



NEWS RELEASE

## California Amplifier Reports FY 2002 Second Quarter Results

9/20/2001

- Q2 revenues increase 19 percent from prior quarter
- Income from continuing operations of \$465,000 or \$0.03 per diluted share

CAMARILLO, Calif., September 20, 2001 --- California Amplifier, Inc. (Nasdaq: CAMP) today reported results for its second quarter and six months ended September 1, 2001.

Revenues for the second quarter of fiscal year 2002 were \$24.7 million, compared to \$20.8 million in the first quarter of fiscal year 2002 and \$31.7 million in the second quarter of the previous year. Income from continuing operations in the second quarter was \$465,000, or \$0.03 per diluted share, as compared to a profit of \$91,000, or \$0.01 per diluted share, in the previous quarter and \$1,349,000, or \$0.09 per diluted share, in the second quarter of last year. Total reported net income for the second quarter was \$2,075,000, or \$0.15 per diluted share, which includes recognition of a gain of \$1,615,000, or \$0.12 per diluted share, related to the sale of the Company's investment in Micro Pulse, Inc.

For the six months ended September 1, 2001 revenues were \$45.5 million, as compared to \$61.6 million in the prior year. Income from continuing operations during the first six months of fiscal year 2002 was \$556,000, or \$0.04 per diluted share, as compared to \$2,799,000, or \$0.20 per diluted share, in fiscal year 2001.

Fred Sturm, President and Chief Executive Officer commented, "We are pleased that in the current economic and market environment California Amplifier was able to achieve sequential revenue growth of 19% and continued profitability, driven by demand for our Satellite products. Wireless Access revenues experienced a 9% sequential decline during the quarter due to the telecom industry slowdown and a less aggressive roll out pattern by carriers in anticipation of second generation fixed broadband wireless technology. Additionally, as a result of the ongoing financial uncertainty with regard to Look Communications (CDNX: LKC) we have fully reserved its outstanding accounts receivable of \$1.2 million, which reduced our second quarter operating results by \$0.05 per diluted share.

Mr. Sturm added, "As we moved into the third quarter our backlog indicated another 15%-20% sequential increase in revenues due to continued demand for our Satellite products. Unfortunately, the potential impact of recent national tragedies on consumer spending and the interrupted availability of raw materials due to shipping interruptions have reduced near-term visibility. Therefore, we now estimate third quarter revenues in the range of \$25-\$30 million and earnings in the range of \$0.06-\$0.09 per diluted share, depending on the magnitude of the aforementioned factors. Visibility beyond the fiscal third quarter remains limited at this point."

"Today, according to International Data Corporation, less than 13% of U.S. households with web-enabled PCs enjoy broadband access. California Amplifier, together with our technology partners, continues to work to develop a cost-effective platform to bridge the critical 'last mile' of the broadband network. In the second quarter, investment in R&D increased 29% to \$2.1 million as compared to the prior year. Our proven manufacturing capabilities and technology leadership have enabled the Company to remain a market share leader in both major business segments in which we participate. We remain focused on executing our strategy of working closely with our customers to develop innovative customer premise fixed-point wireless solutions."

#### **About California Amplifier, Inc.**

California Amplifier designs, markets and manufactures a broad line of integrated microwave fixed point solutions used primarily in conjunction with satellite and terrestrial broadband applications. The Company's wireless access business unit designs and markets integrated reception and two-way transmission fixed wireless solutions for video, voice, data, telephony and networking applications. The satellite business unit designs and markets reception components for the worldwide DBS

television market as well as a full line of consumer and commercial products for video and data reception. California Amplifier is an ISO 9001 certified Company. For additional information, visit California Amplifier's web site at [www.calamp.com](http://www.calamp.com).

