SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10Q

(Mark one)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended July 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

Commission File No. 1-8061

FREQUENCY ELECTRONICS, INC.
(Exact name of Registrant as specified in its charter)

Delaware	11-1986657
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

55 CHARLES LINDBERGH BLVD., MITCHEL FIELD, N.Y.	11553
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 516-794-4500

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No __

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of Registrant's Common Stock, par value $1.00 as of September 8, 2003 - 8,360,100

Frequency Electronics, Inc. and Subsidiaries

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Frequency Electronics, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

	July 31, 2003 (UNAUDITED)	April 30, 2003 (NOTE A)
	(In thousands)	
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 3,128	$ 5,952
Marketable securities	26,135	27,829
Accounts receivable, net of allowance for doubtful accounts of $124	12,702	9,565
Inventories	19,506	17,734
Deferred income taxes	4,122	4,435
Income taxes receivable	987	1,223
Prepaid expenses and other	1,472	1,198
Total current assets	68,052	67,936
Property, plant and equipment, at cost, less accumulated depreciation and amortization	11,473	11,105
Deferred income taxes	409	436
Cash surrender value of life insurance	4,965	4,869
Goodwill	937	-
Other assets	1,238	1,383
Total assets	$87,074	$85,729

See accompanying notes to condensed consolidated financial statements.

Frequency Electronics, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (Continued)

	July 31, 2003 (UNAUDITED)	April 30, 2003 (NOTE A)
	(In thousands)	
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Short-term credit obligations	$ 1,539	$ 179
Accounts payable - trade	1,748	1,294
Accrued liabilities and other	3,685	4,449
Total current liabilities	6,972	5,922
Deferred compensation	6,838	6,752
REIT liability and other liabilities	11,011	11,151
Total liabilities	24,821	23,825
Minority interest in subsidiary	142	195
Stockholders' equity:		
Preferred stock - $1.00 par value	-0-	-0-
Common stock - $1.00 par value	9,164	9,164
Additional paid-in capital	43,869	43,806
Retained earnings	9,673	10,415
	62,706	63,385
Common stock reacquired and held in treasury-at cost, 807,590 shares at July 31, 2003 and 824,739 shares at April 30, 2003	(3,010)	(3,062)
Other stockholders' equity	(116)	(116)
Accumulated other comprehensive income	2,531	1,502
Total stockholders' equity	62,111	61,709
Total liabilities and stockholders' equity	$87,074	$85,729

See accompanying notes to condensed consolidated financial statements.

Frequency Electronics, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations

Three Months Ended July 31,
(Unaudited)

	2003	2002
	(In thousands except per share data)	
Net sales	$ 8,754	$ 6,828
Cost of sales	6,187	4,773
Gross margin	2,567	2,055
Selling and administrative expenses	2,536	2,053
Research and development expense	1,668	983
Operating loss	(1,637)	(981)
Other income (expense):		
Investment income	746	355
Interest expense	(59)	(72)
Other, net	13	7
Loss before minority interest and benefit for income taxes	(937)	(691)
Minority interest in loss of consolidated subsidiary	(55)	(10)
Loss before benefit for income taxes	(882)	(681)
Benefit for income taxes	(140)	(192)
Net loss	$ (742)	$ (489)
Net loss per common share		
Basic	$ (0.09)	$ (0.06)
Diluted	$ (0.09)	$ (0.06)
Average shares outstanding		
Basic	8,348,133	8,373,567
Diluted	8,348,133	8,373,567

See accompanying notes to condensed consolidated financial statements.

Frequency Electronics, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

Three Months Ended July 31,
(Unaudited)

	2003	2002
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (742)	$ (489)
Non-cash charges to earnings	387	827
Net changes in assets and liabilities	(2,962)	(635)
Net cash used in operating activities	(3,317)	(297)
Cash flows from investing activities:		
Payment for acquisition	(2,697)	-
Proceeds from sale of marketable securities	5,180	-
Purchase of marketable securities	(2,364)	463
Other - net	(223)	(239)
Net cash (used in) provided by investing activities	(104)	224
Cash flows from financing activities:		
Proceeds from short-term credit obligations	1,506	-
Dividends paid	(834)	(833)
Other - net	(201)	(306)
Net cash provided by (used in) financing activities	471	(1,139)
Net decrease in cash and cash equivalents before effect of exchange rate changes	(2,950)	(1,212)
Effect of exchange rate changes on cash and cash equivalents	126	163
Net decrease in cash and cash equivalents	(2,824)	(1,049)
Cash at beginning of period	5,952	5,383
Cash at end of period	$ 3,128	$ 4,334

See accompanying notes to condensed consolidated financial statements.

