

**FOR IMMEDIATE RELEASE**

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**ANAREN REPORTS 3<sup>RD</sup> QUARTER RESULTS**

Syracuse, NY – Anaren Microwave, Inc. today reported results for the third quarter ended March 31, 2002. Net sales for the quarter were \$19.8 million, down 9% from net sales of \$21.7 million for the third quarter of last year, and up 15% sequentially from the second quarter of fiscal 2002. Operating income for the third quarter was \$551,000, compared to operating income of \$2.4 million for the third quarter last year, and an operating loss of (\$1.8) million in the second quarter of fiscal 2002. Net income for the third quarter was \$996,000 or \$0.04 per diluted share compared to \$2.8 million or \$0.12 for the third quarter of last fiscal year.

Lawrence A. Sala, Anaren President and CEO said, “We are pleased with both the growth in revenue and improved profitability over the second quarter. The improvement in profitability over the second quarter was the result of increased sales volume and improved operating efficiency at both our Syracuse and 5M operations. In addition, manufacturing yields at 5M improved more rapidly than anticipated during the quarter.”

The revenue growth for the quarter was driven by the Wireless Group. Wireless Group net sales for the third quarter were \$13.4 million including \$2.6 million of contribution from Amitron and 5M. Eliminating the impact of the two acquisitions, Wireless Group net sales were up \$2.5 million or 30% sequentially from the second quarter of fiscal 2002. The growth in Wireless Group net sales was driven by a broad increase in demand and increased market share at several major infrastructure manufacturers. In addition, during the quarter production of Adrenaline<sup>®</sup> type products for a 3G amplifier application was re-initiated.

The “Breakthrough 2002” new products announced last quarter have been well received in the market place and more than a dozen new design wins have already been achieved. “We continue to aggressively invest in new product development to expand our addressable markets and growth opportunities,” said Mr. Sala.

Space and Defense Group net sales for the quarter were \$6.5 million. Space and Defense new orders for the quarter were \$5.9 million driven by follow on orders for jamming subsystems and initial funding for antenna distribution networks for a ground

based military radar system. The Space and Defense Backlog at March 31, 2002 was \$35.1 million.

Fiscal 2002 results reflect the adoption of Financial Accounting Standards Board Statement No. 142, which eliminated goodwill amortization beginning July 1, 2001. As a result of the adoption of this new standard, the Company ceased amortization of the goodwill recorded as part of its previous acquisition transactions. If the Company had discontinued amortization of goodwill in the third quarter and nine months ended March 31, 2001 (last year), net income would have been increased by \$412,005 or \$0.02 per diluted and basic share for the quarter and by \$1,141,037, or \$0.05 per diluted and basic share for the first nine months of the prior fiscal year.

