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 October 31, 1997

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 December 8, 1997 - 7,709,787.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

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See accompanying notes to consolidated
condensed financial statements.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Consolidated Condensed Balance Sheets

	October 31, 1997 (UNAUDITED)	April 30, 1997 (NOTE A)
	(In thousands)	
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 2,348	$ 3,448
Marketable Securities	24,459	21,112
Accounts receivable, net (NOTE B)	15,150	14,797
Inventories (NOTE C)	11,798	11,060
Prepaid and other	1,297	1,233
Total current assets	55,052	51,650
Property, plant and equipment, net	9,052	9,059
Investment in direct finance lease	9,717	9,702
Other assets	4,491	4,455
Total assets	$78,312	$74,866

See accompanying notes to consolidated condensed financial statements.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Consolidated Condensed Balance Sheets (Continued)

	October 31, 1997 (UNAUDITED)	April 30, 1997 (NOTE A)
	(In thousands)	
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Current maturities of long-term debt	$ 10,537	$ 9,718
Accounts payable - trade	1,150	882
Accrued liabilities and other	2,938	3,740
Total current liabilities	14,625	14,340
Long term debt net of current maturities	539	1,687
Other	3,930	3,773
Total liabilities	19,094	19,800
Stockholders' equity:		
Preferred stock - $1.00 par value	-0-	-0-
Common stock - $1.00 par value	9,009	6,006
Additional paid - in capital	35,449	35,190
Retained earnings	19,699	20,414
	64,157	61,610
Common stock reacquired and held in treasury - at cost, 1,302,289 shares at October 31 and 1,549,218 shares at April 30, 1997	(3,648)	(4,612)
Unamortized ESOP debt	(1,250)	(1,500)
Notes receivable - common stock	(287)	(435)
Unearned compensation	(54)	(77)
Unrealized holding gain	300	80
Total stockholders' equity	59,218	55,066
Total liabilities and stockholders' equity	$78,312	$74,866

See accompanying notes to consolidated condensed financial statements.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Consolidated Condensed Statements of Operations

Six Months Ended October 31,
(Unaudited)

	1997	1996
	(In thousands except per share data)	
Net Sales	$15,317	$12,700
Cost of sales	9,902	8,068
Selling and administrative expenses	2,831	2,792
Research and development expenses	608	641
Total operating expenses	13,341	11,501
Operating profit	1,976	1,199
Other income (expense):		
Interest income	899	713
Interest expense	(459)	(443)
Other income, net	795	810
Earnings before provision for income taxes	3,211	2,279
Income tax provision	180	130
Net earnings	$ 3,031	$ 2,149
Net earnings per common share	$ 0.39	$ 0.30
Weighted average common shares outstanding	7,688,532	7,188,957

NOTE: All shares and per share amounts have been adjusted to reflect a 3-for-2 stock split in the form of a 50% stock dividend, effective October 31, 1997.

See accompanying notes to consolidated condensed financial statements.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Consolidated Condensed Statements of Operations

Three Months Ended October 31,
(Unaudited)

	1997	1996
	(In thousands except per share data)	
Net Sales	$ 8,016	$ 6,576
Cost of sales	5,082	4,181
Selling and administrative expenses	1,488	1,486
Research and development expenses	315	281
Total operating expenses	6,885	5,948
Operating profit	1,131	628
Other income (expense)		
Interest income	458	376
Interest expense	(226)	(220)
Other income, net	400	491
Earnings before provision for income taxes	1,763	1,275
Income tax provision	130	65
Net earnings	$ 1,633	$ 1,210
Net earnings per common share	$ 0.21	$ 0.17
Weighted average common shares outstanding	7,736,792	7,269,279

NOTE: All shares and per share amounts have been adjusted to reflect a 3-for-2 stock split in the form of a 50% stock dividend, effective October 31, 1997.

