



February 5, 2002

PCTEL Announces Results of Operations for Fourth Quarter and Fiscal Year 2001

MILPITAS, Calif., Feb. 5 /PRNewswire-FirstCall/ -- PCTEL, Inc. (Nasdaq: PCTI), a leading provider of personal connectivity and Internet access technology, today announced results for the fourth quarter and fiscal year 2001. The company announced the stabilization of product and licensing revenue and a continued strong balance sheet position.

Fourth quarter total revenue was \$7.5 million, comprised of \$4.7 million of product and licensing revenue and collection of \$2.8 million of previously reserved accounts receivable. This compares to \$4.7 million of product and licensing revenue in the third quarter. Net loss for the fourth quarter was \$(6.1) million or \$(0.31) per diluted share. This compares to a loss of \$(41.4) million or \$(2.13) per diluted share in the third quarter. The sequential improvement in the net loss is due to the significant charges taken in the third quarter for goodwill, inventory, deferred taxes, restructuring and other charges and the accounts receivable recovery in the fourth quarter.

The company's balance sheet remains strong. Cash and short-term investments ended the year at \$125.6 million, with no debt.

2001 Financial Summary

Total revenue for the full year was \$41.0 million, compared to \$97.2 million in 2000. The decline was largely attributable to the economic slow down in the PC industry combined with a build up of inventory in the channel. The full year net loss was \$(58.2) million or \$(3.02) per diluted share. This compares to net income of \$6.1 million or \$0.30 per diluted share in 2000. The 2001 results include significant charges to earnings totaling \$38.2 million. These charges were for goodwill impairment of \$16.8 million, inventory reserves of \$10.9 million, change in deferred tax valuation of \$5.3 million, restructuring and other charges of \$5.2 million. While the fourth quarter had a significant recovery of accounts receivable previously reserved, the net specific accounts receivable reserved and recovered for the year was negligible.

"We had three goals for the first 90 days," said Marty Singer, PCTEL's recently appointed chairman and CEO. "They were to establish a new management team, identify and eliminate areas of unnecessary cost and stabilize product revenues and pricing. We have made significant progress on those goals and we are now prepared to turn our attention to the future."

CONFERENCE CALL / WEBCAST

The company will hold a conference call at 2:00 p.m. PST (5:00 p.m. 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 888-343-2180 (domestic) or 646-862-1115 (international).

To listen via the Internet, please visit, <http://www.pctel.com>, or <http://www.videonewswire.com/event.asp?id=2938> .

REPLAY: The replay will be available on PCTEL's web site at <http://www.pctel.com> or by calling 800-633-8284 (domestic) or (858) 812-6440 (international); access code: 20274120.

ABOUT PCTEL

PCTEL, founded in March 1994, is leading the evolution of innovative, cost-effective Internet access solutions, including analog soft modems and embedded DSP-based modems. The company's market leadership is built upon a wide-ranging and comprehensive portfolio of more than 80 analog and broadband communications patents, issued or pending, including the key and essential patents for Host Signal Processing (HSP) modem technology. PCTEL products are available to PC and data communications equipment manufacturers. PCTEL is located at 1331 California Circle, Milpitas, CA., 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 the company's intent to enter future markets other than the analog modem business. 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; and the ability to develop and implement new technologies and to obtain protection for the related intellectual property. The risks and uncertainties in the company's business, 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.

PCTEL, Inc.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
	(Unaudited)			
REVENUES	\$7,527	\$16,654	\$40,971	\$97,183
COST OF REVENUES	2,597	11,262	27,899	53,940
INVENTORY LOSSES (RECOVERIES)	(368)	--	10,920	--
GROSS PROFIT	5,298	5,392	2,152	43,243
OPERATING EXPENSES:				
Research and development	2,452	2,521	11,554	14,130
Sales and marketing	1,915	3,908	10,926	14,293
General and administrative	5,277	2,389	14,023	8,058
Acquired in-process research and development	--	--	--	1,600
Amortization of goodwill and other intangible assets	146	811	3,068	2,638
Goodwill impairment	1,225	--	16,775	--
Restructuring charges	1,406	--	3,787	--
Amortization of deferred compensation	238	311	1,081	1,308
Total operating expenses	12,659	9,940	61,214	42,027
INCOME (LOSS) FROM OPERATIONS	(7,361)	(4,548)	(59,062)	1,216
OTHER INCOME, NET: Other income, net	1,279	2,122	6,154	7,288
INCOME (LOSS) BEFORE PROVISION (BENEFIT) FOR INCOME TAXES	(6,082)	(2,426)	(52,908)	8,504
PROVISION (BENEFIT) FOR INCOME TAXES	21	(667)	5,311	2,366
NET INCOME (LOSS)	\$(6,103)	\$(1,759)	\$(58,219)	\$6,138
Basic earnings (loss) per share	\$(0.31)	\$(0.09)	\$(3.02)	\$0.34
Shares used in computing basic earnings per share	19,494	18,755	19,275	18,011

Diluted earnings				
(loss) per share	\$ (0.31)	\$ (0.09)	\$ (3.02)	\$ 0.30
Shares used in				
computing diluted				
earnings per share	19,494	18,755	19,275	20,514

PCTEL, Inc.

Consolidated Condensed Balance Sheets
(in thousands)

	December 31, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$38,393	\$25,397
Short-term investments	87,235	92,983
Accounts receivable, net	2,849	24,112
Inventories, net	2,870	13,837
Prepaid expenses and other assets	5,055	4,369
Deferred tax asset	400	3,322
Total current assets	136,802	164,020
PROPERTY AND EQUIPMENT, net	2,769	4,722
GOODWILL AND OTHER INTANGIBLE ASSETS, net	384	21,662
DEFERRED TAX ASSET	--	2,333
OTHER ASSETS	228	219
TOTAL ASSETS	\$140,183	\$192,956
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$4,944	\$9,142
Accrued royalties	12,343	11,656
Income taxes payable	5,573	3,417
Accrued liabilities	9,421	8,894
Total current liabilities	32,281	33,109
LONG-TERM LIABILITIES	141	--
Total liabilities	32,422	33,109
STOCKHOLDERS' EQUITY:		
Common stock	20	19
Additional paid-in capital	150,319	146,461
Deferred compensation	(1,158)	(2,894)
Retained earnings (deficit)	(42,232)	15,987
Accumulated other comprehensive income	812	274
Total stockholders' equity	107,761	159,847
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$140,183	\$192,956