



July 11, 2017

Frequency Electronics Inc. to Report Financial Results Reflecting Significant Subsidiary Adjustments

MITCHEL FIELD, N.Y., July 11, 2017 (GLOBE NEWSWIRE) -- Frequency Electronics, Inc. (NASDAQ:FEIM) intends to file its 10K for fiscal year 2017 ended April 30, 2017 before the end of July 2017. Prior to that filing Frequency Electronics Inc. (FEI) will issue a press release and schedule a conference call covering Q4 and year end 2017 results.

Over time FEI's wire-line network infrastructure business has declined. Strategic focus is now on the larger business areas of secure communications, command and control, and satellite systems. In the upcoming report Frequency intends to present financial results for Gilliam FEI, the Company's Belgium subsidiary, (a provider of wire-line, copper based, network infrastructure products), as "Held for Sale/Discontinued Operations" as of April 30, 2017. Accordingly FEI expects to record required book adjustments along with any related deferred taxes. In addition the Company expects to record substantial non cash inventory reserves of not less than \$6M comprising for the most part a full reserve of FEI-Zyfer inventory of wire-line copper based synchronization products. The Company also is engaged in steps to consolidate corporate wide DOD and foreign Government marketing with its domestic subsidiaries FEI-Elcom and FEI-Zyfer as they share common customers.

Commenting on these changes, Joel Girsky, Chairman of the Board of Directors said: "The recent long downturn in satellite business notwithstanding, never before in our history has FEI addressed a higher level of market opportunities. These opportunities are in secure communications, command and control and satellite systems. We are acting to capitalize on these opportunities and we enjoy a competitive edge. Secure communications and command and control, for which precision time is essential, has become a Homeland Security and DOD urgent priority. Satellite payloads, both additional and necessary replacements, after the current industry wide trough, will incorporate new technology in which we already have a head start. Our plan this year going forward is to use our engineering resources to make sure we are fully prepared with the capabilities and products required to gain market share. We will also maintain our domestic corporate-wide production capacity to serve present customers and to demonstrate credible rapid scalability for on time delivery and growth."

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 satellite payloads and in other commercial, government and military systems including C4ISR markets, missiles, UAVs, aircraft, GPS, secure radios, energy exploration and wireline and wireless communication networks. Frequency has received over 100 awards of excellence for achievements in providing high performance electronic assemblies for over 150 space and DOD programs. The Company invests significant resources in research and development and strategic acquisitions world-wide to expand its capabilities and markets.

Frequency's Mission Statement: "Our mission is to provide precision time and low phase noise frequency generation systems from 1 Hz to 46 GHz, for space and other challenging environments."

Subsidiaries and Affiliates: Gilliam-FEI provides expertise in network synchronization and monitoring; FEI-Zyfer provides GPS and secure timing ("SAASM") capabilities for critical military and commercial applications; FEI-Asia provides cost effective manufacturing capabilities; FEI-Elcom Tech provides added resources for state-of-the-art RF microwave products. Frequency's Morion affiliate supplies high-quality, cost effective quartz oscillators and components. Additional information is available on the Company'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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