



December 8, 1998

Comtech Telecommunications Corp. Announces First Quarter Results For Fiscal 1999

Melville, New York - December 8, 1998 - Comtech Telecommunications Corp. (Nasdaq: CMTL) today reported that for the first quarter ended October 31, 1998, the Company had a net profit of \$394,000, or \$.15 per share, on sales of \$8,735,000. For the same quarter of last year, the Company had a net profit of \$104,000, or \$.04 per share, on sales of \$5,934,000.

Fred Kornberg, President, commented, "we are pleased to report that the net sales for the first quarter increased by more than 47% and net income increased by more than 278% over last year's first quarter. The Company's increased sales and income, reflecting the benefits flowing from Comtech's continuing transition to a product oriented business, were primarily driven by our Comtech PST and Comtech Systems, Inc. operating units partially offset by results of our Comtech Communications Corp. operating unit which continues to experience lower sales from the Pacific Rim area. However, we are continuing to make progress in the execution of our business plan".

The Company previously reported a \$42.5 million order received in the first quarter of 1999, calling for shipments of digital over-the-horizon microwave radio terminals during a 30-month period. Apart from that order (of which only \$70,000 was shipped during the first quarter), backlog at October 31, 1998 was \$10,651,000 compared to \$14,873,000 a year earlier and \$15,452,000 at July 31, 1998.

Comtech is a broad based manufacturer of state-of-the-art solid state high power amplifiers and high technology satellite and troposcatter telecommunication products and systems for commercial and government applications.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended October 31	
	<u>1998</u>	<u>1997</u>
Net Sales	\$ <u>8,735,000</u>	\$ <u>5,934,000</u>
Operating income	\$ 470,000	\$ 198,000
Other income (expense) - net	(31,000)	(69,000)
Income before provision for income taxes	439,000	129,000
Provision for income taxes	45,000	25,000
Net income	\$ <u>394,000</u>	\$ <u>104,000</u>
Net income per share		
Basic	\$ <u>.15</u>	\$ <u>.04</u>
Diluted	\$ <u>.14</u>	\$ <u>.04</u>

Weighted average number of common and

common equivalent shares outstanding		
Basic	<u>2,671,958</u>	<u>2,595,404</u>
Diluted	<u>2,902,112</u>	<u>2,672,907</u>

CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)

	<u>October 31,</u> <u>1998</u>	<u>July 31, 1998</u>
Assets		
Cash and short-term investments	\$ 2,949,000	\$ 2,744,000
Current assets (other than cash and short-term investments)	12,513,000	12,343,000
Property, plant and equipment - net	4,442,000	4,314,000
Intangible assets	1,877,000	--
Other assets	307,000	307,000
Total assets	<u>\$ 22,088,000</u>	<u>\$ 19,710,000</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 7,600,000	\$ 6,172,000
Long-term debt, less current installments	1,287,000	\$ 1,445,000
Stockholders' equity	13,201,000	12,093,000
Total liabilities and stockholders' equity	<u>\$ 22,088,000</u>	<u>\$ 19,710,000</u>