DGT HOLDINGS CORP.

FORM 10-Q
(Quarterly Report)

Filed 06/14/05 for the Period Ending 04/30/05

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-Q

[x] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended April 30, 2005

or

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

For the transition period from __________ to____________

Commission File 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)	(I.R.S. Employer Identification No.)

One Commerce Park, Valhalla, NY 10595
(Address of principal executive offices) (Zip Code)

914-686-3650
(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

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 whether the registrant is an accelerated filer (as defined in Rule 12b-25 of the Exchange Act) Yes / / No /X/

The number of shares of Registrant's common stock outstanding as of June 10, 2005 was 10,584,425.

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands except per share data)
(Unaudited)

	Three Months Ended Apr. 30, 2005	Three Months Ended May 1, 2004	Nine Months Ended Apr. 30, 2005	Nine Months Ended May 1, 2004
NET SALES	$18,892	$20,610	$64,259	$64,445
COST OF SALES	14,091	15,590	47,937	49,110
GROSS MARGIN	4,801	5,020	16,322	15,335
Selling, general and administrative	4,874	3,375	12,546	11,639
Research and development	446	413	1,268	1,144
Litigation settlement costs	-	-	300	3,199
Total operating expenses	5,320	3,788	14,114	15,982
OPERATING INCOME (LOSS)	(519)	1,232	2,208	(647)
Interest expense	(297)	(908)	(978)	(1,545)
Other income/(expense)	46	46	34	101
INCOME (LOSS) FROM CONTINUING				

OPERATIONS BEFORE INCOME TAX PROVISION AND MINORITY INTEREST	(770)	370	1,264	(2,091)
Income tax provision	248	940	1,557	8,479
LOSS FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	(1,018)	(570)	(293)	(10,570)
Minority interest	13	139	322	485
LOSS FROM CONTINUING OPERATIONS	(1,031)	(709)	(615)	(11,055)
Discontinued operations	-	420	199	(2,198)
NET LOSS	$(1,031)	$ (289)	$ (416)	$(13,253)
INCOME(LOSS)PER COMMON SHARE-BASIC				
Continuing operations	$(0.10)	$ (0.07)	$ (0.06)	$(1.07)
Discontinued operations	-	0.04	0.02	(0.21)
Net loss per basic share	$(0.10)	$ (0.03)	$ (0.04)	$(1.28)
INCOME (LOSS) PER COMMON SHARE-DILUTED				
Continuing operations	$(0.10)	$(0.07)	$ (0.06)	$(1.07)
Discontinued operations	-	0.04	0.02	(0.21)
Net loss per diluted share	$(0.10)	$(0.03)	$ (0.04)	$(1.28)
Weighted average number of common shares outstanding (in thousands):				
Basic	10,517	10,333	10,449	10,333
Diluted	10,517	10,333	10,449	10,333

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

ASSETS

	April 30, 2005	July 31, 2004
CURRENT ASSETS		
Cash and cash equivalents	$ 945	$ 4,755
Trade receivables (net of allowance for doubtful accounts of $1,027 and $888 at April 30, 2005 and July 31, 2004, respectively)	12,870	12,900
Inventory	14,598	15,122
Assets attributable to discontinued operations, at net realizable value	-	4,369
Prepaid expenses and other current assets	1,002	1,068
Total current assets	29,415	38,214

FIXED ASSETS - Net	6,604	6,907
DEFERRED INCOME TAX ASSET-NON CURRENT	1,302	1,102
GOODWILL	1,911	1,911
INTANGIBLES - Net	54	103
OTHER ASSETS	994	1,024
TOTAL ASSETS	$40,280	$49,261

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	April 30, 2005	July 31, 2004
CURRENT LIABILITIES		
Short-term credit facilities	$ 3,600	$ 2,699
Current portion of long-term debt	799	730
Accounts payable - trade	8,620	10,926
Accrued liabilities	7,423	8,920
Liabilities attributable to discontinued operations	-	958
Litigation settlement reserves	66	5,148
Income taxes payable	1,336	1,069
Total current liabilities	21,844	30,450
NON-CURRENT LIABILITIES		
Long-term debt	4,672	5,076
Subordinated note	2,070	1,962
Other long-term liabilities	2,737	2,462
Other liabilities attributable to discontinued operations	-	147
Total liabilities	31,321	40,097
MINORITY INTEREST IN SUBSIDIARY	1,299	1,389
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common stock, $.10 par value; Authorized 20,000,000 shares; Issued - 11,206,958 and 10,978,581 at April 30, 2005 and July 31, 2004	1,120	1,098
Additional paid-in capital	64,355	64,072
Accumulated other comprehensive income	788	792
Accumulated deficit	(53,057)	(52,641)
Less common stock in treasury - 643,533 shares at April 30, 2005 and		

July 31, 2004	(5,546)	(5,546)
Total shareholders' equity	7,660	7,775
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 40,280	$ 49,261

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Nine Months Ended Apr. 30, 2005	Nine Months Ended May 1, 2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss from continuing operations	$(615)	$(11,055)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	977	1,533
Imputed interest - Subordinated note	107	133
Minority interest	322	485
Stock based compensation expense	29	31
Deferred income tax	(123)	7,903
Impairment of intangible assets	-	1,453
Loss on disposal of fixed assets	51	72
Litigation settlement provision	300	3,199
Changes in operating assets and liabilities:		
Increase in trade receivables	604	137
Decrease in inventory	1,194	1,731
Decrease (increase) in prepaid expenses and other current assets	95	(123)
Decrease (increase) in other assets	66	(247)
(Decrease) increase in accounts payable - trade	(2,829)	3,866
(Decrease) increase in accrued liabilities	(2,187)	114
Payment of litigation settlement costs	(5,382)	-
Increase in income taxes payable	170	525
Increase in other long-term liabilities	111	41
Net cash(used in)provided by operating activities	(7,110)	9,798
Cash Flows from discontinued operations and sale proceeds	3,463	(2,198)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed asset purchases	(366)	(345)
Net cash used in investing activities	(366)	(345)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing (repayment) of bank borrowings	174	(1,593)
Warrant exercise	44	-
Stock option exercise	231	-
Dividend to Villa minority shareholders	(509)	(505)
Net cash used in financing activities	(60)	(2,098)
EFFECT OF EXCHANGE RATE CHANGES	263	215

NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,810)	5,372
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,755	1,381
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 945	$ 6,753

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except share data)
(Unaudited)

1. DESCRIPTION OF THE BUSINESS

Del Global Technologies Corp, (the "Company") is primarily engaged in the design, manufacture and marketing of cost-effective medical imaging and diagnostic systems consisting of stationary and portable x-ray systems, radiographic/fluoroscopic systems, dental imaging systems and proprietary high-voltage power conversion subsystems for medical and other critical industrial applications. Through its subsidiary RFI Corporation ("RFI"), the Company manufactures electronic filters, high voltage capacitors, pulse modulators, transformers and reactors, and a variety of other products designed for industrial, medical, military and other commercial applications.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FISCAL YEAR

The Company's fiscal year is based on a 52/53 week cycle ending on the Saturday nearest to July 31. Results of the Company's Milan, Italy based Villa Sistemi Medicali S.p.A. ("Villa") subsidiary are reported on a one-month lag.

BASIS OF PRESENTATION

The accompanying financial data as of April 30, 2005 and for the three months and nine months ended April 30, 2005 and May 1, 2004 has been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the results for the interim periods have been included. Results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year. These consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission for the year ended July 31, 2004.

As of July 31, 2004, the Company's Board had committed to a plan to dispose of its Del High Voltage Division ("DHV") and on October 1, 2004, we sold this division for a purchase price of $3.1 million, plus the assumption of approximately $0.8 million of liabilities. Accordingly, the results of operations have been reclassified to show this division as a discontinued operation.

REVENUE RECOGNITION

The Company recognizes revenue upon shipment, provided there is persuasive evidence of an arrangement, there are no uncertainties concerning acceptance, the sales price is fixed, collection of the receivable is probable and only perfunctory obligations related to the arrangement need to be completed. The Company's products are covered primarily by one year warranty plans and in some cases optional extended warranties for up to five years are offered. The Company establishes allowances for warranties as more fully described in the Product Warranty footnote herein. The Company recognizes service revenue when repairs or out of warranty repairs are completed. The Company has an FDA obligation to continue to provide repair service for certain medical systems for up to seven years past the warranty period, which are billed to the customers at market rates.

