



May 1, 2001

Alpha Reports Record Fiscal Year 2001 and Provides Business Outlook

WOBURN, Mass.--(BUSINESS WIRE)--May 1, 2001-- Fiscal 2001 Sales Grow 46% to \$272 million; Earnings Rose to \$0.75 Per Share from \$0.42 Per Share a Year Ago; Company Meets Revenue and Exceeds EPS Guidance for Fourth Quarter

Alpha Industries, Inc. (Nasdaq: AHAA) today reported record revenue and net income for the fiscal year ended April 1, 2001. For the fourth quarter of fiscal 2001, Alpha met the revenue guidance and exceeded the earnings per share guidance the Company provided to investors in its mid-quarter update on March 7.

Net sales for the fourth quarter of fiscal 2001 were \$54.0 million, a decline of 7% from \$57.8 million for the same period one year earlier and 31% sequentially. Net income for the 2001 fourth quarter was \$3.4 million, or \$0.08 per diluted share, compared with \$4.9 million, or \$0.11 per diluted share, for the fourth quarter of fiscal 2000.

For the 12 months ended April 1, 2001, Alpha's net sales increased 46% to \$271.6 million, from \$186.4 million for fiscal year 2000. Net income totaled \$33.4 million, or \$0.75 per diluted share, for full-year 2001, compared with net income of \$18.0 million, or \$0.42 per diluted share, in fiscal 2000. Alpha ended fiscal 2001 with \$153.8 million in cash, cash equivalents and short-term investments, up from \$146.6 million one year earlier.

"We enjoyed 46% year-over-year revenue growth and an 86% increase in net income for fiscal 2001, despite the economic and global inventory issues that hampered our fourth quarter," said Alpha President and CEO David Aldrich. "During the year we continued to diversify our wireless handset customer base, expanded our broadband business to more than 20% of sales and launched our new Alpha Integration Platform™ to capitalize on our product breadth and technology expertise.

"However, as we moved through our fourth quarter, excess inventory and market softness affected both the wireless and broadband markets. As a result, Alpha experienced dramatically reduced bookings as OEMs worked down excess component inventory. During this lull in the global market, we cut costs across a number of operating functions while maintaining our aggressive product development efforts. We expect to reap significant benefits from these R&D initiatives when the wireless and broadband sectors rebound."

Fourth-quarter Highlights

Alpha's highlights during the fourth quarter of fiscal 2001 include:

- New HBT Power Amplifiers: Alpha introduced the world's first tri-band power amplifier module using InGaP HBT technology. Production is slated for later in fiscal year 2002.
- GPRS Components: Alpha received multiple design wins on GPRS platforms with its largest customer.
- GaAs Switch/Filter Module Launch: Leveraging its leadership in the GaAs switch market, Alpha introduced a new GaAs switch/filter product line. By integrating passive and filter functions in a single module, these products dramatically reduce both design and manufacturing lead times for OEMs, and are being sampled by several customers.

- Mobile Phone Leader Selects Alpha's GaAs ICs: Alpha announced that the world's largest manufacturer of mobile phones had selected the Company's GaAs integrated circuits, digital attenuators and passive products for use in a new family of broadband applications.

- Vector Modulator: Alpha also introduced its phase shifters and next-generation VM series of vector modulators, an eight-chip solution designed to improve the linear performance of 2.5G and 3G infrastructure.

"We continued to achieve the milestones on our aggressive product development roadmap during the fourth quarter," Aldrich said. "The introduction and sampling of our switch/filter modules, and the rollout of our new vector modulator and power amplifier modules, are representative of the emphasis we have placed on existing and emerging market opportunities."

Business Outlook

"OEMs have continued to reduce their product build plans as they work down excess handset inventory," Aldrich said. "Consequently, for the June quarter we expect revenues in the range of \$32 million to \$35 million, and a net loss per share between \$(0.08) and \$(0.10). Based on conversations with customers, we believe the industry should hit bottom in the June quarter with respect to the impact of excess inventories in the supply chain."

