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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 8-K**

**Current Report**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): July 31, 2006**

**POWERWAVE TECHNOLOGIES, INC.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of incorporation or  
organization)*

**000-21507**

*(Commission File Number)*

**11-2723423**

*(I.R.S. Employer Identification No.)*

**1801 E. St. Andrew Place**

**Santa Ana, CA 92705**

*(Address of principal executive offices, zip code)*

**Registrant's telephone number, including area code: (714) 466-1000**

**Former name or former address, if changed since last report: N/A**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On July 31, 2006, Powerwave Technologies, Inc. issued a press release regarding financial results for its second quarter of fiscal 2006, ending July 2, 2006. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1 shall not be deemed “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits

The following exhibit is furnished as part of this report.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated July 31, 2006.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 31, 2006

POWERWAVE TECHNOLOGIES, INC

By: /s/ Kevin T. Michaels

Kevin T. Michaels  
*Chief Financial Officer*

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release dated July 31, 2006.



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 SECOND QUARTER RESULTS

**SANTA ANA, Calif., July 31, 2006** – Powerwave Technologies, Inc. (NASDAQ:PWAV) today reported net sales of \$232.4 million for its second quarter ended July 2, 2006, compared to second quarter fiscal 2005 revenues of \$186.3 million. Powerwave also reported second quarter net income of \$12.6 million, which includes a total of \$5.6 million of acquisition related charges and intangible asset amortization. The net income equates to diluted earnings per share of 10 cents for the second quarter, and a basic earnings per share of 11 cents for the same period. This compares to net income of \$13.0 million, or diluted earnings per share of 11 cents for the prior year period. For the second quarter of fiscal 2006, excluding all acquisition related charges and expenses, Powerwave would have reported operating income of \$18.7 million, net income after taxes of \$17.5 million and diluted earnings per share of 13 cents.

For the first six months of fiscal 2006, Powerwave reported total net sales of \$425.5 million compared with \$348.5 million for the first six months of fiscal 2005. The first six months of 2006 include the results of the REMEC Wireless acquisition for the entire period while the first six months of 2005 does not include any REMEC Wireless results, since the acquisition occurred in September 2005. Powerwave reported total net income for the first six months of fiscal 2006 of \$10.3 million, or diluted earnings per share of 9 cents, compared to net income of \$18.4 million or diluted earnings per share of 16 cents for the first six months of fiscal

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REPORTS SECOND QUARTER RESULTS

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2005. The results for the first six months of 2006 include \$10.9 million of acquisition related charges and expenses, and the results for the first six months of 2005 include \$8.0 million of acquisition and restructuring related charges and expenses.

“For our second quarter, we encountered less than expected demand from our North American operator customers which impacted our revenues for the quarter,” stated Ronald Buschur, President and Chief Executive Officer of Powerwave Technologies. “In spite of this, we were able to achieve both improvements to our gross and operating margins, as well as pro forma earnings per share which were well within our stated guidance. We will continue to aggressively pursue business globally while at the same time work to continue to improve our operating performance.”

For the second quarter of 2006, total Americas revenues were \$70.2 million or approximately 30% of revenues, as compared to \$58.9 million or approximately 32% of revenues for the second quarter of 2005. Total sales to customers based in Asia accounted for approximately 11% of revenues or \$24.4 million for the second quarter of 2006, compared to 10% of revenues or \$19.0 million for the second quarter of 2005. Total Europe, Africa and Middle East revenues for the second quarter of 2006 were \$137.8 million or approximately 59% of revenues, as compared to \$108.4 million or approximately 58% of revenues for the second quarter of 2005.

For the second quarter of 2006, sales of antenna systems totaled \$64.1 million or 27% of total revenues, base station systems sales totaled \$133.7 million or 58% of revenues, coverage

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systems sales totaled \$21.7 million or 9% of revenues, and contract manufacturing accounted for \$12.8 million or 6% of total revenues for the second quarter.