EMPLOYEE STOCK OPTION PLANS

The Company accounts for stock-based awards to employees using the intrinsic value method of accounting in accordance with Accounting Principles Board Opinion No 25, "Accounting for Stock Issued to Employees". The Company's practice in granting these awards to employees is to set the exercise price of the stock options equal to the market price of our underlying stock on the date of grant. Therefore under the intrinsic value method, no compensation expense is recognized in the Company's Consolidated Statements of Operations.

Had compensation cost for the Company's stock option plans been determined based on the fair value at the grant dates for awards under those plans consistent with the methods recommended by SFAS 123, the Company's net income or loss and net income or loss per share for the three months and nine months ended April 30, 2005 and May 1, 2004 would have been stated at the pro forma amounts indicated below:

	Three Months Ended		Nine Months Ended	
	Apr. 30, 2005	May 1, 2004	Apr. 30, 2005	May 1, 2004
Net loss - as reported	$(1,031)	$ (289)	$ (416)	$(13,253)
Deduct: Total stock-based awards determined under fair value method	(69)	(114)	(208)	(342)
Proforma Net loss	$(1,100)	$ (403)	$ (624)	$(13,595)
Loss per share - Basic				
As reported	$ (0.10)	$(0.03)	$(0.04)	$(1.28)
Proforma	$ (0.10)	$(0.04)	(0.06)	(1.32)
Loss per share - Diluted				

As reported	$ (0.10)	$(0.03)	$(0.04)	$(1.28)
Proforma	$ (0.10)	$(0.04)	(0.06)	(1.32)

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 153, "Exchanges of Nonmonetary Assets", which eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 will be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not believe the adoption of SFAS No. 153 will have a material impact on the Company's financial statements.

In December 2004, the FASB issued FASB Statement No. 123 (R), "Share-Based Payment," which establishes standards for transactions in which an entity exchanges its equity instruments for goods and services. This standard requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. This eliminates the exception to account for such awards using the intrinsic method previously allowed under APB Opinion No. 25. SFAS No. 123 (R) will be effective for fiscal years beginning after June 15, 2005. The statement does not require restatement of previously issued statements and can be applied on a prospective basis. The Company is in the process of evaluating the impact the adoption of this statement will have on its financial statements.

In November 2004, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 151, "Inventory Costs, an amendment of ARB No.43, Chapter 4". This Statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage), requiring that those items be recognized as current-period charges. In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of this statement are effective for fiscal years beginning after June 15, 2005, with early application permitted. The Company is in the process of evaluating the impact the adoption of this statement will have on its financial statements.

In May 2005, the FASB issued FASB Statement No. 154, "Accounting Changes and Error Corrections a replacement of APB Opinion No. 20 and FASB Statement No. 3". This Statement provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. This Statement also provides guidance for determining whether retrospective application of a change in accounting principle is impracticable and for reporting a change when retrospective application is impracticable. The correction of an error in previously issued financial statements is not an accounting change. However, the reporting of an error correction involves adjustments to previously issued financial statements similar to those generally applicable to reporting an accounting change retrospectively. Therefore, the reporting of a correction of an error by restating previously issued financial statements is also addressed by this Statement. This Statement is effective for accounting changes made in fiscal years beginning after December 15, 2005. The Company does not believe the adoption of SFAS No. 154 will have a material impact on the Company's financial statements or results of operations.

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 provides guidance relating to the identification of and financial reporting for legal obligations to perform an asset retirement activity. The Interpretation requires recognition of a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 also defines when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. The provision is effective no later than the end of fiscal years ending after December 15, 2005. The Company does not believe the adoption of FIN 47 will have a material impact on the Company's financial statements or results of operations.

3. DISCONTINUED OPERATIONS

On October 1, 2004, the Company completed the sale of DHV for a purchase price of $3,100, plus the assumption of approximately $800 of liabilities. This division was formerly part of the Power Conversion Group and designed, manufactured and marketed proprietary precision power conversion subsystems for medical as well as critical industrial applications. The results of operations of this division are shown as discontinued operations in the accompanying financial statements.

Certain information is summarized below:

	Quarter Ended		Nine Months Ended	
	Apr. 30, 2005	May 1, 2004	Apr. 30, 2005	May 1, 2004
Revenues	$ -	$3,985	$1,899	$11,922
Net income (loss) before income tax provision	-	420	199	(2,198)
Income tax provision	-	-	-	-
Income (loss) from discontinued operations	-	420	199	(2,198)

Income from discontinued operations, net for fiscal year 2005, includes two months of operations through the October 1 2004 disposition date and a gain on sale of the DHV assets of $21. Previously, in fiscal 2004, the Company recorded an impairment charge of $3,481 to write down the DHV assets to net realizable value during the fourth quarter and recorded charges to write off goodwill of $1,328 and intangible assets of $125 related to the DHV business during the second quarter.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of the cost of acquisitions over the fair value of the identifiable assets acquired and liabilities assumed. Other intangible assets consist of the Company's distribution network. Intangibles are being amortized on a straight-line basis over their estimated useful lives, which range from 5 to 10 years. The components of our amortizable intangible assets are as follows:

April 30, 2005	July 31, 2004

	Gross Carrying Amounts	Accumulated Amortization	Gross Carrying Amounts	Accumulated Amortization
Distribution Network	$ 653	S 599	$ 653	$ 550
Total	$ 653	$ 599	$ 653	$ 550

Amortization expense for intangible assets for the three and nine months of fiscal year 2005 was $17 and $49, respectively, and for fiscal year 2004 was $17 and $49, respectively. Estimated amortization expense for the remainder of 2005 and the five succeeding fiscal years is as follows:

2005 (remainder)	$17
2006	37
2007-2009	None

There are no components of intangible assets that have an indefinite life.

There were no changes in goodwill balances during the fiscal year 2005.

5. INVENTORY

Inventory is stated at the lower of cost (first-in, first-out) or market. Inventories and their effect on cost of sales are determined by physical count for annual reporting purposes and are evaluated using perpetual inventory records for interim reporting periods. For certain subsidiaries during interim periods we estimate the amount of labor and overhead costs related to finished goods inventories. The estimation methodologies used for interim reporting purposes are described in Management's Discussion and Analysis of Financial Condition and Results of Operations under the subtitle "Critical Accounting Policies".

	April 30, 2005	July 31, 2004
Raw materials and purchased parts	$ 12,833	$ 10,839
Work-in-process	2,282	2,974
Finished goods	2,652	3,845
	17,767	17,658
Less allowance for obsolete and excess inventory	(3,169)	(2,536)
Total inventory	$ 14,598	$ 15,122

6. PRODUCT WARRANTIES

The Company's products are covered primarily by one-year warranty plans and in some cases optional extended contracts may be offered covering products for periods up to five years, depending upon the product and contractual terms of sale. The Company establishes allowances for warranties on an aggregate basis for specifically identified, as well as anticipated, warranty claims based on contractual terms, product conditions and actual warranty experience by product line.

During the third quarter and first nine months of fiscal 2005, the Company incurred costs of $161 and $271, respectively, related to warranty claims submitted, and accrued $90 and $372 related to product warranties issued during the three and nine months of fiscal 2005, respectively. The liability related to warranties is included in accrued expenses on the accompanying Consolidated Balance Sheets and is $1,180 and $1,030 at April 30, 2005 and July 31, 2004, respectively.

7. COMPREHENSIVE LOSS

Comprehensive loss for the Company includes foreign currency translation adjustments and net loss reported in the Company's Consolidated Statements of Operations.