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, unanticipated difficulties in becoming re-qualified by 5M’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, and foreign currency fluctuations. You are encouraged to review Anaren’s Annual Report and Anaren’s Form 10-K, as amended, for the fiscal year ended June 30, 2001 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 intention or 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		Nine Months Ended	
	<u>Mar. 31, 2002</u>	<u>Mar. 31, 2001</u>	<u>Mar. 31, 2002</u>	<u>Mar. 31, 2001</u>
Net sales	\$19,821,239	\$21,716,061	\$52,067,409	\$69,128,296
Cost of sales	<u>13,450,520</u>	<u>14,042,456</u>	<u>36,097,885</u>	<u>42,558,014</u>
Gross profit	<u>6,370,719</u>	<u>7,673,605</u>	<u>15,858,923</u>	<u>26,570,282</u>
Operating expenses:				
Marketing	1,978,719	1,800,057	5,346,950	5,106,071
Research and development	1,776,950	1,193,816	4,521,313	3,655,273
General and administrative	2,064,534	2,292,661	5,906,692	6,309,606
Fire related	-	-	711,400	-
Total operating expenses	<u>5,820,203</u>	<u>5,286,534</u>	<u>16,486,355</u>	<u>15,070,950</u>
Operating income (loss)	<u>550,516</u>	<u>2,387,071</u>	<u>(516,831)</u>	<u>11,499,332</u>
Other income (expense):				
Interest expense	(24,811)	(47,778)	(109,950)	(130,365)
Other, primarily interest income	<u>735,623</u>	<u>1,847,513</u>	<u>3,027,950</u>	<u>5,516,430</u>
Total other income (expense), net	<u>710,812</u>	<u>1,799,735</u>	<u>2,918,000</u>	<u>5,386,065</u>
Income before income taxes and extraordinary item	1,261,328	4,186,806	2,401,169	16,885,397
Income taxes	<u>265,000</u>	<u>1,435,000</u>	<u>382,000</u>	<u>5,858,000</u>
Net income before extraordinary item	996,328	2,751,806	2,019,169	11,027,397
Extraordinary item – gain on acquisition	-	-	3,407,244	-
Net income	<u>\$996,328</u>	<u>\$2,751,806</u>	<u>\$5,426,413</u>	<u>\$11,027,397</u>
Basic earnings per share:				
Net income				
before extraordinary item	\$0.04	\$0.12	\$0.09	\$0.50
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.00</u>	<u>0.15</u>	<u>0.00</u>
Net income	<u>\$0.04</u>	<u>\$0.12</u>	<u>\$0.24</u>	<u>\$0.50</u>
Diluted earnings per share:				
Net income before extraordinary item	\$0.04	\$0.12	\$0.09	\$0.47
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.00</u>	<u>0.15</u>	<u>0.00</u>
Net income	<u>\$0.04</u>	<u>\$0.12</u>	<u>\$0.24</u>	<u>\$0.47</u>
Shares used in computing net earnings				
Per share:				
Basic	<u>22,349,444</u>	<u>22,299,876</u>	<u>22,311,591</u>	<u>22,103,970</u>
Diluted	<u>23,095,668</u>	<u>23,500,682</u>	<u>23,130,889</u>	<u>23,593,567</u>

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(Unaudited)

	Three Months Ended		Nine Months Ended	
	<u>Mar. 31, 2002</u>	<u>Mar. 31, 2001</u>	<u>Mar. 31, 2002</u>	<u>Mar. 31, 2001</u>
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	<u>67.9%</u>	<u>64.7%</u>	<u>69.3%</u>	<u>61.6%</u>
Gross profit	<u>32.1%</u>	<u>35.3%</u>	<u>30.7%</u>	<u>38.4%</u>
Operating expenses:				
Marketing	10.0%	8.3%	10.3%	7.4%
Research and development	8.9%	5.5%	8.7%	5.3%
General and administrative	10.4%	10.5%	11.3%	9.1%
Fire related	<u>0.0%</u>	<u>0.0%</u>	<u>1.4%</u>	<u>0.0%</u>
Total operating expenses	<u>29.3%</u>	<u>24.3%</u>	<u>31.7%</u>	<u>21.8%</u>
Operating income (loss)	<u>2.8%</u>	<u>11.0%</u>	<u>(1.0%)</u>	<u>16.6%</u>
Other income (expense):				
Interest expense	(0.1%)	(0.2%)	(0.2%)	(0.2%)
Other, primarily interest income	<u>3.7%</u>	<u>8.5%</u>	<u>5.8%</u>	<u>8.0%</u>
Total other income (expense), net	<u>3.6%</u>	<u>8.3%</u>	<u>5.6%</u>	<u>7.8%</u>
Income before income taxes and extraordinary item	6.4%	19.3%	4.6%	24.4%
Income taxes	<u>1.4%</u>	<u>6.6%</u>	<u>0.7%</u>	<u>8.5%</u>
Net income before extraordinary item	5.0%	12.7%	3.9%	15.9%
Extraordinary item – gain on acquisition	<u>0.0%</u>	<u>0.0%</u>	<u>6.5%</u>	<u>0.0%</u>
Net income	<u>5.0%</u>	<u>12.7%</u>	<u>10.4%</u>	<u>15.9%</u>

