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Alpha Reports Record Sales and Profits for Second Quarter

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Sales Grow 75% to \$73.2 Million; Earnings More than Double to \$0.24 Per Share Broadband Reaches 20% of Total Sales

WOBURN, Mass.--(BUSINESS WIRE)--Oct. 18, 2000-- Alpha Industries, Inc. (NASDAQ: AHAA - news) today announced its financial results for the second fiscal quarter ended October 1, 2000.

For the second quarter of fiscal 2001, net sales grew 75% to a record level of \$73.2 million, compared to the \$41.9 million reported for the comparable period a year ago. On a sequential basis, net sales increased 11.4% from the \$65.7 million reported for the first quarter of fiscal 2001. The company's book-to-bill for the second quarter was 1.06.

Net income for the second quarter of fiscal 2001 was \$10.6 million, or \$0.24 per diluted share, also a company record. That compares to net income of \$4.3 million, or \$0.10 per diluted share for the same period last year. Building on the company's record top-line growth, Alpha posted operating profit of \$14.1 million, up 20% from the first quarter of fiscal 2001, marking the company's 16th sequential quarter of operating profit growth.

"Alpha posted strong numbers this quarter but, more importantly, we continued to make excellent progress in achieving our strategic goals," said David Aldrich, Alpha's President and CEO. "We further penetrated the dynamic broadband market, diversified our wireless market customer base and introduced new products that increased Alpha's content per customer platform."

Broadband Market Highlights

Alpha's sales to broadband equipment OEM's increased 35% sequentially from the first quarter of fiscal 2001 to \$14.5 million in the second quarter of fiscal 2001. Broadband represented 20% of total sales in the second quarter.

"On the broadband technology front, we introduced an array of proprietary new GaAs RF IC products that are ideally suited to meet the worldwide thirst for high-speed communication and bandwidth," Aldrich said. "Among our achievements during the quarter were contracts with two Pacific Rim-based leaders that produce cable modems and two-way digital set-top boxes. In addition, Nortel Networks named Alpha as a preferred supplier, where Alpha will play a major role in Nortel's fiber-optic and next-generation wireless networking offerings."

Wireless Market Highlights

"We greatly diversified our customer base in the wireless handset market," Aldrich said. "During the quarter, we substantially increased our production volume with Mitsubishi, Samsung and Siemens. In addition, we are extremely pleased to have power amplifiers and switches in Motorola's three recently announced new phones. On the wireless infrastructure side, we achieved strong gains with Alcatel, Ericsson and Nokia, increasing our positions in 2.5 and 3G platforms."

Product Development Highlights

In the second quarter, the company launched milestone wireless and broadband products that position Alpha to capitalize on the trend toward modular integrated RF solutions in the wireless and broadband markets:

- Commenced production volume shipments of a new family of innovative HBT amplifier products. These ultra-linear amplifiers are critical enablers of emerging next-generation wireless and broadband technologies, and represent the first offerings based on the company's advanced InGaP HBT technology.
- Sampled GSM dual-band 50-Ohms power amplifier modules based on the company's InGaP HBT technology.
- Introduced proprietary Alpha-2™ multi-chip module packaging technology, which will dramatically reduce its customers' costs in manufacturing high-speed and high-frequency data communications equipment.

Operating Highlights

During the second quarter, Alpha took major steps to add capacity resources the company needs to reduce time-to-market and continue its aggressive growth:

- Alpha launched its conversion to 6-inch wafer-based production at the company's Woburn, Massachusetts facility, recruiting its manufacturing team, placing orders for equipment and creating clean space to accommodate the new 6-inch production line.
- The company advanced on its plan to double semiconductor test and assembly capacity before the end of fiscal 2001, purchasing a 125,000 square foot facility in Haverhill, Massachusetts.

Outlook

"We continue to build a strong foundation anchored by our three core strategies - penetrating the high-growth broadband market, diversifying our customer base and launching new HBT products and solution-oriented modules," Aldrich said. "As a result, we are confident in our ability to continue sequential growth in operating profits and to achieve \$300 million in net sales for fiscal 2001. Simply put, our outlook has never been brighter."

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. For more information, please visit the company's Web site, www.alphaind.com.

Safe Harbor Statement

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 and expectations or predictions of future results and accomplishments, which are 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, market developments that vary from the current public expectations concerning the growth of wireless, broadband and fiber-optic communications, difficulties in manufacturing new or existing products in sufficient quantity or quality, difficulties in completing the company's planned capital improvements, including its expansion to the facility in Haverhill, Massachusetts, increased competitive pressures, 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 Securities and Exchange Commission, 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 Securities and Exchange Commission. 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 INDUSTRIES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF INCOME

(unaudited)	Second Quarter Ended		Six Months Ended	
	Oct. 1,	Sept. 26,	Oct. 1,	Sept. 26,
(in thousands, except per share data)	2000	1999	2000	1999
Net sales	\$ 73,201	\$ 41,921	\$ 138,889	\$ 80,574
Cost of sales	39,454	23,886	75,604	45,542
Research and development expenses	8,814	5,780	16,709	11,195
Selling and administrative expenses	10,839	7,163	22,527	13,871
Operating income	14,094	5,092	24,049	9,966
Interest expense	(22)	(17)	(38)	(74)

Interest income and other, net	1,938	1,666	3,879	2,035
Income before income taxes	16,010	6,741	27,890	11,927
Provision for income taxes	5,443	2,428	9,482	4,295
Net income	\$ 10,567	\$ 4,313	\$ 18,408	\$ 7,632
Net income per share basic	\$ 0.25	\$ 0.10	\$ 0.43	\$ 0.20
Net income per share diluted	\$ 0.24	\$ 0.10	\$ 0.41	\$ 0.19
Weighted average common shares basic	42,867	41,511	42,765	39,020
Weighted average common shares diluted	44,737	43,958	44,761	41,212

COMPARATIVE BALANCE SHEET

(unaudited) (in thousands)	Oct. 1, 2000	April 2, 2000
Assets		
Current assets		
Cash, cash equivalents and short-term investments	\$ 133,169	\$ 146,610
Accounts receivable, net	50,177	33,844
Inventories	16,036	11,916
Prepaid expenses and other current assets	13,575	11,035
Property, plant and equipment, less accumulated depreciation and amortization	95,983	75,520
Other assets	2,211	2,099
Total assets	\$ 311,151	\$ 281,024
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt	\$ 111	\$ 3,011
Accounts payable	20,142	20,537
Accrued liabilities and other current liabilities	11,526	9,500
Long-term debt	285	345
Other long-term liabilities	5,525	5,538
Stockholders' equity	273,562	242,093
Total liabilities and equity	\$ 311,151	\$ 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. Excluding these transaction expenses, net income for the six months ended October 1, 2000 would have been \$19.6 million, or \$0.44 per diluted share. All periods presented have been restated to include the results of operation and financial position of NDI.

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