



FEI to Record Gains on Real Estate & Investment Holdings

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MITCHEL FIELD, N.Y.--(BUSINESS WIRE)--April 26, 2005--Frequency Electronics, Inc. (AMEX:FEI) announced today that in the fourth quarter of its fiscal year ending April 30, 2005, it will record a one-time gain of \$4.6 million related to the conversion of its real estate operating partnership units into shares of Reckson Associates Realty Corp. common stock (ticker symbol "RA"). This gain reflects the currently realizable portion related to the fiscal year 1998 sale and leaseback of the Company's building to Reckson Operating Partnership, LP. An additional gain of \$1.3 million is deferred and will be recorded over the remaining term of the Company's building lease in accordance with the accounting provisions for sale and leaseback transactions. After taxes, the Company will record an increase of approximately \$2.6 million to shareholders' equity as a result of this conversion. Subsequent to the conversion, the Company sold a portion of the RA common stock and realized additional gains of approximately \$2.3 million, or total pretax gains of approximately \$6.9 million.

Commenting on these transactions, Chief Financial Officer, Alan Miller, said, "With the recent appreciation in the value of RA stock, the Company decided to take this step to diversify its financial holdings and make them more immediately available for new business opportunities. The conversion also removes from the balance sheet the Company's building and the REIT liability. As market conditions dictate, we will continue to reduce our RA stock holdings through sales in the open market which should result in additional investment gains."

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 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, ability 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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