



Shareowners
**ANNUAL
REPORT**
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2016

Making the Trusted Difference In Our Customers' Success

Our increasingly connected world makes wireless a necessity, the vital link among us all. TESCO's depth of wireless product offering, passionate customer teams and reliable programs and services make us the industry's most trusted partner for building, using, maintaining, and providing wireless voice, data, and video. TESCO is dedicated to being the singular source for wireless solutions and connectivity for our customers. We call this the Power of ONE, and at TESCO our team members work hard every day to make the trusted difference in our customers' success.



Dear Fellow Shareowner,

Fiscal Year 2016 was a year for creating new opportunities, and responding to the challenges to achieve renewed profitable growth. Throughout the year, TESSCO developed new opportunities created by the convergence of wireless and the Internet, and new technologies. At the same time, we did not produce the level of financial performance we expected as a result of the challenge in replacing the drastic purchase decline in the carrier market because of delays in their network expansion and upgrades.

Our vision is to evolve *from* a wireless public carrier, transaction centric supplier, to a consultative provider that enables network and connectivity system deployment, for private as well as public organizations. Our goal is to be *Your Total Source*[®] for the end-to-end wireless solutions for building, using, maintaining and reselling for these systems—Base Station, In-Vehicle & Mobile Communications, Mobile Device Performance, Wi-Fi, Coverage & Capacity, Monitoring & Control, Backhaul, Installation, Test & Maintenance, and Internet of Things.

In the New Year, we are working to accelerate this evolution by responding to two major disruptive realities—dramatic technology and network changes, and rapidly changing customer behaviors and expectations. Our transformations are in these five critical areas:

- **Our Offer**—Expand the end-to-end product and supply chain solution offerings to support wireless systems. This includes providing knowledge, design, innovative products and services, training and supply chain management.
- **Consultative Selling**—Develop consultative, relationship-based selling to deepen our relationships and expand our share of the customers' requirements.
- **Digital Marketing & Analytics**—Build our digital and Internet marketing, e-commerce and intelligence platform, to make TESSCO.com the definitive source for knowledge, procurement and supply chain control, and using predictive analytics to gain insight and understanding of buyer behaviors that will drive decisions and create one-to-one communications, opportunities, sales and customer satisfaction.
- **Customer Experience**—Digitize the customer's experience by simplifying and standardizing our offer, policies and procedures at every touchpoint - from deciding on a need, to placing an order, to making a payment, to problem resolution, giving our customers complete control over their entire procurement and supply chain.
- **Talent Development**—Enhance talent and leadership through recruitment, development and succession. A companywide succession plan is underway including a new CEO search. As the 72-year-old Founder, Chairman and CEO, I will become the Executive Chairman when a new CEO is hired, and will work with the new CEO to take TESSCO to a new level of success in the exploding world of wireless. We expect a new CEO to be hired this fiscal year. In the meantime, I remain the CEO, firmly dedicated to driving performance and increasing shareowner value.

We are well underway on our transformation journey; however, we must make the changes at a faster rate. While driving the transformations, we are also focusing on market share growth, expansion in the non-carrier markets, new customer development, offer expansion, margin improvement and expense management and making the trusted difference in our customers', manufacturers' and shareowners' success.

In summary, TESSCO is well positioned to capitalize on an industry that is revolutionizing the way we live, work and play. All of us at TESSCO are energized and accountable to achieve the level of the success and growth of shareowner value we all expect. I thank you, our shareowners, and our customers, manufacturers, and team members for the continued support of TESSCO.

Sincerely,



Robert B. Barnhill, Jr.
Founder, Chairman and Chief Executive Officer

TESSCO
TECHNOLOGIES[®]

Leadership

Directors

Robert B. Barnhill, Jr.
Chairman, President and Chief Executive Officer
of TESSCO Technologies Incorporated

Jay G. Baitler
Former Executive Vice President of Staples, Inc.,
Contract Division

John D. Beletic
President and CEO of X-IO Technologies, Inc.,
an electronic storage company

Benn R. Konsynski, Ph.D.
George S. Craft Professor of Business Administration
for Information Systems and Operations Management
at the Goizueta Business School of Emory University

Dennis J. Shaughnessy
Retired Chairman of the Board of FTI Consulting Inc.

Morton F. Zifferer, Jr.
Chairman and CEO of New Standard Corporation,
a metal products manufacturer

Jerome C. Eppler
1924-2015
Director Emeritus

Jerry Eppler, a Director and friend, was responsible for obtaining the capital in 1982 to help launch TESSCO in the very early days of the wireless industry. Jerry served as a Director from 1985-2007, providing guidance throughout his term and after becoming Director Emeritus until his passing in December 2015. We are grateful for, and will always remember his significant contribution.



