



April 27, 2006

## **PCTEL Posts \$18.6 Million In First Quarter Revenue; Up 24 Percent Over Same Period In 2005**

CHICAGO, Apr 27, 2006 (BUSINESS WIRE) -- PCTEL, Inc. (NASDAQ:PCTI), a leader in wireless broadband solutions, announced results for the first quarter ending March 31, 2006. Financial highlights of the quarter were:

- \$18.6 million in revenue for the quarter, which is an increase of 24 percent over the first quarter 2005.
- \$12.4 million in revenue for the quarter from the Antenna Products Group. This is an increase of 20 percent over the first quarter last year. The comparison is favorably impacted by the acquisition of the iVET(TM) product line during the third quarter of 2005. Without that acquisition, APG revenue increased 3% over the first quarter last year.
- \$2.1 million in revenue for the quarter from the Mobility Solutions Group. This is an increase of 89 percent over the first quarter last year.
- \$3.7 million in revenue for the quarter from the RF Solutions Group. This is a 20 percent increase over the first quarter of last year.
- \$0.4 million in licensing revenue for the quarter, a decrease of \$0.1 million from the first quarter last year.
- A GAAP net loss of \$(2.2) million for the quarter, or \$(0.11) per share, compared to \$(2.3) million net loss, or \$(0.12) per share for the same period in 2005. First quarter results this year include a \$0.5 million restructuring expense related to the impending closure of the Company's Dublin Factory.
- A Non-GAAP break even net income, compared to \$(0.8) million net loss, or \$(0.04) per share for the same period in 2005. The company's reporting of non-GAAP income includes the \$0.5 million restructuring expense related to the impending closure of the Company's Dublin Factory. It excludes non-cash based expenses for stock compensation and amortization of intangible assets related to the company's acquisitions. Those expenses were \$2.2 million in the first quarter 2006 compared to \$1.5 million for the same period a year ago.
- \$58.8 million of cash at March 31, 2006, down \$0.4 million from December 31, 2005.

"Our first quarter results reflect more effective operational performance and the advantages of a diversified approach to exploiting the opportunities in broadband wireless," said Marty Singer, PCTEL's Chairman and CEO. "We anticipate stronger results as we move forward with our plans to outsource production from Ireland, improve margins in APG, and continue to aggressively grow our high margin businesses in MSG and RFSG," added Singer.

The company will discuss these results and the market trends driving the increased revenue 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, April 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](http://www.pctel.com), or <http://investor.pctel.com/MediaList.cfm>

REPLAY: A replay will be available for two weeks after the call on PCTEL's web site at [www.pctel.com](http://www.pctel.com) or by calling (888) 203-1112 (U.S. / Canada) or (719) 457-0820 (international) access code: 8812546.

## 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 March 31,	
	2006	2005
REVENUES	\$ 18,566	\$ 15,008
COST OF REVENUES	9,844	7,570
GROSS PROFIT	8,722	7,438
OPERATING EXPENSES:		
Research and development	2,916	2,470
Sales and marketing	3,543	3,115
General and administrative	3,748	4,167
Amortization of other intangible assets	1,037	883
Restructuring charges	553	--
Gain on sale of assets and related royalties	(250)	(500)
Total operating expenses	11,547	10,135
LOSS FROM OPERATIONS	(2,825)	(2,697)
OTHER INCOME, NET	620	541

LOSS BEFORE PROVISION (BENEFIT) FOR		
INCOME TAXES	(2,205)	(2,156)
PROVISION (BENEFIT) FOR INCOME TAXES	(7)	161
	-----	-----
NET LOSS	\$ (2,198)	\$ (2,317)
	=====	=====
Basic loss per share	\$ (0.11)	\$ (0.12)
Shares used in computing basic loss per share	20,632	20,043
Diluted loss per share	\$ (0.11)	\$ (0.12)
Shares used in computing diluted loss per share	20,632	20,043

PCTEL Inc.  
Consolidated Condensed Balance Sheets  
(unaudited, in thousands)

	March 31, 2006	December 31, 2005
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 58,622	\$ 58,966
Restricted cash	208	208
Accounts receivable, net	13,600	13,725
Inventories, net	9,827	9,547
Prepaid expenses and other assets	2,407	3,109
	-----	-----
Total current assets	84,664	85,555
PROPERTY AND EQUIPMENT, net	11,419	11,190
GOODWILL	31,406	31,020
OTHER INTANGIBLE ASSETS, net	15,609	16,457
OTHER ASSETS	227	283
	-----	-----
TOTAL ASSETS	\$ 143,325	\$ 144,505
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 2,109	\$ 2,251
Income taxes payable	5,256	5,297
Deferred revenue	1,893	1,944
Accrued liabilities	6,388	6,368
	-----	-----
Total current liabilities	15,646	15,860
Pension liability	3,047	3,047
LONG-TERM LIABILITIES	1,364	1,571
	-----	-----
Total liabilities	20,057	20,478
	-----	-----
STOCKHOLDERS' EQUITY:		
Common stock	22	22
Additional paid-in capital	170,175	167,829
Deferred compensation	(8,504)	(7,004)
Accumulated deficit	(38,850)	(36,652)

Accumulated other comprehensive income	425	(168)
Total stockholders' equity	123,268	124,027
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 143,325	\$ 144,505
	=====	=====

PCTEL Inc.

