

FOR IMMEDIATE RELEASE

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ANAREN REPORTS 3RD QUARTER RESULTS

Syracuse, NY – Anaren, Inc. (NASDAQ: ANEN) today reported results for the third quarter ended March 31, 2003. Net sales for the quarter were \$19.2 million, down 3% from net sales of \$19.8 million for the third quarter of fiscal year 2002, and down 8% from net sales of \$20.9 million for the second quarter of fiscal 2003. The operating loss for the third quarter was \$(1,492,000), compared to operating income of \$551,000 for the third quarter of last year, and operating income of \$2,000 in the second quarter of fiscal 2003. The net loss for the third quarter was \$(958,000), or \$(0.04) per diluted share compared to net income of \$996,000, or \$0.04 per diluted share for the third quarter of fiscal 2002 and \$475,000, or \$0.02 per diluted share for the second quarter of fiscal 2003.

The net loss in the third quarter included a \$(296,000), or \$(0.01) per share restructuring charge related to a work-force reduction in our Wireless Group and a \$(681,000), or \$(0.03) per share asset impairment charge related to a write down of the fixed assets in our Anaren Europe operation. These actions are in response to the continued weak demand for wireless infrastructure equipment.

For the nine months ended March 31, 2003, net sales were \$60.5 million, up 16.1% from net sales of \$52.1 million for the first nine months of fiscal year 2002. The net loss for the first nine months of fiscal 2003 was \$(337,000) or \$(0.02) per diluted share compared to net income of \$5.4 million, or \$0.24 per diluted share for the first nine months of fiscal 2002. The net loss for the first nine months of fiscal 2003 included the \$(681,000), or \$(0.03) per share asset impairment charge and restructuring charges of \$(699,000) or \$(0.03) per share, while the first nine months of fiscal 2002 included an extraordinary gain of \$3.4 million, or \$0.15 per share.

Balance Sheet

Cash, cash equivalents and marketable debt securities at March 31, 2003 were \$128.1 million. During the first nine months of fiscal year 2003, the company generated \$8.7 million in positive operating cash flow in part due to a \$3 million or 15.3% reduction in inventory and a \$1.6 million or 12.4% reduction in accounts receivable. In addition, the company has re-purchased 271,900 shares of its common stock during the first nine months of fiscal 2003 for approximately \$2.2 million.

Wireless Group

In the Wireless Group, net sales for the quarter were \$11.9 million, down 10.9% from the third quarter of fiscal year 2002, and down 10.7% sequentially from the second quarter of fiscal 2003. Lawrence A. Sala, Anaren Chairman and CEO said, "The wireless infrastructure market demand remained weak during the quarter. We continue to focus on the development of proprietary higher value products to enhance our revenue and operating performance. During the quarter, we introduced our Femto series balun product line for 802.11 (a), (b) and (g) applications. This product measures just 3.0mm x 3.0mm x 0.8mm, is 75% smaller than the Pico balun that we introduced in the first quarter and expands our addressable market in WLAN and mobile wireless applications. In addition, we delivered our first custom assembly for mobile wireless infrastructure applications to an OEM customer in Asia. This successful design win is a direct result of our recent investment in an Asian focused direct sales and design engineering organization."

Space and Defense Group

Space and Defense Group net sales for the quarter was \$7.3 million, up 12.8% from the third quarter of last year and down 3.5% sequentially from the second quarter of fiscal 2003. Space and Defense new orders for the quarter totaled \$6.3 million including orders for Defense satellite antenna distribution networks and airborne jamming subsystems. The Space and Defense backlog at March 31, 2002 was \$28.7 million.

Restructuring

Based on the continued weak wireless market conditions and the recent financial performance of the company, we anticipate further restructuring in the fourth quarter to reduce our operating expenses and enhance our financial performance. Specifically, we expect to recognize a restructuring charge of approximately \$1.2 million for additional workforce reductions. "Though we intend to continue with our aggressive growth and diversification initiatives, we feel that these actions are necessary to improve operating performance", said Sala. These reductions coupled with other aggressive cost savings activities are anticipated to reduce annual operating expenses by approximately \$6.5 million.

