



NEWS RELEASE

CalAmp Reports Fiscal 2010 Third Quarter Results

1/7/2010

OXNARD, CA, Jan 07, 2010 (MARKETWIRE via COMTEX) -- CalAmp Corp. (NASDAQ: CAMP), a leading provider of wireless products, services and solutions, today reported results for its fiscal 2010 third quarter ended November 30, 2009. Key elements include:

- Consolidated third quarter revenues of \$30.7 million, up 19% from prior year and up 28% sequentially.
- Third quarter GAAP net loss of \$1.3 million, or \$0.05 loss per diluted share; Adjusted basis (non-GAAP) net income of \$0.2 million, or \$0.01 per diluted share.
- Third quarter net cash provided by operations of \$0.8 million; fiscal year-to-date operating cash flow of \$4.2 million.
- Completed refinancing of bank debt.

Rick Gold, CalAmp's President and Chief Executive Officer, commented, "During the third quarter we generated strong top line growth with a 28% sequential increase in consolidated revenue. This growth was driven by a sharp ramp of our satellite products business, which delivered a 69% sequential revenue increase and generated operating profitability. While revenues from our wireless datacom business were flat on a sequential quarter basis, in light of recent new order bookings and an increase in backlog, we believe this business is poised to rebound over the next several quarters."

Mr. Gold continued, "In addition, we are pleased to have completed the recently announced refinancing of our bank debt, particularly considering the challenging credit market conditions. Obtaining the new credit facility with Square 1 Bank was an important milestone for CalAmp as it enhances our financial flexibility and eliminates the uncertainty associated with what had been the looming maturity of our previous bank credit agreement. CalAmp is now on a much stronger financial footing as we move forward to execute on our plan to achieve profitable growth with innovative products addressing attractive wireless markets."

Fiscal 2010 Third Quarter Results

Total revenue for the fiscal 2010 third quarter was \$30.7 million compared to \$25.8 million for the third quarter of fiscal 2009. The year-over-year increase in revenues was due primarily to higher sales of the Company's satellite products, partially offset by lower sales of its wireless datacom products.

Consolidated gross profit for the fiscal 2010 third quarter was \$5.9 million or 19.2% of revenues compared to gross profit of \$7.6 million or 29.6% of revenue for the same period last year. The reduction in gross profit and gross margin percentage in the latest quarter was due primarily to lower wireless datacom revenues. Gross margin percentage for the satellite products business increased to 10% in the third quarter, up from 3% in the second quarter, primarily due to better absorption of the fixed expenses with the higher revenue level. However, the Company experienced pressure on gross margins in the 3rd quarter from manufacturing inefficiencies caused by component shortages and other factors associated with the substantial increase in satellite product demand. This margin pressure is expected to persist for much or all of the fourth quarter.

Results of operations for the fiscal 2010 third quarter as determined in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") was a net loss of \$1.3 million or \$0.05 loss per diluted share. This compares to a net loss of \$1.8 million or \$0.07 loss per diluted share in the third quarter of last year. The net loss in the fiscal 2010 third quarter includes a \$1.4 million income tax benefit arising from the favorable resolution of an uncertain income tax position that had previously been reserved for pursuant to FASB Interpretation No. 48.

The Adjusted Basis (non-GAAP) net income for the fiscal 2010 third quarter was \$0.2 million or \$0.01 per diluted share compared to Adjusted Basis net loss of \$4.5 million or \$0.18 loss per diluted share for the same period last year. The Adjusted Basis net income (loss) excludes the impact of changes in the deferred income tax asset valuation allowance, amortization of intangible assets and stock-based compensation expense, each net of tax to the extent applicable. A reconciliation of the GAAP basis net loss to Adjusted Basis net income (loss) is provided in the table at the end of this press release.

Liquidity

At November 30, 2009, the Company had total cash of \$4.5 million, with \$13.95 million in total outstanding bank debt. Net cash provided by operating activities was \$0.8 million for the three months ended November 30, 2009. During the quarter, the Company paid in full the outstanding balance of its note payable to a key Direct Broadcast Satellite ("DBS") customer.

Subsequent to the end of the third quarter, in December 2009, the Company announced that it had paid in full the \$13.95 million outstanding balance of its bank debt, which had a maturity date of December 31, 2009. The funds for

this payoff were provided by a drawdown of \$7.77 million under a new revolving credit facility with Square 1 Bank of Durham, North Carolina. The Company also raised junior capital from a group of investors totaling \$6.18 million, which is comprised of \$4.25 million from the sale of approximately 1,932,000 shares of common stock and the issuance of \$1.93 million in subordinated debt.

