

FREQUENCY ELECTRONICS INC  
Form 10-Q  
March 18, 2013

---

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

\_\_\_\_\_  
FORM 10-Q  
\_\_\_\_\_

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended January 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-8061

FREQUENCY ELECTRONICS, INC.  
(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

11-1986657  
(I.R.S. Employer Identification No.)

55 CHARLES LINDBERGH BLVD., MITCHEL FIELD, 11553  
N.Y. (Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 516-794-4500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during

Edgar Filing: FREQUENCY ELECTRONICS INC - Form 10-Q

the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller Reporting Company <input checked="" type="checkbox"/>
		(do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of Registrant's Common Stock, par value \$1.00 as of March 11, 2013 – 8,436,007

---

Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

TABLE OF CONTENTS

Part I. Financial Information:	Page No.
<u>Item 1 - Financial Statements:</u>	3
<u>Condensed Consolidated Balance Sheets - January 31, 2013 and April 30, 2012</u>	3
<u>Condensed Consolidated Statements of Income and Comprehensive Income Nine Months Ended January 31, 2013 and 2012</u>	4
<u>Condensed Consolidated Statements of Income and Comprehensive Income Three Months Ended January 31, 2013 and 2012</u>	5
<u>Condensed Consolidated Statements of Cash Flows Nine Months Ended January 31, 2013 and 2012</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7-13
<u>Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	14-21
<u>Item 3 – Quantitative and Qualitative Disclosures about Market Risk</u>	21
<u>Item 4- Controls and Procedures</u>	22
Part II. Other Information:	
<u>Item 6 - Exhibits</u>	23
<u>Signatures</u>	24

---

Table of Contents

## PART I

## Item 1. Financial Statements

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Condensed Consolidated Balance Sheets

	January 31, 2013	April 30, 2012
	(UNAUDITED) (NOTE A)	
	(In thousands except share data)	
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$5,222	\$4,782
Marketable securities	16,409	17,658
Accounts receivable, net of allowance for doubtful accounts of \$355 at January 31, 2013 and \$400 at April 30, 2012	8,357	10,866
Costs and estimated earnings in excess of billings, net	8,617	7,207
Inventories	37,756	34,299
Deferred income taxes	2,850	3,152
Prepaid expenses and other	1,507	1,398
Total current assets	80,718	79,362
Property, plant and equipment, at cost ,less accumulated depreciation and amortization	8,391	8,374
Deferred income taxes	6,023	5,692
Goodwill and other intangible assets	804	873
Cash surrender value of life insurance and cash held in trust	10,605	10,133
Investment in affiliates	806	809
Other assets	933	984
Total assets	\$108,280	\$106,227
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Short-term credit obligations	\$5,178	\$6,383
Accounts payable - trade	1,368	2,644
Accrued liabilities	8,155	6,986
Income taxes payable	-	96
Total current liabilities	14,701	16,109
Capital lease obligation- noncurrent	-	15
Deferred compensation	10,314	10,179
Deferred rent and other liabilities	819	792
Total liabilities	25,834	27,095
Commitments and contingencies		
Stockholders' equity:		
Preferred stock -\$1.00 par value	-	-
Common stock-\$1.00 par value, issued 9,163,940 shares	9,164	9,164
Additional paid-in capital	51,526	50,797
Retained earnings	20,705	18,660

Common stock reacquired and held in treasury - at cost (732,554 shares at January 31, 2013 and 800,787 shares at April 30, 2012)	(3,344 )	(3,659 )
Accumulated other comprehensive income	4,395	4,170
Total stockholders' equity	82,446	79,132
Total liabilities and stockholders' equity	\$ 108,280	\$ 106,227

See accompanying notes to condensed consolidated financial statements.

Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Condensed Consolidated Statements of Income and Comprehensive Income  
Nine Months Ended January 31,  
(Unaudited)

	2013	2012
	(In thousands except per share data)	
Revenues	\$51,391	\$46,442
Cost of revenues	31,928	27,970
Gross margin	19,463	18,472
Selling and administrative expenses	10,883	10,017
Research and development expense	3,731	2,954
Operating profit	4,849	5,501
Other income (expense):		
Investment income	509	473
Equity loss	-	(451 )
Impairment of investment in and loans receivable from affiliate	-	(350 )
Interest expense	(156 )	(77 )
Other expense, net	(73 )	(132 )
Income before provision for income taxes	5,129	4,964
Provision for income taxes	1,400	1,770
Net income	\$3,729	\$3,194
Net income per common share		
Basic	\$0.44	\$0.38
Diluted	\$0.43	\$0.37
Weighted average shares outstanding		
Basic	8,401,348	8,319,740
Diluted	8,583,616	8,537,591
Comprehensive Income		
Net income	\$3,729	\$3,194
Other comprehensive income (loss):		
Foreign currency translation adjustment	46	(1,300 )
Change in market value of marketable securities	282	26
Deferred tax effect of change in marketable securities	(103 )	(9 )
Total other comprehensive income (loss)	225	(1,283 )
Comprehensive income	\$3,954	\$1,911

See accompanying notes to condensed consolidated financial statements.



Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Condensed Consolidated Statements of Income and Comprehensive Income  
Three Months Ended January 31,  
(Unaudited)

	2013	2012
	(In thousands except per share data)	
Revenues	\$17,137	\$15,448
Cost of revenues	10,387	9,233
Gross margin	6,750	6,215
Selling and administrative expenses	3,887	3,390
Research and development expense	1,113	882
Operating profit	1,750	1,943
Other income (expense):		
Investment income	190	214
Equity loss	-	(335)
Impairment of investment in and loans receivable from affiliate	-	-
Interest expense	(53)	(26)
Other expense, net	(67)	(222)
Income before provision for income taxes	1,820	1,574
Provision for income taxes	300	500
Net income	\$1,520	\$1,074
Net income per common share		
Basic	\$0.18	\$0.13
Diluted	\$0.18	\$0.13
Weighted average shares outstanding		
Basic	8,424,162	8,323,912
Diluted	8,603,774	8,508,297
Comprehensive Income		
Net income	\$1,520	\$1,074
Other comprehensive income (loss):		
Foreign currency translation adjustment	191	(996)
Change in market value of marketable securities	(87)	194
Deferred tax effect of change in marketable securities	31	(70)
Total other comprehensive income (loss)	135	(872)
Comprehensive income	\$1,655	\$202

See accompanying notes to condensed consolidated financial statements.





Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Condensed Consolidated Statements of Cash Flows  
Nine Months Ended January 31,  
(Unaudited)

	2013	2012
	(In thousands)	
Cash flows from operating activities:		
Net income	\$3,729	\$3,194
Non-cash charges to earnings, net	3,843	4,886
Net changes in operating assets and liabilities	(4,347)	(6,804)
Net cash provided by operating activities	3,225	1,276
Cash flows from investing activities:		
Proceeds from sale of marketable securities	2,509	6,111
Purchase of marketable securities	(1,004)	(8,757)
Loan to affiliate	-	(92)
Purchase of fixed assets	(1,608)	(1,124)
Net cash used in investing activities	(103)	(3,862)
Cash flows from financing activities:		
Proceeds from short-term credit obligations	4,000	2,350
Debt payments	(5,311)	(203)
Payment of cash dividend	(1,684)	-
Exercise of stock options	20	13
Net cash (used in) provided by financing activities	(2,975)	2,160
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	147	(426)
Effect of exchange rate changes on cash and cash equivalents	293	(301)
Net increase (decrease) in cash and cash equivalents	440	(727)
Cash and cash equivalents at beginning of period	4,782	5,275
Cash and cash equivalents at end of period	\$5,222	\$4,548
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$147	\$72
Income Taxes	\$1,889	\$1,128

See accompanying notes to condensed consolidated financial statements.



Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

## NOTE A – CONSOLIDATED FINANCIAL STATEMENTS

In the opinion of management of Frequency Electronics, Inc. (“the Company”), the accompanying unaudited condensed consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position of the Company as of January 31, 2013 and the results of its operations and cash flows for the nine and three months ended January 31, 2013 and 2012. The April 30, 2012 condensed consolidated balance sheet was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's April 30, 2012 Annual Report to Stockholders on Form 10-K. The results of operations for such interim periods are not necessarily indicative of the operating results for the full fiscal year.

