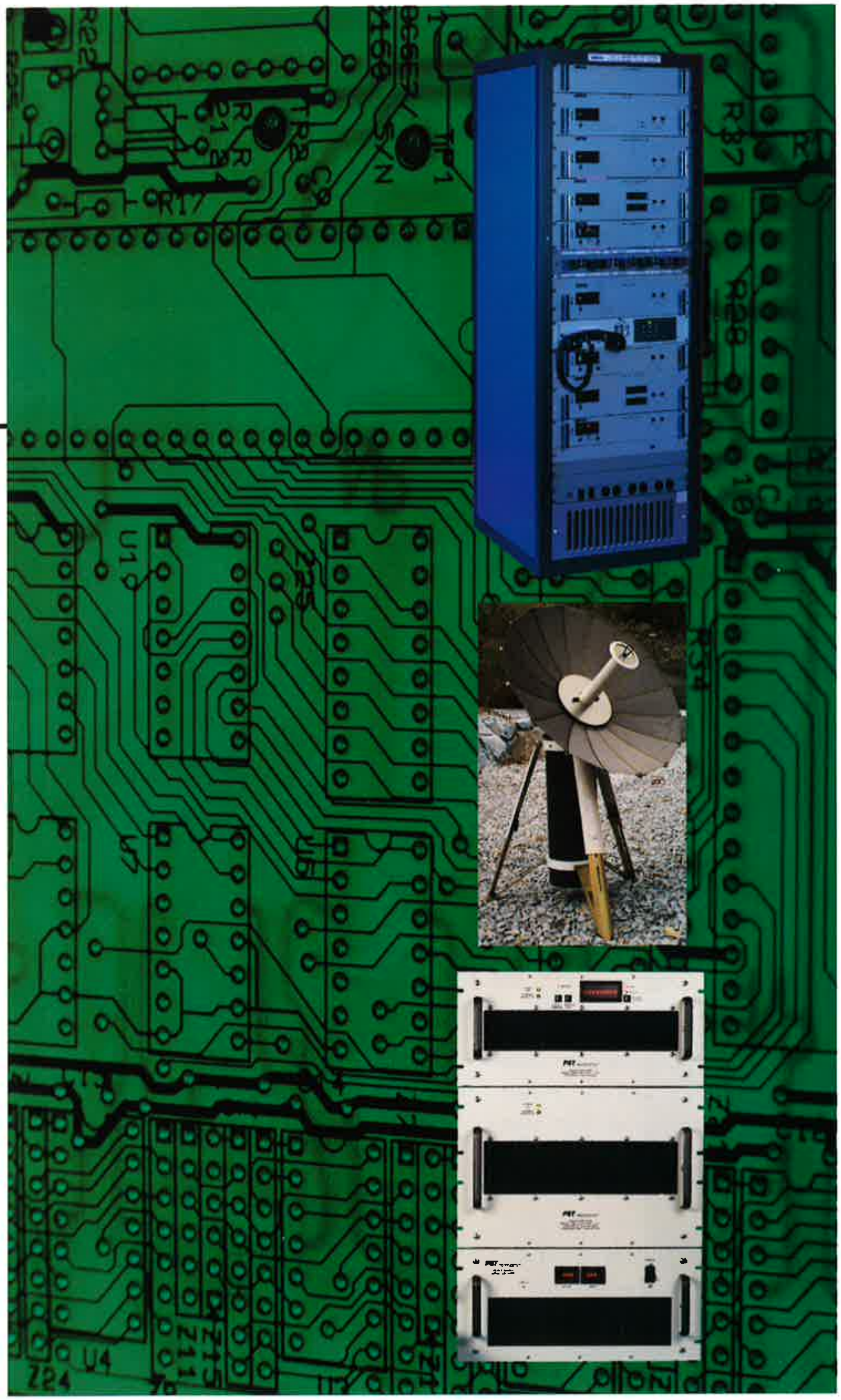
COMTECH TELECOMMUNICATIONS CORP.



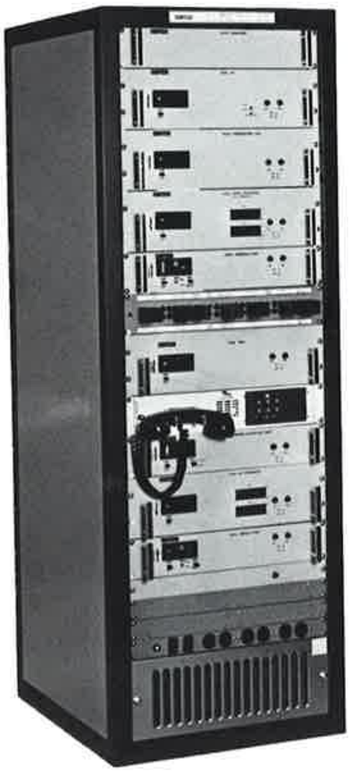
Annual Report 1989

About the Company

Comtech Telecommunications Corp., a Delaware corporation, was established in 1967 as Comtech Laboratories, Inc. The Company is engaged in the design, development, manufacture and installation, for commercial and government applications, of high technology communications and laboratory related equipment. Its products are chiefly used in connection with satellite, tropospheric scatter and terrestrial line-of-sight communications systems. The Company's products also have applications in electronic warfare, radar and command, control and communications sytems. The Company sells its products directly to end users, as well as to subcontractors and prime contractors which incorporate such products in a full system installation, and also uses the Company's products, along with products of others, to sell and install entire communications systems on a turnkey basis.

The Company's operating units are Comtech Systems, Inc., Comtech Microwave Corp., Power Systems Technology, Inc., and Comtech Antenna Systems, Inc.

Comtech Systems, Inc. produces Model TDR-4000 Quadruple Diversity Troposcatter Microwave Radio System which is part of its comprehensive line of compact terrestrial microwave and tropospheric scatter equipments that offer digital or analog transmission and provide relatively high level secure communications for defense applications.

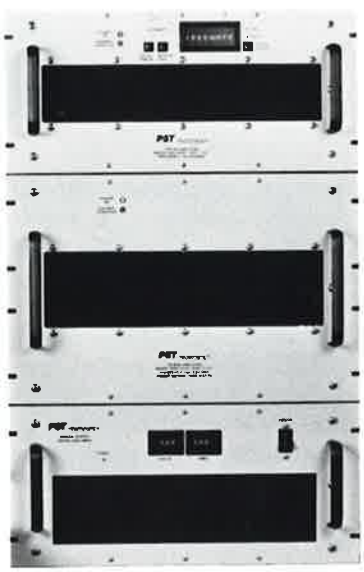


This highly portable antenna, produced by Comtech Antenna Systems, Inc., is a precision 16-rib, 33-inch diameter, L-band collapsible reflector with vertex mounted feed.

This antenna forms the heart of INMARSAT — compatible transportable satellite communication terminals, intended for worldwide use in remote locations for providing telephone, facsimile, computer and radio repeater operations.

To Our Shareholders and Employees:

This model BHE1858-1000/1037 solid-state high power amplifier, produced by Power Systems Technology, Inc., is designed for use in a communication system, laboratory environment or anywhere the amplification of RF signals is required. The power amplifier is broad-band and accepts any RF signal in the 100 to 500 MHz frequency range at an input level from 0 to 5 milliwatts and provides a power output of 1000 watts. An on board microprocessor allows for remote control and status reporting via an IEEE-488 computer interface bus.



