



1801 E. St. Andrew Place, Santa Ana, CA 92705

(714) 466-1100 Fax (714) 466-5800

NEWS RELEASE

FOR IMMEDIATE RELEASE

Company Contact: Kevin Michaels
(714) 466-1608

POWERWAVE TECHNOLOGIES REPORTS THIRD QUARTER RESULTS

SANTA ANA, Calif., October 21, 2004 – Powerwave Technologies, Inc. (NASDAQ:PWAV) today reported net sales of \$138.3 million for its third quarter ended October 3, 2004, compared to third quarter fiscal 2003 revenues of \$63.2 million. Powerwave also reported third quarter net income of \$2.8 million, which includes a total of \$4.4 million of acquisition related restructuring charges and intangible asset amortization. Powerwave's net income equates to a diluted earnings per share of 3 cents for its fiscal third quarter, compared to a net loss of \$5.7 million, or a basic loss per share of 9 cents for the prior year period. The third quarter 2003 loss included a restructuring and impairment charge of approximately \$0.9 million related to the restructuring of the Company's manufacturing operations. Powerwave completed the acquisition of LGP Allgon Holding AB during the second quarter of 2004 and the results reported herein include the results of LGP Allgon Holding AB for the entire third quarter of fiscal year 2004. For the third quarter of fiscal 2004, excluding the restructuring and acquisition related charges and intangible asset amortization, Powerwave would have reported operating income of \$7.8 million, net income after taxes of \$6.0 million and diluted earnings per share of 5 cents.

For the first nine months of fiscal 2004, Powerwave reported total net sales of \$317.5 million compared with \$166.8 million for the first nine months of fiscal 2003. The first nine months of 2004 include the results of LGP Allgon from May 2004. Powerwave also reported a

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total net loss for the first nine months of fiscal 2004 of \$30.6 million, or a basic loss per share of 35 cents, compared to a net loss of \$31.5 million or a basic loss per share of 48 cents for the first nine months of fiscal 2003. The results for the first nine months of 2004 include \$34.1 million of acquisition and restructuring related amortization, charges and expenses, and the results for the first nine months of 2003 include \$16.4 million of restructuring expenses, impairment charges and intangible asset amortization.

“We are excited to report our first profitable quarterly financial results that include our recent combination with LGP Allgon AB,” stated Bruce C. Edwards, Chief Executive Officer of Powerwave Technologies. “We are well on our way to leveraging one of the broadest portfolios of products and services in the wireless industry while working to enhance our leadership position in both the OEM and direct to operator channels. We are continuing to implement our integration plans and fully expect to achieve our annual synergy cost savings target of at least \$30 million beginning in fiscal year 2005. We remain extremely positive with regards to our longer term outlook for increasing demand within the wireless communications infrastructure industry.”

For the third quarter of 2004, total Americas revenues were \$32.3 million or approximately 23% of revenues, as compared to \$29.5 million or approximately 47% of revenues for the third quarter of 2003. Total sales to customers based in Asia accounted for approximately 12% of revenues or \$16.0 million for the third quarter of 2004, compared to 17% of revenues or \$10.9 million for the third quarter of 2003. Total Europe, Africa and Middle East

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revenues for the third quarter of 2004 were \$90.0 million or approximately 65% of revenues, as compared to \$22.8 million or approximately 36% of revenues for the third quarter of 2003.

For the third quarter of 2004, sales of antenna systems totaled \$38.9 million or 28% of total revenues, base station subsystems sales totaled \$68.8 million or 50% of revenues, coverage solutions sales totaled \$23.3 million or 17% of revenues, and contract manufacturing accounted for \$7.3 million or 5% of total revenues for the third quarter.

For the third quarter of 2004, Powerwave's largest customers included Nortel Networks Corporation, which accounted for approximately 16% of revenues and Nokia Corporation, which accounted for approximately 10% of revenues. In terms of customer profile for the third quarter of 2004, our total OEM sales accounted for approximately 42% of total revenues, total direct and operator sales accounted for approximately 53% of revenues, and contract manufacturing accounted for 5% of revenues for the quarter.

Balance Sheet

At October 3, 2004, Powerwave had total cash and cash equivalents of \$124.0 million, which does not include additional restricted cash of \$6.2 million. Total assets were \$852.9 million with net inventories of \$61.1 million and net accounts receivable of \$129.0 million.

