                     |       |
|-------------------------------------|-------|
| Trade payables                      | 1,276 |
| Other payables and accrued expenses | 3,996 |

Total Current Liabilities 5,272

Liability for Employees Severance Pay Benefits 1,813

Total Liabilities 7,085

Shareholders' Equity

|                            |          |
|----------------------------|----------|
| Share capital              | 57       |
| Additional paid-in capital | 38,146   |
| Accumulated deficit        | (25,859) |

Total Shareholders' Equity 12,344

Total Liabilities and Shareholders' Equity 19,429

\* Reclassified.