



February 8, 2001

PCTEL Announces Force Reduction to Align Costs in Legacy Business

Focus on Broadband, Embedded and Wireless Sectors

Milpitas, CA – February 8, 2001 – PCTEL, Inc. (NASDAQ: PCTI), a leading provider of personal connectivity and Internet access technology, today announced a series of actions to streamline support for its legacy voiceband business and sharpen its focus on broadband, embedded and wireless sectors. These measures are part of a restructuring program to return the company to early profitability and operational effectiveness, and include an 11 percent reduction in staff worldwide, a hiring freeze and operating expense controls.

After seventeen consecutive profitable quarters, PCTEL recently posted a loss for the quarter ended December 31, 2000. At that time, the company indicated it would align its operating expenses to meet current market conditions and return the company to its prior financial performance standards, while continuing to focus on emerging growth segments of its business.

"These actions should be viewed in the context of an overall strategic restructuring of the company, which will include forthcoming management changes," stated Bill Roach, president and chief operating officer of PCTEL. "We believe these steps, which will improve the cost-effectiveness of our legacy PC modem business, coupled with our investment in off-shore development capacity and our focus on new opportunities in broadband connectivity, embedded and wireless markets, will properly position PCTEL for the future."

On January 17, PCTEL announced the acquisition of BlueCom Technology, a Taiwan-based MMX signal-processing (MSP) technology firm. BlueCom will assume primary responsibility for supporting PCTEL's legacy analog connectivity business. This restructuring of responsibilities within the company allows management to assign senior engineering resources at its Milpitas operation to its new initiatives in wireless and broadband. It also created overlapping responsibilities that the company is addressing with the force reduction.

"Force reductions are always painful," Roach continued. "On the other hand, we feel confident that this new structure will result in a more cost-effective voiceband business and help us focus on new product initiatives that will really make a difference to our future. These actions, along with anticipated management changes, will provide a solid base on which we can scale PCTEL to become a larger company."

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, high-density carrier-side and embedded Internet access technology. The company's market leadership has led to 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, Calif., 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" as defined in the Private Securities Litigation Reform Act of 1995, regarding early profitability, management changes, investment in off-shore development capacity, new opportunities in broadband connectivity, embedded and wireless markets and new product initiatives. 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 demand for personal computers and the markets addressed by the company's and its customers' products; the cyclical nature of the semiconductor and PC industries; demand for and market acceptance of new alternative Internet access devices; the ability to develop and implement new technologies and to obtain protection for the related intellectual property; 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. 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.