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## **PCTEL and Smart Link Settle Litigation**

### **Companies Cross-License Asserted Patents**

**Milpitas, CA and Netanya, Israel - May 22, 2001** - PCTEL, Inc. (NASDAQ: PCTI) and Smart Link Ltd. announced today the settlement of all pending litigation matters between the companies. The settlement includes the International Trade Commission's (ITC) HSP Modem investigation with respect to Smart Link, PCTEL's patent infringement lawsuit in the U. S. District Court for the District of Delaware, and Smart Link's patent infringement lawsuit against PCTEL in the U. S. District Court for the District of Massachusetts. PCTEL and Smart Link will jointly request that the ITC terminate its investigation with respect to Smart Link and will dismiss their respective District Court lawsuits.

Although the exact terms of the settlement were not disclosed, the parties agreed to dismiss all claims and counter-claims asserted in the litigation matters. As part of the settlement, Smart Link and PCTEL cross-licensed each other on the patents asserted in the pending litigation matters. PCTEL will receive payments and additional technology from Smart Link.

The settlement does not affect the pending ITC investigation with respect to PCTEL's complaint against ESS Technology, Inc.

"We are pleased to have Smart Link recognize the value of our intellectual property," stated Bill Roach, PCTEL's president and CEO. "We will continue to advance our portfolio of 72 granted or filed patents, and to lead the industry in the delivery of our exciting and cost-effective Internet connectivity products."

"We are delighted to have PCTEL's recognition of the value of our modem patent portfolio, and to have these disputes behind us," added Moty Mebel, CEO of Smart Link. "We will continue to increase our cooperation with modem market leaders, and are happy to have increased our access to PCTEL's modem patents. We intend to continue to increase our market share with unique and cost-effective Internet connectivity products," added Mebel.

### **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>.

### **ABOUT SMART LINK**

Smart Link Ltd. is a leading developer and supplier of software-based communication solutions for Internet access and broadband voice/data communication. The company's proprietary technology takes advantage of the excess computing power of today's microprocessors to perform advanced communication algorithms, replacing dedicated hardware with more cost effective, user-friendly, and flexible software based solutions. Smart Link's products include software and IC components that are easily integrated into personal computers and other information appliances. Smart Link maintains offices in Israel, USA, UK, and Taiwan. For more information visit Smart Link website at <http://www.smlink.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 advancing PCTEL's portfolio of patents, leading the industry and delivering Internet connectivity products 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, and 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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