See accompanying notes to consolidated condensed financial statements.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

Six Months Ended October 31,
(Unaudited)

	1997	1996
	(In thousands)	
Cash flows from operating activities:		
Net earnings	$ 3,031	$ 2,149
Non-cash charges to earnings	1,376	614
Net changes in assets and liabilities	(1,913)	(1,998)
Net cash provided by operating activities	2,494	765
Cash flows from investing activities:		
Purchase of marketable securities	(3,038)	(15,920)
Other - net	(468)	(257)
Net cash used in investing activities	(3,506)	(16,177)
Cash flows from financing activities:		
Payment of cash dividend	(746)	-
Principal payments of long-term debt	(298)	(376)
Payments from employees for exercise of stock options or notes receivable	956	192
Net cash used in financing activities	(88)	(184)
Net decrease in cash	(1,100)	(15,596)
Cash at beginning of period	3,448	15,915
Cash at end of period	$ 2,348	$ 319

See accompanying notes to consolidated
condensed financial statements.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Notes to Consolidated Condensed Financial Statements
(Unaudited)

NOTE A - CONSOLIDATED FINANCIAL STATEMENTS

In the opinion of management of the Company, the accompanying unaudited consolidated condensed 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 October 31, 1997; the results of its operations for the three and six months ended October 31, 1997 and 1996, and its cash flows for the six months ended October 31, 1997 and 1996. The April 30, 1997 consolidated condensed 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 consolidated condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's April 30, 1997 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 - ACCOUNTS RECEIVABLE

Accounts receivable at October 31, 1997 and April 30, 1997 include costs and estimated earnings in excess of billings on uncompleted contracts accounted for on the percentage of completion basis of approximately $10,244,000 and $7,722,000, 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 C - INVENTORIES

Inventories, which are reported net of reserves of $500,000 at October 31 and $350,000 at April 30, 1997, consist of the following:

	October 31, 1997	April 30, 1997
	(In thousands)	
Raw materials and Component parts	$ 3,199	$ 2,797
Work in progress	8,599	8,263
	$11,798	$11,060

NOTE D - EARNINGS PER SHARE

Primary earnings per share are computed by dividing net earnings by the weighted average number of shares of common stock and, when dilutive, common stock equivalents outstanding.

All shares and per share amounts have been adjusted to reflect a 3-for-2 stock split in the form of a 50% stock dividend, effective October 31, 1997.

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Notes to Consolidated Condensed Financial Statements
(Unaudited)

NOTE E - CONTINGENCIES

Reference is made to Note 9 of the Company's Annual Report on Form 10K for the year ended April 30, 1997 for information regarding legal proceedings. See also Part II, Item 1 of this Form 10Q.

NOTE F - RECENTLY ISSUED PRONOUNCEMENTS

The Financial Accounting Standards Board recently issued SFAS No. 128, "Earnings per Share," SFAS No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which are effective for the Company in future periods. The Company is in the process of assessing the effect these pronouncements will have on its financial statements and related disclosures.

Item 2

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

RESULTS OF OPERATIONS

Comparative details of results of operations for the three and six months ended October 31:

(Dollar amounts in thousands)

	Three months ended October 31, 1997	Three months ended October 31, 1996	% change	Six months ended October 31, 1997	Six months ended October 31, 1996	% change
Net Sales						
Commercial	$6,776	$5,042	34%	$12,933	$8,467	53%
US Government	1,240	1,534	(19%)	2,384	4,233	(44%)
	8,016	6,576	22%	15,317	12,700	21%
Cost of Sales	5,082	4,181	22%	9,902	8,068	23%
Selling and administrative expenses	1,488	1,486	0%	2,831	2,792	1%
Research and development expenses	315	281	12%	608	641	(5%)
Operating income	1,131	628	80%	1,976	1,199	65%
Nonoperating income- net	632	647	(2%)	1,235	1,080	14%
Net earnings	$1,633	$1,210	35%	$3,031	$2,149	41%

For the six months ended October 31, 1997, operating income improved by $777,000 over the comparable period of fiscal 1997 and net earnings increased by $882,000. Operating income for the fiscal quarter ended October 31, 1997 improved by $503,000 over the comparable period of fiscal 1997; net earnings increased by $423,000. These results were achieved through increases in sales of 21% and 22%, respectively, coupled with reduced costs relative to sales over the comparable fiscal 1997 periods. Margins for the periods indicated above remained relatively consistent at around 36%.

As illustrated in the table above, commercial sales continue to grow, increasing by 34% and 53%, respectively, in the fiscal 1998 periods over the comparable fiscal 1997 periods. As a percentage of total sales, commercial sales have increased to 85% and 84%, respectively, in the three months and six months ended October 31, 1997 as compared to 77% and 67% for the comparable fiscal 1997 quarters. The Company anticipates that commercial sales will continue to be the dominant portion of its business for the balance of the fiscal year and for the foreseeable future.

