



February 1, 2007

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ANAREN REPORTS 2ND QUARTER RESULTS

Syracuse, NY – Anaren, Inc. (NASDAQ: ANEN) today reported record net sales for the second quarter ended December 31, 2006 of \$30.3 million, up 21% from the second quarter of fiscal year 2006.

Net income for the second quarter of fiscal 2007 was \$4.0 million, or \$0.22 per diluted share, up 101% from the second quarter of last year. Net income for the quarter included \$0.04 per diluted share in stock based compensation expense. Excluding stock based compensation expense, net income for the second quarter was \$4.7 million, or \$0.26 per diluted share.

The effective tax rate for the second quarter of fiscal 2007 was 21.6%, compared to 27.4% for the second quarter of fiscal 2006.

Operating income for the second quarter of fiscal 2007 was \$4.3 million, or 14.0% of net sales, up 90% from the second quarter of last year. Operating income for the quarter included \$820,000 in stock based compensation expense. Excluding stock based compensation expense, operating income for the second quarter of fiscal 2007 was \$5.1 million, or 16.7% of net sales.

Lawrence A. Sala, Anaren's President and CEO said, "The overall growth in net sales for the quarter was driven by strong growth in Space & Defense Group net sales which offset reduced demand for wireless infrastructure products. The continued growth in net sales and a favorable product mix positively impacted our profitability for the quarter." Mr. Sala added, "Though the general decline in wireless infrastructure demand continued throughout the quarter, we continue to see numerous new wireless consumer and infrastructure product opportunities."

For the six months ended December 31, 2006, net sales were \$60.5 million, up 22% from the first six months of fiscal 2006. Operating income for the first six months of fiscal 2007 was \$8.4 million, or 13.8% of net sales, including \$1.6 million, or 2.7% of net sales, in stock based compensation expense. Operating income before stock based compensation expense for the first six months of fiscal 2007 was 16.6% of net sales. Net income for the first six months of fiscal 2007 was \$7.8 million, or \$0.43 per diluted share, including \$0.08 per diluted share in stock based compensation expense. This compares to net income for the first six months of fiscal 2006 of \$4.2 million, or \$0.24 per diluted share, which included \$1.7 million in stock based compensation expense.

Balance Sheet

Cash, cash equivalents and marketable debt securities at December 31, 2006 were \$91.5 million. During the quarter, the Company generated \$7.2 million in cash from operations which consisted of the \$4.0 million in net income and a \$3.6 million decrease in accounts receivable which was partially offset by a \$2.1 million increase in inventory. Expenditures for capital additions in the second quarter were \$3.9 million driven primarily by the building expansion at the Company's East Syracuse, New York manufacturing facility and capital equipment purchases for the Company's newly acquired Suzhou, China facility.

Wireless Group

Wireless Group net sales for the quarter were \$17.0 million, up 9.7% from the second quarter of fiscal 2006 but down 14% from the first quarter of fiscal year 2007. Reduced demand across all wireless infrastructure product lines from first quarter levels continued throughout the quarter. Sales of consumer component products were \$1.8 million for the quarter, up 68% from the second quarter of last year. Product development activity remains focused on expanding the ferrite and consumer component product lines. During the quarter, the Company introduced several new filter products for satellite television applications. "We are pleased with the progress of our new product development efforts as well as the number and quality of new business opportunities for both infrastructure and consumer applications," said Mr. Sala.

Customers that generated 10% of Wireless Group net sales or greater for the quarter were Motorola, Inc. and Nokia Corp.

Space & Defense Group

Space & Defense Group net sales for the quarter were \$13.3 million, up 40% from the second quarter of fiscal 2006 due largely to production relating to the recently announced contracts with SRCtec, Inc. New orders for the quarter totaled \$12.7 million and included contracts for airborne and ground based radar receiver and jammer components and subsystems. Research and development investment is focused on increasing the integration, functionality and frequency range of radar and receiver related products. Space & Defense backlog at December 31, 2006 was \$50.7 million.

Outlook

For the third quarter, we expect moderate demand for wireless infrastructure products, a seasonally driven decrease in demand for the consumer component product line and continued strong sales for the Space & Defense segment as a result of recent new contract wins. As a result, we expect net sales to be in the range of \$27.0 - \$30.0 million for the third quarter of fiscal 2007. With an anticipated tax rate of approximately 25% and an expected stock based compensation expense of approximately \$0.04 per diluted share, we expect net earnings per diluted share to be in the range of \$0.16 - \$0.21 for the third quarter.