Fiscal 1989 was a tough year—and that fact was certainly reflected in our financial results. The Company reported a loss of $612,000 or $.10 a share on sales of $10,593,000. Earnings before extraordinary credit for fiscal 1988 were $577,000 or $.10 per share on sales of $15,770,000. Results for 1989 reflected, among other things, reversals of $1.1 million of reserves and accruals no longer considered necessary in light of the improved status of certain contracts and disputes; and net income for 1988 of $2,296,000 or $.40 per share included an extraordinary credit of $1,719,000 resulting from the gain on the elimination of $10,000,000 principal amount of the Company's 13% Subordinated Notes for cash and stock. On a more favorable note, however, backlog at July 31, 1989 was $16,800,000 as compared to the year earlier $10,000,000.

An important element of our strategic plan was the creation over a year ago of Power Systems Technology, Inc. to address certain microwave technology needs of U.S. and foreign governments and others. Start-up, research and development, and other outlays for this business had an adverse impact on Comtech's 1989 results. We believe, however, that our entry into this sector was important to Comtech's future, and we expect solid results from PST in fiscal 1990.

Last year, Comtech also experienced a sales decrease of over $5 million from the prior year, principally reflecting a lower starting backlog level and major delays in new order placements at Comtech Microwave Corp. and Comtech Systems, Inc. We are pleased, however, that we entered fiscal 1990 with a markedly higher backlog, particularly at CMC.

With that as background, I would like to highlight some activities of our four businesses.

Comtech Systems, Inc. (CSI)

The business of CSI is the design, manufacture and installation of systems and equipment for defense and commercial troposcatter, satellite and microwave communications applications. Our most significant disappointment at CSI has been, and continues to be, the delays we have experienced in the award of several major projects we are pursuing. We expect that, in time, we will be able to convert some of these into orders. However, many of the programs being pursued by CSI are highly-competitive multi-year foreign procurements and, as such, are subject to significant uncertainty as to contract award date, award recipient, and ultimate program size.

During the year we continued our work on a leading technology adaptive digital troposcatter system for an international customer. This system will incorporate the latest state-of-the-art adaptive fade-resistant modem in a shelterized and command car configured highly transportable communications system. We have expectations that this design will lead to opportunities with other international customers.

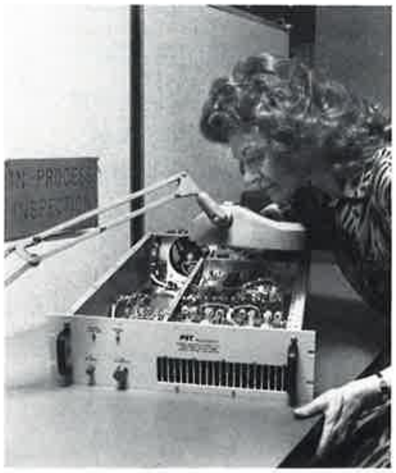
Additionally, CSI recently received an order for approximately $5 million from a South American customer to provide rapidly deployable, transportable digital troposcatter communication radio terminals to interface with air traffic control radar and provide communications to remote areas. These terminals will utilize a 2 GHz quadruple diversity synthesized troposcatter radio system at selectable data rates up to 2048 KBs with a digital adaptive fade-resistant modem in a state-of-the-art configuration. In sum, if some of the pursued projects become orders for us, CSI should truly be able to break out and become an exciting operation.

Comtech Microwave Corp. (CMC)

CMC is a supplier of a broad range of receiving and transmitting equipment. Its products include cryogenically cooled low noise parametric amplifier modules, klystron high power amplifiers and low phase noise frequency agile up/down frequency converter subsystems which are used in the transmit/receive links of satellite and troposcatter defense communication applications.

Although, here too, booking delays were encountered, CMC did obtain two major awards from the U.S. Army Communications Command: — in April 1989, a contract was received for approximately $3.5 million for the design and installation of nine unique hot air antenna de-icer systems for use with the U.S. Government DSCS strategic satellite terminals; and in July 1989, CMC was awarded a multi-year, cost-plus contract in the amount of $3.9 million for repair of Comtech proprietary equipment. The funding of this contract for fiscal year 1990 is $1.4 million. We continue to need additional technological strength at CMC to develop new products. The Company simply has not successfully met this challenge yet.

Comtech Telecommunications Corp. family of companies continually maintains a high standard in their design and manufacturing of products for the communications and signal power amplification industries. This approach to product excellence assures customers of a state-of-the-art design that will provide dependable performance on a long term basis. From engineering inception to design, manufacturing, inspection and testing, to delivery to the customer, each department staff member takes pride in his/her specific task.



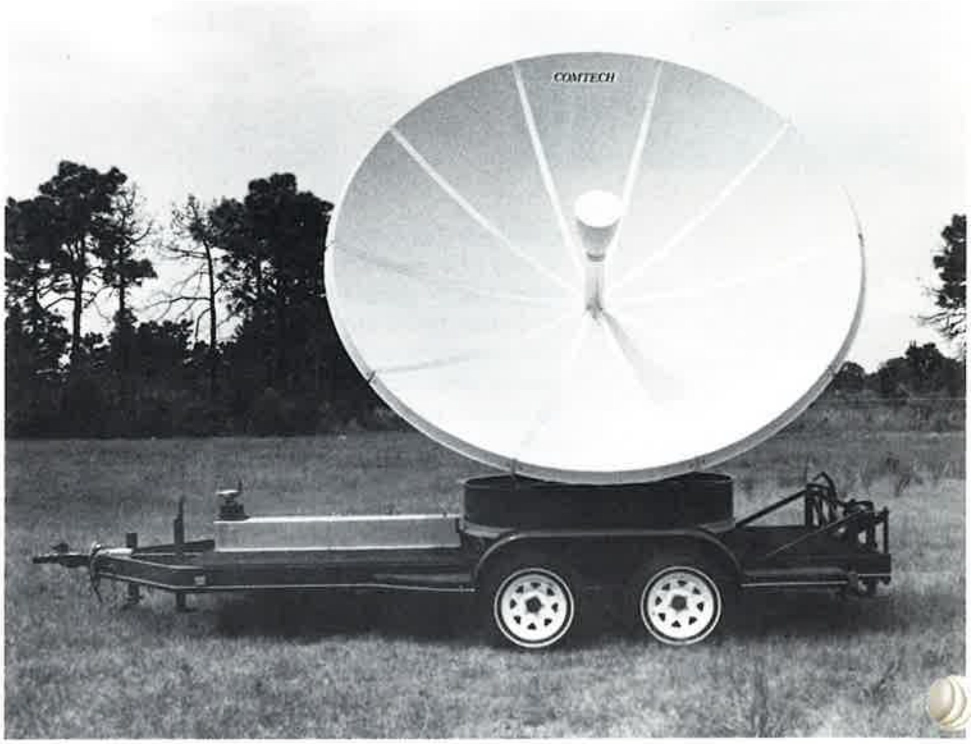
Comtech Antenna Systems, Inc. (CASI)

CASI designs and manufactures antennas, antenna feeds and related components for application in receive-only satellite and receive-transmit satellite and troposcatter communications applications. CASI's 2.4 to 9.0 meter fiberglass and metal antennas are used in troposcatter and satellite systems manufactured by Comtech Systems, Inc., and are also sold directly to other prime contractors and distributors serving the satellite communication markets for cable video, home and hotel video, radio broadcast networks, business data networks, VSAT networks and international Intelsat applications.