"With new phone models slated to reach the market this fall, we believe that supply equilibrium should be achieved in the second half of calendar 2001. Looking farther ahead, we see exciting opportunities and rising demand sparked by the introduction of new phones with enhanced data capabilities and a resumption in capital investment for digital cable, metro-fiber and 3G infrastructure. As a result, our September quarter should mark a transition from low order visibility to more normal operating conditions, which should usher in a return to sequential top-line growth late in the calendar year."

Conference Call

Alpha will discuss its fourth-quarter and year-end fiscal 2001 financial results with investors in a conference call that will be broadcast Tuesday, May 1, 2001 at 5:15 p.m. (ET). Investors can hear the call live by dialing 719-457-2625. A replay of the call will be available two hours after the conclusion of the call through midnight Tuesday, May 8. The replay phone number is 719-457-0820. Please refer to confirmation code 568777.

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. The Company's Alpha Integration Platform™ (aiIP™) is a breakthrough manufacturing, packaging and design technique that reduces design complexity and improves the OEM's overall time to market for new products. For more information, please visit Alpha's Web site, www.alphaind.com.

Safe Harbor Statement - Except for the historical information contained herein, this news release contains forward-looking statements. These statements 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: variations in projected financial results for the first quarter of fiscal 2002 and other future periods, expected benefits from and timing and success of the Company's product development efforts, Alpha's ability to generate increased dollar content per platform, successful participation in new data services such as 3G and GPRS, the timing and extent of recovery in the broadband and wireless markets, the success of Alpha's various strategic relationships, cancellation or postponement of customer orders, inability to predict customer orders, the disproportionate impact of the Company's business relationships with its larger customers, difficulty manufacturing products in sufficient quantity and quality,

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.

ALPHA AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(unaudited)

(in thousands, except per share data)	Fourth Quarter Ended		Fiscal Year Ended	
	April 1, 2001	April 2, 2000	April 1, 2001	April 2, 2000
Net sales	\$ 53,995	\$ 57,785	\$ 271,568	\$ 186,402
Cost of sales	33,702	32,936	151,632	105,566
Research and development expenses	9,783	7,651	36,026	25,336
Selling and administrative expenses	9,318	12,444	43,250	34,107
Operating income	1,192	4,754	40,660	21,393
Interest expense	(2)	(77)	(56)	(223)
Interest income and other, net	2,644	2,126	8,666	6,077
Income before income taxes	3,834	6,803	49,270	27,247
Provision for income taxes	449	1,904	15,897	9,265
Net income	\$ 3,385	\$ 4,899	\$ 33,373	\$ 17,982
Net income per share basic	\$ 0.08	\$ 0.12	\$ 0.78	\$ 0.44
Net income per share diluted	\$ 0.08	\$ 0.11	\$ 0.75	\$ 0.42
Weighted average common shares basic	43,469	42,471	43,029	40,659
Weighted average common shares diluted	44,729	44,689	44,752	42,822

COMPARATIVE BALANCE SHEET
(unaudited)
(in thousands)

	April 1, 2001	April 2, 2000
Assets		
Current assets		
Cash, cash equivalents and short-term investments	\$153,784	\$146,610
Accounts receivable, net	36,984	33,844
Inventories	15,661	11,916
Prepaid expenses and other current assets	13,572	11,035
Property, plant and equipment, less accumulated depreciation and amortization	114,196	75,520
Other assets	2,822	2,099
Total assets	\$337,019	\$281,024

Liabilities and Equity		
Current liabilities		
Current portion of		
long-term debt	\$ 129	\$ 3,011
Accounts payable	20,820	20,537
Accrued liabilities and other		
current liabilities	10,764	9,500
Long-term debt	235	345
Other long-term liabilities	5,893	5,538
Stockholders' equity	299,178	242,093
Total liabilities and equity	\$337,019	\$281,024

Note- During the first quarter of fiscal 2001, Alpha incurred \$1.8 million in one-time transaction expenses in connection with the acquisition of Network Device, Inc. (NDI). The acquisition was accounted for as a pooling-of-interests. All periods presented have been restated to include the results of operation and financial position of NDI.

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