

**IN THE CIRCUIT COURT FOR THE EIGHTEENTH JUDICIAL CIRCUIT  
DUPAGE COUNTY, ILLINOIS**

E. VAN CULLENS

Plaintiff,

v.

JOHN DOE,

Defendant.

)  
)  
)  
)  
)  
)  
)  
)  
)  
)

Case No. 2003 L 000111

Judge John T. Elsner

---

**CHARLES LEE MUDD JR.**

**Attorney for Defendant**

**Law Offices of Charles Lee Mudd Jr.**

**4710 North Virginia Avenue**

**Chicago, Illinois 60625**

**773.271.7600**

---

**DEFENDANT'S SUPPLEMENTARY EXHIBITS TO MOTION TO DISMISS**

**PLAINTIFF'S AMENDED COMPLAINT AT LAW**

## TABLE OF CONTENTS

### Exhibit A

Westell Technologies, Inc.'s July 2002 10-K Report  
(selected pages)

### Exhibit B

January 14, 2003	Westell Stock Quote
January 15, 2003	Westell Stock Quote
January 29, 2003	Westell Stock Quote
July 8, 2003	Westell Stock Quote
July 15, 2003	Westell Stock Quote

### Exhibit C

Westell Technologies, Inc.'s 10-Q Report filed February 14, 2003

### Exhibit D

Westell Technologies, Inc.'s S-3 Report filed October 18, 2002



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

(Mark One)

X Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange  
Act of 1934 for the fiscal year ended March 31, 2002 or

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to.

Commission file number: 0-27266

**WESTELL TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

DELAWARE 36-3154957

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

750 N. COMMONS DRIVE  
AURORA, ILLINOIS  
(Address of principal executive offices)

60504  
(Zip Code)

Registrant's telephone number, including area code: (630) 898-2500

**Securities registered pursuant to Section 12(b) of the Act: NONE Securities  
registered pursuant to Section 12(g) of the Act:**

**CLASS A COMMON STOCK, \$.01 PAR VALUE  
(Title of Class)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss.229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The registrant estimates that the aggregate market value of the registrant's Class A Common Stock held by non-affiliates (within the meaning of the term under the applicable regulations of the Securities and Exchange Commission) on June 21, 2002 (based upon an estimate that 70% of the shares are so owned by non-affiliates and upon the average of the closing bid and asked prices for the Class A Common Stock on the NASDAQ National Market on that date) was approximately \$66,805,670. Determination of stock ownership by non-affiliates was made solely for the purpose of responding to this requirement and registrant is not bound by this determination for any other purpose.

As of June 21, 2002, 45,907,065 shares of the registrant's Class A Common Stock were outstanding and 19,014,869 shares of registrant's Class B Common Stock (which automatically converts into Class A Common Stock upon a transfer of such stock except transfers to certain permitted transferees) were outstanding.

The following documents are incorporated into this Form 10-K by reference:  
Proxy Statement for 2002 Annual Meeting of Stockholders (Part III).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Report of Form 10-K (the "Form 10-K") regarding matters that are not historical or that contain the words "believe", "expect", "intend", "anticipate", "may", "will", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", "continue", "projects", "intends" or the negative of such terms or other comparable terminology or derivatives thereof, are forward looking statements. These statements are only predictions. Because such forward-looking statements include risks and uncertainties, actual results may differ materially from those expressed in or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those discussed herein under "Risk Factors" set forth herein and elsewhere in this Annual Report on Form 10-K. Westell Technologies, Inc. ("Westell" or the "Company") undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

**PART I**

**ITEM 1. BUSINESS**

The Company designs, manufactures, markets and services a broad range of digital and analog products used by telephone companies and other telecommunications service providers to deliver broadband services primarily over existing copper telephone wires that connect end users to a telephone company's central office. The copper wires that connect users to these central offices are part of the telephone companies' networks and are commonly referred to as the local loop or the local access network. Westell products and solutions are deployed worldwide, but Westell realizes the majority of its revenues from the North American market.

## (b) Reports on Form 8-K

None

## (c) Exhibits

The exhibits filed as part of this Annual Report on Form 10-K are as specified in Item 14(a)(3) herein.

## (d) Financial Statement Schedules

The financial statement schedules filed as part of this Annual Report on Form 10-K are as specified in Item 14(a)(2) herein.

- 37 -

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on July 16, 2002.

## WESTELL TECHNOLOGIES, INC.

By /s/ E. Van Cullens

E. Van Cullens  
President, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on July 16, 2002.

Signature	Title
/s/ E. Van Cullens E. Van Cullens	President, Chief Executive Officer and Director
/s/ John W. Seazholtz John W. Seazholtz	Chairman of the Board of Directors
/s/ Melvin J. Simon Melvin J. Simon	Assistant Secretary and Treasurer and Director
/s/ Nicholas C. Hindman Nicholas C. Hindman	Chief Financial Officer and Senior Vice President (Principal Financial Officer and Principal Accounting Officer)
/s/ Robert C. Penny III Robert C. Penny III	Director
/s/ Paul A. Dwyer Paul A. Dwyer	Director
/s/ Thomas A. Reynolds III Thomas A. Reynolds, III	Director
/s/ Roger L. Plummer Roger L. Plummer	Director
/s/ Bernard F. Sergesketter Bernard F. Sergesketter	Director

- 38 -

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA

Item Page



CBS.MARKETWATCH.COM

Member ID: Password: 

Free Membership - Special Offers

Nasdaq: **MKTW****CBS MarketWatch**[Home](#)

Your cash just hanging out?

Click here  
The Orange Savings Account  
**ING DIRECT**  
Member FDIC[News & Commentary](#)[Personal Finance](#)[My Portfolios](#)[Newsletters & Research](#)[Investor Tools](#)[TV & Radio](#)[Store](#) [Help](#)[INVESTOR TOOLS HOME](#)[ALERTS](#)[MARKET OVERVIEW](#)[INDUSTRIES](#)[STOCKS](#)[MUTUAL FUNDS](#)[IPOS](#)[PERSONAL FINANCE](#)

Enter symbol(s):

WSTL

Quote/News

[Find symbol](#)[Keyword search](#)[Get 50% off a subscription to Barron's](#)**Historical Quote**Change Symbol: Enter Date: **Westell Technologies Inc Cl A** (NASDAQ NM)[Chart](#) [Financial](#) [Analyst](#) [Insider](#) [Msg](#) [News](#) [Option](#) [SEC](#)**WSTL** **8.60****+0.38****+4.62%**

Vol: 419,264 3:59pm 09/16/03

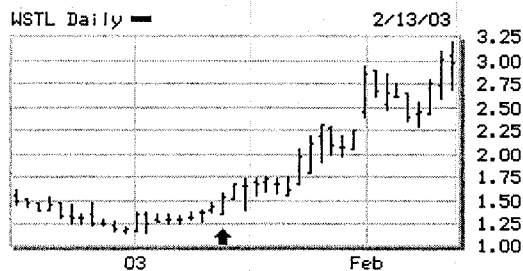
[After Hours](#) **8.60****UNCH****0.00%**

Vol: 100

Last: 5:14pm 09/16/03

**Historical Quote For: WSTL**

Tuesday, January 14, 2003

Closing Price: **1.53**Open: **1.36**High: **1.57**Low: **1.35**Volume: **148,500**

No Splits

[Front Page](#) | [Message Boards](#) | [Mobile](#) | [Featured Products](#) | [Free Membership](#)  
[Feedback](#) | [Letters to the Editor](#) | [Site Index](#) | [Company Info](#) | [Investor Relations](#) | [Jobs](#) | [Advertising Media Kit](#) | [Licensing](#)

**Make CBS.MarketWatch.com your Home Page**MarketWatch.com is traded on the Nasdaq stock exchange under the symbol **MKTW**.MarketWatch.com is a member of the **World Business News Alliance**.**Partner Sites**[CBSNews.com](#) | [CBS.com](#) | [FT.com](#) | [BigCharts.com](#)

© 1997-2003 MarketWatch.com, Inc. All rights reserved. [Disclaimer](#). [See our Privacy Policy](#) - updated 4/3/03.  
 CBS and the CBS "eye device" are registered trademarks of CBS Broadcasting, Inc.

Intraday data provided by [Comstock](#), a division of Interactive Data Corp. and subject to [terms of use](#).Historical and current end-of-day data provided by [FT Interactive Data](#).

Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges.

SEHK intraday data is provided by Comstock and is at least 60-minutes delayed.

All quotes are in local exchange time.

CBS.MARKETWATCH.COM

Member ID: Password: 

Free Membership - Special Offers

Nasdaq: **MKTW****CBS MarketWatch**[Home](#)**Lind-Waldock**  
A Division of Refco, LLC**GO**Get a **TRADING EDGE** with **LindForum**,  
Lind-Waldock's **FREE** online e-newsletter.

