

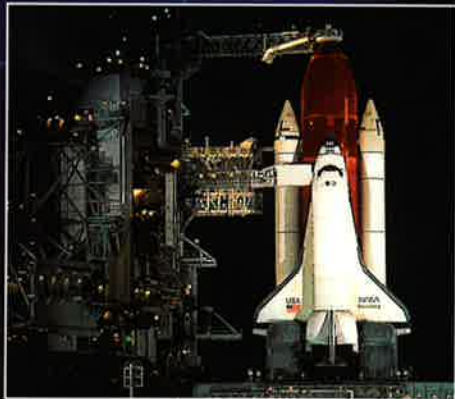


Tempe, Arizona Comtech Communications Corp.

Melville, New York
Corporate Headquarters and
Comtech Microwave Products Corp.



St. Cloud, Florida
Comtech Antenna Systems, Inc.
Comtech Systems, Inc.



COMTECH TELECOMMUNICATIONS CORP.



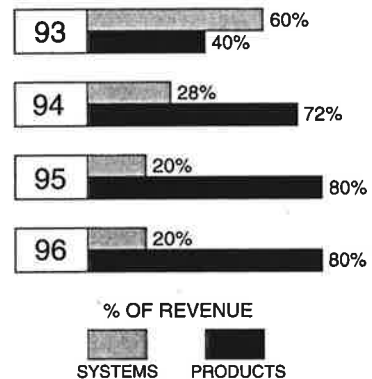
To Our Shareholders:

In fiscal 1996 we achieved two major goals. Comtech returned to profitability—and we largely completed our repositioning from a supplier of systems to a business more significantly engaged in the manufacture and supply of products.

During the year, we were able to release to the marketplace several new products as well as major product enhancements across our product line. Through the introduction of newly-developed products, we re-established ourselves with our satellite communications customers and, in general, improved our visibility in the satellite earth station market area. We also strategically positioned ourselves to benefit from the anticipated long-term growth of the worldwide wireless solid state high power amplifier market by leveraging Comtech's technology. We expect our wireless multi-carrier feed forward amplifiers and satellite earth station products to lead the way for us.

In all, 1996 began to reflect our focused re-directed efforts of the last few years. And we are pleased to see and report to you that the sun has begun to shine through the clouds.

Revenues in fiscal 1996 were \$20,916,000, up from \$16,455,000 in fiscal 1995. As a result, the Company had net income of \$72,000 or \$.03 per share compared with the fiscal 1995 loss of \$1,502,000 or \$.58 per share. Comtech's revenue mix has tracked our change in strategy from providing systems to selling products. Year end backlog was \$9,700,000 compared to the year earlier \$10,242,000.



We believe we have made great strides in the Company's comeback, and it is now up to us to drive sales and profits to take advantage of new opportunities. With over 50% of our sales outside the U.S., we are committed to increasing exports and strengthening our support and service to our global customers.

I would like to personally thank our dedicated employees, our customers and you our shareholders for their support. We are excited about Comtech's prospects for the future.

Thank you,

Fred Kornberg
Chairman of the Board

October 28, 1996

SUBSIDIARY**SERVICES/APPLICATIONS**

Comtech Antenna Systems, Inc. (CASI)
3100 Communications Road
St. Cloud, Florida 34769
Tel: (407) 892-6111 Fax: (407) 957-3402

CASI has become known as a leading innovator, manufacturer, and supplier of a variety of fiberglass and aluminum parabolic antenna systems for applications in satellite and troposcatter communications. CASI designs antennas for specific types of communications applications and also offers standardized catalog antenna products to independent distributors, prime contractors and end users. End users include: TV and radio broadcasters, cable companies, teleports, university and corporate private satellite networks, oil and gas producers and government entities.