Frequency Electronics, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE A - CONSOLIDATED FINANCIAL STATEMENTS

In the opinion of management of the Company, the accompanying unaudited condensed consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position of the Company as of July 31, 2003 and the results of its operations and cash flows for the three months ended July 31, 2003 and 2002. The April 30, 2003 condensed consolidated balance sheet was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's April 30, 2003 Annual Report to Stockholders. The results of operations for such interim periods are not necessarily indicative of the operating results for the full year.

NOTE B - EARNINGS PER SHARE

Reconciliation of the weighted average shares outstanding for basic and diluted Earnings Per Share are as follows:

	Three months ended July 31, 2003	2002
Basic EPS Shares outstanding (weighted average)	8,348,133	8,373,567
Effect of Dilutive Securities	***	***
Diluted EPS Shares outstanding	8,348,133	8,373,567

*** Dilutive securities are excluded for the three month periods ended July 31, 2003 and 2002 since the inclusion of such shares would be antidilutive due to the net loss for the quarters then ended. For the periods ended July 31, 2003 and 2002, options to purchase 312,800 and 204,500 shares of common stock were outstanding but are antidilutive since the exercise price is greater than the average market price of the Company's common shares during the fiscal periods. The calculation of diluted earnings per share excludes antidilutive securities.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable at July 31, 2003 and April 30, 2003 include costs and estimated earnings in excess of billings on uncompleted contracts accounted for on the percentage of completion basis of approximately $2,414,000 and $3,023,000, respectively. Such amounts represent revenue recognized on long-term contracts that had not been billed at the balance sheet dates. Such amounts are billed pursuant to contract terms.

NOTE D - INVENTORIES

Inventories, which are reported net of reserves of $3,737,000 and $3,598,000 at July 31, 2003 and April 30, 2003, respectively, consist of the following:

	July 31, 2003 (In thousands)	April 30, 2003
Raw materials and Component parts	$ 8,606	$ 7,349
Work in progress and Finished goods	10,900	10,385
	$19,506	$17,734

NOTE E - COMPREHENSIVE INCOME

For the three months ended July 31, 2003 and 2002, total comprehensive income was $287,000 and $1,001,000, respectively.

NOTE F - SEGMENT INFORMATION

The Company operates under four reportable segments:

1. Commercial communications - consists principally of time and frequency control products used in commercial communication satellites and terrestrial cellular telephone or other ground-based telecommunications.
2. U.S. Government - consists of time and frequency control products used in terrestrial and space applications by the Department of Defense and other U.S. government agencies.
3. Gillam-FEI - the products of the Company's Belgian subsidiary consist primarily of wireline synchronization and network monitoring systems.
4. FEI-Zyfer - the products of the Company's newly acquired subsidiary incorporate Global Positioning System (GPS) technologies into systems and subsystems for secure communications, both government and commercial, and other locator applications.

The table below presents information about reported segments with reconciliation of segment amounts to consolidated amounts as reported in the statement of operations or the balance sheet for each of the periods (in thousands):

	Three months ended July 31, 2003	Three months ended July 31, 2002
Net sales:		
Commercial Communications	$ 4,869	$ 3,070
U.S. Government	1,644	1,922
Gillam-FEI	1,347	1,944
FEI-Zyfer	912	-
less intercompany sales	(18)	(108)
Consolidated Sales	$ 8,754	$ 6,828
Operating (loss) profit:		
Commercial Communications	$ (274)	$ (933)
U.S. Government	72	379
Gillam-FEI	(859)	(284)
FEI-Zyfer	(478)	-
Corporate	(98)	(143)
Consolidated Operating Loss	$ 1,637	$ (981)

	As of July 31, 2003	As of April 30, 2003
Identifiable assets:		
Commercial Communications	$17,404	$14,733
U.S. Government	6,166	6,147
Gillam-FEI	12,142	12,305
FEI-Zyfer	4,056	-
less intercompany balances	(964)	(964)
Corporate	48,270	53,508
Consolidated Identifiable Assets	$87,074	$85,729

NOTE G - ACQUISITION OF FEI-ZYFER

On May 9, 2003, the Company acquired the business and net assets of Zyfer, Inc., a wholly-owned subsidiary of Odetics, Inc., in a cash transaction. The business of the new subsidiary, FEI-Zyfer, Inc., is the design and manufacture of products for precision time and frequency generation and synchronization, primarily incorporating GPS technology.