• Timely Trading Ideas

Concise. Informative. Online. Free.

[News & Commentary](#)[Personal Finance](#)[My Portfolios](#)[Newsletters & Research](#)[Investor Tools](#)[TV & Radio](#)[Store](#) [Help](#)[INVESTOR TOOLS HOME](#)[ALERTS](#)[MARKET OVERVIEW](#)[INDUSTRIES](#)[STOCKS](#)[MUTUAL FUNDS](#)[IPOS](#)[PERSONAL FINANCE](#)

Enter symbol(s):

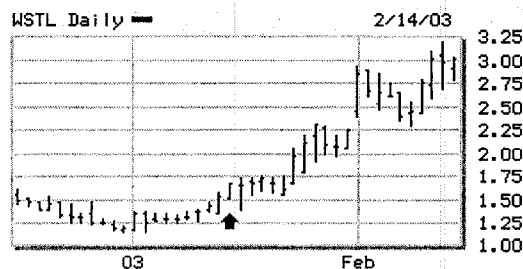
[Quote/News](#) [Find symbol](#)[Keyword search](#)[FREE! Sign up for  
Stock Price Alerts](#)**Historical Quote**Change Symbol: Enter Date: **Westell Technologies Inc Cl A** (NASDAQ NM)[Chart](#) [Financial](#) [Analyst](#) [Insider](#) [Msg](#) [News](#) [Option](#) [SEC](#)

<b>WSTL</b>	<b>8.60</b>	<b>+0.38</b>	<b>+4.62%</b>	Vol: 419,264	3:59pm 09/16/03
<a href="#">After Hours</a>	8.60	UNCH	0.00%	Vol: 100	Last: 5:14pm 09/16/03

**Historical Quote For: WSTL**

Wednesday, January 15, 2003

Closing Price:	<b>1.67</b>
Open:	<b>1.52</b>
High:	<b>1.67</b>
Low:	<b>1.52</b>
Volume:	<b>103,700</b>



No Splits

[Front Page](#) | [Message Boards](#) | [Mobile](#) | [Featured Products](#) | [Free Membership](#)  
[Feedback](#) | [Letters to the Editor](#) | [Site Index](#) | [Company Info](#) | [Investor Relations](#) | [Jobs](#) | [Advertising Media Kit](#) | [Licensing](#)

**[Make CBS.MarketWatch.com your Home Page](#)**MarketWatch.com is traded on the Nasdaq stock exchange under the symbol **MKTW**.MarketWatch.com is a member of the **World Business News Alliance**.**Partner Sites**[CBSNews.com](#) | [CBS.com](#) | [FT.com](#) | [BigCharts.com](#)

© 1997-2003 MarketWatch.com, Inc. All rights reserved. [Disclaimer](#), [See our Privacy Policy](#) - updated 4/3/03.  
 CBS and the CBS "eye device" are registered trademarks of CBS Broadcasting, Inc.

Intraday data provided by [Comstock](#), a division of Interactive Data Corp. and subject to [terms of use](#).Historical and current end-of-day data provided by [FT Interactive Data](#).

Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges.

SEHK intraday data is provided by Comstock and is at least 60-minutes delayed.

All quotes are in local exchange time.



CBS.MARKETWATCH.COM

Member ID: Password: 

Free Membership - Special Offers

Nasdaq: **MKTW****CBS MarketWatch**[Home](#)

Your cash just hanging out?

Click here:  
The Orange Savings Account  
**ING DIRECT**  
Member FDIC[News & Commentary](#)[Personal Finance](#)[My Portfolios](#)[Newsletters & Research](#)[Investor Tools](#)[TV & Radio](#)[Store/Help](#)[INVESTOR TOOLS HOME](#)[ALERTS](#)[MARKET OVERVIEW](#)[INDUSTRIES](#)[STOCKS](#)[MUTUAL FUNDS](#)[IPOS](#)[PERSONAL FINANCE](#)

Enter symbol(s):

WSTL

Quote/News

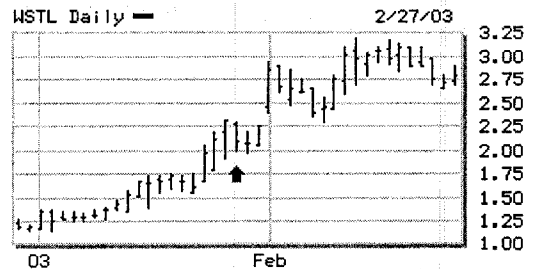
[Find symbol](#)[Keyword search](#)[FREE! Sign up for](#)[Volume Alerts](#)**Historical Quote**Change Symbol: Enter Date: **Westell Technologies Inc Cl A** (NASDAQ NM)[Chart](#) [Financial](#) [Analyst](#) [Insider](#) [Msg](#) [News](#) [Option](#) [SEC](#)

<b>WSTL</b>	<b>8.60</b>	<b>+0.38</b>	<b>+4.62%</b>	Vol: 419,264	3:59pm 09/16/03
<a href="#">After Hours</a>	8.60	UNCH	0.00%	Vol: 100	Last: 5:14pm 09/16/03

**Historical Quote For: WSTL**

Wednesday, January 29, 2003

Closing Price:	<b>2.10</b>
Open:	<b>2.27</b>
High:	<b>2.30</b>
Low:	<b>2.00</b>
Volume:	<b>204,300</b>



© BigCharts.com

No Splits

[Front Page](#) | [Message Boards](#) | [Mobile](#) | [Featured Products](#) | [Free Membership](#)  
[Feedback](#) | [Letters to the Editor](#) | [Site Index](#) | [Company Info](#) | [Investor Relations](#) | [Jobs](#) | [Advertising Media Kit](#) | [Licensing](#)

**Make CBS.MarketWatch.com your Home Page**MarketWatch.com is traded on the Nasdaq stock exchange under the symbol **MKTW**.MarketWatch.com is a member of the **World Business News Alliance**.**Partner Sites**[CBSNews.com](#) | [CBS.com](#) | [FT.com](#) | [BigCharts.com](#)

© 1997-2003 MarketWatch.com, Inc. All rights reserved. [Disclaimer](#). [See our Privacy Policy](#) - updated 4/3/03.  
 CBS and the CBS "eye device" are registered trademarks of CBS Broadcasting, Inc.

Intraday data provided by [Comstock](#), a division of Interactive Data Corp. and subject to [terms of use](#).Historical and current end-of-day data provided by [FT Interactive Data](#).

Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges.

SEHK intraday data is provided by Comstock and is at least 60-minutes delayed.

All quotes are in local exchange time.

CBS.MARKETWATCH.COM

Member ID: Password: 

Free Membership - Special Offers

Nasdaq: **MKTW****CBS MarketWatch**[Home](#)

How Confident Are You Trading Futures?

Unsure

Confident

Lind-Waldock  
A Division of Refco, I.L.C.**GO**[News & Commentary](#)[Personal Finance](#)[My Portfolios](#)[Newsletters & Research](#)[Investor Tools](#)[TV & Radio](#)[Store](#) [Help](#)[INVESTOR TOOLS HOME](#)[ALERTS](#)[MARKET OVERVIEW](#)[INDUSTRIES](#)[STOCKS](#)[MUTUAL FUNDS](#)[IPOS](#)[PERSONAL FINANCE](#)

Enter symbol(s):

WSTL

Quote/News

[Find symbol](#)[Keyword search](#)[FREE TRIAL! Morning  
Stock Market Briefing](#)**Historical Quote**Change Symbol: 

Enter Date: 7/8/03

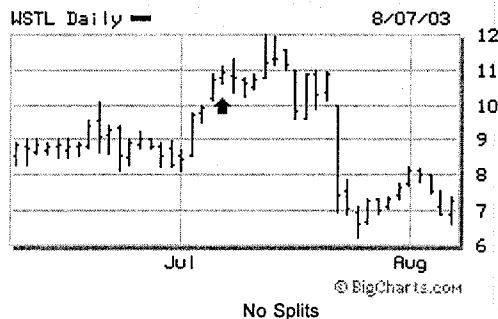
**Westell Technologies Inc Cl A** (NASDAQ NM)[Chart](#) [Financial](#) [Analyst](#) [Insider](#) [Msg](#) [News](#) [Option](#) [SEC](#)

<b>WSTL</b>	<b>8.60</b>	<b>+0.38</b>	<b>+4.62%</b>	Vol: 419,264	3:59pm 09/16/03
<a href="#">After Hours</a>	8.60	UNCH	0.00%	Vol: 100	Last: 5:14pm 09/16/03

**Historical Quote For: WSTL**

Tuesday, July 08, 2003

Closing Price: **10.96**  
 Open: **10.79**  
 High: **11.13**  
 Low: **10.65**  
 Volume: **1,135,900**



[Front Page](#) | [Message Boards](#) | [Mobile](#) | [Featured Products](#) | [Free Membership](#)  
[Feedback](#) | [Letters to the Editor](#) | [Site Index](#) | [Company Info](#) | [Investor Relations](#) | [Jobs](#) | [Advertising Media Kit](#) | [Licensing](#)

**Make CBS.MarketWatch.com your Home Page**MarketWatch.com is traded on the Nasdaq stock exchange under the symbol **MKTW**.MarketWatch.com is a member of the **World Business News Alliance**.**Partner Sites**[CBSNews.com](#) | [CBS.com](#) | [FT.com](#) | [BigCharts.com](#)

© 1997-2003 MarketWatch.com, Inc. All rights reserved. [Disclaimer](#). [See our Privacy Policy](#) - updated 4/3/03.  
 CBS and the CBS "eye device" are registered trademarks of CBS Broadcasting, Inc.