Recent activities of CASI included the supply of 50 antenna systems for a major broadcast network in Peru for application in a countrywide television network; provision of several 7.3 meter fiberglass antenna systems to the Home Shopping Network and Fox Network affiliates; supply of a variety of 3 to 5 meter fiberglass antenna systems for various business data networks, which included, among others, Budget Rent a Car, McCrory's, Days Inn and Wal-Mart; and booking of 8 tactical 4.5 meter transportable antenna systems to be supplied to an international customer with Comtech Systems, Inc. Troposcatter Radio Terminals.

Also, in the past year, CASI's trademarked Offsat transportable antenna systems were used to provide coverage of several note-worthy events by the major television networks.

Comtech Antenna Systems, Inc. has the solution for an uncompromised Ku Band Antenna System with its 3.5 meter transmit/receive aluminum frame antenna. The antenna system is available in fixed, motorized and transportable versions.



During fiscal year 1989 CASI developed several new products intended to expand our customer base in the rapidly growing VSAT, and business data markets. A first line priority here is to bring to market new products in the expanding domestic and Intelsat Ku-Band markets. We see that as a key element in our plans for CASI's future.

Power Systems Technology, Inc. (PST)

Since its formation last year, PST's business has consisted principally in the design and manufacture of specialized state-of-the-art high power solid state amplifiers. PST markets its products to the U.S. Government, prime contractors and subcontractors doing business with the U.S. Government, foreign governments, and original equipment manufacturers for systems employing microwave technology in electronic counter measures, avionics, communications, radar and command, control communications and intelligence (C^3I) applications as well as electromagnetic interference (EMI) and radio frequency interference (RFI) and laboratory instrumentation systems for industrial end use.

During this fiscal year PST achieved recognition as a quality supplier of technologically advanced amplifier products by delivering over 100 solid state high power amplifiers for use in various defense and industrial applications.

Shown is the 30-foot parabolic aluminum mesh troposcatter antenna system manufactured by Comtech Antenna Systems, Inc. The system provides a data and voice communications link between mainland Malaysia and an off-shore oil platform. The electronics for this system was provided jointly by Comtech Microwave Corp. and Comtech Systems, Inc.

Using a microprocessor—controlled EMI/RFI solid state high power amplifier system that PST designed for use in a government RFI facility, PST has become a leading supplier of such systems for this application. Of additional significance this year was the design and manufacture of the industry's first 1000 watt high power solid state amplifier with IEEE Bus Control, *Microwave Journal,* the most prestigious radio frequency and microwave industry publication, featured PST's 1000 Watt High Power Amplifier System on its front cover and as its feature article for the September 1989 issue. With the excellent opportunities PST's research and development and marketing efforts are creating, the production side of the business now takes on increasing importance.

Outlook

Comtech continues to face a variety of challenges, including those already touched upon. Our job is to turn them into opportunities.

All of us here acknowledge with sincere appreciation the dedicated efforts of our employees and the continued support of our customers, suppliers, bankers and shareholders.

Fred Kornberg

Fred Kornberg,
Chairman of the Board
and President

October 31, 1989

Comtech Antenna Systems, Inc. offers to the troposcatter communications industry this compact, transportable antenna package that provides fast deployment by a maximum of two persons. The reflector measures eight feet in diameter and is constructed of lightweight aluminum. The antenna system operates at a maximum power handling of 5 kilowatts in the frequency range of 4.4 to 5.0 GHz.

Comtech Telecommunications Corp. and Subsidiaries

Consolidated Balance Sheets

July 31, 1989 and 1988

ASSETS	1989	1988
Current Assets:		
Cash (including restricted cash of $1,439,000 and $1,730,000) (Note 10)	**$ 1,476,000**	$ 2,683,000
Accounts receivable — net (Notes 2 and 9)	**2,174,000**	2,667,000
Inventories — net (Notes 1, 3 and 9)	**2,047,000**	1,134,000
Prepaid expenses and other	**183,000**	231,000
Total current assets	**5,880,000**	6,715,000
Property, Plant and Equipment — net (Notes 1 and 4)	**1,663,000**	1,677,000
Other Assets (Note 5)	**1,261,000**	1,018,000
Total (Note 7)	**$ 8,804,000**	$ 9,410,000

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	**$ 1,731,000**	$ 2,546,000
Accrued expenses and other (Note 6)	**819,000**	2,430,000
Notes payable to bank (Note 7)	**1,700,000**	
Current maturities of long-term debt (Note 7)	**549,000**	568,000
Total current liabilites	**4,799,000**	5,544,000
Long-Term Debt (Note 7)	**1,675,000**	908,000
Other Liabilities (Note 9)	**930,000**	950,000
Commitments and Contingencies (Notes 5 and 10)		
Stockholders' Equity (Note 11):		
Preferred stock, $.10 par value; shares authorized, 2,000,000; issued — none		
Common stock, $.10 par value; shares authorized, 20,000,000; shares issued: 1989 — 6,177,787 and 1988 — 6,171,187	**618,000**	617,000
Additional paid-in capital	**14,290,000**	14,287,000
Deficit	**(13,328,000)**	(12,716,000)
	1,580,000	2,188,000
Treasury stock — 75,000 shares — at cost	**(180,000)**	(180,000)
Stockholders' equity	**1,400,000**	2,008,000
Total	**$ 8,804,000**	$ 9,410,000

See Notes to Consolidated Financial Statements.

Comtech Telecommunications Corp. and Subsidiaries

Statements of Consolidated Operations

For the Fiscal Years Ended July 31, 1989, 1988 and 1987

	1989	1988	1987
Continuing Operations:			
Net sales (Notes 1 and 13)	**$10,593,000**	$15,770,000	$13,533,000
Operating costs and expenses:			
Cost of sales (Notes 1 and 6)	**7,591,000**	11,487,000	9,759,000
Selling, general and administrative	**3,697,000**	3,411,000	3,253,000
Research and product development (Note 1)	**323,000**	111,000	159,000
Total operating costs and expenses	**11,611,000**	15,009,000	13,171,000
Operating income (loss) from continuing operations	**(1,018,000)**	761,000	362,000
Other — net (Note 12)	**406,000**	(184,000)	(16,000)
Income (Loss) from Continuing Operations (Note 1)	**(612,000)**	577,000	346,000
Business Sold — net (Note 15)			3,531,000
Income (Loss) before Extraordinary Credit	**(612,000)**	577,000	3,877,000
Extraordinary Credit (Note 7)		1,719,000	
Net Income (Loss)	**$ (612,000)**	$ 2,296,000	$ 3,877,000
Earnings (Loss) Per Share (Note 1):			
Continuing operations	**$(.10)**	$.10	$.07
Operations of business sold			.72
Extraordinary credit		.30	
Earnings (loss) per share	**$(.10)**	$.40	$.79
Weighted average number of common shares outstanding	**6,098,384**	5,746,725	4,892,779

See Notes to Consolidated Financial Statements.