Comtech Communications Corp. (CCC)
4666 South Ash Avenue
Tempe, Arizona 85282
Tel: (602) 831-7501 Fax: (602) 831-7563

CCC designs and manufactures a broad range of high quality satellite products for the domestic and international marketplace. Major equipment and subsystems include Transceivers, Up and Down Converters, Solid State Power Amplifiers and Low Noise Amplifiers in either stand-alone or redundancy fault protection subsystems. Products are available in frequencies from 3 to 18 GHz and meet standards published by Intelsat, Eutelsat, Insat, Asiasat and many worldwide regional satellite networks. All CCC products are certified for European CE standards.

Comtech Microwave Products Corp. (CMPC)
105 Baylis Road
Melville, New York 11747
Tel: (516) 777-8900 Fax: (516) 777-8877

CMPC principally designs and manufactures linear, broadband and feedforward solid state high power amplifiers for use in a broad spectrum of applications including cellular and wireless communications base stations, high power test systems, defense systems, electromagnetic compatibility and susceptibility (EMC) instrumentation and satellite, troposcatter and line-of-sight communications.

Comtech Systems, Inc. (CSI)
3100 Communications Road
St. Cloud, Florida 34769
Tel: (407) 892-6111 Fax: (407) 957-3402

CSI provides a single source solution for telecommunications products and systems employing digital troposcatter for reliable over-the-horizon use, digital satellite for long distance national and international communications and digital microwave radio for commercial and foreign defense communications applications. CSI's customers include international oil and gas producers and domestic and foreign prime contractors serving a wide variety of user telecommunications needs.

PRODUCTS/MARKETS

- Satellite and Troposcatter Antenna Systems—0.9 to 9.0 Meter
- Fly Away L-, C- and Ku-Band Antenna Systems—1.8 and 2.4 Meter
- Inclined Orbit Tracking Antenna Systems—3.8, 5.0 and 7.3 Meter
- Quick Erect Portable INMARSAT Fold-Up Antennas—0.9 Meter
- Offsat™ and Multi-Beam Antenna Systems
- Trailerized Antenna Systems—Low Over-the-Road Profile
- Direct TV Tracking Antenna—For Mobile & Pleasure Craft Applications

- Frequency Up and Down Converters—C-, X-, and Ku-Bands
- CSAT and KSAT Transceivers
- Solid State High Power Amplifiers—C-, X-, and Ku-Bands
- Low Noise Amplifiers—C-, and Ku-Bands
- Daisy Chain™ 1:N Redundancy Switching Systems

- Solid State High Power Amplifiers to 10KW CW
- Wireless Communications Base Station Amplifiers—Cellular, PCN/PCS
- Communications Amplifiers—Video, Radio, Satellite, Troposcatter
- Instrumentation Amplifiers—EMC, Wireless, Cellular, PCN/PCS, Calibration
- Broadband Solid State Replacement of TWT Amplifiers
- Defense Amplifiers—Radar, Jamming, Simulation, Communication
- Electromagnetic Compatibility (EMC) Test Systems

- Troposcatter and Satellite Systems and Equipment
- Digital Microwave Radio—1 to 23 GHz
- Multiplex Systems
- Digital Adaptive and Fade Resistant Modems—Up to 8192 Kilobits
- Digital and Analog Pre-Detection Combining Systems—Up to 300 Voice Channels
- Computer Controlled Performance Monitoring Equipment and Systems
- Path Profile Propagation Analysis

Pictured is CASI's C-Band 5-Meter Low Profile Transportable Satellite Antenna System. This antenna system was designed for the U.S. Army for quick reaction deployment around the world to provide commanders or other users with access to various news information, via commercial satellite, that supplements official government communication data.

The antenna system was designed specifically to roll into a C-130 aircraft without the need for any disassembly. This feature allows for rapid deployment reducing setup time and manpower.



Taking advantage of highly integrated and compact state-of-the-art designs, CCC offers its standard uplink and downlink components packaged in self-contained, shock mounted transit cases (see photo) that are suitable for ground or air transportation as either travel baggage or air freight.