LGP Allgon Acquisition

Powerwave completed the exchange offer for all of the shares of LGP Allgon Holding AB on May 3, 2004. At October 3, 2004 Powerwave owned approximately 98.3% of the total outstanding voting rights and share capital of LGP Allgon Holding AB. Powerwave has initiated compulsory acquisition procedures under Swedish law with respect to the remaining shares of

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LGP Allgon Holding AB that have not yet been acquired by the Company. Powerwave anticipates spending approximately \$7.1 million to acquire the remaining outstanding shares of LGP Allgon Holding AB.

Non-GAAP Financial Information

This press release includes certain non-GAAP financial information as defined by the U.S. Securities and Exchange Commission Regulation G. Pursuant to the requirements of this regulation, a reconciliation of this non-GAAP financial information to our financial statements as prepared under generally accepted accounting principles in the United States (GAAP) is included in this press release. Powerwave's management believes that the presentation of this non-GAAP financial information is useful to our investors and the investment community since it excludes certain non-cash charges and expenses arising from the acquisition of LGP Allgon, including restructuring charges and the amortization of certain intangible assets resulting from the purchase accounting valuation of LGP Allgon. Management of Powerwave believes that these items should be excluded when comparing our current operating results with those of prior periods as the restructuring charge will not impact future operating results and the amortization of intangible assets is a non-cash expense.

Purchase Accounting for LGP Allgon Acquisition

Powerwave has made a preliminary allocation of the purchase consideration for the LGP Allgon acquisition to tangible and intangible assets based on an estimate of the fair value determined by management with the assistance of independent valuation specialists. This

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allocation is preliminary and subject to change and any change might impact depreciation and amortization of certain tangible and intangible assets for future periods.

Company Background

Powerwave Technologies, Inc., is a global supplier of end-to-end wireless solutions for wireless communications networks. Powerwave designs, manufactures and markets antennas, boosters, combiners, filters, repeaters, multi-carrier RF power amplifiers and tower-mounted amplifiers and advanced coverage solutions, all for use in cellular, PCS and 3G networks throughout the world. Corporate headquarters are located at 1801 E. St. Andrew Place, Santa Ana, Calif. 92705. For more information on Powerwave's advanced wireless coverage and capacity solutions, please call (888)-PWR-WAVE (797-9283) or visit our web site at www.powerwave.com. Powerwave, Powerwave Technologies and the Powerwave logo are registered trademarks of Powerwave Technologies, Inc.

Attached to this news release are preliminary unaudited consolidated financial statements for the third quarter ended October 3, 2004.

Conference Call

Powerwave is providing a simultaneous Webcast and live dial-in number of its third quarter fiscal 2004 financial results conference call on Thursday, October 21, 2004, at 9:00 AM Eastern time. To access this audio Webcast, select the Investor Relations page at www.powerwave.com and select the Powerwave Technologies Q3 earnings conference call. The call will last for approximately 1 hour. To listen to the live call, please call (617) 847-8705 and enter reservation number 97634188. A replay of the Webcast will be available beginning

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approximately 2 hours after completion of the initial Webcast. Additionally, an audio playback of the conference call will be available at approximately 11:00 AM Eastern time on October 21, 2004 through October 30, 2004 by calling (617) 801-6888 and entering reservation number 79602601.

Forward-Looking Statements

The foregoing statements regarding the outlook for increasing demand in the wireless communications infrastructure industry, projected costs savings through acquisition synergies, and the total price to be paid for the remaining shares of LGP Allgon Holding AB are “forward looking statements.” All of these statements are subject to risks and uncertainties which could cause our actual results to differ materially from those projected or implied. Such potential risks and uncertainties include, but are not limited to, in no particular order: delays and difficulties in integrating the operations of LGP Allgon which would negatively impact projected cost savings; the possibility that an arbitration tribunal in the Swedish compulsory acquisition proceedings fixes a price for the LGP Allgon shares different than that expected by the Company; delays or cancellations of wireless network capacity expansions and buildouts for both existing 2G and 2.5G networks and 3G networks; we require continued success in the design of new wireless infrastructure products and such products must be manufacturable and of good quality and reliability; our dependence on single source suppliers for certain key components used in our products exposes us to potential material shortages; our business requires continued favorable business conditions and growth in the wireless communications market. Powerwave also notes that its reported financial performance and period to period comparisons are not necessarily

