



COMTECH TELECOMMUNICATIONS CORP.



About The Company

Comtech Telecommunications Corp. provides a single source solution for the microwave solid-state power amplifier and telecommunications marketplaces with the supply of its superior quality products worldwide for cellular, satellite, over the horizon microwave, and other wireless communications applications.

Comtech has become known as the leading innovator, manufacturer and supplier of a broad selection of high performance products and systems including a variety of fiberglass and aluminum parabolic antennas, solid-state high power amplifiers, high performance frequency up and down converters, state-of-the-art VSAT transceivers and modems for domestic and international satellite and regional network communications applications.

The Company's solid-state radio frequency and microwave high power amplifier product line continues to set the standard in the industry for cost-effective advanced performance. Comtech's solid-state high power amplifiers are supplied for use in cellular and low earth orbit (LEO) base stations, electromagnetic compatibility and susceptibility testing systems, defense systems, high power testing of electronic components and systems and in various forms of communication systems.

The Company's satellite frequency converter and transceiver products are available in frequencies from 3 GHz to 18 GHz and meet or exceed standards published by Intelsat, Eutelsat, Insat, Asiasat and many worldwide regional satellite networks.

Through cohesive cooperation of Comtech's four operating subsidiaries, the Company continues to be a prime supplier of communications products and systems meeting the needs of the world's leading providers of U.S. domestic, foreign domestic and international telecommunications services. Customers include common carriers and telephone companies, defense contractors, oil companies, wireless network and equipment providers, broadcasters, utilities and government entities.

The ever-increasing worldwide demand for more and better global telecommunications and high power amplification continues to present Comtech with challenges and opportunities as emerging economies seek to modernize and as the communications needs in developed countries continue to expand.

Comtech's established reputation for advanced engineering and manufacturing expertise coupled with its diversified product line and customer base, enables the Company to address these worldwide demands for new state-of-the-art, cost-effective telecommunications and amplification products.

To Our Shareholders:

In fiscal 1997 we were able, with some success, to work through several pages of our “comeback planning book,” which has taken us from a systems supplier to a niche supplier of products for the telecommunications industry.

As a result, we are pleased to report:

- the completion of seven consecutive profitable quarters;
- increases of over 18% of sales, over 570% in profit and over 50% in year end backlog compared to fiscal '96;
- record profits, bookings and sales at our Arizona satellite communications products and New York high power amplifier facilities; and
- an expanded line of sophisticated product offerings

Revenues in fiscal 1997 were \$24,746,000, up from \$20,916,000 in fiscal 1996; net income was \$484,000, or \$.19 per share, compared with fiscal 1996 income of \$72,000, or \$.03 per share; and year end backlog was \$14,724,000 compared to the year earlier \$9,700,000.

Quite an improvement!

The pages we have not yet been able to turn, however, call for a recovery in sales of our antenna and troposcatter product lines -- two product areas in which our continuing efforts were not rewarded.

Additionally, we recognize that there is still a way to go to increase, among other things, the level of consistency and predictability of our business. We are particularly aware of this need against the background of softness we have been experiencing in the early months of the current year.

A year ago, we were at the front end of what we saw as our “comeback”; now as we look back at fiscal 1997, we are genuinely pleased with the progress we’ve made. For Comtech, it was a year of important strategic achievements that we believe, on balance, significantly enhanced our prospects.

As always, we appreciate and thank you for your ongoing support and encouragement. We continue to be excited about Comtech and its future.

Thank you,

A handwritten signature in dark ink, appearing to read "Fred Kornberg", with a stylized flourish at the end.

Fred Kornberg
Chairman of the Board

October 27, 1997

Subsidiary

Services/Applications



Comtech Antenna Systems, Inc. (CASI)
3100 Communications Road
St. Cloud, Florida 34769
Tel: (407) 892-6111 Fax: (407) 892-0994
<http://www.comtechsystems.com>

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
<http://www.comtechcom.com>

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, Modems and Solid State Power 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 PST Corp. (CPST)
105 Baylis Road
Melville, New York 11747
Tel: (516) 777-8900 Fax: (516) 777-8877
<http://www.comtechpst.com>

CPST 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 and troposcatter communications.



