



Frequency Electronics Announces Contract for Fiber Optic Systems

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NEW YORK--(BUSINESS WIRE)--Dec. 18, 2000--Frequency Electronics, Inc. (AMEX-FEI) today announced that it had received its first contract for the production of R/T (receive/transmit) modules used to increase throughput in advanced optical transport (fiber optic) systems.

This initial agreement, valued at approximately \$2 million, covers only procurement of long lead time material, capital equipment purchases, and production engineering tasks. A definitive production contract is anticipated within sixty (60) days and delivery of production units is expected to begin in June, 2001.

The R/T module was developed by Frequency Electronics combining the Company's legacy in time, frequency control, and synchronization with its proprietary microwave technology.

Frequency Electronics 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 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, 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.

CONTACT: Frequency Electronics
General Joseph P. Franklin
(516) 794-4500

<http://www.frequencyelectronics.com>