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DRAFT

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ANAREN REPORTS 1ST QUARTER RESULTS

Syracuse, NY – Anaren Microwave, Inc. today reported results for the first quarter ended September 30, 2002. Net sales for the quarter were \$20.4 million, up 36% from net sales of \$15.0 million for the first quarter of last year. The operating loss for the first quarter was \$455,000, compared to operating income of \$701,000 for the first quarter last year, and \$361,000 in the fourth quarter of fiscal 2002. Net income for the first quarter was \$146,000 or \$0.01 per diluted share compared to \$1.4 million or \$0.06 for the first quarter of last fiscal year and \$2.0 million or \$0.09 per diluted share for the fourth quarter of fiscal 2002.

The company recognized a \$403,000 restructuring charge, or \$0.01 per diluted share in the first quarter for severance costs associated with a workforce reduction at its Anaren Europe operation. This action was taken to better align the Anaren Europe workforce with the current level of demand and is expected to reduce operating expenses at that facility by approximately \$1.0 million annually. Though Anaren Europe qualification and design-in activity with several leading Wireless infrastructure OEMs continues, the lack of visibility across the Wireless market necessitated the action.

Excluding the results of the two acquisitions completed in fiscal 2002, net sales for the quarter were up 18.8% over the first quarter of last year and down 6.1% sequentially from the fourth quarter of fiscal 2002.

In the Wireless Group, net sales for the quarter were \$13.1 million, up 53.6% from the first quarter of last year, but down 12.6% sequentially from the fourth quarter of fiscal 2002. Lawrence A. Sala, Anaren President and CEO said, “though Wireless Group net sales declined sequentially from the fourth quarter, design activity for both standard and custom products remained strong. There is increasing demand for custom products associated with cost reduction efforts on existing infrastructure platforms at several leading OEMs. In addition, during the quarter we introduced our first component products for 2.4 GHz 802.11 Wireless Local Area Network (WLAN) client and access point applications and also began sampling 5.2 GHz products to selected customers. We are very pleased with our progress in this rapidly growing market having already captured 2.4 GHz reference design wins with the two leading chipset manufacturers.”

Space and Defense Group net sales for the quarter were \$7.3 million, up 13.3% from the first quarter of last year and up 12.4% sequentially from the fourth quarter of fiscal 2002. Space and Defense new orders for the quarter totaled \$5.2 million including follow-on orders for a missile receiver application. “We have seen strengthening in both domestic and international demand for our defense related products for radar, receiver, and jamming applications,” said Mr. Sala. The Space and Defense backlog at September 30, 2002 was \$31.3 million.

The statements contained in this news release which are not historical information are “forward-looking statements”. These statements involve risks and uncertainties that could cause actual results to differ materially from those discussed. Such factors include, but are not limited to: current unpredictable wireless market conditions; decline in demand for Company products; order cancellations; increased pricing pressure from our customers; decreased capital expenditures by wireless service providers; difficulties and unanticipated expense of integrating newly acquired businesses (including Celeritek, Inc. if a transaction were consummated); unanticipated difficulties in becoming re-qualified by Anaren Europe’s customers; unpredictable difficulties or delays in the development of new products; the risks associated with any technological shifts away from the Company’s technologies and core competencies; unanticipated impairments of assets and investment values; foreign currency fluctuations; and litigation involving our ownership interest in Celeritek or a potential transaction with Celeritek, or involving antitrust, intellectual property, product warranty, product liability, and other issues. You are encouraged to review Anaren’s 2002 Annual Report, Anaren’s Form 10-K, for the fiscal year ended June 30, 2002 and Anaren’s Form 10-Q for the three months ended September 30, 2002 and exhibits to those Reports filed with the Securities and Exchange Commission to learn more about the various risks and uncertainties facing Anaren’s business and their potential impact on Anaren’s revenue and earnings. Anaren disclaims any obligation to update or revise any forward-looking statement.

Anaren designs, manufactures and sells complex microwave signal distribution networks and components for the wireless communications, satellite communications and defense electronics markets.