Comtech Systems, Inc. (CSI)
3100 Communications Road
St. Cloud, Florida 34769
Tel: (407) 892-6111 Fax: (407) 957-3402
<http://www.comtechsystems.com>

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
- Offsat™ and Multi-Beam Antennas
- Trailerized Antenna Systems—Low Over-the-Road Profile

CASI is the exclusive manufacturer of "Simulsat Multibeam Antennas" that are produced in 3-, 5- and 7-meter sizes under an agreement with Antenna Technology Communications, Inc. These antennas are capable of receiving signals from a maximum of 37 satellites simultaneously within a 75° view arc thus avoiding the use of a high quantity of standard parabolic antennas and minimizing the use of expensive real estate that such type antennas would occupy.

The Simulsat antenna is perfectly suited for use by cable companies for distribution of multiple channels to their subscribers and is very popular with corporations, governments, universities and private satellite networks.



Photo courtesy of
Antenna Technology Communications, Inc.

- Frequency Up and Down Converters—C-, X-, and Ku-Bands
- CSAT and KSAT Transceivers
- High-Performance Modems—for SCPC and VSAT Networks
- Solid State High Power Amplifiers—C-, X-, and Ku-Bands
- Low Noise Amplifiers—C- and Ku-Bands
- "Daisy Chain" 1:N Redundancy Switching Systems

Shown are two of CCC's Solid-State Power Amplifiers (SSPA), a Ku-Band 40-watt SSPA and a C-Band 100-watt SSPA. These amplifiers belong to a family of SSPAs having power ranges from 50 to 700 watts in



C-Band and 20 to 80 watts in Ku-Band. The SSPAs and CCC's high performance frequency up and down converters can be packaged to form satellite receive/transmit subsystems. CCC produces converter subsystems having up to 1:12 redundancy capability using their patented "Daisy Chain" Distributed Switching Architecture.

- Solid State High Power Amplifiers—To 10 KW CW
- Wireless Communications Base Station Amplifiers—Cellular, LEO
- 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

Shown on the left is a linear solid state power amplifier operating from 1610 to 1630 MHz, producing 200 watts of RF power in a 19-inch wide cabinet suitable for rack-and-stack applications. The amplifier is used to conduct spectral studies for the ground to satellite links for the IRIDIUM® wireless telephone communication system, a 66 satellite constellation in low earth orbit (LEO).

Shown on the right is a 16 KW computer-controlled solid-state power amplifier subsystem operating at 449 MHz. This amplifier is part of a Wind and Temperature Profiler for use at airports throughout the USA.



- Troposcatter and Satellite Systems and Equipment
- Digital Microwave Radio Equipment and Systems—2 to 38 GHz
- Digital Adaptive and Fade Resistant Modems—Up to 8192 Kilobits
- Pre-Detection Combining Systems—Up to 300 Voice Channels
- Computer Controlled Performance Monitoring Equipment and Systems
- Path Profile Propagation Analysis



CSI's Digital Troposcatter Quad Diversity Radio operates in discrete frequency bands from 0.7 to 7.6 GHz. The radio incorporates CSI's world renowned adaptive fade resistant digital modem capable of processing up to 4T1 or 4E1 signals or up to 8192 kb/s. This radio, combined with CSI's klystron or solid-state high power amplifiers and CASI antennas results in troposcatter systems capable of up to 2000 watts cw output power for over-the-horizon voice, data and video communications.

CSI's troposcatter systems have a proven track record worldwide in such applications as offshore oil and gas production data transmission, in-country communication infrastructure modernization, air traffic control and defense communications.



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