

FOR IMMEDIATE RELEASE

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ANAREN REPORTS 4TH QUARTER AND YEAR END RESULTS

Syracuse, NY – Anaren Microwave, Inc. today reported results for the fourth quarter ended June 30, 2002. Net sales for the quarter were \$21.5 million, up 37% from net sales of \$15.7 million for the fourth quarter of last year, and up 8% sequentially from the third quarter of fiscal 2002. Operating income for the fourth quarter was \$361,000, compared to operating income of \$112,000 for the fourth quarter last year, and \$551,000 in the third quarter of fiscal 2002. Net income for the fourth quarter was \$2.0 million or \$0.09 per diluted share compared to \$1.2 million or \$0.05 for the fourth quarter of last fiscal year and \$1.0 million or \$0.04 per diluted share for the third quarter of fiscal 2002.

For the fiscal year ended June 30, 2002, net sales were \$73.6 million and net income was \$7.4 million or \$0.32 per diluted share compared to net sales of \$84.8 million and net income of \$12.2 million or \$0.52 per diluted share for last fiscal year. Cash generated by operations for the year, including the acquisition of 5M and its associated insurance recovery (5M is now named Anaren Europe, B.V.), was \$17.1 million. Days sales outstanding improved to 56 days at June 30, 2002 from 67 days at June 30, 2001 and March 31, 2002.

The company recognized a tax benefit in the fourth quarter as a result of research credits and export tax benefits of \$857,000. Excluding the impact of this income tax benefit, net income for the fourth quarter and fiscal year were \$1,156,000 or \$0.05 per diluted share and \$6,582,000 or \$0.29 per diluted share respectively.

Excluding the results of the two acquisitions completed in fiscal 2002, net sales for the quarter were up 17% over the fourth quarter of last year and up 7% sequentially from the third quarter of fiscal 2002. The growth in net sales for the quarter was the result of increased market share in wireless components and improved performance at Anaren Europe. For the quarter Anaren Europe's net sales increased 44% sequentially from the third quarter of fiscal 2002. Anaren Europe is currently manufacturing prototypes for initial qualification with four leading wireless infrastructure equipment manufacturers.

Lawrence A. Sala, Anaren President and CEO said, "The continued focus on new product development in the wireless component area is producing excellent results. To

date, we have introduced five new product lines all of which have been well received by the market place. We are currently sampling key customers on four new product lines which we plan to broadly introduce during the first half of fiscal 2003. These products target existing and new addressable markets for the company including wireless infrastructure and 802.11 access point and network interface card applications.”

Space and Defense Group net sales for the quarter were \$6.5 million. Space and Defense new orders for the quarter were \$4.9 million including initial funding for antenna feed networks for a defense satellite program. This is the first significant military satellite program win for the company, greatly expanding the addressable market for our space technology. The Space and Defense Backlog at June 30, 2002 was \$33.5 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 fourth quarter and fiscal year ended June 30, 2001 (last year), net income would have been increased by \$412,000 or \$0.02 per diluted and basic share for the quarter and by \$1.6 million, or \$0.07 per diluted and basic share for 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(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 Celeitek, or involving antitrust, intellectual property, product warranty, product liability, and other issues. You are encouraged to review Anaren’s 2001 Annual Report and Anaren’s Form 10-K, for the fiscal year ended June 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		Year Ended	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Net sales	\$21,500,910	\$15,696,978	\$73,568,319	\$84,825,275
Cost of sales	<u>15,271,712</u>	<u>9,968,570</u>	<u>51,369,597</u>	<u>52,526,584</u>
Gross profit	<u>6,229,198</u>	<u>5,728,408</u>	<u>22,198,722</u>	<u>32,298,691</u>
Operating expenses:				
Marketing	1,908,515	1,478,019	7,255,465	6,584,090
Research and development	1,761,533	1,367,609	6,282,846	5,022,882
General and administrative	2,198,572	2,082,512	8,105,264	8,392,118
Restructuring	-	688,337	-	688,337
Fire related	-	-	711,400	-
Total operating expenses	<u>5,868,620</u>	<u>5,616,477</u>	<u>22,354,975</u>	<u>20,687,427</u>
Operating income (loss)	<u>360,578</u>	<u>111,931</u>	<u>(156,253)</u>	<u>11,611,264</u>
Other income (expense):				
Interest expense	(39,307)	(29,141)	(149,257)	(159,506)
Other, primarily interest income	<u>904,426</u>	<u>1,645,780</u>	<u>3,932,376</u>	<u>7,162,210</u>
Total other income (expense), net	<u>865,119</u>	<u>1,616,639</u>	<u>3,783,119</u>	<u>7,002,704</u>
Income before income taxes and extraordinary item	1,225,697	1,728,570	3,626,866	18,613,968
Income taxes	<u>(787,000)</u>	<u>542,000</u>	<u>(405,000)</u>	<u>6,400,000</u>
Net income before extraordinary item	2,012,697	1,186,570	4,031,866	12,213,968
Extraordinary item – gain on acquisition	-	-	<u>3,407,244</u>	-
Net income	<u>\$2,012,697</u>	<u>\$1,186,570</u>	<u>\$7,439,110</u>	<u>\$12,213,968</u>
Basic earnings per share:				
Net income before extraordinary item	\$0.09	\$0.05	\$0.18	\$0.55
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.00</u>	<u>0.15</u>	<u>0.00</u>
Net income	<u>\$0.09</u>	<u>\$0.05</u>	<u>\$0.33</u>	<u>\$0.55</u>
Diluted earnings per share:				
Net income before extraordinary item	\$0.09	\$0.05	\$0.17	\$0.52
Extraordinary item – gain on acquisition	<u>0.00</u>	<u>0.00</u>	<u>0.15</u>	<u>0.00</u>
Net income	<u>\$0.09</u>	<u>\$0.05</u>	<u>\$0.32</u>	<u>\$0.52</u>
Shares used in computing net earnings				
Per share:				
Basic	<u>22,355,532</u>	<u>22,222,756</u>	<u>22,322,546</u>	<u>22,133,585</u>
Diluted	<u>22,965,666</u>	<u>23,040,599</u>	<u>23,089,553</u>	<u>23,455,244</u>

