



NEWS RELEASE

California Amplifier Reports FY 2002 Third Quarter Results

12/20/2001

- Income from continuing operations of \$1,352,000 or \$0.10 per share

CAMARILLO, Calif., December 20, 2001 --- California Amplifier, Inc. (Nasdaq: CAMP) today reported results for its third quarter and nine months ended November 30, 2001.

Revenues for the third quarter of fiscal year 2002 were \$32.8 million, compared to \$24.7 million in the immediately preceding quarter and \$30.9 million in last year's third quarter. Income from continuing operations was \$1,352,000, or \$0.10 per diluted share, in the latest quarter, compared to \$465,000, or \$0.03 per diluted share, in the immediately preceding quarter and \$1,816,000, or \$0.13 per diluted share, in the third quarter of last year. Third quarter income from continuing operations includes a one-time, pre-tax charge of \$925,000, or \$0.04 per diluted share, related to the settlement of various litigation matters which was announced separately.

For the nine months ended November 30, 2001 revenues were \$78.2 million, compared to \$92.5 million in the prior year. Income from continuing operations during the first nine months of fiscal year 2002 was \$1,908,000, or \$0.14 per diluted share, compared to \$4,615,000, or \$0.33 per diluted share, in fiscal year 2001.

Fred Sturm, President and Chief Executive Officer commented, "The sequential improvement in revenues and profitability in the quarter was primarily related to seasonal strength in our satellite

products segment. Wireless access product sales largely reflected shipments to Sprint to support their broadband wireless access program. However, Sprint recently placed this program on hold. Following Sprint's announcement, the Company implemented cost reduction measures in order to better align its operations with anticipated lower wireless access revenue in the near term."

Mr. Sturm added, "Looking to fiscal 2003, we remain optimistic about the potential of MMDS spectrum to provide broadband services to underserved markets and expand consumer choice. However, it is clear that sustainable market penetration for wireless broadband services in North America will need to be supported by a viable carrier business model. We believe the criteria for success in this marketplace include true non-line-of-sight (NLOS) capabilities, standards-based modulation schemes and cost-effective, consumer installable customer premise equipment (CPE).

"California Amplifier's decade of experience in the MMDS industry, coupled with our RF manufacturing and design expertise, provides us with significant advantages in delivering on these requirements. We are working intensively with leading service providers and technology companies, including our recently announced agreement with Navini Networks, to develop innovative next generation CPE that will support reliable, high speed access and attractive service provider return on investment."

Commenting on the proposed acquisition of DirecTV by EchoStar Communications Corp., Mr. Sturm said that there had been no material impact on California Amplifier's satellite products sales to date. "We enjoy long-standing relationships with both companies, and look forward to continued development of solutions that increase the functionality and reduce the total installation cost of satellite broadcast services."

"Due to the anticipated decline in wireless access revenues and a seasonally slow period for satellite products, we currently estimate fiscal fourth quarter revenue in the range of \$18 to \$22 million and earnings in the range of \$0.01-\$0.04 per diluted share."

Mr. Sturm also noted, "California Amplifier continued to generate positive cash flow during the quarter and its financial condition remains strong. As of the end of the quarter, the Company had nearly \$20 million in cash on the balance sheet, an increase of \$10 million from the beginning of the fiscal year, and a low debt-to-equity ratio of 0.14:1."

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.

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."

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[TABLES FOLLOW]

CONSOLIDATED STATEMENTS OF INCOME

(unaudited, in thousands, except per share data)

	Three months ended		Nine months ended	
	November 30,		November 30,	
	2001	2000	2001	2000
Sales	\$32,756	\$30,902	\$78,212	\$92,506
Cost of sales	25,210	24,223	59,735	73,881
Gross profit	7,546	6,679	18,477	18,625
Research and development	2,276	1,435	5,996	4,490
Selling	622	692	1,848	2,516
General and administrative	1,739	1,672	6,857	4,250
Operating income	2,909	2,880	3,776	7,369
Litigation settlement	(925)	—	(925)	—
Interest and other, net	(4)	(35)	(3)	(127)

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Income before taxes		1,980	2,845	2,848	7,242
Provision for income taxes		(628)	(1,029)	(940)	(2,627)
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Income from continuing operations		1,352	1,816	1,908	4,615
Income from discontinued operations,					
net of tax		-	34	1,590A	194
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Net income		\$ 1,352	\$ 1,850	\$ 3,498	\$ 4,809

Net income per share:

Continuing operations	Basic	\$.10	\$.14	\$.14	\$.35
	Diluted	\$.10	\$.13	\$.14	\$.33
Discontinued operations	Basic	\$ -	\$ -	\$.12	\$.01
	Diluted	\$ -	\$ -	\$.11	\$.01
Total	Basic	\$.10	\$.14	\$.26	\$.36
	Diluted	\$.10	\$.13	\$.25	\$.34

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Shares used in per share

calculations:	Basic	13,602	13,549	13,601	13,279
	Diluted	13,906	14,298	13,955	14,237

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SALES BY PRODUCT LINE:

	Three months ended		Nine months ended	
	<u>November 30,</u>		<u>November 30,</u>	
	2001	2000	2001	2000
Satellite Products	\$26,120	\$20,739	\$59,135	\$69,557
Wireless Access Products	6,636	10,163	19,077	22,949
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Total	\$32,756	\$30,902	\$78,212	\$92,506

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

CALIFORNIA AMPLIFIER, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands)

	November 30, 2001 <u>(unaudited)</u>	February 28, 2001 <u>(audited)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,812	\$ 9,778
Accounts receivable, net	15,581	11,382
Inventories	10,547	9,676
Deferred tax asset	2,252	2,222
Prepaid expenses and other current assets	360	1,163
Total current assets	48,552	34,221
Property and equipment, at cost, net of		
accumulated depreciation and amortization	8,419	9,885

Goodwill, net of amortization	3,354	3,557
Other assets	440	458
	\$ 60,765	\$ 48,121

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current portion of long-term debt	\$ 908	\$ 644
Accounts payable	11,829	5,103
Accrued payroll and benefits	2,149	1,467
Accrued liabilities	7,106	6,783
Total current liabilities	21,992	13,997

Long-term debt, net of current portion	3,889	4,500
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Stockholders' equity:

Common stock	136	136
Additional paid-in capital	25,804	23,975
Retained earnings	9,710	6,212
Accumulated other comprehensive loss	(766)	(699)
Total stockholders' equity	34,884	29,624
	\$ 60,765	\$ 48,121

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