While gross margins for each of the four fiscal periods remained relatively consistent, the three and six month periods ended October 31, 1997 were negatively impacted by reductions in margins to be realized on two long-term contracts. Excluding those two contracts, margins on the balance of the Company's revenues were approximately 40% for these periods reflecting the Company's higher revenues which are available to absorb its fixed costs. With the present mix of commercial versus government projects and recent contract bookings, the Company expects to realize improved profit margins for the remainder of fiscal 1998.

Selling and administrative costs showed almost no increase for the quarter ended October 31, 1997, and were up only 1% for the six month period then ended over the comparable fiscal 1997 periods. Although comparable in aggregate amounts, the fiscal 1998 periods' selling and administrative costs reflect increased accruals for incentive bonuses as a result of the Company's increased profitability and greater Employee Stock Ownership Plan ("ESOP") amortization expense due to the rising value of the Company's common stock. These increases have been offset in part by lower travel-related costs and reduced legal fees related to the Company's on-going litigation with the US government.

Research and development costs in the three month period ended October 31, 1997 increased by $34,000 but in the six-month period then ended decreased by $33,000 over the comparable three and six month periods ended October 31, 1996. These changes reflect the timing of the expensing of certain residual materials and costs from the Company's development efforts on new commercial product lines. The Company expects to maintain approximately the same rate of investment in research and development of new products and enhancements in functional capabilities of existing products which will serve primarily the Company's commercial customers for the balance of fiscal 1998 and for the foreseeable future.

Net nonoperating income and expense decreased by $15,000 in the fiscal 1998 quarter and increased by $155,000 in the six month period ended October 31, 1997 from the comparable fiscal 1997 periods. Interest income increased by $82,000 (22%) in the 1998 quarter over the comparable fiscal 1997 quarter and by $186,000 (26%) for the fiscal 1998 six month period over the comparable fiscal 1997 period. This is the result of a 22% increase in interest-earning assets from October 31, 1996 to October 31, 1997 offset or enhanced by variations in interest rates from the levels of the fiscal 1997 three- and six-month periods. Interest expense increased by $6,000

(3%) and $16,000 (4%) during the fiscal 1998 quarter and six-month period ended October 31, 1997 compared to the comparable fiscal 1997 periods. These increases are also the result of increased interest rates during fiscal 1998 coupled with declining long-term debt balances as the Company makes scheduled principal payments. Although the Company is unable to predict the future levels of interest rates, at current rates the Company anticipates that investment income will continue to increase and interest expense will continue to decrease when compared to earlier fiscal periods. Other income, which consists principally of rental income under a long-term lease, net of related expenses, decreased by $91,000 (19%) and $15,000 (2%) for the three- and six-month periods ended October 31, 1997, respectively, compared to the comparable fiscal 1997 periods. The decrease in the three-month period is attributable to property tax adjustments against rental property taken during the fiscal 1997 period. Net rental income is expected to continue at present levels for the balance of fiscal 1998.

LIQUIDITY AND CAPITAL RESOURCES

The Company's balance sheet continues to reflect a strong working capital position of $40.4 million at October 31, 1997 compared to working capital at April 30, 1997 of $37.3 million. Included in working capital at October 31, 1997 is $26.8 million of cash, cash equivalents and marketable securities which are readily convertible to cash. Also included in working capital is a real estate construction loan of $9 million which is due on January 30, 1998.

Net cash provided by operating activities for the six months ended October 31, 1997, was $2.5 million compared to $765,000 for the comparable fiscal 1997 period. The increase in net inflow of cash from operating activities in the fiscal 1998 period was achieved through the 41% increase in net income coupled with $1.4 million of noncash charges which included amortization of allocated ESOP shares and depreciation. These increases were offset by the growth of current assets such as (i) accounts receivable (up $353,000) due to an increase in costs and estimated earnings in excess of billings on uncompleted contracts offset by payments received against amounts billed and (ii) inventories (up $888,000) reflecting the higher level of work-in-process activity. In addition, cash was used to pay down certain accrued liabilities (reduced by $814,000) such as bonuses on fiscal 1997's operating results and accrued vacation pay to coincide with the Company's annual mid-summer plant shutdown. The Company anticipates that operating activities for the balance of fiscal 1998 will continue to generate positive cash flow.