Intraday data provided by [Comstock](#), a division of Interactive Data Corp. and subject to [terms of use](#).Historical and current end-of-day data provided by [FT Interactive Data](#).

Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges.

SEHK intraday data is provided by Comstock and is at least 60-minutes delayed.

All quotes are in local exchange time.

CBS.MARKETWATCH.COM

Member ID: Password: 

Free Membership - Special Offers

Nasdaq: **MKTW****CBS MarketWatch**[Home](#)**How Confident Are You Trading Futures?****Unsure****Confident****Lind-Waldock**

A Division of Refco, I.L.C.

**GO**[News & Commentary](#)[Personal Finance](#)[My Portfolios](#)[Newsletters & Research](#)[Investor Tools](#)[TV & Radio](#)[Store](#) [Help](#)[INVESTOR TOOLS HOME](#)[ALERTS](#)[MARKET OVERVIEW](#)[INDUSTRIES](#)[STOCKS](#)[MUTUAL FUNDS](#)[IPOS](#)[PERSONAL FINANCE](#)

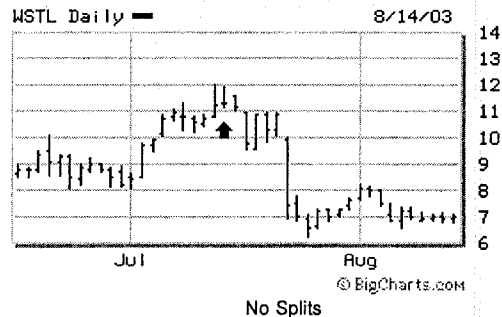
Enter symbol(s):

**WSTL****Quote/News** [Find symbol](#)**Keyword search****FREE!** Sign up for  
[CBS MarketWatch](#)  
[Membership](#)**Historical Quote**Change Symbol: Enter Date: **7/15/03** **Westell Technologies Inc Cl A** (NASDAQ NM)[Chart](#) [Financial](#) [Analyst](#) [Insider](#) [Msg](#) [News](#) [Option](#) [SEC](#)

<b>WSTL</b>	<b>8.60</b>	<b>+0.38</b>	<b>+4.62%</b>	Vol: 419,264	3:59pm 09/16/03
<a href="#">After Hours</a>	<b>8.60</b>	<b>UNCH</b>	<b>0.00%</b>	Vol: 100	Last: 5:14pm 09/16/03

**Historical Quote For: WSTL**

Tuesday, July 15, 2003

Closing Price: **11.35**Open: **11.31**High: **11.95**Low: **11.18**Volume: **875,900**

[Front Page](#) | [Message Boards](#) | [Mobile](#) | [Featured Products](#) | [Free Membership](#)  
[Feedback](#) | [Letters to the Editor](#) | [Site Index](#) | [Company Info](#) | [Investor Relations](#) | [Jobs](#) | [Advertising Media Kit](#) | [Licensing](#)

**[Make CBS.MarketWatch.com your Home Page](#)**MarketWatch.com is traded on the Nasdaq stock exchange under the symbol **MKTW**.MarketWatch.com is a member of the **[World Business News Alliance](#)**.**Partner Sites**[CBSNews.com](#) | [CBS.com](#) | [FT.com](#) | [BigCharts.com](#)

© 1997-2003 MarketWatch.com, Inc. All rights reserved. [Disclaimer](#). [See our Privacy Policy](#) - updated 4/3/03.  
 CBS and the CBS "eye device" are registered trademarks of CBS Broadcasting, Inc.

Intraday data provided by [Comstock](#), a division of Interactive Data Corp. and subject to [terms of use](#).Historical and current end-of-day data provided by [FT Interactive Data](#).

Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges.

SEHK intraday data is provided by Comstock and is at least 60-minutes delayed.

All quotes are in local exchange time.



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q**

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2002

OR

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission File Number 0-27266*

**WESTELL TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

36-3154957  
(I.R.S. Employer  
Identification Number)

750 N. COMMONS DRIVE, AURORA, IL  
(Address of principal executive offices)

60504  
(Zip Code)

(630) 898-2500

Registrant's telephone number, including area code  
NOT APPLICABLE

(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check or mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A Common Stock, \$0.01 Par Value - 45,907,065 shares at February 4, 2003 Class B Common Stock, \$0.01 Par Value - 19,014,869 shares at February 4, 2003

**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES**

## FORM 10-Q

## INDEX

## PART I FINANCIAL INFORMATION:

Page No.

## Item 1. Financial Statements

Condensed Consolidated Balance Sheets	3
- As of March 31, 2002 and December 31, 2002 (unaudited)	
Condensed Consolidated Statements of Operations (unaudited)	4
- Three months ended December 31, 2001 and 2002	
- Nine months ended December 31, 2001 and 2002	
Condensed Consolidated Statements of Cash Flows (unaudited)	5
- Nine months ended December 31, 2001 and 2002	
Notes to the Condensed Consolidated Financial Statements (unaudited)	6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11
---	----

Item 3. Quantitative and Qualitative Disclosures about Market Risks	15
---	----

Item 4. Controls and Procedures	15
---------------------------------	----

## PART II OTHER INFORMATION

Item 1. Legal Proceedings	16
---------------------------	----

Item 6. Exhibits and Reports on Form 8-K	17
--	----

## SAFE HARBOR STATEMENT

Certain statements contained in this Quarterly Report of Form 10-Q regarding matters that are not historical facts or that contain the words "believe", "expect", "intend", "anticipate" or derivatives thereof, are forward looking statements. Because such forward-looking statements include risks and uncertainties, actual results may differ materially from those expressed in or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those discussed under "Risk Factors" set forth in Westell Technologies, Inc.'s Annual Report on Form 10-K for the fiscal year ended March 31, 2002. Our actual results may differ from these forward-looking statements. Westell Technologies, Inc. undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

2

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

## ASSETS

	March 31, 2002	December 31, 2002
		(unaudited)
		(in thousands)
Current assets:		
Cash and cash equivalents.....	\$6,687	\$6,926
Accounts receivable (net of allowance of \$1,531 and \$1,049, respectively).....	25,266	21,903
Inventories.....	18,174	12,583
Prepaid expenses and other current assets.....	2,169	2,904
Deferred income tax asset.....	7,830	7,830
Land held for sale.....	2,052	--
Total current assets.....	62,178	52,146
Property and equipment:		
Machinery and equipment.....	45,148	44,652
Office, computer and research equipment.....	30,873	26,960
Leasehold improvements.....	7,634	7,719

Less accumulated depreciation and amortization.....	83,655	79,331
	54,029	57,274
Property and equipment, net.....	29,626	22,057
Goodwill .....	5,938	6,770
Intangibles, net.....	10,374	9,207
Deferred income tax asset and other assets.....	18,037	18,415
Total assets.....	\$ 126,153	\$108,595

## LIABILITIES AND STOCKHOLDERS' EQUITY

## Current liabilities:

Accounts payable.....	\$15,702	\$12,013
Accrued expenses.....	16,105	10,808
Notes payable.....	-	19,904
Accrued compensation.....	2,374	2,911
Current portion of long-term debt.....	11,186	11,737
Total current liabilities.....	45,367	57,373
Long-term debt.....	39,469	5,633
Other long-term liabilities.....	5,044	5,952

## Stockholders' equity:

Class A common stock, par \$0.01.....	459	459
Authorized - 109,000,000 shares		
Issued and outstanding - 45,907,065 shares at March 31, 2002 and December 31, 2002		
Class B common stock, par \$0.01.....	190	190
Authorized - 25,000,000 shares		
Issued and outstanding - 19,014,869 shares at March 31, 2002 and December 31, 2002		
Preferred stock, par \$0.01.....	--	--
Authorized - 1,000,000 shares		
Issued and outstanding - none		
Deferred compensation.....	46	46
Additional paid-in capital.....	364,566	364,566
Treasury stock at cost - 93,000 shares.....	(247)	(247)
Cumulative translation adjustment	(18)	(167)
Accumulated deficit.....	(328,723)	(325,210)
Total stockholders' equity.....	36,273	39,637
Total liabilities and stockholders' equity.....	\$ 126,153	\$ 108,595

