



July 27, 2006

PCTEL Posts \$26.8 Million In Revenue; 46 Percent Increase Includes \$7 Million From Patent Dispute Resolution; High Margin Software and Scanner Sales Up 45 Percent

CHICAGO, Jul 27, 2006 (BUSINESS WIRE) -- PCTEL, Inc. (NASDAQ:PCTI), a leader in wireless broadband solutions, announced results for the second quarter ended June 30, 2006. Financial highlights of the quarter were:

- \$26.8 million in revenue for the quarter, an increase of 46 percent over the same period last year. Most of the increase - \$7 million - reflects the resolution of PCTEL's intellectual property dispute with Agere. Revenue from product operations was up 8 percent over the same period last year.
- \$12.8 million in revenue for the quarter from the Antenna Products Group. This is a decrease of 5 percent over the second quarter last year. Revenue for the six months ended June 30, 2006 was up 6 percent from the same period a year ago. Results were unfavorably impacted by the termination of the SDARS (satellite radio antennas for retail outlets) late last year, but favorably impacted by the acquisition of the iVET(TM) product line during the third quarter of 2005.
- \$2.7 million in revenue for the quarter from the Mobility Solutions Group. This is an increase of 104 percent over the second quarter last year. Revenue for the six months ended June 30, 2006 was up 97 percent from the same period a year ago.
- \$4.0 million in revenue for the quarter from the RF Solutions Group. This is a 21 percent increase over the second quarter of last year. Revenue for the six months ended June 30, 2006 is also up 21 percent from the same period a year ago.
- \$7.4 million in licensing revenue for the quarter, an increase of \$7.1 million from the second quarter last year. Again, this sharp increase includes the aforementioned patent dispute resolution.
- \$1.3 million gain on restructuring related to the closure of the Company's Dublin Factory and the termination of the local pension plan there.
- GAAP net income of \$6.3 million for the quarter, or \$0.29 per diluted share, compared to \$(0.3) million net loss, or \$(0.02) per share for the same period in 2005.
- Non-GAAP net income of \$8.4 million for the quarter, or \$0.39 per diluted share compared to \$1.5 million of net income, or \$0.07 per share for the same period in 2005. The Company's reporting of non-GAAP income excludes non-cash based expenses for stock compensation and amortization of intangible assets related to the Company's acquisitions. Those expenses were \$2.1 million in the second quarter 2006 compared to \$1.8 million for the same period a year ago.
- \$63.8 million of cash at June 30, 2006.

"The past quarter has been one of significant accomplishment for PCTEL," said Marty Singer, PCTEL's Chairman and CEO. "During the quarter, we resolved a long-standing patent dispute, kept on schedule our transition to a contract manufacturer for the iVET(TM) product line, achieved record revenues for our Mobility Solutions Group, continued to aggressively grow our scanner business, and introduced several new WiMax antennas. We are poised for a strong second half and a stronger 2007," added Singer.

PCTEL's management team will discuss the company's results during its scheduled earnings teleconference today at 6:15 PM EDT.

CONFERENCE CALL / WEBCAST

The company will hold a conference call at 6:15 PM EDT (5:15 PM CDT) today, Thursday, July 27, 2006 with Marty Singer, Chairman and Chief Executive Officer, and John Schoen, Chief Financial Officer. PCTEL will not be responding to inquiries regarding its financial results until the conference call. The session can be accessed by calling (800) 289-0508 (U.S. / Canada) or (913) 981-5550 (international).

To listen via the Internet, please visit, www.pctel.com, or <http://investor.pctel.com/eventdetail.cfm?eventid=28080>

REPLAY: A replay will be available for two weeks after the call on PCTEL's web site at www.pctel.com or by calling (888) 203-1112 (U.S. / Canada) or (719) 457-0820 (international) access code: 5652483.

About PCTEL

PCTEL, Inc. (Nasdaq:PCTI), which is headquartered in Chicago, is a global leader in wireless broadband solutions. PCTEL's Antenna Products Group (<http://antenna.pctel.com>) designs, distributes, and supports innovative antenna solutions for public safety applications, unlicensed and licensed wireless broadband, fleet management, network timing, and other GPS applications. PCTEL's Mobility Solutions' (<http://mobilitysolutions.pctel.com>) software tools provide secure, access independent, remote connectivity to the Internet and VoIP capability for converged handsets. PCTEL's RF Solutions' (<http://rfsolutions.pctel.com>) portfolio of OEM receivers, receiver based products and interference management solutions are used to measure, monitor and optimize cellular networks.