Net cash used in investing activities for the six months ended October 31, 1997, was approximately $3.5 million of which $3 million was used to acquire certain U.S. government and agency securities. The Company may continue to acquire or redeem marketable securities as dictated by its investment strategies. For the six months ended October 31, 1997, the Company acquired capital equipment for approximately $468,000. At October 31, 1997, the Company had no material commitments for additional capital expenditures. In addition, the Company believes that it has sufficient resources to acquire capital equipment as needs are identified.

Net cash used in financing activities for the six months ended October 31, 1997, was $88,000 compared to $184,000 for the comparable 1997 period. Included in the fiscal 1998 amount is $298,000 (net) used to make regularly scheduled long-term debt payments and payment of the Company's initial semiannual dividend in the aggregate amount of $746,000. These outflows were partially offset by transactions related to the Company's common stock and involving certain officers and other employees who exercised stock options ($808,000) or repaid notes receivable for common stock acquired in a prior year ($148,000).

On January 30, 1998, the Company is obligated to repay the $9 million real estate construction loan which was used to finance the building which is leased to a third party under a direct finance lease. The Company is evaluating its options which may include paying the loan out of current assets, refinancing the loan or some combination thereof. In addition, in November 1997, the Company repaid the balance of its Nassau County Industrial Development Bonds in the amount of $820,000, including accrued interest. Accordingly, this note was classified as a current liability on the October 31, 1997 balance sheet. On December 1, 1997, the Company paid its semiannual cash dividend in the aggregate amount of $774,000.

The Company will continue to expend its resources and efforts to develop hardware for commercial satellite programs and commercial ground communication and navigation systems which management believes will result in future growth and continued profitability. Internally generated cash will be sufficient to fund development efforts in these markets.

At October 31, 1997, the Company's backlog amounted to approximately $17.6 million compared to the approximately $14.3 million backlog at April 30, 1997. Backlog of commercial and foreign customers approximates $14.3 million at October 31, 1997.

"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 herein. Such risks include changes in contractual agreements or a change in status under the US government-imposed suspension and other risks as more fully described in the Company's Annual Report on Form 10K filed with the Securities and Exchange Commission.

PART II

ITEM 1 - Legal Proceedings

On November 17, 1993, Registrant was indicted on criminal charges alleging conspiracy and fraud in connection with six contracts for which Registrant was a subcontractor. In addition, two derivative actions have been filed against the Board of Directors essentially seeking recovery on behalf of the Company for any losses it incurs as a result of the indictment.

On December 14, 1993, Registrant was notified by the U.S. Department of the Air Force that it had been suspended from contracting with any agency of the government. Certain exceptions will apply if a compelling reason exists. The suspension is temporary subject to the outcome of the legal proceedings in connection with the indictment.

In March 1994, a qui tam action was filed against the Registrant and its former chief executive officer and, in July 1995, a separate qui tam action was served upon the Registrant and certain employees of Registrant.

The Company and the individual defendants have pleaded not guilty to all actions and are vigorously contesting all charges.

On February 14, 1997, the Company filed a petition in federal district court to obtain an injunction against continuance of the government contract suspension. On March 14, 1997, the court dismissed the Company's action and refused to grant the Company's motion for an injunction. The Company has appealed the district court's decision to the United States Court of Appeals. No opinion can be offered as to the outcome of the appeal.

For all items noted above, reference is made to Item 3 - Legal Proceedings of Registrant's Annual Report on Form 10K for the year ended April 30, 1997 on file with the Securities and Exchange Commission.

ITEM 6 - Exhibits and Reports on Form 8-K

(a) Exhibits - None

(b) On October 14, 1997, the Company filed a report on Form 8-K regarding the declaration of a $0.15 per share cash dividend and a 50% stock dividend payable on December 1, 1997 to shareholders of record as of October 31, 1997.

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: December 12, 1997

BY /s/ Joseph P. Franklin

Joseph P. Franklin
Chief Executive Officer and
Chief Financial Officer

Date: December 12, 1997

BY /s/ Alan Miller

Alan Miller
Controller

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