

DGT HOLDINGS CORP.

FORM 10-K (Annual Report)

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FORM 10-K
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO
SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED AUGUST 1, 1998
COMMISSION FILE NUMBER 0-3319

DEL GLOBAL TECHNOLOGIES CORP.

(Exact name of registrant as specified in its charter)

New York	13-1784308

(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1 Commerce Park, Valhalla, New York	10595

(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 914-686-3600 Securities registered pursuant to Section 12(b) of the Act: None Securities registered pursuant to Section 12(g) of the Act:

Title of each class Common Stock, \$.10 Par Value	Name of each exchange on which registered The Nasdaq Stock Market
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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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

The aggregate market value of the voting stock held by non-affiliates of the registrant amounted to \$44,578,013 at the close of business on October 30, 1998.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the close of business on October 30, 1998.

Common Stock - 7,642,871

PART I

ITEM 1. BUSINESS

The Company is comprised of (i) Del Global Technologies Corp. ("Del"), a New York corporation which was incorporated in 1954; (ii) RFI Corporation ("RFI"), a Delaware corporation and wholly-owned subsidiary of the Company; (iii) Dynarad Corp. ("Dynarad"), a New York corporation and wholly-owned subsidiary of the Company; (iv) Bertan High Voltage Corp. ("Bertan"), a New York corporation and wholly-owned subsidiary of the Company; (v) Del Medical Systems Corp. ("Del Medical"), a New York corporation and wholly-owned subsidiary of the Company and (vi) Gendex-Del Medical Imaging Corp. ("Gendex-Del"), a Delaware corporation and a wholly-owned subsidiary of the Company (formerly known as the Gendex Medical Division of Dentsply International Inc. ("Gendex")).

Del Global Technologies Corp. is primarily engaged in the design, manufacture and marketing of medical imaging systems and critical electronic subsystems for medical imaging and diagnostic products. The Company's products are designed to provide cost-effective, high-quality solutions to the needs of its customers. The Company's medical imaging systems include mammography systems, neo-natal mobile imaging systems, high frequency x-ray generators and x-ray systems (both stationary and portable) sold under both its tradenames and private labels. The Company's critical electronic subsystems are custom engineered to complex customer performance specifications and include high voltage power components, such as power supplies, capacitors, transformers and pulse forming networks. These products are utilized by original equipment manufacturers ("OEMs") for medical imaging and diagnostic products having a broad range of applications such as computerized tomography (CT), magnetic resonance imaging (MRI), bone densitometry, radiography, blood analysis, medical laser surgery and nuclear medicine. As a result of its record for quality and reliability, the Company has developed close working relationships with its OEM customers. These relationships often result in the Company's selection as the sole source provider of these critical electronic subsystems to OEMs. The Company also designs, manufactures and markets precision power conversion products for non-medical applications and electronic noise suppression systems for telecommunications equipment.

The Company's medical systems and critical electronic subsystems are designed to meet the needs of the healthcare industry to reduce medical imaging and diagnostic costs. The Company focuses its sales, marketing and development efforts primarily on medical imaging systems and critical electronic subsystems priced at under \$100,000 per unit. The Company's medical imaging systems have a list price of approximately \$9,000 to \$70,000 per unit; however, the Company believes that its products offer comparable performance to competing products typically priced higher. The Company's cost-effective medical imaging systems and subsystems also meet the increasing international demand for such products.

OEMs are also attempting to lower their cost structures by outsourcing their requirements for certain critical electronic subsystems to lower cost manufacturers such as the Company. The Company has successfully utilized its engineering and manufacturing skills to provide such subsystems on a cost-effective basis. In addition, the Company's longstanding customer relationships have provided the Company with substantial opportunities to demonstrate its expertise and expand its sales to OEMs.

During the past five years the Company has grown internally and through acquisitions into a company whose predominant business is serving the medical imaging and diagnostic markets. Most significantly, in March, 1996 the Company completed the acquisition of certain assets of Gendex. The Company's sales of medical imaging products increased from approximately \$9.4 million or approximately 39% of total net sales in fiscal 1994 to approximately \$43.9 million or approximately 71% of total net sales in fiscal 1998. Reflecting worldwide demand for its products and increased international sales efforts, the Company has increased export sales from approximately \$6.8 million in fiscal 1994 to approximately \$28.3 million in fiscal 1998. Export sales consist of direct sales of the Company's products and sales of subsystems that are incorporated into OEM's products for export.

Industry Background

Medical Imaging Systems. Medical imaging systems of the types manufactured by the Company use x-ray technology to produce images of matter beneath an opaque surface. An imaging system principally consists of a high voltage power supply, an x-ray tube and an image recording system, which is usually film. X-rays are

generated as a result of high voltage being applied to the x-ray tube. The performance of the x-ray system, including image resolution, is directly linked to the precision performance of the high voltage power supply. The object to be imaged is placed between the x-ray tube and the film. X-rays, which are not reflected by opaque surfaces, pass through the object and expose the film. However, if the object is comprised of areas of varying densities or chemical compositions, x-rays will be absorbed by the denser areas or areas of certain chemical compositions in proportion to the density or chemical composition of the matter. As a result, the film will be exposed to a varying degree, thereby producing an image of the density or chemical variation within the object. For example, since bone has a greater density than the surrounding tissue in the body, x-rays can be used to produce an image of a skeleton.

X-ray systems are differentiated by a number of key characteristics such as image resolution, accuracy, portability, size and cost. The design of an x-ray system requires complex engineering which determines the performance factors required of the various components of the system.

Critical Electronic Subsystems. Critical electronic subsystems for medical imaging and non-medical applications of the types manufactured by the Company consist of high voltage power conversion components such as power supplies, capacitors and transformers. High voltage power supplies are used to transform commercially generated electric power from low voltage to high voltage. High voltage power supplies raise the input voltage from the available level to the significantly higher level required to operate the customer's electronic equipment. They must be designed to meet specific requirements and involve complex engineering including specialty high voltage magnetics, specialty engineering materials and unique manufacturing processes, as well as special testing and evaluation techniques.

Noise Suppression Products. Noise suppression products are used to reduce or eliminate interfering signals generated by internal or external electronic components and equipment which otherwise could interfere with the normal operation of electronic equipment and systems. A noise suppression product may range in size from the miniature type, which utilizes discoidal ceramic monolithic capacitors (miniature capacitors made of ceramic material), to multi-circuit subsystems handling high power requirements and weighing thousands of pounds. Poor transmission reception in electronic devices can result from the proximate operation of other electronic devices which generate unwanted electrical signals. This problem is severely compounded in many communications environments where there are a large number of electronic devices in a confined area, such as in voice or data communications systems in an airplane or ship. Noise suppression products are required by various types of equipment manufacturers in order to comply with government regulations and specifications and commercial standards. These products may be integrated within the electronic equipment for which they have been designed or, in the case of large noise suppression products, connected externally to such equipment, or to an external power source which may power an entire facility.

Medical Imaging Products

Medical Imaging Systems. The Company's medical imaging systems are sold under the GENDEX, UNIVERSAL, XTek and Dynarad brand names. The list prices of the Company's medical x-ray systems range from approximately \$9,000 to \$70,000 per unit.

Mammography Systems. The Company's mammography systems permit imaging of the breast for both screening and diagnostic procedures. The MAMEX(TM) high frequency mammography system uses a microprocessor controlled, constant potential, high frequency generator for greater energy efficiency at lower kV outputs, resulting in images with higher contrast. The system's sophisticated "Autocomp" automatic kV program ensures proper selection of kV within the first 50 milliseconds of exposure, regardless of breast tissue type. The NOVA SC mammography system features "PNEUFLO" pneumatic, patient controlled breast compression to reduce procedural discomfort, increase x-ray penetration and produce superior image resolution. The NOVA SC Mammography System also features a fully integrated micro-processor driven data management system.

Neo-Natal Imaging Systems. The Company markets and manufactures a Neo-Natal mobile imaging system designed to address the critical imaging requirements of a hospital's Neo-Natal department. This mobile imaging system provides a high frequency, high resolution image over a 40-70 kVp range and is specifically designed for imaging of pediatric patients.

Stationary Medical X-ray Systems. Under the GENDEX brand name, the Company produces a full product line of high frequency medical x-ray generators, such as the GENDEX GX-30, which economically provide superior quality x-ray generation associated with high frequency technology, resulting in lower patient dosage, extended tube life and less blurring due to patient motion when compared to single phase generators. The GX-30 generator was developed for both the replacement and new installation markets.

The Company also produces a broad line of single phase radiographic generators, floor and wall tube mounts, tables and film holders. The EV-200 elevating x-ray table has a four-way float top and adjustable height features to ease the positioning of non-ambulatory and casted patients. The Company also markets a floor rotating tubestand.

The Company's premium x-ray products, the ATC 725/525 line of products, are anatomically programmed high frequency generators. The technician needs only to input the body region to be imaged, the desired view of that region and patient thickness. The generators, through microprocessor controllers, will then automatically select the proper exposure parameters from the database of 2,400 possible combinations. A total of 120 different examinations covering eight body regions and up to 15 views per region can be preprogrammed into the unit's Anatomically Programmed Radiology ("APR") memory. These controls assure the production of consistent films for a given examination regardless of the technician performing the examination.

Portable Medical X-Ray Systems. The Company is also a leader in the portable x-ray market with its HF-110A and PHANTOM systems. Both of these portable systems utilize high frequency, microprocessor controlled technology to produce consistent quality x-rays with the added advantages of being smaller, lighter in weight and more cost-effective than stationary x-ray systems. Both systems are FDA certified, UL recognized and meet international safety and quality standards.

Critical Electronic Subsystems for Medical Applications. The Company's research and development program is often conducted in conjunction with its customers in order to obtain custom solutions for end use requirements. As a result, the Company is often the sole source provider to its OEM customers. The Company's high voltage power supplies deliver precisely regulated output power while operating over a very wide range of temperatures, altitudes, humidity, shock and vibration conditions. The Company has designed power supplies that deliver power over a range from several watts up to 60 kilowatts with output voltage ranging from hundreds of volts up to several hundred thousand volts. Operating frequencies range from 60 hertz up to 100 kilohertz.

Non-Medical Products

Critical Electronic Subsystems for High Voltage Power Industrial Applications. The Company's critical electronic subsystems for high voltage power conversion applications consist of high voltage DC power supplies, high and low voltage power supplies and high voltage transformers. Such products are used in many leading-edge high technology scientific and industrial applications by OEMs, universities and private research laboratories. The Company has also been a supplier of miniature HV power supplies used in detection systems for hazardous materials, serving this market for approximately 20 years.

The Company has developed state-of-the-art, multi-channel critical electronic subsystems for industrial laser machining, ion implantation, energy exploration, electrostatic deposition, photomultiplier tube, x-ray tube, travelling wave tube, cathode ray tube and ion pump applications, food processing and steel rolling. In addition, critical subsystems of the Company's high voltage DC power supplies are included in analytical and material research equipment, nuclear instrumentation, process control equipment, automatic test equipment, scanning electron microscopes and semi-conductor manufacturing equipment.

Noise Suppression Products. Certain of the Company's noise suppression products are designed to assure that equipment manufactured for government applications meets rigid standards for interference generation and susceptibility. In addition, these products are designed to prevent classified cryptographic and data signals used in government and industrial applications from accidentally emanating and compromising government or industrial intelligence. The Company's noise suppression product designs are listed on the United States Government's Qualified Products Lists. Such products are used on satellites, space applications and other critical applications that require approved high reliability products.

The Company's noise suppression products are used in voice and data communications equipment, computer equipment and government communications systems, cellular telephone relay sites (cells) and other state-of-the-art voice and data transmission modalities. The Company's filtering equipment allows the major suppliers of telephone and cellular services to isolate subscribers' calls and markedly improve overall system performance.

Marketing, Sales and Distribution

The Company's medical imaging systems are distributed in the United States and certain foreign countries, by a network of approximately 250 dealers. Medical imaging systems dealers are supported by the Company's regional managers, product line managers and technical support groups, who train dealer sales personnel and participate in customer calls. Technical support in the selection, use and maintenance of the Company's products is provided to dealers and professionals by customer service representatives. The Company also maintains telephone hotlines to provide technical assistance to dealers and professionals. Additional product and dealer support is provided through participation in medical equipment exhibitions and trade advertising. The Company exhibits its products at the American College of Surgeons Annual Meetings, at the Radiological Society of North American Conferences in Chicago and at the MEDICA Medical Conference in Dusseldorf, Germany.

The Company markets its critical electronic subsystems for both medical and non-medical products through 27 in-house sales personnel, approximately 60 exclusive independent sales representatives in the United States and approximately 45 exclusive international agents principally in Europe, Asia, the Middle East, Canada, Australia and India. Sales representatives are compensated primarily on a commission basis; the international agents are compensated either on a commission basis or act as independent distributors. The Company's marketing efforts emphasize its ability to custom engineer products to optimal performance specifications and the Company's record for quality and reliability. The Company emphasizes team selling where a sales representative, a Company engineer and management personnel work together to market the Company's products. The Company also markets its products through its catalogs and through trade journals and participation in industry shows.

Product Development

The Company has an extensive ongoing research and development program. As of August 1, 1998, the Company employed 66 persons in research and development, who are engaged both in the design of customized products and in the Company's ongoing research and development activities. The Company's expenditures for research and development were approximately \$5.9 million in fiscal 1998, \$4.5 million in fiscal 1997 and \$3.4 million in fiscal 1996. Approximately 80% of all new critical electronic subsystems produced by the Company are designed and developed to customer specifications for use as components of the customer's equipment. For example, the Company has developed precision high-voltage power supplies for CT scanners used in explosives detection, cost-effective precision power supplies for mobile CT scanners and a "ruggedized" miniature HV oil exploration probe. The Company generally retains all custom technology developed to meet customer specifications in connection with new electronic subsystems.

Certain new products are developed by the Company as standard products for industry at large after the Company has evaluated their potential. Such products include standardized HV, high frequency rack mounted power supplies and associated modules for use as precision test equipment by industrial laboratories, universities and research facilities. In addition, many new custom designed noise suppression products are eventually made available as standard products in the Company's catalog.

The Company has computer-assisted design (CAD) systems to facilitate the design of printed circuit boards for its power conversion products and to assist in the mechanical design of its products, thereby enhancing product development and customized design services. The Company utilizes the CAD systems in the mechanical design of its noise suppression products in order to optimize the miniaturization and packaging of such products.

The Company's long term customer relationships have facilitated and enhanced product development. Many customers have consulted with the Company concerning their product development programs, enabling the Company to custom design critical electronic subsystems and noise suppression products for new generations of customer products.

Manufacturing

The Company manufactures its HV power conversion components in three facilities, one in Valhalla, New York, one in Hicksville, New York and a third in Deer Park, New York. The Company manufactures all of its electronic noise suppression filters and capacitor components at its facility in Bay Shore, New York. The Company manufactures its cost effective medical imaging products at its facilities in Deer Park, New York, Franklin Park, Illinois and Lincolnwood, Illinois.

The Company maintains a complete engineering laboratory for quality control and environmental testing. In particular, the Company has an extensive environmental testing department for the testing of its products against temperature fluctuations, vibration, shock, humidity, electro-magnetic pulse and other adverse environmental conditions.

All of the raw materials used by the Company in the manufacture of its products are purchased from various suppliers and are available from numerous sources. No single supplier accounts for a significant percentage of the Company's raw material requirements. The Company has not encountered any difficulty in obtaining such supplies and believes that if any current source of supply for a particular material or component became unavailable, alternate sources of supply would be available at comparable price and delivery schedules.

Export Sales

During the three fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996, export sales accounted for approximately 45%, 40%, and 40%, respectively, of the Company's revenues. Export sales are made principally in Europe, the Far East, North America and the Middle East. During the current fiscal year, the Company's export sales have increased, despite the current global economic climate.

Backlog

The Company's backlog at August 1, 1998 was approximately \$35.9 million compared to a backlog of approximately \$23.9 million at August 2, 1997, and approximately \$23.0 million at August 3, 1996. Substantially all of the backlog will result in shipments within the next 12 months.

Competition

The markets for the Company's products are highly competitive and subject to technological change and evolving industry requirements and standards. The Company believes that these trends will continue into the foreseeable future. Many of the Company's current and potential competitors have substantially greater financial, marketing and other resources than the Company. As a result, they may be able to adapt more quickly to new or emerging technologies and changes in customer requirements, or to devote greater resources to the promotion and sale of their products than the Company. Competition could increase if new companies enter the market or if existing competitors expand their product lines or intensify efforts within existing product lines. Although the Company believes that its products are more cost-effective than those of its primary competitors, certain competing products may have other advantages which may limit the Company's market. There can be no assurance that continuing improvements in current or new products will not make them technically equivalent or superior to the Company's products in addition to providing cost or other advantages. There can be no assurance that the Company's current products, products under development or ability to introduce new products will enable it to compete effectively.

Trademarks and Patents

The Company's trademark properties contribute to the Company's marketing position. To safeguard these properties, the Company maintains trademark registrations in the United States and in significant international markets for its products. As part of its acquisition of certain assets of Gendex, the Company acquired the UNIVERSAL tradename and has been granted a license to use, in conjunction with the word "medical," the GENDEX tradename for medical imaging systems for five years from March 1996. The Company owns the FILTRON(R) trademark for noise suppression products. The Company does not consider that its business is materially dependent on patent protection.

Government Regulation

The Company's medical imaging systems are subject to regulation under both the Federal Food, Drug, and Cosmetics Act and the Radiation Control for Health and Safety Act. These statutes, in combination and individually, impose strict requirements dealing with the safety, effectiveness and other properties of the products to which they apply and address elements relating to the testing, manufacturing standards and procedures, distribution, record keeping, report making, labeling, promotion and radiation emitting qualities of these products. Failure to comply can result in, among other things, the imposition of fines, criminal prosecution, recall and seizure of products, injunctions restricting or precluding production or distribution, the denial of new product approvals and the withdrawal of existing product approvals.

Prior to commercial distribution in the United States, most medical products, including the Company's, must be filed with the FDA and the facilities in which they are manufactured must be registered with the FDA. Additionally, prior to distribution, the products are required to be subjected to a review process by the FDA to assess whether they qualify for marketing under a "510(k)" Premarket Notification Process as substantially equivalent to a product marketed before May 28, 1976 or whether an application for Premarket Approval must be favorably acted upon before they may be distributed. All of the Company's products to date have met the appropriate FDA requirement for marketing.

The Company is also subject to certain other FDA regulations and the Company's manufacturing processes and facilities are subject to continuing review by the FDA. The Company must also comply with current GMP regulations promulgated by the FDA. These regulations require, among other things, that (i) the manufacturing process be regulated and controlled by the use of written procedures and (ii) the production of medical products, which meet the manufacturer's specifications, be validated by extensive and detailed testing of every aspect of the process. They also require investigation of any deficiencies in the manufacturing process or in the products produced and detailed record keeping. Manufacturing facilities are therefore subject to FDA inspection on an unscheduled basis to monitor compliance with GMP requirements. If violations of the applicable regulations are noted during FDA inspections of the Company's manufacturing facilities, there may be a material adverse effect on the continued marketing of the Company's products through the imposition of penalties or withdrawal of approvals. The Company is required to expend time, resources and effort in product manufacturing and quality control to ensure compliance. The Company is in substantial compliance with current GMP requirements, as well as other applicable FDA regulations.

The Company's marketing of its products in several foreign markets is subject to qualification and regulation by applicable foreign governments. In certain foreign markets, it may be necessary or advantageous to obtain ISO 9001 certification, which is analogous to compliance with the FDA's GMP requirements. The Company has obtained ISO 9001 certification for all of its medical systems manufacturing facilities. The Company is in the process of obtaining ISO 9001 certification for its other manufacturing facilities; however, there can be no assurance that such facilities will receive ISO 9001 certification or that the Company will be able to continue to meet the requirements for ISO 9001 certification. The Federal government, most states and certain foreign countries monitor and require licensing of x-ray devices and the handling of radioactive material. Failure to comply with such laws could subject the Company to fines and penalties. The Company has obtained the requisite regulatory approval for its systems where it markets its products. Federal, state and foreign regulations regarding the manufacture and sale of medical devices are subject to future change. The Company cannot predict what impact, if any, such changes might have on its business.

No assurance can be given that the FDA or foreign regulatory agencies will give the requisite approvals or clearances for any of the Company's medical imaging systems and other products under development on a timely basis, if at all. Moreover, after clearance is given, both in the case of the Company's existing products and any future products, these agencies can later withdraw the clearance or require the Company to change the system or its manufacturing process or labeling, to supply additional proof of its safety and effectiveness, or to withdraw, recall, repair, replace or refund the cost of the medical system, if it is shown to be hazardous or defective.

The Company is subject to various United States government guidelines and regulations relating to the qualification of its non-medical products for inclusion in Government Qualified Product Lists in order to be eligible to receive purchase orders from a government agency or for inclusion of a product in a system which will ultimately be used by a governmental agency. The Company has had many years of experience in designing, testing and

qualifying its products for sale to governmental agencies. Certain government contracts are subject to cancellation rights. The Company has experienced no material termination of a government contract and is not aware of any pending terminations of government contracts.

The Company has not experienced in fiscal 1998, and does not anticipate, any material expenditures in connection with its compliance with Federal, state or local environmental laws or regulations.

Employees

As of August 1, 1998, the Company had approximately 466 employees, including 7 executive officers, 32 persons in general administration, 27 persons in marketing, 334 persons in manufacturing and 66 persons in research and development. The Company believes that its employee relations are good. None of the Company's employees are represented by a labor union.

ITEM 2. PROPERTIES

The Company's executive headquarters are located in a facility in Valhalla, New York in which the Company leases approximately 37,000 square feet and where it designs and manufactures some of its power conversion components. The facility is held under a lease expiring on July 31, 2002. The current annual base rent for such premises is approximately \$307,000. RFI owns a 55,000 square foot facility located on four acres in Bay Shore, New York, where it engages in electronic filter design and manufacturing. Dynarad Corp. leases approximately 24,000 square feet of its facility in Deer Park, New York, under a lease expiring August 31, 2002, where it designs and manufactures some of its medical imaging products. The current annual base rent for such premises is approximately \$258,000. Bertan leases approximately 38,000 square feet of its facility in Hicksville, New York under a lease expiring May 31, 2004 where it designs and manufactures some of its power conversion devices. The current annual base rent for such premises is approximately \$399,000. Gendex-Del leases approximately 68,000 square feet of its facility in Franklin Park, Illinois under a lease which was extended through January 2003, where it designs and manufactures some of its medical imaging products. The current annual base rent for such premises is approximately \$282,000. Gendex-Del also leases approximately 12,000 square feet of its facility in Lincolnwood, Illinois under a lease which can be extended through January 31, 2003, where it designs and manufactures some of its medical imaging products. The current annual base rent for such premises is approximately \$86,000. The Company believes that its current facilities are sufficient for its present requirements.

ITEM 3. LEGAL PROCEEDINGS

RFI is a defendant in an action pending in the Supreme Court of the State of New York, Kings County which commenced July 25, 1994. The plaintiffs, Mark Palmer Hansen and the other individuals named in the pleading, claim that while they were employed by Unisys, they were injured as a result of exposure to an allegedly toxic substance contained in certain filters manufactured by Filtron Co., Inc. The principal defendants in the action are Filtron Co., Inc., RFI and Paramax Systems Corporation. Plaintiff's exposure to the alleged toxic substance occurred prior to the Company's purchase of selected assets of Filtron Co., Inc. from ARX, Inc. Furthermore, Filtron Co., Inc. and ARX, Inc. are contractually obligated to indemnify the Company in connection with this claim. The Company's product liability insurance carrier has appointed counsel to defend this action. On the advice of counsel, the Company believes it has meritorious defenses to the claim.

Management does not believe that the resolution of the above legal proceeding will have a material effect on the Company's consolidated financial condition, results of operations and cash flows.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER

MATTERS

As of June 10, 1996 the common stock of Del Global Technologies Corp. began trading on the Nasdaq Stock Market under the symbol DGTC. From April 18, 1990 to June 10, 1996 the common stock of Del Global Technologies Corp. was traded on the American Stock Exchange under the symbol DEL. The following table shows the high and low closing sales prices per share of common stock for the past twelve quarters.

	Year Ending August 1, 1998		Year Ending August 2, 1997		Year Ending August 3, 1996	
	High	Low	High	Low	High	Low
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First Quarter	10 7/16	9 13/16	10	7 3/4	6 7/16	5 5/16
Second Quarter	10 3/16	10	10	7 3/8	7 3/4	5 3/4
Third Quarter	12 7/8	12 1/16	9 5/8	7	8 5/16	7 1/8
Fourth Quarter	9 7/8	9 1/2	10 1/4	7 1/4	18 7/8	6 13/16

The above prices have been restated to give retroactive effect to 3% stock dividends declared in November, 1996, June, 1996 and November, 1995.

The number of holders of record of the Company's common stock \$.10 par value as of August 1, 1998 was 1,102.