Forward-Looking Statements

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; the possibility that the company may be unable to successfully execute its business strategies or achieve

its operating objectives, generate revenue growth or achieve profitability; continued difficulties in rebuilding Anaren Europe's customer base; potential adverse effects of SARS at the Company's Suzhou China subsidiary; 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; additional unanticipated impairments of assets including investment values and goodwill; foreign currency fluctuations; diversion of defense spending away from the company's products and or technologies due to the current war and or the spread of war beyond Iraq; 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 March 31, 2003 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.

Conference Call

Anaren will host a live teleconference, open to the public, on the Anaren Investor Info, Live Webcast Web Site (<http://www.anaren.com>) and ccbn.com at <http://www.streetevents.com> on Tuesday, April 29, 2003 at 5:00 p.m. EST. A replay of the conference call will be available at 7:00 p.m. (EST) beginning April 29, 2003 through midnight May 2, 2003. To listen to the replay, interested parties may dial in the U.S. at 1-888-203-1112 and international at 1-719-457-0820. The access code is 476068. If you are unable to access the Live Webcast, the dial in number for the U.S. is 1-800-289-0436 and International is 1-913-981-5507.

Company Background

Anaren designs, manufactures and sells complex microwave signal distribution networks and components for the wireless communications, satellite communications and defense electronics markets. For more information on Anaren's products, visit our Web site at www.anaren.com.

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

	Three Months Ended		Nine Months Ended	
	<u>Mar. 31, 2003</u>	<u>Mar. 31, 2002</u>	<u>Mar. 31, 2003</u>	<u>Mar. 31, 2002</u>
Net sales	\$19,188,954	\$19,821,239	\$60,497,965	\$52,067,409
Cost of sales	<u>14,161,052</u>	<u>13,450,520</u>	<u>44,508,040</u>	<u>36,097,885</u>
Gross profit	<u>5,027,902</u>	<u>6,370,719</u>	<u>15,989,925</u>	<u>15,969,524</u>
Operating expenses:				
Marketing	1,638,952	1,978,719	5,024,835	5,346,950
Research and development	1,789,137	1,776,950	4,717,945	4,521,313
General and administrative	2,115,566	2,064,534	6,812,668	5,906,692
Impairment loss	680,822	-	680,822	-
Restructuring	295,706	-	699,109	-
Fire related	-	-	-	711,400
Total operating expenses	<u>6,520,183</u>	<u>5,820,203</u>	<u>17,935,379</u>	<u>16,486,355</u>
Operating income (loss)	<u>(1,492,281)</u>	<u>550,516</u>	<u>(1,945,454)</u>	<u>(516,831)</u>
Other income (expense):				
Interest expense	(10,493)	(24,811)	(40,177)	(109,950)
Other, primarily interest income	<u>530,665</u>	<u>735,623</u>	<u>1,840,896</u>	<u>3,027,950</u>
Total other income (expense), net	<u>520,172</u>	<u>710,812</u>	<u>1,800,719</u>	<u>2,918,000</u>
Income before income taxes and extraordinary item	(972,109)	1,261,328	(144,735)	2,401,169
Income taxes	<u>(14,000)</u>	<u>265,000</u>	<u>192,000</u>	<u>382,000</u>
Net income before extraordinary item	(958,109)	996,328	(336,735)	2,019,169
Extraordinary item – gain on acquisition	-	-	-	3,407,244
Net income	<u>\$(958,109)</u>	<u>\$ 996,328</u>	<u>\$(336,735)</u>	<u>\$ 5,426,413</u>
Basic earnings per share:				
Net income				
before extraordinary item	\$(0.04)	\$0.04	\$(0.02)	\$0.09
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.15</u>
Net income	<u>\$(0.04)</u>	<u>\$0.04</u>	<u>\$(0.02)</u>	<u>\$0.24</u>
Diluted earnings per share:				
Net income before extraordinary item	\$(0.04)	\$0.04	\$(0.02)	\$0.09
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.15</u>
Net income	<u>\$(0.04)</u>	<u>\$0.04</u>	<u>\$(0.02)</u>	<u>\$0.24</u>
Shares used in computing net earnings				
Per share:				
Basic	<u>22,224,562</u>	<u>22,349,444</u>	<u>22,286,339</u>	<u>22,311,591</u>
Diluted	<u>22,224,562</u>	<u>23,095,668</u>	<u>22,286,339</u>	<u>23,130,889</u>

