



Frequency Electronics Announces Fiscal Year 2000 Results

>

MITCHEL FIELD, N.Y.--(BUSINESS WIRE)--June 20, 2000--Frequency Electronics, Inc. (AMEX: FEI) today announced the results for its fiscal year ended April 30, 2000.

Revenues for the year were \$ 26.54 million as compared to \$18.96 million in fiscal 1999. The Company recorded an operating profit of \$1.01 million and net income of \$3.14 million (\$0.39 per diluted share). This is compared to an operating loss of \$701,000 and net income of \$1.17 million (\$0.15 per diluted share) for fiscal year 1999. Note: Fiscal 1999 results include \$4.5 million from insurance reimbursement of litigation costs, while fiscal 2000 investment income includes a net gain of approximately \$1.50 million from the sale of appreciated securities.

Fiscal year 2000 revenues increased over fiscal 1999 due to the growth in demand for wireless communications products which supply the cellular telephone infrastructure buildout and upgrade of current generation cellular sites. The Company expects further revenue growth in fiscal 2001 and accelerated growth in the following years as the OEMs begin to build new cellular sites using 3G technologies.

Research and development spending for fiscal 2000 was \$5.37 million, compared to \$5.79 million in fiscal 1999. The Company will continue to expend significant resources to develop synchronization equipment for wireless 3G technology and fiber optic systems. As revenues continue to rise in future years, the Company will target research and development spending at approximately 10% of revenues.

Looking to the future, the Company continues to seek out candidates for joint ventures, strategic partnerships, and mergers and acquisitions, which will help it to achieve its long-term development goals.

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 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 or implied herein. -0-

*T

Frequency Electronics, Inc. and Subsidiaries Consolidated Condensed Summary of Operations

	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2000	1999	2000	1999
	(unaudited)			
	(in thousands except per share data)			
Net Sales	\$ 7,918	\$ 2,703	\$26,535	\$18,958
Cost of Sales	4,484	2,032	14,884	12,985
Insurance Reimbursement	-	-	-	(4,500)
Selling and Administrative	1,454	1,787	5,275	5,384
Research and Development	1,742	2,150	5,368	5,790
Operating Profit (Loss)	238	(3,266)	1,008	(701)
Interest and Other, Net	951	969	3,416	2,274
Earnings (Loss) before				
Income Taxes	1,189	(2,297)	4,424	1,573
Income Tax Provision	170	(1,100)	1,280	400
(Benefit)				

Net Earnings (Loss)	\$ 1,019(\$ 1,197)		\$ 3,144	\$ 1,173
Net Earnings (Loss) per Share:				
Basic	\$ 0.13 (\$ 0.16)		\$ 0.41	\$ 0.16
Diluted	\$ 0.12 (\$ 0.16)		\$ 0.39	\$ 0.15
Average Shares Outstanding				
Basic	7,909,662	7,561,358	7,673,497	7,502,260
Diluted	8,350,280	7,561,358	8,043,727	7,820,742

Frequency Electronics, Inc. and Subsidiaries
Consolidated Condensed Balance Sheets

	April 30, 2000		April 30, 1999
		(in thousands)	
ASSETS			
Cash & Marketable Securities	\$41,007		\$39,287
Other Current Ass	25,583		25,404
Property, Plant & Equipment	9,040		9,489
Other Assets	4,631		4,175
	\$80,261		\$78,355
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities	\$ 4,496		\$ 4,889
Long-term Obligations	16,849		16,959
Stockholders' Equity	58,916		56,507
	\$80,261		\$78,355

*T

CONTACT: Frequency Electronics, Inc., Mitchel Field
General Joseph P. Franklin, 516/794-4500