The Company paid $2.3 million at closing, plus acquisition costs estimated at approximately $400,000. According to the terms of the purchase agreement, the Company will make additional payments up to a maximum of $1 million in each of fiscal years 2004 and 2005 if FEI-Zyfer achieves certain revenue levels in those years. The contingent payments are based on a percentage of revenues in excess of $6 million in fiscal year 2004 and as a percentage of revenues in excess of $8 million in fiscal year 2005. The acquired business recorded revenue of $6.5 million for the year ended March 31, 2003 and $4.5 million in the prior fiscal year.

The FEI-Zyfer acquisition is treated as a purchase acquisition. The purchase price has been initially allocated to net assets acquired of approximately $1.8 million. The purchase price in excess of net assets, approximately $900,000, has been initially allocated to goodwill. The Company is in the process of determining the fair value of acquired tangible and intangible assets and, once identified, will reallocate the purchase price. Costs allocated to any intangible assets will be amortized over an appropriate period.

The accompanying condensed consolidated statements of operations for the three-month period ended July 31, 2003, includes the results of operations of FEI-Zyfer from May 9, 2003 through July 31, 2003. The pro forma financial information set forth below is based upon the Company's historical consolidated statements of operations for the three months ended July 31, 2003 and 2002, adjusted to give effect to the acquisition of FEI-Zyfer as of the beginning of each of the periods presented. The fiscal 2002 financial information includes the results of operations of FEI-Zyfer for the period April 1 to June 30, 2002.

The pro forma financial information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had the acquisition occurred on May 1, 2002, nor does it purport to represent the results of operations for future periods.

	Pro forma Three months ended July 31 2003	2002
	(In thousands except per share data)	
Net Sales	$ 8,855	$ 9,087
Operating Loss	$(1,717)	$(1,023)
Loss from continuing operations	$ (800)	$ (579)
Earnings per share- basic	$ (0.10)	$ (0.07)
Earnings per share- diluted	$ (0.10)	$ (0.07)

NOTE H - EQUITY-BASED COMPENSATION

The Company applies the disclosure-only provisions of FAS 123, "Accounting for Stock-Based Compensation," as amended by FAS 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," and continues to measure compensation cost in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Historically, this has not resulted in compensation cost upon the grant of options under a qualified stock option plan. However, in accordance with FAS 123, as amended by FAS 148, the Company provides pro forma disclosures of net earnings (loss) and earnings (loss) per share as if the fair value method had been applied beginning in fiscal 1996.

The following table illustrates the effect on the Company's consolidated statements of operations had compensation cost for stock option awards under the plans been determined based on the fair value at the grant dates consistent with the provisions of FAS 123 as amended by FAS 148:

	Three months ended	
	2003	2002
	(in thousands, except per share data)	
Net Loss, as reported	$ (742)	$ (489)
Net Loss - pro forma	$ (923)	$ (703)
Loss per share, as reported:		
Basic	$ (0.09)	$ (0.06)
Diluted	$ (0.09)	$ (0.06)
Loss per share- pro forma		
Basic	$ (0.11)	$ (0.08)
Diluted	$ (0.11)	$ (0.08)

The weighted average fair value of each option has been estimated on the date of grant using the Black-Scholes options pricing model with the following weighted average assumptions used for grants in 2003 and 2002, respectively, dividend yield of 1.83%; expected volatility of 63% and 65%; risk free interest rate (ranging from 5.5% to 8.0%); and expected lives ranging from seven to ten years.

Note I - Recently Issued Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). This Interpretation changes the method of determining whether certain entities should be included in the Company's consolidated financial statements. An entity is subject to FIN 46 and is called a variable interest entity ("VIE") if it has (1) equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, or (2) equity investors that cannot make significant decisions about the entity's operations, or that do not absorb the expected losses or receive the expected returns of the entity. All other entities are evaluated for consolidation under FAS No. 94, Consolidation of All Majority-Owned Subsidiaries. The provisions of FIN 46 are to be applied immediately to VIEs created after January 31, 2003, and to VIEs in which an enterprise obtains an interest after that date. For VIEs in which an enterprise holds a variable interest that it acquired before February 1, 2003, FIN 46 applies in the first fiscal period beginning after June 15, 2003. The Company does not expect the adoption of FIN 46 to have a material effect on its financial position, results of operations or cash flows.