Comtech Telecommunications Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the Fiscal Years Ended July 31, 1989, 1988 and 1987

	1989	1988	1987
Operating Activities:			
Net income (loss) (including $3,531,000 from business sold in 1987)	**$ (612,000)**	$ 2,296,000	$ 3,877,000
Adjustments to reconcile net income (loss) to cash generated (used) by operating activities:			
Depreciation and amortization (including $330,000 from discontinued business in 1987)	**399,000**	623,000	1,176,000
Gain on settlement of debt		(1,719,000)	
Gain on sale of business and other			(3,620,000)
Reversals of reserves and accruals no longer considered necessary	**(1,100,000)**		(1,326,000)
Total	**(1,313,000)**	1,200,000	107,000
Asset and liability management:			
Accounts receivable	**493,000**	(306,000)	(368,000)
Inventories	**(913,000)**	(454,000)	218,000
Prepaid expenses and other current assets	**48,000**	(129,000)	615,000
Other assets	**(93,000)**	355,000	1,093,000
Accounts payable	**(815,000)**	1,661,000	423,000
Accrued expenses	**(531,000)**	(1,317,000)	(952,000)
Other liabilities			617,000
Cash Provided (Used) by Operations	**(3,124,000)**	1,010,000	1,753,000
Investing Activities:			
Purchases of equipment	**(216,000)**	(138,000)	(357,000)
Sale of property and equipment	**570,000**		
Sale of net assets of Premier Microwave business			6,500,000
	354,000	(138,000)	6,143,000
Financing Activities:			
Borrowings — net	1,559,000	(7,475,000)	(919,000)
Issuance of common stock and warrants	4,000	6,000	402,000
Cash Provided (Used) in Financing Activities	**1,563,000**	(7,469,000)	(517,000)
Increase (Decrease) in Cash	**$(1,207,000)**	$(6,597,000)	$ 7,379,000
Supplemental Information:			
Interest paid	**$ 293,000**	$ 1,254,000	$ 1,786,000

See Notes to Consolidated Financial Statements.

Comtech Telecommunications Corp. and Subsidiaries

Statements of Stockholders' Equity (Deficiency)

For the Fiscal Years Ended July 31, 1989, 1988 and 1987

	Common Stock		Additional			Stockholders'
	Shares Issued	Dollar Amount	Paid-In Capital	Deficit	Treasury Stock	Equity (Deficiency)
Balance, August 1, 1986	4,790,137	$479,000	$12,917,000	$(18,889,000)	$(180,000)	$(5,673,000)
Shares issued in connection with stock option, warrant, purchase and employment agreements (Note 11)	271,650	27,000	325,000			352,000
Warrant issued in connection with the sale of the Premier Microwave Division's net assets (Note 15)			50,000			50,000
Net income				3,877,000		3,877,000
Balance, July 31, 1987	5,061,787	506,000	13,292,000	(15,012,000)	(180,000)	(1,394,000)
Shares issued in connection with stock option, warrant, purchase and employment agreements (Note 11)	9,400	1,000	5,000			6,000
Shares issued in exchange for outstanding 13% Subordinated Notes (Note 7)	1,100,000	110,000	990,000			1,100,000
Net income				2,296,000		2,296,000
Balance, July 31, 1988	6,171,187	617,000	14,287,000	(12,716,000)	(180,000)	2,008,000
Shares issued in connection with stock purchase agreement (Note 11)	6,600	1,000	3,000			4,000
Net loss				(612,000)		(612,000)
Balance, July 31, 1989	6,177,787	$618,000	$14,290,000	$(13,328,000)	$(180,000)	$ 1,400,000

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Summary of Significant Accounting and Reporting Policies

A summary of significant accounting and reporting policies follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Comtech Telecommunications Corp. and its subsidiaries ("Comtech" or the "Company"), all of which are wholly-owned. All significant intercompany balances and transactions have been eliminated.

Sales Recognition

Sales made under long-term contracts for large programs requiring significant start-up time and costs are accounted for under the percentage-of-completion method of accounting. Retainages and estimated earnings in excess of amounts billed on such multi-year programs are reported as unbilled receivables. Other long-term contracts are accounted for under the unit-of-delivery method of accounting.

Sales not associated with long-term contracts are generally recognized upon shipment or title transfer.

Costs and Expenses

Cost of sales is based on actual manufacturing costs incurred and, in the case of partially completed long-term contracts, estimated final contract costs. Contract costs include material, direct labor, manufacturing overhead and other direct costs (including sales commissions).

Since contracts may extend over periods in excess of one year, revisions in costs and earnings estimates during the course of contract performance are reflected in the accounting period in which the facts giving rise to the revision become known. When current estimates indicate a future loss on a contract is probable, a provision for the full amount thereof is charged to current operations. To the extent that the charge for the estimated loss exceeds the inventory balance related to the "loss" contract, the excess is credited to an allowance for estimated losses on contracts.

Inventories

Raw materials and components and work-in-process associated with short-term contracts and purchase orders are stated at the lower of cost (using the first-in, first-out cost flow assumption) or market. Work-in-process associated with long-term contracts accounted for under the unit-of-delivery method is valued at the total material, direct labor, manufacturing overhead and other direct costs (including sales commissions and consulting fees) incurred under each contract, less amounts charged to cost of sales pursuant to the application of the unit-of-delivery method of revenue recognition.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Annual depreciation is provided utilizing the straight-line method over the estimated useful service lives of the related assets (buildings and improvements — 40 years, equipment — three to eight years). Leasehold improvements are amortized over the remaining terms of the leases or the useful lives of the improvements, whichever is less.

Research and Product Development Costs

The Company charges research and product development costs to operations as incurred, except in those cases in which such costs are reimbursable under customer-funded contracts.

Income Taxes

The Company adopted Statement of Financial Accounting Standards No. 96 Accounting for Income Taxes for financial reporting purposes. Where appropriate, the Company provides deferred income taxes for the tax effects of transactions which are reported in different periods for financial reporting purposes than for income tax purposes (see Note 8). At July 31, 1989, no deferred taxes are recorded because of the existence of net operating loss carryforwards. Benefit for such carryforwards is recorded when utilized and is accounted for as a reduction of the provision for income taxes.

Earnings (Loss) Per Share

Earnings (loss) per share are calculated based on the weighted average number of common shares outstanding. No impact was given to the assumed exercise of warrants or options because the impact of such assumed exercise would be antidilutive in all years presented.

Reclassifications

Certain amounts relating to fiscal 1988 and 1987 have been reclassified to conform with the fiscal 1989 presentation.

2. Accounts Receivable

Accounts receivable consist of the following at July 31, 1989 and 1988:

	1989	1988
Amounts receivable from the United States Government and its agencies	**$ 560,000**	$ 708,000
Unbilled receivables (including retainages) on contracts-in-progress	**59,000**	344,000
Accounts receivable from commercial customers and other	**1,581,000**	1,641,000
Total	**2,200,000**	2,693,000
Less — Allowance for doubtful accounts (see Note 9)	**26,000**	26,000
Accounts receivable — net	**$2,174,000**	$2,667,000

3. Inventories

Inventories consist of the following at July 31, 1989 and 1988:

	1989	1988
Raw materials and components	**$ 517,000**	$ 572,000
Work-in-process	**2,545,000**	1,082,000
Gross inventories	**3,062,000**	1,654,000
Less:		
Progress payments	**522,000**	96,000
Inventory reserves (see Note 9)	**493,000**	424,000
Inventories — net	**$2,047,000**	$1,134,000

Work-in-process includes inventory with a net carrying value of $543,000 associated with a contract for which a foreign customer has been unable to obtain financing. The Company is considering alternative uses for this inventory, as well as assisting the customer in arranging financing. In addition, there are open purchase orders with vendors aggregating $175,000 relating to this contract.

