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ANAREN REPORTS 3RD QUARTER RESULTS

Syracuse, NY – Anaren, Inc. (NASDAQ: ANEN) today reported net sales for the fiscal 2008 third quarter ended March 31, 2008 of \$32.6 million, unchanged from the third quarter of last year. Income from continuing operations for the third quarter of fiscal 2008 was \$2.0 million, or \$0.14 per diluted share, down from income from continuing operations of \$3.5 million, or \$0.20 per diluted share for the third quarter of last year. Net income for the third quarter of fiscal 2008 was \$2.8 million, or \$0.19 per share, and included \$770,000, or \$0.05 per share of income from discontinued operations due to the reduction of an unrecognized tax benefit resulting from the lapse of the applicable statute of limitations related to the prior dissolution of the Company's Netherland subsidiary. This compares to net income of \$3.5 million, or \$0.20 per diluted share for the third quarter of last year.

Proforma net income per share, excluding non cash equity based compensation, for the third quarter ended March 31, 2008 was \$0.24 per diluted share and included \$0.05 per share for income from discontinued operations. This compares to net income per diluted share, excluding non cash equity based compensation, of \$0.24 per share for the third quarter of the previous year.

Gross margin for the third quarter ended March 31, 2008 was 31.1%, compared to 34.8% for the third quarter of last year. The decline in gross margin in the current quarter resulted from manufacturing inefficiencies on several production programs and cost overruns on development projects within the Space & Defense Group, as well as a decline in profitability in the Salem, NH ceramics operation of the Wireless group. As a result of the continued poor financial performance of the ceramics operation, the Company is transitioning the production of the high power wireless resistor product line from the ceramics operation to our Suzhou, China operation. The transition is expected to be completed in the first quarter of fiscal 2009 and will result in more than \$1.0 million in annual savings.

Lawrence A. Sala, Anaren's President and CEO said, "Though we remain very optimistic with regard to the near and long term prospects for our Space & Defense business, the execution on several key programs during the quarter was disappointing." Mr. Sala added, "A number of supply chain, quality and product development issues negatively impacted net sales and profit margins for the group in the third quarter."

The effective tax rate on income from continuing operations for the third quarter of fiscal 2008 was 27.4% compared to 28.3% for the third quarter of fiscal 2007. The tax rate for the remainder of fiscal 2008 is expected to be approximately 26.5%.

Operating income for the third quarter of fiscal 2008 was \$2.3 million, or 7.0% of net sales, down from \$4.0 million, or 12.4% of net sales for the third quarter of last year. The Company incurred a lease charge in the third quarter in the amount of \$215,000, or \$0.01 per diluted share related to future lease cost in excess of the expected rental income generated from the Company's Frimley, U.K. facility. This charge coupled with the decline in gross margin and a 1.0 percentage point increase in R&D expense as a percent of sales, reduced operating income by 5.4 percentage points for the third quarter of fiscal 2008.

As disclosed in our latest Form 10-K, the Company leases an 18,000 square foot facility in Frimley, England under a non-cancellable lease which runs through February 2014. The building is vacant at this time and the annual rental costs including fees and property taxes are approximately \$700,000. The Company has been attempting to sublet the facility for over six months and due to the current real estate market in this area, has not been successful in procuring a new tenant. Currently, the Company believes that it will take a minimum 4 to 6 months to find a tenant and therefore, has reserved for the rent expense over this period. If a tenant is not found during this period, the Company will be required to take additional reserve charges in future quarters.

For the nine months ended March 31, 2008, net sales were \$97.1 million, up 4.2% from the first nine months of fiscal 2007. Operating income for the first nine months of fiscal 2008 was \$8.1 million, or 8.3% of net sales, down \$4.1 million from the same period of last year. Income from continuing operations and net income for the first nine months of fiscal 2008 were \$7.3 million, or \$0.48 per diluted share and \$8.1 million, or \$0.53 per share, respectively. This compares to income from continuing operations and net income for the first nine months of fiscal 2007 of \$11.0 million, or \$0.62 per diluted share.

Balance Sheet

During the third quarter, the Company generated \$270,000 in operating cash flow and used \$2.8 million to repurchase 194,471 shares of its common stock. Expenditures for capital additions in the third quarter were \$2.7 million driven primarily by the expansion and renovation of the Company's East Syracuse, New York manufacturing facility. Funds needed for stock repurchases and capital expenditures in excess of funds generated by operations came from maturities of the Company's investments. Cash, cash equivalents and marketable debt securities at March 31, 2008 were \$42.6 million.