Business Outlook

Commenting on the Company's business outlook, Mr. Gold said, "Looking ahead, we expect to see fiscal fourth quarter consolidated revenues continue to increase sequentially and be in the range of \$32 to \$36 million, with growth expected in both our satellite products and wireless datacom businesses. We expect a GAAP basis net loss in the range of \$.01 to \$.05 per diluted share. The Adjusted Basis (non-GAAP) net income (loss) for the fourth quarter, which excludes changes in the valuation allowance for U.S. deferred tax assets, intangibles amortization expense net of tax and stock-based compensation expense net of tax, is expected to be in the range of a \$.02 loss to \$.02 income per diluted share. We expect that growth in our satellite business over the next year will be driven by the launch of several new products that are currently in development. We also expect that our wireless datacom business, which is dependent to a certain degree on spending by governmental entities in the public safety sector, will improve as general economic conditions rebound. Looking further ahead, we believe that we now have the essential elements in place to grow CalAmp's revenues back to an annual run rate greater than \$200 million level over the next 18 to 24 months, balanced between our satellite and wireless datacom businesses."

Conference Call and Webcast

A conference call and simultaneous webcast to discuss fiscal 2010 third quarter financial results and business outlook will be held today at 4:30 p.m. Eastern / 1:30 p.m. Pacific. CalAmp's President and CEO Rick Gold and CFO Rick Vitelle will host the conference call. Participants can dial into the live conference call by calling 877-941-8609 (480-629-9818 for international callers). An audio replay will be available through January 14, 2010, by calling 800-406-7325 (303-590-3030 for international callers) and entering the access code 4197971.

Additionally, a live webcast of the call is available on CalAmp's web site at www.calamp.com. Participants are encouraged to visit the web site at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. After the live webcast, a replay will remain available until the next quarterly conference call in the Investor Relations section of CalAmp's web site.

About CalAmp Corp.

CalAmp provides wireless communications solutions that enable anytime/anywhere access to critical data and content. The Company serves customers in the public safety, industrial monitoring and controls, mobile resource

management and direct broadcast satellite markets. For more information, please visit www.calamp.com.

Forward-Looking Statements

Statements in this press release that are not historical in nature are forward-looking statements that involve known and unknown risks and uncertainties. Words such as "may," "will," "expect," "intend," "plan," "believe," "seek," "could," "estimate," "judgment," "targeting," "should," "anticipate," "goal" and variations of these words and similar expressions, are intended to identify forward-looking statements. Actual results could differ materially from those implied by such forward-looking statements due to a variety of factors, including product demand, competitive pressures and pricing declines in the Company's satellite and wireless markets, the timing of customer approvals of new product designs, the length and extent of the global economic downturn that has and may continue to adversely affect the Company's business, and other risks or uncertainties that are described in the Company's Annual Report on Form 10-K for fiscal 2009 as filed on May 12, 2009 with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be attained. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

-Financial Tables to Follow-

CAL AMP CORP.				
CONSOLIDATED STATEMENTS OF OPERATIONS				
(Unaudited, in thousands except per share amounts)				
	Three Months Ended		Nine Months Ended	
	November 30,		November 30,	
	2009	2008	2009	2008
Revenues	\$ 30,692	\$ 25,834	\$ 77,632	\$ 77,043
Cost of revenues	24,795	18,193	62,224	52,505
Gross profit	5,897	7,641	15,408	24,538
Operating expenses:				
Research and development	2,726	3,199	8,257	9,530
Selling	2,517	2,656	7,120	6,575
General and administrative	2,753	2,990	8,011	9,352
Intangible asset amortization	342	1,240	1,025	3,812
	8,338	10,085	24,413	29,269

Operating loss	(2,441)	(2,444)	(9,005)	(4,731)
Non-operating expense, net	(252)	(522)	(1,888)	(1,272)

Loss before income taxes	(2,693)	(2,966)	(10,893)	(6,003)
Income tax benefit	1,374	1,128	1,374	2,170

Net loss	\$ (1,319)	\$ (1,838)	\$ (9,519)	\$ (3,833)
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Basic and diluted loss per share	\$ (0.05)	\$ (0.07)	\$ (0.38)	\$ (0.15)
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Shares used in basic and diluted per share calculations	25,015	24,809	24,931	24,750

BUSINESS SEGMENT INFORMATION

(Unaudited, in thousands)

Three Months Ended November 30, Nine Months Ended November 30,

2009 2008 2009 2008

Revenue				
Satellite	\$ 16,802	\$ 7,384	\$ 36,015	\$ 18,201
Wireless DataCom	13,890	18,450	41,617	58,842

Total revenue	\$ 30,692	\$ 25,834	\$ 77,632	\$ 77,043
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Gross profit				
Satellite	\$ 1,647	\$ 253	\$ 2,405	\$ 905
Wireless DataCom	4,250	7,388	13,003	23,633

Total gross profit	\$ 5,897	\$ 7,641	\$ 15,408	\$ 24,538
=====				
Operating income (loss)				
Satellite	\$ 494	\$ (838)	\$ (851)	\$ (2,494)
Wireless DataCom	(1,848)	(293)	(4,791)	1,680
Corporate expenses	(1,087)	(1,313)	(3,363)	(3,917)

Total operating loss	\$ (2,441)	\$ (2,444)	\$ (9,005)	\$ (4,731)
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CAL AMP CORP.