Forward-Looking Statements

The statements contained in this news release which are not historical information are "forward-looking statements". These, and other forward-looking statements, are subject to business and economic risks and uncertainties that could cause actual results to differ materially from those discussed. The risks and uncertainties described below are not the only risks and

uncertainties facing our Company. Additional risks and uncertainties not presently known to us or that are currently deemed immaterial may also impair our business operations. If any of the following risks actually occur, our business could be adversely affected, and the trading price of our common stock could decline, and you may lose all or part of your investment.

On January 31, the Company filed an amended Annual Report on Form 10-k/A for the fiscal year 2006 restating the Company's consolidated financial statements for the fiscal year 2006 and the fiscal year 2004, modified related disclosures, and disclosed material weaknesses in the Company's disclosure controls and procedures. The Company additionally filed on January 31, 2007 amended Quarterly Reports on Form 10-Q/A for the periods ending December 31, 2005, March 31, 2006 and September 30, 2006. The Company cannot predict the reaction to the filing of these Amended Reports and if adverse, the market price of the Company's stock could decline.

Other known factors include, but are not limited to: the Company's ability to timely ramp up to meet some of our customers' increased demands; unanticipated delays and/or difficulties associated with relocating the Company's Suzhou China facility and successfully completing all requalification procedures; potential unanticipated liabilities and delays associated with the physical expansion of the Company's Syracuse, New York facility; unanticipated delays in successfully completing customer orders within contractually required timeframes; 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 expectations; successfully securing new design wins from our OEM customers, reliance on a limited number of key component suppliers, unpredictable difficulties or delays in the development of new products; order cancellations or extended postponements; the risks associated with any technological shifts away from the Company's technologies and core competencies; unanticipated impairments of assets including investment values and goodwill; diversion of defense spending away from the Company's products and or technologies due to on-going military operations; and litigation involving antitrust, intellectual property, environmental, product warranty, product liability, and other issues. You are encouraged to review Anaren's 2006 Annual Report, Anaren's Form 10-K/A for the fiscal year ended June 30, 2006, Anaren's Form 10-Q for the three months ended September 30, 2006, Anaren's Form 10-Q/A for the three months ended December 31, 2006 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, earnings and stock price. Unless required by law, 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 Thursday, February 1 at 5:00 p.m. EDT. A replay of the conference call will be available at 8:00 p.m. (EDT) beginning February 1, 2007 through midnight February 5, 2007. 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 5964893. If you are unable to access the Live Webcast, the dial in number for the U.S. is 1-800-474-8920 and International is 1-719-457-2727.

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 Income
(Unaudited)

	Three Months Ended		Six Months Ended	
	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>
Sales	\$30,325,785	\$25,019,013	\$60,528,895	\$49,633,371
Cost of sales	<u>19,224,005</u>	<u>16,273,387</u>	<u>38,587,783</u>	<u>32,233,299</u>
Gross profit	<u>11,101,780</u>	<u>8,745,626</u>	<u>21,941,112</u>	<u>17,400,072</u>
	36.6%	35.0%	36.2%	35.1%
Operating expenses:				
Marketing	1,928,858	1,715,660	3,741,564	3,483,739
Research and development	2,192,823	2,268,438	4,331,008	4,303,079
General and administrative	<u>2,726,742</u>	<u>2,523,124</u>	<u>5,494,968</u>	<u>5,015,434</u>
Total operating expenses	<u>6,848,423</u>	<u>6,507,222</u>	<u>13,567,540</u>	<u>12,802,252</u>
Operating income	<u>4,253,357</u>	<u>2,238,404</u>	<u>8,373,572</u>	<u>4,597,820</u>
	14.0%	8.9%	13.8%	9.3%
Other income (expense):				
Other income, primarily interest	917,080	536,821	1,813,686	1,124,565
Interest expense	<u>(6,143)</u>	<u>(6,143)</u>	<u>(12,286)</u>	<u>(12,286)</u>
Total other income (expense)	<u>910,937</u>	<u>530,678</u>	<u>1,801,400</u>	<u>1,112,279</u>
Income before income taxes	5,164,294	2,769,082	10,174,972	5,710,099
Income taxes	<u>1,116,000</u>	<u>759,000</u>	<u>2,366,000</u>	<u>1,474,000</u>
Net income	<u>\$ 4,048,294</u>	<u>\$ 2,010,082</u>	<u>\$ 7,808,972</u>	<u>\$ 4,236,099</u>
	13.3%	8.0%	12.9%	8.5%
Basic earnings per share	<u>\$0.23</u>	<u>\$0.12</u>	<u>\$0.44</u>	<u>\$0.25</u>
Diluted earnings per share	<u>\$0.22</u>	<u>\$0.11</u>	<u>\$0.43</u>	<u>\$0.24</u>
Shares used in computing net income				
Per share:				
Basic	<u>17,622,700</u>	<u>17,020,360</u>	<u>17,557,429</u>	<u>17,211,315</u>
Diluted	<u>18,088,109</u>	<u>17,595,314</u>	<u>18,032,032</u>	<u>17,765,683</u>