Anaren Microwave, Inc. and Subsidiaries
Consolidated Condensed Statements of Income
(Unaudited)

	Three Months Ended		
	<u>Sept. 30, 2002</u>	<u>Sept. 30, 2001</u>	<u>June 30, 2002</u>
Net sales	\$20,423,873	\$15,001,191	\$21,500,910
Cost of sales	<u>15,032,366</u>	<u>9,870,138</u>	<u>15,271,712</u>
Gross profit	<u>5,391,507</u>	<u>5,131,053</u>	<u>6,229,198</u>
Operating expenses:			
Marketing	1,733,805	1,519,035	1,908,515
Research and development	1,401,061	1,152,666	1,761,533
General and administrative	2,308,682	1,758,691	2,198,572
Restructuring	<u>403,403</u>	<u>0</u>	<u>0</u>
Total operating expenses	<u>5,846,951</u>	<u>4,430,392</u>	<u>5,868,620</u>
Operating income (loss)	<u>(455,444)</u>	<u>700,661</u>	<u>360,578</u>
Other income (expense):			
Interest expense	(19,522)	(16,248)	(39,307)
Other, primarily interest income	<u>669,172</u>	<u>1,281,071</u>	<u>904,425</u>
Total other income (expense), net	<u>649,650</u>	<u>1,264,823</u>	<u>865,118</u>
Income before income taxes	194,206	1,965,484	1,225,697
Income taxes	<u>48,000</u>	<u>591,000</u>	<u>(787,000)</u>
Net income	146,206	1,374,484	2,012,696
Earnings per share:			
Basic	<u>\$0.01</u>	\$0.06	\$0.09
Diluted	<u>\$0.01</u>	<u>0.06</u>	<u>0.09</u>
Shares used in computing net earnings per share:			
Basic	<u>22,331,289</u>	<u>22,250,148</u>	<u>22,355,532</u>
Diluted	<u>22,811,612</u>	<u>23,133,196</u>	<u>22,965,666</u>

Anaren Microwave, Inc. and Subsidiaries
Consolidated Condensed Statements of Income
(Unaudited)

	Three Months Ended		
	<u>Sept. 30, 2002</u>	<u>Sept. 30, 2001</u>	<u>June 30, 2002</u>
Net Sales	100.0%	100.0%	100.0%
Cost of sales	<u>73.6%</u>	<u>65.8%</u>	<u>71.0%</u>
Gross profit (loss)	<u>26.4%</u>	<u>34.2%</u>	<u>29.0%</u>
Operating expenses:			
Marketing	8.5%	10.1%	8.9%
Research and development	6.8%	7.7%	8.2%
General and administrative	11.3%	11.7%	10.2%
Restructuring	<u>2.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Total operating expenses	<u>28.6%</u>	<u>29.5%</u>	<u>27.3%</u>
Operating income (loss)	<u>(2.2%)</u>	<u>4.7%</u>	<u>1.7%</u>
Other income (expense):			
Interest expense	(0.1%)	(0.1%)	(0.2%)
Other, primarily interest income	<u>3.3%</u>	<u>8.5%</u>	<u>4.2%</u>
Total other income (expense), net	<u>3.2%</u>	<u>8.4%</u>	<u>4.0%</u>
Income before income taxes	1.0%	13.1%	5.7%
Income taxes	<u>0.3%</u>	<u>3.9%</u>	<u>(3.7)%</u>
Net income	<u>0.7%</u>	<u>9.2%</u>	<u>9.4%</u>

Anaren Microwave, Inc.
Consolidated Balance Sheets

	(Unaudited) <u>Sept. 30, 2002</u>	<u>June 30, 2002</u>
Assets:		
Cash, cash equivalents and short-term investments	\$112,217,039	\$115,341,665
Accounts receivable, net	12,471,092	13,106,583
Other receivables	1,107,723	1,206,396
Inventories	20,245,757	20,119,433
Other current assets	<u>2,936,853</u>	<u>2,486,467</u>
Total current assets	148,978,464	152,260,544
Net property, plant and equipment	27,526,197	26,592,375
Marketable debt securities	12,667,956	9,564,558
Goodwill	30,715,861	30,715,861
Other intangibles	1,986,693	2,093,610
Other assets	<u>341,385</u>	<u>359,353</u>
Total assets	<u>\$222,216,556</u>	<u>\$221,586,301</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$4,793,045	\$5,046,048
Accrued expenses	4,028,227	3,297,207
Customer advance payments	90,812	244,831
Other Liabilities	<u>201,000</u>	<u>185,725</u>
Total current liabilities	9,113,084	8,773,811
Other non-current liabilities	<u>3,284,668</u>	<u>3,259,252</u>
Total liabilities	12,397,752	12,033,063
Stockholders' equity:		
Retained earnings	47,228,803	47,082,597
Common stock and additional paid-in capital	168,230,517	168,071,340
Accumulated comprehensive loss	(274,178)	(828,061)
Less cost of treasury stock	<u>(5,366,338)</u>	<u>(4,772,638)</u>
Total stockholders' equity	<u>209,818,804</u>	<u>209,553,238</u>
Total liabilities and stockholders' equity	<u>\$222,216,556</u>	<u>\$221,586,301</u>