



November 1, 2004

PCTEL Posts \$10.7 Million In Third Quarter Revenue

Wireless Revenue Up 190% Over Third Quarter Last Year

CHICAGO, Nov 1, 2004 (BUSINESS WIRE) -- PCTEL, Inc. (NASDAQ:PCTI), a global leader in simplifying mobility, today announced financial results for the third quarter ended September 30, 2004. Total revenue was \$10.7 million for the third quarter of 2004, including \$9.3 million of wireless product revenue and \$1.4 million of licensing revenue. This compares to \$4.0 million of revenue in the third quarter 2003, which included \$3.2 million of wireless revenue, \$0.8 million of licensing revenue. The increase in wireless revenue was primarily due to the acquisition of MAXRAD in the first quarter 2004 and wireless carrier contract wins to date for the Company's Mobility Solutions software products.

Net loss for the third quarter of 2004 was \$(2.6) million, or \$(0.13) per diluted share, compared to net loss of \$(2.3) million, or \$(0.12) per diluted share reported in the third quarter of 2003. Last year's third quarter was the first full quarter without any modem revenues.

The company previously announced the acquisition of several antenna product lines from Andrew Corporation (NASDAQ:ANDW). That transaction closed on October 29, 2004 and the results from operations will be reported in the fourth quarter.

"We are pleased with our continued progress in growing a strong, wireless business," said Marty Singer, PCTEL's Chairman and CEO. "While we had anticipated stronger growth for our SoftAP™ and for our government products for signal intelligence (SIGINT) applications, we made great progress in expanding our footprint with carriers for both our Roaming Client and CLARIFY and scanning receiver products. We were particularly pleased with our penetration of certain OEM accounts for our Maxrad Product Group and the progress that we made in closing our fourth acquisition in less than two and half years," added Singer.

Since June 2002, PCTEL acquired CyberPixie, now its Mobility Solutions Group; DTI, now its RF Solutions Group; Maxrad, now its Maxrad Product Group, and two new product lines from Andrew Corporation. During the same period, PCTEL divested its modem product line.

Cash and short-term investments on September 30, 2004 were \$102.3 million, a decrease of \$1.3 million from the second quarter of 2004. The decrease is primarily attributed to the stock buyback program. The company repurchased 155,700 of its shares during the quarter just ended. As of September 30, 2004, the company has repurchased 1.86 million out of the 2.5 million shares authorized by the Board of Directors under its share buyback program.

CONFERENCE CALL / WEBCAST

The company will hold a conference call at 4:00 PM CST (5:00 PM EST) 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 (913) 981-4910 (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 (888) 203-1112 (U.S. / Canada) or (719) 457-0820 (international) access code: 835575.

ABOUT PCTEL

PCTEL (NASDAQ:PCTI), founded in March 1994, is a global leader in simplifying mobility. PCTEL's Mobility Solutions' software tools simplify installation, roaming, Internet access and billing. PCTEL's RF Solutions' portfolio of OEM receivers and receiver-based products are used to measure and monitor cellular networks. PCTEL's MAXRAD Product Group 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 wireless carriers, wireless ISPs, distributors, wireless test and measurement companies, system integrators, PC manufacturers and PC card and board manufacturers. 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 its future business prospects and 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
REVENUES	\$ 10,735	\$ 4,030	\$ 32,923	\$ 27,288
COST OF REVENUES	4,450	755	12,451	12,871
INVENTORY RECOVERY	-	-	-	(1,800)
GROSS PROFIT	6,285	3,275	20,472	16,217
OPERATING EXPENSES:				
Research and development	1,972	1,792	6,129	6,093
Sales and marketing	2,612	1,501	8,081	5,655
General and administrative	3,761	2,644	10,160	7,295
Amortization of other intangible assets	709	343	2,132	781
Acquired in-process research and development	-	-	-	1,100
Restructuring charges	(136)	288	(195)	2,940
Gain on sale of assets and related royalties	(500)	(644)	(1,500)	(4,976)
Amortization of deferred compensation	384	208	1,040	748
Total operating expenses	8,802	6,132	25,847	19,636
LOSS FROM OPERATIONS	(2,517)	(2,857)	(5,375)	(3,419)
OTHER INCOME, NET	349	291	859	1,120
LOSS BEFORE PROVISION (BENEFIT) FOR INCOME TAXES	(2,168)	(2,566)	(4,516)	(2,299)
PROVISION (BENEFIT) FOR INCOME TAXES	458	(248)	(714)	(155)
NET LOSS	\$ (2,626)	\$ (2,318)	\$ (3,802)	\$ (2,144)

Basic earnings (loss)

per share	\$ (0.13)	\$ (0.12)	\$ (0.19)	\$ (0.11)
Shares used in computing basic earnings (loss) per share	20,174	19,663	20,129	19,913
Diluted earnings (loss) per share	\$ (0.13)	\$ (0.12)	\$ (0.19)	\$ (0.11)
Shares used in computing diluted earnings (loss) per share	20,174	19,663	20,129	19,913

PCTEL, Inc.

Consolidated Condensed Balance Sheets
(unaudited, in thousands)

	September 30, 2004	December 31, 2003
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ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 102,085	\$ 106,007
Restricted cash	208	278
Short-term investments	-	19,177
Accounts receivable, net	6,788	3,630
Inventories, net	3,630	1,267
Prepaid expenses and other assets	2,240	1,929
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Total current assets	114,951	132,288
PROPERTY AND EQUIPMENT, net	4,479	1,197
GOODWILL	11,574	5,561
OTHER INTANGIBLE ASSETS, net	8,668	4,140
OTHER ASSETS	186	55
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TOTAL ASSETS	\$ 139,858	\$ 143,241
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,340	\$ 333
Accrued royalties	3,216	3,208
Income taxes payable	5,574	7,359
Deferred revenue	2,118	2,960
Accrued liabilities	5,455	5,739
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Total current liabilities	17,703	19,599
LONG-TERM LIABILITIES	343	736
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Total liabilities	18,046	20,335
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STOCKHOLDERS' EQUITY:		
Common stock	21	20
Additional paid-in capital	160,454	155,548
Deferred compensation	(4,711)	(2,552)
Accumulated deficit	(34,003)	(30,201)
Accumulated other comprehensive income	51	91
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Total stockholders' equity	121,812	122,906
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TOTAL LIABILITIES AND STOCKHOLDERS'		

EQUITY	\$	139,858	\$	143,241
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SOURCE: PCTEL, Inc.

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