In April 2003, the FASB issued Statement No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" ("FAS 149"). FAS 149 amends FAS 133 for certain decisions made by the FASB as part of the Derivatives Implementation Group process. FAS 149 also amends FAS 133 to incorporate clarifications of the definition of a derivative. FAS 149 is effective for contracts entered into or modified after June 30, 2003, with certain exceptions, and requires prospective application. The Company does not expect the adoption of FAS 149 to have a material effect on its financial position, results of operations or cash flows.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("FAS 150"). This statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. In accordance with the standard, financial instruments that embody obligations for the issuer are required to be classified as liabilities. FAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company does not expect the adoption of FAS 150 to have a material effect on its financial position, results of operations or cash flows.

Item 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in Note 1 to the consolidated financial statements included in the Company's April 30, 2003 Annual Report to Stockholders. The Company believes its most critical accounting policies to be the recognition of revenue and costs on production contracts and the valuation of inventory. Each of these areas requires the Company to make use of reasoned estimates including estimating the cost to complete a contract, the realizable value of its inventory or the market value of its products. Changes in estimates can have a material impact on the Company's financial position and results of operations.

Revenue Recognition

Revenues under larger, long-term contracts, generally defined as orders in excess of $100,000, are reported in operating results using the percentage of completion method. For U.S. Government and other fixed-price contracts that require initial design and development of the product, revenue is recognized on the cost-to-cost method. Under this method, revenue is recorded based upon the ratio that incurred costs bear to total estimated contract costs with related cost of sales recorded as the costs are incurred. Each month management reviews estimated contract costs. The effect of any change in the estimated gross margin percentage for a contract is reflected in revenues in the period in which the change is known. Provisions for anticipated losses on contracts are made in the period in which they become determinable.

On production-type contracts, revenue is recorded as units are delivered with the related cost of sales recognized on each shipment based upon a percentage of estimated final contract costs. Changes in job performance may result in revisions to costs and income and are recognized in the period in which revisions are determined to be required. Provisions for anticipated losses on contracts are made in the period in which they become determinable.

For contracts in the Company's Gillam-FEI segment, and smaller contracts or orders in the other business segments, sales of products and services to customers are reported in operating results based upon shipment of the product or performance of the services pursuant to contractual terms. When payment is contingent upon customer acceptance of the installed system, revenue is deferred until such acceptance is received.

Costs and Expenses

Contract costs include all direct material, direct labor costs, manufacturing overhead and other direct costs related to contract performance. Selling, general and administrative costs are charged to expense as incurred.

Inventory

In accordance with industry practice, inventoried costs contain amounts relating to contracts and programs with long production cycles, a portion of which will not be realized within one year. Inventory reserves are established for slow-moving and obsolete items and are based upon management's experience and expectations for future business. Any changes in reserves arising from revised expectations are reflected in cost of sales in the period the revision is made.

RESULTS OF OPERATIONS

The table below sets forth for the respective first quarters of fiscal years 2004 and 2003 the percentage of consolidated net sales represented by certain items in the Company's consolidated statements of operations:

	Three months ended July 31, 2003	2002
Net sales		
Commercial Communications	55.4%	46.2%
U.S. Government	18.8	26.6
Gillam-FEI	15.4	27.2
FEI-Zyfer	10.4	-
	100.0	100.0
Cost of sales	70.7	69.9
Gross margin	29.3	30.1
Selling and administrative expenses	28.9	30.1
Research and development expenses	19.1	14.4
Operating loss	(18.7)	(14.4)
Other income (expense)- net	8.6	4.2
Pretax loss	(10.1)	(10.2)
Benefit for income taxes	(1.6)	(2.9)
Net loss	(8.5)%	(7.3)%

During the first quarter of fiscal 2004, the Company acquired the business and net assets of Zyfer, Inc., a wholly-owned subsidiary of Odetics, Inc., in a cash transaction. The results of operations for the three-month period ended July 31, 2003, includes the results of operations of FEI-Zyfer from May 9, 2003 through July 31, 2003.

