



Frequency Electronics Forms New Subsidiary, FEI Government Systems, Inc.

>MITCHEL FIELD, N.Y., Oct 19, 2001 (BUSINESS WIRE) -- Frequency Electronics, Inc. (AMEX-FEI) today announced that it has formed a new subsidiary, FEI Government Systems, Inc.

This wholly owned subsidiary will focus on supplying the Company's technology and legacy proprietary products to the United States military and other U.S. government agencies. This organizational step was taken in response to the increasing demand for FEI's products by the U.S. government. The Company's other subsidiaries, FEI Communications, FEI-Asia and Gillam-FEI, will maintain the momentum in the Company's commercial wireless, wireline and space-based applications.

Mr. Markus Hechler, Executive Vice President of the Company, has been appointed President of the new subsidiary. Mr. Hechler noted that "the formation of FEI-GSI will permit us to provide the U.S. government with superior support for the critical and sensitive programs in which we expect to participate without affecting the growth of the Company's core commercial business."

The board of directors of FEI Government Systems, Inc. will be composed of Markus Hechler, General Joseph P. Franklin and Admiral S. Robert Foley.

Frequency Electronics, Inc. is a world leader in the design, development and manufacture of high-technology frequency, timing and synchronization products for satellite and terrestrial voice, video and data telecommunications. The Company's technologies provide unique solutions that are essential building blocks for the next generation of broadband wireless and fiber optic communications systems, and for the ongoing expansion of existing wireless and wireline networks. Additional information is available on FEI'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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