



Frequency Electronics Announces Results for 3rd Quarter FY 2000

>Frequency Electronics, Inc. (AMEX_FEI) today announced the results for its 3rd quarter of fiscal year 2000. Revenues for the quarter were \$7.12 million compared to \$3.06 million in the same quarter of fiscal 1999. The Company recorded net income of \$1.20 million or \$0.15 per diluted share for the quarter ended January 31, 2000. For the same period of fiscal 1999, the Company recorded a net loss of \$1.36 million or \$0.18 per share.

Operating profit was \$511 thousand compared to an operating loss of \$2.06 million in the year-ago period. Other income for the fiscal 2000 quarter was \$1.29 million compared to \$406 thousand in fiscal 1999. During the current quarter operating profits were impacted by \$280 thousand in reserves and expenses related to certain litigation matters while other income included a realized net gain of \$947 thousand from the sale of certain marketable securities.

Chief Financial Officer Alan Miller noted that "We have experienced growth in sales and improved operating profits over the past 4 quarters. Based upon our current order backlog and projections of future requirements from Motorola, Lucent Technologies and our other wireless communications customers, we expect to see continued growth in revenues and operating profits in fiscal 2001 and beyond."

In the current quarter, product development costs were \$1.14 million, down from \$1.67 million in the same period last year. Further reductions in research and development spending are expected in the 4th quarter and, on an ongoing basis, the Company is targeting research and development spending at approximately 10% of sales. According to Chairman Joseph Franklin, "FEI will continue to emphasize investment in new product development to support the emerging synchronization requirements of the wireless communications industry. We are presently providing newly developed synchronization products for high data rate, voice, video and Internet access applications." The Company is supplying products in support of third generation (3G) systems being developed by Motorola, Lucent Technologies and other companies, including DoCoMo i-mode. The Company is also developing product for Enhanced Data Rates for Global Evolution (EDGE) systems which increase the capability of existing TDMA and GSM systems.

The Company continues to pursue corporate development opportunities, seeking joint ventures, alliances, acquisitions or mergers with other companies in the wireless communications industry. During this fiscal year, the Company established two key alliances with manufacturers in Europe and Asia for the supply of assemblies which will enable the Company to meet the expanding world-wide demand for rubidium, quartz and GPS synchronization systems.

Frequency Electronics is a wireless communications company which designs, develops, manufactures and markets high technology precision time and frequency products used to synchronize the wireless transmission of voice, video, and data communications for terrestrial and space applications. Additional information is available on FEI's website.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are forward-looking statements and not based on historical facts are subject to risks and uncertainties that could cause actual results to differ materially from those set forth or implied herein.

Frequency Electronics, Inc. and Subsidiaries Consolidated Condensed Summary of Operations

Quarter Ended		Nine Months Ended	
January 31,	January 31,	January 31,	January 31,
2000	1999	2000	1999

(unaudited)

(in thousands except per share data)

Net Sales	\$ 7,117	\$ 3,060	\$18,617	\$16,255
Cost of Sales	3,973	2,172	10,400	10,953
Insurance Reimbursement	-	-	-	(4,500)
Selling and Administrative	1,498	1,277	3,822	3,597
Research and Development	1,135	1,674	3,625	3,640
Operating Profit (Loss)	511	(2,063)	770	2,565
Other Income, net	1,292	406	2,465	1,305
Earnings (Loss) before income taxes	1,803	(1,657)	3,235	3,870
Income Tax Provision (Benefit)	600	(300)	1,110	1,500
Net Earnings (Loss)	\$ 1,203	(\$1,357)	\$ 2,125	\$ 2,370
Net Earnings per Share:				
Basic	\$ 0.16	(\$ 0.18)	\$ 0.28	\$ 0.32
Diluted	\$ 0.15	(\$ 0.18)	\$ 0.27	\$ 0.30
Average Shares Outstanding				
Basic	7,543,659	7,502,916	7,583,586	7,488,435
Diluted	7,945,919	7,502,916	7,950,670	7,831,931

Frequency Electronics, Inc. and Subsidiaries Consolidated Condensed Balance Sheets

January 31, 2000

April 30, 1999

(in thousands)

ASSETS

Cash & Marketable Securities	\$40,669	\$39,287
Other Current Assets	24,601	25,404
Property, Plant & Equipment	9,273	9,489
Other Assets	4,279	4,175
Total	\$78,822	\$78,355

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	\$ 4,006	\$ 4,889
Long-term Obligations	16,878	16,959
Stockholders' Equity	57,938	56,507
Total	\$78,822	\$78,355