



July 18, 2001

## Alpha Reports First-Quarter Financial Results in Line With Company Guidance

WOBURN, Mass., Jul 18, 2001 (BUSINESS WIRE) --

### ***Company's Products in Volume Production on GPRS phones; Expects Sequential Revenue Improvement with Return to Profitability in Q3***

Alpha Industries, Inc. (Nasdaq: AHAA) today reported financial results for the fiscal 2002 first quarter ended July 1, 2001.

Net sales for the first quarter were \$32.2 million, compared with \$65.7 million for the same period a year earlier and \$54.0 million in the fourth quarter of fiscal 2001. The net loss for the first quarter was \$3.9 million, or \$(0.09) per diluted share, compared with net income of \$7.8 million, or \$0.18 per diluted share, in the same period one year earlier. Alpha's first quarter financial results are consistent with the guidance provided by the Company in its fourth-quarter fiscal 2001 news release and conference call.

"We met the guidance that we provided to investors on May 1st and, as expected, have begun to see signs of a recovery led by our wireless handset business," said David Aldrich, Alpha's President and CEO. "Alpha products are beginning volume production on GPRS phones and we have secured initial orders for our tri-band InGaP power amplifier modules. Consequently, we expect to see wireless handset revenue increase 30 percent sequentially in the September quarter, partially offset by ongoing inventory correction in our infrastructure and broadband businesses. Volume orders for 2.5G phones should start in the December quarter and gain momentum in calendar 2002."

#### First-quarter Highlights

Of note during the first quarter:

- Alpha received pre-production contracts from a major customer for its tri-band InGaP HBT (indium gallium phosphide heterojunction bipolar transistor) power amplifier modules. Volume production is expected to begin in the second half of FY 2002.
- Alpha released front-end modules incorporating SAW (Surface Acoustic Wave) filters and LTCC (Low Temperature Co-fired Ceramics) packaging technology. The Company is co-developing a new family of switch/filter modules that are being sampled and scheduled to be in production later in the year.
- In June Alpha opened a Hong Kong office staffed with engineering and sales personnel to serve the fast-growing wireless handset market in China and other countries in Asia. Alpha will focus on contract manufacturers, OEMs (original equipment manufacturers) and ODMs (original design manufacturers). With more than 100 million mobile phone subscribers, China ranks as the second largest wireless handset market behind the United States.
- Alpha continued to intensify its research and development investment, which increased to 30% of sales in the first quarter of FY 2002. The Company's R&D is focused on module integration and advanced-process development aimed at next generation wireless and broadband applications.

"The strategic accomplishments we have announced in recent months reflect elements of the strategy that we introduced last fall," Aldrich said. "The centerpiece of this strategy is our Alpha Integration Platform. As we have demonstrated through new

products such as the switch/filter module and tri-band InGaP power amplifier, our aim is to integrate the RF functions of the handset by leveraging Alpha's extensive RF product portfolio and our process technology breadth. Our ability to rely on a high proportion of internally produced semiconductor content, combined with Alpha's industry-leading cycle times, enables us to provide critical time-to-market advantages for wireless handset OEMs around the world."

#### Business Outlook

"The production and design win activity we have seen in recent weeks are an encouraging sign that FY 2002 will finish on a higher note than it began," Aldrich said. "Given the diverse dynamics of our business, not all of our markets will come back at the same time. Specifically, we expect the inventory correction in our infrastructure business and distribution channel to persist through the September quarter. However, handset OEM revenue should grow in excess of 30 percent, rapidly enough to generate net sales growth of between 5% and 10% sequentially in the September quarter, with a net loss of between \$(0.05) and \$(0.07) per share. For the December quarter, we see a sequential net sales improvement of at least 20% and a return to profitability fueled by traditionally high end-of-year handset sales, production ramp of new products and the initial wave of 2.5G phones."

#### Conference Call

Alpha will discuss its first quarter fiscal 2002 financial results with investors in a conference call that will be broadcast at 5:15 p.m. (ET) today, July 18, 2001. Investors can hear the call live by dialing 719-457-2629. A replay of the call will be available two hours after the conclusion of the call through midnight (ET) Wednesday, July 25. 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](http://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 Industries 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™ (aiP™) 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](http://www.alphaind.com).

Safe Harbor Statement - Except for historical information, this release contains forward-looking statements. These statements reflect the Company's current expectations and predictions of future results, accomplishments, intentions 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 FY 2002 and the remaining quarters of FY 2002, 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, GPRS and 2.5G, the timing and extent of recovery in the broadband and wireless markets, the success of Alpha's various strategic relationships, Alpha's success in penetrating new markets in Asia and other geographies, Alpha's ability to provide advantageous cycle times and a range of product offerings, cancellation or postponement of customer orders, inability to predict customer orders, the disproportionate impact of Alpha'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 1, 2001. Copies may be obtained by contacting the Company or the SEC. The Company cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement 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 INDUSTRIES, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENT OF INCOME

(unaudited)

First Quarter Ended

(in thousands, except per share data)

	July 1, 2001	July 2, 2000
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