Comprehensive loss for 2005 and 2004 was as follows:

	Three Months Ended		Nine Months Ended	
	Apr. 30, 2005	May 1, 2004	Apr. 30, 2005	May 1, 2004
Net loss	$(1,031)	$ (289)	$ (416)	$(13,253)
Foreign currency translation adjustments	(337)	(304)	(4)	286
Comprehensive loss	$(1,368)	$ (593)	$ (420)	$(12,967)

8. LOSS PER SHARE

	Three Months Ended		Nine Months Ended	
	Apr. 30, 2005	May 1, 2004	Apr. 30, 2005	May 1, 2004
Numerator:				
Net loss	$(1,031)	$ (289)	$ (416)	$(13,253)
Denominator for basic loss per share - Weighted average shares outstanding	10,517,195	10,332,548	10,449,118	10,332,548
Effect of dilutive securities	-	-	-	-
Denominator for diluted loss per share	10,517,195	10,332,548	10,449,118	10,332,548
Loss per common share				
Basic	$(0.10)	$ (0.03)	$(0.04)	$(1.28)
Diluted	(0.10)	(0.03)	(0.04)	(1.28)

Common shares outstanding for the current and prior period ended were reduced by 643,533 shares of treasury stock. The computation of diluted shares outstanding at April 30, 2005, does not include 2,008,494 employee stock options and 991,994 warrants to purchase Company common stock since the effect of their assumed conversion would be anti-dilutive. The computation of diluted shares outstanding at May 1, 2004 does not include 2,129,681 employee stock options and 1,065,000 warrants to purchase Company common stock since the effect of their assumed conversion would be anti-dilutive.

9. SEGMENT INFORMATION

The Company has three reportable segments: Medical Systems Group, Power Conversion Group and Other. The "Other" segment includes unallocated corporate costs. The results of the Power Conversion Group's DHV operation have been reclassified to Discontinued Operations and are excluded from the Segment Information presented below. Interim segment information is as follows:

For three months ended April 30, 2005	Medical Systems Group	Power Conversion Group	Other	Total
Net Sales to Unaffiliated Customers	$15,380	$ 3,512	-	$18,892
Cost of sales	11,937	2,154	-	14,091
Gross margin	3,443	1,358	-	4,801
Operating expenses	3,058	661	1,601	5,320
Operating income (loss)	$ 385	$ 697	$(1,601)	$ (519)

For three months ended May 1, 2004	Medical Systems Group	Power Conversion Group	Other	Total
Net Sales to Unaffiliated Customers	$17,417	$ 3,193	-	$20,610
Cost of sales	13,346	2,244	-	15,590
Gross margin	4,071	949	-	5,020
Operating expenses	2,482	606	$ 700	3,788
Operating income (loss)	$ 1,589	$ 343	$ (700)	$ 1,232

For nine months ended April 30, 2005	Medical Systems Group	Power Conversion Group	Other	Total
Net Sales to Unaffiliated Customers	$53,661	$ 10,598	-	$64,259
Cost of sales	40,852	7,085	-	47,937
Gross margin	12,809	3,513	-	16,322
Operating expenses	8,357	1,810	3,647	13,814
Litigation Settlement Costs		300	-	300
Operating income (loss)	$4,452	$ 1,403	$(3,647)	$2,208

For nine months ended May 1, 2004	Medical Systems Group	Power Conversion Group	Other	Total
Net Sales to Unaffiliated Customers	$54,952	$ 9,493	-	$64,445
Cost of sales	41,890	7,220	-	49,110
Gross margin	13,062	2,273	-	15,335
Operating expenses	8,588	1,669	$2,526	12,783
Litigation Settlement Costs	-	3,199	-	3,199
Operating income (loss)	$ 4,474	$ (2,595)	$(2,526)	$ (647)

10. INCOME TAXES

Our effective tax rate for the three and nine months ended April 30, 2005 was significantly higher than our U.S. statutory tax rate. This is because we generated taxable income at our Italian subsidiary Villa, which has an effective rate of approximately 43%. However, we generated taxable losses in our U.S. operations. We recorded no benefit on those losses, as management has determined it is more likely than not the benefit will be unrealized. All domestic deferred tax assets carry a 100% valuation allowance. The deferred tax asset recorded on our consolidated balance sheet at April 30, 2005 relates to Villa. We continue to project that it is more likely than not we will recover this deferred tax asset through the generation of taxable income.

During fiscal year 2004, management updated each domestic business unit's forecast and operating results, and concluded that it was prudent to record additional valuation allowances, increasing the total valuation allowance to 100% of both long and short-term US domestic deferred tax assets. Accordingly, the Company recorded a provision of $7,171 during the second quarter of fiscal 2004 related to the establishment of this valuation allowance.

11. CONTINGENCIES

US DEPARTMENT OF DEFENSE ("DOD") INVESTIGATION - On March 8, 2002, RFI Corporation, a subsidiary of the Company and the remaining part of the Power Conversion Group segment, was served with a subpoena by the US Attorney Eastern District of New York in connection with an investigation by the DOD. RFI supplies electro magnetic interference filters for communications and defense applications. Since March 2002, the DOD has been investigating certain past practices at RFI which date back more than six years and pertain to RFI's Military Specification testing, record keeping and general operating procedures. Management retained special counsel to represent the Company on this matter. The Company has cooperated fully with this investigation, including voluntarily providing employees to be interviewed by the Defense Criminal Investigative Services division of the DOD.

In June 2003, the Company was advised that the US Government was willing to enter into negotiations regarding a comprehensive settlement of this investigation. Prior to the preliminary discussions with the US Government in June 2003, the Company had no basis to estimate the financial impact of this investigation. Based on preliminary settlement discussions with the US Government, discussions with the Company's advisors, consideration of settlements reached by other parties in investigations of this nature, and consideration of the Company's capital resources, management then developed an estimate of the low end of the potential financial impact. Accordingly, during the third quarter of fiscal 2003, the Company recorded a charge of $2,347 which represented its estimate of the low end of a range of potential fines and legal and professional fees.

Following negotiations, the Company reached a global settlement in February 2004 with the US Government that resolves the civil and criminal matters relating to the DOD's investigation. The settlement included the Company pleading guilty to one criminal count and agreeing to pay fines and restitution to the US Government of $4,600 if paid by June 30, 2004 and $5,000 if paid by September 30, 2004.

In connection with this settlement, the Company recognized an additional charge of approximately $3,199 in the second quarter of fiscal 2004. This charge represented the difference between the $2,347 charge taken during the third quarter of fiscal 2003, and the up to $5,000 in fines and restitution, plus estimated legal and professional fees related to this settlement. The liability associated with these charges is included in Litigation settlement reserves on the July 31, 2004 balance sheet.

On September 30, 2004, pursuant to the terms of the settlement, the Company fulfilled its obligation under this agreement by paying to the US Government the sum of $5 million representing fines and restitution. On October 7, 2004, RFI entered a criminal guilty plea to a single count conspiracy charge pursuant to the settlement and a criminal plea agreement. Sentencing occurred on March 15, 2005. At sentencing, the Court imposed an additional fine of $0.3 million to be paid within 30 days. The Company paid this additional fine on April 8, 2005.

The Company worked with the Defense Logistics Agency ("DLA"), a component of the DOD, to avoid any future limitations on the ability of the Company to do business with US Government entities. Such limitation could have included the US Government seeking a "debarment" or exclusion of the Company from doing business with US Government entities for a period of time.

On April 5, 2005, the Company announced that it had reached an administrative agreement with the DLA, which provides that RFI will not be debarred from doing business with U.S. Government entities so long as RFI maintains its compliance program and adheres to the terms of the administrative agreement. This agreement with the DLA is the final component of the Company's previously announced settlement of an investigation by the DOD into practices at RFI.

STRATEGIC ALTERNATIVES - On March 21, 2005, the Company was notified by the party with whom it signed a non-binding letter of intent for the sale of its Medical Systems Group that the buyer was terminating negotiations under the letter of intent. The letter of intent provided for a $1.0 million payment payable in the event that no later than March 4, 2005, the buyer was ready, willing and able to enter into a definitive purchase agreement based on the terms of the letter of intent and containing reasonable and customary representations, warranties, terms and conditions relating to the transaction, and the Company elected not to enter into such purchase agreement. The party with whom the Company signed the letter of intent filed a lawsuit on April 15, 2005 in the United States District Court, Southern District of New York, seeking payment of the $1.0 million, plus interest, as well as reasonable attorney's fees. The Company filed an answer to this lawsuit on June 8, 2005 contesting the buyer's claim to these damages. Although there can be no assurance that the Company will not have to pay the $1.0 million, the Company believes that no such payment is payable under the terms of the letter of intent. The Company intends to vigorously defend this lawsuit.

ERISA MATTERS - During the year ended July 28, 2001, management of the Company concluded that violations of the Employee Retirement Income Security Act, ("ERISA") existed relating to a defined benefit plan for which accrual of benefits had been frozen as of May 3, 1986. The violations related to excess concentrations of the Common stock of the Company in the plan assets. In July 2001, management of the Company decided to terminate this plan, subject to having available funds to finance the plan in accordance with rules and regulations relating to terminating pension plans. The Company started the process of terminating this plan in September 2004. At the time of settlement, which is expected in the fourth quarter of fiscal 2005, the Company expects to recognize a related charge of approximately $500, including a cash disbursement of approximately $100.

