

NEWS RELEASE



Fedders
Corporation

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Fedders Reports First Quarter 2007 Results

Liberty Corner, New Jersey - May 10, 2007 – Fedders Corporation (OTC: FJCC), a leading global manufacturer of air treatment products, including air conditioners, furnaces, air cleaners and humidifiers for residential, commercial and industrial markets, today announced its results for the first quarter of 2007.

Net sales of \$30.1 million in the first quarter of 2007 declined by 69.8% from \$99.7 million in the prior-year quarter. Net sales within the Heating, Ventilation and Air Conditioning (HVAC) segment decreased by 74.7% during the quarter as a result of the company's decision in 2006 to cease selling to The Home Depot and Wal-Mart and discontinue dehumidifier manufacturing and sales. Sales also declined due to production constraints for all products caused by limited working capital liquidity while the company arranged for new financing that was secured on March 20, 2007. Also impacting residential central air conditioning system sales was a 32% industry-wide decline in unit shipments in the first quarter. The industry decline was due to the downturn in the residential new-construction housing market, warmer-than-normal winter weather that affected heating product sales and the continuing effects of the transition to the new Federal 13 SEER energy efficiency standards for residential air conditioning systems, which resulted in excess inventory levels at wholesale distributors.

Net sales in the Engineered Products segment increased by 2.2% due to growth in North American sales, partly offset by continued weakness in Asia.

The order backlog at the end of the first quarter of 2007 was \$48.5 million, compared with \$45.5 million at the end of the prior-year quarter, excluding The Home Depot, Wal-Mart and dehumidifiers in the prior-year quarter.

Gross profit for the first quarter of 2007 declined to \$2.2 million, compared with \$12.7 million in the prior-year period, as a result of the sales decline and \$2.7 million of unabsorbed manufacturing overhead resulting from the production constraints discussed above. Excluding the effect of the unabsorbed overhead, gross profit as a percent of net sales was 16.0% in the first quarter of 2007, compared with 12.7% in the prior-year quarter.

Selling, general, and administrative (SG&A) expenses declined 7.3% to \$13.9 million in the first quarter of 2007, compared with \$15.0 million in the prior-year quarter. The first quarter of 2007 included higher bank audit and consulting costs related to the Company's previous lender as well as higher legal expenses.

The operating loss for the first quarter of 2007 was \$11.8 million, or 39.1% of net sales, compared with a loss of \$2.3 million, or 2.4% of net sales, in the prior-year quarter. The increased loss is due to the lower sales, partly offset by lower SG&A expenses.

Net interest expense increased to \$6.2 million in the first quarter of 2007 versus \$5.5 million in the prior-year quarter due to costs of \$1.0 million for extending the prior lender's supplemental loan from January to March, writing off deferred debt acquisition costs of \$0.4 million on the prior loans and higher borrowing costs for the new financing.

The net loss applicable to common stockholders in the first quarter of 2007 was \$18.9 million, or \$0.56 per diluted common share. Net loss applicable to common stockholders in the prior-year period was \$9.9 million, or \$0.32 per diluted common share.

FEDDERS CORPORATION

RESULTS FOR THE FIRST QUARTER ENDED

MARCH 31, 2007 AND 2006

(amounts in thousands, except per share data)

THREE MONTHS ENDED (UNAUDITED)	March 31,	
	<u>2007</u>	<u>2006</u>
Net sales	\$30,140	\$99,701
Cost of sales	<u>27,982</u>	<u>87,006</u>
Gross profit	2,158	12,695
Selling, general and administrative expense	<u>13,939</u>	<u>15,040</u>
Operating income/(loss)	(11,781)	(2,345)
Interest expense, net	6,185	5,473
(Income)/loss from minority interest and net interest in unconsolidated subsidiaries	(418)	147
Other (income)/expense	<u>224</u>	<u>559</u>
Income/(loss) before income taxes	(17,772)	(8,524)
Provision/(benefit) for income taxes	<u>15</u>	<u>277</u>
Net income/(loss)	\$(17,787)	\$(8,801)
Preferred stock dividends	<u>1,143</u>	<u>1,143</u>
Net income/(loss) applicable to common stockholders	<u><u>\$ (18,930)</u></u>	<u><u>\$ (9,944)</u></u>
Basic and diluted net income/(loss) per common share	\$ (0.56)	\$ (0.32)
Basic and diluted weighted average shares outstanding	33,882	30,832

**Selected balance sheet items as of
March 31, 2007 and 2006 (unaudited)**

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$12,096	\$10,135
Accounts receivable	27,808	65,310
Inventories	39,618	78,006
Accounts payable	48,272	79,551
Short-term notes	14,398	55,989
Long-term debt, including current portion	202,464	160,560

This news release includes forward-looking statements that are covered under the "Safe-Harbor" clause of the Private Securities Litigation Reform Act of 1995. Such statements are based upon current expectations and assumptions. Actual results could differ materially from those currently anticipated as a result of known and unknown risks and uncertainties including, but not limited to, weather and economic, political, market and industry conditions and reliance on key customers. Such factors are described in Fedders' SEC filings, including its most recently filed annual report on Form 10-K. The company disclaims any obligation to update any forward-looking statements to incorporate developments occurring after release of this announcement. Visit the Fedders investor information website at www.fedders.com to access additional information on Fedders.

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