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

	Three Months Ended		Nine Months Ended	
	<u>Mar. 31, 2003</u>	<u>Mar. 31, 2002</u>	<u>Mar. 31, 2003</u>	<u>Mar. 31, 2002</u>
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	<u>73.8%</u>	<u>67.9%</u>	<u>73.6%</u>	<u>69.3%</u>
Gross profit	<u>26.2%</u>	<u>32.1%</u>	<u>26.4%</u>	<u>30.7%</u>
Operating expenses:				
Marketing	8.6%	10.0%	8.3%	10.3%
Research and development	9.3%	8.9%	7.8%	8.7%
General and administrative	11.0%	10.4%	11.2%	11.3%
Impairment loss	3.6%	0.0%	1.1%	0.0%
Restructuring	1.5%	0.0%	1.2%	0.0%
Fire related	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>1.4%</u>
Total operating expenses	<u>34.0%</u>	<u>29.3%</u>	<u>29.6%</u>	<u>31.7%</u>
Operating income (loss)	<u>(7.8%)</u>	<u>2.8%</u>	<u>(3.2%)</u>	<u>(1.0%)</u>
Other income (expense):				
Interest expense	(0.1%)	(0.1%)	(0.1%)	(0.2%)
Other, primarily interest income	<u>2.8%</u>	<u>3.7%</u>	<u>3.1%</u>	<u>5.8%</u>
Total other income (expense), net	<u>2.7%</u>	<u>3.6%</u>	<u>3.0%</u>	<u>5.6%</u>
Income before income taxes and extraordinary item	(5.1%)	6.4%	(0.2%)	4.6%
Income taxes	<u>(0.1%)</u>	<u>1.4%</u>	<u>0.3%</u>	<u>0.7%</u>
Net income before extraordinary item	(5.0%)	5.0%	(0.5%)	3.9%
Extraordinary item – gain on acquisition	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>6.5%</u>
Net income	<u>(5.0%)</u>	<u>5.0%</u>	<u>(0.5%)</u>	<u>10.4%</u>

Anaren, Inc. and Subsidiaries
Consolidated Condensed Balance Sheets

	(Unaudited) <u>March 31, 2003</u>	<u>June 30, 2002</u>
Assets:		
Cash, cash equivalents and short-term investments	\$104,388,401	\$115,341,665
Accounts receivable, net	11,478,590	13,106,583
Other receivables	1,581,016	1,206,396
Inventories	17,046,371	20,119,433
Other current assets	<u>2,328,688</u>	<u>2,486,467</u>
Total current assets	136,823,066	152,260,544
Net property, plant and equipment	26,303,346	26,592,375
Marketable debt securities	23,717,260	9,564,558
Goodwill	30,715,861	30,715,861
Other intangibles	1,772,859	2,093,610
Other assets	<u>305,450</u>	<u>359,353</u>
Total assets	<u>\$219,637,842</u>	<u>\$221,586,301</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$ 3,914,915	\$ 5,046,048
Accounts expenses	3,481,843	3,297,207
Customer advance payments	-	244,831
Other liabilities	<u>238,975</u>	<u>185,725</u>
Total current liabilities	7,635,733	8,773,811
Other non-current liabilities	<u>3,589,478</u>	<u>3,259,252</u>
Total liabilities	11,225,211	12,033,063
Stockholders' equity:		
Retained earnings	46,745,862	47,082,597
Common stock and additional paid-in capital	168,720,056	168,071,340
Accumulated comprehensive loss	(71,531)	(828,061)
Less cost of treasury stock	<u>(6,981,756)</u>	<u>(4,772,638)</u>
Total stockholders' equity	<u>208,412,631</u>	<u>209,553,238</u>
Total liabilities and stockholders' equity	<u>\$219,637,842</u>	<u>\$221,586,301</u>