Title to work-in-process is vested in the customer for those Federal government contracts which provide for progress, partial or advance payments to the extent of such payments received.

4. Property, Plant and Equipment

Changes in property, plant and equipment used by continuing operations were as follows:

Year Ended	Balance at Beginning of Year	Additions at Cost	Transfers, Retirements or Sales	Balance at End of Year
July 31, 1989				
Land	$ 58,000		$ 18,000	$ 40,000
Buildings and improvements	1,170,000		850,000	320,000
Equipment	6,799,000	$ 190,000	49,000	6,940,000
Leasehold improvements	337,000			337,000
Facility financed by capital lease		915,000		915,000
Total	$8,364,000	$1,105,000	$917,000	$8,552,000
July 31, 1988				
Land	$ 58,000			$ 58,000
Buildings and improvements	1,170,000			1,170,000
Equipment	6,414,000	$135,000	$250,000(a)	6,799,000
Leasehold improvements	334,000	3,000		337,000
Total	$7,976,000	$138,000	$250,000	$8,364,000
July 31, 1987				
Land	$ 58,000			$ 58,000
Buildings and improvements	892,000	$278,000		1,170,000
Equipment	6,333,000	79,000	$ 2,000	6,414,000
Leasehold improvements	334,000			334,000
Total	$7,617,000	$357,000	$ 2,000	$7,976,000

(a) Transferred to or from other accounts.

Changes in accumulated depreciation of property, plant and equipment used by continuing operations were as follows:

Year Ended	Balance at Beginning of Year	Charged to Profit and Loss	Transfers, Retirements or Sales	Balance at End of Year
July 31, 1989				
Buildings and improvements	$ 335,000	$ 21,000	$197,000	$ 159,000
Equipment	6,144,000	266,000		6,410,000
Leasehold improvements	208,000	36,000		244,000
Facility financed by capital lease		76,000		76,000
Total	$6,687,000	$399,000	$197,000	$6,889,000
July 31, 1988				
Buildings and improvements	$ 264,000	$ 71,000		$ 335,000
Equipment	5,710,000	434,000		6,144,000
Leasehold improvements	176,000	32,000		208,000
Total	$6,150,000	$537,000		$6,687,000
July 31, 1987				
Buildings and improvements	$ 222,000	$ 42,000		$ 264,000
Equipment	5,210,000	500,000		5,710,000
Leasehold improvements	128,000	48,000		176,000
Total	$5,560,000	$590,000		$6,150,0[illegible]

In September 1988 the Company sold and simultaneously leased back its land and building in St. Cloud, Florida. The buyer/lessor is a partnership in which one of the Company's former officers is a general partner. The transaction did not result in a gain or loss to the Company.

5. Other Assets

Other assets consist of the following at July 31, 1989 and 1988:

	1989	1988
8-1/2% note receivable, and accrued interest thereon, arising from the sale of the net assets of the Premier Microwave Division (see Note 15)	**$1,085,000**	$1,000,000
Note receivable arising from sale of the St. Cloud, Florida facility due in semi-annual installments through September 1993 (Note 4)	**105,000**	
Other	**71,000**	18,000
Total	**$1,261,000**	$1,018,000

The 8-1/2% note receivable has a due date of July 31, 1994. In April 1988 the issuer commenced a lawsuit against Comtech seeking damages in an unstated amount and alleging, among other things, that there were misrepresentations in the sales agreement. The Company denies the allegations and intends to defend vigorously against such action.

6. Accrued Expenses and Other

Accrued expenses and other consist of the following at July 31, 1989 and 1988:

	1989	1988
Accrued interest	**$ 36,000**	$ 33,000
Accrued commissions	**29,000**	275,000
Customer advances and deposits	**227,000**	221,000
Accrued wages and benefits	**329,000**	470,000
Allowance for estimated losses on contracts		179,000
Accrued warranty		259,000
Accrued professional fees	**92,000**	218,000
Other	**106,000**	775,000
Total	**$819,000**	$2,430,000

During fiscal 1989, the Company reversed reserves and accruals aggregating $1,100,000 because Management believes that such amounts are no longer necessary based on the current status of contracts and disputes. Of such amount, $400,000 was credited to other income and the remainder was credited to cost of sales.

7. Long-Term Debt and Credit Facility

Long-term debt consists of the following at July 31, 1989 and 1988:

	1989	1988
Promissory note payable to Storage Technology Corporation ("STC")	**$1,372,000**	$1,372,000
Loan payable to the United States Army		41,000
Obligations under capital leases	**852,000**	63,000
Total long-term debt	**2,224,000**	1,476,000
Less — current maturities	**(549,000)**	(568,000)
Long-term portion	**$1,675,000**	$ 908,000

Promissory Note Payable to STC

The promissory note payable to STC is payable in quarterly payments of $125,000, including interest at the prime rate through July 1991, at which date the remaining balance is due. The Company has pledged the common stock and assets of its wholly-owned subsidiary, Comtech Microwave Corp., to collateralize this loan.

Capital Leases

The obligations under capital lease relate to the St. Cloud, Florida facility and certain equipment, the net carrying value of which was $899,000 at July 31, 1989.

Debt Maturities

Scheduled maturities of long-term debt are $549,000 in 1990 and $978,000 in 1991, $77,000 in 1992, $82,000 in 1993, $85,000 in 1994 and $453,000 thereafter.

Credit Facility

The Company has a $2,000,000 working capital line of credit from a bank. Borrowings under this credit facility bear interest at 2.5 percentage points above the prime lending rate (such prime being 10.5 percent at July 31, 1989) and are collateralized by all of the Company's assets (excluding real property) not pledged for other purposes. The average amount outstanding under this facility during fiscal 1989 was $1,008,000, and the average interest rate thereon was 13.2 percent. No amounts were borrowed during fiscal 1988.

The Company has issued a warrant to the bank in connection with the aforementioned credit facility which entitles the bank to receive 250,000 shares of the Company's common stock in the event of a default under the credit facility, as defined, by the Company. For financial reporting purposes, no value was ascribed to this warrant at issuance.

Gain on Settlement of Debt

On November 30, 1987, Comtech completed an exchange offer with the holders of the 13% Subordinated Notes pursuant to which the Company paid $6,000,000 in cash together with 1,000,000 shares of its common stock for the entire amount of notes outstanding. Comtech recognized a pretax extraordinary gain of $1,719,000 (after all expenses) on this transaction in which its financial advisor received a fee of $100,000, as well as 100,000 shares of the Company's common stock, as compensation for its services relating to the exchange.

8. Income Taxes

For financial reporting purposes, the Company has available net operating tax loss carryforwards of approximately $15,600,000 at July 31, 1989. It expects that its Federal income tax return for the fiscal year ended July 31, 1989 will include net operating loss carryforwards of approximately $14,100,000, expiring principally in the period 1998 to 2003. The difference between these two carryforward amounts is principally a result of certain reserves and provisions established for financial reporting purposes which are not currently deductible for income tax purposes. Its Federal income tax return is also expected to have general business tax credit carryforwards of approximately $440,000.

