



August 26, 2003

Comtech Telecommunications Corp. Announces the Company Expects to Exceed Fourth Quarter Fiscal 2003 Earnings Guidance

MELVILLE, N.Y., Aug 26, 2003 (BUSINESS WIRE) --

Comtech Telecommunications Corp. (Nasdaq:CMTL) announced today that it expects to exceed its fourth quarter fiscal 2003 earnings guidance of 18 to 19 cents (as adjusted for the Company's recent three-for-two stock split).

The Company expects to report diluted earnings per share for the fourth quarter of fiscal 2003 of between 24 and 26 cents. Sales for the quarter are expected to approximate \$51 million.

Fred Kornberg, President and Chief Executive Officer of Comtech Telecommunications Corp., said, "The higher than expected earnings for the fourth quarter of fiscal 2003 were the result of stronger than anticipated sales. In fact, the fourth quarter sales will be another record for the Company."

Mr. Kornberg added, "Sales in our mobile data communications services segment far exceeded our expectations as orders received under the Army's fiscal 2003 budget continued to be strong. To date, fiscal 2004 funding for the Movement Tracking System has not been finalized. We are expecting additional information regarding such funding in September or October."

Mr. Kornberg also noted, "We also experienced strong sales of our over-the-horizon systems during the fourth quarter of fiscal 2003. These sales resulted from work being performed on our new \$42 million and \$20 million contracts, announced in October 2002 and April 2003, respectively."

The fourth quarter diluted earnings per share are based on weighted average shares outstanding of approximately 13.2 million which reflect (i) the Company's recent three-for-two stock split, (ii) the 2,100,000 shares issued in the Company's recent private placement transaction which were outstanding for two weeks during the quarter, and (iii) an increase in the impact of stock options on incremental shares outstanding as a result of the Company's higher stock price.

The Company expects to release its fourth quarter and year-end results in late September upon completion of the year-end audit. The Company also intends to provide additional guidance regarding fiscal 2004 during its investor conference call in September.

Comtech Telecommunications Corp. is an innovative player in domestic and global high-technology markets. Through its operating units, Comtech pursues opportunities in three interrelated market segments: telecommunications transmission, RF microwave amplifiers, and mobile data communications services. In each of these segments, growth has been driven by increasing demand for telecommunications infrastructure and network and messaging services. The Company's specialties include the design and manufacture of advanced products and networks used for transmission of voice, data and video using satellite, over-the-horizon microwave, terrestrial line-of-sight and other wireless communications systems. More than 300 distinct Comtech products are in service in more than 100 countries.

Certain information in this press release contains forward-looking statements, including but not limited to, information relating to the future performance and financial condition of the Company, the plans and objectives of the Company's management and the Company's assumptions regarding such performance and plans that are forward-looking in nature and involve certain significant risks and uncertainties. Actual results could differ materially from such forward-looking information. The Company's Securities and Exchange Commission filings identify many such risks and uncertainties, which include the following:

- the impact of a continued domestic and foreign economic slow-down on the demand for our products and services, particularly in the telecommunications industry;
- risks associated with our mobile data communications business being in an early stage;
- our potential inability to keep pace with rapid technological

changes;

- our backlog being subject to customer cancellation or modification;
- our sales to the U.S. government being subject to funding, deployment and other risks;
- our fixed price contracts being subject to risks;
- our dependence on component availability, subcontractor availability and performance by key suppliers;
- the highly competitive nature of our markets;
- our dependence on international sales;
- the adverse effect on demand for our products and services that would be caused by a decrease in the value of foreign currencies relative to the U.S. dollar;
- the potential entry of new competitors in all of our segments;
- uncertainty whether the satellite communications industry or infrastructure will continue to develop and the market will grow;
- uncertainty whether the Internet will continue to grow in international markets;
- the potential impact of increased competition on prices, profit margins and market share for the Company's products and services;
- the availability of satellite capacity on a leased basis needed to provide the necessary global coverage for our mobile data communications services;
- whether we can successfully implement our satellite mobile data communications services and achieve recurring revenues for such services; and
- whether we can successfully combine and assimilate the operations of acquired businesses and product lines.

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SOURCE: Comtech Telecommunications Corp.

Comtech Telecommunications Corp., Melville
Fred Kornberg or Robert G. Rouse (media), 631-777-8900
Info@comtechtel.com

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