Statements in this release about the Company's future financial performance, customer relationships, initiatives to develop innovative fixed-point wireless solutions, and the market potential of new products are forward-looking statements and are subject to risks and uncertainties that could cause actual results to differ materially from expectations. Words such as "may," "will," "expects," "intends," "plans," "believes," "seeks," "could," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. Factors that could impact California Amplifier's future results include changes in product demand and market growth rates, the effect of competition, pricing pressures, supplier constraints, manufacturing yields, market acceptance of new products and the viability and market acceptance of new technologies. 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. More information about California Amplifier's risks is available in the Company's annual report on Form 10-K and other filings made from time to time with the Securities and Exchange Commission. Special attention is directed to the portions of those documents entitled "Risk Factors."

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[TABLES FOLLOW]

CONSOLIDATED STATEMENTS OF INCOME

(unaudited, in thousands, except per share data)

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	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	Sept. 1,	Aug. 26,	Sept. 1,	Aug. 26,
	2001	2000	2001	2000
Sales	\$24,654	\$31,738	\$45,456	\$61,604
<u>Cost of sales</u>	<u>18,502</u>	<u>25,638</u>	<u>34,525</u>	<u>49,658</u>
Gross profit	6,152	6,100	10,931	11,946
Research and development	2,059	1,601	3,720	3,055
Selling	592	988	1,226	1,824
<u>General and administrative</u>	<u>2,775</u>	<u>1,356</u>	<u>5,118</u>	<u>2,578</u>

Operating income	726	2,155	867	4,489
Interest and other, net	11	(32)	1	(92)
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Income before taxes	737	2,123	868	4,397
Provision for income taxes	(272)	(774)	(312)	(1,598)
Income from continuing operations	465	1,349	556	2,799
Income from discontinued operations, net of tax	1,610A	70	1,590A	160
Net income	\$ 2,075	\$ 1,419	\$2,146	\$2,959

Net income per share:

Continuing operations	Basic	\$ .03	\$ .10	\$ .04	\$ .21
	Diluted	\$ .03	\$ .09	\$ .04	\$ .20
Discontinued operations	Basic	\$ .12	\$ .01	\$ .12	\$ .01
	Diluted	\$ .12	\$ .01	\$ .11	\$ .01

Total	Basic	\$ .15	\$ .11	\$ .16	\$ .22
	Diluted	\$ .15	\$ .10	\$ .15	\$ .21

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Shares used in per share

calculations:	Basic	13,601	13,382	13,601	13,168
	Diluted	14,000	14,354	13,979	14,250

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SALES BY PRODUCT LINE:

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	Sept. 1,	Aug. 26,	Sept. 1,	Aug. 26,
	2001	2000	2001	2000
Satellite Products	\$18,730	\$24,363	\$33,015	\$48,818
Wireless Access Products	5,924	7,375	12,441	12,786
Total	\$24,654	\$31,738	\$45,456	\$61,604

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A Includes a gain of \$1,615 on the sale of Micro Pulse, Inc.

CALIFORNIA AMPLIFIER, INC.

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CONSOLIDATED BALANCE SHEETS

(in thousands)

	Sept. 1, 2001  (unaudited)	Mar. 3, 2001  (audited)
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ASSETS

Current assets:

Cash and cash equivalents	\$ 18,021	\$ 9,778
Accounts receivable, net	11,712	11,382
Inventories	9,407	9,676
Deferred tax asset	2,134	2,222
Prepaid expenses and other current assets	667	1163
Total current assets	41,941	34,221

Property and equipment, at cost, net of

accumulated depreciation and amortization	9,018	9,885
Goodwill, net of amortization	3,411	3,557
Other assets	499	458
	\$ 54,869	\$ 48,121

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#### LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current portion of long-term debt	\$ 940	\$ 644
Accounts payable	9,222	5,103
Accrued payroll and benefits	1,335	1,467
Accrued liabilities	6,538	6,783
Total current liabilities	18,035	13,997

Long-term debt, net of current portion	4,118	4,500
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Stockholders' equity:

Common stock	136	136
Additional paid-in capital	25,050	23,975
Retained earnings	8,358	6,212
Accumulated other comprehensive income	(828)	(699)



Total stockholders' equity	32,716	29,624
	\$ 54,869	\$ 48,121

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