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PCTEL Licenses Asserted Patents to ESS Technology

ESS Licenses Patents to PCTEL and PCTEL to Receive Payments and Additional Technology From ESS

MILPITAS, Calif., and FREMONT, Calif., Feb. 6 /PRNewswire-FirstCall/ -- PCTEL (Nasdaq: PCTI) a leading provider of personal connectivity and internet access technology and ESS Technology (Nasdaq: ESST) a leading provider of silicon solutions for digital video, digital home systems, and home networking solutions, today announced 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 ESS and a lawsuit involving nine PCTEL patents currently pending in U.S. District Court for the Northern District of California. PCTEL and ESS will jointly request that the ITC terminate the investigation and will jointly request dismissal of the U.S. District Court case.

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, the parties entered into a cross-license involving PCTEL's patents asserted in the litigation matters and ESS's modem patent portfolio. PCTEL will receive royalty payments and additional technology from ESS.

Marty Singer, chairman and CEO of PCTEL stated, "We were pleased that the ITC validated our technology and we are extremely pleased that we have reached an agreement with ESS that recognizes the value of our patent portfolio. We have a strong and tested modem patent portfolio and we anticipate that other industry players will require a license under our patents."

Bob Blair, president and CEO of ESS Technologies stated, "We are happy to have this matter behind us and to be licensed under the PCTEL patents. The agreement clearly recognizes the value of ESS patents and their value to PCTEL and we are satisfied that we have been licensed under fair and reasonable terms. We believe the settlement will have no material effect on ESS's business and financial performance."

PCTEL has more than 80 patents issued or pending for modem applications. The company also maintains several cross-licenses that augment its patent position.

About PCTEL

PCTEL, founded in March 1994, is a leading provider of innovative, cost-effective Internet access solutions, including analog soft modems, and embedded DSP-based modems. The company 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. For more information, please visit our web site at: <http://www.pctel.com>.

The law firm of Skjerven Morrill MacPherson LLP represented PCTEL in these matters. Skjerven, headquartered in San Jose, California, provides a wide range of legal services to leading technology companies in Silicon Valley and throughout the world. The Washington, D.C. office of McDermott, Will & Emery also assisted PCTEL in the ITC investigation.

PCTEL Safe Harbor Statement.

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995, regarding PCTEL's statements about the value of its patent portfolio and that other companies may require licenses under PCTEL's patents. 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 PCTEL 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 PCTEL's business, including but not limited to those detailed from time to time in PCTEL's Securities and Exchange Commission filings, can affect results. 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 statements, whether as a result of new information, future events or otherwise.

About ESS Technology

ESS Technology, Inc., is a leading supplier of high-performance feature-packed chips for the rapidly expanding DVD and digital entertainment markets. The company is also a leading provider of solutions for applications in the growing consumer entertainment market. ESS provides advanced products that enable the emergence of digital home systems that deliver and manage entertainment and information in the home.

ESS, headquartered in Fremont, California, has R&D, sales, and technical support offices worldwide. ESS Technology's common stock is traded on the Nasdaq under the symbol ESST. ESS Technology's web site address is: <http://www.esstech.com>.

ESS Technology Safe Harbor Statement.

The matters discussed in this news release include certain forward-looking statements that involve risks and uncertainties, including, but not limited to, the possible reduction of consumer spending occasioned by terrorist activity and armed conflict, the timely availability and acceptance of the Company's new products, the impact of competitive products and pricing, the dependence on continued growth in demand for PC and consumer multimedia products, the fact that the initial determinations described herein are subject to further review and appeal, and the other risks detailed from time to time in the SEC reports of ESS, including the reports on Form 10-K and Form 10-Q. Actual results could differ materially from those projected in the forward-looking statements.