EMPLOYMENT MATTERS - The Company had an employment agreement with Samuel Park, the previous Chief Executive Officer ("CEO"), for the period May 1, 2001 to April 30, 2004. The employment agreement provided for certain payments in the event of a change in the control of the Company.

On October 10, 2003, the Company announced the appointment of Walter F. Schneider as President and CEO to replace Mr. Park, effective as of such date. As a result, the Company recorded a charge of $200 during the first quarter of fiscal 2004 to accrue the balance remaining under Mr. Park's employment agreement.

In addition, the Company's Board of Directors, elected at the Company's Annual Meeting of Shareholders held on May 29, 2003, had previously reviewed the "change in control" provisions regarding payments totaling up to approximately $1,800 under the employment agreement between the Company and Mr. Park. As a result of this review and based upon, among other things, the advice of special counsel, the Company's Board of Directors determined that no obligation to pay these amounts has been triggered. Prior to his departure from the Company on October 10, 2003, Mr. Park orally informed the Company that, after reviewing the matter with his counsel, he believes that the obligation to pay these amounts has been triggered. On October 27, 2003, the Company received a letter from Mr. Park's counsel demanding payment of certain sums and other consideration pursuant to the Company's employment agreement with Mr. Park, including these change in control payments. On November 17, 2003, the Company filed a complaint against Mr. Park seeking a declaratory judgment that no change in control payment was or is due to Mr. Park and that an amendment to the employment contract with Mr. Park regarding advancement and reimbursement of legal fees is invalid and unenforceable. Mr. Park answered the complaint and asserted counterclaims seeking payment from the Company based on his position that a "change in control" occurred in June 2003. Mr. Park is also seeking other consideration he believes he is owed under his employment agreement. The Company filed a reply to Mr. Park's counterclaims denying that he is entitled to any of these payments. The Company and Mr. Park have filed motions for summary judgment on the issues related to change in control and the amendment to the employment agreement, which motions have been fully submitted to the Court for consideration. If Mr. Park prevails on his claims and the payments he seeks are required to be paid in a lump sum, these payments may have a material adverse effect on the Company's liquidity. It is not possible to predict the outcome of these claims. However, the Company's Board of Directors does not believe that such a claim is reasonably likely to result in a material decrease in the Company's liquidity in the foreseeable future.

During the fourth quarter of fiscal 2004, the Company recorded $363 related to potential change of control payments the Company may have been required to make to a former executive. During fiscal 2005, a different member of the executive management asserted a diminishment of duties claim under his change in control agreement. Based on a settlement offer made by the Company to this executive, the Company recorded a charge of approximately $480 during the second quarter of Fiscal 2005. Such amounts are included in accrued liabilities in the accompanying consolidated financial statements. On June 2, 2005, the Company entered into a Separation and Release Agreement with this executive. Under such Agreement, the Company paid this executive a $475 severance payment and an additional $25 representing payment of certain legal fees and expenses such executive incurred in connection with his separation from the Company.

OTHER LEGAL MATTERS -In addition, the Company is a defendant in several other legal actions arising from the normal course of business in various US and foreign jurisdictions. Management believes the Company has meritorious defenses to such actions and that the outcomes will not be material to the Company's consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. We caution that these statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict including, but not limited to, our ability to implement our business plan, retention of management, changing industry and competitive conditions, obtaining anticipated operating efficiencies, securing necessary capital facilities, favorable determinations in various legal matters, and favorable general economic conditions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's filings with the Securities and Exchange Commission including our Form 10-K for the fiscal year ended July 31, 2004.

OVERVIEW

The Company is primarily engaged in the design, manufacture and marketing of cost-effective medical imaging and diagnostic systems consisting of stationary and portable x-ray systems, radiographic/fluoroscopic systems, dental imaging systems and proprietary high-voltage power conversion subsystems for medical and other critical industrial applications. The Company also manufactures electronic filters, high voltage capacitors, pulse modulators, transformers and reactors, and a variety of other products designed for industrial, medical, military and other commercial applications. We manage our business in two operating segments: our Medical Systems Group and our Power Conversion Group. In addition, we have a third reporting segment, Other, comprised of certain unallocated corporate General and Administrative expenses. See "Segment Information" in Part I, Item 1 of this Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2005 (this "Quarterly Report") for discussions of the Company's segments.

As of July 31, 2004, the Company's Board had committed to a plan to dispose of the Del High Voltage Division ("DHV") and on October 1, 2004, we sold this division for a purchase price of approximately $3.1 million, plus the assumption of approximately $0.8 million of liabilities. Accordingly, the results of operations have been restated to show this division as a discontinued operation.

The Company's domestic asset based revolving credit lending facility matures on August 1, 2005. The Company is working with a replacement lender to refinance this facility pursuant to a financing proposal that was signed on May 10, 2005. There can be no assurance that the Company will be able to refinance the lending facility before August 1,2005 on terms acceptable to the Company or at all. The failure to refinance this lending facility would have a material adverse effect on the Company.

CRITICAL ACCOUNTING POLICIES

Complete descriptions of significant accounting policies are outlined in Note 1 to the Consolidated Financial Statements of our Form 10-K for the fiscal year ended July 31, 2004. Within these policies, we have identified the accounting for deferred tax assets and the allowance for obsolete and excess inventory as being critical accounting policies due to the significant amount of estimates involved. In addition, for interim periods, we have identified the valuation of finished goods inventory as being critical due to the amount of estimates involved.

DEFERRED INCOME TAXES

We account for deferred income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," whereby we recognize an asset related to our net operating loss carry forwards and other temporary differences between financial reporting basis and income tax basis. The valuation of our deferred tax assets and the recognition of tax benefits in each period assumes future taxable income and profitability. We periodically evaluate the likelihood of the recoverability of our deferred tax asset recognized, based upon our actual operating results and expectations of future operating profits.

During fiscal year 2004, as part of our customary six month planning and review cycle, management updated each domestic business unit's forecast and operating results, and concluded that it was prudent to record additional valuation allowances, increasing the total valuation allowance to 100% of both long and short-term US domestic deferred tax assets. The valuation allowance recorded is the estimate of the amount of deferred tax assets that are more likely than not to be unrealized by the Company.

During the first nine months of fiscal 2005 the Company recorded taxable income on a consolidated basis and its individual domestic business units were profitable. However, after factoring in approximately $4.0 million in unallocated costs of the Other reporting segment which are considered domestic costs for income tax purposes, the Company experienced a domestic taxable loss during the period. Accordingly the Company has concluded that it should continue to carry a 100% valuation allowance against domestic deferred tax assets and has not recorded any income tax benefit for this domestic taxable loss during fiscal 2005.

We recorded a tax provision with respect to the income of Villa in all periods presented and anticipate it is more likely than not the remaining deferred tax asset which relates to our Villa subsidiary will be utilized against future operating profits or as an offset to dividend income received from our Villa subsidiary. However, we can make no assurances that our Villa subsidiary will generate profits in the future.

OBSOLETE AND EXCESS INVENTORY

Another significant estimate is our allowance for obsolete and excess inventory. We re-evaluate our allowance for obsolete inventory once a quarter, and this allowance comprises the most significant portion of our inventory reserves. The re-evaluation of reserves is based on a written policy, which requires at a minimum that reserves be established based on our analysis of historical actual usage on a part-by-part basis. In addition, if management learns of specific obsolescence in addition to this minimum formula, these additional reserves will be recognized as well. Specific obsolescence might arise due to a technological or market change, or based on cancellation of an order. As we typically do not purchase inventory substantially in advance of production requirements, we do not expect cancellation of an order to be a material risk. However, market or technology changes can occur.

VALUATION OF FINISHED GOODS INVENTORIES

In addition, we use certain estimates in determining interim operating results. The most significant estimates in interim reporting relate to the valuation of finished goods inventories. For certain subsidiaries, for interim periods, we estimate the amount of labor and overhead costs related to finished goods inventories. As of April 30, 2005, finished goods represented approximately 14.9% of the gross carrying value of our total gross inventory. We believe the estimation methodologies used to be appropriate and are consistently applied.