The accompanying statements of consolidated operations for 1987 and 1988 do not reflect provisions for income taxes because of the utilization of available loss carryforwards.

9. Valuation Allowances and Reserves

The following summarizes the activity in the Company's valuation allowances and reserves:

	Balance at Beginning of Year	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Year
Allowance for doubtful accounts					
1989	$ 26,000	$ 12,000		$12,000	$ 26,000
1988	32,000			6,000	26,000
1987	23,000	9,000			32,000
Inventory reserves					
1989	$424,000		$69,000		$493,000
1988	429,000			$ 5,000	424,000
1987	436,000			7,000	429,000
Reserve for idle, excess and other impaired assets					
1989	$950,000			$20,000	$930,000
1988	736,000	$214,000			950,000
1987	736,000				736,000

10. Commitments and Contingencies

United States Government Contracts

Certain of Comtech's contracts are subject to audit by applicable governmental agencies. Until such audits are completed, the ultimate profit on these contracts cannot be determined; however, in the opinion of Management, the final contract settlements will not have a material adverse effect on the Company's financial condition.

Litigation

Comtech is a defendant in various suits and claims arising from the normal course of business. Management believes, based on discussions with counsel, that the ultimate liability to the Company, if any, on these matters would not have a material adverse impact on the Company's financial condition. See Note 5 for a description of a legal matter relating to the sale of the net assets of a division.

Operating Leases

Comtech is obligated under operating lease agreements for equipment and manufacturing and office facilities to pay minimum rentals as follows:

Fiscal Year Ending July 31,	Amount
1990	$125,000
1991	101,000
1992	29,000
Total	$255,000

Rent expense charged to continuing operations was $268,000 in 1989, $213,000 in 1988 and $191,000 in 1987.

Letters of Credit

In connection with the performance of work under certain contracts, the Company is required to establish letters of credit and/or performance guarantees. As of July 31, 1989, the Company is committed under open letters of credit of $1,439,000, all of which are collateralized by certificates of deposit.

11. Stockholders' Equity

Option and Warrant Plans and Agreements

The Company has several option and warrant plans and agreements.

1982 Incentive Stock Option Plan — The 1982 Incentive Stock Option and Appreciation Plan provides for the granting to key employees and officers of incentive stock options to purchase up to 800,000 shares of the Company's common stock through 1992 at prices not less than the fair market value of such shares on the date the option is granted.

The plan also provides that Stock Appreciation Rights ("SARs") may be issued in conjunction with the options. The SARs entitle the holder to receive payment in exchange for the surrender, in whole or in part of the related option, of an amount equal to the excess of the fair market value at the time of surrender over the aggregate option price of such shares. Such payment may be made in shares of common stock of the Company, in cash, or a combination thereof, as determined by the committee administering the plan. For financial reporting purposes, a difference between the aggregate market value and exercise price of outstanding SARs is considered compensation expense to the Company. No compensation was incurred during any of the three years in the period ended July 31, 1989.

Incentive Warrant Plan — The Company's Incentive Warrant Plan for Directors of the Company who were neither officers nor employees of the Company was terminated; however, warrants to purchase 5,000 shares of stock remain outstanding under the Plan, all of which are exercisable until January 31, 1991.

Directors' Option Plan — In March 1988, the stockholders approved a plan under which options to purchase up to 50,000 shares may be granted at an option price of not less than the fair market price per share at the date of grant. Options become exercisable at the rate of 20 percent per year commencing one year from the date of grant.

Public Warrants — In February 1983, the Company sold 800,000 warrants in connection with the issuance of the 13% Subordinated Notes (see Note 7). Each warrant entitles the holder to purchase one share of the Company's common stock at a price of $11, subject to adjustment, until January 31, 1990. As of July 31, 1989, none have been exercised.

Warrant Held by STC — STC holds a warrant to purchase 50,000 shares of the Company's common stock at an exercise price of $2 per share through March 8, 1990. Shares purchased through the exercise of this warrant will contain restrictions on voting and transferability. As of July 31, 1989, no portion of this warrant has been exercised.

Warrant Sold to the Purchaser of Premier — As part of the sale of Premier's net assets (see Note 15), Comtech issued a warrant to purchase 500,000 shares of the Company's common stock at a price of $2 per share exercisable through July 1992. Shares purchased through the exercise of this warrant will contain restrictions on voting and transferability. No portion of this warrant has been exercised as of July 31, 1989.

For financial reporting purposes, this warrant was valued at $50,000.

Option and Warrant Activity

The following table sets forth summarized information concerning the Company's stock options and warrants:

	1989		1988	
	Number	**Exercise Price Range**	Number	Exercise Price Range
Options/warrants outstanding at the beginning of the fiscal year	**2,518,200**	**$.50-$11.00**	2,192,700	$.50-$11.00
Granted	**365,400**	**.63- .72**	442,400	.75- 1.00
Exercised			(3,000)	.50
Expired/cancelled	**(147,500)**	**.50- 1.59**	(113,900)	.50- 3.88
Options/warrants outstanding at the end of the fiscal year	**2,736,100**	**.50- 11.00**	2,518,200	.50- 11.00
Options/warrants exercisable at the end of the fiscal year	**1,946,760**	**.50- 11.00**	1,825,120	.50- 11.00
Options/warrants available for grant at the end of the fiscal year	**118,900**		83,800	

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan under which 300,000 shares of the Company's authorized and unissued common stock were reserved for offering to employees, other than officers and directors, who have been employed for at least one year and meet certain other minimum eligibility requirements. Under the terms of the plan, at the beginning of each six-month period, participants are granted the right to purchase up to 100 shares of the Company's common stock at a price equal to 85 percent of the fair market value of such stock at either the beginning or the end of the period, on whichever date the price is lower. Employees electing to participate in the plan may purchase stock by executing a subscription agreement and authorizing payroll deductions. During the fiscal years ended July 31, 1989, 1988 and 1987, employees purchased 6,600, 6,400 and 6,650 shares, respectively. At July 31, 1989, 108,900 shares are reserved for possible future issuances under this plan.

Other Agreements

The Company had agreements with officers and employees under which such officers and employees received, subject to certain restrictions, shares of the Company's common stock at a price of $.10 per share. The differences between the fair market value of the Company's common stock as of the date of the respective agreements and the purchase price are treated as compensation expense over the term of the respective agreements. Compensation expense relating to agreements with officers and employees was $185,000 in 1987. No such agreements remain in effect at July 31, 1989.

12. Other — Net

Other — net relating to continuing operations consists of the following for each of the three fiscal years in the period ended July 31, 1989:

	1989	1988	1987
	Income (Expense)		
Reversal of reserves no longer considered necessary (Note 6)	**$400,000**		$ 1,326,000
Interest — net	**(16,000)**	$(204,000)	(1,389,000)
Other — net	**22,000**	20,000	47,000
Total	**$406,000**	$(184,000)	$ (16,000)

In 1987 the Company settled a contract dispute with the U.S. Army. The 1987 reversal of reserves no longer considered necessary principally related to this resolution.

13. Segment and Principal Customer Information

For the purposes of segment reporting, Management considers Comtech to operate in one industry, the communications equipment industry.