For the three months ended July 31, 2003, operating loss increased by $656,000 (67%) and the net loss increased by $253,000 (52%) over the comparable period of fiscal year 2003. During the fiscal year 2004 period, FEI-Zyfer recorded an operating loss of $478,000 and a net loss of $335,000. The fiscal year 2004 results also reflect the continuing impact of the slowdown in the telecommunications industry over the past several quarters.

Fiscal year 2004 first quarter revenues, including $912,000 from FEI-Zyfer, increased by $1.9 million (28%) from the first quarter of fiscal year 2003. During the fiscal year 2004 quarter, the Company recorded a sale of approximately $900,000 for seed stock units which, to accommodate certain wireless infrastructure customers, had been provided to them during fiscal year 2003. Excluding revenues from FEI-Zyfer and the seed stock units, fiscal year 2004 first quarter revenues increased by $109,000 (2%). On a segment by segment basis, Commercial Communications revenues (excluding seed stock revenues) increased by 29%, Gillam-FEI revenues were lower by 31% and US Government revenues decreased by 14%.

First quarter gross margin rates declined slightly from 30% in fiscal year 2003 to 29% in fiscal year 2004. Gross margins for all segments are less than the Company's target of 40% as the sales volumes was unable to fully absorb fixed costs. The US Government margins were also impacted by cost overruns on certain larger programs in fiscal year 2004. The continuing delay in infrastructure spending by European telecommunications companies drove down Gillam-FEI sales volume and thus margins as well. With recent contract bookings, the Company expects to realize a greater level of sales in subsequent quarters of the fiscal year which should result in improved profit margins during the remainder of fiscal year 2004.

Selling and administrative costs for the quarter ended July 31, 2003, increased by $483,000 (24%) over the three months ended July 31, 2002. Excluding the fiscal year 2004 results of FEI-Zyfer, selling and administrative costs declined by 1% from fiscal year 2003. Compared to the first quarter of fiscal year 2003, euro-denominated selling and administrative costs at Gillam-FEI decreased by 13% in fiscal year 2004. Because of the 24% year-over-year increase in the value of the euro to the US dollar, Gillam-FEI's selling and administrative expenses, when denominated in dollars, were 8% ($50,000) higher than the year ago period. Reduced costs in the United States were partially offset by increased sales and marketing costs to support the Company's European office and continued investment in the Company's China manufacturing facility. The Company targets selling and administrative costs at 20% of revenues but has not achieved that result in recent quarters due to reduced revenue levels. In prior periods, the Company took steps to control and reduce its selling and administrative expenses such that, on increased revenues in subsequent fiscal quarters, it expects to achieve its targeted ratio of costs to sales.

Research and development costs in the fiscal year 2004 quarter increased by $685,000 (70%) over the comparable three-month period ended July 31, 2002. The increase includes $285,000 in development spending on GPS systems by FEI-Zyfer. In addition, Gillam-FEI is working aggressively to complete the development of its next generation wireline signal synchronization unit which it expects to have ready for market within the next few months. The Company targets research and development spending at approximately 10% of sales but the rate of spending can increase or decrease from quarter to quarter as new projects are identified and others are concluded. The Company will continue to devote significant resources to develop new products, enhance existing products and implement efficient manufacturing processes. During this fiscal year, in addition to Gillam-FEI's wireline synchronization product and FEI-Zyfer's GPS systems, the Company intends to develop a common platform for time and frequency generators for commercial communications, further develop low-g (gravity) sensitivity oscillators for defense and secure applications and seek to identify new applications for its technologies. Internally generated cash and cash reserves are adequate to fund this development effort.

Net nonoperating income and expense increased by $410,000 (141%) in the three months ended July 31, 2003 from the comparable fiscal year 2003 quarter. Investment income included realized gains of $304,000 on the sale or redemption of certain marketable securities as compared to net realized losses of $121,000 in the same period of fiscal year 2003. Interest expense decreased by $13,000 (18%) while other, net, increased by $6,000 during the fiscal year 2004 quarter compared to the same period of fiscal year 2003. Other, net, consists principally of certain non-recurring transactions and is generally not significant to net income.

The Company is subject to taxation in several countries. The statutory federal rates vary from 34% in the United States to 35% in Europe. The Company's effective rate is lower than the statutory rate primarily due to the availability of Research and Development Tax Credits in the United States. In the quarter ended July 31, 2003, the effective tax (benefit) rate is 15% due to the exclusion of the losses at one of the European subsidiaries. In fiscal year 2003, the Company recorded a $600,000 valuation allowance against the deferred tax asset of this foreign subsidiary. The Company's European subsidiaries have available net operating loss carryforwards of approximately $2.0 million to offset future taxable income.