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated net sales of $18.9 million for the third quarter of fiscal 2005 decreased by $1.7 million or 8.3% from fiscal 2004 third quarter net sales of $20.6 million, with increases at the Power Conversion Group offset by decreases at the Medical Systems Group. The Medical Systems Group's third quarter fiscal 2005 sales of $15.4 million declined by $2.0 million or 11.7% from the prior year's third quarter with decreases in shipments in both domestic and international locations. Decreased shipments at international locations were due to the strong Euro causing pricing for our international products to be less attractive in non-Euro denominated markets. The Company is obtaining international certifications for certain of its domestically manufactured product in order to have US dollar based offerings in these non-Euro denominated economies. The Power Conversion Group's third quarter fiscal 2005 sales of $3.5 million increased by $0.3 million or 10.0% from last year's levels reflecting stronger government sales.

Consolidated net sales of $64.3 million for the first nine months of fiscal 2005 were in line with prior year's sales, with increases at the Power Conversion Group offsetting a decrease in the Medical Systems Group. The Medical Systems Group's sales for the first nine months of fiscal 2005 of $53.7 million decreased $1.3 million or 2.3% from the prior year's first nine months, with increases in shipments of digital units at domestic locations offsetting a decrease in shipments at international locations. Decreased shipments at international locations were due to the strong euro causing pricing for our international products to be less attractive in non-Euro denominated markets. The Company is obtaining international certifications for certain of its domestically manufactured product in order to have US dollar based offerings in these non-Euro denominated economies. The Power Conversion Group's sales for the first nine months of fiscal 2005 of $10.6 million increased by $1.1 million or 11.6% from the prior years levels.

Consolidated backlog at April 30, 2005 was $16.6 million versus backlog at July 31, 2004 of approximately $25.9 million. The backlog in the Power Conversion Group decreased $1.2 million from levels at beginning of the fiscal year while there was an $8.0 million decrease in the backlog at our Medical Systems Segment. Backlog in the Medical Systems Segment reflects declines due to shipments of approximately $6.8 million under a large tender order at our international location as well as a decrease in incoming order rates due to the strong euro, partially offset by an increase in backlog at our domestic operation due to strong bookings during the period. Substantially all of the backlog should result in shipments within the next 12 months.

Gross margins as a percent of sales were 25.4% for the third quarter of fiscal 2005, compared to 24.4% in the third quarter of fiscal 2004. The Power Conversion Group's gross margins for the third quarter of fiscal 2005 were 38.7%, versus 29.7% in the prior year quarter. Third quarter fiscal 2005 Power Conversion group margins benefited from improvements in procurement, decreased material costs as a percent of sales and lower waste levels. For the Medical Systems Group, third quarter gross margins of 22.4% were slightly lower than the 23.4% level in the prior year third quarter due to unfavorable product mix.

Gross margins as a percent of sales were 25.4% for the first nine months of fiscal 2005, compared to 23.8% in the first nine months of fiscal 2004. The Power Conversion group margins benefited from improvements in procurement, decreased material costs as a percent of sales and lower waste levels, which contributed to a gross margin of 33.1% for the first nine months of fiscal 2005 as compared to 23.9% for the first nine months of fiscal 2004. For the Medical Systems Group, gross margins of 23.9% were comparable to gross margins of 23.8% in the prior year's first nine months.

Selling, General and Administrative expenses ("SG&A") for the third quarter of fiscal 2005 were $4.9 million (25.8% of sales) compared to $3.4 million (16.4% of sales) in the prior year's third quarter. The increase in SG&A in the third quarter of fiscal 2005 reflects headcount reductions, offset by increased corporate legal and accounting costs related to the strategic alternatives program.

SG&A expenses for the first nine months of fiscal 2005 were $12.5 million (19.5% of sales) compared to $11.6 million (18.1% of sales) in the prior year's first nine months. The increase in SG&A for the first nine months of fiscal 2005 is due to increased corporate legal and professional costs related to the strategic alternatives program, and a $0.5 million charge for an employment settlement, partially offset by reduced selling expenses in the Medical Systems Segment.

During the second quarter of fiscal 2004, we reached an agreement in principal with the U.S. Government regarding a settlement of the civil and criminal aspects of the previously disclosed Department of Defense ("DOD") investigation of our RFI subsidiary (See Part II, Item 1, "Legal Proceedings" of this Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2005 (this "Quarterly Report")). The settlement included the Company pleading guilty to one criminal count and agreeing to pay fines and restitution to the US Government of $5.0 million.

In connection with this settlement, the Company recognized an additional charge for litigation settlement costs of approximately $3.2 million in the second quarter of fiscal 2004. This charge represented the difference between the $2.3 million charge taken during the third quarter of fiscal 2003, and the up to $5.0 million in fines and restitution, plus estimated legal and professional fees, related to this settlement. The fine was paid during the first quarter of fiscal 2005, subject to Court approval. At the sentencing, which occurred on March 15, 2005 the Court imposed an additional fine of $0.3 million related to this matter. Accordingly, the Company has recorded an additional charge for Litigation settlement costs of $0.3 million in the second quarter of fiscal 2005.

As a result of the foregoing, we recognized a third quarter fiscal 2005 operating loss of $0.5 million compared to operating income of $1.2 million in the third quarter of fiscal 2004. The Medical Systems Group posted a third quarter fiscal 2005 operating profit of $0.4 million and the Power Conversion Group had operating profit of $0.7 million, offset by unallocated corporate costs of $1.6 million.

For the first nine months of fiscal 2005, we recognized operating income of $2.2 million compared to an operating loss of $0.6 million in the first nine months of fiscal 2004. The Medical Systems Group had an operating profit of $4.5 million for the first nine months of fiscal 2005 and the Power Conversion Group achieved an operating profit of $1.4 million, partly offset by unallocated corporate costs of $3.7 million.

During the third quarter of fiscal 2004, we incurred $0.6 million in fees related to a revolving credit loan amendment. Interest expense for the third quarter of fiscal 2005 was lower than the prior year's third quarter due to decreased borrowings and lower interest rates and the absence of these fees. Interest expense for the first nine months of fiscal 2005 was lower than the prior year for the same period for the same reasons.

The Company has not provided for a U.S. domestic income tax benefit in the third quarter or first nine months of fiscal 2005 because it continues to maintain a full valuation allowance relative to its deferred tax assets as discussed in Critical Accounting Policies, above. With the exception of tax provisions and adjustments recorded at Villa Sistemi Medicali, S.p.A., our Italian subsidiary ("Villa"), we recorded no adjustments to our current or net deferred tax accounts during the third quarter or first nine months of fiscal 2005. Management periodically evaluates the likelihood of the recoverability of the deferred tax asset recognized on our balance sheet. Based on management analysis, we believe it is more likely than not that the remaining deferred tax assets, which relate to our foreign subsidiary will be realized.

Provision for income taxes for the three and nine month period ended May 1, 2004 reflects the establishment of a $7.2 million deferred tax valuation allowance as discussed in Critical Accounting Policies, above.

As discussed above, Discontinued Operations are related to our DHV division, which was sold on October 1, 2004. Discontinued operations in the first quarter of fiscal 2005 reflect the operations of the DHV division through the date of sale, which recorded income from operations of $0.2 million during the first quarter of fiscal 2005. The prior year had income from operations of $0.4 million for the third quarter and loss from operations of $2.2 million for the first nine months.

Reflecting the above, we recorded net loss of $1.0 million or $0.10 per share basic and diluted in the third quarter of fiscal 2005, as compared to a net loss of $0.3 million, or $0.03 per share(basic and diluted), during the third quarter of fiscal 2004. We recorded a net loss of $0.4 million or $0.04 per share basic and diluted in the first nine months of fiscal 2005, as compared to a net loss of $13.3 million, or $1.28 per share (basic and diluted) during the first nine months of fiscal 2004.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

We fund our investing and working capital needs through a combination of cash flow from operations and short-term credit facilities.

Working Capital -- At April 30, 2005 and July 31, 2004, our working capital was approximately $7.6 million and $7.8 million, respectively. At such dates, we had approximately $0.9 million and $4.8 million, respectively, in cash and cash equivalents, the majority of which is at our Villa subsidiary in Italy. As of April 30, 2005, we had approximately $0.9 million of excess borrowing availability under our domestic revolving credit facility compared to $5.8 million at July 31, 2004, reflecting the payment of a $5.0 million fine to the DOD in September 2004.