Due to the restrictions of its borrowing agreement, the Company has not paid any cash dividends, except for the payment of cash in lieu of fractional shares, since 1983.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The selected statements of income data presented for the fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996 and the balance sheet data as of August 1, 1998 and August 2, 1997, have been derived from the audited financial statements included elsewhere in this Annual Report on Form 10-K. The selected statements of income data for the fiscal years ended July 29, 1995 and July 30, 1994 and the balance sheet data as of August 3, 1996, July 29, 1995 and July 30, 1994 have been derived from audited financial statements not included herein. This selected consolidated financial data should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere herein.

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

INCOME STATEMENT DATA:	Fiscal Year Ended				
	August 1, 1998(b)	August 2, 1997(b)	August 3, 1996(b)	July 29, 1995(b)	July 30, 1994(b)
Net sales	\$ 62,304,878	\$ 54,685,289	\$ 43,745,454	\$ 32,596,312	\$ 24,327,015
Cost and expenses:					
Cost of sales	36,908,317	32,854,825	27,355,262	19,177,999	15,179,081
Research and development	5,863,343	4,548,487	3,429,331	2,861,844	2,253,412
Selling, general and administrative	11,273,059	10,193,244	7,503,689	6,622,690	4,862,519
Interest (income) expense - net	(167,926)	(54,470)	1,148,639	1,191,142	576,832
	53,876,793	47,542,086	39,436,921	29,853,675	22,871,844
Income before provision for income taxes	8,428,085	7,143,203	4,308,533	2,742,637	1,455,171
Provision for income taxes	2,639,497	2,231,649	1,393,111	837,428	341,525
Cumulative effect of change in method for accounting for income taxes	--	--	--	--	76,363
Net income	\$ 5,788,588	\$ 4,911,554	\$ 2,915,422	\$ 1,905,209	\$ 1,190,009
Basic earnings per share	\$.77	\$.66	\$.59	\$.43	\$.28(d)
Diluted earnings per share	\$.71	\$.61	\$.48	\$.35	\$.23(d)
Number of shares used in computation of basic earnings per share (a) (c)	7,518,945	7,399,575	4,936,938	4,449,952	4,238,868
Number of shares used in computation of diluted earnings per share (a) (c)	8,206,121	8,070,199	6,112,248	5,374,066	5,195,108

BALANCE SHEET DATA:	As of				
	August 1, 1998(b)	August 2, 1997(b)	August 3, 1996(b)	July 29, 1995(b)	July 30, 1994(b)
Working capital	\$ 41,747,326	\$ 37,007,412	\$ 32,552,295	\$ 20,648,281	\$ 18,530,176
Total assets	\$ 72,356,627	\$ 64,129,810	\$ 57,729,752	\$ 39,054,634	\$ 36,198,373
Long-term debt	\$ 240,273	\$ 411,127	\$ 499,852	\$ 11,902,951	\$ 11,485,722
Shareholders' equity	\$ 59,455,804	\$ 52,530,230	\$ 47,069,528	\$ 19,525,073	\$ 17,698,507
Common shares outstanding (a) (c)	7,518,945	7,399,575	4,936,938	4,449,952	4,238,868

(a) Net income per common share and common share equivalents have been restated to give effect to stock dividends in fiscal years 1997, 1996, 1995 and 1994. See Note 1 of Notes to the Consolidated Financial Statements for computation of earnings per share.

(b) The fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996 include the operations of Gendex-Del which was purchased on March 6 1996.

(c) Common shares outstanding for 1998, 1997, 1996, 1995 and 1994 are reduced by 269,246, 104,255, 58,255, 55,165, and 16,656 shares of treasury stock, respectively.

(d) Includes a \$.02 per share cumulative effect of change in method of accounting for income taxes.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management Discussion and Analysis of Financial Condition and Results of Operations contains forward looking statements. Such statements involve various risks that may cause actual results to differ materially. These risks include, but are not limited to, the ability of the Company to grow internally or by acquisition and to integrate acquired businesses, changing industry or competitive conditions, and other risks referred to in the Company's registration statements and periodic reports filed with the Securities and Exchange Commission.

Overview

The Company's net sales have increased as a result of both internal growth and acquisitions. The Company has completed four acquisitions in the past six years: Dynarad (a designer and manufacturer of medical imaging systems and critical electronic subsystems) in fiscal 1993; Bertan (a designer and manufacturer of precision high voltage power supplies and instrumentation for medical and industrial applications) in fiscal 1994; Gendex-Del (a designer and manufacturer of medical imaging systems) in fiscal 1997 and X-Ray Technologies, Inc. (a designer and manufacturer of medical imaging systems) in fiscal 1998. The Company's net sales have increased from approximately \$24.3 million in fiscal 1994 to approximately \$62.3 million in fiscal 1998, a compounded annual growth rate of 26.5%.

During the past five years the Company has grown internally and through acquisitions into a company whose predominant business is serving the medical imaging and diagnostic markets. The Company's net sales attributable to medical imaging products have increased from approximately \$9.4 million or 38.7% of total net sales in fiscal 1994 to approximately \$35.6 million or 65% of total net sales and approximately \$43.9 million or 71% of total net sales in fiscal years 1997 and 1998, respectively.

Management believes that recent cost containment trends in the healthcare industry have created opportunities for its cost-effective medical imaging products in domestic and international markets. Some of these trends are increased demand for lower cost medical equipment, outsourcing of systems and critical electronic subsystems by leading OEMs, increased demand for certain diagnostic procedures and lower cost medical services in the global marketplace.

General

The following discussion and analysis examines the major factors contributing to the Company's financial condition and results of operations for the three years ended August 1, 1998, August 2, 1997 and August 3, 1996. The following discussion and analysis should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto appearing elsewhere in this document.

For segment reporting purposes, the Company has organized its operations based upon its manufacturing capabilities into two segments: Critical Electronic Subsystems and Medical Systems. The Critical Electronic Subsystems segment includes sales of critical electronic subsystems for medical applications which are classified as medical imaging products, but which are manufactured within this segment, of approximately \$14.1 million, \$13.2 million and \$11.7 million, respectively, for fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996. Aggregate sales of medical products were approximately \$43.9 million, \$35.6 million and \$25.7 million, respectively, for fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996.

Results of Operations

The following table sets forth, for the years indicated, the percentage of net sales represented by items as shown in the Company's Consolidated Statements of Income.

	Fiscal Years Ended		
	August 1, 1998	August 2, 1997	August 3, 1996
Net sales	100.0%	100.0%	100.0%
Costs and expenses:			
Cost of sales	59.2	60.1	62.5
Research and development	9.4	8.3	7.8
Selling, general and administrative	18.0	18.6	17.2
Interest (income) expense - net	(.1)	(.1)	2.6
	86.5	86.9	90.1
Income before provision for income taxes	13.5	13.1	9.9
Provision for income taxes	4.2	4.1	3.2
Net income	9.3%	9.0%	6.7%

Fiscal Years 1998, 1997 and 1996

Net sales for the Critical Electronic Subsystems segment for fiscal 1998 were approximately \$32.4 million compared to approximately \$32.3 million for fiscal 1997, an increase of .3%. Net sales for the Critical Electronic Subsystems segment for fiscal 1997 were approximately \$32.3 million compared to approximately \$29.4 million for fiscal 1996, an increase of 9.9%. Net sales for the Medical Systems segment were approximately \$29.9 million for fiscal 1998 compared to approximately \$22.4 million for fiscal 1997, an increase of 33.6%. The level sales in Critical Electronic Subsystems was due to a decrease in sales for high-voltage power supplies used in semi-conductor equipment manufacturing and oil exploration which was offset by an increase sales of precision high-voltage power supplies for medical applications. The increase in the Medical Systems sales was due to the acceleration of the outsourcing trend by major medical equipment companies and increased demand for the Company's Medical System products. Net sales for the Medical Systems segment were approximately \$22.4 million for fiscal 1997 as compared to approximately \$14.3 million for fiscal 1996, an increase of 56.6%. This increase was due to the inclusion of Gendex-Del for the whole year, which contributed an increase of approximately \$9.5 million, which was partially offset by reduced sales of portable x-ray systems of approximately \$1.4 million. Fiscal 1997 included large initial orders for portable x-ray systems into the State of Michigan and to the United States Marine Corps.

Cost of sales for the Critical Electronic Subsystems segment decreased to 51.3% of net sales in fiscal 1998 from 52.6% of net sales in fiscal 1997. Cost of sales for the Critical Electronic Subsystems segment decreased to 52.6% of net sales in fiscal 1997 from 53.6% of net sales in fiscal 1996. The decreases in cost of sales as a percentage of net sales in fiscal years 1998 and 1997 were primarily due to improved operating efficiencies and a favorable product mix. Cost of sales in fiscal 1998 for the Medical Systems segment decreased to 67.9% of net sales from 70.8% of net sales in fiscal 1997. Cost of sales in fiscal 1997 for the Medical Systems segment decreased to 70.8% of net sales from 73.8% of net sales in fiscal 1996. The fiscal 1998 and 1997 improvements in margins from fiscal 1996 are due to the reduced manufacturing costs from efficiencies implemented in this segment in both the Gendex-Del and Dynarad subsidiaries and to the transfer of manufacturing of certain of the Dynarad systems to Gendex-Del.

Research and development costs for the Critical Electronic Subsystems segment increased 28.1% to approximately \$4.3 million in fiscal 1998 from approximately \$3.3 million in fiscal 1997. Research and development costs for the Critical Electronic Subsystems segment increased 17.2% to approximately \$3.3 million in fiscal 1997 from approximately \$2.9 million in fiscal 1996. These increases were due to new products being developed in this segment. Research and development costs in the Medical Systems segment increased 31.2% to approximately \$1.6 million in fiscal 1998 from approximately \$1.2 million in fiscal 1997. Research and

development costs in the Medical Systems segment increased 107% to approximately \$1.2 million in fiscal 1997 from approximately \$583,000 in fiscal 1996. These increases were attributable to increased research and development at Dynarad and to the inclusion of the research and development of the Gendex-Del subsidiary for all of fiscal 1997 as compared to four months of fiscal 1996.

Selling, general and administrative expenses, as a percentage of sales, in the Critical Electronic Subsystems segment, were approximately \$6.3 million or 19.3% of net sales in fiscal 1998 as compared to approximately \$6.1 million or 18.9% of net sales in fiscal 1997. Selling, general and administrative expenses, as a percentage of sales, in the Critical Electronic Subsystems segment, were approximately \$6.1 million or 18.9% of net sales in fiscal 1997 as compared to approximately \$5.0 million or 16.9% of net sales in fiscal 1996. These increases in selling, general and administrative expenses were primarily due to the addition of several new regional marketing managers, higher levels of advertising, trade show attendance, marketing expenses and increased amortization of deferred charges. Selling, general and administrative expenses, for the Medical Systems segment, were approximately \$5.0 million or 16.8% of net sales in fiscal 1998 as compared to approximately \$4.1 million or 18.3% of net sales in fiscal 1997. Selling, general and administrative expenses, for the Medical Systems segment, were approximately \$4.1 million or 18.3% of net sales in fiscal 1997 as compared to approximately \$2.5 million or 17.7% of net sales in fiscal 1996. These increases were due to higher levels of advertising, trade show attendance and an increase in amortization of certain intangible assets.

Interest income for fiscal 1998 was approximately \$168,000, net of interest expense of approximately \$130,000 which included approximately \$59,000 of bank commitment fees on unused balances. There were no interest rate protection agreements in effect for fiscal 1998. Interest income for fiscal 1997 was approximately \$54,000, net of interest expense of approximately \$239,000. Interest expense for fiscal 1997 included the amortization of the Company's interest rate protection agreements of approximately \$43,000 and approximately \$76,000 of bank commitment fees on unused balances. Interest expense, net of interest income, for fiscal 1996 was approximately \$1.1 million. Interest expense decreased in fiscal 1996 as the result of the completion of an equity offering in July 1996 and subsequent debt repayments.

Income tax expense decreased to 31.3% of pre-tax income in fiscal 1998 from 31.2% of pre-tax income in fiscal 1997, primarily due to the tax savings from the increase in foreign sales. Income tax expense decreased to 31.2% of pre-tax income in fiscal 1997 from 32.3% of pre-tax income in fiscal 1996, primarily due to the effect of lower research and development tax credits available in fiscal 1996 due to the timing of the reinstatement of this tax credit. Fiscal 1996 includes only one month of this tax credit as compared to fiscal 1997 and fiscal 1998, which have full years of this tax credit.

Net income for fiscal 1998 was approximately \$5.8 million, an increase of approximately 18.4% from approximately \$4.9 million in fiscal 1997. Net income for fiscal 1997 was approximately \$4.9 million, an increase of approximately 69% from approximately \$2.9 million in fiscal 1996. Basic earnings per share for fiscal 1998 were \$.77, an increase of \$.11 per share which represents a 16.7% increase from basic earnings per share of \$.66 in fiscal 1997. Diluted earnings per share for fiscal 1998 were \$.71, an increase of \$.10 per share which represents a 16.4% increase from diluted earnings per share of \$.61 in fiscal 1997. Basic earnings per share for fiscal 1997 were \$.66, an increase of \$.07 per share which represents an 11.9% increase from basic earnings per share of \$.59 in fiscal 1996. Diluted earnings per share for fiscal 1997 were \$.61, an increase of \$.13 per share which represents a 27.1% increase from diluted earnings per share of \$.48 in fiscal 1996. The number of outstanding shares and common share equivalents increased from approximately 8.1 million shares in fiscal 1997 to approximately 8.2 million shares in fiscal 1998 or approximately 1%. The number of outstanding shares and common share equivalents increased from approximately 6.1 million shares in fiscal 1996 to approximately 8.1 million shares in fiscal 1997 or 32.0%, primarily due to the results of the public offering of 2,275,000 shares completed in July 1996. The increases in net income and earnings per share for fiscal 1998 as compared to fiscal 1997 were due to internal growth and improved gross margins due to operating efficiencies. The increases in net income and earnings per share for fiscal 1997 as compared to fiscal 1996 were due to internal growth and the addition of the Gendex-Del subsidiary in March 1996, the inclusion of the operations of the Gendex-Del subsidiary for a full year in fiscal 1997 and the repayment of bank borrowings in the fourth quarter of fiscal 1996.

Analysis of Financial Condition

Liquidity and Capital Resources. The Company has funded its operations and acquisitions through a combination of cash flow from operations, bank borrowing and the issuance of common stock. Cash flows from operations were approximately \$1.9 million, \$3.3 million and \$3.8 million for the fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996, respectively. At August 1, 1998 the Company had a current ratio of approximately 4.88 to 1.0 and the availability of approximately \$23.5 million of bank borrowings under its lines of credit.

Working Capital. At August 1, 1998 and August 2, 1997, the Company's working capital was approximately \$41.7 million and \$37.0 million, respectively. At such dates the Company had approximately \$3.4 million and \$6.1 million, respectively, in cash and cash equivalents.

Trade receivables at August 1, 1998 increased approximately \$3.1 million as compared to August 2, 1997 primarily due to higher shipping levels during the Company's fourth quarter in fiscal 1998 compared to fiscal 1997. Trade receivables at August 2, 1997 increased approximately \$2.0 million as compared to August 3, 1996 primarily as the result of the inclusion of the Gendex-Del receivables of approximately \$3.1 million in fiscal year 1996.

Cost and estimated earnings in excess of billings on uncompleted contracts at August 1, 1998 increased approximately \$1.4 million as compared to August 2, 1997 due to increases in contracts being accounted for under the percentage of completion method of accounting. At August 3, 1996 there were no long term contracts which were accounted for under this method of accounting.

Inventory at August 1, 1998 increased by approximately \$4.5 million as compared to August 2, 1997, primarily due to the expansion of the Gendex-Del Medical Imaging operations. Inventory at August 2, 1997 increased approximately \$861,000 as compared to August 3, 1996, primarily at Gendex-Del.

Prepaid expenses and other current assets decreased approximately \$450,000 at August 1, 1998 as compared to August 2, 1997. This decrease was primarily attributable to the deferred tax effects of self-funding health insurance and the increase in contracts accounted for under the percentage of completion method of accounting. Prepaid expenses and other current assets increased approximately \$134,000 at August 2, 1997 as compared to August 3, 1996. This increase was primarily attributable to prepaid insurance and other items.

Fixed assets increased approximately \$3.0 million at August 1, 1998 from August 2, 1997 and increased approximately \$2.7 million at August 2, 1997 from August 3, 1996. These increases are primarily due to capital expenditures for manufacturing equipment to improve operating efficiencies and the upgrade of computer equipment.

Goodwill increased approximately \$674,000 at August 1, 1998 from August 2, 1997. The increase is due to the acquisition of certain assets of X-Ray Technologies, Inc. of approximately \$883,000 offset by amortization of approximately \$ 209,000. Goodwill decreased approximately \$176,000 at August 2, 1997 from August 3, 1996 due to amortization.

Accounts payable - trade increased by approximately \$1.5 million at August 1, 1998 as compared to August 2, 1997 and increased by approximately \$243,000 at August 2, 1997 as compared to August 3, 1996. This increase was attributable to higher levels of inventory required for fiscal 1998 and 1997 shipments, respectively.

Deferred compensation liability increased by approximately \$190,000 at August 1, 1998 as compared to August 2, 1997. \$125,000 of this increase relates to the fiscal 1998 funding of deferred compensation and approximately \$65,000 relates to recognized and unrealized gains on the underlying investments. Deferred compensation liability increased by approximately \$177,000 at August 2, 1997 as compared to August 3, 1996. \$125,000 of this increase relates to the fiscal 1997 funding of deferred compensation and approximately \$52,000 relates to recognized and unrealized gains on the underlying investments. Gains and losses, either recognized or unrealized, inure to the benefit or detriment of the President under a contractual arrangement between the President and the Company.

Credit Facility and Borrowing. On March 5, 1996, in connection with the acquisition of Gendex, the Company and its lending bank entered into an Amended and Restated Credit Agreement wherein the bank increased the Company's line of credit to \$24.0 million, consisting of a five year \$10.0 million term loan and a four year revolving line of credit of \$14.0 million. On August 2, 1996, the Company and its lending bank amended their Credit Agreement to allow for a five year \$10.0 million acquisition credit line to replace the five year term loan. Borrowings under the Company's Amended Credit Agreement are now on an unsecured basis. On August 1, 1997, the Company and its lending bank further amended their Credit Agreement to increase the provision for letters of credit from \$2,000,000 to \$4,000,000, to eliminate the requirement to provide interest rate protection contracts unless the Company's borrowings on term loans exceed \$5,000,000, to eliminate the requirement to prepare monthly borrowing base certificates until the Company's borrowings and letters of credit outstanding exceed \$5,000,000, to increase the amount that the Company can invest in other entities without prior bank approval from \$250,000 to \$1,000,000 and to provide for a fixed rate interest option, at the Company's request. At August 1, 1998, the Company had approximately \$13.8 million available under its revolving line of credit, after deducting letters of credit outstanding of approximately \$289,000 and approximately \$9.7 million available under its acquisition credit line. On July 31, 1998, the Company and its lending bank further amended their Credit Agreement to allow for additional stock repurchases in an amount of \$2,000,000 for fiscal 1998 and 80% of net income for future years.

Capital Expenditures. The Company continues to invest in capital equipment, principally for its manufacturing operations, in order to improve its manufacturing capabilities and capacity. The Company has expended approximately \$2.9 million, \$2.7 million and \$2.0 million, respectively, for capital equipment expenditures in fiscal years 1998, 1997 and 1996, respectively.

Shareholders' Equity. Shareholders' equity increased to approximately \$59.5 million at August 1, 1998 from approximately \$52.5 million at August 2, 1997, primarily due to the results of operations. Additionally, during fiscal 1998 approximately 468,000 stock options and warrants were exercised, with proceeds of approximately \$2.0 million and 164,991 shares of common stock were repurchased at a cost of approximately \$1.9 million.

Year 2000. The Company has initiated a company-wide program and developed a formal plan to identify, evaluate and implement changes to products, computer systems, applications and infrastructure necessary to achieve a year 2000 date conversion with no effect on customers or disruption to business operations. These actions are necessary to ensure that all systems and business applications will recognize and process the year 2000 and beyond.

The Company uses purchased software programs for a variety of functions, including drafting and design, general accounting and manufacturing applications. Currently, all of the Company's products and software for design and drafting applications are fully compliant. The Company's systems for general accounting and manufacturing have been evaluated and steps to achieve compliance are being implemented and are expected to be fully compliant by July 31, 1999, although there can be no assurance that it will. At this time, the Company believes that it does not have any internal mission critical year 2000 issues that it cannot remedy.

As part of the year 2000 readiness process, significant customers, service providers, vendors and suppliers that are believed to be critical to business operations after January 1, 2000 have been identified and steps are underway in an attempt to reasonably ascertain their stage of readiness. The Company is surveying them primarily through written correspondence. With respect to mission critical third parties the Company intends to create contingency plans to mitigate its exposure to such third parties that are not year 2000 compliant. In the event any mission critical third parties do not achieve full compliance, the Company believes it has sufficient alternative resources upon which to rely. Despite its efforts to ascertain the readiness of its customers, suppliers and service providers the Company cannot be certain as to the actual year 2000 readiness of these third parties or the impact their non-compliance may have on the Company's future financial position, the results of its operations or its cash flows.

With respect to the Company's internal year 2000 compliance, the Company expects to incur internal staff costs, as well as consulting and other expenses and believes that the total costs to be incurred for all year 2000 compliance related projects will not have a material effect on the Company's future financial position, results of its operations or its cash flows.

The Company expects to achieve full compliance no later than September 30, 1999.

Effects of New Accounting Pronouncements

Disclosure of Information About Capital Structure. In February 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 129, "Disclosure of Information About Capital Structure." This statement is effective for years ending after December 15, 1997. Management has evaluated the effect of this statement on its financial reporting and, as it contains no change in disclosure requirements for entities that were previously subject to the requirements of Accounting Principles Board ("APB") Opinions 10, 15 and SFAS No. 47, no further disclosures are needed.

Reporting of Comprehensive Income. In June 1997, the FASB issued SFAS No. 130, "Reporting of Comprehensive Income." This statement is effective for years beginning after December 15, 1997. Management has evaluated the effect of this statement on its financial reporting from the adoption of this statement and has found that no further disclosures are needed.

Disclosures About Segments of an Enterprise and Related Information. In June 1997, the FASB issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information." SFAS No. 131 requires the reporting of profit and loss, specific revenue and expense items, and assets for reportable segments. It also requires the reconciliation of total segment revenues, total segment profit and loss, total segment assets and other amounts disclosed for segments to the corresponding amounts in the general purpose financial statements. This statement is effective for fiscal years commencing after December 15, 1997. The Company has not yet determined what additional disclosures may be required in connection with adopting SFAS No. 131.

Disclosures about Pensions and Other Postretirement Benefits. In February 1998, the FASB issued SFAS No. 132, "Employers Disclosures about Pensions and Other Postretirement Benefits." This statement revises employers' disclosures about pensions and other postretirement benefit plans. SFAS No. 132 is effective for fiscal years beginning after December 15, 1997. Management does not anticipate that this statement will have a significant effect on the Company's consolidated financial statements.

Disclosures about Derivative Instruments and Hedging Activities. In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 is effective for all fiscal years beginning after December 15, 1999. Management does not anticipate that this statement will have any effect on the Company's consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to Financial Statements and Supplementary Data attached hereto and made a part hereof.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Name ----	Age ---	Position -----
Leonard A. Trugman (1).....	60	Chairman of the Board, Chief Executive Officer and President
David Engel.....	49	President Del Medical Systems Group
Louis J. Farin, Sr.....	55	Vice President and General Manager of Del Power Conversion Division
Paul J. Liesman.....	37	Vice President and General Manager of Bertan High Voltage Corp.
John Mankowich.....	54	Vice President and General Manager of Gendex-Del Medical Imaging Corp.
Seymour Rubin.....	68	Vice President and President of RFI Corporation, Director
Michael H. Taber.....	53	Chief Financial Officer, Vice President of Finance and Secretary
Natan V. Bertman (1)(2).....	69	Director
David Michael (1)(2)(3).....	61	Director
James Tiernan (3).....	74	Director

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Stock Option Committee

The officers of the Company, with the exception of Mr. Trugman, are elected or appointed by the Board of Directors to hold office until the meeting of the Board of Directors following the next annual meeting of shareholders. Subject to the right of the Company to remove officers pursuant to its By-Laws, officers serve until their successors are chosen and have qualified. Mr. Trugman holds his position pursuant to an employment agreement which expires on July 31, 2005.

Leonard A. Trugman has been Chairman of the Board, Chief Executive Officer and President from September 1985 to the present. Mr. Trugman was Vice President of Operations at General Microwave Corporation, an AMEX traded microwave components company from 1981 to 1985. Mr. Trugman holds a Master of Science degree in Mechanical Engineering and a Masters degree in Business Administration.

David Engel became President of Del Medical Systems Group on September 1, 1998. Mr. Engel was Executive Vice President and Chief Financial Officer from January 1996 through August 1998. Mr. Engel was Executive Vice President of Bertan High Voltage Corp. from November 1994 to January 1996. Mr. Engel was Vice President - Finance and Administration at Bertan High Voltage Corp. from March 1981 to November 1994.

Louis J. Farin, Sr. has been Vice President and General Manager of Del Power Conversion Division from August 1994 to the present. Mr. Farin had been Senior Vice President-Operations of the Company since December 1986.

