FREQUENCY ELECTRONICS INC Form 10-Q

December 17, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

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

For the Quarterly Period ended October 31, 2007

OR

o 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

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

11553

55 CHARLES LINDBERGH BLVD., MITCHEL FIELD,

incorporation or organization)

, MITCHEL FIELD,

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 x No o

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

Large accelerated filer o Accelerated filer o Non-accelerated filer x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x	
	APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of Registrant's Common Stock, par value \$1.00 as of December 10, 2007 - 8,703,219

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

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FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Condensed Consolidated Balance Sheets

October 31,	April 30,
2007	2007
(UNAUDITED)	(AUDITED)
	(NOTE A)

(In thousands except share data)

ASSETS:

Cash and cash equivalents \$ 7,666 \$ 1,336 Marketable securities 13,193 14,268 Accounts receivable, net of allowance for doubtful accounts of \$169 at 17,003 15,626 October 31 and \$276 at April 30, 2007 17,003 15,626 Inventories 3,155 3,075 Income taxes 3,155 3,075 Income taxes receivable - 596 Prepaid expenses and other 1,461 1,501 Total current assets 74,321 67,603 Property, plant and equipment, at cost, 1,849 7,839 Less accumulated depreciation and amortization 8,409 7,839 Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 8,510 \$,717 Accounts payable - trade 1,978 3,771 Ac	Current assets:		
Accounts receivable, net of allowance for doubtful accounts of \$169 at	Cash and cash equivalents	\$ 7,666	\$ 1,336
Accounts receivable, net of allowance for doubtful accounts of \$169 at	Marketable securities	13,193	14,268
October 31 and \$276 at April 30, 2007 17,003 15,626 Inventories 31,843 31,201 Deferred income taxes 3,155 3,075 Income taxes receivable - 596 Prepaid expenses and other 1,461 1,501 Total current assets 74,321 67,603 Property, plant and equipment, at cost, 2 2 less accumulated depreciation and amortization 8,409 7,839 Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 8,840 8,386 Userent liabilities: 8,851 \$ 8,510 Short-term credit obligations \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accounts payable - trade 1,978 3,781 Dividend payable 809	Accounts receivable, net of allowance for doubtful accounts of \$169 at		
Deferred income taxes 3,155 3,075 Income taxes receivable - 596 Prepaid expenses and other 1,461 1,501 Total current assets 74,321 67,603 Property, plant and equipment, at cost, less accumulated depreciation and amortization 8,409 7,839 Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 817 817 Total assets 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable - trade 5,458 13,631 Deferred compensation 8,753 8,669 Total current liabilities	October 31 and \$276 at April 30, 2007	17,003	15,626
Income taxes receivable	Inventories	31,843	31,201
Prepaid expenses and other 1,461 1,501 Total current assets 74,321 67,603 Property, plant and equipment, at cost, less accumulated depreciation and amortization 8,409 7,839 amortization 8,409 7,839 Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 8,843 39,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accounts payable - trade 1,978 3,780 Income taxes payable 213 - Dividend payable 80 86 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 5,77 </td <td>Deferred income taxes</td> <td>3,155</td> <td>3,075</td>	Deferred income taxes	3,155	3,075
Total current assets 74,321 67,603 Property, plant and equipment, at cost, less accumulated depreciation and amortization 8,409 7,839 Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 98,443 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities: Short-term credit obligations \$ 8,510 \$ 5,011 Accorued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred gain and other liabilities 577 642 Total liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - -	Income taxes receivable	-	596
Property, plant and equipment, at cost, less accumulated depreciation and amortization 8,409 7,839 2,945 2,923 2,945 2,925 2,923 2,945 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,9	Prepaid expenses and other	1,461	1,501
Resi accumulated depreciation and amortization 8,409 7,839 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,923 2,945 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,925 2,9	Total current assets	74,321	67,603
amortization 8,409 7,839 Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 98,443 \$ 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities Short-term credit obligations 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accounts payable - trade 1,978 3,791 Account payable of trade 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1.00 par value	Property, plant and equipment, at cost,		