## NOTE B – EARNINGS PER SHARE

Reconciliation of the weighted average shares outstanding for basic and diluted Earnings Per Share are as follows:

	Nine months Periods ended January 31,		Three months	
	2013	2012	2013	2012
Weighted average shares outstanding:				
Basic	8,401,348	8,319,740	8,424,162	8,323,912
Effect of dilutive securities	182,268	217,851	179,612	184,385
Diluted	8,583,616	8,537,591	8,603,774	8,508,297

The computation of diluted earnings per share excludes those options and stock appreciation rights (“SARS”) with an exercise price in excess of the average market price of the Company’s common shares during the periods presented. The inclusion of such options and SARS in the computation of earnings per share would have been antidilutive. The number of excluded options and SARS were:

	Nine months Periods ended January 31,		Three months	
	2013	2012	2013	2012
Outstanding options and SARS excluded	942,375	733,375	942,375	746,375

## NOTE C – COSTS AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS, NET

Edgar Filing: FREQUENCY ELECTRONICS INC - Form 10-Q

At January 31, 2013 and April 30, 2012, costs and estimated earnings in excess of billings, net, consist of the following:

	January 31, 2013 (In thousands)	April 30, 2012
Costs and estimated earnings in excess of billings	\$ 11,096	\$ 9,552
Billings in excess of costs and estimated earnings	(2,479 )	(2,345 )
Net asset	\$ 8,617	\$ 7,207

Such amounts represent revenue recognized on long-term contracts that had not been billed at the balance sheet dates or represent a liability for amounts billed in excess of the revenue recognized. Amounts are billed to customers pursuant to contract terms, whereas the related revenue is recognized on the percentage of completion basis at the measurement date. In general, the recorded amounts will be billed and collected or revenue recognized within twelve months of the balance sheet date. During the nine and three months ended January 31, 2013, percentage of completion revenue was approximately \$25.9 million and \$8.9 million, respectively. During the nine and three months ended January 31, 2012, percentage of completion revenue was approximately \$26.9 million and \$9.0 million, respectively.

Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

## NOTE D – TREASURY STOCK TRANSACTIONS

During the nine month period ended January 31, 2013, the Company made a contribution of 39,091 shares of its common stock held in treasury to the Company’s profit sharing plan and trust under section 401(k) of the Internal Revenue Code. Such contribution is in accordance with the Company’s discretionary match of employee voluntary contributions to this plan. During the same period, the Company issued 29,142 shares from treasury upon the exercise of stock options and SARS by certain employees.

## NOTE E – INVENTORIES

Inventories, which are reported at the lower of cost or market, consist of the following:

	January 31, 2013	April 30, 2012
	(In thousands)	
Raw Materials and Component Parts	\$ 17,017	\$ 15,813
Work in Progress	17,823	15,762
Finished Goods	2,916	2,724
	\$ 37,756	\$ 34,299

As of January 31, 2013 and April 30, 2012, approximately \$25.9 million and \$25.5 million, respectively, of total inventory is located in the United States, approximately \$11.2 million and \$8.2 million, respectively, is located in Belgium and \$0.7 million and \$0.6 million, respectively, is located in China.

## NOTE F – SEGMENT INFORMATION

The Company operates under three reportable segments based on the geographic locations of its subsidiaries:

- (1) FEI-NY – operates out of New York and its operations consist principally of precision time and frequency control products used in three principal markets- communication satellites (both commercial and U.S. Government-funded); terrestrial cellular telephone or other ground-based telecommunication stations and other components and systems for the U.S. military.
- (2) Gillam-FEI - operates out of Belgium and France and primarily sells wireline synchronization and network management systems in non-U.S. markets. All sales from Gillam-FEI to the United States are to other segments of the Company.
- (3) FEI-Zyfer – operates out of California and its products incorporate Global Positioning System (GPS) technologies into systems and subsystems for secure communications, both government and commercial, and other locator applications. This segment also provides sales and support for the Company’s wireline telecommunications family of products, including US5G, which are sold in the United States market.

The FEI-NY segment also includes the operations of the Company’s wholly-owned subsidiaries, FEI-Elcom Tech (“FEI-Elcom”) and FEI-Asia. FEI-Asia functions primarily as a manufacturing facility for the Company’s commercial product subsidiaries with minimal sales to outside customers. FEI-Elcom, in addition to its own product line, provides design and technical support for the FEI-NY segment’s satellite business.

The Company's Chief Executive Officer measures segment performance based on total revenues and profits generated by each geographic location rather than on the specific types of customers or end- users. Consequently, the Company determined that the segments indicated above most appropriately reflect the way the Company's management views the business.

Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

The table below presents information about reported segments with reconciliation of segment amounts to consolidated amounts as reported in the statements of income or the balance sheet for each of the periods. The January 31, 2012 amounts do not include FEI-Elcom (in thousands):

	Nine months Periods ended January 31,		Three months	
	2013	2012	2013	2012
Revenues:				
FEI-NY	\$ 38,211	\$ 33,050	\$ 14,076	\$ 11,075
Gillam-FEI	6,431	7,039	1,913	3,370
FEI-Zyfer	8,742	8,588	2,054	2,001
less intersegment revenues	(1,993 )	(2,235 )	(906 )	(998 )
Consolidated revenues	\$ 51,391	\$ 46,442	\$ 17,137	\$ 15,448
Operating income (loss):				
FEI-NY	\$ 5,178	\$ 6,404	\$ 2,205	\$ 2,348
Gillam-FEI	(129 )	(244 )	(153 )	243
FEI-Zyfer	135	(230 )	(162 )	(472 )
Corporate	(335 )	(429 )	(140 )	(176 )
Consolidated operating income	\$ 4,849	\$ 5,501	\$ 1,750	\$ 1,943

	January 31, 2013	April 30, 2012
Identifiable assets:		
FEI-NY (approximately \$3.6 million in China)	\$ 54,293	\$ 50,234
Gillam-FEI (all in Belgium or France)	19,818	20,407
FEI-Zyfer	7,261	9,685
less intersegment balances	(15,157 )	(16,424 )
Corporate	42,065	42,325
Consolidated identifiable assets	\$ 108,280	\$ 106,227

## NOTE G – INVESTMENT IN MORION, INC.

The Company has an investment in Morion, Inc., a privately-held Russian company, which manufactures high precision quartz resonators and crystal oscillators. The Company's investment consists of 4.6% of Morion's outstanding shares, accordingly, the Company accounts for its investment in Morion on the cost basis. This investment is included in investment in affiliates in the accompanying balance sheets.



During the nine months ended January 31, 2013 and 2012, the Company acquired product from Morion in the aggregate amount of approximately \$42,000 and \$169,000, respectively, and the Company sold product to Morion in the aggregate amount of approximately \$200,000 and \$1.1 million, respectively. During the three months ended January 31, 2013 and 2012, the Company acquired product from Morion in the aggregate amount of approximately \$23,000 and \$24,000, respectively, and the Company sold product to Morion in the aggregate amount of approximately \$103,000 and \$63,000, respectively. At January 31, 2013, no amounts were payable to Morion and accounts receivable from Morion was approximately \$92,000.

On October 22, 2012, the Company entered into an agreement to license its rubidium oscillator production technology to Morion. The agreement requires the Company to sell certain fully-depreciated production equipment currently owned by the Company and to provide training to Morion employees to enable Morion to produce a minimum of 5,000 rubidium oscillators per year. Morion will pay the Company approximately \$2.7 million for the license and the equipment plus 5% royalties on third party sales for a 5-year period following an initial production run. During the same 5-year period, the Company commits to purchase from Morion a minimum of approximately \$400,000 worth of rubidium oscillators per year although Morion is not obligated to sell that amount to the Company. In November 2012, Morion paid the Company a \$925,000 deposit under this agreement. This amount is considered deferred revenue and is included in accrued liabilities on the accompanying condensed consolidated balance sheet. The United States Department of State has approved the technology transfer which is expected to be completed within a year from the date of the agreement.

Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

NOTE H – ACQUISITION OF ELCOM TECHNOLOGIES, INC.

On February 21, 2012, the Company purchased 74.88% of the capital stock of Elcom Technologies, Inc. (“Elcom” and after the acquisition “FEI-Elcom”). Prior to the acquisition, the Company had a minority ownership interest of 25.12% of the capital stock of Elcom. After the acquisition, the Company owned 100% and changed the subsidiary’s name to FEI-Elcom Tech, Inc. The Company acquired Elcom as, in addition to its own product line, Elcom provides design and technical support for the Company’s satellite business, which accounts for a significant amount of the Company’s consolidated revenue. For the acquisition, the Company paid approximately \$4.1 million to the shareholders for their shares of common stock and an additional \$910,000 to certain selling shareholders to settle their outstanding debt with Elcom. In addition the Company had notes due from Elcom with a fair value of approximately \$1.7 million which was forgiven as an additional investment in Elcom. Based on the amounts paid to the Elcom shareholders, the Company determined that the fair value of Elcom at the date of acquisition was approximately \$7.9 million. The Company’s determination of the fair value of Elcom at the date of acquisition included an adjustment for a control premium of 15% based on the total value at the date of acquisition.