Paul J. Liesman has been Vice President and Vice President and General Manager of Bertan High Voltage Corp. since May 1996. From March 1996 to May 1996, Mr. Liesman was Vice President - Operations of Bertan High Voltage Corp. From January 1995 to March 1996, he was Operations Manager at Del Power Conversion. Mr. Liesman was Chief Mechanical Engineer at Del Power Conversion from March 1990 to January 1995. Mr. Liesman holds a Masters degree in Business Administration and a Bachelor of Science degree in Mechanical Engineering.

John Mankowich has been Vice President and Vice President and General Manager of Gendex-Del Medical Imaging Corp. since April 1997. From November 1994 to April 1997, Mr. Mankowich was a Director of International Operations for Lorad Corp., a Division of Trex Medical. From November 1993 to November 1994, he was Director of Business Development of E-MED, a Division of E-Systems Corp. From September 1990 to November 1993, he was President and CEO of Norland Corporation. Mr. Mankowich holds a Masters degree in Bio-Chemistry.

Seymour Rubin has been Vice President of the Company since December 1989 and was elected a director of the Company in February 1990. Mr. Rubin was a co-founder of RFI Corporation. Mr. Rubin was the Executive Vice President of RFI Corporation from 1968 to February 1990 and has been the President of RFI Corporation since February 1990. Mr. Rubin holds a Masters of Science degree in Engineering.

Michael H. Taber became Chief Financial Officer, Vice President of Finance and Secretary on September 1, 1998. Mr. Taber was Vice President - Finance, Secretary and Chief Accounting Officer of the Company from January 1996 through August 1998. Mr. Taber was appointed Secretary in October 1994. Mr. Taber was Chief Financial Officer of the Company from January 1993 to December 31, 1995. Mr. Taber was the Assistant General Manager of RFI Corporation from October 1991 to April 1992. Mr. Taber was President of Filtron Co., Inc. from August 1990 to October 1992. Mr. Taber holds a Masters degree in Accounting, a Bachelor of Science degree in Mechanical Engineering and is a Certified Public Accountant.

Natan V. Bertman has served as a director of the Company since 1985. He is a partner in the law firm of Bertman & Levine.

David Michael has served as a director of the Company since 1985. He is President of David Michael & Co., PC and is a Certified Public Accountant.

James Tiernan has served as a director of the Company since 1985. He is a former Senior Vice President of Chase Manhattan Bank, New York, NY.

Dr. Raymond Kaufman, the former Chairman and Co-founder of the Company, resigned from the Company's Board in April 1997. At such time Dr. Kaufman was named Director Emeritus of the Company. He holds a Doctorate in Physics.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons holding more than 10% of the Company's outstanding common stock to file with the Securities and Exchange Commission and the Nasdaq Stock Market initial reports of ownership, or changes in ownership and annual reports of ownership of common stock and other equity securities of the Company. Specific due dates for these reports have been established and the Company is required to report any failure to file by these due dates in the fiscal year ended August 1, 1998. Based solely upon review of the copies of such reports furnished to the Company or written representations that no reports were required, the Company believes that during fiscal 1998 all of its directors, executive officers and persons holding more than 10% of the Company's outstanding common stock are in full compliance with the requirements of Section 16(a).

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth, for the three fiscal years ended August 1, 1998, certain compensation information with respect to the Company's Chief Executive Officer and each of the four other most highly compensated executive officers, based upon salary and bonus earned by such executive officers in the fiscal year ended August 1, 1998.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-term Compensation Awards		
		Salary(\$)	Bonus(\$)	Other Annual Compensation(\$)	Restricted Stock Awards(\$)	Securities Underlying Options/SARS (#)	All Other Compensation (\$)(1)
Leonard A. Trugman Chairman, CEO and President	1998	319,070	552,739(2)	1,361,858(3)	-	75,000	38,240
	1997	303,876	488,541(2)	-	-	-	43,313
	1996	289,406	343,318(2)	-	-	-	39,708
David Engel President of Del Medical Systems	1998	135,000	107,148	68,856(3)	-	15,000	2,062
	1997	125,000	44,535	-	-	7,725	2,062
	1996	109,423	7,500	-	-	10,609	1,496
Seymour Rubin Vice President and President of RFI Corporation	1998	230,000	78,500	-	-	5,000	8,514
	1997	225,000	50,000	-	-	5,150	14,124
	1996	223,379	32,284	-	-	10,609	7,274
Michael H. Taber CFO, V.P. Finance, and Secretary	1998	110,000	20,000	32,691(3)	-	5,000	12,407
	1997	104,000	15,000	62,821(3)	-	5,150	9,655
	1996	100,000	12,500	-	-	7,957	3,002
Louis J. Farin, Sr. Sr. Vice President, V.P. & Genl. Mgr. - Del Power Conversion	1998	115,000	12,500	-	-	5,000	9,183
	1997	110,000	15,000	-	-	5,150	9,183
	1996	105,000	20,815	-	-	10,609	1,532

(1) Includes insurance premiums where families of the officers are beneficiaries and automobile expense allowances.

(2) Includes deferred compensation in the amount of \$125,000 for each of 1998, 1997 and 1996 fiscal years, respectively.

(3) Earnings related to exercise of nonqualified stock options.

Stock Options Granted to Certain Executive Officers During the Last Fiscal Year

The following table sets forth certain information regarding options for the purchase of the Company's common stock that were awarded to the Company's Chief Executive Officer and each of the four other most highly compensated executive officers, based upon salary and bonus earned by such executive officers and individuals in the fiscal year ended August 1, 1998.

Individual Grants(1)	Name	Options Granted(#)	Options Granted to Employees In Fiscal Year	Exercise or Base Price (\$)(Sh)	Expiration Date	Potential Realizable % of Total Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
						5%(\$)(1)	10%(\$)(1)
	Leonard A. Trugman	75,000	35%	\$9.63	8/18/12	\$779,256	\$2,294,767
	David Engel	15,000	7%	\$9.63	8/18/12	\$155,851	\$458,953
	Seymour Rubin	5,000	2%	\$9.63	8/18/12	\$51,950	\$152,984
	Michael Taber	5,000	2%	\$9.63	8/18/12	\$51,950	\$152,984
	Louis J. Farin, Sr.	5,000	2%	\$9.63	8/18/12	\$51,950	\$152,984

(1) Fair market value of stock on grant date compounded annually at rate shown in column heading, for the option term, less exercise price.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table sets forth certain information regarding options for the purchase of the Company's common stock that were exercised and or held by the Company's Chief Executive Officer and each of the four other most highly compensated executive officers, based upon salary and bonus earned by such executive officers in the fiscal year ended August 1, 1998.

Name	Shares Acquired on Exercise(#)	Value Realized(\$)(1)	Number of Unexercised Options at Fiscal Year-End Exercisable/Unexercisable	Value of Unexercised In-the-Money Options at Fiscal Year-End (\$)(2) Exercisable/Unexercisable
Leonard A. Trugman	163,440	\$1,361,858	572,789/89,069	\$ 4,201,960/\$94,840
David Engel	15,804	\$68,856	1,449/27,505	\$ 6,658/\$40,411
Seymour Rubin	-	-	136,687/16,980	\$ 768,019/\$42,418
Michael H. Taber	6,221	\$32,691	0/14,248	\$ 0/\$29,875
Louis J. Farin, Sr.	-	-	42,748/14,166	\$ 228,286/\$27,124

(1) Difference between the fair market value of the common stock purchased and the exercise price on the date of exercise.

(2) Difference between the fair market value of the underlying common stock and the exercise price for in-the-money options on August 1, 1998 (\$9.875).

Directors of the Company did not receive compensation for their services as such except a fee of \$1,000 for each meeting of the Board of Directors which they attend. Messrs. Trugman and Rubin have waived their right to receive such compensation.

Employment Agreements

Mr. Leonard Trugman has an amended and restated employment agreement with the Company, effective as of August 1, 1992 which was subsequently amended on July 20, 1994, September 1, 1994 and April 29, 1998, which ends July 31, 2005, pursuant to which he has agreed to serve as Chairman, President and Chief Executive Officer of the Company. Mr. Trugman's annual base salary was \$319,070 for the fiscal year ended August 1, 1998. His annual base salary for the fiscal year August 2, 1998 through July 31, 1999 is determined by multiplying \$319,070 by the greater of five percent or the increase in the Consumer Price Index as of August 1, 1998 over the amount of such index as of August 1, 1997. Mr. Trugman also receives a bonus each year equal to five (5%) percent of the Company's

pre-tax net income for such year. Mr. Trugman's contract also provides for a deferred compensation account whereby the Company shall deposit (a) \$100,000 annually and (b) after receipt of the Company's audited financial statements with respect to each fiscal year, an amount equal to the lesser of (x) \$25,000 or (y) five (5%) percent of the Company's pre-tax net income for such fiscal year less \$100,000. Also included in Mr. Trugman's agreement are certain benefits in the event of a change of control. Either upon completion of the term of the agreement or upon request at any time, Mr. Trugman may opt for a five year extension in the form of a consulting contract at a rate specified within the agreement. The employment agreement contains standard confidentiality and non-compete provisions.

Mr. Leonard Michaels, who joined the Company as of September 1, 1992, with the acquisition of Dynarad Corp., has an employment agreement with the Company wherein he is employed as a technical consultant to the Company from April 1, 1997 until July 29, 2002. Upon execution of such employment agreement, Mr. Michaels received a signing bonus of \$250,000 in the fiscal year ended July 31, 1993. During fiscal 1997, due to a reduction in job responsibilities, the Company wrote off the unamortized balance of such signing bonus, and the charge to fiscal 1997 earnings was \$158,854. Under provisions of the consulting phase of the employment agreement, Mr. Michaels' consulting fees for the fiscal year ended August 1, 1998 were \$107,131. In consideration of Mr. Michaels' covenant not-to-compete for ten years as set forth in his employment agreement, he received upon execution thereof a payment of \$257,400 during the fiscal year ended July 31, 1993, and during the ten year term thereof, shall receive annual non-compete payments of \$52,000.

Mr. Howard Bertan, former President of Bertan High Voltage Corp., has a non-compete agreement for a period of ten years, wherein he will receive \$500,000 payable in equal quarterly payments, which commenced June 1, 1997 for a period of ten years. Such payments are subject to adjustment to reflect the greater of (i) 5% or (ii) increases in the Consumer Price Index for the United States.

Mr. Lester Bertan, former Chairman and part owner of Bertan Associates, Inc., has a non-compete agreement for a period of ten years, wherein he will receive \$500,000 payable in equal quarterly payments, which commenced June 1, 1994 for a period of ten years. Such payments are subject to adjustment to reflect the greater of (i) 5% or (ii) increases in the Consumer Price Index for the United States.

Stock Option Plans

Nonqualified Stock Option Plan

The Company's Nonqualified Stock Option Plan provides for a total of 3,124,293 shares of common stock authorized to be granted under such plan. For the year ended August 1, 1998, options to purchase an aggregate of 1,562,246 shares were outstanding at an average exercise price of \$4.45 per share, having a range of expiration dates from September 2000 to July 2013. During fiscal 1998, the Company granted options to purchase 214,500 shares of common stock at an average exercise price of \$9.50 per share. During fiscal 1998, 415,666 options were exercised and 17,833 options were cancelled or expired. At August 1, 1998, 463,958 shares were available for future grant under such plan. The Company's Nonqualified Stock Option Plan provides for the grant of options to its key employees, directors and consultants in order to give such employees a greater personal interest in the success of the Company and an added incentive to continue and advance in their employment. The Company's Nonqualified Stock Option Plan provides for a fifteen year expiration period for each option granted thereunder and allows for the exercise of options by delivery by the optionee of previously owned common stock of the Company having a fair market value equal to the option price, or by a combination of cash and common stock.

As of October 30, 1998, the Company had granted options to purchase 1,001,975 shares to Leonard A. Trugman, 64,758 shares to David Engel, 158,667 shares to Seymour Rubin, 51,218 shares to Michael Taber, 72,790 shares to Louis J. Farin, Sr., 25,007 shares to Paul Liesman and 10,000 shares to John Mankowich at an average exercise price of \$3.62 per share. Mr. Trugman exercised 163,440 options, Mr. Engel exercised 15,804 options and Mr. Taber exercised 6,221 options during the fiscal year ended August 1, 1998.

Stock Purchase Plan

Employee Stock Purchase Plan

The Company has an employee stock purchase plan which is funded by payroll deductions. Shares acquired pursuant to such plan by employees of the Company are purchased in the open market by the custodian of the plan.

All shares so purchased are held in street name until either June 30 or December 31, whereupon the shares to which the employee is entitled are issued. With respect to the officers, the following shares have been issued under the plan:

Officer -----	Fiscal Year Ended 1998 -----	Fiscal Year Ended 1997 -----	Fiscal Year Ended 1996 -----
Leonard A. Trugman	--	1,013	2,048
Seymour Rubin	--	1,299	2,625
Michael H. Taber	14	168	419
David Engel	--	162	199
Paul Liesman	--	94	77
Howard Bertan	--	149	350
George Solomon	--	305	691

Employee Benefit Plans

Defined Benefit Plan

The Company has a defined benefit pension plan which provides retirement benefits for some employees ("Participants"). Pursuant to the plan, Participants will receive a benefit, computed by an actuary at retirement based upon their number of years of credited service and average total annual compensation during five consecutive years of their service, reduced by a portion of the benefits received under social security. Effective February 1, 1986, the plan was frozen so that future salary increases are not considered in determining a Participant's pension benefit, contributions by Participants are no longer permitted and participation in the plan is limited to those Participants as of August 1, 1984. The Company continues to fund the plan with contributions determined on an actuarial basis.

The following table illustrates, for representative average annual covered compensation and years of credited service classifications, the estimated annual retirement benefits payable to employees under this plan upon retirement at age 65 based on the plan's normal form of benefit and social security benefits frozen as of August 1, 1984. Benefits under the plan are limited to the extent required by the Employee Retirement Income Security Act of 1974.

PENSION PLAN TABLE

Average Annual Covered Compensation -----	Years of Credited Service 15 or more -----
\$ 40,000	\$13,000
\$ 50,000	\$17,000
\$ 75,000	\$27,000
\$100,000	\$37,000

The executive officers named in the Summary Compensation Table do not participate in the plan, except for Louis Farin, Sr. During the fiscal year ended July 29, 1995, the Pension Plan was submitted to the Internal Revenue Service and a favorable determination letter was received.

401(k) Plan

The Company has a 401(k) plan under which employees may elect to defer a portion of their annual compensation. Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch") is the plan administrator. All employees with over 90 days of service and over the age of 21 may elect to defer from 2% to 15% of their annual salary. The

modified plan is administered by Merrill Lynch and employees may elect where their deferred salary will be invested. Highly compensated employees' salary deferrals are limited by the contribution levels of all other eligible participants. Distributions are made at retirement or upon termination of employment. During the fiscal year ended August 3, 1996, the plan was submitted to the Internal Revenue Service and a favorable determination letter was received.

On February 1, 1986 the Company initiated a profit sharing plan as part of the 401(k) plan which allows substantially all of the Company's employees to participate in the profits of the Company, regardless of whether or not the employee elected to contribute to the 401(k) plan in any year. Since the profit sharing plan is part of the 401(k) plan, eligibility, participation and other requirements are governed by the provisions of the 401(k) plan. Contributions to the plan are determined based upon a calculation directly related to the Company's sales volume and pre-tax profits. The Company's Compensation Committee approved \$65,000, \$52,500 and \$40,000 profit sharing contributions for the periods ended August 1, 1998, August 2, 1997 and August 3, 1996.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below sets forth information concerning the shares of common stock beneficially owned as of October 30, 1998 by the Directors and by all Directors, Officers and significant employees of the Company as a group without naming them and each person who is known by the Company to be the beneficial owner of more than five (5%) percent of the common stock as of such date.

Name and Address of Beneficial Owner -----	Shares of Common Stock Beneficially Owned as of October 30, 1998 (1) -----	Percent of Class -----
OFFICERS AND DIRECTORS -----		
LEONARD A. TRUGMAN c/o Del Global Technologies Corp. One Commerce Park Valhalla, NY 10595	836,137 (2)	10.1%
NATAN BERTMAN c/o Bertman & Levine 945 Manhattan Avenue Brooklyn, NY 11222	101,667 (3)	1.3%
DAVID MICHAEL c/o David Michael & Co., P.C Seven Penn Plaza New York, NY 10001	157,505 (4)	2.0%
SEYMOUR RUBIN c/o RFI Corporation 100 Pine Aire Drive Bay Shore, NY 11706	166,684 (5)	2.1%
JAMES TIERNAN c/o Del Global Technologies Corp. One Commerce Park Valhalla, NY 10595	8,733 (6)	*
DAVID ENGEL c/o Del Global Technologies Corp. One Commerce Park Valhalla, NY 10595	11,912 (7)	*

LOUIS J. FARIN, SR c/o Del Global Technologies Corp. One Commerce Park Valhalla, NY 10595	57,065(8)	*
PAUL J. LIESMAN c/o Bertan High Voltage Corp. 121 New South Road Hicksville, NY 11801	11,241(9)	*
JOHN MANKOWICH c/o Gendex-Del Medical Imaging Corp. 11550 West King Street Franklin Park, IL 60634	2,500(10)	*
MICHAEL H. TABER c/o Del Global Technologies Corp. One Commerce Park Valhalla, NY 10595	6,956(11)	*
All Officers and Directors (10) as a Group	----- 1,360,400(12) =====	15.7%
OTHERS		
MORGAN STANLEY ASSET MANAGEMENT, INC. One Tower Bridge Conshoken, PA 19428-2899	651,800 =====	8.5%
1838 INVESTMENT ADVISORS FUND 5 Radnor Corporate Center - Suite 320 100 Matsonford Road Radnor, PA 19087	476,360 =====	6.2%
DIMENSIONAL FUND ADVISORS 1299 Ocean Avenue - 11th Floor Santa Monica, CA 90401	399,323 =====	5.2%

* Represents less than 1% of the outstanding shares of common stock of the Company including shares issuable under options which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

(1) Unless otherwise indicated, each person has sole voting and investment power with respect to the shares shown as beneficially owned by such person.

(2) Includes 605,607 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

(3) Includes 74,445 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

(4) Includes 122,230 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

(5) Includes 144,691 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

(6) Includes 4,733 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

- (7) Includes 11,189 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.
- (8) Includes 47,938 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.
- (9) Includes 10,857 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.
- (10) Includes 2,500 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.
- (11) Includes 6,220 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.
- (12) Includes 1,133,107 shares, options for which are presently exercisable or will become exercisable within 60 days of October 30, 1998.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Under the Company's Stock Buy-Back Program, which was approved by the Board of Directors, the Company repurchased 70,000 shares of common stock owned by Mr. Leonard A. Trugman at an average fair market value of \$11.00 per share. The amounts paid to Mr. Trugman were associated with the exercise of 163,440 shares of Del Global Technologies Corp. common stock under the Company's Employee Stock Option Plan. Such funds were used to pay the payroll withholding taxes due relating to the gains realized upon the exercise of these non-qualified stock options. During the fiscal year, Mr. Trugman's direct holdings of Del Global Technologies Corp. common stock increased by 60,826 shares.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)	1.	Financial Statements -----	Page Number -----
		CONSOLIDATED FINANCIAL STATEMENTS OF DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES:	
		Independent Auditors' Report	F1
		Consolidated Balance Sheets as of August 1, 1998 and August 2, 1997	F2
		Consolidated Statements of Income for the Fiscal Years Ended August 1, 1998, August 2, 1997 and August 3, 1996	F3
		Consolidated Statements of Shareholders' Equity for the Fiscal Years Ended August 1, 1998, August 2, 1997 and August 3, 1996	F4
		Consolidated Statements of Cash Flows for the Fiscal Years Ended August 1, 1998, August 2, 1997 and August 3, 1996	F5 - F6

Notes to Consolidated Financial Statements for the Fiscal Years Ended August 1, 1998, August 2, 1997 and

		August 3, 1996	F7 - F19
	2.	Supplemental Financial Information	
		Unaudited Selected Quarterly Financial Data	F20
	3.	Exhibits	
		Exhibit Number -----	
		Description of Document -----	
			Footnotes -----
		3.1 Certificate of Incorporation dated October 25, 1954	(1)
		3.2 Certificate of Amendment of Certificate of Incorporation dated January 28, 1957	(1)
		3.3 Certificate of Amendment of Certificate of Incorporation dated July 12, 1960	(1)
		3.4 Certificate of Amendment of Certificate of Incorporation dated March 15, 1989	(2)
		3.5 Certificate of Amendment of Certificate of Incorporation dated January 19, 1989	(3)
		3.6 Certificate of Amendment of the Certificate of Incorporation of Del Electronics Corp. dated February 14, 1996	(4)

3.7	By-Laws of Del Global Technologies Corp.	(1)
4.1	Warrant Agreement between Del Electronics Corp. and Chase Manhattan Investment Holdings, Inc., dated January 27, 1995	(5)
4.2	Amendment to Warrant Agreement between Del Electronics Corp. and Chase Manhattan Investment Holdings, Inc., dated January 27, 1995	(6)
4.3	Warrant Agreement and Warrant Certificate of The Chase Manhattan Bank, N.A.	(7)
*4.4	Warrant Certificate of Porter, LeVay and Rose, Inc.	
*4.5	Warrant Certificate of Michael Porter	
*4.6	Warrant Certificate of Jonathan Gordon	
4.7	Copy of Del Global Technologies Corp. Amended and Restated Stock Option Plan (the "Plan")	(8)
4.8	Stock Purchase Plan	(9)
4.9	Option Agreement, substantially in the form used in connection with options granted under the Plan	(10)
10.1	Amended and Restated Executive Employment Agreement of Leonard A. Trugman	(11)
10.2	Amendment No. 1 to Amended and Restated Employment Agreement of Leonard A. Trugman	(12)
10.3	Amendment No. 2 to Amended and Restated Employment Agreement of Leonard A. Trugman	(13)
*10.4	Amendment No. 3 to Amended and Restated Employment Agreement of Leonard A. Trugman	
10.5	Amended and Restated Credit Agreement dated as of March 6, 1996 among Del Global Technologies Corp., RFI Corporation, Dynarad Corp., Bertan High Voltage Corp., Del Medical Systems Corp. and The Chase Manhattan Bank, N.A.	(14)
10.6	First Amendment to Amended and Restated Credit Agreement dated as of August 2, 1996	(15)
10.7	Second Amendment to Amended and Restated Credit Agreement dated as of August 1, 1997	(16)

*10.8	Third Amendment to Amended and Restated Credit Agreement dated as of July 31, 1998	
10.9	Lease Agreement dated April 7, 1992 between Messenger Realty and the Company	(17)
10.10	Lease Agreement dated September 1, 1992 between Arleigh Construction and Del Acquisition Corp.	(18)
10.11	Lease and Guaranty of Lease dated May 25, 1994 between Leshow Enterprises and Bertan High Voltage Corp.	(19)
10.12	Lease dated January 4, 1993 between Curto Reynolds Oelerich Inc. and Gendex-Del Medical Imaging Corp.	(20)
10.13	Consulting Agreement by and between Del Acquisition Corp. and Harvey Schechter	(21)
10.14	Consulting Agreement by and between Del Acquisition Corp. and Mark Weiss	(22)
*11	Computation of Earnings per Common Share and Common Share Equivalents for year ended August 1, 1998	
*21	Subsidiaries of Del Global Technologies Corp.	
*23.1	Consent of Deloitte & Touche LLP	
*27	Financial Data Schedule	

* Filed herewith

- (1) Filed as Exhibit to Del Electronics Corp. Registration Statement on Form S-1 (No. 2-16839) and incorporated herein by reference.
- (2) Filed as Exhibit 3.5 to Del Electronics Corp. Annual Report on Form 10-K for the year ended August 2, 1986 and incorporated herein by reference.
- (3) Filed as Exhibit 4.5 to Del Electronics Corp. Form S-3 (No. 33-30446) filed August 10, 1989 and incorporated herein by reference.
- (4) Filed as Exhibit 3.6 to Del Global Technologies Corp. Annual Report on Form 10-K for the year ended August 2, 1997 and incorporated herein by reference.
- (5) Filed as Exhibit 4.5 to Del Electronics Corp. Registration Statement on Form S-3 (No. 33-61025) and incorporated herein by reference.
- (6) Filed as Exhibit 4.6 to Del Electronics Corp. Registration Statement on Form S-3 (No. 33-61025) and incorporated herein by reference.
- (7) Filed as Exhibits 4.1 and 4.2 to Del Global Technologies Corp. Registration Statement on Form S-3 (No. 333-09131) and incorporated herein by reference.
- (8) Filed as Exhibit A to Del Electronics Corp. Proxy Statement dated January 26, 1994 and incorporated herein by reference.
- (9) Filed as Exhibit 4.9 to Del Electronics Corp. Annual Report on Form 10-K for the year ended July 29, 1989 and incorporated herein by reference.
- (10) Filed as Exhibit 4.8 to Del Electronics Corp. Annual Report on Form 10-K for the year ended July 30, 1994 and incorporated herein by reference.

