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TAT TECHNOLOGIES LTD
Form 6-K
November 14, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2008

TAT TECHNOLOGIES LTD.
(Name of Registrant)

P.O.BOX 80, Gedera 70750 Israel
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will
file annual reports under cover of 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):

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):

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-_____

TAT Technologies Ltd.

6-K Items

1. Press Release re TAT Technologies Reports Third Quarter 2008 Results
dated November 13, 2008.

Press Release

Source: TAT Technologies Limited

TAT Technologies Reports Third Quarter 2008 Results

Thursday November 13, 5:52 pm ET

GEDERA, Israel, Nov. 13 /PRNewswire-FirstCall/ -- TAT Technologies Limited (Nasdaq: TATTF - News), reported today its results for the three and nine month periods ended September 30, 2008.

TAT Technologies Limited (TAT), directly and through its subsidiaries, provides a variety of services and products to the aerospace industry, such as the manufacture, maintenance and repair of a broad range of heat transfer components (such as heat exchangers, pre-coolers and oil/fuel hydraulic coolers) used in mechanical and electronic systems on-board commercial, military and business aircraft; other environmental control and cooling systems and a variety of other electronic and mechanical aircraft accessories.

TAT announced net income of \$679,120 on revenues of \$26,702,134 for the three months ended September 30, 2008 compared to net income of \$26,080,046 on revenues of \$20,862,079 for the three months ended September 30, 2007. The 2007 period benefited from the capital gain of \$26.4 million that the company recorded in connection with the July 2007 IPO of its 62% held subsidiary, Limco-Piedmont Inc.

For the nine months ended September 30, 2008 TAT announced net income of \$3,582,221 on revenues of \$72,145,103 compared to net income of \$30,588,308 and revenues of \$68,983,537 for the same period ended September 30, 2007.

Revenues from the company's three principal lines of business for the three and nine month periods ended September 30, 2008 and 2007 were as follows:

| | Three Months Ended September 30, | | 2007 | |
|----------------|----------------------------------|---------------------|----------|---------------------|
| | Revenues | % of Total Revenues | Revenues | % of Total Revenues |
| | In Thousands | | | |
| Revenues: | | | | |
| MRO Services | 14,054 | 52.6% | 12,821 | 61.5% |
| OEM products | 9,153 | 34.3% | 5,377 | 25.8% |
| Parts Services | 4,773 | 17.9% | 3,813 | 18.3% |
| Elimination | (1,278) | (4.8%) | (1,149) | (5.6%) |
| Total Revenues | 26,702 | 100.0% | 20,862 | 100.0% |

| | Nine Months Ended September 30, | | 2007 | |
|--|---------------------------------|------------|----------|------------|
| | Revenues | % of Total | Revenues | % of Total |

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| | Revenues | | Revenues | |
|-----------------------|---------------|---------------|---------------|---------------|
| Revenues: | In Thousands | | | |
| MRO Services | 40,264 | 55.8% | 37,877 | 54.9% |
| OEM products | 22,599 | 31.3% | 17,395 | 25.2% |
| Parts Services | 13,360 | 18.5% | 17,022 | 24.7% |
| Elimination | (4,078) | (5.6%) | (3,311) | (4.8%) |
| Total Revenues | 72,145 | 100.0% | 68,983 | 100.0% |

The 28% and 5% increases in revenues for the three and nine month periods ended September 30, 2008 compared with those of September 30, 2007, respectively, reflect increased revenues in all three segments of the company in addition to the consolidation of the company's 70% owned subsidiary, Bental Industries Ltd. commencing August 18, 2008. Bental contributed revenues of \$3,066 thousands during the third quarter.

The decrease in net income for both the three and nine month periods ended September 30, 2008 compared with those of September 30, 2007, is primarily attributable to the \$26.4 million capital gain recorded in connection with the IPO of the company's 62% held subsidiary, Limco-Piedmont Inc. in July 2007. Also impacting net income was the decrease in the net profits of the company's operations in Israel from \$1.7 million in the nine months ended September 30, 2007 to \$ 911,000 in the nine months ended September 30, 2008, primarily resulting from the decline in the exchange rate between the U.S. dollar and the Israeli Shekel that resulted in increased operational expenses and decreased net profit. Other factors impacting net income was a one time compensation charge of \$930,000 arising from the previously announced retirement of certain managers and the decrease in the net profit of Limco-Piedmont from \$4.4 million in the nine months ended September 30, 2007 to \$2.6 million in the nine months ended September 30, 2008. The third quarter of 2008 results also reflect the positive addition of \$ 989,000 of net income attributable to Bental Industries Ltd.

Since the end of the second quarter, TAT, directly and through its subsidiaries, has entered into a number of long-term agreements with customers for the provision of products and services. Among such agreements, are agreements for the provision of Heat Exchangers commencing in 2010, pursuant to which revenues may reach approximately \$20 to 35 million over a 5 to 15 years period. We also entered into agreements to provide cooling systems commencing in 2009, pursuant to which revenues may reach approximately \$10 to 20 million over a 5 to 15 years period.

Dr. Shmuel Fledel, TAT's CEO commented: "The third quarter of 2008 saw encouraging revenue growth for the TAT group, versus the third quarter of last year and second quarter of this year. We have experienced a decrease in our gross margins, and consequently we are taking aggressive actions to manage costs through the weakness that is developing in the aviation industries.

We are pursuing initiatives with new customers for 2009 and looking positively towards the fourth quarter of 2008 and 2009. We believe that our business opportunities, along with consistent expense control and improvement in operational performance give us the ability to realize an improved fourth quarter and 2009."

About TAT Technologies Ltd.

