



January 4, 2001

PCTEL Fourth Quarter Revenue To Be Below Expectations

Lower Revenue Results From Significantly Lower PC Demand

Milpitas, CA – January 4, 2001 – PCTEL, Inc. (NASDAQ: PCTI), a leading provider of personal connectivity and Internet access technology, today announced that its fourth quarter revenue will be below the company's previous expectations due to the rapid deterioration in PC demand. As a result of unexpected rescheduled orders and cancellations late in the quarter by customers, the company now expects revenue and earnings for the fourth quarter ended December 31, 2000 to be lower than as previously stated in the company's earnings conference call October 23, 2000.

The company said it expects to report revenue of approximately \$16.5 million to 17.5 million for the fourth quarter, significantly below previous company forecasts. The company expects a proforma net loss, which does not include amortization of deferred compensation, goodwill and other intangibles, of \$0.07 to \$0.10 per share. All amounts are subject to final audit.

"A sharp decrease in PC demand has clearly had a significant negative impact on our sales for the quarter just ended," stated Bill Roach, president and COO of PCTEL, Inc. "We believe this weak demand creates uncertainty for the first half of 2001.

"Since we recognize distributor sales on a sell-through basis only, we are better positioned to show immediate gains when the PC market does improve," Roach continued. "The company continues to win major new PC OEM business on different continents.

"Also, PCTEL is growing its non-PC business, with embedded modem design wins for game consoles, set-top boxes and other alternative access devices for the Internet. Initial volume shipments of this non-PC business will begin ramping during the second half of 2001.

"Going forward, while it appears that 2001 will start off below expectations, we are still confident in our long-term outlook. Our cash and marketable securities position of over \$118 million with no debt offers the company flexibility in these periods of market uncertainty. We look forward to a vital 2001 for PCTEL. We will provide updated guidance for 2001 at our earnings call on January 29," Roach concluded.

CONFERENCE CALL / WEBCAST INFORMATION

The company will hold a conference call at 2 PM PST (5 PM EST) today with Bill Roach, president and COO. The session will include brief remarks, and can be accessed by calling 1-888-497-4616. Audio replay of the call will be available beginning at 5 PM PST on Thursday, January 4. To listen to an audio replay please call 800-633-8284 (domestic) or 858-812-6440 (international). The replay pass code is 17527403. To listen via the Internet, visit <http://www.videonewswire.com/PCTEL/010401/>. The replay will also be available on PCTEL's web site at www.pctel.com.

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 major new PC OEM business and volume shipments of non-PC 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; 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.