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

	Three Months Ended March 31,	
	2006	2005
REVENUES:		
APG	\$ 12,388	\$ 10,321
RFS	3,706	3,083
MSG	2,117	1,122
LICENSING	390	492
Eliminations	(35)	(10)
TOTAL REVENUES	\$ 18,566	\$ 15,008
GROSS PROFIT:		
APG	\$ 3,681	\$ 3,546
RFS	2,578	2,328
MSG	2,082	1,080
LICENSING	385	487
Eliminations	(4)	(3)
TOTAL GROSS PROFIT	\$ 8,722	\$ 7,438

PCTEL, Inc.

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

(unaudited, in thousands)

	Three Months Ended March 31, 2006		
	As Reported	Non-GAAP Adjustments (a)	Non GAAP
REVENUES	\$18,566		\$18,566
COST OF REVENUES	9,844	(77) (b)	9,767
GROSS PROFIT	8,722	77	8,799
OPERATING EXPENSES:			
Research and development	2,916	(145) (b)	2,771
Sales and marketing	3,543	(224) (b)	3,319

General and administrative	3,748	(703) (b)	3,045
Amortization of other intangible assets	1,037	(1,037)	-
Restructuring charges	553		553
Gain on sale of assets and related royalties	(250)		(250)
	-----	-----	-----
Total operating expenses	11,547	(2,109)	9,438
	-----	-----	-----
LOSS FROM OPERATIONS	(2,825)	2,186	(639)
OTHER INCOME, NET	620		620
	-----	-----	-----
LOSS BEFORE INCOME TAXES	(2,205)	2,186	(19)
PROVISION (BENEFIT) FOR INCOME TAXES	(7)		(7)
	-----	-----	-----
NET LOSS	\$(2,198)	\$2,186	\$(12)
	-----	-----	-----
Earnings (loss) per share			
Basic	\$(0.11)		\$0.00
Diluted	\$(0.11)		\$0.00
Shares used in computing EPS (in thousands)			
Basic	20,632		20,632
Diluted	20,632		20,632

Three Months Ended March 31, 2005

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
	-----	-----	-----
REVENUES	\$15,008		\$15,008
COST OF REVENUES	7,570	(2)	7,568
	-----	-----	-----
GROSS PROFIT	7,438	2	7,440
OPERATING EXPENSES:			
Research and development	2,470	(50) (b)	2,420
Sales and marketing	3,115	(133) (b)	2,982
General and administrative	4,167	(477) (b)	3,690
Amortization of other intangible assets	883	(883)	-
Restructuring charges	-		-
Gain on sale of assets and related royalties	(500)		(500)
	-----	-----	-----
Total operating expenses	10,135	(1,543)	8,592
	-----	-----	-----
LOSS FROM OPERATIONS	(2,697)	1,545	(1,152)
OTHER INCOME, NET	541		541
	-----	-----	-----
LOSS BEFORE INCOME TAXES	(2,156)	1,545	(611)
PROVISION (BENEFIT) FOR INCOME TAXES	161		161
	-----	-----	-----
NET LOSS	\$(2,317)	\$1,545	\$(772)
	-----	-----	-----

Earnings (loss) per share

Basic	\$ (0.12)	\$ (0.04)
Diluted	\$ (0.12)	\$ (0.04)
Shares used in computing		
EPS (in thousands)		
Basic	20,043	20,043
Diluted	20,043	20,043

(a) These adjustments reconcile the Company's GAAP results of operation 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) The 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 March 31, 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

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(unaudited, in thousands)

Three Month Ended March 31, 2006

	As Reported	Non-GAAP Adjustments (a)	Non GAAP
-----			
REVENUES:			
-----			
APG	12,388		12,388
RFS	3,706		3,706
MSG	2,117		2,117
LICENSING	390		390
Eliminations	(35)		(35)
	-----	-----	-----
TOTAL REVENUES	18,566		18,566
	-----	-----	-----
GROSS PROFIT:			
-----			
APG	3,681	(44)	3,725
RFS	2,578	(33)	2,611
MSG	2,082		2,082
LICENSING	385		385
Eliminations	(4)		(4)
	-----	-----	-----
TOTAL GROSS PROFIT	8,722	(77)	8,799
	-----	-----	-----

Three Month Ended March 31, 2005

	As Reported	Non-GAAP Adjustments	Non GAAP
REVENUES:			
-----			
APG	10,321		10,321
RFS	3,083		3,083
MSG	1,122		1,122
LICENSING	492		492
Eliminations	(10)		(10)
	-----	-----	-----
TOTAL REVENUES	15,008		15,008
	-----	-----	-----
GROSS PROFIT:			
-----			
APG	3,546	(1)	3,547
RFS	2,328	(1)	2,329
MSG	1,080		1,080
LICENSING	487		487
Eliminations	(3)		(3)
	-----	-----	-----
TOTAL GROSS PROFIT	7,438	(2)	7,440
	-----	-----	-----

(a) 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 March 31, 2006 also includes non cash stock based compensation expense for stock options in accordance with SFAS No. 123R.

SOURCE: PCTEL, Inc.

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