Deferred income taxes 2,923 2,945 Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 98,443 \$ 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities Short-term credit obligations 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accounts payable - trade 1,978 3,780 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1,00 par value - - Common stock - \$1,00 par value <t< td=""><td>less accumulated depreciation and</td><td></td><td></td></t<>	less accumulated depreciation and		
Goodwill and other intangible assets, net 429 453 Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets \$98,443 \$93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities: Short-term credit obligations \$8,510 \$5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670	amortization	8,409	7,839
Cash surrender value of life insurance 7,055 6,815 Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 98,443 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities Short-term credit obligations \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 </td <td>Deferred income taxes</td> <td>2,923</td> <td>2,945</td>	Deferred income taxes	2,923	2,945
Investments in and loans receivable from affiliates 4,489 7,354 Other assets 817 817 Total assets 98,443 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities: Short-term credit obligations \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 13,541 13,541 13,541 13,541 Common stock reacquired and held in tre	Goodwill and other intangible assets, net	429	453
Other assets 817 817 Total assets 98,443 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities: Short-term credit obligations \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury - at cost, 460,721 shares at October 31, 2007	Cash surrender value of life insurance	7,055	6,815
Total assets \$ 98,443 \$ 93,826 LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities: \$ \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 5,77 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - - Pommon stock - \$1.00 par value 9,164 9,164 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843	Investments in and loans receivable from affiliates	4,489	7,354
LIABILITIES AND STOCKHOLDERS' EQUITY: Current liabilities: 5,011 Short-term credit obligations \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007	Other assets	817	
Current liabilities: \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007 69,843	Total assets	\$ 98,443	\$ 93,826
Current liabilities: \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007 69,843			
Short-term credit obligations \$ 8,510 \$ 5,011 Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007 69,843			
Accounts payable - trade 1,978 3,771 Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007 69,843			
Accrued liabilities and other 3,887 3,980 Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007 69,843	· · · · · · · · · · · · · · · · · · ·	\$ •	\$ •
Income taxes payable 213 - Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: - - Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury - - -at cost, 460,721 shares at October 31, 2007 - -			
Dividend payable 870 869 Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury 71,295 69,843 Common stock reacquired and held in treasury - - - -at cost, 460,721 shares at October 31, 2007 - - -		•	3,980
Total current liabilities 15,458 13,631 Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury - - -at cost, 460,721 shares at October 31, 2007			-
Deferred compensation 8,753 8,669 Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury 71,295 69,843 Common stock reacquired and held in treasury - - - -at cost, 460,721 shares at October 31, 2007 - - -	* *		
Deferred gain and other liabilities 577 642 Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007			
Total liabilities 24,788 22,942 Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007	•	· ·	
Stockholders' equity: Preferred stock - \$1.00 par value - - Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 Common stock reacquired and held in treasury 71,295 69,843 Cost, 460,721 shares at October 31, 2007			
Preferred stock - \$1.00 par value Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury - at cost, 460,721 shares at October 31, 2007		24,788	22,942
Common stock - \$1.00 par value 9,164 9,164 Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007			
Additional paid-in capital 47,670 47,138 Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007	•	-	-
Retained earnings 14,461 13,541 71,295 69,843 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007	*	,	,
71,295 69,843 Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007	•	· ·	
Common stock reacquired and held in treasury -at cost, 460,721 shares at October 31, 2007	Retained earnings		
-at cost, 460,721 shares at October 31, 2007		71,295	69,843
	•		
and 474,693 shares at April 30, 2007 (2,203)			
	and 4/4,693 shares at April 30, 2007	(2,203)	(2,080)

Accumulated other comprehensive income	4,563	3,121
Total stockholders' equity	73,655	70,884
Total liabilities and stockholders' equity	\$ 98,443	\$ 93,826

See accompanying notes to condensed consolidated financial statements.

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FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Condensed Consolidated Statements of Operations

Six Months Ended October 31, (Unaudited)

2007 2006 (In thousands except per share data)

Net sales \$ 33,051 \$ 28,634

Cost of sales