In addition, as of April 30, 2005 and July 31, 2004, our Villa subsidiary had an aggregate of approximately $8.1 and $7.5 million, respectively, of excess borrowing availability under its various short-term credit facilities. Terms of the Italian credit facilities do not permit the use of borrowing availability to directly finance operating activities at our US subsidiaries.

Cash Flows from Operating Activities - For the nine month period ended April 30, 2005, the Company used approximately $7.1 million of cash for operations, compared to a generation of $9.8 million in the corresponding prior fiscal year period. Contributing to cash usage in fiscal 2005 was the payment of a total of $5.3 million in fines related to the DOD investigation as explained in "Legal Proceedings" in Part II, Item 1 of this Quarterly Report.

Cash Flows from Investing Activities -- we have made approximately $0.4 million in facility improvements and capital equipment expenditures for the nine months ended April 30, 2005 compared to $0.3 million for the comparable prior fiscal year period.

Cash Flows from Financing Activities -- During the nine month period ended April 30, 2005, we borrowed a total of approximately $0.2 million on our domestic and Italian credit facilities. In addition, the Villa subsidiary paid a dividend of approximately $2.5 million, of which $0.5 million was paid to Villa's minority shareholders. The remaining $1.9 million, net of withholding taxes, was an intercompany transaction with the Company and therefore eliminated in the accompanying consolidated financial statements.

The following table summarizes our contractual obligations, including debt and operating leases at July 31, 2004 (in thousands):

OBLIGATIONS	TOTAL (1)	WITHIN 1 YEAR	2-3 YEARS	4-5 YEARS	AFTER 5 YEARS
Long-Term Debt Obligations....................	$ 2,733	$ 564	$1,155	$ 568	$ 446
Capital Lease Obligations	3,073	368	897	994	814
Subordinated Note	2,000	--	2,000	--	--
Operating Lease Obligations	953	514	421	18	--
Total Contractual Cash Obligations............	$ 8,759	$1,446	$4,473	$1,580	$1,260

(1) In addition to the long term obligations above, as of July 31, 2004 we had approximately $2.7 million in revolving credit debt in the US and $0.3 million in Italy. The Italian credit facilities are generally renewed on a yearly basis and the GECC Facility (as hereinafter defined), as amended, matures in August 2005. The maturity of the GECC Facility is subject to acceleration upon certain events of default as defined in the credit agreement, including uncured covenant defaults. The maturity is also subject to acceleration in the event of the consummation of the sale of the Medical Systems Group, or the remainder of the Power Conversion Group.

Credit Facility and Borrowing -- The Company has a $5 million senior revolving credit agreement, as amended, entered into on June 10, 2002 with Transamerica Corporation (the "GECC Facility"). In January 2004, GE Business Capital Corporation ("GECC") completed the acquisition of Transamerica Corporation and assumed the ownership and administration of our US credit facility. This facility, as amended, expires on the earlier of August 1, 2005 or the sale of substantially all of the assets or stock of RFI or the Medical Systems Group Segment. Interest under the GECC Facility is based on thirty day commercial paper rates plus a margin of 3.5%. The interest rate on the GECC Facility was 4.75% at April 30, 2005 and 5.0% at July 31, 2004. The GECC Facility is subject to commitment fees of 3/8% on the daily unused portion payable monthly. Under terms of the GECC Facility, interest is calculated based on the higher of the actual balance, or a floor revolving credit balance of $5 million. The GECC Facility is secured by substantially all of the Company's accounts receivable, inventory, and fixed assets in the US. The terms of the GECC Facility require the Company to comply with various operational and financial covenants, and to place limitations on the Company's ability to make capital expenditures and to pay dividends. The Company was in compliance with these various covenants, with the exception of the fixed charge coverage ratio during the third quarter of fiscal 2005. On June 9, 2005 the Company and GECC signed the Ninth Amendment to the GECC Facility. This Ninth Amendment waived the event of default arising from the Company's non-compliance with the fixed charge coverage ratio covenant. In addition the Ninth Amendment lowered the minimum availability covenant under the line from $500,000 to $250,000. The Company intends to refinance the GECC Facility and any related debt before the August 1, 2005 expiration. No assurance can be given that the Company will be able to refinance the GECC Facility on terms acceptable to the Company or at all. The failure to refinance the GECC Facility would have a material adverse effect on the Company.

On October 25, 2004, the Company signed a Sixth Amendment to the GECC Facility. This Sixth Amendment: (i) extended the maturity of the credit facility to the earlier of (a) August 1, 2005 or (b) the sale of substantially all of the assets or stock of RFI or the Medical Systems Group segment, (ii) reduced the maximum formula based borrowing cap from $10 million to $5 million (iii) accelerated the payment of the $0.5 million Performance Fee immediately upon signing as a charge against the credit facility, (iv) provided for a $50,000 extension fee payable immediately as a charge against the facility and (v) provided for an additional fee of $10,000 per month for each month the credit facility remains outstanding subsequent to December 2004.

On February 2, 2005, the Company signed a Seventh Amendment to the GECC Facility. This Seventh Amendment: (i) gave a consent for the use of up to $0.6 million loan proceeds for settlement of certain employment matters, (ii) reduced the inventory borrowing sub limit under the availability formula to $2.5 million, and (iii) extended the expiry of the Company's fixed charge ratio covenant through the August 1, 2005 maturity of the GECC Facility.

On April 5, 2005 the Company signed an Eighth Amendment to the GECC Facility. This Eighth Amendment: (1) permitted the Borrowers to use up to $300,000 of the proceeds of the GECC Facility to pay additional amounts owing by RFI to the DOD in connection with the settlement of the investigation conducted by the Department of Defense with respect to RFI and (ii) provided that in no event shall the aggregate amount of loans and letters of credit outstanding at any time under the GECC Facility (x) in respect of Eligible Inventory exceed $2,000,000 or (y) exceed the Maximum Amount of the GECC Facility.

Our Villa subsidiary is a party to various short-term credit facilities with interest rates ranging from 6% to 14%. These facilities generally renew on a yearly basis and include overdraft, receivables and import export financing facilities. In addition, Villa is a party to various medium-term commercial and Italian Government long-term loans. Medium term facilities have interest rates ranging from 3% to 6%, with principal payable semi-annually through maturity in March 2007, and interest payable quarterly. The Government long-term facilities have an interest rate of 3.4% with principal payable annually through September 2010. Villa's manufacturing facility is subject to a capital lease obligation which matures in 2011 with an option to purchase. Villa is in compliance with all related financial covenants under these short and long-term financings.

As of May 1, 2004, the Company has a frozen defined benefit plan that was under-funded. In accordance with SFAS No. 88, at the time of final settlement of the pension plan, the Company will recognize an expense to recognize its under-funded status. During Fiscal 2005 the Company applied to the Pension Benefit Guaranty Corp and to the IRS for a determination letter and approval to terminate this plan. At time of settlement, which is expected in the fourth quarter of fiscal 2005, the Company expects to recognize a related charge of approximately $0.5 million. In preparation for the plan termination, the Company transferred $0.1 million to the pension account in April 2005. This transfer, including cash already on hand in this account, has fully funded the expected cash disbursement of $0.2 million due at time of final settlement.

As described in Part II, Item I, Legal Proceedings of this Quarterly Report, on March 8, 2002, RFI, a subsidiary of the Company and the remaining part of the Power Conversion Group segment, was served with a subpoena by the US Attorney for the Eastern District of New York in connection with an investigation by the DOD. RFI supplies electro magnetic interference filters for communications and defense applications. Since March 2002, the DOD has been investigating certain past practices at RFI which date back more than six years and pertain to RFI's Military Specification testing, record keeping and general operating procedures. Management retained special counsel to represent the Company on this matter. The Company has cooperated fully with this investigation, including voluntarily providing employees to be interviewed by the Defense Criminal Investigative Services division of the DOD.

In June 2003, the Company was advised that the US Government was willing to enter into negotiations regarding a comprehensive settlement of this investigation. Prior to the preliminary discussions with the US Government in June 2003, the Company had no basis to estimate the financial impact of this investigation. Based on preliminary settlement discussions with the US Government, discussions with the Company's advisors, consideration of settlements reached by other parties in investigations of this nature, and consideration of the Company's capital resources, management then developed an estimate of the low end of the potential range of the financial impact. Accordingly, during the third quarter of fiscal 2003, the Company recorded a charge of $2.3 million, which represented its estimate of the low end of a range of potential fines and legal and professional fees.