TAT Technologies Limited provides a variety of services and products to the

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aerospace industry under three operational segments: (i) OEM products (ii) MRO services and (iii) parts, each with the following characteristics:

Our OEM activities primarily relate to the manufacture and sale of a broad range of heat transfer components (such as heat exchangers, pre-coolers and oil/fuel hydraulic coolers) used in mechanical and electronic systems on-board commercial, military and business aircraft. We also manufacture and sell other environmental control and cooling systems and a variety of other electronic and mechanical aircraft accessories and systems such as pumps, valves, power systems and turbines.

Our MRO services include the remanufacture, overhaul and repair of heat transfer equipment and other aircraft components, APUs, propellers and landing gear. Our Limco-Piedmont subsidiary operates four FAA certified repair stations, which provide aircraft component MRO services for airlines, air cargo carriers, maintenance service centers and the military.

Our parts segment focuses on the sale of APU parts propellers and landing gear. We offer parts services for commercial, regional and charter airlines and business aircraft owners.

Safe Harbor for Forward-Looking Statements

This press release contains forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the airline industry, changes in demand for our services and products, the timing and amount or cancellation of orders, the price and continuity of supply of component parts used in our operations, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. These documents contain and identify other important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statement.

TAT TECHNOLOGIES AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except per share data)

| | September 30, 2008 | December 31, 2007 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$23,201 | \$15,114 |
| Short-term investments | 21,110 | 28,806 |
| Accounts receivable (net of allowance for doubtful accounts of \$202 and \$140 at September 30, 2008 and December 31, 2007, respectively) | 21,445 | 14,679 |
| Inventories | 37,736 | 28,189 |
| Other accounts receivable and prepaid expenses | 5,966 | 4,047 |
| Total current assets | 109,458 | 90,835 |

Funds in respect of employee right upon

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| | | |
|---|-----------|-----------|
| retirement | 4,424 | 4,156 |
| Property, plant and equipment, net | 15,263 | 11,927 |
| Intangible assets, net | 2,307 | 1,709 |
| Goodwill | 6,501 | 4,780 |
| | | |
| Total assets | \$137,953 | \$113,407 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Current maturities of long-term loans | 165 | - |
| Accounts payables | 11,885 | 7,067 |
| Other accounts payable and accrued expenses | 7,710 | 4,310 |
| | | |
| Total current liabilities | 19,760 | 11,377 |
| LONG-TERM LIABILITIES: | | |
| fair value of Call options to minority | 2,408 | - |
| Long-term loans, net of current maturities | 5,247 | - |
| Liability in respect of employee rights upon retirement | 5,030 | 4,175 |
| Long-term deferred tax liability | 1,000 | 581 |
| | | |
| | 13,685 | 4,756 |
| | | |
| Minority interest | 28,586 | 24,481 |
| SHAREHOLDERS' EQUITY: | | |
| Share capital | | |
| Ordinary shares of NIS 0.9 par value - | | |
| Authorized: 10,000,000 shares at | | |
| September 30, 2008 and December 31, 2007; | | |
| Issued and outstanding: 6,547,671 shares | | |
| and 6,542,671 shares at September 30, | | |
| 2008 and December 31, 2007, respectively | | |
| Additional paid-in capital | 2,202 | 2,201 |
| Accumulated other comprehensive loss | 39,468 | 39,308 |
| Retained earnings | (308) | - |
| | 34,560 | 31,284 |
| | | |
| SHAREHOLDERS' EQUITY: | 75,922 | 72,793 |
| | | |
| Total liabilities and shareholders' equity | \$137,953 | \$113,407 |

TAT TECHNOLOGIES AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME (in thousands, except per share data)

| | Three months ended | | Nine months ended | |
|----------------|--------------------|--------|-------------------|--------|
| | September 30, | | September 30, | |
| | 2008 | 2007 | 2008 | 2007 |
| Revenues | | | | |
| MRO services | 14,054 | 12,821 | 40,264 | 37,877 |
| OEM products | 7,875 | 4,228 | 18,521 | 14,084 |
| Parts services | 4,773 | 3,813 | 13,360 | 17,022 |
| | 26,702 | 20,862 | 72,145 | 68,983 |

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Cost and operating expenses

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Cost of revenue | 20,684 | 15,816 | 55,354 | 50,035 |
| Selling and marketing | 1,329 | 967 | 3,468 | 2,817 |
| General and administrative | 3,085 | 2,348 | 8,718 | 8,037 |
| Operating income | 1,604 | 1,731 | 4,605 | 8,094 |
| Interest income (expense) net | 195 | 305 | 844 | 194 |
| Other income, net | - | 26,374 | - | 26,393 |
| Income before taxes and minority interest | 1,799 | 28,410 | 5,449 | 34,681 |
| Provision for income taxes | 818 | 1,862 | 1,375 | 3,625 |
| Income before minority interest | 981 | 26,548 | 4,074 | 31,056 |
| Share in result of affiliated company prior to its consolidation | 252 | - | 686 | - |
| Minority interest income | (554) | (468) | (1,178) | (468) |
| Net income | \$679 | \$26,080 | \$3,582 | \$30,588 |
| Basic net income per share | \$0.10 | \$3.99 | \$0.55 | \$4.74 |
| Diluted net income per share | \$0.10 | \$3.98 | \$0.55 | \$4.68 |
| Weighted average number of shares - basic | 6,547,671 | 6,542,671 | 6,544,338 | 6,450,078 |
| Weighted average number of shares - diluted | 6,557,559 | 6,558,362 | 6,559,186 | 6,530,396 |

SIGNATURE

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.

TAT TECHNOLOGIES LTD.

(Registrant)

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By: /s/Shmuel Fledel

Shmuel Fledel
Chief Executive Officer

Date: November 14, 2008