CONSOLIDATED BALANCE SHEETS

(Unaudited - In thousands)

November 30, February 28,
2009 2009

Assets

Current assets:

Cash and cash equivalents	\$ 4,515	\$ 6,913
Accounts receivable, net	14,458	13,682

Inventories	11,633	15,139	
Deferred income tax assets	3,473	3,479	
Prepaid expenses and other current assets	4,119	4,962	
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Total current assets	38,198	44,175	
Equipment and improvements, net	2,175	2,139	
Deferred income tax assets, less current portion	9,254	13,111	
Intangible assets, net	5,486	6,473	
Other assets	1,909	3,749	
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	\$ 57,022	\$ 69,647	
	=====	=====	

Liabilities and Stockholders' Equity

Current liabilities:

Bank loan payable	\$ 13,955	\$ 17,550	
Note payable	-	3,528	
Accounts payable	15,609	5,422	
Accrued payroll and employee benefits	2,707	3,380	
Accrued warranty costs	1,999	3,286	
Other accrued liabilities	3,002	8,683	
Deferred revenue	4,039	3,609	
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Total current liabilities	41,311	45,458	
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Non-current liabilities

546	990	
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Stockholders' equity:

Common stock	257	252	
Additional paid-in capital	146,085	144,881	
Accumulated deficit	(130,333)	(120,814)	
Accumulated other comprehensive loss	(844)	(1,120)	
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Total stockholders' equity	15,165	23,199	
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\$ 57,022	\$ 69,647	
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CAL AMP CORP.

CONSOLIDATED CASH FLOW STATEMENTS

(Unaudited - In thousands)

Nine Months Ended

November 30,

2009	2008	
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Cash flows from operating activities:

Net loss	\$ (9,519)	\$ (3,833)	
Depreciation and amortization	1,906	5,552	
Stock-based compensation expense	1,416	838	
Loss on sale of investment	1,008	-	

Deferred tax assets, net	-	(2,371)	
Changes in operating working capital		9,411	3,065
Other	24	-	
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Net cash provided by operating activities		4,246	3,251
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Cash flows from investing activities:			
Capital expenditures	(835)	(650)	
Proceeds from sale of investment		992	-
Collections on note receivable	225	420	
Earnout payments on TechnoCom acquisition		-	(1,183)
Other	(36)	296	
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Net cash provided (used) by investing activities		346	(1,117)
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Cash flows from financing activities:			
Proceeds from line of credit borrowing		1,650	-
Debt repayments	(8,808)	(2,778)	
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Net cash used in financing activities		(7,158)	(2,778)
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Effect of exchange rate changes on cash		168	(241)
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Net change in cash and cash equivalents		(2,398)	(885)
Cash and cash equivalents at beginning of period		6,913	6,588
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Cash and cash equivalents at end of period		\$ 4,515	\$ 5,703
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CAL AMP CORP.

NON-GAAP EARNINGS RECONCILIATION

(Unaudited, in thousands except per share amounts)

Non-GAAP Earnings Reconciliation

"GAAP" refers to financial information presented in accordance with Generally Accepted Accounting Principles in the United States. This press release includes historical non-GAAP financial measures, as defined in Regulation G promulgated by the Securities and Exchange Commission. CalAmp believes that its presentation of historical non-GAAP financial measures provides useful supplementary information to investors. The presentation of historical non-GAAP financial measures is not meant to be considered in isolation from or as a substitute for results prepared in accordance with GAAP.

In this press release, CalAmp reports the non-GAAP financial measures of Adjusted Basis Net Income (Loss) and Adjusted Basis Net Income (Loss) Per Diluted Share. CalAmp uses these non-GAAP financial measures to enhance the investor's overall understanding of the financial performance and future prospects of CalAmp's core business activities. Specifically, CalAmp believes that a report of Adjusted Basis Net Income (Loss) and Adjusted Basis Net Income (Loss) Per Diluted Share provides consistency in its

financial reporting and facilitates the comparison of results of core business operations between its current and past periods. The reconciliation of the GAAP Basis Net Loss to Adjusted Basis (non-GAAP) Net Income (Loss) is as follows:

	Three Months Ended		Nine Months Ended	
	November 30,		November 30,	
	2009	2008	2009	2008
GAAP Basis Net Loss	\$ (1,319)	\$ (1,838)	\$ (9,519)	\$ (3,833)
Adjustments to reconcile to Adjusted Basis Net Loss:				
Increase in valuation allowance for U.S. deferred tax assets	970	-	3,567	-
Amortization of intangible assets, net of tax (1)	203	792	608	2,434
Stock-based compensation expense, net of tax (1)	331	305	840	535
Adjusted Basis Net Income (Loss)	\$ 185	\$ (741)	\$ (4,504)	\$ (864)
Adjusted Basis Net Income (Loss) Per Diluted Share	\$ 0.01	\$ (0.03)	\$ (0.18)	\$ (0.03)
Weighted average common shares outstanding on diluted basis	25,015	24,809	24,931	24,750

(1) These reconciling items are tax effected using the Company's combined U.S. federal and state statutory tax rate of 40.7% and 36.2% for the nine months ended November 30, 2009 and 2008, respectively.

AT THE COMPANY:

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<http://www2.marketwire.com/mw/emailprcntct?id=4A8BAB9EBA0CDF66>