



March 7, 2001

Alpha Updates Guidance for the Fiscal 2001 Fourth Quarter

WOBURN, Mass.--(BUSINESS WIRE)--March 7, 2001--Alpha (NASDAQ: AHAA) today announced that the economic downturn and continued softness in both the wireless handset and infrastructure markets have prompted the company to revise its financial guidance for the fiscal 2001 fourth quarter ending March 31, 2001. The Company now expects that fourth quarter fiscal 2001 net sales will be approximately \$54 million, and that diluted net income per share will be approximately \$0.05.

"Given the market downturn and after reviewing recent order trends, it is clear that current market conditions will prevent us from achieving forecasted expectations," said Alpha's President and CEO David Aldrich. "Our revised fourth-quarter expectations reflect the decision by major OEM customers to scale back manufacturing plans and work through excess component inventory. During our frequent conversations with customers, we have been told that the inventory correction could continue for the next six months. Their build plans should increase later in the year as inventory levels are normalized and the wireless and broadband markets rebound.

"Alpha has initiated several cost-cutting measures to adjust for the market downturn, and we are aggressively reducing spending to reflect current demand," Aldrich said. "However, we will not take any steps that could jeopardize our product development plans or compromise our capacity to move quickly when demand begins to recover.

"We remain confident about the long-term growth of our markets," Aldrich continued. "We expect that our wireless customer diversification strategy and penetration of the broadband market will result in a rapid turnaround in our business as market conditions improve. We have seen strong initial customer interest in the family of multi-chip modules based on our new Alpha Integration Platform and recently introduced HBT products, and we plan to aggressively continue those development efforts."

Conference Call

Alpha will discuss its fourth-quarter outlook with investors in a conference call that will be broadcast Thursday, March 8, 2001 at 8:30 a.m. ET. Investors can hear the call live by dialing 719-457-2649. A replay of the call will be available two hours after the conclusion of the call through midnight Thursday, March 15. The replay phone number is 719-457-0820. Please refer to confirmation code 629504.

Alpha also will provide a live audio Webcast of the call. Investors who want to listen to the Webcast should log on to the investor relations section of Alpha's Web site, www.alphaind.com, at least 15 minutes prior to the event's broadcast. Then, follow the instructions provided to assure that the necessary audio applications are downloaded and installed. The call will be archived on the Web site for two weeks.

About Alpha

Alpha is a leading provider of RF integrated circuit-based solutions, including semiconductors and ceramic components, for the broadband and wireless communications markets. Alpha's switches, power amplifiers and discrete semiconductors are used by the world's leading broadband, infrastructure and wireless communications companies to enhance the speed, quality and performance of voice, data and video. For more information, please visit the Company's Web site, www.alphaind.com.

Safe Harbor Statement - Except for the historical information contained herein, this news release contains forward-looking statements that reflect the Company's current intentions, expectations and predictions of future results, accomplishments and other matters, all of which are inherently subject to risks and uncertainties. The Company's actual results may differ materially from those anticipated in the Company's forward-looking statements, based on various factors. Such factors include, but are not limited to: cancellation or postponement of customer orders, inability to predict customer orders, the disproportionate impact of the Company's business relationships with its larger customers, variations in the timing of new product development and market acceptance, difficulty manufacturing products in sufficient quantity and quality, difficulty completing the Company's planned capital investments and process improvements, erosion of selling prices or margins, modification of the Company's plans or intentions, and market developments, competitive pressures and changes in economic conditions that vary from the Company's expectations. Additional information on these and other factors that may cause actual results and the Company's performance to differ materially is included in the Company's periodic reports filed with the SEC, including but not limited to the Company's Form 10-K for the year ended April 2, 2000, and subsequent Forms 10-Q. Copies may be obtained by contacting the Company or the SEC. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in

events, conditions or circumstance on which any such statement is based.

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CONTACT: Paul Vincent, Chief Financial Officer

Alpha

(781) 935-5150 Ext. 4438