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

	<u>Mar. 31, 2002</u>	<u>Three Months Ended</u> <u>Dec. 31, 2001</u>	<u>Mar. 31, 2001</u>
Net sales	\$19,821,239	\$ 17,244,979	\$21,716,061
Cost of sales	<u>13,450,520</u>	<u>12,777,227</u>	<u>14,042,456</u>
Gross profit	<u>6,370,719</u>	<u>4,467,752</u>	<u>7,673,605</u>
Operating expenses:			
Marketing	1,978,719	1,849,196	1,800,057
Research and development	1,776,950	1,591,697	1,193,816
General and administrative	2,064,534	2,083,467	2,292,661
Fire related	<u>-</u>	<u>711,400</u>	<u>-</u>
Total operating expenses	<u>5,820,203</u>	<u>6,235,760</u>	<u>5,286,534</u>
Operating income (loss)	<u>550,516</u>	<u>(1,768,008)</u>	<u>2,387,071</u>
Other income (expense):			
Interest expense	(24,811)	(68,891)	(47,778)
Other, primarily interest income	<u>735,623</u>	<u>1,011,256</u>	<u>1,847,513</u>
Total other income (expense), net	<u>710,812</u>	<u>942,365</u>	<u>1,799,735</u>
Income (loss) before income taxes and extraordinary item	1,261,328	(825,643)	4,186,806
Income taxes	<u>265,000</u>	<u>(474,000)</u>	<u>1,435,000</u>
Net income (loss) before extraordinary item	996,328	(351,643)	2,751,806
Extraordinary item – gain on acquisition	<u>-</u>	<u>3,407,244</u>	<u>-</u>
Net income	<u>\$996,328</u>	<u>\$3,055,601</u>	<u>\$2,751,806</u>
Basic earnings (loss) per share:			
Net income (loss) before extraordinary item	\$0.04	(\$0.02)	\$0.12
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.15</u>	<u>0.00</u>
Net income	<u>\$0.04</u>	<u>\$0.13</u>	<u>\$0.12</u>
Diluted earnings (loss) per share:			
Net income (loss) before extraordinary item	\$0.04	(\$0.02)	\$0.12
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.15</u>	<u>0.00</u>
Net income	<u>\$0.04</u>	<u>\$0.13</u>	<u>\$0.12</u>
Shares used in computing net earnings (loss)			
Per share:			
Basic	<u>22,349,444</u>	<u>22,336,004</u>	<u>22,299,876</u>
Diluted	<u>23,095,668</u>	<u>23,164,627</u>	<u>23,500,682</u>

Anaren Microwave, Inc. and Subsidiaries  
Consolidated Condensed Balance Sheets

	(Unaudited) <u>March 31, 2002</u>	<u>June 30, 2001</u>
<b>Assets:</b>		
Cash, cash equivalents and short-term investments	\$112,380,390	\$120,306,525
Accounts receivable, net	14,515,413	11,504,168
Other receivables	1,834,574	1,358,681
Inventories	19,978,486	18,566,977
Other current assets	<u>2,183,466</u>	<u>2,665,158</u>
Total current assets	150,892,329	154,401,509
Net property, plant and equipment	25,063,916	18,805,901
Marketable debt securities	13,006,999	11,725,960
Goodwill	30,715,861	23,410,534
Other intangibles	2,200,527	-
Other assets	<u>377,321</u>	<u>711,572</u>
Total assets	<u>\$222,256,953</u>	<u>\$209,055,476</u>
<b>Liabilities and stockholders' equity</b>		
<b>Liabilities:</b>		
Current installments of long-term debt	\$ 224,481	\$ -
Accounts payable	5,127,016	2,985,793
Accrued expenses	4,690,945	3,905,242
Customer advance payments	245,419	767,790
Other liabilities	<u>65,000</u>	<u>65,000</u>
Total current liabilities	10,352,861	7,723,825
Long-term debt	320,693	-
Other non-current liabilities	<u>3,993,112</u>	<u>1,877,876</u>
Total liabilities	14,905,983	9,601,701
<b>Stockholders' equity:</b>		
Retained earnings	45,069,900	39,643,487
Common stock and additional paid-in capital	167,574,243	164,582,926
Accumulated comprehensive loss – foreign currency translation	(333,539)	-
Unrealized gain on securities held for resale	52,321	-
Less cost of treasury stock	<u>(4,772,638)</u>	<u>(4,772,638)</u>
Total stockholders' equity	<u>207,590,287</u>	<u>199,453,775</u>
Total liabilities and stockholders' equity	<u>\$222,256,953</u>	<u>\$209,055,476</u>