PCTEL protects its leadership position with a portfolio of more than 130 analog and broadband communications, wireless and antenna patents, issued or pending. The company's products are sold or licensed to wireless carriers, wireless ISPs, distributors, system integrators, wireless test and measurement companies, wireless network equipment and handset manufacturers, PC card manufacturers and government agencies. For more information, please visit the company's 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 broadband wireless products, the discontinuance of the manufacturing operations in Dublin, Ireland, and the outsource of the manufacture of certain antenna product lines 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, the ability to realize product and manufacturing efficiencies, the ability to achieve reductions in costs as a result of the discontinuance of manufacturing operations and relocation or outsourcing of certain antenna products. 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 June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
REVENUES	\$ 26,758	\$ 18,313	\$ 45,324	\$ 33,320
COST OF REVENUES	9,702	9,609	19,546	17,178
GROSS PROFIT	17,056	8,704	25,778	16,142
OPERATING EXPENSES:				
Research and development	3,336	2,434	6,253	4,905
Sales and marketing	3,196	2,934	6,738	6,048
General and administrative	3,725	3,865	7,473	8,031
Amortization of other intangible assets	1,056	854	2,093	1,737
Restructuring benefit	(1,269)	(70)	(716)	(70)
Gain on sale of assets and related royalties	(250)	(500)	(500)	(1,000)

Total operating expenses	9,794	9,517	21,341	19,651
INCOME (LOSS) FROM OPERATIONS	7,262	(813)	4,437	(3,509)
OTHER INCOME, NET	747	431	1,368	970
INCOME (LOSS) BEFORE INCOME TAXES	8,009	(382)	5,805	(2,539)
PROVISION (BENEFIT) FOR INCOME TAXES	1,683	(60)	1,676	101
NET INCOME (LOSS)	\$ 6,326	\$ (322)	\$ 4,129	\$ (2,640)
Basic income (loss) per share	\$ 0.30	\$ (0.02)	\$ 0.20	\$ (0.13)
Shares used in computing basic income (loss) per share	20,837	20,108	20,656	20,014
Diluted income (loss) per share	\$ 0.29	\$ (0.02)	\$ 0.19	\$ (0.13)
Shares used in computing diluted income (loss) per share	21,586	20,108	21,371	20,014

PCTEL Inc.

Consolidated Condensed Balance Sheets
(unaudited, in thousands)

	June 30, 2006	December 31, 2005
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 63,611	\$ 58,307
Restricted cash	208	208
Accounts receivable, net	19,367	13,725
Inventories, net	8,652	9,547
Prepaid expenses and other assets	2,221	3,109
Total current assets	94,059	84,896
PROPERTY AND EQUIPMENT, net	11,603	11,190
GOODWILL	32,327	31,020
OTHER INTANGIBLE ASSETS, net	15,009	16,457
OTHER ASSETS	1,807	941
TOTAL ASSETS	\$ 154,805	\$ 144,504
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	1,874	2,251
Income taxes payable	5,721	5,297
Deferred revenue	1,814	1,944
Accrued liabilities	6,964	5,595
Short Term Debt	959	-

Total current liabilities	17,332	15,087
Pension liabilities	-	3,046
LONG-TERM LIABILITIES	2,623	2,344
Total liabilities	19,955	20,477
STOCKHOLDERS' EQUITY:		
Common stock	22	22
Additional paid-in capital	165,555	160,825
Accumulated deficit	(32,523)	(36,652)
Accumulated other comprehensive income	1,796	(168)
Total stockholders' equity	134,850	124,027
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$	154,805	\$ 144,504
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PCTEL, Inc.

Revenue & Gross Profit by Segment
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
REVENUES:				
APG	\$ 12,753	\$ 13,385	\$ 25,141	\$ 23,705
RFS	3,990	3,299	7,697	6,382
MSG	2,668	1,311	4,784	2,433
LICENSING	7,382	331	7,772	823
Eliminations	(35)	(13)	(70)	(23)
TOTAL REVENUES	26,758	18,313	45,324	33,320
GROSS PROFIT:				
APG	\$ 4,189	\$ 4,840	\$ 7,859	\$ 8,386
RFS	2,834	2,262	5,403	4,590
MSG	2,653	1,273	4,755	2,354
LICENSING	7,379	329	7,764	816
Eliminations	1	--	(3)	(4)
TOTAL GROSS PROFIT	17,056	8,704	25,778	16,142

PCTEL, Inc.