Wireless Group

Wireless Group net sales for the quarter were \$20.2 million, up 13.3% from the third quarter of fiscal 2007. Increased demand for standard components predominately from customers in Asia offset continued weakness in demand for custom assemblies from one customer. In general, demand for infrastructure products remains volatile and visibility remains very limited. Sales of consumer component products were \$845,000 for the quarter, relatively unchanged from the third quarter of last year due to the continued diversification of design wins.

Customers that generated greater than 10% of Wireless Group net sales for the quarter were Flextronics, Huawei, Motorola, Nokia and Richardson Electronics, Ltd.

Space & Defense Group

Space & Defense Group net sales for the quarter were \$12.4 million, down 16.0% from the third quarter of fiscal 2007. The decline in net sales from the third quarter of last year was due to the poor execution on several programs in the current third quarter and the significant sales in the third quarter of last year for counter IED related products. This counter IED program was completed in the fourth quarter of last year.

New orders for the quarter totaled \$10.0 million and included contracts for passive ranging and radar subsystems. In addition, the Group received a \$3.5 million contract to provide receive/transmit assemblies to the Raytheon Missile Division for the Phalanx System. This initial order is both a key new product and new program win for the group with potential for future orders to support additional upgrades and new system production.

Customers that generated greater than 10% of Space & Defense net sales for the quarter were ITT, Raytheon, Northrop Grumman, and Lockheed Martin.

Space & Defense backlog at March 31, 2008 was approximately \$58.0 million.

Outlook

For the fourth quarter of fiscal 2008, we expect an increase in sales for the Space & Defense Group and a decrease in demand for Wireless products. As a result, we expect net sales to be in the range of \$30 - \$33 million for the fourth quarter of fiscal 2008. With an anticipated tax rate of approximately 26.5% and expected stock based compensation expense of approximately \$0.05 per diluted share, we expect GAAP net earnings per diluted share to be in the range of \$0.12-\$0.16 for the fourth 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.

These 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 in successfully completing customer orders within contractually required timeframes; unanticipated penalties resulting from failure to meet contractually imposed delivery schedules; unanticipated costs and damages resulting from replacement or repair of products found to include latent defects; 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; the ability to successfully transition the production of resistive products from the Company’s Salem, New Hampshire facility to the Company’s Suzhou China facility; 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 2007 Annual Report on Form 10-K for the fiscal year ended June 30, 2007 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 Tuesday, April 29 at 5:00 p.m. EDT. A replay of the conference call will be available at 8:00 p.m. (EDT) beginning April 29, 2008 through midnight May 2, 2008. 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 4863774. If you are unable to access the Live Webcast, the dial in number for the U.S. is 1-877-856-1958 and International is 1-719-325-4822.