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

	Three Months Ended		
	GAAP Results	Stock Based Compensation Expense	W/O Stock Based Compensation Expense
	Dec. 31, 2006	Dec. 31, 2006	Dec. 31, 2006
Net sales	\$30,325,785	\$ -	\$30,325,785
Cost of sales	<u>19,224,005</u>	<u>242,647</u>	<u>18,981,358</u>
Gross profit	<u>11,101,780</u> 36.6%	<u>242,647</u>	<u>11,344,427</u> 37.4%
Costs and expenses:			
Marketing	1,928,858	59,262	1,869,596
Research and development	2,192,823	103,965	2,088,858
General and administrative	<u>2,726,742</u>	<u>414,007</u>	<u>2,312,735</u>
Total operating expenses	<u>6,848,423</u>	<u>577,234</u>	<u>6,271,189</u>
Operating income	<u>4,253,357</u> 14.0%	<u>819,881</u> 2.8%	<u>5,073,238</u> 16.7%
Other income (expense):			
Other, primarily interest income	917,080	-	917,080
Interest expense	<u>(6,143)</u>	<u>-</u>	<u>(6,143)</u>
Total other income, net	<u>910,937</u>	<u>-</u>	<u>910,937</u>
Income from continuing operations before income tax	5,164,294	819,881	5,984,175
Income taxes	<u>1,116,000</u>	<u>(173,000)</u>	<u>1,289,000</u>
Net Income	<u>\$ 4,048,294</u> 13.3%	<u>\$ 646,881</u>	<u>\$ 4,695,175</u> 15.5%
Basic earnings per share	<u>\$0.23</u>	<u>\$0.04</u>	<u>\$0.27</u>
Diluted earnings per share	<u>\$0.22</u>	<u>\$0.04</u>	<u>\$0.26</u>
Shares used in computing net income per share			
Basic	<u>17,622,700</u>	<u>17,622,700</u>	<u>17,622,700</u>
Diluted	<u>18,088,109</u>	<u>18,088,109</u>	<u>18,088,109</u>

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

	Six Months Ended		
	GAAP Results Dec. 31, 2006	Stock Based Compensation Expense Dec. 31, 2006	W/O Stock Based Compensation Expense Dec. 31, 2006
Net sales	\$60,528,895	\$ -	\$60,528,895
Cost of sales	<u>38,587,783</u>	<u>519,690</u>	<u>38,068,093</u>
Gross profit	<u>21,941,112</u> 36.2%	<u>519,690</u>	<u>22,460,802</u> 37.1%
Costs and expenses:			
Marketing	3,741,564	115,168	3,626,396
Research and development	4,331,008	172,636	4,158,372
General and administrative	<u>5,494,968</u>	<u>842,053</u>	<u>4,652,915</u>
Total operating expenses	<u>13,567,540</u>	<u>1,129,857</u>	<u>12,437,683</u>
Operating income	<u>8,373,572</u> 13.8%	<u>1,649,547</u> 2.7%	<u>10,023,119</u> 16.6%
Other income (expense):			
Other, primarily interest income	1,813,686	-	1,813,686
Interest expense	<u>(12,286)</u>	<u>-</u>	<u>(12,286)</u>
Total other income, net	<u>1,801,400</u>	<u>-</u>	<u>1,801,400</u>
Income from continuing operations before income tax	10,174,972	1,649,547	11,824,519
Income taxes	<u>2,366,000</u>	<u>(322,000)</u>	<u>2,688,000</u>
Net Income	<u>\$ 7,808,972</u> 12.9%	<u>\$ 1,327,547</u>	<u>\$ 9,136,519</u> 15.1%
Basic earnings per share	<u>\$0.44</u>	<u>\$0.08</u>	<u>\$0.52</u>
Diluted earnings per share	<u>\$0.43</u>	<u>\$0.08</u>	<u>\$0.51</u>
Shares used in computing net income per share			
Basic	<u>17,557,429</u>	<u>17,557,429</u>	<u>17,557,429</u>
Diluted	<u>18,032,032</u>	<u>18,032,032</u>	<u>18,032,032</u>

