



April 27, 2004

PCTEL Posts \$10.7 Million In First Quarter Revenue

Company Continues Wireless Growth

CHICAGO, Apr 27, 2004 (BUSINESS WIRE) -- PCTEL, Inc. (NASDAQ:PCTI), a leading provider of wireless solutions, today announced financial results for the first quarter ended March 31, 2004. This was the third full quarter of operating results following the company's sale of its legacy HSP modem product line to Conexant (NASDAQ:CNXT) in May 2003 as part of PCTEL's well-established wireless transition plan.

Total revenue was \$10.7 million for the first quarter of 2004, including \$8.6 million of wireless product revenue and \$2.1 million of licensing revenue. This compares to \$13.1 million of revenue in the first quarter 2003, which included \$0.7 million of wireless revenue, \$1.9 million of licensing revenue, and \$10.5 million of HSP modem revenue. Net loss for the first quarter of 2004 was \$(0.5) million, or \$(0.02) per diluted share, compared to net loss of \$(0.9) million, or \$(0.05) per diluted share reported in the first quarter of 2003.

Compared to the fourth quarter of 2003, the company grew its wireless revenue from \$3.5 million to \$8.6 million, an increase of 146 percent. The company acquired MAXRAD, a leading provider of antenna solutions on January 2, 2004. The MAXRAD product group contributed to the strong wireless growth for the quarter.

"Our expanding customer list for Segue™ products, strong sales of our software-defined radios and CLARIFY™ into carrier markets, and the anticipated contribution of the new MAXRAD product line have strengthened our wireless presence," said Marty Singer, PCTEL's Chairman and CEO. "As we move onto the rest of the year, we look forward to realizing benefits from the integration of our three product groups under a financially stable and focused PCTEL," added Singer.

Cash and short-term investments on March 31, 2004 were \$107.4 million, a decrease of \$18.0 million from the fourth quarter of 2003. The decline was primarily due to the acquisition of MAXRAD in the quarter. As of March 31, 2004, the company has repurchased 1.54 million out of the 2.5 million shares authorized by the Board of Directors under its share buyback program. No shares were repurchased during the first quarter.

CONFERENCE CALL / WEBCAST

The company will hold a conference call at 4:00 PM CDT (5:00 PM EDT) today with Marty Singer, chairman and chief executive officer, and John Schoen, chief operating officer and chief financial officer. The session will include brief remarks, and can be accessed by calling (800) 545-9583 (U.S. / Canada) or (973) 317-5317 (international).

To listen via the Internet, please visit, www.pctel.com, or <http://www.shareholder.com/pctel/MediaList.cfm>

REPLAY: A replay will be available for two weeks after the call on PCTEL's web site at www.pctel.com or by calling (800) 428-6051 (U.S. / Canada) or (973) 709-2089 (international) access code: 347900.

ABOUT PCTEL

PCTEL (NASDAQ:PCTI), founded in March 1994, dedicated to wireless excellence, is a leading provider of mobility software solutions, software-defined radio products and access technology. PCTEL's Segue™ software products simplify installation, roaming, Internet access and billing. Its DTI product portfolio of OEM receivers and receiver-based products, measure and monitor cellular networks. MAXRAD designs, distributes, and supports innovative antenna solutions that facilitate and simplify wireless communications. PCTEL protects its leadership position with a portfolio of more than 130 analog and broadband communications and wireless patents, issued or pending, including key and essential patents for modem technology. The company's products are sold or licensed to PC manufacturers, PC card and board manufacturers, wireless carriers, wireless ISPs, distributors, wireless test and measurement companies, and system integrators. PCTEL headquarters are located at 8725 West Higgins Road, Suite 400, Chicago, IL 60631. Telephone: 773-243-3000. For more information, please visit our web site at: <http://www.pctel.com>.

PCTEL Safe Harbor Statement

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Specifically, the statements regarding PCTEL's expectations regarding the future growth of its wireless and licensing businesses are forward looking statements within the meaning of the safe harbor. These statements are based on management's current expectations and actual results may differ materially from those projected as a result of certain risks and uncertainties, including the ability to successfully grow the wireless products business, the ability to implement new technologies and obtain protection for the related intellectual property, and the risks inherent in potential acquisitions. These and other risks and uncertainties are detailed in PCTEL's Securities and Exchange Commission filings. These forward-looking statements are made only as of the date hereof, and PCTEL disclaims any obligation to update or revise the information contained in any forward-looking statement, whether as a result of new information, future events or otherwise.

PCTEL, Inc.

Consolidated Condensed Statements of Operations (unaudited, in thousands, except per share information)

	Three Months Ended March 31,	
	2004	2003
REVENUES	\$ 10,690	\$ 13,082
COST OF REVENUES	3,769	7,907
INVENTORY RECOVERY	-	(1,348)
GROSS PROFIT	6,921	6,523
OPERATING EXPENSES:		
Research and development	2,030	2,118
Sales and marketing	2,934	2,261
General and administrative	3,176	1,852
Amortization of deferred compensation	310	299
Amortization of other intangible assets	711	99
Acquired in-process research and development	-	1,100
Restructuring charges	(51)	155
Gain on sale of assets and related royalties	(500)	-
Total operating expenses	8,610	7,884
LOSS FROM OPERATIONS	(1,689)	(1,361)
OTHER INCOME, NET	239	495
LOSS BEFORE PROVISION (BENEFIT) FOR INCOME TAXES	(1,450)	(866)
PROVISION (BENEFIT) FOR INCOME TAXES	(982)	64
NET LOSS	\$ (468)	\$ (930)
Basic earnings (loss) per share	\$ (0.02)	\$ (0.05)
Shares used in computing basic earnings (loss) per share	19,901	19,238
Diluted earnings (loss) per share	\$ (0.02)	\$ (0.05)
Shares used in computing diluted earnings		

(loss) per share	19,901	19,238
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PCTEL, Inc.

Consolidated Condensed Balance Sheets
(unaudited, in thousands)

	March 31, 2004	December 31, 2003
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ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 95,996	\$ 106,007
Restricted cash	278	278
Short-term investments	11,156	19,177
Accounts receivable, net	5,792	3,630
Inventories, net	3,082	1,267
Prepaid expenses and other assets	3,207	1,929
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Total current assets	119,511	132,288
PROPERTY AND EQUIPMENT, net	4,572	1,197
GOODWILL	11,335	5,561
OTHER INTANGIBLE ASSETS, net	10,329	4,140
OTHER ASSETS	60	55
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TOTAL ASSETS	\$ 145,807	\$ 143,241
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 859	\$ 333
Accrued royalties	3,213	3,208
Income taxes payable	5,456	7,359
Deferred revenue	2,370	2,960
Accrued liabilities	6,507	5,739
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Total current liabilities	18,405	19,599
LONG-TERM LIABILITIES	736	736
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Total liabilities	19,141	20,335
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STOCKHOLDERS' EQUITY:		
Common stock	21	20
Additional paid-in capital	162,146	155,548
Deferred compensation	(4,910)	(2,552)
Accumulated deficit	(30,669)	(30,201)
Accumulated other comprehensive income	78	91
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Total stockholders' equity	126,666	122,906
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 145,807	\$ 143,241
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SOURCE: PCTEL, Inc.

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