Following negotiations, the Company reached a global settlement in February 2004 with the US Government that resolved the civil and criminal matters relating to the DOD's investigation. The settlement included the Company pleading guilty to one criminal count and agreeing to pay fines and restitution to the US Government of $4.6 million if paid by June 30, 2004 and $5.0 million if paid by September 30, 2004.

In connection with this settlement, the Company recognized an additional charge of approximately $3.2 million in the second quarter of fiscal 2004. This charge represents the difference between the $2.3 million charge taken during the third quarter of fiscal 2003, and the up to $5.0 million in fines and restitution, plus estimated legal and professional fees related to this settlement. The liability associated with these charges is included in Litigation settlement reserves on the accompanying balance sheet.

On September 30, 2004, pursuant to the terms of the settlement, the Company fulfilled its obligation under this agreement by paying to the US Government the sum of $5 million representing fines and restitution. On October 7, 2004, RFI entered a criminal guilty plea to a single count conspiracy charge pursuant to the settlement and a criminal plea agreement. Sentencing occurred on March 15, 2005. At sentencing, the Court imposed an additional fine of $0.3 million to be paid within 30 days. The Company paid this additional fine on April 8, 2005.

The Company worked with the Defense Logistics Agency, a component of the DOD, to avoid any future limitations on the ability of the Company to do business with US Government entities. Such limitations could have included the US Government seeking a "debarment" or exclusion of the Company from doing business with US Government entities for a period of time.

On April 5, 2005, the Company announced that it had reached an administrative agreement with the DLA, which provides that RFI will not be debarred from doing business with U.S. Government entities so long as RFI maintains its compliance program and adheres to the terms of the administrative agreement. This agreement with the DLA is the final component of the Company's previously announced settlement of an investigation by the DOD into practices at RFI.

The Company funded the $5 million paid pursuant to this settlement by a combination of $2 million in borrowings under its GECC Facility and the receipt of a combination of dividends, return of intercompany amounts and a $0.6 million intercompany advance from the Company's Villa subsidiary, totaling $3.0 million.

The Company's Board of Directors, elected at the Company's Annual Meeting of Shareholders held on May 29, 2003, has reviewed the "change in control" provisions regarding payments totaling up to approximately $1.8 million under the employment agreement between the Company and its former Chief Executive Officer, Samuel Park. As a result of this review and based upon, among other things, the advice of special counsel, the Company's Board of Directors has determined that no obligation to pay these amounts has been triggered. Prior to his departure from the Company on October 10, 2003, Mr. Park orally informed the Company that, after reviewing the matter with his counsel, he believed that the obligation to pay these amounts has been triggered. On October 27, 2003, the Company received a letter from Mr. Park's counsel demanding payment of certain sums and other consideration pursuant to the Company's employment agreement with Mr. Park, including these change of control payments. On November 17, 2003, the Company filed a complaint against Mr. Park seeking a declaratory judgment that no change in control payment was or is due to Mr. Park, and that an amendment to the employment contract with Mr. Park regarding advancement and reimbursement of legal fees is invalid and unenforceable. Mr. Park answered the complaint and

asserted counterclaims seeking payment from the Company based on his position that a "change in control" occurred in June 2003. Mr. Park is also seeking other consideration he believes he is owed under his employment agreement. The Company filed a reply to Mr. Park's counterclaims denying that he is entitled to any of these payments. The Company and Mr. Park have filed motions for summary judgment on the issues related to the change in control and the amendment to the employment agreement, which motions have been fully submitted to the court for consideration. If Mr. Park prevails on his claims and the payments he seeks are required to be paid in a lump sum, these payments may have a material adverse effect on the Company's liquidity. It is not possible to predict the outcome of these claims; however, the Company's Board of Directors does not believe that such a claim is reasonably likely to result in a material decrease in the

Company's liquidity in the foreseeable future.

During the fourth quarter of fiscal 2004, the Company recorded $0.4 million related to potential change of control payments the Company may have been required to make to a former executive. During fiscal 2005, a different member of the executive management asserted a diminishment of duties claim under his change in control agreement. Based on a settlement offer made by the Company to this executive, the Company recorded a charge of approximately $0.5 million during the second quarter of Fiscal 2005. Such amounts are included in accrued liabilities in the accompanying consolidated financial statements. On June 2, 2005, the Company entered into a Separation and Release Agreement with this executive. Under such Agreement, the Company paid this executive approximately $0.5 million, representing a severance payment and certain legal fees and expenses such executive incurred in connection with his separation from the Company.

On October 1, 2004, the Company completed the sale of its DHV division for $3.1 million plus the assumption of $0.8 million of liabilities as described more fully in the Notes to the Consolidated Financial Statements included in Part I, Item I of this Quarterly Report.

On March 21, 2005, the Company was notified by the party with whom it signed a non-binding letter of intent for the sale of its Medical Systems Group that the buyer was terminating negotiations under the letter of intent. The letter of intent provided for a $1.0 million payment payable in the event that no later than March 4, 2005, (i) the buyer was ready, willing and able to enter into a definitive purchase agreement based on the terms of the letter of intent and containing reasonable and customary representations, warranties, terms and conditions relating to the transaction, and (ii) the Company elected not to enter into such purchase agreement. The party with whom the Company signed the letter of intent filed a lawsuit on April 15, 2005 in the United States District Court, Southern District of New York, seeking payment of the $1.0 million, plus interest, as well as reasonable attorney's fees. The Company filed an answer to this lawsuit on June 8, 2005 contesting the buyer's claim to these damages. Although there can be no assurance that the Company will not have to pay the $1.0 million, the Company believes that no such payment is payable under the terms of the letter of intent. The Company intends to vigorously defend this lawsuit.

The Company has or had no investments in unconsolidated variable interest entities or other off balance sheet arrangements during any of the periods presented in this Quarterly Report.

We anticipate that cash generated from operations and amounts available from credit facilities will be sufficient to satisfy currently projected operating cash needs for at least the next twelve months, and for the foreseeable future.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not ordinarily hold market risk sensitive instruments for trading purposes. We do, however, recognize market risk from interest rate and foreign currency exchange exposure. There have been no changes in financial market risk as originally discussed in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2004.

ITEM 4 CONTROLS AND PROCEDURES

The Company, under the supervision and with the participation of the Company's management, including Walter F. Schneider, Chief Executive Officer and Mark A. Koch, Principal Accounting Officer, has evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures", as such term is defined in Rules 13a-15e and 15d-15e promulgated under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and Principal Accounting Officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Securities Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

In the ordinary course of business, the Company routinely enhances its information systems by either upgrading its current systems or implementing new systems. There were no changes in the Company's internal controls or in other factors that could significantly affect these controls, during the Company's third fiscal quarter ended April 30, 2005, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

DOD INVESTIGATION - On March 8, 2002, RFI, a subsidiary of the Company and the remaining part of the Power Conversion Group segment, was served with a subpoena by the US Attorney for the Eastern District of New York in connection with an investigation by the DOD. RFI supplies electro magnetic interference filters for communications and defense applications. Since March 2002, the DOD has been investigating certain past practices at RFI which date back more than six years and pertain to RFI's Military Specification testing, record keeping and general operating procedures. Management retained special counsel to represent the Company on this matter. The Company has cooperated fully with this investigation, including voluntarily providing employees to be interviewed by the Defense Criminal Investigative Services division of the DOD.

In June 2003, the Company was advised that the US Government was willing to enter into negotiations regarding a comprehensive settlement of this investigation. Prior to the preliminary discussions with the US Government in June 2003, the Company had no basis to estimate the financial impact of this investigation. Based on preliminary settlement discussions with the US

Government, discussions with the Company's advisors, consideration of settlements reached by other parties in investigations of this nature, and consideration of the Company's capital resources, management then developed an estimate of the low end of the potential range of the financial impact. Accordingly, during the third quarter of fiscal 2003, the Company recorded a charge of $2.3 million, which represented its estimate of the low end of a range of potential fines and legal and professional fees.

Following negotiations, the Company reached a global settlement in February 2004 with the US Government that resolves the civil and criminal matters relating to the DOD's investigation. The settlement included the Company pleading guilty to one criminal count and agreeing to pay fines and restitution to the US Government of $4.6 million if paid by June 30, 2004 and $5.0 million if paid by September 30, 2004.