Company Background

Anaren designs, manufactures and sells complex microwave components and subsystems 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		Nine Months Ended	
	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2007
Sales	\$32,618,733	\$32,600,635	\$97,076,907	\$ 93,126,530
Cost of sales	<u>22,478,241</u>	<u>21,242,154</u>	<u>66,016,934</u>	<u>60,030,937</u>
Gross profit	<u>10,140,492</u>	<u>11,358,481</u>	<u>31,059,973</u>	<u>33,095,593</u>
	31.1%	34.8%	32.0%	35.5%
Operating expenses:				
Marketing	1,766,226	1,829,982	5,299,409	5,571,546
Research and development	2,675,685	2,345,034	7,565,676	6,676,042
General and administrative	3,193,705	3,155,894	9,715,555	8,684,862
Lease impairment	<u>214,727</u>	<u>-</u>	<u>418,383</u>	<u>-</u>
Total operating expenses	<u>7,850,343</u>	<u>7,330,910</u>	<u>22,999,023</u>	<u>20,932,450</u>
Operating income	<u>2,290,149</u>	<u>4,027,571</u>	<u>8,060,950</u>	<u>12,163,143</u>
	7.0%	12.4%	8.3%	13.1%
Other income (expense):				
Other income, primarily interest	535,582	874,297	1,883,991	2,687,983
Interest expense	<u>(6,142)</u>	<u>(6,143)</u>	<u>(52,574)</u>	<u>(18,429)</u>
Total other income (expense)	<u>529,440</u>	<u>868,154</u>	<u>1,831,417</u>	<u>2,669,554</u>
Income before income taxes	2,819,589	4,895,725	9,892,367	14,832,697
Income taxes	<u>773,000</u>	<u>1,385,000</u>	<u>2,589,000</u>	<u>3,800,000</u>
Income from continuing operations	<u>\$ 2,046,589</u>	<u>\$ 3,510,725</u>	<u>\$ 7,303,367</u>	<u>\$ 11,032,697</u>
	6.3%	10.8%	7.5%	11.8%
Discontinued operations:				
Income from discontinued operations of Anaren Europe	-	-	-	-
Income tax benefit	<u>770,000</u>	<u>-</u>	<u>770,000</u>	<u>-</u>
Income from discontinued operations	<u>\$ 770,000</u>	<u>\$ -</u>	<u>\$ 770,000</u>	<u>\$ -</u>
Net income	<u>\$ 2,816,589</u>	<u>\$ 3,510,725</u>	<u>\$8,073,367</u>	<u>\$ 11,032,697</u>
	8.6%	10.8%	8.3%	11.8%
Basic earnings per share:				
Income from continuing operations	\$0.14	\$0.20	\$0.49	\$0.63
Income from discontinued operations	<u>0.05</u>	<u>0.00</u>	<u>0.05</u>	<u>0.00</u>
Net income	<u>\$0.19</u>	<u>\$0.20</u>	<u>\$0.54</u>	<u>\$0.63</u>
Diluted earnings per share:				
Income from continuing operations	\$0.14	\$0.20	\$0.48	\$0.62
Income from discontinued operations	<u>0.05</u>	<u>0.00</u>	<u>0.05</u>	<u>0.00</u>
Net income	<u>\$0.19</u>	<u>\$0.20</u>	<u>\$0.53</u>	<u>\$0.62</u>
Shares used in computing net income				
Per share:				
Basic	<u>14,301,900</u>	<u>17,397,647</u>	<u>15,022,181</u>	<u>17,504,946</u>
Diluted	<u>14,479,862</u>	<u>17,699,597</u>	<u>15,282,144</u>	<u>17,921,998</u>

Anaren, Inc.
Consolidated Condensed Balance Sheet

	<u>March 31, 2008</u> (Unaudited)	<u>June 30, 2007</u>
Assets:		
Cash, cash equivalents and short-term investments	\$25,657,018	\$43,014,064
Accounts receivable, net	23,147,498	19,768,701
Other receivables	1,541,788	1,606,093
Inventories	27,636,992	24,331,597
Other current assets	<u>2,821,586</u>	<u>3,067,019</u>
Total current assets	80,804,882	91,787,474
Net property, plant and equipment	41,352,684	37,091,786
Securities available for sale	500,000	-
Securities held to maturity	16,475,067	31,540,247
Goodwill	30,715,861	30,715,861
Other assets	<u>24,751</u>	<u>68,947</u>
Total assets	<u>\$169,873,245</u>	<u>\$191,204,315</u>
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable	\$ 9,009,367	\$11,717,120
Accrued expenses	2,103,809	3,907,652
Customer advance payments	1,999,898	1,318,812
Other liabilities	<u>2,822,323</u>	<u>1,985,856</u>
Total current liabilities	15,935,397	18,929,440
Other non-current liabilities	<u>5,052,150</u>	<u>5,480,727</u>
Total liabilities	20,987,547	24,410,167
Stockholders' equity:		
Retained earnings	93,380,180	85,306,813
Common stock and additional paid-in capital	191,631,636	188,149,232
Accumulated comprehensive loss	(205,692)	(984,640)
Less cost of treasury stock	<u>(135,920,426)</u>	<u>(105,677,257)</u>
Total stockholders' equity	<u>148,885,698</u>	<u>166,794,148</u>
Total liabilities and stockholders' equity	<u>\$169,873,245</u>	<u>\$191,204,315</u>