In fiscal 1988 and 1987, the Company performed work under a long-term contract on which it recognized sales revenue of $2,093,000 and $6,825,000 (or 13 and 50 percent of net sales from continuing operations). Such contract was completed during fiscal 1988. During fiscal 1989 and 1988, sales from another contract-in-progress amounted to $3,904,000 and $4,261,000 or 37 and 27 percent of sales from continuing operations, respectively. Such contract is expected to be completed during the middle of fiscal 1990. The Company's cash flow and profitability are largely dependent on its ability to complete this contract as currently scheduled. During the fiscal years ended July 31, 1989, 1988 and 1987, approximately 15, 21 and 17 percent, respectively, of the Company's net sales from continuing operations resulted from contracts with United States Government agencies.

Export sales comprised 42 and 35 percent of sales from continuing operations in fiscal 1989 and 1988 and were not significant in fiscal 1987.

14. Supplementary Income Statement Information

Certain supplementary income statement information relating to continuing operations is as follows for the fiscal years ended July 31, 1989, 1988 and 1987:

	1989	1988	1987
Maintenance and repairs	**$229,000**	$186,000	$208,000
Amortization of intangibles and deferred expenses		86,000	258,000
Advertising	**181,000**	127,000	127,000

Royalties and taxes other than income and payroll were not significant during any fiscal year presented.

15. Business Sold

In July 1987, Comtech sold the net assets of its Premier Microwave ("Premier") business for $7,500,000, consisting of $6,500,000 in cash and an 8-1/2% promissory note in the principal amount of $1,000,000 (see Note 5). In addition, the Company also issued a warrant to the purchaser of Premier's net assets which entitles such purchaser to acquire 500,000 shares of Comtech's common stock at $2.00 per share (see Note 11). The sale resulted in a pretax gain of $2,302,000. The cash was used to effect the Exchange described in Note 7.

The net results of Premier's operations for fiscal 1987 are included in the caption "Operations of business sold" in the accompanying Statements of Consolidated Operations and consist of:

Operations:	
Net sales	$8,417,000
Costs and expenses:	
Cost of sales	5,782,000
Selling, general and administrative	1,391,000
Research and development	
Other — net	15,000
Total	7,188,000
Operating income	1,229,000
Gain on Sale of Business	2,302,000
Operations of Business Sold	$3,531,000

The amounts above reflect the benefit from utilization of net operating loss carryforwards of $418,000 from operations and $783,000 from the gain on the sale of business.

Opinion of Independent Auditors

To The Board of Directors and
Stockholders of Comtech Telecommunications Corp.:

We have audited the accompanying consolidated balance sheets of Comtech Telecommunications Corp. and subsidiaries as of July 31, 1989 and 1988 and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended July 31, 1989. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Comtech Telecommunications Corp. and its subsidiaries at July 31, 1989 and 1988 and the results of their operations and cash flows for each of the three years in the period ended July 31, 1989 in conformity with generally accepted accounting principles.

Deloitte Haskins & Sells

Deloitte Haskins & Sells
October 20, 1989
Woodbury, N.Y.

Price Range of Common Stock and Warrants

The Company's Common Stock and Warrants are traded in the over-the-counter market. On January 20, 1988, the Company's Common Stock was relisted for quotation on the NASDAQ System. On September 3, 1985, both the Common Stock and Warrants had been deleted from the NASDAQ System due to the Company's failure to meet NASDAQ's capital and surplus requirements. The Company's Warrants are not listed on any securities exchange or quoted on NASDAQ. Market prices for the Warrants are not available and the Company has been advised that the value of the Warrants is considered negligible.

The following table sets forth the range of high and low closing bids for the Common Stock for the periods indicated. The prices shown for the period from August 1, 1987 to January 19, 1988 are quotations furnished to the Company by a market maker for the Common Stock, and thereafter reflect representative quotations as reported on NASDAQ. Such prices do not include retail markups, markdowns or commissions and do not necessarily reflect actual transactions.

	Common Stock	
	High Bid	Low Bid
Fiscal Year Ended 7-31-88		
First Quarter	1-5/8	3/4
Second Quarter	1-5/8	3/4
Third Quarter	1-1/4	7/8
Fourth Quarter	1-3/8	3/4
Fiscal Year Ended 7-31-89		
First Quarter	1	5/8
Second Quarter	3/4	5/8
Third Quarter	3/4	1/2
Fourth Quarter	3/4	1/2
Fiscal Year Ending 7-31-90		
First Quarter (through September 30, 1989)	13/16	1/2

On September 30, 1989, the closing bid quotation of the Common Stock was $.56 per share. The Company has approximately 1,700 holders of record of the Common Stock. No dividends were declared during any of the periods indicated.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

In July 1987, the Company sold the assets of its Premier Microwave operation for aggregate consideration of approximately $6,500,000 in cash and a $1,000,000 subordinated promissory note payable on July 31, 1994, bearing interest at 8.5% per annum, payable annually, and the assumption by the purchaser of certain obligations of Premier. In connection with such sale, the Company also issued warrants expiring July 31, 1992 to purchase 500,000 shares of Common Stock at an exercise price of $2.00 per share, subject to adjustment in certain circumstances, to the sole shareholder of the purchaser of such assets. In April 1988, the purchaser and its sole shareholder commenced an action in Federal Court against the Company, its auditors and Fred Kornberg, as Chairman and President, alleging, among other things, that misrepresentations were made in connection with the sale. The suit, which seeks compensatory damages and other relief, is being vigorously defended.

On September 30, 1988 the Company sold and immediately leased back the operating facility used by its Comtech Systems, Inc. subsidiary for $600,000 comprised of $450,000 in cash and a $150,000 interest-bearing note payable in semi-annual installments, together with interest accrued thereon, over a five year period. The Company has also entered into a lease for the above mentioned property for a ten year period with initial rentals of approximately $133,000 per annum, subject to adjustment. The proceeds were used to fund working capital requirements.

During fiscal year 1989, the Company arranged a credit line from the Bank of New York in the amount of $2,000,000 to be used for short-term working capital needs. Borrowings under this credit line, which bear interest at 2 1/2% over prime, are secured by all of the Company's assets (excluding real property) not pledged for other purposes. There were borrowings of $1,700,000 outstanding under this line at July 31, 1989.

Several of the Company's contracts are long term and, as such, require significant cash outlays in the early stages of the projects. Although the Company receives advance payments from these customers, the initial deposits are used to secure performance obligations since the Company at present does not have an unsecured letter of credit facility. Management believes that the two million dollar credit facility with the Bank of New York is sufficient to meet its cash requirements under these contracts. The Company's cash flow and profitability are largely dependent on its ability to complete its contracts on schedule.

At July 31, 1989, the Company had letters of credit outstanding, secured by certificates of deposit, in the amount of $1,439,000.

Results of Operations

Fiscal Year 1989 Compared to Fiscal Year 1988

For the year ended July 31, 1989 the Company had a net loss of $612,000 on sales of $10,593,000. For the prior year, the Company had income before extraordinary credit of $577,000 on sales of $15,770,000 and net income of $2,296,000 including an extraordinary credit of $1,719,000, resulting from the gain on the elimination in November 1987 of $10,000,000 principal amount of the Company's 13% Subordinated Notes for cash and stock. During fiscal 1989, the Company reversed reserves and accruals aggregating $1,100,000 because Management believes that such amounts are no longer necessary based on the current status of contracts and disputes. Of such amount, $400,000 was credited to other income and the remainder was credited to cost of sales.