In connection with this settlement, the Company recognized an additional charge of approximately $3.2 million in the second quarter of fiscal 2004. This charge represents the difference between the $2.3 million charge taken during the third quarter of fiscal 2003, and the up to $5.0 million in fines and restitution, plus estimated legal and professional fees related to this settlement. The liability associated with these charges is included in Litigation settlement reserves on the accompanying balance sheet.

On September 30, 2004, pursuant to the terms of the settlement, the Company fulfilled its obligation under this agreement by paying to the US Government the sum of $5 million representing fines and restitution. On October 7, 2004, RFI entered a criminal guilty plea to a single count conspiracy charge pursuant to the settlement and a criminal plea agreement. Sentencing occurred on March 15, 2005. At sentencing, the Court imposed an additional fine of $0.3 million to be paid within 30 days. The Company paid this additional fine on April 8, 2005.

The Company worked with the Defense Logistics Agency ("DLA"), a component of the DOD, to avoid any future limitations on the ability of the Company to do business with US Government entities. Such limitations could have included the US Government seeking a "debarment" or exclusion of the Company from doing business with US Government entities for a period of time.

On April 5, 2005, the Company announced that it had reached an administrative agreement with the DLA, a component of the DOD, which provides that RFI will not be debarred from doing business with U.S. Government entities so long as RFI maintains its compliance program and adheres to the terms of the administrative agreement. This agreement with the DLA is the final component of the Company's previously announced settlement of an investigation by the DOD into practices at RFI.

STRATEGIC ALTERNATIVES - On March 21, 2005, the Company was notified by Palladio Corporate Finance S.p.A. and Palladio Finaziaria S.p.A. (collectively, "Palladio"), the party with whom it signed a non-binding letter of intent for the sale of its Medical Systems Group, that Palladio was terminating negotiations under the letter of intent. The letter of intent provided for a $1.0 million payment payable in the event that no later than March 4, 2005, (i) the buyer was ready, willing and able to enter into a definitive purchase agreement based on the terms of the letter of intent and containing reasonable and customary representations, warranties, terms and conditions relating to the transaction, and (ii) the Company elected not to enter into such purchase agreement. Palladio filed a lawsuit against the Company and its Del Medical Imaging Corp subsidiary on April 15, 2005 in the United States District Court, Southern District of New York. The lawsuit seeks payment of the $1.0 million, plus interest, as well as reasonable attorney's fees. The Company filed an Answer to this lawsuit on June 8, 2005. Although there can be no assurance that the Company will not have to pay the $1.0 million, the Company believes that no such payment is payable under the terms of the letter of intent. The Company intends to vigorously defend this lawsuit.

EMPLOYMENT MATTERS - The Company had an employment agreement with Samuel Park, the previous Chief Executive Officer ("CEO") for the period May 1, 2001 to April 30, 2004. The employment agreement provided for certain payments in the event of a change in the control of the Company.

On October 10, 2003, the Company announced the appointment of Walter F. Schneider as President and CEO to replace Mr. Park, effective as of such date. As a result, the Company recorded a charge of $0.2 million during the first quarter of fiscal 2004 to accrue the balance remaining under Mr. Park's employment agreement.

In addition, the Company's Board of Directors, elected at the Company's Annual Meeting of Shareholders held on May 29, 2003, had previously reviewed the "change of control" provisions regarding payments totaling up to approximately $1.8 million under the employment agreement between the Company and Mr. Park. As a result of this review and based upon, among other things, the advice of special counsel, the Company's Board of Directors determined that no obligation to pay these amounts has been triggered. Prior to his departure from the Company on October 10, 2003, Mr. Park orally informed the Company that, after reviewing the matter with his counsel, he believes that the obligation to pay these amounts has been triggered. On October 27, 2003, the Company received a letter from Mr. Park's counsel demanding payment of certain sums and other consideration pursuant to the Company's employment agreement with Mr. Park, including these change of control payments. On November 17, 2003, the Company filed a complaint in the United States District Court, Southern District of New York against Mr. Park seeking a declaratory judgment that no change in control payment was or is due to Mr. Park, and that an amendment to the employment contract with Mr. Park regarding advancement and reimbursement of legal fees is invalid and unenforceable. Mr. Park answered the complaint and asserted counterclaims seeking payment from the Company based on his position that a

"change in control" occurred in June 2003. Mr. Park is also seeking other consideration he believes he is owed under his employment agreement. The Company filed a reply to Mr. Park's counterclaims denying that he is entitled to any of these payments. The Company and Mr. Park have filed motions for summary judgment on the issues related to the change in control and the amendment to the employment agreement, which motions have been fully submitted to the court for consideration. If Mr. Park prevails on his claims and the payments he seeks are required to be paid in a lump sum, these payments may have a material adverse effect on the Company's liquidity. It is not possible to predict the outcome of these claims. However, the Company's Board of Directors does not believe that such a claim is reasonably likely to result in a material decrease in the Company's liquidity in the foreseeable future.

During fiscal 2004, an Italian subsidiary of the Company began employment termination proceedings against an executive. Subsequently, the executive instituted legal proceedings in the labor court in Italy against the executive's former employer asserting certain monetary claims based on change in control provisions in a letter dated January 10, 2003 to the executive. The court issued a "pay or justify" order directing the Company's subsidiary to pay damages of about euro 306,000, plus interest and costs. The subsidiary has challenged this order in the Italian labor court. Subsequently, the executive served a writ of summons on the Company as a third party claim against the Company in the litigation pending with the subsidiary. The next hearing date in the Italian labor court on this action is scheduled for October 28, 2005. In addition, the executive has brought an action in the Italian labor court for unlawful dismissal under the Italian labor laws against the Company's subsidiary. The subsidiary entered an appearance and filed a counterclaim. In addition, the executive has brought an action in the Italian corporate courts challenging the subsidiary's removal of the executive as managing director. The executive has not specified any damages in this action and it is in the preliminary stage. The Company believes that the executive's change in control provision has not been triggered and that the executive's termination was justified. However, based on the court's "pay or justify" order to pay euro 300,000, the Company recorded a charge in fiscal year 2004 of approximately $0.4 million in connection with this matter and which charge is included in Litigation Settlement reserves in the accompanying financial statements.

OTHER LEGAL MATTERS - The Company is a defendant in several other legal actions in various US and foreign jurisdictions arising from the normal course of business. Management believes the Company has meritorious defenses to such actions and that the outcomes will not be material to the Company's consolidated financial statements.

ITEM 6. EXHIBITS

Exhibits

31.1* Certification of Chief Executive Officer, Walter F. Schneider, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of Principal Accounting Officer, Mark Koch, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of the Chief Executive Officer, Walter F. Schneider, pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2* Certification of the Principal Accounting Officer, Mark Koch, pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEL GLOBAL TECHNOLOGIES CORP.

Dated: June 14, 2005 /s/ Walter F. Schneider

Walter F. Schneider
Chief Executive Officer
and President

Dated: June 14, 2005 /s/ Mark Koch

Mark Koch
Principal Accounting Officer
and Treasurer

EXHIBIT 31.1

CERTIFICATIONS

I, Walter F. Schneider, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Del Global Technologies Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 14, 2005

/s/ Walter F. Schneider

Walter F. Schneider
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Mark Koch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Del Global Technologies Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 14, 2005

/s/ Mark Koch

Mark Koch
Principal Accounting Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany the Registrant's Quarterly Report on Form 10-Q for the period ended April 30, 2005:

In connection with the Quarterly Report of Del Global Technologies Corp. (the "Company") on Form 10-Q for the period ended April 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walter F. Schneider, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

   (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

   (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Walter F. Schneider

Name: Walter F. Schneider
Title: Chief Executive Officer
Date: June 14, 2005

   (1) A signed original of this written statement required by Section 906 has been provided to Del Global Technologies Corp and will be retained by Del Global Technologies Corp. and furnished to the

Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER (1)

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the following certification is being made to accompany the Registrant's Quarterly Report on Form 10-Q for the period ended April 30, 2005:

In connection with the Quarterly Report of Del Global Technologies Corp. (the "Company") on Form 10-Q for the period ended April 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Koch, Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark Koch

Name: Mark Koch
Title: Principal Accounting Officer
Date: June 14, 2005

(1) A signed original of this written statement required by Section 906 has been provided to Del Global Technologies Corp and will be retained by Del Global Technologies Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.