- (11) Filed as Exhibit 10.1 to Del Electronics Corp. Annual Report on Form 10-K for the year ended July 31, 1993 and incorporated herein by reference.
- (12) Filed as Exhibit 10.2 to Del Electronics Corp. Annual Report on Form 10-K for the year ended July 30, 1994 and incorporated herein by reference.
- (13) Filed as Exhibit 10.3 to Del Electronics Corp. Annual Report on Form 10-K for the year ended July 30, 1994 and incorporated herein by reference.

(14) Filed as Exhibit 2.6 to the Del Global Technologies Corp. Current Report on Form 8-K dated March 21, 1996 and incorporated herein by reference.

(15) Filed as Exhibit 10.8 to the Del Global Technologies Corp. Annual Report on Form 10-K for the year ended August 3, 1996 and incorporated herein by reference.

(16) Filed as Exhibit 10.8 to the Del Global Technologies Corp. Annual Report on Form 10-K for the year ended August 2, 1997 and incorporated herein by reference.

(17) Filed as Exhibit 6(a) to Del Electronics Corp. Quarterly Report on Form 10-Q for the quarter ended May 2, 1992 and incorporated herein by reference.

- (18) Filed as Exhibit 28.6 to Del Electronics Corp. Current Report on Form 8-K dated November 9, 1992 and incorporated herein by reference.
- (19) Filed as Exhibit 2.5 to Del Electronics Corp. Current Report on Form 8-K dated June 10, 1994 and incorporated herein by reference.
- (20) Filed as Exhibit 10.21 to the Del Global Technologies Corp. Registration Statement on Form S-2 (No. 333-2991) dated April 30, 1997 and incorporated herein by reference.
- (21) Filed as Exhibit 28.4 to Del Electronics Corp. Current Report on Form 8-K dated November 9, 1992 and incorporated herein by reference.
- (22) Filed as Exhibit 28.5 to Del Electronics Corp. Current Report on Form 8-K dated November 9, 1992 and incorporated herein by reference.

(b) Reports on Form 8-K - No reports on Form 8-K have been filed during the last quarter of the period covered by this report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Del Global Technologies Corp. and Subsidiaries Valhalla, New York

We have audited the accompanying consolidated balance sheets of Del Global Technologies Corp. and subsidiaries as of August 1, 1998 and August 2, 1997 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three fiscal years in the period ended August 1, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Del Global Technologies Corp. and subsidiaries at August 1, 1998 and August 2, 1997 and the results of their operations and their cash flows for each of three fiscal years in the period ended August 1, 1998, in conformity with generally accepted accounting principles.

*/S/ DELOITTE & TOUCHE LLP
DELOITTE & TOUCHE LLP*

*New York, New York
October 16, 1998*

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	August 1, 1998 -----	August 2, 1997 -----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	\$ 3,401,697	\$ 6,070,608
Investments available-for-sale (Notes 1, 2 and 10)	913,125	722,566
Trade receivables (net of allowance for doubtful accounts of \$206,524 at August 1, 1998 and \$60,407 at August 2, 1997)	14,341,744	11,211,357
Cost and estimated earnings in excess of billings on uncompleted contracts (Notes 1 and 3)	3,306,673	1,868,002
Inventory (Notes 1 and 4)	29,195,262	24,681,348
Prepaid expenses and other current assets (Note 9)	1,358,847	1,808,762
Total current assets	----- 52,517,348	----- 46,362,643
FIXED ASSETS - At cost (Notes 1 and 5)	19,229,901	16,245,279
Less accumulated depreciation and amortization	6,490,392	5,086,269
	----- 12,739,509	----- 11,159,010
INTANGIBLES (net of accumulated amortization of \$413,557 at August 1, 1998 and \$242,009 at August 2, 1997) (Note 1)	941,443	1,112,991
GOODWILL (net of accumulated amortization of \$770,655 at August 1, 1998 and \$561,082 at August 2, 1997) (Notes 1 and 11)	4,809,255	4,135,409
DEFERRED CHARGES	387,044	507,933
OTHER ASSETS (Notes 7 and 9)	962,028	851,824
TOTAL	----- \$72,356,627 =====	----- \$64,129,810 =====
	August 1, 1998 -----	August 2, 1997 -----

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Current portion of long-term debt (Note 6)	\$ 120,410	\$ 127,999
Accounts payable - trade	5,403,403	3,936,529
Accrued liabilities	3,938,623	3,699,188
Deferred compensation liability (Notes 2		

and 10)	913,046	722,566
Income taxes (Notes 1 and 9)	394,540	868,949
	-----	-----
Total current liabilities	10,770,022	9,355,231
	-----	-----
LONG-TERM LIABILITIES:		
LONG-TERM DEBT (Less current portion included above) (Note 6)	240,273	411,127
OTHER (Note 10)	484,366	725,258
DEFERRED INCOME TAXES (Notes 1 and 9)	1,406,162	1,107,964
	-----	-----
Total liabilities	12,900,823	11,599,580
	-----	-----
COMMITMENTS AND CONTINGENCIES (Notes 6, 7,8,10 and 11)		

SHAREHOLDERS' EQUITY (Notes 1, 7 and 8):

Common stock - \$.10 par value;
Authorized - 20,000,000 shares;

Issued and outstanding - 7,988,993 shares at August 1, 1998 and 7,516,234 at August 2, 1997	798,898	751,622
Additional paid-in capital	49,124,456	45,909,517
Retained earnings	12,360,906	6,572,318
	-----	-----
	62,284,260	53,233,457
	-----	-----
Less common stock in treasury - 269,246 at August 1, 1998 and 104,255 at August 2, 1997	2,828,456	703,227
	-----	-----
Total shareholders' equity	59,455,804	52,530,230
	-----	-----
TOTAL	\$72,356,627	\$64,129,810
	=====	=====

See notes to consolidated financial statements.

**DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME**

	Fiscal Year Ended		
	August 1, 1998	August 2, 1997	August 3, 1996
NET SALES (Notes 1, 3 and 12)	\$ 62,304,878	\$ 54,685,289	\$ 43,745,454
COSTS AND EXPENSES:			
Cost of sales	36,908,317	32,854,825	27,355,262
Research and development (Note 1)	5,863,343	4,548,487	3,429,331
Selling, general and administrative	11,273,059	10,193,244	7,503,689
Interest (income) expense - net of interest expense of \$129,654 in 1998, \$238,679 in 1997 and interest income of \$34,777 in 1996	(167,926)	(54,470)	1,148,639
	53,876,793	47,542,086	39,436,921
INCOME BEFORE PROVISION FOR INCOME TAXES	8,428,085	7,143,203	4,308,533
PROVISION FOR INCOME TAXES (Notes 1 and 9)	2,639,497	2,231,649	1,393,111
NET INCOME	\$ 5,788,588	\$ 4,911,554	\$ 2,915,422

PER SHARE AMOUNTS (Note 1):

**NET INCOME PER COMMON SHARE AND
COMMON SHARE EQUIVALENTS:**

BASIC	\$.77	\$.66	\$.59
DILUTED	\$.71	\$.61	\$.48

See notes to consolidated financial statements.

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock Issued		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount	Shares	Amount			
BALANCE - July 29, 1995	4,129,599	\$ 412,960	55,165	\$ (316,915)	\$16,239,784	\$ 3,189,244	\$19,525,073
Stock dividends - 3% December 1995 and July 1996 (Note 8)	331,726	33,173			2,650,875	(2,693,506)	(9,458)
Exercise of stock options and warrants (Note 8)	487,081	48,707			2,566,716		2,615,423
Shares repurchased (Note 8)			3,090	(19,770)			(19,770)
Tax benefit related to exercise of stock options & warrants (Note 8)					458,324		458,324
Net proceeds from sale of 2,275,000 shares through Public Offering (Note 8)	2,275,000	227,500			21,357,014		21,584,514
Net Income						2,915,422	2,915,422
BALANCE - August 3, 1996	7,223,406	722,340	58,255	(336,685)	43,272,713	3,411,160	47,069,528
Stock dividend - 3% November 1997 (Note 8)	215,301	21,528			1,724,075	(1,750,396)	(4,793)
Exercise of stock options and warrants (Note 8)	73,370	7,338			415,122		422,460
Shares repurchased (Note 8)			46,000	(366,542)			(366,542)
Tax benefit related to exercise of stock options & warrants (Note 8)					458,023		458,023
Contribution to Profit Sharing Plan (Note 7)	4,157	416			39,584		40,000
Net Income						4,911,554	4,911,554
BALANCE - August 2, 1997	7,516,234	751,622	104,255	(703,227)	45,909,517	6,572,318	52,530,230
Exercise of stock options and warrants (Note 8)	467,573	46,757	36,091	(268,047)	1,950,146		1,728,856
Shares repurchased (Note 8)			128,900	(1,857,182)			(1,857,182)
Tax benefit related to exercise of stock options & warrants (Note 8)					1,074,582		1,074,582
Compensation cost of warrants issued (Note 8)					142,949		142,949
Contribution to Profit Sharing Plan (Note 7)	5,186	519			51,981		52,500
Other					(4,719)		(4,719)
Net Income						5,788,588	5,788,588
BALANCE - August 1, 1998	7,988,993	\$ 798,898	269,246	\$ (2,828,456)	\$49,124,456	\$12,360,906	\$59,455,804

See notes to consolidated financial statements.

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended		
	August 1, 1998	August 2, 1997	August 3, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 5,788,588	\$ 4,911,554	\$ 2,915,422
Adjustments to reconcile net income to net cash provided by operating activities net of effects from purchase of Gendex:			
Imputed interest	48,568	68,309	66,986
Depreciation	1,402,833	1,038,960	740,777
Amortization	695,655	772,148	455,534
Deferred income tax provision (benefit)	569,970	147,981	(56,609)
Tax benefit from exercise of stock options and warrants	1,074,582	458,023	458,324
Amortization of stock-based compensation	99,444	43,505	--
Changes in assets and liabilities:			
Increase in trade receivables	(3,130,387)	(1,990,029)	(2,764,475)
(Increase) decrease in cost and estimated earnings in excess of billings on uncompleted contracts	(1,438,671)	(1,868,002)	395,847
Increase in inventory	(4,380,754)	(861,466)	(1,144,987)
Increase in prepaid and other current assets	(126,749)	(256,109)	(355,086)
Decrease (increase) in other assets	3,277	(10,535)	(49,136)
Increase in accounts payable - trade	1,466,874	242,949	1,153,965
Increase in accrued liabilities	110,701	130,959	1,418,461
Increase in deferred compensation liability	190,480	177,090	167,305
(Decrease) increase in income taxes payable	(474,410)	225,404	365,715
Net cash provided by operating activities	1,900,001	3,230,741	3,768,043
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash paid on acquisition of subsidiaries	(1,103,377)	(15,000)	(8,149,085)
Payments to former shareholders of subsidiary acquired	(117,219)	(132,640)	(52,938)
Expenditures for fixed assets	(2,896,532)	(2,659,481)	(1,968,070)
Investment in marketable securities	(190,559)	(177,090)	(167,117)
Net cash used in investing activities	(4,307,687)	(2,984,211)	(10,337,210)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from public offering	--	--	21,584,514
Repayment of bank borrowing	(178,443)	(80,804)	(12,226,404)
Cost of debt restructuring	(2,237)	(4,043)	(63,327)
Payment for repurchase of shares	(1,857,182)	(366,542)	(19,770)
Proceeds from exercise of stock options & warrants	1,728,856	422,460	2,615,423
Other	47,781	35,207	(9,458)
Net cash (used in) provided by financing activities	(261,225)	6,278	11,880,978

See notes to consolidated financial statements. (Continued)

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended		
	August 1, 1998	August 2, 1997	August 3, 1996
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (2,668,911)	\$ 252,808	\$5,311,811
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,070,608	5,817,800	505,989
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,401,697	\$6,070,608	\$5,817,800
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Interest paid	\$ 127,980	\$ 86,679	\$1,051,327
Income taxes paid	\$ 1,464,597	\$1,400,240	\$ 625,682
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
ACQUISITION OF SUBSIDIARIES	\$ 1,103,377	\$ 15,000	\$8,152,185
Cash acquired in acquisition	--	--	(3,100)
Cash paid to acquire subsidiaries	\$ 1,103,377	\$ 15,000	\$8,149,085

See notes to consolidated financial statements.

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED August 1, 1998, August 2, 1997, and August 3, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Description of Business Activities - Del Global Technologies Corp. ("Del") together with its wholly-owned subsidiaries, RFI Corporation ("RFI"), Dynarad Corp. ("Dynarad"), Bertan High Voltage Corp. ("Bertan"), Gendex-Del Medical Imaging Corp. ("Gendex-Del), and Del Medical Systems Corp. ("Del Medical") (collectively the "Company"), are engaged in two major lines of business. Del, RFI, Bertan and to a lesser extent Dynarad, are engaged in the design and manufacture of critical electronic subsystems for medical, industrial and military applications. Dynarad and Gendex-Del are engaged in the design and manufacture of cost-efficient medical imaging systems including high frequency portable x-ray systems, stationary x-ray systems and mammography units which are used in the medical diagnostic industry. Del Medical is also engaged in the distribution of cost-effective, medical diagnostic products.
- b. Principles of Consolidation - The consolidated financial statements include the accounts of Del, RFI, Dynarad, Bertan, Gendex-Del and Del Medical. All material intercompany accounts and transactions have been eliminated. Del purchased all of the common stock of Dynarad on September 1, 1992, the assets of Bertan on April 1, 1994 and certain assets of Gendex-Del on March 6, 1996. Del Medical Systems was formed on June 1, 1994.
- c. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- d. Accounting Period - The Company's fiscal year-end is based on a 52/53-week cycle ending on the Saturday nearest to July 31.
- e. Revenue Recognition - The Company recognizes revenues upon shipment of its products except for certain products which have long-term production cycles and high dollar value. Revenues for these products are recognized using the percentage of completion method of accounting in proportion to costs incurred. The Company provides for returned products on an estimated basis.
- f. Inventory Valuation - Inventory is stated at the lower of cost (first-in, first-out) or market.
- g. Depreciation and Amortization - Depreciation and amortization are computed by the straight-line method at rates adequate to allocate the cost of applicable assets over their expected useful lives, which range from 3 to 40 years.
- h. Research and Development Costs - Research and development costs are charged to expense in the year incurred.
- i. Net Income per Common Share and Common Share Equivalents - During the year ended August 1, 1998 the Company adopted Statement of Financial Accounting Standard "SFAS" No. 128, "Earnings Per Share." This statement is effective for financial statements issued for periods ending after December 15, 1997. Basic and diluted earnings per share have been restated for fiscal years ended August 2, 1997 and August 3, 1996 to reflect the adoption of SFAS No. 128.
- j. Income Taxes - The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 establishes financial accounting and reporting standards for the effect of income taxes that result from activities during the current and preceding years. SFAS No. 109 requires an asset and liability approach for financial reporting for income taxes.

k. Cash and Cash Equivalents - The Company generally considers short-term instruments with original maturities of three months or less measured from their acquisition date and highly liquid instruments readily convertible to known amounts of cash to be cash equivalents.

l. Investments - During the year ended July 30, 1994, the Company adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." SFAS No. 115 requires an enterprise to classify debt and equity securities into one of three categories: held-to-maturity, available-for-sale, or trading. Investments classified as available for sale are measured at fair value. Investments, which are classified as available-for-sale, are used to fund a deferred compensation plan established for one of the Company's key employees. Gains and losses on these investments, either recognized or unrealized, inure to the benefit or detriment of this employee's deferred compensation, based upon a contractual arrangement between the employee and the Company.

m. Intangibles - Intangible assets are patents, trademarks, manufacturing rights and customer lists acquired with the purchase of certain assets of Gendex. Intangibles are being amortized on a straight-line basis over their estimated useful lives, which range from 5 to 10 years.

n. Goodwill - Cost in excess of the net assets of companies acquired is being amortized on a straight-line basis over twenty-five years. The carrying value of intangible assets is reviewed annually by the Company and impairments will be recognized when the undiscounted expected future cash flows are less than their carrying value. Based upon its review, the Company does not believe that an impairment of its goodwill has occurred.

o. Stock-Based Compensation - In October 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123 is effective for fiscal years beginning after December 15, 1995 and requires adoption of the measurement and recognition provisions for non-employee transactions for fiscal years beginning after December 15, 1995. SFAS No. 123 defines a fair value method of accounting for the issuance of stock options and other equity instruments. Under the fair value method, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period which is usually the vesting period. Pursuant to SFAS No. 123, companies are encouraged, but not required, to adopt the fair value method of accounting for employee stock-based transactions. Companies are also permitted to continue to account for such transactions under Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees," but are required to disclose in a note to the financial statements pro forma net income, and per share amounts as if the company had applied the new method of accounting. SFAS No. 123 also requires increased disclosures for stock-based arrangements, regardless of the method chosen, to measure and recognize compensation for employee stock-based arrangements. The Company has elected to continue to account for such transactions under APB No. 25 and is disclosing the required pro forma effect on net income and earnings per share (Note 8).

p. Effects of Recently Issued Accounting Standards - In February 1997, the FASB issued SFAS No. 129 "Disclosure of Information about Capital Structure." This statement is effective for financial statements issued for periods beginning after December 15, 1997. Management has evaluated the effect of this statement on its financial reporting and, as it contains no change in disclosure requirements for entities that were previously subject to the requirements of APB Opinions 10, 15 and SFAS No. 47, no further disclosures are needed.

In June 1997, the FASB issued SFAS No. 130 "Reporting Comprehensive Income." This statement is effective for financial statements issued for periods ending after December 15, 1997. Management has evaluated the effect of this statement on its financial reporting from the adoption of this statement and has found that no further disclosures are needed.

In June 1997, The FASB issued SFAS No. 131 "Disclosure About Segments of an Enterprise and Related Information." SFAS No. 131 requires the reporting of profit and loss, specific revenue and expense items, and assets for reportable segments. It also requires the reconciliation of total segment revenues, total segment profit or loss, total segment assets and other amounts disclosed for segments to the corresponding amounts in the general purpose financial statements. This statement is effective for fiscal years commencing after December 15, 1997. The Company has not yet determined what additional disclosures

may be required in connection with adopting SFAS No. 131.

In February 1998, the FASB issued SFAS No. 132, "Employers Disclosures about Pensions and Other Postretirement Benefits." This statement revises employers' disclosures about pensions and other postretirement benefit plans. SFAS No. 132 is effective for fiscal years beginning after December 15, 1997. Management does not anticipate that this statement will have a significant effect on the Company's consolidated financial statements.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 is effective for all fiscal years beginning after December 15, 1999. Management does not anticipate that this statement will have any effect on the Company's consolidated financial statements.

q. Certain reclassifications have been made in the prior year's financial statements to correspond to the current year's presentation.

2. INVESTMENTS

At August 1, 1998 investments consist of corporate debt securities and equity securities classified as available-for-sale.

At August 1, 1998 the cost and fair value of investments classified as available-for-sale based on maturity dates, are as follows:

Maturity Dates	Cost	Fair Value	Difference
-----	----	-----	-----
Corporate debt securities			
1999	\$ 25,257	\$ 25,100	\$ (157)
2000-2004	544,727	560,216	15,489
Subtotal	569,984	585,316	15,332
Equity securities	217,052	327,809	110,757
Total	\$787,036	\$913,125	\$126,089
	=====	=====	=====

Investments at August 1, 1998 and August 2, 1997, consisted of \$913,046, and \$722,566, respectively, for the Company's President's deferred compensation, pursuant to the terms of his employment contract. At August 1, 1998 \$24,841 was classified as cash and \$888,205 was recorded as investments. The liability of \$913,046 and \$722,566, respectively, is recorded as deferred compensation liability. Gains and losses, either recognized or unrealized, inure to the benefit or detriment of the President's deferred compensation, based upon a contractual arrangement between the President and the Company.

3. PERCENTAGE OF COMPLETION ACCOUNTING

	Year Ended August 1, 1998	Year Ended August 2, 1997
	-----	-----
Costs incurred on uncompleted contracts	\$ 6,804,554	\$ 3,086,020
Estimated earnings	4,178,103	1,578,126
	-----	-----
Less: Billings to date	10,982,657	4,664,146
	7,675,984	2,796,144
	-----	-----
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 3,306,673	\$ 1,868,002
	=====	=====

The backlog of unshipped contracts being accounted for under the percentage of completion method of accounting was approximately \$5,186,000 at August 1, 1998.

4. INVENTORY

Inventory consists of the following:

	August 2, 1997	August 1, 1998
	-----	-----
Finished goods	\$ 4,848,572	\$ 3,859,842
Work-in-process	11,333,936	9,770,789
Raw materials and purchased parts	13,012,754	11,050,717
	-----	-----
	\$29,195,262	\$24,681,348
	=====	=====

5. FIXED ASSETS

Fixed assets consist of the following:

	August 2, 1997	August 1, 1998
	-----	-----
Land	\$ 694,046	\$ 694,046
Buildings	2,146,025	2,146,025
Machinery and equipment	13,261,534	10,865,897
Furniture and fixtures	1,484,310	1,280,216
Leasehold improvements	1,613,883	1,228,992
Transportation equipment	30,103	30,103
	-----	-----
	19,229,901	16,245,279
Less accumulated depreciation and amortization	6,490,392	5,086,269
	-----	-----
Net Fixed Assets	\$12,739,509	\$11,159,010
	=====	=====

6. DEBT

Long-term debt is summarized as follows:

	August 1, 1998		August 2, 1997	
	Due Within One Year	Due After One Year	Due Within One Year	Due After One Year
	-----	-----	-----	-----
Acquisition credit line	\$105,263	\$184,215	\$105,263	\$289,476
Revolving line of credit		50,000		100,000
Other Loans	15,147	6,058	22,736	21,651
	-----	-----	-----	-----
	\$120,410	\$240,273	\$127,999	\$411,127
	=====	=====	=====	=====

The Company's credit facility with its lending bank is composed of an acquisition credit line of \$10,000,000 and a revolving line of credit of \$14,000,000, with a letter of credit sublimit of \$4,000,000. At August 1, 1998 there were outstanding balances of \$289,478 on the acquisition credit line, \$50,000 on the revolving line of credit, and \$139,329 of letters outstanding. As of August 1, 1998, there was \$9,710,522 available under the acquisition credit line and \$13,810,671 available for borrowing under the revolving credit line. The acquisition credit line is to be repaid in 11 equal quarterly installments of \$26,315. Borrowings under this facility are on an unsecured basis; however, the Company has agreed that its assets cannot be used to secure other borrowings.

Interest under all facilities are at prime, or at the Company's option, at a rate either tied to LIBOR or at a fixed rate based upon the prime rate. The Company fixed its interest rate on the acquisition credit line at 6.69% from January 26, 1998 until the loan matures on April 30, 2001. The interest rate on the revolving line of credit is at prime which was 8.5% at August 1, 1998. Both credit facilities are subject to commitment fees of 1/4 percent on the daily unused portion of the facility, payable quarterly. The Credit Agreement also requires the Company to maintain minimum annual net worth and working capital ratios, limits additional indebtedness and the payment of cash dividends and contains other restrictive covenants. Under the most

restrictive terms, as of August 1, 1998, \$25,000 is available for such cash dividends. The Company was in compliance with its debt covenants at August 1, 1998. Management believes that its debt obligations are stated at fair value, because the interest rates on its credit lines are indexed with either the Prime Rate or LIBOR.

The weighted average interest rate on the Company's borrowing under its credit facility was 7.17% and 7.27% for the years ended August 1, 1998 and August 2, 1997, respectively.

Long-term debt matures as follows:

Fiscal Year Ending	
1999 (included in current portion)	\$ 120,410
2000	111,321
2001	128,952

	\$ 360,683
	=====

7. EMPLOYEE BENEFITS

The Company has employee benefit plans for eligible employees. Included in the plans is a profit sharing plan which provides for contributions as determined by the Board of Directors. The contributions can be paid to the plan in cash or common stock of the Company. Contribution expense for the fiscal years ended in 1998, 1997 and 1996 was \$65,000, \$52,500 and \$40,000, respectively. The plan also incorporates a 401(k) Retirement Plan that is available to substantially all employees, allowing them to defer a portion of their salary. The Company also has a defined benefit plan frozen effective February 1, 1986.

8. SHAREHOLDERS' EQUITY

a. Public Offering - On June 6, 1996 the Company completed the public offering of 2,275,000 shares of its common stock including 275,000 shares of the over-allotment option. The net proceeds of this offering were \$21,584,514 after deducting underwriting fees and expenses, and were used to repay revolving credit loans, long term debt and the subordinated term note to Dentsply International Inc., with the balance added to working capital.

