



October 7, 1999

Comtech Telecommunications Corp. Announces Results For Fiscal 1999

- **Net Income Up 377%**
- **Revenues Up 26%**
- **Backlog Up 150%**

Melville, New York --- October 7, 1999 --- COMTECH TELECOMMUNICATIONS CORP. (NASDAQ: CMTL) today reported for the fiscal year ended July 31, 1999, sales of \$37,886,000, earnings from continuing operations of \$2,727,000 and (after a net tax benefit of \$3,754,000 and a net loss from discontinued operations of \$1,216,000) net income of \$5,265,000 or \$1.27 per share. Last year Comtech reported sales of \$30,114,000, earnings from operations of \$1,284,000 and net income of \$1,104,000 or \$.28 per share.

Backlog at July 31, 1999 was \$38,637,000, an increase of 150%, as compared to \$15,452,000 a year before. The increase in backlog reflects, among other things, the large order reported in the first quarter at our Florida Comtech Systems, Inc. operating unit.

Revenues for the fiscal year increased by 25.8% over last fiscal year, earnings from continuing operations increased by 112.4% and net income increased by 377%, respectively. Net income reflects an expected loss due to the discontinuance of the operations of the Company's wireless local loop segment of \$1,216,000 and a tax benefit of \$3,754,000 which is due to the reduction in the Company's valuation reserve for deferred tax assets net of a tax provision of \$195,000 and the tax affect on the loss from discontinued operations. Under applicable accounting principles, the Company reduced its valuation allowance against certain deferred tax assets since it believes that it is more likely than not that the Company will generate sufficient future taxable income to utilize its deferred tax assets. Net earnings for the year were also affected by expenses associated with the Company's newly acquired subsidiary, Comtech Mobile Datacom Corp.

In reporting these results, Mr. Fred Kornberg, President and CEO, commented, "I am pleased that the fiscal year 1999 results were on target with our expectations. In fiscal 1999, we achieved three major goals. We extended the number of profitable quarters to fifteen, we increased bookings and we continued our transition to a product oriented business by introducing additions to our transceiver, modem and broadband solid state high power amplifier product lines." Mr. Kornberg was also pleased to report that, "Our Florida CSI operating unit achieved record bookings, sales and profits during the fiscal year."

Two of the most notable contract wins in fiscal 1999 were the \$42.5 million contract in August 1998 for over-the-horizon microwave communications equipment and a \$418.2 million award in June 1999 for packet data communications transceivers and services to implement the U.S. Army's Movement Tracking System ("MTS"). Successful MTS intercontinental tests completed in September 1999 position Comtech to begin implementation of the contract over an 8-year period, subject to annual funding, with quantities and delivery dates indefinite.

Mr. Kornberg said, "The market for packet data communications services is projected to grow at a rate of 30% annually and our technology derived from MTS has potential application in major industries, including transportation, gas pipelines, electric utilities and law enforcement."

On July 6, 1999, the Company's Board of Directors declared a three-for-two stock split effected in the form of a 50% stock dividend payable July 30, 1999 to shareholders of record at the close of business on July 16, 1999. All share and per share amounts in the accompanying financial statements have been restated to reflect the stock split.

On July 31, 1999, the Company adopted a plan to dispose of the Comtech Wireless, Inc. business segment. The results of operations of this segment have been classified as discontinued operations and are shown as a separate component of the financial statements.

Comtech, through its operating units, is a broad based supplier of packet data communications transceivers and services, state-of-the-art solid state high power amplifiers and high technology satellite and over-the-horizon microwave telecommunication transmission products and systems for commercial and government applications.

Visit our Website: <http://www.comtechtel.com>

Certain information contained herein includes information that is forward-looking. The matters referred to in forward-looking

statements may be affected by the risks and uncertainties involved in the Company's business. These forward-looking statements are qualified in their entirety by the cautionary statements contained in the Company's Securities and Exchange Commission filings.

