

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

**IN RE HERLEY INDUSTRIES INC.
SECURITIES LITIGATION**

**Case No. 06-02596
Judge Juan R. Sánchez**

NOTICE OF PENDENCY OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED PUBLICLY TRADED SECURITIES OF HERLEY INDUSTRIES, INC. (“HERLEY”) DURING THE PERIOD FROM OCTOBER 1, 2001 THROUGH JUNE 14, 2006 (THE “CLASS”).

A federal court authorized this notice. This is not a solicitation from a lawyer.

- Investors have sued Herley and certain officers and directors of Herley alleging fraud in the connection with the sale or purchase of the common stock of Herley (the “Action”).
- The Action has been certified as a Class Action on behalf of all persons who purchased or otherwise acquired the publicly traded securities of Herley during the period October 1, 2001 through June 14, 2006, inclusive, and who sustained a loss as a result of this acquisition, excluding Defendants, employees of Defendants and Defendants immediate families.
- THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IF YOU DO NOT REQUEST TO BE EXCLUDED FROM THE CLASS BY JUNE 18, 2010 AS DESCRIBED BELOW, YOU WILL BE BOUND BY THE OUTCOME OF THE ACTION.
- IN THE EVENT OF A RECOVERY AGAINST DEFENDANTS AFTER SETTLEMENT OR TRIAL, YOU WILL BE REQUESTED TO FILE A PROOF OF CLAIM AT A LATER DATE. YOU ARE URGED TO MAINTAIN ALL RECORDS OF YOUR TRANSACTIONS IN AND HOLDINGS OF HERLEY COMMON STOCK, WHICH MAY BE REQUIRED TO SUPPORT YOUR CLAIM.

THIS NOTICE ANSWERS THE FOLLOWING IMPORTANT QUESTIONS:

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1. Why should I read this Notice?

A class action lawsuit is pending on behalf of all persons who purchased or otherwise acquired the publicly traded securities of Herley from October 1, 2001 through June 14, 2006, inclusive, and were damaged thereby (the “Class Period”). As a Herley shareholder or former shareholder your rights may be affected by this lawsuit. This Notice is to inform you of (1) what this case is about, (2) the Court’s decision to allow this lawsuit to proceed as a class action, and (3) your right to participate in or exclude yourself from the Class. You should not construe this Notice as an indication of the Court’s view on the merits of the lawsuit.

2. What is this case about?

This case was brought as a class action against Herley and certain of its officers and directors (the “Defendants”) in the United States District Court for the Eastern District of Pennsylvania (the “Court”). On November 14, 2006 the Court appointed Galleon Management, L.P. (“Galleon”) to serve as Lead Plaintiff on behalf of the Class, and Kirby McInerney LLP to serve as lead counsel. On September 30, 2009 the Court granted Lead Plaintiff’s motion to certify the Class and appointed Galleon and Norfolk County Retirement System (“Norfolk”) as Co-Class Representatives for the Class. On January 15, 2010 the Court allowed Galleon to withdraw as Lead Plaintiff and appointed Norfolk as the Lead Plaintiff. The

Court also approved Norfolk's selection of Labaton Sucharow LLP as Co-Lead Counsel for Lead Plaintiff and the Class along with Kirby McInerney LLP.

The Lead Plaintiff alleges that Defendants violated the federal securities laws (specifically, Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 of the Securities and Exchange Commission) by making false and misleading public statements about the strength of Herley's relationship with its largest customer, the United States Government and its agencies (the "Government") during the Class Period and Herley's compliance with Government contracting regulations. Lead Plaintiff alleges that Herley knowingly or recklessly violated Government contracting regulations in dealings with the Government, thereby rendering certain Herley class period public statements materially false or misleading.

The Lead Plaintiff claims that Defendants' misleading statements, along with their failure to disclose the above information, artificially inflated the market price of Herley common stock. The Lead Plaintiff alleges that when the truth became known, Herley's stock price declined causing economic harm to the Lead Plaintiff and the Class.

Defendants deny all of the above-described allegations in the Lead Plaintiff's Complaint, and assert that they have not violated the federal securities laws and are not liable to the Lead Plaintiff or to the other members of the Class.

The Court has not expressed any view as to the merits of the claims asserted by the Lead Plaintiff or the denials and defenses asserted by the defendants.

3. What is a class action?

A class action is a type of lawsuit in which one or several individuals (the "Class Representative(s)") prosecute claims on behalf of all members of a group of similarly-situated persons (the "Class Members") to obtain monetary or other relief for all members in the group. This avoids the necessity of each individual Class Member filing his or her own separate lawsuit to obtain relief. Class actions are used to decide the legal and factual issues common to all Class Members' claims.

4. Who represents the Class?

Attorneys for the Class are Kirby McInerney LLP and Labaton Sucharow LLP, appointed by the Court by Orders dated November 16, 2006 and January 15, 2010, respectively. The Court also appointed Stanley P. Kops as Liaison Class Counsel.