Anaren, Inc. and Subsidiaries
Consolidated Condensed Balance Sheets

	<u>Dec. 31, 2006</u> (Unaudited)	<u>June 30, 2006</u>
Assets:		
Cash, cash equivalents and short-term investments	\$71,681,774	\$82,492,947
Accounts receivable, net	16,451,375	16,362,011
Other receivables	1,763,909	1,336,009
Inventories	26,819,270	21,827,271
Other current assets	<u>2,934,089</u>	<u>2,152,471</u>
Total current assets	119,650,417	124,170,709
Net property, plant and equipment	31,226,848	27,635,161
Securities available for sale	-	-
Securities held to maturity	19,865,894	6,131,425
Goodwill	30,715,861	30,715,861
Other intangibles	185,935	340,371
Other assets	<u>32,902</u>	<u>32,902</u>
Total assets	<u>\$201,677,857</u>	<u>\$189,026,429</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$ 7,769,666	\$6,798,793
Accrued expenses	2,575,912	3,254,816
Customer advance payments	483,722	483,722
Other liabilities	<u>963,172</u>	<u>1,473,011</u>
Total current liabilities	11,792,472	12,010,342
Other non-current liabilities	<u>5,535,266</u>	<u>4,897,687</u>
Total liabilities	17,327,738	16,908,029
Stockholders' equity:		
Retained earnings	78,302,825	70,493,853
Common stock and additional paid-in capital	186,417,499	182,049,235
Accumulated comprehensive loss	(386,914)	(441,397)
Less cost of treasury stock	<u>(79,983,291)</u>	<u>(79,983,291)</u>
Total stockholders' equity	<u>184,350,119</u>	<u>172,118,400</u>
Total liabilities and stockholders' equity	<u>\$201,677,857</u>	<u>\$189,026,429</u>

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

	Six Months Ended <u>Dec. 31, 2006</u>	Three Months Ended <u>Dec. 31, 2006</u>	Three Months Ended <u>Sept. 30, 2006</u>
Cash flows from operating activities:			
Net income	\$7,808,972	\$4,048,294	\$3,760,678
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of plant and equipment	2,524,216	1,120,904	1,403,312
Amortization of intangibles	154,436	74,218	80,218
Gain on sale of land	(77,508)	-	(77,508)
Stock based compensation	1,628,320	800,512	827,808
Provision for doubtful accounts	(21,726)	(23,005)	1,279
Deferred income taxes	248,000	103,000	145,000
Receivables	(67,638)	3,602,359	(3,669,997)
Inventories	(4,991,999)	(2,143,644)	(2,848,355)
Accounts payable	970,873	292,701	678,172
Other assets and liabilities	<u>(2,008,682)</u>	<u>(710,936)</u>	<u>(1,297,746)</u>
Net cash provided by (used in) operating activities	<u>6,167,264</u>	<u>7,164,403</u>	<u>(997,139)</u>
Cash flows from investing activities:			
Capital expenditures	(6,172,903)	(3,902,635)	(2,270,268)
Increase in other assets	-	341,448	(341,448)
Proceeds from sale of land	134,508	-	134,508
Net maturities (purchases) of marketable debt and equity securities	<u>(647,869)</u>	<u>213,475</u>	<u>(861,344)</u>
Net cash used in investing activities	<u>(6,686,264)</u>	<u>(3,347,712)</u>	<u>(3,338,552)</u>
Cash flows from financing activities:			
Stock options exercised	2,111,188	885,391	1,225,797
Tax benefit from exercise of stock options	<u>628,756</u>	<u>206,676</u>	<u>422,080</u>
Net cash provided by financing activities	<u>2,739,944</u>	<u>1,092,067</u>	<u>1,647,877</u>
Effect of exchange rates	54,483	66,634	(12,151)
Net increase (decrease) in cash and cash equivalents	2,275,427	4,975,392	(2,699,965)
Cash and cash equivalents at beginning of period	<u>15,733,214</u>	<u>13,033,249</u>	<u>15,733,214</u>
Cash and cash equivalents at end of period	<u>\$18,008,641</u>	<u>\$18,008,641</u>	<u>\$13,033,249</u>