The fair value of Elcom at the date of the transaction was allocated to \$4.6 million of net tangible assets, deferred taxes of \$2.6 million, and approximately \$700,000 of intangible assets, including goodwill of approximately \$400,000. None of the goodwill is expected to be deductible for income tax purposes.

The FEI-Elcom transaction was accounted for as a “step acquisition” in accordance with generally accepted accounting principles. Accordingly, the Company remeasured its previously held equity interest in Elcom and adjusted it to fair value. The difference between the fair value of the Company’s ownership in Elcom and the Company’s carrying value of its investment resulted in the recognition of a gain of approximately \$730,000 at the date of the acquisition during the fourth quarter of fiscal year 2012.

Prior to the acquisition of Elcom, the Company recorded its share of Elcom’s income or loss on the equity method. In addition, periodically the Company measured the market value of Elcom based on comparisons to comparable companies as well as Elcom’s forecasts of future financial results. During the nine and three months ended January 31, 2012, in addition to its equity share in the income or loss of Elcom during the year, the Company determined that its investment was impaired and the collectibility of the notes receivable may be reduced. Accordingly, the Company recorded an investment impairment charge in the amount \$200,000 and an additional \$150,000 allowance against the notes receivable.

During the nine and three months ended January 31, 2012, prior to the acquisition of Elcom, the Company sold product to Elcom in the amount of \$4,000 and acquired technical services from Elcom in the aggregate amount of approximately \$16,000 and zero, respectively, and recorded interest income on notes to Elcom in the amount of approximately \$75,000 and \$32,000, respectively.

The accompanying consolidated statements of income for the nine and three months ended January 31, 2013 include the results of operations of FEI-Elcom. The pro forma financial information set forth below is based upon the Company’s historical consolidated statements of income for the nine and three months ended January 31, 2012, adjusted to give effect to the acquisition of FEI-Elcom as if it had occurred at the beginning of the fiscal year. The financial information includes the results of operations of FEI-Elcom for the nine month period from April 1, 2011 to December 31, 2011 and for the three month period from October 1, 2011 to December 31, 2011.



Table of Contents

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

The pro forma financial information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had the acquisition occurred on May 1, 2011, nor does it purport to represent the results of operations for future periods. The pro forma results of operations do not include the gain on the Company's original investment of \$730,000 or the impairment of the Company's investment in Elcom during fiscal year 2012.

	Pro forma (unaudited) Nine months                      Three months Periods ended January 31, 2012 (in thousands except per share data)	
Revenues	\$ 53,299	\$ 17,462
Operating profit	\$ 4,058	\$ 984
Net income	\$ 2,538	\$ 554
Earnings per share- basic	\$ 0.31	\$ 0.07
Earnings per share- diluted	\$ 0.30	\$ 0.07

## NOTE I – FAIR VALUE OF FINANCIAL INSTRUMENTS

The cost, gross unrealized gains, gross unrealized losses and fair market value of available-for-sale securities at January 31, 2013 and April 30, 2012 are as follows (in thousands):

January 31, 2013				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Fixed income securities	\$ 9,823	\$ 292	\$ -	\$ 10,115
Equity securities	5,630	760	(96 )	6,294
	\$ 15,453	\$ 1,052	\$ (96 )	\$ 16,409
April 30, 2012				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Fixed income securities	\$ 11,573	\$ 297	\$ (6 )	\$ 11,864
Equity securities	5,411	552	(169 )	5,794
	\$ 16,984	\$ 849	\$ (175 )	\$ 17,658

The following table presents the fair value and unrealized losses, aggregated by investment type and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

Less than 12 months	12 Months or more	Total
---------------------	-------------------	-------

Edgar Filing: FREQUENCY ELECTRONICS INC - Form 10-Q

	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
January 31, 2013						
Fixed Income Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Securities	708	(95 )	129	(1 )	837	(96 )
	\$ 708	\$ (95 )	\$ 129	\$ (1 )	\$ 837	\$ (96 )
April 30, 2012						