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2001	2002	2001	2002
	(unaudited)			
	(in thousands, except per share data)			
Equipment sales.....	\$ 55,207	\$ 39,121	\$ 151,734	\$ 124,386
Services.....	11,805	10,082	37,998	30,793
Total revenues.....	67,012	49,203	189,732	155,179
Cost of equipment sales.....	47,971	28,181	131,714	89,855
Cost of services.....	5,655	6,577	22,109	20,399
Total cost of goods sold.....	53,626	34,758	153,823	110,254
Gross margin.....	13,386	14,445	35,909	44,925
Operating expenses:				
Sales and marketing.....	4,740	3,535	15,460	12,483
Research and development.....	3,543	4,097	17,469	11,721
General and administrative.....	5,555	3,486	17,441	12,263
Restructuring.....	--	180	2,200	1,922
Goodwill write-down.....	90,500	--	90,500	--
Goodwill and intangible amortization.....	7,953	389	23,859	1,167
Total operating expenses.....	112,291	11,687	166,929	39,556
Operating income (loss).....	(98,905)	2,758	(131,020)	5,369
Other (income) expense, net.....	259	(17)	532	(128)
Interest expense.....	1,650	517	4,217	1,984
Income (loss) before taxes .....	(100,814)	2,258	(135,769)	3,513
Income taxes.....	--	--	--	--
Net income (loss).....	\$ (100,814)	\$ 2,258	\$ (135,769)	\$ 3,513
Net income (loss) per common share:.....				
Basic.....	\$ (1.55)	\$ 0.03	\$ (2.12)	\$ 0.05
Diluted.....	\$ (1.55)	\$ 0.03	\$ (2.12)	\$ 0.05
Weighted average number of common shares outstanding:.....				
Basic.....	64,887	64,921	64,125	64,921
Diluted.....	64,887	64,979	64,125	64,972

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements



WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended December 31,	
	2001	2002
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income (loss).....	\$ (135,769)	\$ 3,513
Reconciliation of net income (loss) to net cash provided by operating activities:		
Depreciation and amortization.....	34,910	0,205
Goodwill write down.....	90,500	--
Deferred compensation.....	24	--
Restructuring .....	(1,648)	(490)
Loss on sale of fixed assets.....	204	79
Changes in assets and liabilities:		
Accounts receivable.....	1,688	3,215
Inventory.....	38,413	5,590
Prepaid expenses and deposits.....	(69)	(735)
Other assets.....	350	(378)
Accounts payable and accrued expenses.....	(20,777)	(7,536)
Accrued compensation.....	(269)	537
Net cash provided by operating activities.....	7,557	14,000
Cash flows from investing activities:		
Purchases of property and equipment.....	(7,503)	(1,472)
Proceeds from sale of land, building and equipment.....	948	1,977
Purchase of subsidiary stock.....	--	(256)
Decrease in other assets.....	(172)	--
Net cash provided by (used in) investing activities.....	(6,727)	249
Cash flows from financing activities:		
Net borrowing (repayment) under revolving promissory notes.....	(2,174)	(6,187)
Borrowing of long-term debt and leases payable.....	1,371	363
Repayment of long-term debt and leases payable.....	(196)	(8,134)
Purchase of treasury stock.....	(8)	--
Proceeds from the issuance of common stock.....	6,000	--
Net cash provided by (used in) financing activities.....	4,993	(13,958)
Effect of exchange rate changes on cash.....	--	(52)
Net increase in cash.....	5,823	239
Cash and cash equivalents, beginning of period.....	405	6,687
Cash and cash equivalents, end of period.....	\$ 6,228	\$ 6,926

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

## NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete

financial statements. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended March 31, 2002.

In the opinion of management, the unaudited interim financial statements included herein reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's consolidated financial position and the results of operations and cash flows at December 31, 2002, and for all periods presented. The results of operations for the three or nine month periods ended December 31, 2002 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2003 ("fiscal year 2003").

## NOTE 2. COMPUTATION OF NET LOSS PER SHARE

The computation of basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share includes the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. The effect of this computation on the number of outstanding shares is antidilutive for the period ended December 31, 2001 and therefore the net loss per basic and diluted earnings per share are the same.

## NOTE 3. RESTRUCTURING CHARGE

The Company recognized a restructuring charge of \$2.9 million in the three months ended March 31, 2000. Approximately \$2.4 million of the total restructuring cost has been capitalized as part of the purchase of Teltrend Inc. primarily and related to the termination of approximately 30 Teltrend Inc. employees. The remaining \$0.5 million of the restructuring costs has been charged to operations and related to personnel, legal, and other related costs incurred in order to eliminate redundant employees due to the acquisition of Teltrend Inc. The goal of the restructuring plan was to combine and streamline the operations of the two companies and to achieve synergies related to the manufacture and distribution of common product lines. As of March 31, 2002, \$2.0 million of these restructuring costs had been paid leaving a balance of approximately \$0.9 million. As of December 31, 2002, \$2.4 million of these restructuring costs have been paid.

The Company recognized a restructuring charge of \$6.3 million in fiscal year 2002. The purpose of the fiscal 2002 restructuring plan was to decrease costs primarily by a workforce reduction of approximately 200 employees and to realign the Company's cost structure with the Company's anticipated business outlook. As of March 31, 2002, \$3.0 million of the fiscal 2002 restructuring costs had been paid leaving a balance of approximately \$3.3 million. During the nine months ended December 31, 2002, the Company paid approximately \$1.4 million of these accrued restructuring costs.

The Company recognized a restructuring charge of \$1.9 million in fiscal year 2003. This charge included personnel and facility costs related primarily to the closing of a Conference Plus, Inc. facility. Approximately 25 employees were impacted by this closing. As of December 31, 2002, the Company paid approximately \$0.6 million of these accrued restructuring costs.

The Company's restructuring balances and their utilization are presented in the following table:

(in thousands)	Balance March 31, 2002	Charged through December 31, 2002	Utilized through December 31, 2002	Balance December 31, 2002
Employee costs.....	\$ 2,039	\$ 510	\$ 1,897	\$ 652
Legal, facility & other costs.....	2,174	1,412	515	3,071
Total.....	\$ 4,213	\$ 1,922	\$ 2,412	\$ 3,723

## NOTE 4. INTERIM SEGMENT INFORMATION

Westell's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and market strategy. They consist of:

- 1) A telecommunications equipment manufacturer of local loop access products, and
- 2) A multi-point telecommunications service bureau specializing in audio teleconferencing, multi-point video conferencing, broadcast fax and multimedia teleconference services.

Performance of these segments is evaluated utilizing, revenue, operating income and total asset measurements. The accounting policies of the segments are the same as those for Westell Technologies, Inc. Segment information for the three and nine-month periods ended December 31, 2001 and 2002, are as follows:

(In thousands)	Telecom Equipment	Telecom Services	Total
Three months ended December 31, 2001			
Revenues.....	\$55,207	\$ 11,805	\$ 67,012
Operating income (loss) (1)(4)....	(101,858)	2,953	(98,905)
Depreciation and amortization....	10,534	1,159	11,693
Total assets.....	138,541	23,173	161,714
Three months ended December 31, 2002			
Revenues.....	\$39,121	\$ 10,082	\$ 49,203
Operating income (5).....	2,229	529	2,758
Depreciation and amortization....	2,184	1,106	3,290
Total assets.....	92,899	15,696	108,595
Nine months ended December 31, 2001			
Revenues.....	\$151,734	\$37,998	\$ 189,732
Operating income (loss) (1)(3)....	(138,269)	7,249	(131,020)
Depreciation and amortization....	31,656	3,254	34,910
Total assets.....	138,541	23,173	161,714
Nine months ended December 31, 2002			
Revenues.....	\$124,386	\$30,793	\$155,179
Operating income (2).....	4,573	796	5,369
Depreciation and amortization....	6,822	3,383	10,205
Total assets.....	92,899	15,696	108,595

- (1) Operating income (loss) includes a \$90.5 million goodwill impairment charge related to the Teltrend acquisition in the telecom equipment segment and a \$1.2 million benefit recorded in the period that related to the resolution of a disputed expense in the telecom services segment.
- (2) Operating income includes a \$2 million reversal of reserves primarily related to excess and obsolete modem inventory and \$1.2 million of intangible amortization in the telecom equipment segment and a restructuring charge of \$1.7 million in the telecom services segment.
- (3) Operating income (loss) includes a restructuring charge of \$2.2 million and goodwill and intangible amortization of \$23.9 million in the telecom equipment segment.
- (4) Operating income (loss) includes \$8.0 million of goodwill and intangible amortization in the telecom equipment segment.
- (5) Operating income includes intangible amortization of \$389,000 in the telecom equipment segment.