LIQUIDITY AND CAPITAL RESOURCES

The Company's balance sheet continues to reflect a strong working capital position of $61 million at July 31, 2003 which is comparable to working capital at April 30, 2003. Included in working capital at July 31, 2003 is $29.3 million of cash, cash equivalents and marketable securities, including $11.1 million of REIT units which are convertible to Reckson Associates Realty Corp. common stock.

Net cash used in operating activities for the three months ended July 31, 2003, was $3.3 million compared to $297,000 used in operations in the comparable fiscal year 2003 quarter. Approximately $1.4 million was used to support the operations of the Company's new subsidiary, FEI-Zyfer. The Company considers the infusion of working capital into FEI-Zyfer as part of its investment in this entity to enable it to achieve better results than the predecessor company experienced in recent years.

The other major component of the use of cash during the fiscal year 2004 quarter was the growth in accounts receivable. This growth reflects the timing of the billing and payment cycle. Shortly after the end of the quarter, the Company collected significant amounts against outstanding balances and expects to collect additional sums on several large billings which occurred at the end of the quarter. The Company anticipates that it will generate positive cash flow from operating activities for the full fiscal year.

Net cash used in investing activities for the three months ended July 31, 2003, was $104,000. The principal use of cash was to acquire the net assets of FEI-Zyfer for approximately $2.7 million. This acquisition and the subsequent financial support, as discussed in the preceding paragraph, was partially funded by the redemption or sale of certain marketable securities. Approximately $2.8 million was obtained from the sale or redemption of certain marketable securities net of purchases of other marketable securities. These inflows were offset by the acquisition of capital equipment for approximately $238,000. The Company may continue to acquire or sell marketable securities as dictated by its investment strategies as well as by the cash requirements for its development activities. The Company will continue to acquire more efficient equipment to automate its production process and expand its capacity. The Company intends to spend less than $2 million on capital equipment during fiscal year 2004. Internally generated cash will be adequate to acquire this capital equipment.

Net cash provided by financing activities for the three months ended July 31, 2003, was $471,000 compared to the use of $1.1 million for the comparable fiscal year 2003 quarter. Included in both fiscal quarters is payment of the Company's semiannual dividend in the aggregate amount of $834,000 and $833,000, respectively. During the fiscal year 2004 quarter, the Company took advantage of the low interest rate environment and borrowed $1.5 million against a credit line which is secured by a substantial portion of the Company's portfolio of marketable securities. In addition, during the fiscal year 2004 quarter the Company made scheduled payments against debt and other obligations of $226,000.

At July 31, 2003, the Company's backlog amounted to approximately $28 million compared to the approximately $31 million backlog at April 30, 2003. Of this backlog, approximately 70% is realizable in the next twelve months.

Recently Issued Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). This Interpretation changes the method of determining whether certain entities should be included in the Company's consolidated financial statements. An entity is subject to FIN 46 and is called a variable interest entity ("VIE") if it has (1) equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, or (2) equity investors that cannot make significant decisions about the entity's operations, or that do not absorb the expected losses or receive the expected returns of the entity. All other entities are evaluated for consolidation under FAS No. 94, Consolidation of All Majority-Owned Subsidiaries. The provisions of FIN 46 are to be applied immediately to VIEs created after January 31, 2003, and to VIEs in which an enterprise obtains an interest after that date. For VIEs in which an enterprise holds a variable interest that it acquired before February 1, 2003, FIN 46 applies in the first fiscal period beginning after June 15, 2003. The Company does not expect the adoption of FIN 46 to have a material effect on its financial position, results of operations or cash flows.

In April 2003, the FASB issued Statement No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" ("FAS 149"). FAS 149 amends FAS 133 for certain decisions made by the FASB as part of the Derivatives Implementation Group process. FAS 149 also amends FAS 133 to incorporate clarifications of the definition of a derivative. FAS 149 is effective for contracts entered into or modified after June 30, 2003, with certain exceptions, and requires prospective application. The Company does not expect the adoption of FAS 149 to have a material effect on its financial position, results of operations or cash flows.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("FAS 150"). This statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. In accordance with the standard, financial instruments that embody obligations for the issuer are required to be classified as liabilities. FAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company does not expect the adoption of FAS 150 to have a material effect on its financial position, results of operations or cash flows.