For the second quarter of 2006, Powerwave's largest customers included Nokia, which accounted for approximately 21% of revenues and Siemens, which accounted for over 10% of revenues for the quarter. Additional selected 5 percent or more customers included Cingular Wireless and Nortel. In terms of customer profile for the second quarter of 2006, our total OEM sales accounted for approximately 55% of total revenues, total direct and operator sales accounted for approximately 39% of revenues, and contract manufacturing accounted for 6% of revenues for the quarter.

## **Equity Compensation Expense**

Powerwave implemented SFAS 123R, Share-Based Payment, effective for the first quarter of fiscal 2006. Accordingly, the results reported herein include approximately \$1.0 million of pre-tax compensation expense, almost all of which is included in operating expenses. This had the effect of reducing earnings per share for the second quarter of 2006 by 1 cent.

## **Balance Sheet**

At July 2, 2006, Powerwave had total cash and cash equivalents of \$220.2 million, which includes restricted cash of \$11.8 million. Total net inventories were \$132.1 million and net accounts receivable were \$253.7 million.

## **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

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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 acquisitions of LGP Allgon Holding AB, Kaval Wireless and the selected assets and liabilities of REMEC's Wireless Systems Business, including restructuring charges and the amortization of certain intangible assets resulting from the purchase accounting valuation of these acquisitions. Management of Powerwave believes that these items should be excluded when comparing our current operating results with those of prior periods as the restructuring charges will not impact future operating results, and the amortization of intangible assets is a non-cash expense.

## **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](http://www.powerwave.com). Powerwave, Powerwave Technologies and the Powerwave logo are registered trademarks of Powerwave Technologies, Inc.

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Attached to this news release are preliminary unaudited consolidated financial statements for the second quarter ended July 2, 2006.

**Conference Call**

Powerwave is providing a simultaneous Webcast and live dial-in number of its second quarter fiscal 2006 financial results conference call on Monday, July 31, 2006, at 2:00 PM Pacific time. To access this audio Webcast, select the Investor Relations page at [www.powerwave.com](http://www.powerwave.com) and select the Powerwave Technologies second quarter conference call. The call will last for approximately 1 hour. To listen to the live call, please call (866) 700-6979 or (617) 213-8836 and enter reservation number 41546664. A replay of the Webcast will be available beginning approximately 2 hours after completion of the initial Webcast. Additionally, an audio playback of the conference call will be available at approximately 7:00 PM Pacific time on July 31, 2006 through August 14, 2006 by calling (617) 801-6888 and entering reservation number 51829762.

**Forward-Looking Statements**

The foregoing statements regarding Powerwave's ability to aggressively pursue business globally and capitalize on such opportunities while improving its operating performance are "forward looking statements." 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 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

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infrastructure products and such products must be manufacturable and of good quality and reliability; the inability to realize anticipated costs savings and synergies from the acquisition of REMEC's Wireless business; 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 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 January 1, 2006, and Form 10-Q for the quarterly period ended April 2, 2006, 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>Six Months Ended</u>	
	(unaudited)		(unaudited)	
	<u>July 2,</u>	<u>July 3,</u>	<u>July 2,</u>	<u>July 3,</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net sales	\$232,394	\$186,334	\$425,459	\$348,513
Cost of sales:				
Cost of goods	176,624	136,857	328,675	255,893
Intangible asset amortization	3,183	1,820	6,225	3,741
Acquired inventory incremental costs <sup>1</sup>		<u>235</u>	-	<u>235</u>
Total cost of sales	<u>180,042</u>	<u>138,677</u>	<u>335,135</u>	<u>259,634</u>
Gross profit	52,352	47,657	90,324	88,879
Operating expenses:				
Sales and marketing	8,859	9,150	17,670	18,644
Research and development	15,237	15,425	30,701	30,054
General and administrative	12,945	10,079	27,255	18,694
Intangible asset amortization	2,175	1,875	4,251	3,861
In-process research and development	-	-	-	350
Restructuring and impairment charges	-	-	<u>171</u>	<u>-</u>
Total operating expenses	<u>39,216</u>	<u>36,529</u>	<u>80,048</u>	<u>71,603</u>
Operating income	13,136	11,128	10,276	17,276
Other income	<u>1,386</u>	<u>2,919</u>	<u>2,241</u>	<u>3,152</u>
Income before income taxes	14,522	14,047	12,517	20,428
Provision for income taxes	<u>1,900</u>	<u>1,033</u>	<u>2,175</u>	<u>2,043</u>
Net income	<u>\$12,622</u>	<u>\$13,014</u>	<u>\$10,342</u>	<u>\$18,385</u>
Earnings per share - basic:	\$.11	\$.13	\$.09	\$.18
- diluted: <sup>2</sup>	\$.10	\$.11	\$.09	\$.16
Weighted average common shares used in computing per share amounts - basic:	112,166	99,734	111,913	99,654
- diluted:	144,007	131,908	144,212	131,590