Had the public offering of 2,275,000 shares of common stock occurred as of the beginning of fiscal 1996, and a portion of the proceeds therefrom been used to repay a portion of the long term debt, basic and diluted earnings per share would have been \$.52 and \$.45.

b. Stock Dividends - On November 19, 1996, the Company declared a 3 percent stock dividend to holders of record on December 4, 1996 and was paid on December 23, 1996. On June 19, 1996, the Company declared a three percent stock dividend to holders of record on July 12, 1996 and was paid on July 23, 1996. On November 20, 1995, the Company declared a three percent stock dividend to holders of record on December 5, 1995 and was paid on December 21, 1995.

c. Stock Buy-Back Program - In April 1997, the Board of Directors adopted a program to repurchase \$1.5 million of the Company's common stock. In April 1998, the Board of Directors approved an additional repurchase of \$1.5 million. During the fiscal years ended August 1, 1998 and August 2, 1997 the Company repurchased 128,900 and 37,000 shares for \$1,857,182 and \$319,885, respectively. As of August 1, 1998, there remained \$823,000 available in the program to repurchase additional shares.

d. Nonqualified Stock Option Plan - The Company has a nonqualified stock option plan under which a total of 3,124,293 options to purchase common stock may be granted. As of August 1, 1998, the Company has granted options to purchase 951,975 shares to the current president, 240,723 shares to former officers, 322,439 to current officers and 1,367,619 to various employees and consultants. Current officers exercised 185,465 options, a former officer exercised 11,876 options and various employees and consultants exercised 218,325 options during the fiscal year ended August 1, 1998. Current officers exercised 15,749 options and various employees and consultants exercised 17,895 options during the fiscal year ended August 2, 1997. Substantially all of the options granted under this plan provide for graded vesting and vest at a rate of 25% per year, beginning one year from the

date of grant, expiring fifteen years from the date they are granted. The option price per share is determined by the Board of Directors, but cannot be less than 85 percent of fair market value of a share at the date of grant. All options to date have been granted at the fair market value of the Company's stock at the date of grant. No options can be granted under this plan subsequent to December 31, 2009.

The following stock option information is as of:

Options	August 1, 1998	August 2, 1997	August 3, 1996
	-----	-----	-----
Granted and outstanding at beginning of year	1,781,245	1,712,568	1,646,607
Granted	214,500	131,842	297,052
Expired	(17,833)	(29,521)	(22,266)
Exercised	(415,666)	(33,644)	(208,825)
	-----	-----	-----
Outstanding at end of year	1,562,246	1,781,245	1,712,568
	=====	=====	=====
Exercisable at end of year	1,203,676	1,506,962	1,481,025
	=====	=====	=====
Exercise prices	\$.93-\$11.00	\$.93-\$8.48	\$.93-\$8.48
	=====	=====	=====

The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB No. 25, "Accounting for Stock Issued to Employees," and its related interpretations. Accordingly, no compensation expense was recorded for the Company's stock option and stock purchase plans. However, under SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has determined the pro forma net income and net income per share amounts for fiscal 1998, fiscal 1997 and fiscal 1996, as if the compensation expense had been recorded for options granted during those years under the fair value method. Under SFAS No. 123, for options granted, the fair value at the date of grant was estimated using the Black-Scholes option pricing model. The following weighted average assumptions were used in calculating the fair value of the options granted in the fiscal years ended August 1, 1998, August 2, 1997 and August 3, 1996: risk free interest rates of 4.79% to 7.65%, expected life of the options are between eight and thirteen years, average volatility of between 40.31% and 44.87%, and a maximum contractual life of fifteen years.

Had the Company adopted SFAS No. 123 for employee stock options, the pro forma effect on net income and net income per share would be:

	For Year Ended August 1, 1998	For Year Ended August 2, 1997	For Year Ended August 3, 1996
	-----	-----	-----
Net income			
As reported	\$5,788,588	\$4,911,554	\$2,915,422
	=====	=====	=====
Pro forma	\$5,640,083	\$4,794,017	\$2,862,726
	=====	=====	=====
Net income per common share:			
As reported	\$.71	\$.61	\$.48
	=====	=====	=====
Pro forma	\$.69	\$.59	\$.45
	=====	=====	=====
Weighted average number of shares outstanding	8,206,121	8,070,199	6,250,313
	=====	=====	=====

e. There were warrants outstanding aggregating 77,813 shares at August 1, 1998, all of which were granted at fair market value (the closing stock value at the date of grant). They are as follows:

1. In connection with the Company's debt restructuring on March 5, 1996 the Company granted additional warrants to purchase 17,510 shares of common stock to its lending

bank at an exercise price of \$6.80. In connection with an amendment to a bank financing completed in May, 1994, the Company issued warrants to purchase 30,000 shares of common stock at an exercise price of \$7.16. In connection with its incentive pricing amendment with the same bank, the Company reduced the exercise price to \$5.50. At August 1, 1998, the bank held warrants for 34,778 shares at an exercise price of \$4.74 and warrants for 18,035 shares at an exercise price of \$6.60. As these warrants were issued prior to the effective date of SFAS No. 123, no compensation expense was recorded in fiscal 1998.

2. In connection with an extension of a consulting agreement, the Company had issued 15,000 additional warrants to purchase shares of common stock at an exercise price of \$10.00 to a consultant, which were still outstanding at August 1, 1998. During the year ended August 2, 1997, the Company granted warrants to purchase 25,000 shares of common stock at an exercise price of \$8.50. During fiscal 1998, the consultant exercised 25,000 warrants at an exercise price of \$8.50 and at August 1, 1998, there were no warrants outstanding from this grant. In accordance with SFAS No. 123, \$79,244 and \$43,505 was recognized as compensation expense for this warrant for the years ended August 1, 1998 and August 2, 1997, respectively. The consulting agreement terminated during the current fiscal year and accordingly, all future compensation expense was recognized for the year ended August 1, 1998.

3. In connection with a consulting agreement with the Company's investor relations firm, the Company issued 10,000 warrants to purchase shares of common stock at an exercise price of \$11.00. All of these warrants were outstanding as of August 1, 1998. During the year ended August 1, 1998, \$5,608 of compensation cost was recognized in connection as a result of this grant.

9. INCOME TAXES

Provision for income taxes consists of the following:

	Fiscal Year Ended		
	August 1, 1998	August 2, 1997	August 3, 1996
Current:			
Federal	\$1,802,856	\$1,889,377	\$1,266,044
State	261,913	194,290	183,676
	2,064,769	2,083,667	1,449,720
Deferred:			
Federal and state	569,970	147,982	(56,609)
	\$2,634,739	\$2,231,649	\$1,393,111
	=====	=====	=====

The difference between the income tax provision of \$2,634,739 and the income tax expense of \$2,639,497 of \$4,758 represents Virgin Island Franchise taxes incurred by the Company's Foreign Sales Corporation.

Deferred tax liabilities (assets) are comprised of the following:

	August 1, 1998	August 2, 1997
	-----	-----
Depreciation	\$ 1,374,853	\$ 1,030,628
Pension	98,025	97,870
Federal effect of New York State tax credits	162,127	118,783
Difference in basis of fixed assets	84,322	92,684
Revenue recognition	444,640	245,978
	-----	-----
Gross deferred tax liabilities	2,163,967	1,585,943
	-----	-----
Warranty reserve	(45,649)	(38,154)
Amortization	(118,761)	(133,893)
Inventory	(49,315)	(154,594)
Bad debt reserve	(77,962)	(13,549)
Deferred compensation	(644,392)	(501,726)
NYS tax credits	(476,231)	(349,359)
Self-funded health insurance	--	(213,591)
	-----	-----
Gross deferred tax assets	(1,412,310)	(1,404,866)
	-----	-----
Net deferred tax liabilities	\$ 751,657	\$ 181,077
	=====	=====

Deferred tax liabilities and assets are recorded in the consolidated balance sheets as follows:

	August 1, 1998	August 2, 1997
	-----	-----
Liabilities:		
Deferred income taxes	\$ 1,406,162	\$ 1,107,964
Assets:		
Prepaid expenses and other current assets	(36,550)	(425,540)
Other assets	(617,955)	(501,347)
	-----	-----
	\$ 751,657	\$ 181,077
	=====	=====

The New York State tax credits expire at various dates through 2003.

The following is a reconciliation of the statutory Federal and effective income tax rates:

	Fiscal Year Ended		
	August 1, 1998	August 2, 1997	August 3, 1996
	-----	-----	-----
	% of Pretax Income	% of Pretax Income	% of Pretax Income
	-----	-----	-----
Statutory Federal income tax expense rate	34.0%	34.0%	34.0%
State taxes, less Federal tax effect	1.8	1.6	1.5
Permanent differences	.4	.5	.6
Tax benefits on foreign sales corp	(3.0)	(2.5)	(3.3)
Federal tax credits and other	(1.9)	(2.4)	(.5)
	----	----	----
	31.3%	31.2%	32.3%
	====	====	====

10. COMMITMENTS AND CONTINGENCIES

a. The Company entered into an operating lease commencing August 1, 1992 and expiring July 31, 2002 for Del's offices and operating facility in Valhalla, NY. This lease includes escalations for real estate taxes and operating expenses. In September 1992 the Company entered into an operating lease for

Dynarad's facility in Deer Park, NY. This lease provides escalation for real estate taxes. In May 1994 the Company entered into an operating lease for Bertan's facility in Hicksville, NY. This lease provides escalation for real estate taxes. On January 31, 1998 the Company renewed an operating lease expiring on January 31, 2003, for its Gendex-Del Medical Imaging facility in Franklin Park, IL. This lease provides escalations for real estate taxes and operating expenses. On March 6, 1998 the Company entered into an operating lease for its Gendex-Del Medical Imaging facility in Lincolnwood,

IL. In addition, the Company has various auto leases accounted for as operating leases. The future minimum annual lease commitments as of August 1, 1998 are as follows:

Fiscal Year Ended -----	Amount -----
1999	\$1,417,891
2000	1,409,279
2001	1,364,176
2002	1,051,935
2003	808,591
Thereafter	298,451

	\$6,350,323
	=====

Rent expense was \$1,384,952 in 1998, \$1,285,877 in 1997 and \$1,117,068 in 1996, which includes real estate taxes of \$361,943 in 1998, \$289,105 in 1997 and \$286,118 in 1996.

b. The Company has an employment agreement with its President through July 31, 2005. The agreement provides for minimum base salary, deferred compensation and bonuses as defined. Under the terms of the agreement with the President, the Company will accrue deferred compensation at a rate of five percent of pretax income with a minimum of \$100,000 and a maximum of \$125,000. The accumulated amount at August 1, 1998 was \$913,046. Such liability is funded by the Company's investments of \$913,046, classified as available-for-sale. Gains and losses, either recognized or unrealized, inure to the benefit or detriment of this employee's deferred compensation, based upon a contractual arrangement between the President and the Company. Bonus will accrue at five percent of pretax income. Also included in the President's agreement are certain benefits in the event of death or disability, as well as certain benefits in the event of a change of control. Upon completion of the term of the agreement, the President may opt for a five year extension in the form of a consulting contract at a rate specified within the agreement.

In connection with the acquisition of Dynarad, the Company had an employment agreement with one Vice President through 1998. As of April 1, 1997, the Vice President opted for an extension in the form of a consulting contract at a rate specified within the agreement.

In connection with the acquisition of Dynarad, the Company entered into an employment agreement with a key employee. As of July 30, 1994, the employee has been engaged as a consultant at a rate specified within the agreement.

The Company entered into ten year consulting agreements through 2002 with three of the former shareholders of Dynarad. The agreements call for annual payments of \$52,000, \$28,000 and \$21,000, respectively.

c. As of May 28, 1997, the former President of Bertan became a technical consultant to the Company. On April 23, 1998, upon completion of the employment phase of the agreement, the Company and the employee have agreed to a ten year non-compete agreement at a minimum annual rate of \$50,000 as adjusted for the greater of five percent per annum or increases in the cost of living. Additionally, the Company has entered into a ten year non-compete agreement with the former Chairman of Bertan at a minimum annual rate of \$50,000 as adjusted for the greater of five percent per annum or increases in the cost of living. At August 1, 1998 and August 2, 1997 the amounts recorded for the net present value of future obligations relating to the Bertan acquisition were \$607,952 and \$842,236, respectively.

d. The Company is a defendant in several legal actions arising from the normal course of business. Management, on the advice of counsel, believes the Company has meritorious defenses to such actions and that the outcomes will not be material to the Company's consolidated financial condition, results of operations and cash flows.

11. ACQUISITIONS

As of March 6, 1998, the Company's Gendex-Del Medical Imaging Corp. subsidiary acquired selected assets of X-Ray Technologies, Inc., consisting of inventory, fixed assets, designs and technology for approximately \$1,100,000 including transaction costs. The newly formed XTek division is a manufacturer of cost-effective medical imaging systems for physicians, chiropractors and veterinarians operating under Gendex-Del Medical Imaging, Corp.

The acquisition has been accounted for as a purchase and accordingly the original purchase price was allocated to the assets acquired based on the estimated fair value at the date of acquisition. The transaction resulted in an excess of cost over fair value of net assets acquired of \$883,419, which is included in goodwill. Such excess is being amortized over a 15 year period.

12. MAJOR CUSTOMERS AND EXPORT SALES

During fiscal years 1998, 1997 and 1996 no one customer accounted for more than ten percent of the Company's consolidated net sales.

Export sales were 45 percent, 40 percent and 40 percent of total sales in 1998, 1997 and 1996, respectively.

For the years ended August 1, 1998, August 2, 1997 and August 3, 1996, export sales by geographic areas were:

	1998		1997		1996	
	-----		-----		-----	
Europe	\$ 8,178,548	29%	\$ 6,709,380	31%	\$ 5,460,305	31%
Far East	7,277,981	26%	6,285,606	28%	5,446,443	31%
North America	5,687,305	20%	4,817,555	22%	2,979,653	17%
Middle East	4,063,918	14%	3,521,101	16%	3,374,581	20%
South America	2,955,010	10%	455,241	2%	143,601	1%
Africa	96,802	1%	160,726	1%	38,359	--
	-----	---	-----	---	-----	---
Total export sales	\$28,259,564	100%	\$21,949,609	100%	\$17,442,942	100%
	=====	===	=====	===	=====	===

13. SEGMENT REPORTING

The following analysis provides segment information for the two industries in which the Company operates (see Note 1):

1998 -----	Critical Electronic Subsystems -----	Medical Systems -----	Total -----
Net Sales (a)	\$32,430,364	\$29,874,514	\$62,304,878
Operating expenses	27,164,968	26,879,751	54,044,719
Operating profit	\$ 5,265,396	\$ 2,994,763	8,260,159
Interest income - net			167,926
Provision for income taxes			2,639,497
Net income			\$ 5,788,588 =====
Identifiable assets	\$43,914,175 =====	\$28,442,452 =====	\$72,356,627 =====
Capital expenditures	\$ 1,787,592 =====	\$ 1,108,940 =====	\$ 2,896,532 =====
Depreciation and amortization	\$ 1,388,122 =====	\$ 710,366 =====	\$ 2,098,488 =====

(a) For the fiscal year ended August 1, 1998, sales of the Critical Electronic Subsystems segment included sales of approximately \$14,064,000 to customers for medical imaging and diagnostic applications. Aggregate medical sales for the fiscal year ended August 1, 1998 were approximately \$43,939,000 or 71% of total sales.

1997 -----	Critical Electronic Subsystems -----	Medical Systems -----	Total -----
Net Sales (a)	\$32,326,668	\$22,358,621	\$54,685,289
Operating expenses	26,471,966	21,124,590	47,596,556
Operating profit	\$ 5,854,702	\$ 1,234,031	7,088,733
Interest income - net			54,470
Provision for income taxes			2,231,649
Net income			\$ 4,911,554 =====
Identifiable assets	\$45,422,755 =====	\$18,862,218 =====	\$64,284,973 =====
Capital expenditures	\$ 1,837,219 =====	\$ 822,262 =====	\$ 2,659,481 =====
Depreciation and amortization	\$ 1,119,327 =====	\$ 691,781 =====	\$ 1,811,108 =====

(a) For the fiscal year ended August 2, 1997, sales of the Critical Electronic Subsystems segment included sales of approximately \$13,240,000 to customers for medical imaging and diagnostic applications. Aggregate medical sales for the fiscal year ended August 2, 1997 were approximately \$35,599,000 or 65% of total sales.

1996 -----	Critical Electronic Subsystems -----	Medical Systems -----	Total -----
Net Sales (a)	\$29,445,362	\$14,300,092	\$43,745,454
Operating expenses	24,606,511	13,681,771	38,288,282
Operating profit	\$ 4,838,851	\$ 618,321	5,457,172
Interest expense - net			(1,148,639)
Provision for income taxes			1,393,111
Net income			\$ 2,915,422 =====
Identifiable assets	\$54,763,918 =====	\$ 2,965,834 =====	\$57,729,752 =====
Capital expenditures	\$ 1,579,674 =====	\$ 388,396 =====	\$ 1,968,070 =====
Depreciation and amortization	\$ 856,261 =====	\$ 340,050 =====	\$ 1,196,311 =====

(a) For the fiscal year ended August 3, 1996, sales of the Critical Electronic Subsystems segment included sales of approximately \$11,657,000 to customers for medical imaging and diagnostic applications. Aggregate medical sales for the fiscal year ended August 3, 1996 were approximately \$25,709,000 or 59% of total sales.

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION

UNAUDITED SELECTED QUARTERLY FINANCIAL DATA

	<u>QUARTER</u>			
	First	Second	Third	Fourth
	-----	-----	-----	-----
YEAR ENDED August 1, 1998:				
Net sales	\$13,480,069	\$14,403,182	\$16,682,726	\$17,738,901
	=====	=====	=====	=====
Gross profit	\$ 5,432,524	\$ 5,900,167	\$ 6,687,147	\$ 7,376,723
	=====	=====	=====	=====
Net income	\$ 1,256,987	\$ 1,362,480	\$ 1,444,741	\$ 1,724,380
	=====	=====	=====	=====
Diluted earnings per share	\$.15	\$.17	\$.18	\$.21
	=====	=====	=====	=====

	<u>QUARTER</u>			
	First	Second	Third	Fourth
	-----	-----	-----	-----
YEAR ENDED August 2, 1997:				
Net sales	\$12,311,384	\$12,691,871	\$14,317,165	\$15,364,869
	=====	=====	=====	=====
Gross profit	\$ 4,805,146	\$ 5,133,272	\$ 5,372,545	\$ 6,519,501
	=====	=====	=====	=====
Net income	\$ 988,454	\$ 1,119,848	\$ 1,283,682	\$ 1,519,570
	=====	=====	=====	=====
Diluted earnings per share	\$.12	\$.14	\$.16	\$.19
	=====	=====	=====	=====

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS THEY ARE REGISTERED UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

7,000 Warrants

Void after 5:00 p.m. New York time on May 1, 1998

WARRANT TO PURCHASE COMMON STOCK

OF

DEL GLOBAL TECHNOLOGIES CORP.

This warrant certificate ("Warrant Certificate") certifies that for value received, Porter, LeVay & Rose, Inc., Seven Penn Plaza, New York, NY 10001 is the owner of the number of warrants ("Warrants") specified above, each of which entitles the holder thereof to purchase, at any time on or before the Expiration Date, as hereinafter defined, one fully paid and non-assessable share ("Share") of common stock, par value \$.10 per share ("Common Stock"), of Del Global Technologies Corp. (the "Company"), a New York corporation, at a purchase price of ELEVEN DOLLARS (\$11.00) per share in lawful money of the United States of America in cash or by check or a combination of cash and check, subject to adjustment as hereinafter provided.

1. Warrant; Exercise Price; Payout Amount.

1.1. Each Warrant shall entitle the Warrant Holder the right to purchase one Share of Common Stock of the Company (individually, a "Warrant Share"; severally, the "Warrant Shares").

1.2. The purchase price payable upon exercise of each Warrant ("Exercise Price") shall be ELEVEN DOLLARS (\$11.00), subject to adjustment as hereinafter provided. The Exercise Price and number of Warrants evidenced by each Warrant Certificate are subject to adjustment as provided in Section 7 hereof.

2. Exercise of Warrant; Expiration Date.

2.1. This Warrant Certificate is exercisable, in whole or from time to time in part, at the option of the Warrant Holder, at any time after the date of issuance and on or before the Expiration Date, upon surrender of this Warrant Certificate to the Company together with a duly completed exercise form and payment of the Exercise Price. In the case of exercise of less than all the Warrants represented by this Warrant Certificate, the Company shall cancel the Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate for the balance of such Warrants.

2.2. The term "Expiration Date" shall mean 5:00 p.m. New York time on May 1, 2001, or if such date shall in the State of New York be a holiday or a day on which banks are authorized to close, then 5:00 p.m. New York time the next following day which in the State of New York is not a holiday or a day on which banks are authorized to close, or in the event of any merger, consolidation, or sale of all or substantially all the assets of the Company as an entirety resulting in any distribution to the Company's stockholders prior to the Expiration Date, the Warrant Holder shall have the right to exercise this Warrant commencing at such time through the Expiration Date into the kind and amount of shares of stock and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock into which this Warrant might have been exercisable immediately prior thereto.

3. Registration and Transfer on Company Books.

3.1. The Company shall maintain books and records for the registration and transfer of Warrant Certificates.

3.2. Prior to due presentment for registration of transfer of this Warrant Certificate, the Company may deem and treat the registered holder as the absolute owner thereof.

3.3. The Company shall register upon its books any transfer of a Warrant Certificate upon surrender of same to the Company accompanied by a written instrument of transfer duly executed by the registered holder. Upon any such registration of transfer, new Warrant Certificate(s) shall be issued to the transferee(s) and the surrendered Warrant Certificate shall be canceled by the Company. A Warrant Certificate may also be exchanged, at the option of the holder, for new Warrant Certificates representing in the aggregate the number of Warrants evidenced by the Warrant Certificate surrendered.

4. Reservation of Shares. The Company covenants that it will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon exercise of the Warrants, such number of shares of Common Stock as shall then be issuable upon the exercise of all outstanding Warrants. The Company covenants that all shares of Common Stock which shall be issuable upon exercise of the Warrants shall be duly and validly issued and fully paid and non-assessable and free from all taxes, liens and charges with respect to the issuance thereof, and that upon issuance such shares shall be listed on each national securities exchange, if any, on which the other shares of outstanding Common Stock of the Company are then listed.

5. Exchange, Transfer, Assignment, Loss or Mutilation of Warrant Certificate. This Warrant Certificate is exchangeable, without expense, at the option of the Warrant Holder, upon presentation and surrender hereof to the Company or at the office of its stock transfer agent, if any, for other Warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. This Warrant Certificate may be transferred or assigned by the Warrant Holder upon surrender of this Warrant Certificate to the Company at its principal office or at the office of its transfer agent, if any, with the Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax. Upon such surrender the Company shall, without charge, execute and deliver a new Warrant Certificate in the name of the assignee named in such instrument of assignment and this Warrant Certificate shall be promptly canceled. This Warrant may be divided or combined with other warrants which carry the same rights upon presentation hereof at the principal office of the Company or at the office of its stock transfer agent, if any, together with a written notice specifying the names and denominations in which new Warrants are to be issued and signed by the Warrant Holder hereof. The term "Warrant Certificate" as used herein includes any Warrant Certificates into which this Warrant Certificate may be divided or exchanged. Upon receipt by the Company of reasonable evidence of the ownership of and the loss, theft, destruction or mutilation of this Warrant Certificate and, in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Company, or, in the case of mutilation, upon surrender and cancellation of the mutilated Warrant Certificate, the Company shall execute and deliver in lieu thereof a new Warrant Certificate of like tenor and date representing an equal number of Warrants.

6. Rights of the Holder. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a stockholder in the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in the Warrant Certificate and are not enforceable against the Company except to the extent set forth herein.

7. Adjustment of Exercise Price and Number of Shares Deliverable. The Exercise Price and the number of shares of Common Stock purchasable pursuant to each Warrant shall be subject to adjustment from time to time as hereinafter set forth in this Section 7:

(a) In case the Company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock,
(ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or
(iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to Subsection (a) above, the number of Shares purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of Shares initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

(c) Notwithstanding the provisions of Subsections (a) and (b) of this Section 7, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least five cents (\$0.05) in such price; provided, however, that any adjustments which by reason of this Subsection (c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this Section 7 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. Anything in this Section 7 to the contrary notwithstanding, the Company shall be entitled, but shall not be required, to make such changes in the Exercise Price, in addition to those required by this Section 7, as it shall determine, in its sole

discretion, to be advisable in order that any dividend or distribution in shares of Common Stock, or any subdivision, reclassification or combination of Common Stock hereafter made by the Company, shall not result in any Federal income tax liability to the holders of

Common Stock or securities convertible into Common Stock (including Warrants).

(d) Whenever the Exercise Price is adjusted as herein provided, the Company shall promptly cause a notice setting forth the adjusted Exercise Price and adjusted number of Shares issuable upon exercise of each Warrant, and if requested by the Warrant Holder, information describing the transactions giving rise to such adjustments, to be mailed to the Warrant Holders at their last addresses appearing in the books and records of the Company, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Company may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Company) to make any computation required by this Section 7, and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.

(e) In the event that at any time, as a result of an adjustment made pursuant to Subsection (a) above, the Warrant Holder of this Warrant thereafter shall become entitled to receive any shares of the Company, other than Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in Subsections (a) to (c), inclusive above.

(f) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon exercise of this Warrant, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the similar Warrants initially issuable pursuant to this Warrant Certificate.