7

Reconciliation of Operating income (loss) from continuing operations for the reportable segments to Income (loss) from continuing operations before income taxes:

(In thousands)	Three months ended December 31,		Nine months ended December 31,	
	2001	2002	2001	2002
Operating income (loss) .....	\$ (98,905)	\$ 2,758	\$ (131,020)	\$ 5,369
Other (income) expense, net.....	259	(17)	532	(128)
Interest expense.....	1,650	517	4,217	1,984
Income (loss) before taxes .....	\$ (100,814)	\$ 2,258	\$ (135,769)	\$ 3,513

8

NOTE 5. ADOPTION OF NEW ACCOUNTING POLICIES

On April 1, 2002, the Company adopted the Financial Accounting Standards Board Statements of Financial Accounting Standards (FASB) No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets. Under the new rules, goodwill and other indefinite-

lived intangibles are no longer amortized but subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. Goodwill amortization expense in fiscal years 2000, 2001 and 2002 was \$1.3 million, \$31.8 million and \$25.5 million, respectively. Upon adoption of this standard, the Company was required to perform an impairment test of goodwill. This test showed no impairment of goodwill. The adoption of the provisions for amortization of intangible assets did not impact the Company's amortization of these assets. The following table discloses pro forma results for net income and earnings per share as if the non-amortization of goodwill provisions of FASB Statement No. 142 were adopted at the beginning of fiscal year 2002.

(In thousands, except per share amounts)	Three months ended December 31,		Nine months ended December 31,	
	2001	2002	2001	2002
Reported net income (loss).....	\$ (100,814)	\$ 2,258	\$ (135,769)	\$3,513
Add back: Goodwill amortization.....	3,915		11,745	
Adjusted Net income (loss).....	\$ (96,899)	\$ 2,258	\$ (124,024)	\$3,513
Reported basic and diluted earnings per share.	\$ (1.55)	\$0.03	\$ (2.12)	\$0.05
Add back: Goodwill amortization per share.....	.06		0.19	
Adjusted basic and diluted earnings per share.	\$ (1.49)	\$0.03	\$ (1.93)	\$0.05

Goodwill increased by \$0.8 million during the three month period ended December 31, 2002 due to the purchase of common stock of the Conference Plus, Inc. subsidiary.

As of December 31, 2002, the Company has finite lived intangible assets with an original carrying value of \$32.9 million, accumulated amortization of \$20.3 million and impairment expense of \$3.4 million. These assets consist of product technology acquired from Teltrend Inc. on March 17, 2000. At December 31, 2002, the net carrying value of these assets was \$9.2 million. These intangibles are being amortized over a period of 5 to 7 years. Intangible amortization included in expense for the three and nine months ended December 31, 2002 was \$0.4 million and \$1.2 million respectively. The remaining amortization expense for fiscal 2003 is \$0.4 million. The estimated amortization expense for the next four years is \$1.6 million per year.

On December 15, 2002, the Company adopted the Financial Accounting Standards Board Statements of Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. The Interpretation requires certain guarantees to be recorded at fair value as well as expands disclosure requirements. The adoption of this standard did not have a material effect on the Company's financial statements or disclosures.

#### NOTE 6. COMPREHENSIVE INCOME:

The disclosure of comprehensive income (loss), which encompasses net income (loss) and foreign currency translation adjustments, is as follows:

(In thousands)	Three months ended December 31,		Nine months ended December 31,	
	2001	2002	2001	2002
Net income (loss).....	\$ (100,814)	\$2,258	\$ (135,769)	\$3,513
Other comprehensive income (loss)				
Foreign currency translation adjustment..	17	(60)	22	(149)
Comprehensive income (loss).....	\$ (100,797)	\$2,198	\$ (135,747)	\$3,364

#### NOTE 7. INVENTORIES

The components of inventories are as follows:

(In thousands)	March 31,	December 31,
	2002	2002
Raw material .....	\$ 22,721	\$ 10,676
Work in process.....	39	50
Finished goods.....	14,889	8,082
Reserve for excess and obsolete inventory and net realizable value.....	(19,475)	(6,225)
	<u>\$ 18,174</u>	<u>\$ 12,583</u>

## NOTE 8. NEW ACCOUNTING PRONOUNCEMENTS

In June 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 146, Accounting for Costs Associated with Exit or Disposal Activities, effective for exit or disposal activities initiated after December 31, 2002. The Company's current restructuring plan, initiated in September of 2002, was not accounted for under SFAS 146. The Company accrued a pre-tax charge of \$1.7 million when Company management approved the current restructuring plan. If the Company had accounted for this restructuring plan under SFAS 146, \$1.3 million of the \$1.7 million charge would have been recognized as incurred and not accrued in the second quarter of fiscal 2003.

In December 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 148, Accounting for Stock-Based Compensation Transition and Disclosure. SFAS 148 amends SFAS 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition to SFAS 123's fair value method of accounting for stock-based employee compensation. SFAS 148 does not require companies to account for employee stock options using the fair value method but does require additional footnote disclosures. The Company will adopt these disclosure requirements beginning in the fourth quarter of fiscal 2003. The adoption of SFAS 148 will not impact the Company's results of operations.

10

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

### OVERVIEW

Through its four broadband access product lines in its equipment manufacturer segment, the Company offers a broad range of products that facilitate the broadband transmission of high-speed digital and analog data between a telephone company's central office and end-user customers. These four product lines include:

- o Customer Networking Equipment(CNE): Westell Customer Networking Equipment products and solutions enable residential, small business and Small Office Home Office (SOHO) users to network multiple computers, telephones and other devices to access the Internet through the power of broadband xDSL solutions.
- o Carrier Transport & Multiplexer(CTM): Westell's Carrier Transport and Multiplexer products enable our customers to deliver and manage a range of broadband services from the telephone company central office with interfaces with other carriers such as wireless as well as enterprise customers.
- o Carrier Service Access(CSA): Westell Carrier Service Access products enable telephone company transmission, maintenance, and troubleshooting of multiple broadband solutions (telephone company services such as, DS1, DS3, HDSL2, HDSL4, DDS and ISDN) from the customer access point to the serving telephone company central office.
- o OSP, Enclosures & Accessories(OSP): Westell Outside Plant products and solutions focus on facilities equipment linking the telephone company's central office to the communications subscriber through various transmission technologies, such as analog, digital data, traditional repeatered T1, HDSL, HDSL2, and HDSL4.

The Company tracks revenue from these four product lines by two main groups: Broadband Products and Telephone company Access Products ("TAP"). Broadband products include CNE and CTM product lines and TAP products include CSA and OSP product lines.

The Company's services segment provides teleconferencing, multipoint video conferencing, broadcast fax, and multimedia teleconferencing services to various customers through its subsidiary called Conference Plus, Inc.

Below is a table that compares equipment and service revenues for the three and nine month periods ended December 31, 2002 with the three and nine month periods ended December 30, 2001 by product group.

(in thousands)	Three months ended December 31,				Nine months ended December 31,			
	2001	%	2002	%	2001	%	2002	%
TAP.....	\$ 20,198	30.1%	\$ 12,771	26.0%	\$70,370	37.1%	\$44,588	28.7%
Broadband.....	35,009	52.2%	26,350	53.6%	81,364	42.9%	79,798	51.4%
Total equipment.....	55,207	82.4%	39,121	79.5%	151,734	80.0%	124,386	80.1%
Services.....	11,805	17.6%	10,082	20.5%	37,998	20.0%	30,793	19.9%
Total revenues.....	\$ 67,012		\$ 49,203		\$189,732		\$155,179	

The prices for the products within each market group vary based upon volume, customer specifications and other criteria and are subject to change due to competition among telecommunications manufacturers and service providers. Increasing competition, in terms of the number of entrants and their size, and increasing size of the Company's customers because of mergers, continues to exert downward pressure on prices for the Company's products. The Company has also elected to eliminate some products and exit some markets based on an analysis of current and future prospects.

The Company expects to continue to evaluate new product opportunities and engage in extensive research and development activities. This will require the Company to continue to invest heavily in research and development and sales and marketing, which could adversely affect short-term results of operations. In view of the Company's reliance on the DSL market for revenues and the unpredictability of orders and pricing pressures, the Company believes that period to period comparisons of its financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. Revenues from TAP products such as NIUs have declined in recent years as telephone companies continue to move to networks that deliver higher speed digital transmission services. Failure to increase revenues from new products, whether due to lack of market acceptance, competition, technological change or otherwise, would have a material adverse effect on the Company's business and results of operations.

