



Frequency Electronics Reports New GPS Satellite Payload Contract

MITCHEL FIELD, N.Y., Jun 18, 2008 (PrimeNewswire via COMTEX News Network) -- Frequency Electronics, Inc. (Nasdaq:FEIM) has received an Authorization to Proceed (ATP) on a new contract to provide master clocks and microwave sources for satellite payloads on the U.S. Government's next generation Global Positioning System (GPS) III. The value of the contract when finalized, could exceed \$10 million with over half of the work to be completed within 18 months.

This contract supports the construction of the first two research and development satellites to be launched as part of a constellation of up to 32 navigational satellites in mid-earth orbit. GPS III is a high priority U.S. Government program that will be undertaken in three phases. This first phase may require add-ons to the initial contract, increasing the overall value of products to be provided by Frequency. In future phases of the GPS III program Frequency will have major opportunities to supply payload products for the large number of additional satellites to be launched.

This is one of the four programs previously discussed for which U.S. Government funding had been approved. (See FEI Press Release December 7, 2007.) The Company originally anticipated significant bookings in 2007 and realization of revenues in late fiscal 2008 and early fiscal 2009 from one or more of these four programs.

In announcing this ATP, Chief Executive Officer Martin Bloch said: "We are very pleased to be a strategic partner in the next generation of GPS which will deliver enhanced performance for military and civilian users around the globe. It reaffirms Frequency's long and distinguished legacy of supplying state-of-the-art assemblies for space applications based on our core quartz, rubidium and RF microwave technologies. We look forward to a rewarding, long-term participation in this critical national program."

About Frequency Electronics

Frequency Electronics, Inc. is a world leader in the design, development and manufacture of high precision timing, frequency control and synchronization products for space and terrestrial applications. Frequency's products are used in commercial, government and military systems, including satellite payloads, missiles, UAVs, aircraft, GPS, secure radios, SCADA, energy exploration and wireline and wireless communication networks. Frequency has received over 60 awards of excellence for achievements in providing high performance electronic assemblies for over 120 space programs. The Company invests significant resources in research and development and strategic acquisitions world-wide to expand its capabilities and markets. Subsidiaries and Affiliates: Gillam-FEI provides expertise in wireline network synchronization and SCADA; FEI-Zyfer provides GPS and secure timing ("SAASM") capabilities for critical military and commercial applications; FEI-Asia provides cost effective manufacturing and distribution capabilities in a high growth market. Frequency's Morion affiliate supplies high-quality, cost effective quartz oscillators and components. Elcom Technologies provides added resources for state-of-the-art RF microwave products. Additional information is available on the Company's website: www.frequencyelectronics.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The Statements in this press release regarding 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, inability to integrate operations and personnel, actions by significant customers or competitors, general domestic and international economic conditions, consumer spending trends, reliance on key customers, 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, 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 release.

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