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PCTEL Takes Measures to Increase Competitive Focus

Milpitas, CA – May 1, 2001 – PCTEL, Inc. (NASDAQ: PCTI), a leading provider of personal connectivity and Internet access technology, today announced a new business structure that will result in greater focus for its activities.

"We have organized PCTEL into three product groups: our analog modem business, the embedded connectivity business, and advanced communications products, including wireless and other broadband opportunities," stated Bill Roach, president and chief executive officer of PCTEL. "This action will provide better focus on the unique customer requirements of each particular market. The product group structure creates focus, customer ownership and responsibility."

PCTEL has established this new business structure with a significantly reduced workforce. Approximately 20 percent of existing positions were eliminated as part of the reorganization. "We are committed to aligning our cost structure with the pricing and margin conditions of the market. These measures prepare PCTEL to compete more effectively in a highly-competitive marketplace," Roach continued.

ABOUT PCTEL

PCTEL, founded in March 1994, is driving the evolution of innovative, cost-effective personal connectivity solutions including analog soft modems, digital broadband, home networking and embedded Internet access technology. The company is a market leader and has a wide-ranging and comprehensive portfolio of more than 43 broadband and analog communications patents, including the key and essential patents for HSP modem technology. PCTEL products are available to PC and data communications equipment manufacturers, as well as a variety of vertical market OEMs. PCTEL is located at 1331 California Circle, Milpitas, California, 95035. Telephone: (408) 965-2100. Fax: (408) 895-0178. For more information on PCTEL products, visit the PCTEL website at <http://www.pctel.com>.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Exchange Act of 1934, as amended. These forward-looking statements are subject to significant risks and uncertainties. In particular, the statements concerning the greater focus of the company's activities, aligning the company's cost structure and competing more effectively are forward-looking statements. Actual results may differ materially from those projected as a result of certain risks and uncertainties. These risks and uncertainties include, but are not limited to: the recent economic slowdown; the rapid deterioration in PC demand; our ability to forecast customer demand in this environment; the cyclical nature of the semiconductor and PC industries; demand for and market acceptance of new alternative Internet access devices, set-top boxes, game consoles and other connected appliances; the ability to develop and implement new technologies and to obtain protection for the related intellectual property. Operating and financial results can be affected by market conditions resulting in revenues deviating from projections which may result in increased operating expenses, additions to reserve positions, lower gross margins, higher working capital ratios. Our litigation expenses are dependent on a number of factors not all of which are within the company's control. These as well as other risks and uncertainties, including but not limited to those detailed from time to time in the company's Securities and Exchange Commission filings can affect results. These forward-looking statements are made only as of the date hereof, and the company disclaims any obligation to update or revise the information contained in any forward-looking statements, whether as a result of new information, future events or otherwise.

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