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(Unaudited)

	Three Months Ended		Year Ended	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	<u>71.0%</u>	<u>63.5%</u>	<u>69.8%</u>	<u>61.9%</u>
Gross profit	<u>29.0%</u>	<u>36.5%</u>	<u>30.2%</u>	<u>38.1%</u>
Operating expenses:				
Marketing	8.9%	9.4%	9.9%	7.8%
Research and development	8.2%	8.7%	8.5%	5.9%
General and administrative	10.2%	13.3%	11.0%	9.9%
Restructuring	0.0%	4.4%	0.0%	0.8%
Fire related	<u>0.0%</u>	<u>0.0%</u>	<u>1.0%</u>	<u>0.0%</u>
Total operating expenses	<u>27.3%</u>	<u>35.8%</u>	<u>30.4%</u>	<u>24.4%</u>
Operating income (loss)	<u>1.7%</u>	<u>0.7%</u>	<u>(0.2%)</u>	<u>13.7%</u>
Other income (expense):				
Interest expense	(0.2%)	(0.2%)	(0.2%)	(0.2%)
Other, primarily interest income	<u>4.2%</u>	<u>10.5%</u>	<u>5.3%</u>	<u>8.4%</u>
Total other income (expense), net	<u>4.0%</u>	<u>10.3%</u>	<u>5.1%</u>	<u>8.2%</u>
Income before income taxes and extraordinary item	5.7%	11.0%	4.9%	21.9%
Income taxes	<u>(3.7)%</u>	<u>3.4%</u>	<u>(0.6)%</u>	<u>7.5%</u>
Net income before extraordinary item	9.4%	7.6%	5.5%	14.4%
Extraordinary item – gain on acquisition	<u>0.0%</u>	<u>0.0%</u>	<u>4.6%</u>	<u>0.0%</u>
Net income	<u>9.4%</u>	<u>7.6%</u>	<u>10.1%</u>	<u>14.4%</u>

Anaren Microwave, Inc. and Subsidiaries
Consolidated Condensed Balance Sheet

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Assets:		
Cash, cash equivalents and short-term investments	\$115,341,665	\$120,306,525
Accounts receivable, net	13,106,583	11,504,168
Other receivables	1,206,396	1,358,681
Inventories	20,119,433	18,566,977
Other current assets	<u>2,486,467</u>	<u>2,665,158</u>
Total current assets	152,260,544	154,401,509
Net property, plant and equipment	26,592,375	18,805,901
Marketable debt securities	9,564,558	11,725,960
Goodwill	30,715,861	23,410,534
Other intangibles	2,093,610	-
Other assets	<u>359,353</u>	<u>711,572</u>
Total assets	<u>\$221,586,301</u>	<u>\$209,055,476</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$ 5,046,048	\$ 2,985,793
Accrued expenses	3,297,207	3,905,242
Customer advance payments	244,831	767,790
Other liabilities	<u>185,725</u>	<u>65,000</u>
Total current liabilities	8,773,811	7,723,825
Other non-current liabilities	<u>3,259,252</u>	<u>1,877,876</u>
Total liabilities	12,033,063	9,601,701
Stockholders' equity:		
Retained earnings	47,082,597	39,643,487
Common stock and additional paid-in capital	168,071,340	164,582,926
Accumulated comprehensive (loss) income	(828,061)	-
Less cost of treasury stock	<u>(4,772,638)</u>	<u>(4,772,638)</u>
Total stockholders' equity	209,553,238	199,453,775
Total liabilities and stockholders' equity	<u>\$221,586,301</u>	<u>\$209,055,476</u>