8. Fractional Shares. No certificate for fractional Shares shall be issued upon the exercise of the Warrants. With respect to any fraction of a Share called for upon any exercise hereof, the Company shall pay to the Warrant Holder an

amount in cash equal to such fraction calculated to the nearest cent multiplied by the current market value of a Share, determined as follows:

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the NASDAQ system, the current market value of a Share shall be the last reported sale price per Share of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing bid and asked prices per Share for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges, the current market value of a Share shall be the mean of the last reported bid and asked prices per Share reported by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value of a Share shall be an amount, not less than book value thereof, as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

9. Officer's Certificate. Whenever the Exercise Price shall be adjusted as required by the provisions of Section 7 hereof, the Company shall forthwith file in the custody of its Secretary or Assistant Secretary at its principal office and with its stock transfer agent, if any, an officer's certificate showing the adjusted Exercise Price as herein provided setting forth in reasonable detail the facts requiring such adjustment, including a statement of the number of additional shares of Common Stock, if any, and such other facts as shall be necessary to show the reason for and the manner of computing such adjustment. Each such officer's certificate shall be made available at all reasonable times for inspection by the holder or any holder of a Warrant executed and delivered pursuant to Section 2, and the Company shall, forthwith after each such adjustment, mail a copy by certified mail of such certificate to the Warrant Holder or any such holder.

10. Notices to Warrant Holders. So long as this Warrant shall be outstanding, (i) if the Company shall pay any dividend or make any distribution upon

the Common Stock; or (ii) if the Company shall offer to the holders of Common Stock for subscription or purchase by them any shares of any class or any other rights; or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be mailed by certified mail to the Warrant Holder, at least fifteen days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any, which is to be fixed, as of which the holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

11. **Reclassification, Reorganization or Merger.** In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety, the Company shall, as a condition precedent to such transaction, cause effective provisions to be made so that the Warrant Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to purchase the kind and amount of shares of stock and other securities and property receivable upon such reclassification, capital reorganization and other change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 11 shall similarly apply to successive reclassifications, capital reorganizations and changes of shares of Common Stock and to successive consolidations, mergers, sales or conveyances. In the event that in connection with any such capital reorganization or reclassification, consolidation, merger, sale or conveyance, additional shares of Common Stock shall be issued in exchange, conversion, substitution or payment, in whole or in part, for a security of the

Company other than Common Stock, any such issue shall be treated as an issue of Common Stock covered by the provisions of Subsection (a) of Section 7 hereof.

12. Voluntary Adjustment by the Company. The Company may, at its option, at any time prior to the Expiration Date, reduce the then current Exercise Price to any amount deemed appropriate by the Board of Directors of the Company and/or extend the date of the expiration of the Warrants.

13. Registration Under the Securities Act of 1933.

The Warrant Holder shall be entitled to the following registration rights;

(a) Demand Rights. The Company covenants and agrees that, during the two (2) year period commencing on the exercise of this warrant, within forty-five (45) days after the receipt of a written request from the Warrant holder, or a majority of holders if there is more than one holder, that he desires and intends to transfer all or a portion of his Shares under such circumstances that a public offering, within the meaning of the Securities Act of 1933, as amended (the "Act"), will be involved, the Company shall file with the Securities and Exchange Commission (the "Commission") with all deliberate speed a Registration Statement on Form S-3 (or any shortform successor thereto), or if not eligible for the use of Form S-3, any other Form, covering all such securities and use its best efforts to cause such Registration Statement with respect to such securities to become effective under the Act. The Company shall pay all costs of preparing and filing such Registration Statement. The Company shall not be required to comply with more than one request for registration pursuant to this Section 13(a). The Company need not comply with any request for registration pursuant to this Section 13(a) if at such time the Company would be required to use, in connection with the filing of the Registration Statement, pursuant to the requirements of the Act and the rules and regulations of the Commission thereunder, audited financial statements as of a date other than the end of a fiscal year of the Company. If the Company includes Shares to be sold by it in any registration requested pursuant to this Section 13(a), such registration shall be deemed to have been a registration under Section 13 (b).

(b) Piggyback Rights. If at any time after the date hereof, the Company shall propose to file a registration statement ("Registration Statement") under the Act (other than a reorganization or an offering pursuant to a stock option or other employee benefit plan or an offering on Form S-4 or S-5 (or any successor forms thereto) relating to an acquisition of another corporation), then, during the two(2) year period commencing on the date hereof, and subject to Subsection (3) of this Section 13(b), the Company shall in each case deliver written notice thereof to the Holder of this Warrant or of the Warrant Shares and/or any then holder of Warrants or Warrant Shares (such persons being collectively referred to herein as "holders") at least 15 days before the anticipated filing date. Such notice shall offer to each holder the option to include Warrant Shares in such Registration Statement, subject to the conditions set forth in this Section 13(b); provided, however, that the Company shall be under no obligation to register Warrant Shares of any holder if in the opinion of counsel to such holder no registration under the Act is required with respect to a public disposition of such Warrant Shares.

(1)Should a holder desire to have any Warrant Shares registered under this Section 13(b), such holder shall so advise in writing no later than 15 days after the date of receipt by the holder of the Company's written notice, setting forth the number of such Warrant Shares for which registration is requested. Subject to Subsection (3) of this Section 13(b), the Company shall thereupon include in such Registration Statement such Warrant Shares.

(2)Neither the giving of notice by the Company nor any request by any holders to register Warrant Shares pursuant to this Section 13(b) shall in any way obligate the Company to file any such Registration Statement, and notwithstanding the filing of such Registration Statement, the Company may, at any time prior to the effective date thereof, determine not to offer the securities to which such registration relates and/or withdraw the Registration Statement from the Commission, without liability of the Company to any holders.

(3)If the securities covered by such Registration Statement are to be sold by underwriters in an underwritten public offering (including, without limitation, a so-called "best efforts"

undertaking by an underwriter), the Company shall use its best efforts to cause the managing underwriter, if any, of a proposed offering to grant a request by a holder that Warrant Shares be included in the proposed offering on terms and conditions which are customary industry practice for such underwriter under the existing circumstance, provided that any Warrant Shares to be sold by holders pursuant to this Section 13(b), shall be sold or distributed in a manner identical to the manner in which the securities which are the subject of such Registration Statement are to be sold or distributed. Notwithstanding the foregoing, if any such managing underwriter shall advise the Company in writing that, in good faith and in its reasonable opinion, the distribution of Warrant Shares requested to be included in the Registration Statement concurrently with the securities being registered by the Company would adversely affect the distribution of such securities by such underwriters, the Company shall give notice of such determination to the holders requesting registration, and the number of Warrant Shares proposed to be offered by the holders and any other persons other than the Company shall be reduced pro rata (as specified by the Company in such notice) to aggregate a quantity of Warrant Shares (so specified) which said managing underwriter shall not consider excessive.

(4)The rights of holders to have their Warrant Shares be included in any Registration Statement pursuant to the provisions of Section 13(b) of this Warrant Certificate, shall be subject to the condition that the holders requesting registration shall furnish to the Company in writing such information and documents as may be reasonably required to properly prepare and file such Registration Statement in accordance with applicable provisions of the Act.

(5)The Company shall bear the entire cost and expense of any registration of securities initiated by it notwithstanding that Warrant Shares may be included in any such registration. Any holder whose Warrant Shares are included in any such registration statement pursuant to this Section 13(b) shall, however, bear the fees of his own counsel and any registration fees, transfer taxes or underwriting discounts or commissions applicable to the Warrant Shares sold by him pursuant thereto.

(c) Indemnification. (i) The Company shall indemnify and hold harmless each such holder and each underwriter, within the meaning of the Act, who may purchase from or sell for any such holder any Warrant Shares (collectively, "Indemnified Persons") from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or any registration statement under the Act or any prospectus included therein required to be filed or furnished by reason of this Section 13 or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished or required to be furnished in writing to the Company by such holder or underwriter expressly for use therein, which indemnification shall include each person, if any, who controls any such underwriter within the meaning of such Act; provided, however, that the Company shall not be obliged so to indemnify any such holder, underwriter or controlling person unless such holder, underwriter or controlling person shall at the same time indemnify the Company, its directors, each officer signing the related registration statement and each person, if any, who controls the Company within the meaning of such Act, from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or any prospectus required to be filed or furnished by reason of this Section 13 or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, insofar as such losses, claims, damages or liabilities are caused by any untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished or required to be furnished in writing to the Company by any such holder, underwriter or controlling person expressly for use therein.

(ii) The holders registering Warrant Shares pursuant to this Warrant Certificate shall indemnify and hold harmless the Company, its directors and officers, and each person, if any who controls the Company within the meaning of either Section 15 of

the Act or Section 20 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), to the same extent as the indemnity from the Company to each Indemnified Person set forth in paragraph (i) of this Subsection (c), but only with respect to information relating to such Indemnified Person furnished in writing by such Indemnified Person to the Company expressly for use in the Registration Statement or related Prospectus (preliminary or final), or any amendment or supplement thereto. In case any action or proceeding shall be brought against the Company or its directors or officers or any such controlling person, in respect of which indemnity may be sought against a holder, each shall have the rights and duties given to the Company and the Company or its directors or its officers or its controlling persons each shall have the rights and duties given to a holder by Subsection (c).

(iii) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 13(c) is due in accordance with its terms but is, for any reason, held by a court to be unavailable, the Company and the holders shall contribute to the aggregate losses, claims, damages and liabilities (including reasonable legal or other expenses incurred in connection with investigation or defending of same) to which the Company and the holders may be subject based on their comparative fault; provided, however, that no holder shall have any liability hereunder in excess of the gross proceeds realized by such holder from the sale by it of the Warrant Shares to which the third party claim relates; provided, further, however, that no person who has committed an intentional misrepresentation shall be entitled to contribution from any person who has not committed an intentional misrepresentation. For the purposes of this paragraph (iii) any person controlling, controlled by or under common control with the holders, or any partner, director, officer, employee, representative or agent of any thereof, shall have the same rights to contribution as the holders, and each person who controls the Company within the meaning of Section 15 of the Act or

Section 20 of the Exchange Act, each officer and each director of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against the other party under this paragraph (iii), notify such party from whom contribution may be

sought, but the omission to so notify such party shall not relieve the party from which contribution may be sought from any obligation it or they may have hereunder or otherwise.

The Company's agreements with respect to Warrant Shares in this Section 13 shall continue in effect regardless of the exercise and surrender of this Warrant.

14. Governing Law. This Warrant Certificate shall be governed by, enforced and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed by its officers thereunto duly authorized and its corporate seal to be affixed herein.

DEL GLOBAL TECHNOLOGIES CORP.

By: /S/Leonard A. Trugman

Name: Leonard A. Trugman
Title: Chairman, CEO and

President
[SEAL]

Dated: May 1, 1998

Attest:
/S/Michael Taber

Michael Taber, Secretary

EXERCISE FORM

Dated: _____, 199_

The undersigned hereby irrevocably elects to exercise the right to purchase _____ shares of Common Stock covered by this Warrant according to the conditions hereof and herewith makes payment of the Exercise Price for such shares in full.

Signature [Print Name]

(STREET ADDRESS)

(CITY) (STATE) (ZIP CODE)

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____

hereby sells, assigns and transfers unto Name _____

(Please typewrite or print in bold letters)

Address _____ the right to purchase Common Stock represented by this
Warrant to the extent of _____ shares as to which such right is exercisable and does hereby irrevocably constitute and appoint
_____ Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date _____, **199**__

Signature _____

[PRINT NAME]

**THESE SECURITIES HAVE NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933. THEY MAY
NOT BE SOLD OR OTHERWISE TRANSFERRED
UNLESS THEY ARE REGISTERED UNDER SUCH ACT
AND APPLICABLE STATE SECURITIES LAWS OR AN
EXEMPTION FROM REGISTRATION IS AVAILABLE.**

2,500 Warrants

Void after 5:00 p.m. New York time on May 1, 1998

WARRANT TO PURCHASE COMMON STOCK

OF

DEL GLOBAL TECHNOLOGIES CORP.

This warrant certificate ("Warrant Certificate") certifies that for value received, Michael Porter, 48 Walnut Avenue, Milburn, NJ 07041 , SS# 141-34-4333 is the owner of the number of warrants ("Warrants") specified above, each of which entitles the holder thereof to purchase, at any time on or before the Expiration Date, as hereinafter defined, one fully paid and non-assessable share ("Share") of common stock, par value \$.10 per share ("Common Stock"), of Del Global Technologies Corp. (the "Company"), a New York corporation, at a purchase price of ELEVEN DOLLARS (\$11.00) per share in lawful money of the United States of America in cash or by check or a combination of cash and check, subject to adjustment as hereinafter provided.

1. Warrant; Exercise Price; Payout Amount.

1.1. Each Warrant shall entitle the Warrant Holder the right to purchase one Share of Common Stock of the Company (individually, a "Warrant Share"; severally, the "Warrant Shares").

1.2. The purchase price payable upon exercise of each Warrant ("Exercise Price") shall be ELEVEN DOLLARS (\$11.00), subject to adjustment as hereinafter provided. The Exercise Price and number of Warrants evidenced by each Warrant Certificate are subject to adjustment as provided in Section 7 hereof.

2. Exercise of Warrant; Expiration Date.

2.1. This Warrant Certificate is exercisable, in whole or from time to time in part, at the option of the Warrant Holder, at any time after the date of issuance and on or before the Expiration Date, upon surrender of this Warrant Certificate to the Company together with a duly completed exercise form and payment of the Exercise Price. In the case of exercise of less than all the Warrants represented by this Warrant Certificate, the Company shall cancel the Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate for the balance of such Warrants.

2.2. The term "Expiration Date" shall mean 5:00 p.m. New York time on May 1, 2001, or if such date shall in the State of New York be a holiday or a day on which banks are authorized to close, then 5:00 p.m. New York time the next following day which in the State of New York is not a holiday or a day on which banks are authorized to close, or in the event of any merger, consolidation, or sale of all or substantially all the assets of the Company as an entirety resulting in any distribution to the Company's stockholders prior to the Expiration Date, the Warrant Holder shall have the right to exercise this Warrant commencing at such time through the Expiration Date into the kind and amount of shares of stock and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock into which this Warrant might have been exercisable immediately prior thereto.

3. Registration and Transfer on Company Books.

3.1. The Company shall maintain books and records for the registration and transfer of Warrant Certificates.

3.2. Prior to due presentment for registration of transfer of this Warrant Certificate, the Company may deem and treat the registered holder as the absolute owner thereof.

3.3. The Company shall register upon its books any transfer of a Warrant Certificate upon surrender of same to the Company accompanied by a written instrument of transfer duly executed by the registered holder. Upon any such registration of transfer, new Warrant Certificate(s) shall be issued to the transferee(s) and the surrendered Warrant Certificate shall be canceled by the Company. A Warrant Certificate may also be exchanged, at the option of the holder, for new Warrant Certificates representing in the aggregate the number of Warrants evidenced by the Warrant Certificate surrendered.

4. Reservation of Shares. The Company covenants that it will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon exercise of the Warrants, such number of shares of Common Stock as shall then be issuable upon the exercise of all outstanding Warrants. The Company covenants that all shares of Common Stock which shall be issuable upon exercise of the Warrants shall be duly and validly issued and fully paid and non-assessable and free from all taxes, liens and charges with respect to the issuance thereof, and that upon issuance such shares shall be listed on each national securities exchange, if any, on which the other shares of outstanding Common Stock of the Company are then listed.

5. Exchange, Transfer, Assignment, Loss or Mutilation of Warrant Certificate. This Warrant Certificate is exchangeable, without expense, at the option of the Warrant Holder, upon presentation and surrender hereof to the Company or at the office of its stock transfer agent, if any, for other Warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. This Warrant Certificate may be transferred or assigned by the Warrant Holder upon surrender of this Warrant Certificate to the Company at its principal office or at the office of its transfer agent, if any, with the Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax. Upon such surrender the Company shall, without charge, execute and deliver a new Warrant Certificate in the name of the assignee named in such instrument of assignment and this Warrant Certificate shall be promptly canceled. This Warrant may be divided or combined with other warrants which carry the same rights upon presentation hereof at the principal office of the Company or at the office of its stock transfer agent, if any, together with a written notice specifying the names and denominations in which new Warrants are to be issued and signed by the Warrant Holder hereof. The term "Warrant Certificate" as used herein includes any Warrant Certificates into which this Warrant Certificate may be divided or exchanged. Upon receipt by the Company of reasonable evidence of the ownership of and the loss, theft, destruction or mutilation of this Warrant Certificate and, in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Company, or, in the case of mutilation, upon surrender and cancellation of the mutilated Warrant Certificate, the Company shall execute and deliver in lieu thereof a new Warrant Certificate of like tenor and date representing an equal number of Warrants.

6. Rights of the Holder. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a stockholder in the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in the Warrant Certificate and are not enforceable against the Company except to the extent set forth herein.

7. Adjustment of Exercise Price and Number of Shares Deliverable. The Exercise Price and the number of shares of Common Stock purchasable pursuant to each Warrant shall be subject to adjustment from time to time as hereinafter set forth in this Section 7:

(a) In case the Company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock,

(ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or

(iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to Subsection (a) above, the number of Shares purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of Shares initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

(c) Notwithstanding the provisions of Subsections (a) and (b) of this Section 7, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least five cents (\$0.05) in such price; provided, however, that any adjustments which by reason of this Subsection (c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this Section 7 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. Anything in this Section 7 to the contrary notwithstanding, the Company shall be entitled, but shall not be required, to make such changes in the Exercise Price, in addition to those required by this Section 7, as it shall determine, in its sole

discretion, to be advisable in order that any dividend or distribution in shares of Common Stock, or any subdivision, reclassification or combination of Common Stock hereafter made by the Company, shall not result in any Federal income tax liability to the holders of Common Stock or securities convertible into Common Stock (including Warrants).

(d) Whenever the Exercise Price is adjusted as herein provided, the Company shall promptly cause a notice setting forth the adjusted Exercise Price and adjusted number of Shares issuable upon exercise of each Warrant, and if requested by the Warrant Holder, information describing the transactions giving rise to such adjustments, to be mailed to the Warrant Holders at their last addresses appearing in the books and records of the Company, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Company may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Company) to make any computation required by this Section 7, and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.

(e) In the event that at any time, as a result of an adjustment made pursuant to Subsection (a) above, the Warrant Holder of this Warrant thereafter shall become entitled to receive any shares of the Company, other than Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in Subsections (a) to (c), inclusive above.

(f) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon exercise of this Warrant, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the similar Warrants initially issuable pursuant to this Warrant Certificate.

8. Fractional Shares. No certificate for fractional Shares shall be issued upon the exercise of the Warrants. With respect to any fraction of a Share called for upon any exercise hereof, the Company shall pay to the Warrant Holder an

amount in cash equal to such fraction calculated to the nearest cent multiplied by the current market value of a Share, determined as follows:

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the NASDAQ system, the current market value of a Share shall be the last reported sale price per Share of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing bid and asked prices per Share for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges, the current market value of a Share shall be the mean of the last reported bid and asked prices per Share reported by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value of a Share shall be an amount, not less than book value thereof, as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

9. Officer's Certificate. Whenever the Exercise Price shall be adjusted as required by the provisions of Section 7 hereof, the Company shall forthwith file in the custody of its Secretary or Assistant Secretary at its principal office and with its stock transfer agent, if any, an officer's certificate showing the adjusted Exercise Price as herein provided setting forth in reasonable detail the facts requiring such adjustment, including a statement of the number of additional shares of Common Stock, if any, and such other facts as shall be necessary to show the reason for and the manner of computing such adjustment. Each such officer's certificate shall be made available at all reasonable times for inspection by the holder or any holder of a Warrant executed and delivered pursuant to Section 2, and the Company shall, forthwith after each such adjustment, mail a copy by certified mail of such certificate to the Warrant Holder or any such holder.

10. Notices to Warrant Holders. So long as this Warrant shall be outstanding, (i) if the Company shall pay any dividend or make any distribution upon

the Common Stock; or (ii) if the Company shall offer to the holders of Common Stock for subscription or purchase by them any shares of any class or any other rights; or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be mailed by certified mail to the Warrant Holder, at least fifteen days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any, which is to be fixed, as of which the holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

11. **Reclassification, Reorganization or Merger.** In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety, the Company shall, as a condition precedent to such transaction, cause effective provisions to be made so that the Warrant Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to purchase the kind and amount of shares of stock and other securities and property receivable upon such reclassification, capital reorganization and other change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 11 shall similarly apply to successive reclassifications, capital reorganizations and changes of shares of Common Stock and to successive consolidations, mergers, sales or conveyances. In the event that in connection with any such capital reorganization or reclassification, consolidation, merger, sale or conveyance, additional shares of Common Stock shall be issued in exchange, conversion, substitution or payment, in whole or in part, for a security of the

Company other than Common Stock, any such issue shall be treated as an issue of Common Stock covered by the provisions of Subsection (a) of Section 7 hereof.

12. Voluntary Adjustment by the Company. The Company may, at its option, at any time prior to the Expiration Date, reduce the then current Exercise Price to any amount deemed appropriate by the Board of Directors of the Company and/or extend the date of the expiration of the Warrants.

13. Registration Under the Securities Act of 1933.

The Warrant Holder shall be entitled to the following registration rights;

(a) Demand Rights. The Company covenants and agrees that, during the two (2) year period commencing on the exercise of this warrant, within forty-five (45) days after the receipt of a written request from the Warrant holder, or a majority of holders if there is more than one holder, that he desires and intends to transfer all or a portion of his Shares under such circumstances that a public offering, within the meaning of the Securities Act of 1933, as amended (the "Act"), will be involved, the Company shall file with the Securities and Exchange Commission (the "Commission") with all deliberate speed a Registration Statement on Form S-3 (or any shortform successor thereto), or if not eligible for the use of Form S-3, any other Form, covering all such securities and use its best efforts to cause such Registration Statement with respect to such securities to become effective under the Act. The Company shall pay all costs of preparing and filing such Registration Statement. The Company shall not be required to comply with more than one request for registration pursuant to this Section 13(a). The Company need not comply with any request for registration pursuant to this Section 13(a) if at such time the Company would be required to use, in connection with the filing of the Registration Statement, pursuant to the requirements of the Act and the rules and regulations of the Commission thereunder, audited financial statements as of a date other than the end of a fiscal year of the Company. If the Company includes Shares to be sold by it in any registration requested pursuant to this Section

13(a), such registration shall be deemed to have been a registration under Section 13 (b).

(b) Piggyback Rights. If at any time after the date hereof, the Company shall propose to file a registration statement ("Registration Statement") under the Act (other than a reorganization or an offering pursuant to a stock option or other employee benefit plan or an offering on Form S-4 or S-5 (or any successor forms thereto) relating to an acquisition of another corporation), then, during the two(2) year period commencing on the date hereof, and subject to Subsection (3) of this Section 13(b), the Company shall in each case deliver written notice thereof to the Holder of this Warrant or of the Warrant Shares and/or any then holder of Warrants or Warrant Shares (such persons being collectively referred to herein as "holders") at least 15 days before the anticipated filing date. Such notice shall offer to each holder the option to include Warrant Shares in such Registration Statement, subject to the conditions set forth in this Section 13(b); provided, however, that the Company shall be under no obligation to register Warrant Shares of any holder if in the opinion of counsel to such holder no registration under the Act is required with respect to a public disposition of such Warrant Shares.

(1)Should a holder desire to have any Warrant Shares registered under this Section 13(b), such holder shall so advise in writing no later than 15 days after the date of receipt by the holder of the Company's written notice, setting forth the number of such Warrant Shares for which registration is requested. Subject to Subsection (3) of this Section 13(b), the Company shall thereupon include in such Registration Statement such Warrant Shares.

(2)Neither the giving of notice by the Company nor any request by any holders to register Warrant Shares pursuant to this Section 13(b) shall in any way obligate the Company to file any such Registration Statement, and notwithstanding the filing of such Registration Statement, the Company may, at any time prior to the effective date thereof, determine not to offer the securities to which such registration relates and/or withdraw the Registration Statement from the Commission, without liability of the Company to any holders.

(3)If the securities covered by such Registration Statement are to be sold by underwriters in an underwritten public offering (including, without limitation, a so-called "best efforts"

undertaking by an underwriter), the Company shall use its best efforts to cause the managing underwriter, if any, of a proposed offering to grant a request by a holder that Warrant Shares be included in the proposed offering on terms and conditions which are customary industry practice for such underwriter under the existing circumstance, provided that any Warrant Shares to be sold by holders pursuant to this Section 13(b), shall be sold or distributed in a manner identical to the manner in which the securities which are the subject of such Registration Statement are to be sold or distributed. Notwithstanding the foregoing, if any such managing underwriter shall advise the Company in writing that, in good faith and in its reasonable opinion, the distribution of Warrant Shares requested to be included in the Registration Statement concurrently with the securities being registered by the Company would adversely affect the distribution of such securities by such underwriters, the Company shall give notice of such determination to the holders requesting registration, and the number of Warrant Shares proposed to be offered by the holders and any other persons other than the Company shall be reduced pro rata (as specified by the Company in such notice) to aggregate a quantity of Warrant Shares (so specified) which said managing underwriter shall not consider excessive.

(4)The rights of holders to have their Warrant Shares be included in any Registration Statement pursuant to the provisions of Section 13(b) of this Warrant Certificate, shall be subject to the condition that the holders requesting registration shall furnish to the Company in writing such information and documents as may be reasonably required to properly prepare and file such Registration Statement in accordance with applicable provisions of the Act.