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indicative of the results that may be expected in the future and Powerwave believes that such comparisons cannot be relied upon as indicators of future performance. Powerwave also notes that the market price of its Common Stock has exhibited high levels of volatility and therefore may not be suitable for all investors. More detailed information on these and additional factors which could affect Powerwave's operating and financial results are described in the Company's Form 10-K for the fiscal year ended December 28, 2003 and Form 10-Q for the quarter ended July 4, 2004, both of which are filed with the Securities and Exchange Commission, and other risks detailed from time to time in the Company's reports filed with the Securities and Exchange Commission. Powerwave urges all interested parties to read these reports to gain a better understanding of the many business and other risks that the Company faces. Additionally, Powerwave undertakes no obligation to publicly release the results of any revisions to these forward-looking statements which may be made to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

POWERWAVE TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	(unaudited)		(unaudited)	
	<u>Oct. 3,</u> <u>2004</u>	<u>Sep. 28,</u> <u>2003</u>	<u>Oct. 3,</u> <u>2004</u>	<u>Sep. 28,</u> <u>2003</u>
Net sales	\$138,291	\$63,158	\$317,496	\$166,821
Cost of sales:				
Cost of goods	101,901	56,154	246,422	154,986
Intangible asset amortization	1,643	111	2,771	708
Restructuring and impairment	-	484	506	8,055
Total cost of sales	<u>103,544</u>	<u>56,749</u>	<u>249,699</u>	<u>163,749</u>
Gross profit	34,747	6,409	67,797	3,072
Operating expenses:				
Sales and marketing	9,818	3,130	19,672	8,601
Research and development	11,533	9,821	33,868	29,585
General and administrative	7,193	3,878	16,683	10,425
Intangible asset amortization	2,666	-	4,434	-
In-process research and development	-	-	23,450	-
Restructuring and impairment	102	399	2,103	7,607
Total operating expenses	<u>31,312</u>	<u>17,228</u>	<u>100,210</u>	<u>56,218</u>
Operating income (loss)	3,435	(10,819)	(32,413)	(53,146)
Other income (expense)	<u>(312)</u>	<u>607</u>	<u>24</u>	<u>1,973</u>
Income (loss) before income taxes	3,123	(10,212)	(32,389)	(51,173)
Provision (benefit) for income taxes	<u>324</u>	<u>(4,546)</u>	<u>(1,763)</u>	<u>(19,702)</u>
Net income (loss)	<u>\$ 2,799</u>	<u>\$(5,666)</u>	<u>\$(30,626)</u>	<u>\$(31,471)</u>
Earnings (loss) per share (basic):	\$.03	(\$.09)	(\$.35)	(\$.48)
(diluted):	\$.03	(\$.09)	(\$.35)	(\$.48)
Weighted average common shares used in computing per share amounts (basic):	104,343	63,639	86,467	65,164
(diluted):	104,837	63,639	86,467	65,164

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PERCENTAGE OF NET SALES

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	(unaudited)		(unaudited)	
	<u>Oct. 3,</u>	<u>Sep. 28,</u>	<u>Oct. 3,</u>	<u>Sep. 28,</u>
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>Statement of Operations Data:</u>				
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales:				
Cost of goods	73.7	88.9	77.6	93.0
Intangible asset amortization	1.2	0.2	0.9	0.4
Restructuring and impairment	-	0.8	0.1	4.8
Total cost of sales	<u>74.9</u>	<u>89.9</u>	<u>78.6</u>	<u>98.2</u>
Gross profit	25.1	10.1	21.4	1.8
Operating expenses:				
Sales and marketing	7.1	5.0	6.2	5.2
Research and development	8.3	15.6	10.7	17.7
General and administrative	5.2	6.1	5.3	6.2
Intangible asset amortization	1.9	-	1.3	-
In-process research and development	-	-	7.4	-
Restructuring and impairment	0.1	0.6	0.7	4.6
Total operating expenses	<u>22.6</u>	<u>27.3</u>	<u>31.6</u>	<u>33.7</u>
Operating income (loss)	2.5	(17.2)	(10.2)	(31.9)
Other income (expense)	<u>(0.2)</u>	<u>1.0</u>	<u>-</u>	<u>1.2</u>
Income (loss) before income taxes	2.3	(16.2)	(10.2)	(30.7)
Provision (benefit) for income taxes	<u>0.3</u>	<u>(7.2)</u>	<u>(0.6)</u>	<u>(11.8)</u>
Net income (loss)	<u>2.0%</u>	<u>(9.0)%</u>	<u>(9.6)%</u>	<u>(18.9)%</u>