5. How do I know if I am a member of the Class?

On September 30, 2009, the Court ruled on a request by Lead Plaintiff to allow this Action to proceed as a class action. By granting Lead Plaintiff's request, the Court certified a Class consisting of all persons or entities who purchased or otherwise acquired the common stock of Herley between October 1, 2001 and June 14, 2006, inclusive, and were damaged thereby. Excluded from the Class are defendants, employees of defendants, and defendants' immediate families.

If you purchased Herley common stock during the Class Period and are not specifically excluded therefrom, you may be a member of the Class.

6. As a member of the Class, what decisions do I have to make?

If you are a member of the Class, you have a choice whether or not to remain a member of the Class on whose behalf this lawsuit is being maintained. The decision either to remain a member of the Class, or to exclude yourself from the Class, will have its consequences, which you should understand before making your decision. As a Class member, you will be bound by all orders and judgments of the Court, whether favorable or not. This means that you may share in any recovery obtained for the Class. However, a judgment unfavorable to the Class will prevent you from pursuing the same claims in a separate lawsuit of your own. If you exclude yourself from the Class, you will not be bound by any Court orders or judgments in this action, but you cannot participate in any recovery plaintiffs may obtain for the Class.

If you remain a member of the Class, you also have the right to hire your own attorney, and have that attorney enter an appearance in this action on your behalf. If you hire your own attorney, you will be responsible for paying that attorney's fee.

7. How do I remain a member of the Class?

If you wish to remain a member of the Class, **YOU DO NOT NEED TO DO ANYTHING AT THIS TIME.** Co-Class Counsel will continue to represent your interests in this Action. As a Class Member you have no personal obligation to pay for Co-Class Counsel's services. Instead, if they obtain a recovery, Co-Class Counsel intend to apply to the Court for payment of their reasonable attorneys' fees and costs out of any funds recovered before distribution of the net proceeds to Class members.

8. How do I exclude myself from the Class?

If you do not wish to remain part of this action, **YOU MUST EXCLUDE YOURSELF FROM THE CLASS.** Such a request must be in writing and must include the following information: (a) your name, address and telephone number, (b) the number of shares of Herley common stock you purchased during the Class Period, and (c) the date(s) on which such shares were purchased or acquired. Requests to be excluded from the Class must be mailed, postmarked on or before June 18, 2010 to:

Herley Securities Litigation
c/o The Garden City Group, Inc.
PO Box 9415
Dublin, OH 43017-4515

9. Is there anything else that I should do in response to this notice?

You should also keep Co-Class Counsel informed of any change of name or address to insure that additional notices in this Action will be received by you.

10. How can I claim any monies which the plaintiffs might recover on behalf of the Class?

This Notice is to advise you that the Court has certified a Class in this Action. There has been no judgment or settlement of Lead Plaintiff's Claims. Accordingly, there is no fund from which you may make a claim. If a settlement is eventually reached by the parties and approved by the Court, or if Lead Plaintiff recovers money damages at trial for the Class, you may then be entitled to participate in the claims process. If necessary, that process will be described in a future notice to be sent to all Class members who do not exclude themselves from the Class. If there is no recovery, there will be no claims process.

11. What if I sold my Herley stock?

Even if you sold the Herley stock you purchased during the Class Period, you may still be a member of the Class and may be entitled to participate in any judgment or settlement the Lead Plaintiff may obtain on behalf of the Class.

12. How should banks, brokerage firms, institutions, and other nominees handle receipt of this Notice?

All banks, brokerage firms, institutions, and other nominees that purchased Herley common stock during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that within ten (10) business days of your receipt of this Notice, you either: (a) provide to the Notice Administrator identified herein the name and last known address of each person or entity for whom or which you purchased Herley common stock during such time period; or (b) request additional copies of this Notice, which will be provided to you free of charge, and within ten (10) business days mail the Notice directly to the beneficial owners of that Herley common stock. If you select option (a) above, the Notice Administrator will cause copies of this Notice to be mailed to the beneficial owners of common stock referred to herein, within ten (10) business days of receipt of the name and last known address of each person or entity for whom or which you purchased Herley common stock during the relevant time period. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Notice Administrator confirming that the mailing was made as directed.

13. Whom do I contact if I have questions about this litigation?

If you have questions regarding this litigation, you may contact Co-Class Counsel at the following address:

Kirby McInerney LLP
Ira M. Press
825 Third Avenue
New York, NY 10022

Labaton Sucharow LLP
Jonathan Gardner
140 Broadway
New York, NY 10005

PLEASE DO NOT CONTACT THE COURT. Unless you intend to file a pleading with the Court, all questions regarding this matter should be directed to Co-Class Counsel at the above address.

DATED: APRIL 19, 2010

BY ORDER OF THE COURT:
United States District Court
For The Eastern District of Pennsylvania

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