

FREQUENCY ELECTRONICS INC
Form 10-Q
March 17, 2010

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, 2010

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, N.Y.
(Address of principal executive offices)

11553
(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 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):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company
(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 10, 2010 – 8,187,453

FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

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FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Condensed Consolidated Balance Sheets

	January 31, 2010 (UNAUDITED)	April 30, 2009 (AUDITED) (NOTE A)
	(In thousands except share data)	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 6,504	\$ 4,911
Marketable securities	10,408	9,998
Accounts receivable, net of allowance for doubtful accounts of \$285 at January 31, 2010 and April 30, 2009	9,924	10,775
Costs and estimated earnings in excess of billings	2,667	2,193
Inventories	28,585	26,051
Income taxes receivable and refundable	2,443	886
Prepaid expenses and other	864	1,257
Total current assets	61,395	56,071
Property, plant and equipment, at cost, less accumulated depreciation and amortization	7,016	7,961
Goodwill and other intangible assets, net	218	218
Cash surrender value of life insurance and cash held in trust	8,784	8,423
Investments in and loans receivable from affiliates	3,516	4,430
Other assets	817	817
Total assets	\$ 81,746	\$ 77,920
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Short-term credit obligations	\$ 243	\$ 1,327
Accounts payable - trade	2,833	2,305
Accrued liabilities and other	4,385	4,408
Total current liabilities	7,461	8,040
Lease obligation – noncurrent	511	684
Deferred compensation	9,599	9,546
Other liabilities	641	484
Total liabilities	18,212	18,754
Stockholders' equity:		
Preferred stock - \$1.00 par value	-	-
Common stock - \$1.00 par value	9,164	9,164
Additional paid-in capital	49,422	48,997
Retained earnings	5,096	2,522
	63,682	60,683
	(4,799)	(4,972)

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Common stock reacquired and held in treasury -at cost, 976,487 shares at January 31, 2010 and 1,021,159 shares at April 30, 2009			
Accumulated other comprehensive income		4,651	3,455
Total stockholders' equity		63,534	59,166
Total liabilities and stockholders' equity	\$	81,746	\$ 77,920

See accompanying notes to condensed consolidated financial statements.

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FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Condensed Consolidated Statements of Operations

Nine Months Ended January 31,
(Unaudited)

	2010	2009
	(In thousands except per share data)	
Revenues	\$ 36,360	\$ 40,297
Cost of revenues		