



NEWS RELEASE

## California Amplifier Reports FY 2005 First Quarter Results

7/13/2004

**\* Q1 Revenues up 140% from Prior Year to \$45 Million \* Q1 Net Income Improves \$2.4 Million from Prior Year**

OXNARD, Calif., Jul 13, 2004 /PRNewswire-FirstCall via COMTEX/ -- California Amplifier, Inc. (Nasdaq: CAMP) today reported results for its first quarter ended May 31, 2004.

Revenue for the first quarter of fiscal 2005 was \$45.0 million, compared to \$18.6 million for the first quarter of the prior year. The period over period increase in revenue is due primarily to the improvement in the satellite product sales which began late in the Company's fiscal 2004 second quarter. Net income for the first quarter was \$1.3 million, or \$0.07 per diluted share, compared to a net loss of \$1.1 million, or \$0.07 per diluted share for the first quarter of fiscal year 2004.

Fred Sturm, President and Chief Executive Officer, commented, "CalAmp is in the early stages of re-defining the Company beyond its historical set of customers and markets. Integration of the Vytek business is well underway and we are actively pursuing opportunities which will capitalize on our combined strengths in RF and embedded software design, development and manufacturing to provide a complete content delivery or communication solution. The newly formed Solutions Division had revenues of \$4.5 million for the seven week period included in this quarter. The Solutions Division experienced a loss of approximately \$1.5 million during this period including pre-tax charges arising from the acquisition for writing off in-process research and development of \$471,000 and an intangible asset amortization expense of \$234,000. We anticipate that with the major elements of the integration effort being concluded during the second quarter we will begin to see improving operational contribution from this segment of our business during the second half of our fiscal year. I am also pleased to report that the consolidation of Vytek's product manufacturing operation into CalAmp's Ventura County facility is substantially ahead of plan and

expected to be completed in July which should further help to reduce costs going forward."

Mr. Sturm added, "During the quarter we continued to make progress in two key product developments. Beta testing of our "Directed AP" product for the enterprise WiFi Access Point market is expected to begin during August. Also, customer testing is underway of our satellite product targeted to support improved Digital Video Recorder market penetration by one of our major customers. This product, which substantially reduces the cost and complexity of installation of Digital Video Recorders, is undergoing set top box compatibility and stress testing. These tests are expected to be complete in August, with production starting in our fiscal third quarter."

Mr. Sturm also noted, "Based on our current visibility, we estimate fiscal 2005 second quarter revenues in the range of \$48 to \$55 million and earnings in the range of \$0.05 to \$0.09 cents per diluted share. Included in these estimates are charges of \$434,000 for amortization of intangible assets."

#### About CalAmp

CalAmp is a leading provider of wired and wireless communication solutions with comprehensive capabilities ranging from product design and consulting services through high volume manufacturing and support. CalAmp is a trusted partner delivering cost-effective, high quality solutions to a broad array of customers and markets including direct broadcast satellite (DBS), digital multimedia content delivery, health care, retailing, public safety, and both residential and enterprise connectivity. The Company is headquartered in Ventura County, California and has approximately 800 employees. Founded in 1981, CalAmp has been publicly traded since 1983 as NASDAQ: CAMP.

#### Forward Looking Statement

Statements in this press release that are not historical in nature are forward-looking statements, which involve known and unknown risks and uncertainties. Words such as "may," "will," "expects," "intends," "plans," "believes," "seeks," "could," "estimate" 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, general and industry economic conditions, competition, development factors, operating costs, the Company's ability to integrate the VyteK acquisition successfully and other risks and uncertainties that are detailed from time to time in the Company's filings 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.

For more information, contact:  
 Crocker Coulson  
 Partner  
 CCG Investor Relations  
 (818) 789-0100  
 crocker.coulson@ccgir.com

Rick Vitelle  
 Chief Financial Officer  
 CalAmp  
 (805) 987-9000

CALIFORNIA AMPLIFIER, INC.  
 CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited, in thousands except per share amounts)

	Three Months Ended May 31,	
	2004	2003
Revenue	\$44,997	\$18,566
Cost of revenue	36,696	17,260
Gross profit	8,301	1,306
Operating expenses:		
Research and development	1,807	1,362
Selling	1,072	494
General and administrative	2,445	844
Intangible asset amortization	260	--
In-process research and development	471	--
	6,055	2,700
Operating income (loss)	2,246	(1,394)
Non-operating expense, net	(64)	(53)
Income (loss) before income taxes	2,182	(1,447)
Income tax (provision) benefit	(873)	345
Net income (loss)	\$1,309	\$(1,102)
Net income (loss) per share:		
Basic	\$0.07	\$(0.07)
Diluted	\$0.07	\$(0.07)

Shares used in per share calculations:

Basic	18,755	14,745
Diluted	19,750	14,745

Business Segment Revenue Information (1)

	Three Months Ended	
	May 31,	
	2004	2003
Products Division	\$40,499	\$18,566
Solutions Division	4,498	--
Total sales	\$44,997	\$18,566

(1) Effective with the acquisition of Vytek Corporation on April 12, 2004, California Amplifier realigned its operations into a divisional structure in which CalAmp's existing Satellite and Wireless Access businesses were combined, together with Vytek's products manufacturing business, into a new Products Division. The remainder of Vytek's operations, consisting principally of revenues generated by professional engineering services and the development of software applications, comprise the new Solutions Division.

CALIFORNIA AMPLIFIER, INC.  
CONSOLIDATED BALANCE SHEETS  
(Unaudited - In thousands)

May 31,      February 28,  
2004          2004  
(unaudited)

Current assets:

Cash and cash equivalents	\$23,640	\$22,885
Accounts receivable, net	20,931	18,579
Inventories	23,408	20,253
Deferred income tax assets	3,018	2,404
Prepaid expenses and other current assets	5,130	3,244
Total current assets	76,127	67,365

Equipment and improvements, net                      5,309      4,381

Deferred income tax assets, less

current portion	2,936	4,359
Goodwill	100,562	20,938
Other intangible assets, net	5,261	200
Other assets	2,455	399
	\$192,650	\$97,642
Current liabilities:		
Current portion of long-term debt	\$3,774	\$3,603
Accounts payable	20,570	17,395
Accrued payroll and employee benefits	3,403	1,513
Other current liabilities	4,517	2,078
Deferred revenue	1,075	--
Total current liabilities	33,339	24,589
Long-term debt, less current portion	9,077	7,690
Stockholders' equity:		
Common stock	231	149
Additional paid-in capital	137,539	44,486
Common stock held in escrow	(9,594)	--
Retained earnings	22,859	21,550
Accumulated other comprehensive loss	(801)	(822)
Total stockholders' equity	150,234	65,363
	\$192,650	\$97,642

SOURCE California Amplifier, Inc.

Crocker Coulson of CCG Investor Relations, +1-818-789-0100, crocker.coulson@ccgir.com, for California Amplifier, Inc.; or Rick Vitelle, Chief Financial Officer of California Amplifier, Inc., +1-805-987-9000

<http://www.calamp.com>