Item 3.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company is exposed to market risk related to changes in interest rates and market values of securities, including participation units in the Reckson Operating Partnership, L.P. The Company's investments in fixed income and equity securities were $15.0 million and $11.1 million, respectively, at July 31, 2003. The investments are carried at fair value with changes in unrealized gains and losses recorded as adjustments to stockholders' equity. The fair value of investments in marketable securities is generally based on quoted market prices. Typically, the fair market value of investments in fixed interest rate debt securities will increase as interest rates fall and decrease as interest rates rise. Based on the Company's overall interest rate exposure at July 31, 2003, a 10% change in market interest rates would not have a material effect on the fair value of the Company's fixed income securities or results of operations (investment income). The Company has also borrowed $1.5 million against a credit line it established with a financial institution which manages a portion of the Company's portfolio of marketable securities. The borrowings, which have a one-year maturity, bear a fixed rate of interest. Renewal or increased borrowings against the credit line will be predicated on the available interest rate compared to yields on marketable securities. As a consequence, a 10% change in market interest rates would not have a material effect on the fair value of the Company's short-term credit obligations or results of operations (interest expense).

Foreign Currency Risk

The Company is subject to foreign currency translation risk. The Company does not have any near-term intentions to repatriate invested cash in any of its foreign-based subsidiaries. For this reason, the Company does not intend to initiate any exchange rate hedging strategies which could be used to mitigate the effects of foreign currency fluctuations. The effects of foreign currency rate fluctuations will be recorded in the equity section of the balance sheet as a component of other comprehensive income. As of July 31, 2003, the amount related to foreign currency exchange rates is a $3,105,000 unrealized gain.

The results of operations of foreign subsidiaries, when translated into US dollars, will reflect the average rates of exchange for the periods presented. As a result, similar results in local currency can vary significantly upon translation into US dollars if exchange rates fluctuate significantly from one period to the next.

Item 4.
Disclosure Controls and Procedures

Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of its Chief Executive Officer, Martin B. Bloch and Chief Financial Officer, Alan L. Miller, of the effectiveness of disclosure controls and procedures pursuant to Exchange Act Rules 13a-14 and 15d-14. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective in timely alerting them to material information required to be included in the Company's periodic SEC reports. There have been no significant changes in internal controls, or in factors that could significantly affect internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

The statements in this quarterly report on Form 10Q regarding future earnings and operations and other statements relating to the future constitute "forward-looking" statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products in the marketplace, competitive factors, new products and technological changes, product prices and raw material costs, dependence upon third-party vendors, competitive developments, changes in manufacturing and transportation costs, changes in contractual terms, the availability of capital, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this report.

PART II

ITEM 1 - Legal Proceedings

None

ITEM 6 - Exhibits and Reports on Form 8-K

(a) Exhibits:

- 31.1 - Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 - Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

- 32.1 - Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 - Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K-

Registrant's Form 8-K, dated May 19, 2003, containing disclosure under Item 2 thereof (acquisition of the net assets of Zyfer, Inc.), was filed with the Securities and Exchange Commission on May 19, 2003.

SIGNATURES

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.

FREQUENCY ELECTRONICS, INC.
(Registrant)

Date: September 15, 2003

BY /s/Alan Miller

Alan Miller
Chief Financial Officer
and Controller

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

Certification of CEO

I, Martin B. Bloch, certify that

1. I have reviewed this quarterly report on Form 10-Q of Frequency Electronics, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting;

/s/ Martin B. Bloch — September 15, 2003

Martin B. Bloch
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

Certification of CFO

I, Alan L. Miller, certify that

1. I have reviewed this quarterly report on Form 10-Q of Frequency Electronics, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting;

/s/ Alan Miller September 15, 2003

Alan L. Miller
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Certification of CEO

In connection with the Quarterly Report of Frequency Electronics, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin B. Bloch, Chief Executive Officer of the Company, certify, pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin B. Bloch

Martin B. Bloch
Chief Executive Officer

September 15, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies this Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Certification of CFO

In connection with the Quarterly Report of Frequency Electronics, Inc. (the "Company") on Form 10-Q for the period ended July 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alan L. Miller, Chief Financial Officer of the Company, certify, pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Alan Miller September 15, 2003

Alan L. Miller
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies this Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.