11

#### RESULTS OF OPERATIONS - Periods ended December 31, 2002 compared to periods ended December 31, 2001

**Revenues.** The Company's revenues decreased 26.6% from \$67.0 million in the three months ended December 31, 2001 to \$49.2 million in the three months ended December 31, 2002. This revenue decrease was due to decreased equipment revenue from the Company's Broadband and TAP products of \$8.7 million and \$7.4 million respectively, when compared with the same period of the prior year. The decreased equipment revenue from the Company's TAP products was due to overall unit volume decreases. The decreased equipment revenue from the Company's Broadband products was due a reduction in overall unit selling prices offset in part by an increase in unit volume. Service revenue decreased in the three month period by \$1.7 million when compared with the same period of the prior year due to a decrease in call minutes at the Company's Conference Plus, Inc. subsidiary.

The Company's revenues decreased 18.2% from \$189.7 million in the nine months ended December 31, 2001 to \$155.2 million in the nine months ended December 31, 2002. This revenue decrease was primarily due to decreased equipment revenue from the Company's TAP products of \$25.8 million, or 36.6%, when compared with the same period of the prior year. Equipment revenue from the Company's Broadband products also decreased by \$1.6 million, or 1.9%, when compared with the same nine-month period of the prior year. The decreased equipment revenue in the Company's TAP products was due to overall unit volume decreases. The decreased equipment revenue in the Company's Broadband products was due to a reduction in overall unit selling prices offset in part by an increase in unit volume. Service revenue decreased in the nine month period by \$7.2 million when compared with the same period of the prior year due to a decrease in call minutes at the Company's Conference Plus, Inc. subsidiary.

**Gross Margin.** Gross margin as a percentage of revenue increased from 20.0% in the three months ended December 31, 2001 to 29.4% in the three months ended December 31, 2002 and increased from 18.9% in the nine months ended December 31, 2001 to 29.0% in the nine months ended December 31, 2002. The increased margins in the three and nine month periods ended December 31, 2002 was primarily due to a reduction in material, labor and handling costs, particularly in our broadband product lines. The three and nine month period ended December 31, 2001 contained a \$1.2 million benefit related to resolution of a disputed expense in the Conference Plus Inc. subsidiary. Also impacting the nine month period ended December 31, 2002 margin was a reversal of \$2.0 million related to excess and obsolete inventory reserves and the recording of a \$1.7 million product royalty. These increases were offset in part by decreased margin dollars generated by the Company's Conference Plus, Inc. subsidiary. Excluding the one-time royalty and the reversal of excess and obsolete inventory reserves, gross margin as a percentage of revenue would have been 26.6% in the nine month period ended December 31, 2002. The Company believes that continued pricing pressures affecting its equipment segment will adversely impact margins in the future. The Company expects that these anticipated price reductions will be offset in part with continued cost reductions and efficiencies.

**Sales and Marketing.** Sales and marketing expenses decreased 25.4%, or \$1.2 million, to \$3.5 million in the three months ended December 31, 2002 and decreased 19.3%, or \$3.0 million, to \$12.5 million in the nine months ended December 31, 2002 when compared to the same

periods last year. The decrease in sales and marketing expenses during the three and nine month periods was primarily due to the fiscal 2002 reorganizations, which reduced employee related expenses and outside consulting expenses. Sales and marketing expenses increased as a percentage of revenues from 7.1% in the three months ended December 31, 2001 to 7.2% in the three months ended December 31, 2002. Sales and marketing expenses decreased as a percentage of revenues from 8.1% in the nine months ended December 31, 2001 to 8.0% in the nine months ended December 31, 2002. The reduced revenue and expenses in the fiscal 2002 period was the primary cause of the percentages remaining relatively unchanged from fiscal 2001. The Company believes that sales and marketing expense in the future will continue to be a significant percent of revenue and will be required to expand its product lines, bring new products to market and service customers.

---

## RESULTS OF OPERATIONS - continued

**Research and Development.** Research and development expenses increased 15.6%, or \$0.6 million, to \$4.1 million in the three months ended December 31, 2002 when compared to the same period last year. Research and development expenses increased as a percentage of revenues from 5.3% in the three months ended December 31, 2001 to 8.3% in the three months ended December 31, 2002. The increase in research and development expenses during the three month period was primarily due to \$0.8 million received from a customer to fund engineering projects in fiscal 2002. Research and development expenses decreased 32.9%, or \$5.7 million, to \$11.7 million in the nine months ended December 31, 2002 when compared to the same period last year. Research and development expenses decreased as a percentage of revenues from 9.2% in the nine months ended December 31, 2001 to 7.6% in the nine months ended December 31, 2002. The decrease in expense is primarily a result of the fiscal 2002 reorganizations, which reduced employee related expenses and outside consulting expenses. The Company believes that research and development expense in the future will continue to be a significant percent of revenue and will be required for the Company to remain competitive.

**General and Administrative.** General and administrative expenses decreased 37.2%, from \$5.6 million in the three months ended December 31, 2001 to \$3.5 million in the three months ended December 31, 2002. General and administrative expenses decreased 29.7%, from \$17.4 million in the nine months ended December 31, 2001 to \$12.3 million in the nine months ended December 31, 2002. General and administrative expenses decreased as a percentage of revenues from 8.3% in the three months ended December 31, 2001 to 7.1% in the three months ended December 31, 2002 and decreased from 9.2% in the nine months ended December 31, 2001 to 7.9% in the nine months ended December 31, 2002. The decrease in general and administrative expenses was primarily due to cost reductions initiated in the fiscal 2002 reorganizations.

**Goodwill and intangible amortization.** Goodwill and intangible amortization expense decreased due to adoption of the Statements of Financial Accounting Standards (SFAS) 142 issued by the Financial Accounting Standards Board (FASB). Under the new rules, goodwill and other indefinite lived intangibles are no longer amortized but are subject to annual impairment tests. The Company performed the first impairment test as of April 1, 2002 and no write down was required. The amortization of other identifiable intangible assets was approximately \$389,000 and \$1.2 million in the three and nine month periods ended December 31, 2002.

**Goodwill write down.** After the fiscal 2002 reorganizations, and given the current and expected market conditions in the T-1 line repeater and low speed digital data products portion of the business acquired from Teltrend, it became apparent that the goodwill acquired with the Teltrend acquisition was impaired. In accordance with its policies, the Company completed an evaluation of the fair value of the Teltrend long-lived assets (including goodwill) during the quarter ended December 31, 2001 and reported a \$90.5 million non-cash charge to reduce the carrying value of these assets to their estimated fair value.

**Other (income) expense, net.** Other (income) expense, net was a loss of \$259,000 in the three months ended December 31, 2001 compared to income of \$17,000 in the three months ended December 31, 2002 and was a loss of \$532,000 in the nine months ended December 31, 2001 compared to income of \$128,000 in the nine months ended December 31, 2002. Other (income) expense is primarily comprised of interest income earned on temporary cash investments, and unrealized gains and losses on intercompany balances denominated in foreign currency. A loss occurred in fiscal 2002 due to a strengthening dollar and a income resulted in fiscal 2003 due to a weakening dollar.

**Interest expense.** Interest expense decreased from \$1.7 million in the three months ended December 31, 2001 to \$0.5 million in the three months ended December 31, 2002 and decreased from \$4.2 million in the nine months ended December 31, 2001 to \$2.0 million in the nine months ended December 31, 2002. Interest expense during the current period is a result of interest incurred on net obligations outstanding during the period under promissory notes, capital leases, and vendor debt. The reduction in interest expense for the three and nine month periods were due to lower debt and lower interest rates on debt.

**Income taxes.** There was no benefit or expense for income taxes recorded for either the three or the nine month periods ended December 31, 2001 and 2002. The Company reversed valuation reserves for the entire expense generated during the three and nine month periods ended December 31, 2002 of \$1.3 million and \$1.8 million, respectively. The Company will continue to evaluate on a quarterly basis its ability to utilize recorded deferred tax assets.

---

## RESULTS OF OPERATIONS - continued

### LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2002, the Company had \$6.9 million in cash and cash equivalents consisting primarily of federal government agency instruments and the highest rated grade corporate commercial paper. As of December 31, 2002, the Company had \$5.0 million outstanding under its term loan and \$14.9 million outstanding and \$5.6 million available under its secured revolving credit facility. These amounts are shown as notes payable on the balance sheet.

The Company's revolving credit facility, as amended, provides for a \$5 million non-amortizing term loan and a \$30 million asset based revolving credit facility, both due June 30, 2003. The asset based revolving credit facility provides for total borrowings based upon 85% of eligible accounts receivable and 30% of eligible inventory not to exceed \$6.7 million as of December 31, 2002. The \$6.7 million inventory limitation is reduced by \$0.1 million on the first day of each month. Borrowings under this facility provide for the interest to be paid by the Company at the prime rate plus 1%. The term loan is secured by, among other things, a security interest in certain collateral granted by certain stockholders consisting of trusts of Robert C. Penny III and other family members. Trusts of Robert C. Penny III and other Penny family members are participants to the amended revolving credit facility. This credit facility contains covenants regarding EBITDA, tangible net worth and maximum capital expenditures. The Company was in compliance with the covenants contained in the credit facility at December 31, 2002. Management expects to be in compliance with the covenants for the term of the credit facility.