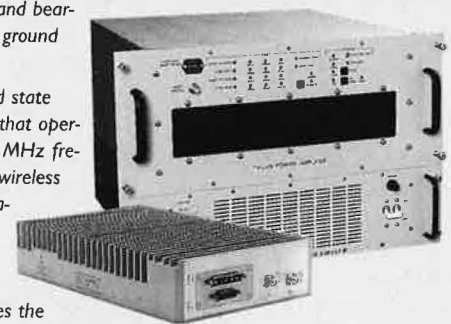
Combinations of Solid State Power Amplifiers and Up and Down Converters are available in either C-Band, X-Band or Ku-Band frequencies. Power outputs available are from 50 to 200 watts in C-Band, 40 to 150 watts in X-Band and 20-80 watts in Ku-Band. These assembled components meet all international standards, are low phase noise and are digital ready for data rates up to 8 megabits/second and are also capable of handling satellite transponder analog signals.

Shown also is CCC's environmentally protected, high quality, commercial grade Low Noise Amplifier that is also available in C-Band, X-Band and Ku-Band frequencies. Noise temperatures vary from 35° to 50°K in C-Band, 40° to 50°K in X-Band and 80° to 140°K in Ku-Band. Redundancy configurations of 1+1 or 1+2 with automatic switching are available.



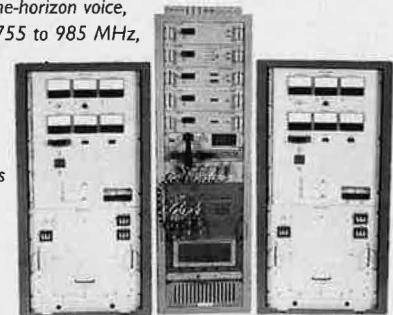
CMPC Model CPHC968129-3000 RF Pulse Amplifier operates broadband over the 960 to 1215 MHz frequency band with adjustable output power from 150 to 3000 watts. This amplifier, provided to an international customer, is used in air navigation systems that provide accurate slant range distance and bearing information to pilots from selected ground stations.

CMPC designed this 80 watt CW solid state power amplifier Model AM12829-80 that operates broadband in the 1200 to 2000 MHz frequency band for use in an encrypted wireless communications microwave radio capable of handling voice, data and video transmissions. The feature that makes this unit so unique is its integral housing/heatsink construction which enables the amplifier module to operate over an extreme temperature range from -40° to +130°F without the need for supplemental heating or cooling.



Pictured is CSI's DTR Series 91 Digital Troposcatter Quad Diversity Receiver/Transmitter System. The system shown consists of High Power Amplifiers that are capable of over 2000 watts CW of transmitter output power, and the company's world renowned fade resistant, 8 megabit Signatron® Model S-575 Adaptive Modem. This digital troposcatter system can be configured to provide highly reliable over-the-horizon voice, data and video communications over the 755 to 985 MHz, 1700 to 2700 MHz and 4400 to 5000 MHz frequency bands.

CSI troposcatter systems have a proven track record worldwide. The system shown is used in the North and South China Seas to provide voice and production data between oil and gas rigs and on-shore terminals. Other applications include in-country communication infrastructure modernization, air traffic control and air force communication.





COMTECH TELECOMMUNICATIONS CORP.

105 Baylis Road
Melville, Long Island, New York 11747
USA
TEL: (516) 777-8900 • FAX: (516) 777-8877

COMTECH ANTENNA SYSTEMS, INC.

3100 Communications Road
St. Cloud, Florida 34769
TEL: (407) 892-6111 • FAX: (407) 957-3402

COMTECH COMMUNICATIONS CORP.

4666 South Ash Avenue
Tempe, Arizona 85282
TEL: (602) 831-7501 • FAX: (602) 831-7563

COMTECH MICROWAVE PRODUCTS CORP.

105 Baylis Road
Melville, New York 11747
TEL: (516) 777-8900 • FAX: (516) 777-8877

COMTECH SYSTEMS, INC.

3100 Communications Road
St. Cloud, Florida 34769
TEL: (407) 892-6111 • FAX: (407) 957-3402