Reconciliation of Non-GAAP to GAAP Revenue & Gross Profit by Segment

(unaudited, in thousands)

Three Months Ended June 30, 2006

	As Reported	Non-GAAP Adjustments	(a)	Non GAAP
REVENUES:				
APG	12,753			12,753
RFS	3,990			3,990
MSG	2,668			2,668
LICENSING	7,382			7,382
Eliminations	(35)			(35)
TOTAL REVENUES	26,758			26,758

GROSS PROFIT:				
APG	4,189	(48)	(b)	4,237
RFS	2,834	(38)	(b)	2,872
MSG	2,653			2,653
LICENSING	7,379			7,379
Eliminations	1			1
TOTAL GROSS PROFIT	17,056	(86)		17,142

Three Months Ended June 30, 2005

	As Reported	Non-GAAP Adjustments	(a)	Non GAAP
REVENUES:				
APG	13,385			13,385
RFS	3,299			3,299
MSG	1,311			1,311
LICENSING	331			331
Eliminations	(13)			(13)
TOTAL REVENUES	18,313			18,313

GROSS PROFIT:				
APG	4,840	(4)	(b)	4,844
RFS	2,262	(2)	(b)	2,264
MSG	1,273			1,273
LICENSING	329			329
Eliminations	--			-
TOTAL GROSS PROFIT	8,704	(6)		8,710

(a) These adjustments reconcile the Company's GAAP gross profit to its non-GAAP gross profit. The Company believes that presentation of results excluding non-cash share-based compensation provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results and facilitates comparison of gross profit across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning

and forecasting purposes. These non-GAAP measures should not be viewed as a substitute for the Company's GAAP results.

- (b) This adjustment reflects the non cash stock based compensation expense for restricted stock grants and stock bonuses awarded to the Company's employees. The adjustment for the three months ended June 30, 2006 also includes non cash stock based compensation expense for stock options in accordance with SFAS No. 123R.

PCTEL, Inc.

Reconciliation of Non-GAAP to GAAP Revenue & Gross Profit by Segment

(unaudited, in thousands)

Six Months Ended June 30, 2006

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES:			
APG	25,141		25,141
RFS	7,697		7,697
MSG	4,784		4,784
LICENSING	7,772		7,772
Eliminations	(70)		(70)
TOTAL REVENUES	45,324		45,324
GROSS PROFIT:			
APG	7,859	(92) (b)	7,951
RFS	5,403	(71) (b)	5,474
MSG	4,755		4,755
LICENSING	7,764		7,764
Eliminations	(3)		(3)
TOTAL GROSS PROFIT	25,778	(163)	25,941

Six Months Ended June 30, 2005

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES:			
APG	23,705		23,705
RFS	6,382		6,382
MSG	2,433		2,433
LICENSING	823		823
Eliminations	(23)		(23)
TOTAL REVENUES	33,320		33,320

GROSS PROFIT:

APG	8,386	(5) (b)	8,391
RFS	4,590	(2) (b)	4,592
MSG	2,354		2,354
LICENSING	816		816
Eliminations	(4)		(4)
TOTAL GROSS PROFIT	16,142	(7)	16,149

(a) These adjustments reconcile the Company's GAAP gross profit to its non-GAAP gross profit. The Company believes that presentation of results excluding non-cash share-based compensation provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results and facilitates comparison of gross profit across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These non-GAAP measures should not be viewed as a substitute for the Company's GAAP results.

(b) This adjustment reflects the non cash stock based compensation expense for restricted stock grants and stock bonuses awarded to the Company's employees. The adjustment for the six months ended June 30, 2006 also includes non cash stock based compensation expense for stock options in accordance with SFAS No. 123R.

PCTEL, Inc.

Reconciliation Of Non GAAP To GAAP Results Of Operations (a)

(unaudited, in thousands)

Three Months Ended June 30, 2006

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES	\$26,758		\$26,758
COST OF REVENUES	9,702	(86) (b)	9,616
GROSS PROFIT	17,056	86	17,142
OPERATING EXPENSES:			
Research and development	3,336	(161) (b)	3,175
Sales and marketing	3,196	(215) (b)	2,981
General and administrative	3,725	(603) (b)	3,122
Amortization of other intangible assets	1,056	(1,056)	-
Restructuring benefit	(1,269)		(1,269)
Gain on sale of assets and related royalties	(250)		(250)
Total operating expenses	9,794	(2,035)	7,759
INCOME (LOSS) FROM OPERATIONS	7,262	2,121	9,383
OTHER INCOME, NET	747		747

INCOME (LOSS) BEFORE INCOME TAXES	8,009	2,121	10,130
PROVISION (BENEFIT) FOR INCOME TAXES	1,683		1,683
NET INCOME (LOSS)	\$6,326	\$2,121	\$8,447
Earnings (loss) per share			
Basic	\$0.30		\$0.41
Diluted	\$0.29		\$0.39
Shares used in computing EPS (in thousands)			
Basic	20,837		20,837
Diluted	21,586		21,586

