



July 29, 2003

PCTEL Nets \$1.1 Million In Second Quarter

CHICAGO, Jul 29, 2003 (BUSINESS WIRE) --

Company Achieves \$2.9 Million In Wireless and Licensing Revenue

PCTEL, Inc. (NASDAQ:PCTI), a leading provider of wireless solutions and access technology, today announced financial results for the second quarter ending June 30, 2003. Total revenue was \$10.2 million for the second quarter of 2003 compared to \$9.6 million reported in the second quarter of 2002. Net income for the second quarter of 2003 was \$1.1 million, or \$0.05 per diluted share, compared to a net loss of \$(0.1) million, or \$(0.01) per diluted share reported in the second quarter of 2002. Second quarter 2003 results included a \$4.3 million gain on sale of its HSP modem line and a restructuring charge of \$2.5 million.

During the second quarter ending June 30, 2003, PCTEL sold its HSP modem product line to Conexant Systems, Inc. (NASDAQ:CNXT). Total revenue in the quarter included \$7.3 million related to HSP modems up to the time of the sale, and \$2.9 million related to the company's ongoing wireless and licensing products. A year ago in the quarter ended June 30, 2002, the company had no revenue in wireless products and \$0.7 million in licensing revenue.

"We are pleased to report revenue from all our new business activities - licensing, Wi-Fi, and software-defined radios," said Marty Singer, PCTEL's Chairman and CEO. "In addition to our financial results, our Segue(TM) Roaming Client achieved significant traction in the industry as a result of our recently announced agreement with AT&T Wireless. With the divestiture of the HSP modem product line, we are now sharply focused on our wireless and intellectual property initiatives. We will leverage our strong balance sheet to invest aggressively in these activities and our shareholders should anticipate additional acquisitions and elevated product development and legal expenses as we build momentum for 2004.

Cash and short-term investments ended the quarter at \$111.8 million, an increase of \$10.7 million from the first quarter of 2003. Both the initial cash received from the HSP modem product line divestiture and employee stock options exercised during the quarter positively impacted the cash position. The company anticipates an additional \$4 million in cash from the HSP modem product line divestiture in the fourth quarter ending December 31, 2003. As of June 30, 2003, the company has repurchased 1.281 million out of the 2.0 million shares authorized by the board of Directors under its two share buyback programs. During the quarter ended June 30, 2003, 20,000 shares were repurchased under these programs.

CONFERENCE CALL / WEBCAST

The company will hold a conference call at 4:00 PM CDT (5:00 PM EDT) 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 (973) 317-5317 (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 (800) 428-6051 (U.S. / Canada) or (973) 709-2089 (international) access code: 300375.

About PCTEL

PCTEL, founded in March 1994, is a leading provider of wireless solutions and access technology. PCTEL's products include WLAN software products (Segue(TM) Product Line) that simplify installation, roaming, Internet access and billing. Through its subsidiary, DTI, the company designs, develops and distributes OEM receivers and receiver-based products that measure and monitor cellular networks. The company maintains a portfolio of more than 120 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 PC manufacturers, PC card and board manufacturers, wireless carriers, wireless ISPs, software distributors, wireless test and measurement companies, and system integrators. 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:

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 wireless and licensing business; the ability to leverage the company's balance sheet to invest in future wireless and intellectual property initiatives through elevated product development, legal expenses, and additional acquisitions; the collection of future amounts due from the HSP modem product line divestiture; its intention to repurchase additional shares of its common stock, 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. Some of these risks include, 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 June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
REVENUES	\$ 10,176	\$ 9,557	\$ 23,258	\$ 19,899
COST OF REVENUES	4,210	5,568	12,117	10,794
INVENTORY RECOVERY	(452)	(1,553)	(1,800)	(1,553)
GROSS PROFIT	6,418	5,542	12,941	10,658
OPERATING EXPENSES (INCOME) :				
Research and development	2,183	2,761	4,301	5,157
Sales and marketing	1,892	1,853	4,154	3,491
General and administrative	2,800	1,142	4,651	2,608
Amortization of goodwill and other intangible assets	339		438	
Acquired in-process research and development			1,100	
Restructuring charges	2,496	647	2,651	647
Gain on sale of assets and related royalties	(4,332)		(4,332)	
Amortization of deferred compensation	241	183	540	358
Total operating expenses	5,619	6,586	13,503	12,261

INCOME (LOSS) FROM OPERATIONS	799	(1,044)	(562)	(1,603)
OTHER INCOME, NET:				
Other income, net	334	937	829	1,990
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INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	1,133	(107)	267	387
PROVISION FOR INCOME TAXES	29	31	93	63
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NET INCOME (LOSS)	\$ 1,104	\$ (138)	\$ 174	\$ 324
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Basic earnings (loss) per share	\$ 0.06	\$ (0.01)	\$ 0.01	\$ 0.02
Shares used in computing basic earnings per share	19,469	19,933	19,733	19,827
Diluted earnings (loss) per share	\$ 0.05	\$ (0.01)	\$ 0.01	\$ 0.02
Shares used in computing diluted earnings per share	20,807	19,933	20,635	20,042

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

	June 30, 2003	December 31, 2002
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ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 91,542	\$ 53,333
Short-term investments	20,228	58,405
Accounts receivable, net	1,068	5,379
Inventories, net	1,032	1,115
Non-Trade Receivable	4,000	
Prepaid expenses and other assets	3,051	5,144
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Total current assets	120,921	123,376
PROPERTY AND EQUIPMENT, net	1,012	1,532
GOODWILL AND OTHER INTANGIBLE ASSETS, net	9,087	1,620
OTHER ASSETS	635	2,898
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TOTAL ASSETS	\$ 131,655	\$ 129,426
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 557	\$ 1,498
Accrued royalties	3,282	3,658
Income taxes payable	6,181	6,289
Accrued liabilities	6,110	5,313
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Total current liabilities	16,130	16,758
LONG-TERM LIABILITIES	138	115
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Total liabilities	16,268	16,873
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STOCKHOLDERS' EQUITY:

Common stock	20	20
Additional paid-in capital	153,323	152,272
Deferred compensation	(2,177)	(3,958)
Retained earnings (deficit)	(35,905)	(36,079)
Accumulated other comprehensive income	126	298
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Total stockholders' equity	115,387	112,553
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$	131,655	\$ 129,426
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SOURCE: PCTEL, Inc.

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