On May 30, 2002, the Company signed two subordinated promissory notes with Soletron Technology SDN BHD. One note in the amount of \$5.0 million is for the payment of inventory held by Soletron that the Company is committed to buy. The second note in the amount of \$16.6 million is for the payment of accounts payable and accrued interest. Both notes require a weekly principal and monthly interest payment and are payable over 2.3 years. A third subordinated secured promissory note in the amount of \$1.3 million made by the Company and payable to Soletron Technology SDN BHD was entered into on June 3, 2002 and is payable monthly over one year. This note was part of the settlement of litigation with Celsian Technologies, Inc. All three notes bear interest at the prime rate plus 2.5%. As of December 31, 2002, \$14.7 million was outstanding under these notes.

In connection with the Company's management changes implemented at its subsidiary Conference Plus, Inc. (CPI), in December 2002, the Company purchased 2.5% of the outstanding shares of common stock of CPI from former officers of CPI for approximately \$1.3 million. The purchase price was based upon the minority interest value set forth in the annual appraisal of CPI obtained by the Company that is completed by an independent financial advisor. As of December 31, 2002, the Company had paid \$256,000 for these shares with the remainder to be paid over a three year term. The transaction resulted in additional goodwill of approximately \$0.8 million.

At December 31, 2002 the Company had various operating leases for facilities and equipment. The total minimum future rental payments are \$5.3 million, \$4.3 million, \$3.5 million, \$3.5 million, \$3.4 million and \$26.0 million for fiscal years 2003, 2004, 2005, 2006, 2007 and thereafter, respectively.

The Company's operating activities provided cash of \$14.0 million in the nine months ended December 31, 2002. This resulted primarily from net income net, non cash depreciation and amortization, reductions in inventory and accounts receivable offset in part by decreases in accounts payable and accrued expenses. The inventory reductions were achieved by selling products throughout the year that were in inventory at March 31, 2002. The Company believes that its current inventory level is necessary to satisfy ongoing business operations.

Capital expenditures for the nine month period ended December 31, 2002 were approximately \$1.5 million. The Company expects to spend approximately \$1.0 million for capital expenditures for the remainder of fiscal year 2003 related primarily for machinery, computer and research equipment purchases.

At December 31, 2002, the Company's principle sources of liquidity were \$6.9 million of cash and the secured revolving credit facility under which the Company was eligible to borrow up to an additional \$5.6 million based upon receivables and inventory levels. Cash in excess of operating requirements, if any, will be used to pay down debt or invested on a short-term basis in federal government agency instruments and the highest rated grade commercial paper. The Company believes that future cash requirements will be satisfied by cash generated from operations and its current credit facility for the next twelve months.

---

## RESULTS OF OPERATIONS - continued

The Company had a deferred tax asset of approximately \$91.1 million at December 31, 2002. The Company has recorded a valuation allowance reserve of \$65.7 million to reduce the recorded deferred tax asset to \$25.4 million. The net operating loss carryforward begins to expire in 2012. Realization of deferred tax assets associated with the Company's future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration. Although realization of the deferred tax asset is not assured as the Company has incurred operating losses for the 2000, 2001 and 2002 fiscal years, management believes that it is more likely than not that it will generate taxable income sufficient to realize a portion of the tax benefit. Portions of these deferred tax assets are expected to be utilized, prior to their expiration, through a tax planning strategy available to the Company. The tax planning strategy upon which the Company is relying involves the potential sale of the Company's 91% owned Conference Plus Inc. subsidiary. The estimated gain generated by the sales of this business would generate sufficient taxable income to offset the recorded deferred tax assets. The Company obtains an annual independent appraisal of the value of the business in the fourth quarter of each fiscal year. This appraisal, which is based on discounted future cash flows, is used in the Company's evaluation of the



recorded net deferred tax assets. If the appraised value of Conference Plus, Inc. is not sufficient to generate taxable income to recover the deferred tax benefit recorded, an increase in the valuation allowance will be required through a charge to the income tax provision. However, if the Company achieves sufficient profitability or has available additional tax planning strategies to utilize a greater portion of the deferred tax asset, an income tax benefit would be recorded to decrease the valuation allowance.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.**

Westell is subject to certain market risks, including foreign currency and interest rates. The Company has foreign subsidiaries in the United Kingdom and Ireland that develop and sell products and services in those respective countries. The Company is exposed to potential gains and losses from foreign currency fluctuations affecting net investments and earnings denominated in foreign currencies. The Company's future primary exposure is to changes in exchange rates for the U.S. dollar versus the British pound and the Irish pound.

As of December 31, 2002, the net balance in the cumulative foreign currency translation adjustment account, which is a component of stockholders' equity, was an unrealized loss of \$167,000.

The Company does not have significant exposure to interest rate risk related to its debt obligations, which are primarily U.S. Dollar denominated. The Company's market risk is the potential loss arising from adverse changes in interest rates. As further described in Note 1 of the Company's 10-K for the period ended March 31, 2002, the Company's debt consists primarily of a floating-rate bank line-of credit. Market risk is estimated as the potential decrease in pretax earnings resulting from a hypothetical increase in interest rates of 10% (i.e. from approximately 6.50% to approximately 7.15%) of the average interest rate on the Company's debt. If such an increase occurred, the Company would incur approximately \$226,000 per annum in additional interest expense based on the average debt borrowed during the twelve months ended December 31, 2002. The Company does not feel such additional expense is significant.

The Company does not currently use any derivative financial instruments relating to the risk associated with changes in interest rates.

### **ITEM 4. CONTROLS AND PROCEDURES.**

Our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation within 90 days of the filing date of this report, that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the previously mentioned evaluation .

---

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

Westell Technologies, Inc. and certain of its officers and directors have been named in In re Westell Technologies, Inc. Securities Litigation, No 00 C 6735 (cons. complaint filed February 1, 2001), filed in the United States District Court for the Northern District of Illinois. This case is a consolidation of eleven cases filed against Westell and certain of its officers and directors in the United States District Court of the Northern District of Illinois in 2000. The case alleges generally that the defendants violated the antifraud provisions of the federal securities laws by allegedly issuing material false and misleading statements and/or allegedly omitting material facts necessary to make the statements made not misleading, thereby allegedly inflating the price of Westell stock for certain time periods. The case claims that, in 2001, certain officers of Westell allegedly reassured analysts that Westell's sales were on track to meet forecasts for the second quarter of fiscal 2001, when they knew that Westell was experiencing a substantial shortfall in second quarter modem sales due to decreased orders from a major customer, SBC Communications, Inc. The case seeks damages allegedly sustained by plaintiffs and the class by reason of the acts and transactions alleged in the complaints as well as interest on any damage award, reasonable attorneys' fees, expert fees, and other costs. The parties are engaged in discovery and settlement negotiations. The case is set for trial on November 3, 2003.

Certain of Westell's officers and directors have been named in a derivative action titled Dollens and Vukovich v. Zionts, et al., No. 01C2826, filed December 4, 2001 in the United States District Court for the Northern District of Illinois. The case alleges generally that the defendants issued material false and misleading statements and/or allegedly omitted material facts necessary to make the statements made not misleading thereby inflating the price of Westell stock for certain time periods, engaged in insider trading, and misappropriated corporate information. The allegations in support of the claims are identical to the allegations in the Federal case described above. The case seeks

damages allegedly sustained by Westell by reason of the acts and transactions alleged in the complaint, a constructive trust for the amount of profits the individual defendants made on insider sales, reasonable attorneys' fees, expert fees and other costs. The case is a consolidation of four cases filed against Westell and certain of its officers and directors in 2000 and 2001. The parties are engaged in discovery and settlement negotiations. The case is set for trial on November 3, 2003.

The action in which the Company was named in the Circuit Court of DuPage County, Wheaton, Illinois entitled WTI(IL)QRS 12-36, Inc.("Landlord") v. Westell, Inc.. and Westell Technologies, Inc. was dismissed with prejudice when the parties reached a settlement agreement in November, 2002. In exchange for the Company's payment of \$625,000, the Landlord released all claims for breach of covenant against the Company under the lease agreement. As part of this settlement agreement, the Landlord also waived any financial covenants incorporated in the Company's lease agreement for a period of ten years ending on October 31, 2012.

In May 2002, the Company filed a patent infringement lawsuit against HyperEdge Corporation in the U.S. District Court for the Northern District of Illinois (Civil Action No. 02-C-3496). The complaint charges HyperEdge with infringing Westell's U.S. Patent Number 5,444,776, under theories of direct infringement and inducement of infringement by others. Westell seeks injunctive relief, trebled damages for willful infringement, and attorney fees. HyperEdge has asserted affirmative defenses and counterclaims that include, but are not limited to, non-infringement, invalidity, and unfair competition. Westell has moved to dismiss certain of HyperEdge's counterclaims. Westell's 5,444,776 patent relates to an innovative bridge circuit technology often used in network interface units. The case is currently in discovery.