Three Months Ended June 30, 2005

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES	\$18,313		\$18,313
COST OF REVENUES	9,609	(6)	9,603
GROSS PROFIT	8,704	6	8,710
OPERATING EXPENSES:			
Research and development	2,434	(70) (b)	2,364
Sales and marketing	2,934	(183) (b)	2,751
General and administrative	3,865	(663) (b)	3,202
Amortization of other intangible assets	854	(854)	-
Restructuring benefit	(70)		(70)
Gain on sale of assets and related royalties	(500)		(500)
Total operating expenses	9,517	(1,770)	7,747
INCOME (LOSS) FROM OPERATIONS	(813)	1,776	963
OTHER INCOME, NET	431		431
INCOME (LOSS) BEFORE INCOME TAXES	(382)	1,776	1,394
PROVISION (BENEFIT) FOR INCOME TAXES	(60)		(60)
NET INCOME (LOSS)	\$(322)	\$1,776	\$1,454
Earnings (loss) per share			
Basic	\$(0.02)		\$0.07
Diluted	\$(0.02)		\$0.07
Shares used in computing EPS (in thousands)			
Basic	20,108		20,108
Diluted	20,108		20,200

(a) These adjustments reconcile the Company's GAAP results of operations to its non-GAAP results of operations. The Company believes that presentation of results excluding items such as non-

cash share-based compensation and amortization of intangible assets provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results and facilitates comparison of operating results across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These non-GAAP measures should not be viewed as a substitute for the Company's GAAP results.

- (b) This adjustment reflects the non cash stock based compensation expense for restricted stock grants and stock bonuses awarded to the Company's employees. The adjustment for the three months ended June 30, 2006 also includes non cash stock based compensation expense for stock options in accordance with SFAS No. 123R.

PCTEL, Inc.

Reconciliation Of Non GAAP To GAAP Results Of Operations (a)

(unaudited, in thousands)

Six Months Ended June 30, 2006

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES	\$45,324		\$45,324
COST OF REVENUES	19,546	(163) (b)	19,383
GROSS PROFIT	25,778	163	25,941
OPERATING EXPENSES:			
Research and development	6,253	(306) (b)	5,947
Sales and marketing	6,738	(439) (b)	6,299
General and administrative	7,473	(1,307) (b)	6,166
Amortization of other intangible assets	2,093	(2,093)	--
Restructuring benefit	(716)		(716)
Gain on sale of assets and related royalties	(500)		(500)
Total operating expenses	21,341	(4,145)	17,196
INCOME (LOSS) FROM OPERATIONS	4,437	4,308	8,745
OTHER INCOME, NET	1,368		1,368
INCOME (LOSS) BEFORE INCOME TAXES	5,805	4,308	10,113
PROVISION FOR INCOME TAXES	1,676		1,676
NET INCOME (LOSS)	\$4,129	\$4,308	\$8,437
Earnings (loss) per share			
Basic	\$0.20		\$0.41
Diluted	\$0.19		\$0.39
Shares used in computing EPS (in thousands)			
Basic	20,656		20,656
Diluted	21,371		21,371

Six Months Ended June 30, 2005

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES	\$33,320		\$33,320
COST OF REVENUES	17,178	(7)	17,171
GROSS PROFIT	16,142	7	16,149
OPERATING EXPENSES:			
Research and development	4,905	(120) (b)	4,785
Sales and marketing	6,048	(315) (b)	5,733
General and administrative	8,031	(1,140) (b)	6,891
Amortization of other intangible assets	1,737	(1,737)	--
Restructuring benefit	(70)		(70)
Gain on sale of assets and related royalties	(1,000)		(1,000)
Total operating expenses	19,651	(3,312)	16,339
INCOME (LOSS) FROM OPERATIONS	(3,509)	3,319	(190)
OTHER INCOME, NET	970		970
INCOME (LOSS) BEFORE INCOME TAXES	(2,539)	3,319	780
PROVISION FOR INCOME TAXES	101		101
NET INCOME (LOSS)	\$(2,640)	\$3,319	\$679
Earnings (loss) per share			
Basic	\$(0.13)		\$0.03
Diluted	\$(0.13)		\$0.03
Shares used in computing EPS (in thousands)			
Basic	20,014		20,014
Diluted	20,014		20,357

(a) These adjustments reconcile the Company's GAAP results of operations to its non-GAAP results of operations. The Company believes that presentation of results excluding items such as non-cash share-based compensation and amortization of intangible assets provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results and facilitates comparison of operating results across reporting periods. The Company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These non-GAAP measures should not be viewed as a substitute for the Company's GAAP results.

(b) This adjustment reflects the non cash stock based compensation expense for restricted stock grants and stock bonuses awarded to the Company's employees. The adjustment for the six months ended June 30, 2006 also includes non cash stock based compensation expense for stock options in accordance with SFAS No. 123R.

PCTEL, Inc.

John Schoen, 773-243-3000

or

Jack Seller (Public Relations), 773-243-3016

jack.seller@pctel.com

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