<sup>1</sup> This represents costs related to the write-up of acquired VersaFlex finished goods inventory to fair value which were sold during the second quarter of 2006.

<sup>2</sup> Diluted earnings per share include the add back of interest expense costs associated with the assumed conversion of the Company's outstanding convertible subordinated notes, which on a pre-tax basis equals approximately \$1.7 million for the second quarter 2006 and approximately \$3.4 million for the first six months of 2006. This equals \$1.8 million for the second quarter 2005 and approximately \$3.5 million for the first six months of 2005.

**POWERWAVE TECHNOLOGIES, INC.**  
**PERCENTAGE OF NET SALES**

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	(unaudited)		(unaudited)	
	<u>July 2,</u>	<u>July 3,</u>	<u>July 2,</u>	<u>July 3,</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b><u>Statement of Operations Data:</u></b>				
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales:				
Cost of goods	76.0	73.4	77.3	73.4
Intangible asset amortization	1.4	1.0	1.5	1.1
Acquired inventory incremental costs	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>-</u>
Total cost of sales	<u>77.5</u>	<u>74.4</u>	<u>78.8</u>	<u>74.5</u>
Gross profit	22.5	25.6	21.2	25.5
Operating expenses:				
Sales and marketing	3.8	4.9	4.2	5.3
Research and development	6.6	8.3	7.2	8.6
General and administrative	5.6	5.4	6.4	5.4
Intangible asset amortization	0.9	1.0	1.0	1.1
In-process research and development	-	-	-	0.1
Restructuring and impairment charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>16.9</u>	<u>19.6</u>	<u>18.8</u>	<u>20.5</u>
Operating income	5.7	6.0	2.4	5.0
Other income	<u>0.6</u>	<u>1.6</u>	<u>0.5</u>	<u>0.9</u>
Income before income taxes	6.2	7.6	2.9	5.9
Provision for income taxes	<u>0.8</u>	<u>0.6</u>	<u>0.5</u>	<u>0.6</u>
Net income	<u>5.4%</u>	<u>7.0%</u>	<u>2.4%</u>	<u>5.3%</u>

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**POWERWAVE TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**RECONCILIATION OF PRO FORMA RESULTS**  
(in thousands, except per share amounts)