(5)The Company shall bear the entire cost and expense of any registration of securities initiated by it notwithstanding that Warrant Shares may be included in any such registration. Any holder whose Warrant Shares are included in any such registration statement pursuant to this Section 13(b) shall, however, bear the fees of his own counsel and any registration fees, transfer taxes or underwriting discounts or commissions applicable to the Warrant Shares sold by him pursuant thereto.

(c) Indemnification. (i) The Company shall indemnify and hold harmless each such holder and each underwriter, within the meaning of the Act, who may purchase from or sell for any such holder any Warrant Shares (collectively, "Indemnified Persons") from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or any registration statement under the Act or any prospectus included therein required to be filed or furnished by reason of this Section 13 or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished or required to be furnished in writing to the Company by such holder or underwriter expressly for use therein, which indemnification shall include each person, if any, who controls any such underwriter within the meaning of such Act; provided, however, that the Company shall not be obliged so to indemnify any such holder, underwriter or controlling person unless such holder, underwriter or controlling person shall at the same time indemnify the Company, its directors, each officer signing the related registration statement and each person, if any, who controls the Company within the meaning of such Act, from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or any prospectus required to be filed or furnished by reason of this Section 13 or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, insofar as such losses, claims, damages or liabilities are caused by any untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished or required to be furnished in writing to the Company by any such holder, underwriter or controlling person expressly for use therein.

(ii) The holders registering Warrant Shares pursuant to this Warrant Certificate shall indemnify and hold harmless the Company, its directors and officers, and each person, if any who controls the Company within the meaning of either Section 15 of

the Act or Section 20 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), to the same extent as the indemnity from the Company to each Indemnified Person set forth in paragraph (i) of this Subsection (c), but only with respect to information relating to such Indemnified Person furnished in writing by such Indemnified Person to the Company expressly for use in the Registration Statement or related Prospectus (preliminary or final), or any amendment or supplement thereto. In case any action or proceeding shall be brought against the Company or its directors or officers or any such controlling person, in respect of which indemnity may be sought against a holder, each shall have the rights and duties given to the Company and the Company or its directors or its officers or its controlling persons each shall have the rights and duties given to a holder by Subsection (c).

(iii) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 13(c) is due in accordance with its terms but is, for any reason, held by a court to be unavailable, the Company and the holders shall contribute to the aggregate losses, claims, damages and liabilities (including reasonable legal or other expenses incurred in connection with investigation or defending of same) to which the Company and the holders may be subject based on their comparative fault; provided, however, that no holder shall have any liability hereunder in excess of the gross proceeds realized by such holder from the sale by it of the Warrant Shares to which the third party claim relates; provided, further, however, that no person who has committed an intentional misrepresentation shall be entitled to contribution from any person who has not committed an intentional misrepresentation. For the purposes of this paragraph (iii) any person controlling, controlled by or under common control with the holders, or any partner, director, officer, employee, representative or agent of any thereof, shall have the same rights to contribution as the holders, and each person who controls the Company within the meaning of Section 15 of the Act or

Section 20 of the Exchange Act, each officer and each director of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against the other party under this paragraph (iii), notify such party from whom contribution may be

sought, but the omission to so notify such party shall not relieve the party from which contribution may be sought from any obligation it or they may have hereunder or otherwise.

The Company's agreements with respect to Warrant Shares in this Section 13 shall continue in effect regardless of the exercise and surrender of this Warrant.

14. Governing Law. This Warrant Certificate shall be governed by, enforced and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed by its officers thereunto duly authorized and its corporate seal to be affixed herein.

DEL GLOBAL TECHNOLOGIES CORP.

By: /S/ Leonard A. Trugman

Name: Leonard A. Trugman

Title: Chairman, CEO and President

[SEAL]

Dated: May 1, 1998

Attest:

/S/ Michael Taber

Michael Taber, Secretary

EXERCISE FORM

Dated: _____, 199_

The undersigned hereby irrevocably elects to exercise the right to purchase _____ shares of Common Stock covered by this Warrant according to the conditions hereof and herewith makes payment of the Exercise Price for such shares in full.

Signature [Print Name]

(STREET ADDRESS)

(CITY) (STATE) (ZIP CODE)

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____

hereby sells, assigns and transfers unto Name _____

(Please typewrite or print in bold letters)

Address _____ the right to purchase Common Stock represented by this
Warrant to the extent of _____ shares as to which such right is exercisable and does hereby irrevocably constitute and appoint
_____ Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date _____, **199**__

Signature _____

[PRINT NAME]

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS THEY ARE REGISTERED UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

500 Warrants

Void after 5:00 p.m. New York time on May 1, 1998

WARRANT TO PURCHASE COMMON STOCK

OF

DEL GLOBAL TECHNOLOGIES CORP.

This warrant certificate ("Warrant Certificate") certifies that for value received, Jonathan Gordon, 41 Wychwood Road, Livingston, NJ 07039, SS# 155-62- 1804 is the owner of the number of warrants ("Warrants") specified above, each of which entitles the holder thereof to purchase, at any time on or before the Expiration Date, as hereinafter defined, one fully paid and non-assessable share ("Share") of common stock, par value \$.10 per share ("Common Stock"), of Del Global Technologies Corp. (the "Company"), a New York corporation, at a purchase price of ELEVEN DOLLARS (\$11.00) per share in lawful money of the United States of America in cash or by check or a combination of cash and check, subject to adjustment as hereinafter provided.

1. Warrant; Exercise Price; Payout Amount.

1.1. Each Warrant shall entitle the Warrant Holder the right to purchase one Share of Common Stock of the Company (individually, a "Warrant Share"; severally, the "Warrant Shares").

1.2. The purchase price payable upon exercise of each Warrant ("Exercise Price") shall be ELEVEN DOLLARS (\$11.00), subject to adjustment as hereinafter provided. The Exercise Price and number of Warrants evidenced by each Warrant Certificate are subject to adjustment as provided in Section 7 hereof.

2. Exercise of Warrant; Expiration Date.

2.1. This Warrant Certificate is exercisable, in whole or from time to time in part, at the option of the Warrant Holder, at any time after the date of issuance and on or before the Expiration Date, upon surrender of this Warrant Certificate to the Company together with a duly completed exercise form and payment of the Exercise Price. In the case of exercise of less than all the Warrants represented by this Warrant Certificate, the Company shall cancel the Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate for the balance of such Warrants.

2.2. The term "Expiration Date" shall mean 5:00 p.m. New York time on May 1, 2001, or if such date shall in the State of New York be a holiday or a day on which banks are authorized to close, then 5:00 p.m. New York time the next following day which in the State of New York is not a holiday or a day on which banks are authorized to close, or in the event of any merger, consolidation, or sale of all or substantially all the assets of the Company as an entirety resulting in any distribution to the Company's stockholders prior to the Expiration Date, the Warrant Holder shall have the right to exercise this Warrant commencing at such time through the Expiration Date into the kind and amount of shares of stock and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock into which this Warrant might have been exercisable immediately prior thereto.

3. Registration and Transfer on Company Books.

3.1. The Company shall maintain books and records for the registration and transfer of Warrant Certificates.

3.2. Prior to due presentment for registration of transfer of this Warrant Certificate, the Company may deem and treat the registered holder as the absolute owner thereof.

3.3. The Company shall register upon its books any transfer of a Warrant Certificate upon surrender of same to the Company accompanied by a written instrument of transfer duly executed by the registered holder. Upon any such registration of transfer, new Warrant Certificate(s) shall be issued to the transferee(s) and the surrendered Warrant Certificate shall be canceled by the Company. A Warrant Certificate may also be exchanged, at the option of the holder, for new Warrant Certificates representing in the aggregate the number of Warrants evidenced by the Warrant Certificate surrendered.

4. Reservation of Shares. The Company covenants that it will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon exercise of the Warrants, such number of shares of Common Stock as shall then be issuable upon the exercise of all outstanding Warrants. The Company covenants that all shares of Common Stock which shall be issuable upon exercise of the Warrants shall be duly and validly issued and fully paid and non-assessable and free from all taxes, liens and charges with respect to the issuance thereof, and that upon issuance such shares shall be listed on each national securities exchange, if any, on which the other shares of outstanding Common Stock of the Company are then listed.

5. Exchange, Transfer, Assignment, Loss or Mutilation of Warrant Certificate. This Warrant Certificate is exchangeable, without expense, at the option of the Warrant Holder, upon presentation and surrender hereof to the Company or at the office of its stock transfer agent, if any, for other Warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. This Warrant Certificate may be transferred or assigned by the Warrant Holder upon surrender of this Warrant Certificate to the Company at its principal office or at the office of its transfer agent, if any, with the Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax. Upon such surrender the Company shall, without charge, execute and deliver a new Warrant Certificate in the name of the assignee named in such instrument of assignment and this Warrant Certificate shall be promptly canceled. This Warrant may be divided or combined with other warrants which carry the same rights upon presentation hereof at the principal office of the Company or at the office of its stock transfer agent, if any, together with a written notice specifying the names and denominations in which new Warrants are to be issued and signed by the Warrant Holder hereof. The term "Warrant Certificate" as used herein includes any Warrant Certificates into which this Warrant Certificate may be divided or exchanged. Upon receipt by the Company of reasonable evidence of the ownership of and the loss, theft, destruction or mutilation of this Warrant Certificate and, in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Company, or, in the case of mutilation, upon surrender and cancellation of the mutilated Warrant Certificate, the Company shall execute and deliver in lieu thereof a new Warrant Certificate of like tenor and date representing an equal number of Warrants.

6. Rights of the Holder. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a stockholder in the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in the Warrant Certificate and are not enforceable against the Company except to the extent set forth herein.

7. Adjustment of Exercise Price and Number of Shares Deliverable. The Exercise Price and the number of shares of Common Stock purchasable pursuant to each Warrant shall be subject to adjustment from time to time as hereinafter set forth in this Section 7:

(a) In case the Company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock,
(ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or
(iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to Subsection (a) above, the number of Shares purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of Shares initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

(c) Notwithstanding the provisions of Subsections (a) and (b) of this Section 7, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least five cents (\$0.05) in such price; provided, however, that any adjustments which by reason of this Subsection (c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this Section 7 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. Anything in this Section 7 to the contrary notwithstanding, the Company shall be entitled, but shall not be required, to make such changes in the Exercise Price, in addition to those required by this Section 7, as it shall determine, in its sole

discretion, to be advisable in order that any dividend or distribution in shares of Common Stock, or any subdivision, reclassification or combination of Common Stock hereafter made by the Company, shall not result in any Federal income tax liability to the holders of Common Stock or securities convertible into Common Stock (including Warrants).

(d) Whenever the Exercise Price is adjusted as herein provided, the Company shall promptly cause a notice setting forth the adjusted Exercise Price and adjusted number of Shares issuable upon exercise of each Warrant, and if requested by the Warrant Holder, information describing the transactions giving rise to such adjustments, to be mailed to the Warrant Holders at their last addresses appearing in the books and records of the Company, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Company may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Company) to make any computation required by this Section 7, and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.

(e) In the event that at any time, as a result of an adjustment made pursuant to Subsection (a) above, the Warrant Holder of this Warrant thereafter shall become entitled to receive any shares of the Company, other than Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in Subsections (a) to (c), inclusive above.

(f) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon exercise of this Warrant, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the similar Warrants initially issuable pursuant to this Warrant Certificate.

8. Fractional Shares. No certificate for fractional Shares shall be issued upon the exercise of the Warrants. With respect to any fraction of a Share called for upon any exercise hereof, the Company shall pay to the Warrant Holder an

amount in cash equal to such fraction calculated to the nearest cent multiplied by the current market value of a Share, determined as follows:

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the NASDAQ system, the current market value of a Share shall be the last reported sale price per Share of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing bid and asked prices per Share for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges, the current market value of a Share shall be the mean of the last reported bid and asked prices per Share reported by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value of a Share shall be an amount, not less than book value thereof, as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

9. Officer's Certificate. Whenever the Exercise Price shall be adjusted as required by the provisions of Section 7 hereof, the Company shall forthwith file in the custody of its Secretary or Assistant Secretary at its principal office and with its stock transfer agent, if any, an officer's certificate showing the adjusted Exercise Price as herein provided setting forth in reasonable detail the facts requiring such adjustment, including a statement of the number of additional shares of Common Stock, if any, and such other facts as shall be necessary to show the reason for and the manner of computing such adjustment. Each such officer's certificate shall be made available at all reasonable times for inspection by the holder or any holder of a Warrant executed and delivered pursuant to Section 2, and the Company shall, forthwith after each such adjustment, mail a copy by certified mail of such certificate to the Warrant Holder or any such holder.

10. Notices to Warrant Holders. So long as this Warrant shall be outstanding, (i) if the Company shall pay any dividend or make any distribution upon

the Common Stock; or (ii) if the Company shall offer to the holders of Common Stock for subscription or purchase by them any shares of any class or any other rights; or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be mailed by certified mail to the Warrant Holder, at least fifteen days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any, which is to be fixed, as of which the holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

11. **Reclassification, Reorganization or Merger.** In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety, the Company shall, as a condition precedent to such transaction, cause effective provisions to be made so that the Warrant Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to purchase the kind and amount of shares of stock and other securities and property receivable upon such reclassification, capital reorganization and other change, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 11 shall similarly apply to successive reclassifications, capital reorganizations and changes of shares of Common Stock and to successive consolidations, mergers, sales or conveyances. In the event that in connection with any such capital reorganization or reclassification, consolidation, merger, sale or conveyance, additional shares of Common Stock shall be issued in exchange, conversion, substitution or payment, in whole or in part, for a security of the

Company other than Common Stock, any such issue shall be treated as an issue of Common Stock covered by the provisions of Subsection (a) of Section 7 hereof.

12. Voluntary Adjustment by the Company. The Company may, at its option, at any time prior to the Expiration Date, reduce the then current Exercise Price to any amount deemed appropriate by the Board of Directors of the Company and/or extend the date of the expiration of the Warrants.

13. Registration Under the Securities Act of 1933.

The Warrant Holder shall be entitled to the following registration rights;

(a) Demand Rights. The Company covenants and agrees that, during the two (2) year period commencing on the exercise of this warrant, within forty-five (45) days after the receipt of a written request from the Warrant holder, or a majority of holders if there is more than one holder, that he desires and intends to transfer all or a portion of his Shares under such circumstances that a public offering, within the meaning of the Securities Act of 1933, as amended (the "Act"), will be involved, the Company shall file with the Securities and Exchange Commission (the "Commission") with all deliberate speed a Registration Statement on Form S-3 (or any shortform successor thereto), or if not eligible for the use of Form S-3, any other Form, covering all such securities and use its best efforts to cause such Registration Statement with respect to such securities to become effective under the Act. The Company shall pay all costs of preparing and filing such Registration Statement. The Company shall not be required to comply with more than one request for registration pursuant to this Section 13(a). The Company need not comply with any request for registration pursuant to this Section 13(a) if at such time the Company would be required to use, in connection with the filing of the Registration Statement, pursuant to the requirements of the Act and the rules and regulations of the Commission thereunder, audited financial statements as of a date other than the end of a fiscal year of the Company. If the Company includes Shares to be sold by it in any registration requested pursuant to this Section 13(a), such registration shall be deemed to have been a registration under Section 13 (b).

(b) Piggyback Rights. If at any time after the date hereof, the Company shall propose to file a registration statement ("Registration Statement") under the Act (other than a reorganization or an offering pursuant to a stock option or other employee benefit plan or an offering on Form S-4 or S-5 (or any successor forms thereto) relating to an acquisition of another corporation), then, during the two(2) year period commencing on the date hereof, and subject to Subsection (3) of this Section 13(b), the Company shall in each case deliver written notice thereof to the Holder of this Warrant or of the Warrant Shares and/or any then holder of Warrants or Warrant Shares (such persons being collectively referred to herein as "holders") at least 15 days before the anticipated filing date. Such notice shall offer to each holder the option to include Warrant Shares in such Registration Statement, subject to the conditions set forth in this Section 13(b); provided, however, that the Company shall be under no obligation to register Warrant Shares of any holder if in the opinion of counsel to such holder no registration under the Act is required with respect to a public disposition of such Warrant Shares.

(1)Should a holder desire to have any Warrant Shares registered under this Section 13(b), such holder shall so advise in writing no later than 15 days after the date of receipt by the holder of the Company's written notice, setting forth the number of such Warrant Shares for which registration is requested. Subject to Subsection (3) of this Section 13(b), the Company shall thereupon include in such Registration Statement such Warrant Shares.

(2)Neither the giving of notice by the Company nor any request by any holders to register Warrant Shares pursuant to this Section 13(b) shall in any way obligate the Company to file any such Registration Statement, and notwithstanding the filing of such Registration Statement, the Company may, at any time prior to the effective date thereof, determine not to offer the securities to which such registration relates and/or withdraw the Registration Statement from the Commission, without liability of the Company to any holders.

(3)If the securities covered by such Registration Statement are to be sold by underwriters in an underwritten public offering (including, without limitation, a so-called "best efforts"

undertaking by an underwriter), the Company shall use its best efforts to cause the managing underwriter, if any, of a proposed offering to grant a request by a holder that Warrant Shares be included in the proposed offering on terms and conditions which are customary industry practice for such underwriter under the existing circumstance, provided that any Warrant Shares to be sold by holders pursuant to this Section 13(b), shall be sold or distributed in a manner identical to the manner in which the securities which are the subject of such Registration Statement are to be sold or distributed. Notwithstanding the foregoing, if any such managing underwriter shall advise the Company in writing that, in good faith and in its reasonable opinion, the distribution of Warrant Shares requested to be included in the Registration Statement concurrently with the securities being registered by the Company would adversely affect the distribution of such securities by such underwriters, the Company shall give notice of such determination to the holders requesting registration, and the number of Warrant Shares proposed to be offered by the holders and any other persons other than the Company shall be reduced pro rata (as specified by the Company in such notice) to aggregate a quantity of Warrant Shares (so specified) which said managing underwriter shall not consider excessive.

(4)The rights of holders to have their Warrant Shares be included in any Registration Statement pursuant to the provisions of Section 13(b) of this Warrant Certificate, shall be subject to the condition that the holders requesting registration shall furnish to the Company in writing such information and documents as may be reasonably required to properly prepare and file such Registration Statement in accordance with applicable provisions of the Act.

(5)The Company shall bear the entire cost and expense of any registration of securities initiated by it notwithstanding that Warrant Shares may be included in any such registration. Any holder whose Warrant Shares are included in any such registration statement pursuant to this Section 13(b) shall, however, bear the fees of his own counsel and any registration fees, transfer taxes or underwriting discounts or commissions applicable to the Warrant Shares sold by him pursuant thereto.

(c) Indemnification. (i) The Company shall indemnify and hold harmless each such holder and each underwriter, within the meaning of the Act, who may purchase from or sell for any such holder any Warrant Shares (collectively, "Indemnified Persons") from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post-effective amendment thereto or any registration statement under the Act or any prospectus included therein required to be filed or furnished by reason of this Section 13 or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished or required to be furnished in writing to the Company by such holder or underwriter expressly for use therein, which indemnification shall include each person, if any, who controls any such underwriter within the meaning of such Act; provided, however, that the Company shall not be obliged so to indemnify any such holder, underwriter or controlling person unless such holder, underwriter or controlling person shall at the same time indemnify the Company, its directors, each officer signing the related registration statement and each person, if any, who controls the Company within the meaning of such Act, from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or any prospectus required to be filed or furnished by reason of this Section 13 or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, insofar as such losses, claims, damages or liabilities are caused by any untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished or required to be furnished in writing to the Company by any such holder, underwriter or controlling person expressly for use therein.

(ii) The holders registering Warrant Shares pursuant to this Warrant Certificate shall indemnify and hold harmless the Company, its directors and officers, and each person, if any who controls the Company within the meaning of either Section 15 of

the Act or Section 20 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), to the same extent as the indemnity from the Company to each Indemnified Person set forth in paragraph (i) of this Subsection (c), but only with respect to information relating to such Indemnified Person furnished in writing by such Indemnified Person to the Company expressly for use in the Registration Statement or related Prospectus (preliminary or final), or any amendment or supplement thereto. In case any action or proceeding shall be brought against the Company or its directors or officers or any such controlling person, in respect of which indemnity may be sought against a holder, each shall have the rights and duties given to the Company and the Company or its directors or its officers or its controlling persons each shall have the rights and duties given to a holder by Subsection (c).

(iii) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 13(c) is due in accordance with its terms but is, for any reason, held by a court to be unavailable, the Company and the holders shall contribute to the aggregate losses, claims, damages and liabilities (including reasonable legal or other expenses incurred in connection with investigation or defending of same) to which the Company and the holders may be subject based on their comparative fault; provided, however, that no holder shall have any liability hereunder in excess of the gross proceeds realized by such holder from the sale by it of the Warrant Shares to which the third party claim relates; provided, further, however, that no person who has committed an intentional misrepresentation shall be entitled to contribution from any person who has not committed an intentional misrepresentation. For the purposes of this paragraph (iii) any person controlling, controlled by or under common control with the holders, or any partner, director, officer, employee, representative or agent of any thereof, shall have the same rights to contribution as the holders, and each person who controls the Company within the meaning of Section 15 of the Act or

Section 20 of the Exchange Act, each officer and each director of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against the other party under this paragraph (iii), notify such party from whom contribution may be

sought, but the omission to so notify such party shall not relieve the party from which contribution may be sought from any obligation it or they may have hereunder or otherwise.

The Company's agreements with respect to Warrant Shares in this Section 13 shall continue in effect regardless of the exercise and surrender of this Warrant.

14. Governing Law. This Warrant Certificate shall be governed by, enforced and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed by its officers thereunto duly authorized and its corporate seal to be affixed herein.

DEL GLOBAL TECHNOLOGIES CORP.

By: /S/Leonard A. Trugman

Name: Leonard A. Trugman

Title: Chairman, CEO and President

[SEAL]

Dated: May 1, 1998

Attest:

/S/Michael Taber

Michael Taber, Secretary

EXERCISE FORM

Dated: _____, 199_

The undersigned hereby irrevocably elects to exercise the right to purchase _____ shares of Common Stock covered by this Warrant according to the conditions hereof and herewith makes payment of the Exercise Price for such shares in full.

Signature [Print Name]

(STREET ADDRESS)

(CITY) (STATE) (ZIP CODE)

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____

hereby sells, assigns and transfers unto Name _____

(Please typewrite or print in bold letters)

Address _____ the right to purchase Common Stock represented by this
Warrant to the extent of _____ shares as to which such right is exercisable and does hereby irrevocably constitute and appoint
_____ Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date _____, **199**__

Signature _____

[PRINT NAME]

**AMENDMENT NO. 3 TO AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT**

Amendment No. 3 dated as of April 29, 1998 to the Amended and Restated Executive Employment Agreement dated as of August 1, 1992, as amended (the "Amended Agreement") by and between Del Global Technologies Corp. (formerly known as Del Electronics Corp.) (the "Corporation") and Leonard A. Trugman ("Executive"). Capitalized terms utilized herein and not defined herein shall have the respective meanings ascribed to them in the Amended Agreement.

WHEREAS, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto have agreed to extend the term of the Amended Agreement until July 31, 2005 and to amend certain other terms and provisions of the Amended Agreement.

NOW THEREFORE, the parties hereto mutually agree as follows:

Section 1. Section 3 of the Amended Agreement is hereby amended by deleting therefrom the date "July 31, 2000" and substituting therefor the date "July 31, 2005".

Section 2. Section 4.1 of the Amended Agreement is hereby amended by deleting therefrom the phrase "through and until the fiscal year 8/1/99 through 7/31/00," in clause (iv) thereof and substituting therefor the phrase "through and until the fiscal year 8/1/04 through 7/31/05,".

Section 3. Section 8.1 of the Amended Agreement is hereby amended by deleting the second sentence thereof and inserting in lieu thereof the following:

"As used herein, the term "Consulting Rate" shall mean the following: (i) for the fiscal year 8/1/05 through 7/31/06, the Consulting Rate shall be a rate equal to the Base Salary in effect for the preceding 8/1/04 through 7/31/05 fiscal year (the "Last Base Salary"), and (ii) for each fiscal year thereafter, the Consulting Rate shall be determined by multiplying the Last Base Salary by the Applicable Percentage set forth in the schedule below as follows:

Fiscal Year -----	Applicable Percentage -----
8/1/06 - 7/31/07	92%
8/1/07 - 7/31/08	83%
8/1/08 - 7/31/09	72%
8/1/09 - 7/31/10	61%

Section 4. In all other respects the Amended Agreement remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 to the Amended Agreement as of the date set forth above.

DEL GLOBAL TECHNOLOGIES CORP.

