



Frequency Electronics Participates in Needham Growth Conference

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MITCHEL FIELD, N.Y., Jan 18, 2005 (BUSINESS WIRE) -- Frequency Electronics, Inc (AMEX:FEI) participated in the recently concluded Seventh Annual Needham Growth Conference, held at the New York Palace Hotel in mid-town Manhattan. This is the leading conference of its kind for emerging growth companies with approximately 3,000 company executives and investors participating during the three and one-half days of the conference. In order to make FEI's presentation available to all shareholders and investors, the full presentation slides can be accessed at the Company's website: www.frequencyelectronics.com under the Investor Relations link. A summary of key presentation points follows.

Presenting on behalf of FEI were Chairman of the Board, General Joseph Franklin, President and CEO, Martin Bloch and Chief Financial Officer, Alan Miller. Mr. Bloch reviewed the high precision time and frequency market, noting that this historically niche market is expected to grow substantially over the next 5 to 7 years. Mr. Bloch estimated that FEI's current share of this \$400 million market is approximately 15%. With the increased need for high precision time and frequency, that market is expected to increase to over \$1 billion per year.

Market drivers identified by Mr. Bloch include:

- Increased synchronization requirements for wireless networks as services are expanded and to maximize spectrum utilization.
- Replacement and upgrade of wireline synchronization systems in the US and throughout the world.
- The need to replace existing commercial satellites.
- Upgrade US Government satellite systems to increase available bandwidth.
- Secure radios for military applications.
- Improved guidance & navigation systems for advanced weapons systems and Unmanned Aerial Vehicles (UAVs).
- Significantly improve seismic mapping in deep hole drilling for oil & gas exploration.

Several of FEI's new products to address these markets include:

- A ruggedized Rubidium atomic standard for challenging environments to upgrade existing and new military platforms.
- A major proprietary breakthrough in a low gravitational-sensitivity ("low g") clock with large military applications as well as certain commercial programs.
- An extremely high temperature, precision OCXO clock with first application for deep earth drilling.
- State-of-the-art timing and transceiver systems for government and commercial satellite systems.
- A new, cost-effective Universal Synchronization system ("US5G") for wireline networks, currently in the testing phase at selected RBOCs.

These product initiatives are expected to generate initial meaningful revenue in calendar 2005 (FEI's fiscal year 2006) and substantial additional revenues for FEI in 2006 and beyond.

Chief financial officer, Alan Miller, presented the current status of FEI by referencing its recent financial and operational history, noting especially the transition of the Company from a single location in New York to a global company during the last four years. Mr. Miller noted that the Company's goal is operating profits of 10% of revenues but such results have not been achieved in recent years due in large part to fluctuations in revenues from the wireless telecommunications market. Mr. Miller stated that over the past five years, greater than 40% of the Company's revenues have been derived from this single market.

Mr. Miller quoted the Needham & Company assessment on the Wireless Communications Equipment market in its January 2005 Portfolio Highlights which stated "Wireless Infrastructure- In Like a Lion, Out Like a Lamb in 2004." He also quoted another supplier to wireless infrastructure OEMs who noted that the OEMs had been "over exuberant" in the first half of (calendar

2004 and were now "working down their inventory." Mr. Miller noted that this has been FEI's experience during the same period with respect to wireless infrastructure revenues.

Mr. Miller said "Increased sales of new products and to new markets, as previously detailed by Martin Bloch, would reduce our sensitivity to short-term fluctuations in any one market area." Mr. Miller reaffirmed that in spite of recent declines in wireless shipments, the Company's outlook is for increased revenues, higher margins and greater profitability for full year Fiscal 2005.

General Joseph Franklin, Chairman of the Board, closed the Company's presentation by repeating its investment theme: "Frequency Electronics- Capturing a larger share of the rapidly growing high precision time and frequency market."

About Frequency Electronics

Frequency Electronics, Inc. is a world leader in the design, development and manufacture of high-technology frequency, timing and synchronization products for voice, video and data telecommunications delivered by satellite or terrestrial means for both commercial and DOD customers. The Company's technologies provide unique solutions that are essential building blocks for the next generation of broadband wireless and fiber optic communications systems, for critical defense applications and for the ongoing expansion of existing wireless and wireline networks. Additional information is available on FEI's website: www.frequencyelectronics.com.

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SOURCE: Frequency Electronics, Inc.

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