	<u>Three Months Ended</u>			<u>Six Months Ended</u>		
	(unaudited)			(unaudited)		
	<u>July 2,</u> <u>2006</u>	<u>Adjust-</u> <u>ments</u>	<u>Pro Forma</u> <u>July 2,</u> <u>2006</u>	<u>July 2,</u> <u>2006</u>	<u>Adjust-</u> <u>ments</u>	<u>Pro Forma</u> <u>July 2,</u> <u>2006</u>
Net sales	\$232,394		\$232,394	\$425,459		\$425,459
Cost of sales:						
Cost of goods	176,624		176,624	328,675		328,675
Intangible asset amortization	3,183	(3,183) <sup>1</sup>	-	6,225	(6,225) <sup>1</sup>	-
Acquired inventory incremental costs	235	(235) <sup>2</sup>	-	235	(235) <sup>2</sup>	-
Total cost of sales	<u>180,042</u>	<u>(3,418)</u>	<u>176,624</u>	<u>335,135</u>	<u>(6,460)</u>	<u>328,675</u>
Gross profit	52,352	3,418	55,770	90,324	6,460	96,784
Operating expenses:						
Sales and marketing	8,859		8,859	17,670		17,670
Research and development	15,237		15,237	30,701		30,701
General and administrative	12,945		12,945	27,255		27,255
Intangible asset amortization	2,175	(2,175) <sup>3</sup>	-	4,251	(4,251) <sup>3</sup>	-
Restructuring & impairment charges	-	-	-	171	(171) <sup>4</sup>	-
Total operating expenses	<u>39,216</u>	<u>(2,175)</u>	<u>37,041</u>	<u>80,048</u>	<u>(4,422)</u>	<u>75,626</u>
Operating income	13,136	5,593	18,729	10,276	10,882	21,158
Other income	<u>1,386</u>		<u>1,386</u>	<u>2,241</u>		<u>2,241</u>
Income before income taxes	14,522	5,593	20,115	12,517	10,882	23,399
Provision for income taxes	<u>1,900</u>	<u>732</u> <sup>5</sup>	<u>2,632</u>	<u>2,175</u>	<u>1,893</u> <sup>5</sup>	<u>4,068</u>
Net income	<u>\$ 12,622</u>	<u>4,861</u>	<u>\$17,483</u>	<u>\$10,342</u>	<u>8,989</u>	<u>\$19,331</u>
Earnings per share						
- basic:	\$ .11		\$ .16	\$ .09		\$ .17
- diluted: <sup>6</sup>	\$ .10		\$ .13	\$ .09		\$ .15
Weighted average common shares used in computing per share amounts						
- basic:	112,166		112,166	111,913		111,913
- diluted:	144,007		144,007	144,212		144,212

<sup>1</sup> This represents costs related to the amortization of acquired technology.

<sup>2</sup> This represents costs related to the write-up of acquired VersaFlex finished goods inventory to fair value which were sold during the second quarter of 2006.

<sup>3</sup> This represents costs related to the amortization of other identified intangible assets.

<sup>4</sup> This represents a restructuring charge related to the REMEC Wireless acquisition included in operating expenses.

<sup>5</sup> This represents the change in the provision for income taxes related to the preceding pro forma adjustments to arrive at an assumed effective tax rate of 13.1% for the second quarter 2006 and an assumed effective tax rate of 17.4% for the first six months of fiscal year 2006.

<sup>6</sup> Diluted earnings per share include the add back of interest expense costs associated with the assumed conversion of the Company's outstanding convertible subordinated notes, which on a pre-tax basis equals approximately \$1.7 million for the second quarter 2006 and approximately \$3.4 million for the first six months of fiscal year 2006.

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

<b>ASSETS:</b>	<b><u>July 2, 2006</u></b> <b>(unaudited)<sup>1</sup></b>	<b><u>January 1, 2006</u></b> <b>(audited)<sup>2</sup></b>
Cash and cash equivalents	\$208,456	\$232,519
Restricted cash	11,763	5,002
Accounts receivable, net	253,749	233,726
Inventories, net	132,051	100,453
Property, plant and equipment, net	152,555	172,426
Other assets	<u>429,596</u>	<u>386,124</u>
Total Assets	<u>\$1,188,170</u>	<u>\$1,130,250</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY:**

Accounts payable	\$ 107,705	\$ 106,864
Long-term debt	330,000	330,000
Accrued expenses and other liabilities	123,538	112,125
Total shareholders' equity	<u>626,927</u>	<u>581,261</u>
Total Liabilities and Shareholders' Equity	<u>\$1,188,170</u>	<u>\$1,130,250</u>

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<sup>1</sup> July 2, 2006 balances are preliminary and subject to purchase accounting and reclassification adjustments.

<sup>2</sup> January 1, 2006 balances were derived from audited financial statements.