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POWERWAVE TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
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(in thousands, except per share amounts)

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>		
	(unaudited)			(unaudited)		
	Pro Forma			Pro Forma		
	Oct 3, <u>2004</u>	Adjust- <u>ments</u>	Oct. 3, <u>2004</u>	Oct. 3, <u>2004</u>	Adjust- <u>ments</u>	Oct. 3, <u>2004</u>
Net sales	\$138,291		\$138,291	\$317,496		\$317,496
Cost of sales:						
Cost of goods	101,901		101,901	246,422	(877) ¹	245,545
Intangible asset amortization	1,643	(1,643) ¹	-	2,771	(2,771) ¹	-
Restructuring and impairment	-	-	-	506	(506) ¹	-
Total cost of sales	<u>103,544</u>	<u>(1,643)¹</u>	<u>101,901</u>	<u>249,699</u>	<u>(4,154)¹</u>	<u>245,545</u>
Gross profit	34,747	1,643	36,390	67,797	4,154	71,951
Operating expenses:						
Sales and marketing	9,818		9,818	19,672		19,672
Research and development	11,533		11,533	33,868		33,868
General and administrative	7,193		7,193	16,683		16,683
Intangible asset amortization	2,666	(2,666) ²	-	4,434	(4,434) ²	-
In-process R&D	-	-	-	23,450	(23,450) ³	-
Restructuring and impairment	<u>102</u>	<u>(102)⁴</u>	<u>-</u>	<u>2,103</u>	<u>(2,103)⁴</u>	<u>-</u>
Total operating expenses	<u>31,312</u>	<u>(2,768)</u>	<u>28,544</u>	<u>100,210</u>	<u>(29,987)</u>	<u>70,223</u>
Operating income (loss)	3,435	4,411	7,846	(32,413)	34,141	1,728
Other income (expense)	<u>(312)</u>	<u>-</u>	<u>(312)</u>	<u>24</u>	<u>-</u>	<u>24</u>
Income (loss) before income taxes	3,123	4,411	7,534	(32,389)	34,141	1,752
Provision (benefit) for income taxes	<u>324</u>	<u>1,235⁵</u>	<u>1,559</u>	<u>(1,763)</u>	<u>2,321⁵</u>	<u>558</u>
Net income (loss)	<u>\$ 2,799</u>	<u>3,176</u>	<u>\$ 5,975</u>	<u>\$(30,626)</u>	<u>31,820</u>	<u>\$1,194</u>
Earnings (loss) per share (basic):	\$.03		\$.06	(\$.35)		\$.01
(diluted):	\$.03		\$.05	(\$.35)		\$.01

¹ This represents costs related to write up of acquired LGP Allgon finished goods inventory to fair value, restructuring charges and amortization of acquired technology.

² This represents the amortization of other identified intangible assets.

³ This represents the charge for acquired in-process research and development.

⁴ This represents restructuring charges included in operating expenses.

⁵ This represents the change in the provision for income taxes related to the preceding pro forma adjustments.

POWERWAVE TECHNOLOGIES, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

ASSETS	<u>October 3, 2004</u> (unaudited)	<u>December 28, 2003</u> (audited) ⁶
Current Assets:		
Cash and cash equivalents	\$124,049	\$259,928
Restricted cash	6,243	600
Accounts receivable, net	128,982	56,278
Inventories, net	61,147	15,187
Other current assets	<u>17,722</u>	<u>13,353</u>
Total Current Assets	338,143	345,346
Property, plant and equipment, net	152,820	67,975
Goodwill and acquired intangibles	311,792	3,629
Other assets	<u>50,162</u>	<u>49,307</u>
Total Assets	<u>\$852,917</u>	<u>\$466,257</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 72,187	\$ 48,942
Accrued expenses and other liabilities	92,935	16,159
Short-term debt	<u>49</u>	<u>-</u>
Total Current Liabilities	165,171	65,101
Long-term debt	130,016	130,000
Other non-current liabilities	<u>246</u>	<u>119</u>
Total Liabilities	295,433	195,220
Shareholders' Equity:		
Total Shareholders' Equity	<u>557,484</u>	<u>271,037</u>
Total Liabilities and Shareholders' Equity	<u>\$852,917</u>	<u>\$466,257</u>

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⁶ December 28, 2003 balances were derived from audited financial statements.