By: /S/Michael Taber

*Michael Taber, Vice President-Finance
and Chief Accounting Officer*

/S/Leonard A. Trugman

Leonard A. Trugman

THIRD AMENDMENT
to
AMENDED AND RESTATED CREDIT AGREEMENT

THIRD AMENDMENT (the "Amendment"), dated as of July 31, 1998 (the "Third Amendment Date") to Amended and Restated Credit Agreement, dated as of March 5, 1996, made by The Chase Manhattan Bank, a New York banking corporation having an office at 106 Corporate Park Drive, White Plains, New York 10604 (the "Bank") and DEL GLOBAL TECHNOLOGIES CORP., a New York corporation having an office at One Commerce Park, Valhalla, New York 10595 ("Del"), RFI CORPORATION, a Delaware corporation having an office at 100 Pine Aire Drive, Bay Shore, New York 11706 ("RFI"), DYNARAD CORP., a New York corporation having an office at 19 Jefryn Boulevard, Deer Park, New York 11729 ("Dynarad"), BERTAN HIGH VOLTAGE CORP., a New York corporation having an office at 121 New South Road, Hicksville, New York 11801 ("Bertan High Voltage"), DEL MEDICAL SYSTEMS CORP., a New York corporation having an office at One Commerce Park, Valhalla, New York 10595 ("Del Medical"), and GENDEX-DEL MEDICAL IMAGING CORP., a Delaware corporation having an office at 11550 West King Street, Franklin Park, Illinois 60131 ("Gendex-DMI" and together with Del, RFI, Dynarad, Bertan High Voltage, and Del Medical hereinafter sometimes referred to collectively as the "Debtors"), and amended by that certain amendment dated as of August 2, 1996 and that certain amendment dated as of August 1, 1997.

W I T N E S S E T H

WHEREAS, the Debtors and the Bank entered into an Amended and Restated Credit Agreement dated as of March 5, 1996 and amended by that certain amendment dated as of August 2, 1996 and that certain amendment dated as of August 1, 1997, (as heretofore amended, the "Agreement") pursuant to the terms of which the Bank agreed to make certain financial accommodations available to the Debtors;

WHEREAS, all capitalized terms used in the Agreement and not otherwise defined herein shall have the meanings given to them in the Agreement;

WHEREAS, the Debtors and the Bank have agreed, among other things, to amend the formula pursuant to which Del may repurchase common stock of Del without the consent of the Bank;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the Debtors and the Bank hereby agree as follows:

A. Modification of Agreement

1. Section 1.1. Section 1.1 of the Agreement is hereby modified as of the Third Amendment Date by the addition of the following definitions in their proper alphabetical

positions:

Third Amendment shall mean the amendment to the Agreement dated as of July 31, 1998.

Third Amendment Date shall mean July 31, 1998.

2. Section 6.7. Section 6.7 of the Agreement is hereby deleted as of the Third Amendment Date and the following substituted therefor:

6.7 Investments. Own, purchase or acquire any stock, obligations, assets or securities of, or any interest in, or make any capital contribution or loan or advance to, any other person, or make any other investments with an aggregate fair market value exceeding \$1,000,000.00 (valued at the time of the acquisition thereof), except that the Debtors may (i) own, purchase or acquire certificates of deposit of the Bank or any FDIC-insured commercial bank registered to do business in any state of the United States having capital and surplus in excess of \$500,000,000; (ii) own, purchase or acquire obligations of the United States government or any agency thereof which are backed by the full faith and credit of the United States; (iii) own, purchase or acquire commercial paper of a domestic issuer rated at least A-1 by Standard and Poor's Corporation or P-1 by Moody's Investors Service, Inc.; (iv) purchase or acquire during any fiscal year of Del, shares of the common stock of Del with an aggregate fair market value (valued at the time of the acquisition thereof) of not more than 80% of its Net Income for the such fiscal year, and thereafter own all such shares so purchased or acquired, provided, however, that no default under Section 6.4, Section 6.8, Section 6.9 or Section 6.11 of this Agreement shall have occurred and be continuing at the time of such repurchase and after giving effect to such repurchase of shares, no default shall exist under Section 6.9 hereof; (v) own, purchase, or acquire stock, obligations and/or securities of any other person provided that such stock, obligations and/or securities are held by the Debtors in the deferred compensation account(s) which are maintained by Del for the benefit of Leonard A. Trugman; and (vi) make Acquisitions with the proceeds of Additional Term Loans provided, however, that the Bank shall have given its prior written approval of such Acquisitions to the extent that they exceed, in the aggregate, \$3,000,000 calculated from the First Amendment Date.

B. Condition of Effectiveness

The obligation of the Bank to enter into this Amendment to the Loan Agreement and to make or provide any financial accommodation to the Debtors pursuant to the terms of this Amendment is subject to the condition precedent that the Bank shall have received each of the following documents, in form and substance satisfactory to the Bank and its counsel, and each of the following requirements shall have been fulfilled:

1. This Amendment. The Debtors and the Bank shall each have executed and delivered this Amendment.
2. Evidence of Corporate Action by Company. The Bank shall have received a certificate of the Secretary or Assistant Secretary of each of the Debtors, dated the Third Amendment Date, in substantially the form of Exhibit 1 to this Amendment, attesting to all corporate action taken by such Debtor, including resolutions of its Board of Directors, authorizing the execution, delivery, and performance of this Amendment and each other document to be delivered pursuant to or in connection with this Amendment, and including a copy of all amendments to such Debtor's certificate of incorporation and by-laws which are subsequent to the Second Amendment Date, a current good standing certificate, and an incumbency and signature certificate.
3. Officer's Certificate. The following statements shall be true and the Bank shall have received a certificate, dated the Third Amendment Date, in substantially the form of Exhibit 2 to this Amendment, signed by a duly authorized officer of each of the Debtors stating that to the best of his knowledge:
 - a. The representations and warranties contained in Section 3 of the Agreement and in each of the other Credit Documents are correct on and as of the Third Amendment Date, as though made on and as of such dates; and
 - b. No default or Event of Default has occurred and is continuing, or would result from the execution and performance by the Debtors of this Amendment or the Agreement (as amended by this Amendment) or any of the other Credit Documents; and
 - c. There has been no material adverse change in the business, operations, assets or condition, financial or otherwise, of the Debtors since the date of the most recent financial statements provided to the Bank.
4. Opinion Letter. The Bank shall have received an opinion of counsel to the Debtors, substantially in the form of Exhibit 3 to this Amendment.
5. Costs and Expenses. The Debtors shall have paid, or reimbursed the Bank, for all costs, expenses and charges (including, without limitation, all expenses and reasonable fees of legal counsel for the Bank) incurred in connection with the negotiation, preparation, reproduction, execution and delivery of this Amendment and any other instruments and documents to be delivered hereunder.

C. Reference to and Effect on the Loan Documents

1. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other Credit Documents to the Agreement, shall mean and be a reference to the Agreement as amended

hereby.

2. Except as specifically amended above, the Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

3. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Bank under any of the Credit Documents, nor constitute a waiver of any provision of any of the Credit Documents.

D. Miscellaneous

1. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

2. Headings. Section headings in this Amendment are included herein for convenience of reference only and do not constitute a part of this Amendment for any other purpose.

3. Exhibits. Exhibits 1-3 shall constitute integral parts of this Amendment.

4. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Amendment by signing any such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

(Corporate Seal)

DEL GLOBAL TECHNOLOGIES CORP.

ATTEST:

By: /S/ Leonard A. Trugman

*-----
Leonard A. Trugman
Chairman of the Board, Chief Executive
Officer and President*

*/S/ Michael Taber

Michael Taber, Secretary*

(Corporate Seal)

RFI CORPORATION

ATTEST:

By: /S/ Leonard A. Trugman

Leonard A. Trugman
Chairman of the Board, Chief Executive
Officer and President

/S/ Michael Taber

Michael Taber, Secretary

(Corporate Seal)

DYNARAD CORP.

ATTEST:

By: /S/ Leonard A. Trugman

Leonard A. Trugman
Chairman of the Board, Chief Executive
Officer and President

/S/ Michael Taber

Michael Taber, Secretary

(Corporate Seal)

BERTAN HIGH VOLTAGE CORP.

ATTEST:

By: /S/ Leonard A. Trugman

Leonard A. Trugman
Chairman of the Board, Chief Executive
Officer and President

/S/ Michael Taber

Michael Taber, Secretary

(Corporate Seal)

DEL MEDICAL SYSTEMS CORP.

ATTEST:

By: /S/ Leonard A. Trugman

Leonard A. Trugman
Chairman of the Board, Chief Executive
Officer and President

/S/ Michael Taber

Michael Taber, Secretary

(Corporate Seal)

GENDEX-DEL MEDICAL IMAGING CORP.

ATTEST:

By: /S/ Leonard A. Trugman

Leonard A. Trugman
Chairman of the Board, Chief Executive
Officer and President

/S/ Michael Taber

Michael Taber, Secretary

THE CHASE MANHATTAN BANK

By: /S/Thomas R. Himmelright

Thomas R. Himmelright, Vice President

State of New York)
) ss.:
County of Westchester)

On the 23rd day of October in the year 1998, before me, the

undersigned, a Notary Public in and for the State of New York, personally appeared Leonard A. Trugman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Joanne Rizzuto
Notary Public, State of New York
No. 01RI5078399
Qualified in Westchester County
Commission Expires May 27, 1999

/S/Joanne Rizzuto

NOTARY PUBLIC

State of New York)
) ss.:
County of Westchester)

On the 23rd day of October in the year 1998, before me, the

undersigned, a Notary Public in and for the State of New York, personally appeared Thomas R. Himmelright, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Joanne Rizzuto
Notary Public, State of New York
No. 01RI5078399
Qualified in Westchester County
Commission Expires May 27, 1999

/S/Joanne Rizzuto

NOTARY PUBLIC

Exhibit 1 to Amendment

**SECRETARY'S CERTIFICATE
DEL GLOBAL TECHNOLOGIES CORP.**

The undersigned, Secretary of Del Global Technologies Corp., a New York corporation (the "Corporation"), delivers this certificate in connection with the Third Amendment to Amended and Restated Credit Agreement dated as of July 31, 1998 by and among The Chase Manhattan Bank (the "Bank") and the Corporation, RFI Corporation, Dynarad Corp., Bertan High Voltage Corp., Del Medical Systems Corp., and Gendex-Del Medical Imaging Corp. (the "Amendment"), and hereby certifies as follows:

1. The person listed below holds the office indicated and has been authorized by the Corporation to execute the Amendment on behalf of the Corporation and the documents to be delivered pursuant to the Amendment. The signature set forth opposite his name is his specimen signature and the Bank is entitled to rely upon such authorization and specimen signature until further notified by the Corporation:

<i>Name</i> ----	<i>Title</i> ----	<i>Signature</i> -----
<i>Leonard A. Trugman</i>	<i>President</i>	<i>/S/Leonard A. Trugman</i> -----

2. The copy of each resolution necessary for the Corporation to enter into the transactions contemplated by the Amendment, attached hereto as Exhibit A, is true, complete and correct and has not been amended since the date of its adoption;

3. Since the Second Amendment Date, there have been no amendments to the certificate of incorporation of the Corporation;

4. Since the Second Amendment Date, there have been no amendments to the by-laws of the Corporation; and

5. Attached hereto as Exhibit B is the Certificate of Good Standing of the Corporation, dated no earlier than thirty (30) days prior to the date hereof, from the State of New York certifying that the Corporation is in good standing.

IN WITNESS WHEREOF, I hereby set my hand hereto this day of October 1998.

/S/Michael Taber

Michael Taber, Secretary

I, Leonard A. Trugman, President of DEL GLOBAL TECHNOLOGIES CORP., a New York corporation, do hereby certify that:

The person listed below holds the office indicated and that the signature set forth opposite his name is his specimen signature:

<i>Name</i> ----	<i>Title</i> ----	<i>Signature</i> -----
<i>Michael Taber</i>	<i>Secretary</i>	<i>/S/Michael Taber</i> -----
<i>Dated October 23, 1998</i> -----		<i>/S/Leonard A. Trugman</i> ----- <i>Leonard A. Trugman</i>

The foregoing to serve as format for certificates for each of the other Debtors

Exhibit A to Secretary's Certificate Joint Action by Unanimous Written Consent of the Board of Directors of each of
**DEL GLOBAL TECHNOLOGIES CORP., RFI CORPORATION, DYNARAD CORP., BERTAN HIGH VOLTAGE CORP., DEL
MEDICAL SYSTEMS CORP.,**

and GENDEX-DEL MEDICAL IMAGING CORP.

The undersigned, being all of the members of the Board of Directors of
(i) Del Global Technologies Corp., a New York corporation ("Del"), (ii) RFI Corporation, a Delaware corporation ("RFI"), (iii) Dynarad Corp., a New York corporation ("Dynarad"), (iv) Bertan High Voltage Corp., a New York corporation ("Bertan"), (v) Del Medical Systems Corp., a New York corporation ("Del Medical"), and Gendex-Del Medical Imaging Corp., a Delaware corporation ("Gendex", and collectively with Del, RFI, Dynarad, Bertan, and Del Medical, the "Corporations") pursuant to Section 708 of the Business Corporation Law of the State of New York, and pursuant to Section 228 of the Delaware General Corporation Law of the State of Delaware with respect to RFI and Gendex, do hereby take the following action and adopt the following Resolutions and direct that this Consent be filed with the minutes of each Corporation:

RESOLVED, that each of the Corporations is hereby authorized to amend the Amended and Restated Credit Agreement, dated as of March 5, 1996 and amended as of August 2, 1996 and as of August 1, 1997 (the "Credit Agreement"), by and among the Corporations and The Chase Manhattan Bank ("Chase") in order to modify the formula pursuant to which Del may repurchase common stock of Del without the consent of Chase; and further

RESOLVED, that each of the Corporations is hereby authorized to enter into, and the Chief Executive Officer, President or Executive Vice President of each of the Corporations is hereby authorized and directed to execute and deliver on behalf of each of the Corporations, the Third Amendment to the Credit Agreement (the "Amendment") with Chase, in the form to be reviewed by the Chief Executive Officer, President or the Executive Vice President of each Corporation in consultation with counsel and in such final form containing such amendments, additions, deletions, modifications and other changes as he, in his sole discretion, shall approve (such approval to be conclusively evidenced by the execution and delivery thereof by the Chief Executive Officer, President or Executive Vice President); and further

RESOLVED, that the Chief Executive Officer, President, or Executive Vice President and Secretary of each of the Corporations are each hereby authorized and directed to execute and deliver on behalf of each of the Corporations such other agreements, documents and instruments in such form as shall be approved by the Chairman of the Board, Chief Executive Officer, President or Executive Vice President, in his sole discretion (such approval to be conclusively evidenced by the execution and delivery thereof by such Chairman of the Board, Chief Executive Officer, President or Executive Vice President), and to perform all acts and to take all other action required or permitted to be taken by each of the Corporations pursuant to or in furtherance of the Amendment, and the other instruments referred to therein.

IN WITNESS WHEREOF, the undersigned have executed this Consent this 23rd day of October 1998.

For DEL GLOBAL TECHNOLOGIES CORP.:

/S/Leonard A. Trugman

Leonard A. Trugman

/S/Natan V. Bertman

Natan V. Bertman

/S/David Michael

David Michael

/S/Seymour Rubin

Seymour Rubin

/S/James M. Tiernan

James M. Tiernan

For RFI CORPORATION:

/S/Leonard A. Trugman

Leonard A. Trugman

/S/Seymour Rubin

Seymour Rubin

/S/David Engel

David Engel

For DYNARAD CORP.:

/S/Leonard A. Trugman

Leonard A. Trugman
/S/David Engel

David Engel
/S/Seymour Rubin

Seymour Rubin

For BERTAN HIGH VOLTAGE CORP.:

/S/Leonard A. Trugman

Leonard A. Trugman
/S/David Engel

David Engel
/S/Seymour Rubin

Seymour Rubin

For DEL MEDICAL SYSTEMS CORP.:

/S/Leonard A. Trugman

Leonard A. Trugman
/S/David Engel

David Engel
/S/Seymour Rubin

Seymour Rubin

For GENDEX-DEL MEDICAL IMAGING CORP.:

/S/Leonard A. Trugman

Leonard A. Trugman
/S/David Engel

David Engel
/S/John Mankowich

John Mankowich

Exhibit 2 to Amendment

OFFICER'S CERTIFICATE

This certificate is given in connection with the Third Amendment to Amended and Restated Credit Agreement (the "Amendment") dated as of July 31, 1998 by and among Del Global Technologies Corp. (the "Company"), RFI Corporation ("RFI"), Dynarad Corp. ("Dynarad"), Bertan High Voltage Corp. ("Bertan"), Del Medical Systems Corp. ("Del Medical"), Gendex-Del Medical Imaging Corp. ("Gendex" and together with the Company, RFI, Dynarad, Bertan High Voltage, and Del Medical hereinafter referred to collectively as the "Debtors") and The Chase Manhattan Bank (successor by merger to the Chase Manhattan Bank, N.A.) (the "Bank"), amending the Amended and Restated Credit Agreement dated as of March 5, 1996 between the Debtors and the Bank and previously amended by that certain amendment dated as of August 2, 1996 and that certain amendment dated as of August 1, 1997 (as amended, the "Credit Agreement"; the terms defined in the Credit Agreement are used herein as in the Credit Agreement unless otherwise defined herein).

1. The representations and warranties contained in Section 3 of the Credit Agreement and in each of the other Credit Documents are correct on and as of the Third Amendment Date as though made on and as of such date; and
2. No default or Event of Default has occurred and is continuing, or would result from this execution and performance by the Company of the Amendment or the Credit Agreement (as amended by the Amendment) or any of the other Credit Documents; and
3. There has been no material adverse change in the business, operations, assets or condition, financial or otherwise, of the Company since the date of the most recent financial statements provided to the Bank.

/s/Leonard A. Trugman

Name: Leonard A. Trugman
Title: Chairman of the Board, Chief
Executive Officer and President

The foregoing to serve as format for certificates for each of the other Debtors

Exhibit 3 to Amendment

OPINION LETTER

(Letterhead of Tashlik, Kreutzer & Goldwyn P.C.)

Dated as of July 31, 1998

The Chase Manhattan Bank
106 Corporate Park Drive
White Plains, New York 10604

Re: Del Global Technologies Corp. ("Del"), RFI Corporation ("RFI"), Dynarad Corp. ("Dynarad"), Bertan High Voltage Corp. ("Bertan high Voltage"), Del Medical Systems Corp., ("Del Medical") and Gendex-Del Medical Imaging Corp. ("Gendex") and, collectively with Del, RFI, Dynarad, Bertan High Voltage and Gendex, sometimes referred to as the "Borrowers") with The Chase Manhattan Bank (the "Bank")

Gentlemen:

We have acted as counsel to the Borrowers and have been requested by the Bank to render our opinion with respect to the authorization and execution of the Third Amendment to Amended and Restated Credit Agreement, dated of even date herewith, among each of the Borrowers and the Bank (the "Amendment");

Terms used herein and not otherwise defined herein shall have the meanings ascribed to those terms in the Amended and Restated Credit Agreement, dated as of March 5, 1996, by and among the Borrowers, as amended by the First Amendment to Amended and Restated Credit Agreement dated as of August 2, 1996, by and among the Borrowers and the Bank, the Second Amendment to Amended and Restated Credit Agreement dated as of August 1, 1997, by and among the Borrowers and the Bank, the Third Amendment to Amended and restated Credit Agreement dated as of July 31, 1998, by and among the Borrowers and the Bank.

We advise you that we have examined and relied upon originals or copies certified to our satisfaction of the Certificate of Incorporation and By-Laws of each of the Borrowers; minutes of meetings of the Board of Directors of each of the Borrowers; the Loan Documents; and such other corporate records, documents, instruments and certificates of, and communications from, officers and representatives of each of the Borrowers and certain public officials concerning the incorporation and good standing of each of the Borrowers and such other investigations and examinations as we have deemed necessary or appropriate as the basis for the opinions hereinafter expressed. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted to us as certified or photostatic copies. We have not, except as specifically noted in this opinion, made any independent review or investigation as to factual matters as a basis for the opinions hereinafter expressed. Where we render an opinion "to the best of our knowledge" or concerning an item "known to us" or our opinion otherwise refers to our knowledge, it is based solely upon (i) an inquiry of attorneys within this firm who perform legal services for the Borrowers, (ii) receipt of a certificate executed by an officer of one or more of the Borrowers covering such matters, and (iii) such other investigation, if any, that we specifically set forth herein.

Based solely on the foregoing and subject to the accuracy of our assumptions and the statements upon which we have relied and to the limited scope and extent of our investigation, it is our opinion that:

1. Del is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.
2. RFI is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.
3. Dynarad is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.
4. Bertan High Voltage is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.
5. Del Medical is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.
6. Gendex is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.
7. Each of the Loan Documents, as and to the extent modified by the Third Amendment, constitutes a valid and binding obligation of Del, Dynarad, Bertan High Voltage, Del Medical, Gendex and/or RFI, as the case may be, each enforceable in accordance with its terms. There is no provision in the Certificate of Incorporation or By-Laws of any of the Borrowers or, to the best of our knowledge, in any agreement, court order or other legal arrangement to which any of the Borrowers is a party, which would impair the ability of any Borrower to fulfill its obligations under the Loan Documents or which would affect the validity or enforceability of such documents in accordance with their terms.

8. To the best of our knowledge, there are no judicial or administrative appeals, actions or proceedings pending, nor threatened, which would, if adversely decided, impair the ability of any Borrower to fulfill its obligations under the Loan Documents.

9. The execution, delivery and performance of the Third Amendment have been duly authorized by all requisite corporate action.

This opinion is subject to the effect of any and all bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization or other laws relating to or affecting the enforcement of creditors' rights generally and court decisions with respect thereto. Furthermore, no opinion is expressed with respect to the specific enforceability of any of the remedies, covenants or other provisions of the Loan Documents and the application of equitable principles in any proceeding, whether at law or in equity.

We are attorneys admitted to practice only in the State of New York and do not purport to be experts on the laws of other jurisdictions other than Federal law in effect on the date hereof and except to the extent that matters of Delaware corporate law are involved in the opinions set forth above. With respect to any matters concerning Delaware corporate law involved in the opinions set forth above, we draw your attention to the fact that we are not admitted to the Bar in the State of Delaware and are not experts in the law of such jurisdiction, and that any such opinions concerning Delaware corporate law are based upon our reasonable familiarity with the Delaware General Corporation Law as a result of our prior involvement in transactions involving such laws.

We draw your attention to the fact that certain members of this firm, own, directly or indirectly, shares of common stock and options to purchase shares of common stock of Del.

This opinion is being delivered to the Bank solely for its use in connection with the closing of the Loan Documents and may not be quoted, with or without reference to our firm, or relied upon, or delivered to any person without our prior written consent which may be withheld in our sole discretion. This opinion is specifically limited to matters as of the date hereof and we undertake no obligations to update it. We express no opinion on the possible effects of changes in factual or legal matters occurring hereinafter including, without limitation, the effects of the course of conduct or dealings hereinafter between the Bank and the Borrowers and any and all assignees and participants.

Very truly yours,

/S/ Tashlik, Kreutzer & Goldwyn PC
TASHLIK, KREUTZER & GOLDWYN PC

Exhibit 11

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER COMMON SHARE

FISCAL YEAR ENDED August 1, 1998

	Net Income	Shares	Per Share Amount
	-----	-----	-----
Basic Earnings Per Share:			
Income available to common shareholders	\$5,788,588	7,518,945	\$.77
	-----		=====
Effect of Dilutive Securities:			
Warrants		18,514	
Options		668,662	
	-----	-----	
Diluted Earnings Per Share	\$5,788,588	8,206,121	\$.71
	=====	=====	=====

Exhibit 21

SUBSIDIARIES OF DEL GLOBAL TECHNOLOGIES CORP.

RFI Corporation

Dynarad Corp.

Bertan High Voltage Corp.

Gendex-Del Medical Imaging Corp.

Del Medical Systems Corp.

Del Electronics Foreign Sales Corp.

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statements No. 33-61025, 333-09131, 333-37825 and 333-50759 on Form S-3, and in the Registration Statements No. 033-65439 and 333-09133 on Form S-8 of Del Global Technologies Corp. and subsidiaries, of our report dated October 16, 1998, appearing in this Annual Report on Form 10-K of Del Global Technologies Corp. and subsidiaries for the fiscal year ended August 1, 1998.

*/S/DELOITTE & TOUCHE LLP
DELOITTE & TOUCHE LLP*

*New York, New York
November 12, 1998*

ARTICLE 5

CIK: 0000027748

NAME: DEL GLOBAL TECHNOLOGIES CORP.

PERIOD TYPE	YEAR
FISCAL YEAR END	AUG 01 1998
PERIOD START	AUG 03 1997
PERIOD END	AUG 01 1998
CASH	3,401,697
SECURITIES	913,125
RECEIVABLES	14,548,268
ALLOWANCES	206,524
INVENTORY	29,195,262
CURRENT ASSETS	52,517,348
PP&E	19,229,901
DEPRECIATION	6,490,392
TOTAL ASSETS	72,356,627
CURRENT LIABILITIES	10,770,022
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	798,898
OTHER SE	58,656,906
TOTAL LIABILITY AND EQUITY	72,356,627
SALES	62,304,878
TOTAL REVENUES	62,304,878
CGS	36,908,317
TOTAL COSTS	36,908,317
OTHER EXPENSES	17,136,402
LOSS PROVISION	0
INTEREST EXPENSE	(167,926)
INCOME PRETAX	8,428,085
INCOME TAX	2,639,497
INCOME CONTINUING	5,788,588
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	5,788,588
EPS PRIMARY	.77
EPS DILUTED	.71

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