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

	Nine Months Ended <u>Mar. 31, 2008</u>	Three Months Ended <u>Mar. 31, 2007</u>
Cash flows from operating activities:		
Net income	\$ 8,073,367	\$ 2,816,589
Income from discontinued operations	<u>770,000</u>	<u>770,000</u>
Income from continuing operations	7,303,367	2,046,589
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization of plant and equipment	4,957,528	1,579,415
Amortization	473,220	140,070
Provision for doubtful accounts	(24,197)	(242)
Deferred income taxes	89,000	705,000
Equity based compensation	2,781,092	942,830
Receivables	(3,272,600)	(2,438,128)
Inventories	(3,312,017)	(565,005)
Accounts payable	(1,652,316)	(1,118,254)
Other assets and liabilities	<u>282,567</u>	<u>(1,021,973)</u>
Net cash provided by continuing operations	<u>7,625,644</u>	<u>270,302</u>
Net cash used for discontinued operations	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>7,625,644</u>	<u>270,302</u>
Cash flows from investing activities:		
Capital expenditures	(9,767,865)	(2,659,843)
Net maturities of marketable debt and equity securities	<u>30,047,265</u>	<u>4,609,775</u>
Net cash provided by investing activities	<u>20,279,400</u>	<u>1,949,932</u>
Cash flows from financing activities:		
Stock options exercised	591,004	52,063
Tax benefit from exercise of stock options	116,932	10,822
Purchase of treasury stock	<u>(30,243,169)</u>	<u>(2,751,891)</u>
Net cash used in financing activities	<u>(29,535,233)</u>	<u>(2,689,006)</u>
Effect of exchange rates	190,948	132,332
Net decrease in cash and cash equivalents	(1,439,241)	(336,440)
Cash and cash equivalents at beginning of period	<u>7,912,276</u>	<u>6,809,475</u>
Cash and cash equivalents at end of period	<u>\$ 6,473,035</u>	<u>\$ 6,473,035</u>

Non-GAAP Measurements

Non-GAAP results reported in this release, which are a supplement to financial results based on GAAP, exclude charges for stock based compensation. The Company believes these non-GAAP financial measures provide useful information to both management and investors to help understand and compare business trends among reporting periods on a consistent basis. Additionally, these non-GAAP financial measurements are one of the primary indicators management uses for planning and forecasting in future periods. The presentation of this additional information should not be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States. The chart below, compares results on a GAAP basis to pro-forma results excluding non-cash equity based compensation.

Anaren, Inc.

Reconciliation of GAAP and Pro-forma Gross Profit, Operating Income, Net Income and Earnings Per Share

	Three Months Ended		Nine Months Ended	
	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2007
Net sales	<u>\$32,618,733</u>	<u>\$32,600,635</u>	<u>\$97,076,907</u>	<u>\$93,126,530</u>
GAAP gross profit	10,140,492	11,358,481	31,059,973	33,095,593
% of sales	<u>31.1%</u>	<u>34.8%</u>	<u>32.0%</u>	<u>35.5%</u>
Stock based compensation expense	<u>192,914</u>	<u>226,065</u>	<u>625,487</u>	<u>745,757</u>
Proforma gross profit	<u>\$10,333,406</u>	<u>\$11,584,546</u>	<u>\$31,685,460</u>	<u>\$33,841,350</u>
% of sales	<u>31.7%</u>	<u>35.5%</u>	<u>32.6%</u>	<u>36.3%</u>
GAAP operating income	\$ 2,290,149	\$ 4,027,571	\$ 8,060,950	\$ 12,163,143
% of sales	<u>7.0%</u>	<u>12.4%</u>	<u>8.3%</u>	<u>13.1%</u>
Stock based compensation expense	<u>942,830</u>	<u>851,441</u>	<u>2,781,092</u>	<u>2,534,990</u>
Proforma operating income	<u>\$ 3,232,979</u>	<u>\$ 4,879,012</u>	<u>\$10,842,042</u>	<u>\$ 14,698,133</u>
% of sales	<u>9.9%</u>	<u>15.0%</u>	<u>11.2%</u>	<u>15.8%</u>
GAAP net income	\$ 2,816,589	\$ 3,510,725	\$ 8,073,367	\$11,032,697
% of sales	<u>8.6%</u>	<u>10.8%</u>	<u>8.3%</u>	<u>11.8%</u>
Stock based compensation expense, net of tax	<u>699,830</u>	<u>685,441</u>	<u>2,065,092</u>	<u>2,046,990</u>
Proforma net income	<u>\$ 3,516,419</u>	<u>\$ 4,196,166</u>	<u>\$10,138,459</u>	<u>\$13,079,687</u>
% of sales	<u>10.8%</u>	<u>12.9%</u>	<u>10.4%</u>	<u>14.0%</u>
Diluted earnings per share:				
GAAP net income	\$0.19	\$0.20	\$0.53	\$0.62
Stock based compensation expense, net of tax	<u>0.05</u>	<u>0.04</u>	<u>0.13</u>	<u>0.11</u>
Proforma net income per share	<u>\$0.24</u>	<u>\$0.24</u>	<u>\$0.66</u>	<u>\$0.73</u>
Shares used in computing net income per share:				
Diluted	<u>14,479,862</u>	<u>17,699,597</u>	<u>15,282,144</u>	<u>17,921,998</u>