In the prior year, the Company made a significant shipment under its contract with an international customer. This shipment as well as extensive customer requested design changes and modifications during the earlier part of this fiscal year under the same contract, were the principal reasons for the sales decrease of $5,177,000 for the year. Last year's revenues included approximately $2,100,000 under a major contract which was completed during that period. Sales at Comtech Microwave Corp. decreased in the current year but sales at Power Systems Technology, Inc. which began operations in early fiscal year 1988 increased significantly over the prior year.

Cost of sales decreased from the prior year because of the sales decline noted above. As a percentage of sales, however, the gross profit margin was higher in 1989 principally because of lower than normal gross profit recognition on the 1988 shipment noted above.

Selling, general and administrative expenses increased $286,000, or 8%, over the prior year principally as the result of the growth of Power Systems Technology, Inc.

Research and development expenses increased by $212,000 over last year as a result of the ongoing product development at Power Systems Technology, Inc.

Other — net resulted in $406,000 income in 1989 as compared to expense of $184,000 in 1988 principally from the reversal of reserves of $400,000 as well as a reduction in net interest expense of $188,000. The interest reduction resulted from the elimination of the $10,000,000 subordinated debt offset partially by interest expense incurred on amounts outstanding under the Company's $2,000,000 credit facility.

Fiscal Year 1988 Compared to Fiscal Year 1987

For the year ended July 31, 1988, the Company had net income of $2,296,000 as compared to $3,877,000 for the prior year. Income from continuing operations for fiscal 1988 was $577,000 as compared to $346,000 for the prior year. The 1988 results include an extraordinary credit of $1,719,000 resulting from the gain on the elimination of $10,000,000 principal amount of the Subordinated Notes for cash and stock. The 1987 results included income from the operations of a business sold of $3,531,000; and income from continuing operations for that year benefited from the net reversal of approximately $1,000,000 of reserves no longer considered necessary. Operating income from continuing operations was $761,000 in 1988 as compared to $362,000 in 1987.

Sales from continuing operations increased $2,237,000, or 17%, from 1987 reflecting a substantial shipment under a contract with an international customer by Comtech Systems, Inc. during the Company's third fiscal quarter. In addition, the Company's new subsidiary, Power Systems Technology, Inc., commenced shipments during the current year.

Cost of sales increased $1,728,000, or 18%, from 1987 resulting principally from the increase in sales volume. Additionally, in 1988 gross profits were slightly lower, particularly on the contract with an international customer mentioned above.

Selling, general and administrative expenses increased $158,000, or 5%, from 1987 reflecting start-up expenses at Power Systems Technology, Inc. and increased expenditures at Comtech Systems, Inc., which were partially offset by reductions in amortization expenses relating to the Exchange Offer and general efficiency measures implemented during the year.

Research and development expenses for continuing operations decreased $48,000, or 30%, from 1987 resulting from reductions at Comtech Microwave Corp. During 1988, however, the Company's Power Systems Technology, Inc. and Comtech Systems, Inc. subsidiaries spent a significant amount of funds on research and development efforts related to specific contracts. These costs were recoverable under such contracts and, consequently, are reflected in cost of sales. The Company estimates that approximately $600,000 was spent on such efforts in 1988.

Net interest expense decreased $1,185,000, or 85%, from 1987 primarily due to the elimination of $10,000,000 principal amount of 13% Subordinated Notes pursuant to the Exchange Offer completed in November 1987 as well as interest earned on the $1,000,000 note receivable from the sale of the assets of the Company's Premier Microwave operation and generally lower debt levels.

Comtech Telecommunications Corp. and Subsidiaries

Summary Selected Financial Data

(Dollars in thousands, except for per share amounts)

	Year Ended July 31,				
	1989	1988	1987 (1)	1986 (1)	1985 (1)
Selected Income Data:					
Net sales from continuing operations	**$10,593**	$15,770	$13,533	$ 8,658	$12,682
Operating income (loss) from continuing operations	**(1,018)**	761	362	(344)	(1,956)
Income (loss) from continuing operations	**(612)**	577	346	(926)	(1,512)
Net income (loss)	**(612)**	2,296	3,877	(606)	6,675
Earnings (loss) per share:					
Income (loss) from continuing operations	**(.10)**	.10	.07	(.19)	(.31)
Net income (loss)	**(.10)**	.40	.79	(.13)	1.39
Selected Balance Sheet Data:					
Working capital (deficit)	**1,081**	1,171	(2,526)	341	(1,353)
Total assets	**8,804**	9,410	15,652	13,211	12,151
Long-term debt, excluding current maturities	**1,675**	908	1,361	11,399	10,092
Stockholders' equity (deficiency)	**1,400**	2,008	(1,394)	(5,673)	(5,299)

(1) Amounts have been restated to reflect Comtech Data Corporation, Comtech Communications Corp. and Premier Microwave as discontinued operations.

No cash dividends have been declared on Comtech's Common Stock during any period presented.

Corporate Data

Board of Directors

Fred Kornberg (1)(4)
Chairman

George Bugliarello (2)(3)(4)
President, Polytechnic University

Sol S. Weiner (2)(3)
Managing Director, Stenhouse, Weiner, Sherman, Ltd.

Joe E. Davis (2)(3)(4)
Private Investor

Richard L. Goldberg (1)
Partner, Botein Hays & Sklar

(1) Executive Committee
(2) Audit Committee
(3) Compensation Committee
(4) Directors' Stock Option Plan Committee

Officers

Fred Kornberg
Chief Executive Officer and President

John Bang
Corporate Controller and Secretary

Michael Javits
Vice President;
President of Comtech Microwave Corp.

Gerard Nocita
Treasurer; President of Power Systems Technology, Inc.

Annual Meeting
Stockholders are cordially invited to attend and participate in the Annual Meeting of Stockholders scheduled for Tuesday, January 9, 1990 at 10:00 a.m. at:

Wind Watch Marriott Hotel
1717 Vanderbilt Motor Parkway
Hauppauge, New York 11788
516-234-4112

Legal Counsel
Botein Hays & Sklar
200 Park Avenue
New York, New York 10166

Independent Public Accountants
Deloitte Haskins & Sells
100 Crossways Park West
Woodbury, New York 11797

Registrar & Transfer Agent
American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Traded — OTC (NASDAQ Symbol — CMTL)

Corporate Headquarters
Comtech Telecommunications Corp.
63 Oser Avenue
Hauppauge, New York 11788
(516) 435-4646

Operating Units
Comtech Microwave Corp.
63 Oser Avenue
Hauppauge, New York 11788
(516) 435-4646

Comtech Systems, Inc.
3100 Communications Road
St. Cloud, Florida 32769
(407) 892-6111

Power Systems Technology, Inc.
63 Oser Avenue
Hauppauge, New York 11788
(516) 435-8480

Comtech Antenna Systems, Inc.
3100 Communications Road
St. Cloud, Florida 32769
(407) 892-6111

Availability of Form 10-K
Stockholders may obtain a copy of Form 10-K, exclusive of exhibits, free of charge by writing to:
Secretary
Comtech Telecommunications Corp.
63 Oser Avenue
Hauppauge, New York 11788
The Company also will furnish exhibits to the Form 10-K to stockholders who request same upon payment to the Company of a $25 fee.

COMTECH
TELECOMMUNICATIONS CORP.

63 Oser Avenue
Hauppauge, New York 11788