



## Frequency Electronics, Inc. Establishing Additional Reserves for Wireless Telecom Product Inventory

MITCHEL FIELD, N.Y., Jun 18, 2009 (GlobeNewswire via COMTEX News Network) -- Frequency Electronics, Inc. (Nasdaq:FEIM), based on analyses of conditions in the OEM market for wireless telecom products, is establishing additional financial reserves for the Company's inventory for such products as of the end of the past fiscal year. Other suppliers to the wireless market have reported declining sales and the present outlook for future revenues is unclear. As a result, Frequency anticipates establishing additional reserves in the range of at least \$2.5 million to \$3.5 million. The analyses are not yet completed and when finalized will be reported in mid-July with the Company's earnings release for the fourth quarter and fiscal year, which ended April 30, 2009.

Commenting on this action Chief Financial Officer, Alan Miller, observed, "These reserves are non-cash in nature and do not affect our liquidity or operating cash flow. For the recently ended fiscal year, Frequency expects to report substantial positive operating cash flow and net cash increased year over year as well as from the preceding quarter. These additional reserves negatively impact operating results for the past year, but are appropriate given the current uncertain outlook in the wireless telecom arena. To the extent we may be successful in subsequently selling these inventories their sale would improve future operating results."

### About Frequency Electronics

Frequency Electronics, Inc. is a world leader in the design, development and manufacture of high precision timing, frequency control and synchronization products for space and terrestrial applications. Frequency's products are used in commercial, government and military systems, including satellite payloads, missiles, UAVs, aircraft, GPS, secure radios, SCADA, energy exploration and wireline and wireless communication networks. Frequency has received over 60 awards of excellence for achievements in providing high performance electronic assemblies for over 120 space programs. The Company invests significant resources in research and development and strategic acquisitions world-wide to expand its capabilities and markets. Subsidiaries and Affiliates: Gillam-FEI provides expertise in wireline network synchronization and SCADA; FEI-Zyfer provides GPS and secure timing ("SAASM") capabilities for critical military and commercial applications; FEI-Asia provides cost effective manufacturing and distribution capabilities in a high growth market. Frequency's Morion affiliate supplies high-quality, cost effective quartz oscillators and components. Elcom Technologies provides added resources for state-of-the-art RF microwave products. Additional information is available on the Company's website: [www.frequencyelectronics.com](http://www.frequencyelectronics.com).

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SOURCE: Frequency Electronics, Inc.

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