



Frequency Electronics, Inc. Announces New Development Contract

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MITCHEL FIELD, N.Y.--(BUSINESS WIRE)--Aug. 19, 2003--Frequency Electronics, Inc. (AMEX:FEI) announced today that it has been awarded a contract to develop a new family of frequency reference sources for multiple on-board satellite applications. Under this joint development contract FEI will adapt its proprietary technology to these new frequency sources, covering L to Ka band, for the exclusive use of a major satellite builder. In turn, FEI is to be the sole outside supplier of these products on all of this builder's US Government and commercial satellites. The Company expects this contract to remain in effect for many years as satellites are built for new space programs and aging units are replaced.

Commenting on this award, President and CEO Martin Bloch said: "We are very pleased with this strategic relationship, which is based on FEI's long and successful record in space. I believe it reflects the early stage of a major trend. Satellite builders and integrators are beginning to out-source more and more critical components and systems to take advantage of the lower costs and proven technology that companies like Frequency Electronics bring to the satellite industry."

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 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, inability 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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