Officers

Robert B. Barnhill, Jr.
Chairman, President and Chief Executive Officer

Craig A. Oldham
Senior Vice President of Strategic Marketing

Douglas A. Rein
Senior Vice President of Performance Systems and Operations

Aric M. Spitulnik
Senior Vice President and Chief Financial Officer

Steven K. Tom
Senior Vice President of Analytics, Innovation and Learning

P. Douglas Dollenberg, Jr. **Elizabeth S. Robinson**
Vice President Vice President

Thomas F. Foster **Nicholas J. Salatino**
Vice President Vice President

James R. Gaarder **Jeffrey L. Shockey**
Vice President Vice President

Jeffrey A. Kaufman **Mary Beth Smith**
Vice President Vice President

Cynthia L. King **Charles Stone**
Vice President Vice President

Steven E. Lehukey **David Strauss**
Vice President Vice President

Jeffrey K. Lime **Damon M. Weatherill**
Vice President Vice President

William A. Moten **Edward S. Winslow**
Vice President Vice President

Marika Patto
Vice President

Shareowner Information

Annual Meeting

The Annual Meeting of Shareowners of TESSCO Technologies Incorporated is scheduled to be held at 9:00 a.m., Tuesday, July 26, 2016 at:

TESSCO Technologies Incorporated
375 West Padonia Road
Timonium, MD 21093

Investor Relations

Analysts, investors and shareowners seeking additional information about TESSCO Technologies Incorporated are invited to contact:

Sharon Merrill
77 Franklin Street
Boston, MA 02110

Telephone: 617.542.5300
Facsimile: 617.423.7272
Internet: www.investors.com

Aric M. Spitulnik
375 West Padonia Road
Timonium, MD 21093

Telephone: 410.229.1419
Facsimile: 410.229.1669
Email: spitulnik@tessco.com

A copy of the Company's Annual Report on Form 10-K as filed with the United States Securities and Exchange Commission is available without charge on the SEC website, www.sec.gov, or upon request to the address above.

TESSCO on NASDAQ

TESSCO's common stock trades on the NASDAQ Global Market under the symbol TESS.

Corporate Counsel

Ballard Spahr LLP
Baltimore, MD

Transfer Agent & Registrar

Wells Fargo Shareowner Services
P.O. Box 64874
Saint Paul, MN 55164

Independent Public Accounting Firm

Ernst & Young LLP
Baltimore, MD

Corporate Governance

The highest ethical standards have always been integral to TESSCO's culture and business success. Guided by the "TESSCO Way," each director, officer and team member is expected to observe the highest standards of ethical behavior in the performance of his or her duties for the Company. The Company's Code of Business Conduct and Ethics can be found in the Investors section of our website, www.tessco.com. From a corporate governance perspective, our six member Board of Directors includes five independent directors. The four standing committees of the Board of Directors are comprised of independent directors with the exception of Mr. Barnhill, who is a member of the Risk and Strategy Committee. In addition, each of the four committees is chaired by an independent director. TESSCO is an Affirmative Action-Equal Opportunity Employer M/F/D/V.

Forward-Looking Statements

This Annual Report contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, all of which are based on current expectations. These forward-looking statements may generally be identified by the use of the words "may," "will," "believes," "should," "expects," "anticipates," "estimates," "our relative bargaining power and inability to negotiate favorable terms with our vendors and customers"; "claims against us for breach of intellectual property rights of third parties" and "product liability claims" and similar expressions. Our future results of operations and other forward-looking statements contained in this report involve a number of risks and uncertainties. For a variety of reasons, actual results may differ materially from those described in any such forward-looking statement. Consequently, the reader is cautioned to consider all forward-looking statements in light of the risks to which they are subject.

We are not able to identify or control all circumstances that could occur in the future that may adversely affect our business and operating results. In addition to risk elsewhere discussed in our Annual Report on Form 10-K for the fiscal year ended March 27, 2016, included among the risks that could lead to a materially adverse impact on our business or operating results are the termination or non-renewal of limited duration agreements or arrangements with our vendors and affinity partners which are typically terminable by either party upon several months or otherwise relatively short notice; loss of significant customers or relationships, including affinity relationships; loss of customers either directly or indirectly as a result of consolidation among large wireless service carriers and others within the wireless communications industry; the strength of our customers', vendors' and affinity partners' businesses; increasingly negative or prolonged adverse economic conditions, including those adversely affecting consumer confidence or consumer or business spending, or otherwise adversely affecting our vendors or customers, including their access to capital or liquidity or our customers' demand for or our ability to fund or pay for the purchase of our products and services; our dependence on a relatively small number of suppliers and vendors, which could hamper our ability to maintain appropriate inventory levels and meet customer demand; failure of our information technology system or distribution system; technology changes in the wireless communications industry, which could lead to significant inventory obsolescence and/or our inability to offer key products that our customers demand; third-party freight carrier interruption; increased competition from competitors, including manufacturers or national and regional distributors of the products we sell and the absence of significant barriers to entry which could result in pricing and other pressures on profitability and market share; our relative bargaining power and inability to negotiate favorable terms with our vendors and customers; our inability to access capital and obtain or retain financing as and when needed; transitional and other risks associated with acquisitions of companies that we may undertake in an effort to expand our business; the possibility that, for unforeseen reasons, we may be delayed in entering into or performing, or may fail to enter into or perform, anticipated contracts or may otherwise be delayed in realizing or fail to realize anticipated revenues or anticipated savings; our inability to protect certain intellectual property, including systems and technologies on which we rely; claims against us for breach of the intellectual property rights of third parties; product liability claims; and our inability to hire or retain for any reason our key professionals, management and staff.

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