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Alpha Introduces Breakthrough Module Packaging Technology for Broadband Communications Markets

WOBURN, Mass.--(BUSINESS WIRE)--Aug. 17, 2000--

Proprietary Alpha-2™ Multi-Chip Module Package Reduces Cost of Manufacturing LMDS and Fiber Optic Networking Equipment

Alpha (NASDAQ:AHAA), which produces gallium arsenide (GaAs) integrated circuits, semiconductors and ceramic components for the wireless and broadband communications markets, today announced the introduction of its proprietary Alpha-2™ multi-chip module packaging technology, which will dramatically reduce the cost of manufacturing high-speed and high-frequency data communications equipment.

Alpha-2™ technology provides the first surface-mounted package specifically designed for high-frequency and high-speed ICs. It is substantially less expensive, smaller and easier to assemble than traditional "chip-and-wire" component packaging. The Alpha-2™ package is compatible with standard tape-and-reel manufacturing, making it ideal for use in high-speed data communications equipment, including LMDS wireless systems and OC-192 and future OC-768 high-speed fiber optic systems.

"We are investing aggressively and rapidly gaining share in this fast-growing market," said Dave Aldrich, Alpha's President and CEO. "Our new Alpha-2 package further differentiates Alpha from our competitors and strengthens our position as a leader in module-based components for high-frequency and high-speed broadband communications."

"Integrated circuits for microwave and millimeter applications have traditionally been wired together in large, expensive, hard-to-assemble packages. The cost of packaging was often many times the cost of the chips themselves," Aldrich said. "The Alpha-2 package solves this problem. By eliminating the need for tuning and the slow, expensive process of wire-bonding by hand, our Alpha-2 technology allows makers of high-frequency broadband equipment to replace labor-and capital-intensive microelectronics assembly with standard, fast, inexpensive surface-mount manufacturing."

Alpha has a patent pending on its Alpha-2™ technology and expects to continue developing the technology in line with its customers' evolving demands. "Our broadband customers already have expressed great interest in the Alpha-2 package," Aldrich said. "They are excited by the yield-improvement and cost-saving potential of moving from 'chip-and-wire' construction to the Alpha-2 package's single-step solution. "We will continue to work closely with our customers to take the Alpha-2 technology to the next level, offering them a multi-function platform that will further lower the cost of meeting the world's escalating demand for bandwidth."

About Alpha

Alpha Industries designs and manufactures a broad range of products for microwave and radio frequency wireless communications applications. The Wireless Semiconductor segment produces gallium arsenide (GaAs) integrated circuits and other semiconductors for the wireless and broadband communications markets. The Application Specific Products (ASP) segment provides a broad range of GaAs and silicon devices to satellite, instrumentation and other communications markets. The Ceramic Products segment provides technical ceramic products for wireless telephony infrastructure and other wireless markets. Additional information on us and our products is available at www.alphaind.com.

Safe Harbor Statement - Except for the historical information contained herein, this news release contains forward-looking statements that constitute the Company's current intentions, hopes, beliefs, expectation or predictions of the future which are, therefore, inherently subject to risks and uncertainties. The Company's actual results could differ materially from those anticipated in the Company's forward-looking statements based on various factors, including without limitation: cancellation or deferral of customer orders, dependence on a small number of large customers, difficulties in the timely development and market acceptance of new products such as the package introduced in this release, market developments that vary from the current public expectations concerning the growth of wireless communications, difficulties in manufacturing new or existing products in sufficient quantity or quality, increased competitive pressures from other suppliers of packaging solutions and due to the possible inability to patent the package, decreasing selling prices for the Company's products, or changes in economic conditions. Further information on factors that could affect the Company's performance 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. 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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