In the opinion of the Company, although the outcome of any legal proceedings set forth above cannot be predicted with certainty, the liability of the Company in connection with its legal proceedings could have a material effect on the Company's financial position.

16

---

#### **ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K**

Exhibit 99.1 Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 99.2 Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

17

---

#### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**WESTELL TECHNOLOGIES, INC.**  
(Registrant)

DATE: February 14, 2003  
By: E. VAN CULLENS

**E. VAN CULLENS**  
Chief Executive Officer

By: **NICHOLAS C. HINDMAN**  
**NICHOLAS C. HINDMAN**

18

---

Exhibit 99.1

I, E. Van Cullens, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Westell Technologies, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

/s/ E. Van Cullens

-----  
E. Van Cullens

President and Chief Executive Officer

## Exhibit 99.2

I, Nicholas C. Hindman, Sr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Westell Technologies, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

/s/ Nicholas C. Hindman, Sr.

Nicholas C. Hindman, Sr.  
Treasurer, Secretary, Senior Vice President and  
Chief Financial Officer

---

End of Filing

Powered By 

© 2003 | EDGAR Online, Inc.



As filed with the Securities and Exchange Commission on October 18, 2002  
Registration No. 333-

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549  
**FORM S-3**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**WESTELL TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation or organization)

36-3154957  
(I.R.S. Employer  
Identification Number)

**750 NORTH COMMONS DRIVE**  
**AURORA, ILLINOIS 60504**  
(630) 898-2500

(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)

**NICHOLAS HINDMAN**  
**CHIEF FINANCIAL OFFICER**  
**WESTELL TECHNOLOGIES, INC.**  
**750 N. COMMONS DRIVE**  
**AURORA, ILLINOIS 60504**  
(630) 898-2500

(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

**COPIES TO:**  
Neal J. White  
Heidi J. Steele  
McDermott, Will & Emery  
227 West Monroe Street  
Chicago, Illinois 60606

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

## CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFER PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE(2)
Class A Common Stock (par value \$.01 per share)(3)	512,820	\$1.16	\$594,871.20	\$54.74

(1) Such number is deemed to include pursuant to Rule 416 under the Securities Act of 1933 an indeterminate number of shares of the Registrant's Class A Common Stock as may be issued from time to time pursuant to the terms of the warrants.

(2) Estimated solely for the purpose of calculating the registration fee, based upon the average high and low prices of Class A Common Stock on October 16, 2002, as reported on the Nasdaq Stock Market. The registration fee has been calculated in accordance with Rule 457(c) under the Securities Act of 1933.

(3) This registration statement is intended to cover the resale of the shares acquired by the warrant holder after such warrant holder has exercised warrants issued by the registrant. The warrants were issued pursuant to a private placement and are not being separately registered.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

**[SIDE LEGEND]**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these

**SUBJECT TO COMPLETION, DATED OCTOBER 18, 2002**

**PROSPECTUS****WESTELL TECHNOLOGIES, INC.****512,820 SHARES OF CLASS A COMMON STOCK**

This prospectus relates to 512,820 shares of Class A Common Stock of Westell Technologies, Inc. that may be sold from time to time by the selling stockholders named herein, or their transferees, pledgees, donees or successors.

The shares are being registered to permit the selling stockholders to sell the shares in the public market. The shares may be sold through ordinary brokerage transactions, directly to market makers of our shares, in privately negotiated transactions or through any other means described in the section captioned "Plan of Distribution." We do not know if the selling stockholders will sell all or any of the shares offered hereby.

We will not receive any of the proceeds from the sale of these shares. We have agreed to pay for the expenses of registering the shares with the Securities and Exchange Commission. The selling stockholders will pay for the costs of any commission or selling expenses.

Our class A common stock is quoted on the Nasdaq Stock Market under the symbol "WSTL."

INVESTING IN THE SHARES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 2 FOR A DISCUSSION OF CERTAIN FACTORS THAT YOU SHOULD CONSIDER BEFORE PURCHASING ANY SECURITIES.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is \_\_\_\_\_, 2002.

WHERE YOU CAN FIND MORE INFORMATION.....	1
FORWARD-LOOKING STATEMENTS.....	1
WESTELL TECHNOLOGIES, INC.....	1
RISK FACTORS.....	2
USE OF PROCEEDS.....	12
SELLING SECURITY HOLDERS.....	12
PLAN OF DISTRIBUTION.....	15
LEGAL OPINIONS.....	16
EXPERTS.....	16

-i-

## WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy reports, statements or other information at the SEC's public reference rooms in Washington, D.C. You can call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at "<http://www.sec.gov>."

As noted above, we have filed with the SEC a registration statement on Form S-3 to register the securities. This prospectus is part of that registration statement and, as permitted by the SEC's rules, does not contain all of the information set forth in the registration statement. For further information you should refer to the registration statement and to the exhibits and schedules filed as part of the registration statement. You can review and copy the registration statement and its exhibits and schedules at the public reference facilities maintained by the SEC as described above. The registration statement, including its exhibits and schedules, is also available on SEC's web site.

The SEC allows us to "incorporate by reference" into this prospectus the information that we and other registrants file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and the information that we file later with the SEC will automatically update and supersede this information as indicated below. We incorporate by reference in this prospectus the following:

- o our Annual Report on Form 10-K for the year ended March 31, 2002;
- o our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002;
- o our Schedule 14A for our 2002 annual meeting of shareholders;
- o the description of our Class A common stock included in our Form 8-A Registration Statement; and
- o any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, until we sell all of the securities.

You may request a copy of these filings, at no cost, by writing or telephoning us at Westell Technologies, Inc., 750 North Commons Drive, Aurora, Illinois 60504, telephone: (630) 898-2500, Attention: Secretary.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different or additional information. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of those documents.

## FORWARD-LOOKING STATEMENTS

Certain statements contained herein including, without limitation, statements containing the words "believe," "anticipate," "expect," "estimate", "await," "continue," "intend" and similar expressions are forward looking statements that involve risks and uncertainties. These risks include, but are not limited to, the risks identified in the section captions "Risk Factors" below and other risks more fully described in Westell's Annual Report on Form 10-K for the fiscal year ended March 31, 2002 under the section captioned "Risk Factors." Westell undertakes no obligation to release publicly the result of any revisions to these forward looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

## WESTELL TECHNOLOGIES, INC.

The Company designs, manufactures, markets and services a broad range of digital and analog products used by telephone companies and other telecommunications service providers to deliver broadband services primarily over existing copper telephone wires that connect end users to a telephone company's central office. The copper wires that connect users to these central offices are part of the telephone companies' networks and are commonly referred to as the local loop or the local access network. Westell products and solutions are deployed worldwide, but Westell realizes the majority of its revenues from the North American market.

-1-

Westell is a provider of broadband and digital subscriber line (DSL) technology solutions that allow the transport of high-speed data over the local loop and enable telecommunications companies to provide cost-effective and high-speed services over existing copper infrastructure. In addition, Westell also provides DSL products and solutions for businesses and enterprises such as Internet Service Providers. Westell also designs, develops and sells Telco Access Products (TAP) that monitor and maintain special service circuits in telephone companies' local loops. These special service circuits, such as T-1, are higher speed lines that provide voice and/or data services.

Westell's 88.3% owned service subsidiary, Conference Plus, Inc. provides audio, video, and web conferencing services. Businesses and individuals use these services to hold voice, video or web conferences with many people at the same time. Conference Plus sells its services directly to large customers, including Fortune 100 companies and serves other customers indirectly through its private reseller program.

Westell was incorporated in 1980 under the laws of the State of Delaware and has its principal executive offices at 750 North Commons Drive, Aurora, Illinois 60504 (telephone number: (630) 898-2500). Internet users can obtain information about Westell at <http://www.westell.com> although the contents of this website are not a part of this prospectus.

## RISK FACTORS

You should carefully consider the risks described below in addition to the other information contained and incorporated by reference in this prospectus before purchasing our securities. If any of the following risks occurs, our business, operating results or financial condition would likely suffer, and the market price for our securities could decline and you could lose your investment.

## WE HAVE INCURRED AND MAY CONTINUE TO INCUR LOSSES.

Due to our significant ongoing investment in DSL and HDSL (high bit rate digital subscriber line) technology, which can be used by telephone companies and other service providers to increase the transmission speed and capacity of copper telephone wires, we have incurred losses through fiscal 2002. To date, we have incurred operating losses, net losses and negative cash flow on both an annual and quarterly basis. For the year ended March 31, 2002, we had net losses of \$93.9 million.



We believe that our future revenue growth and profitability will depend on:

- o creating sustainable DSL and HDSL sales opportunities;
- o lowering our DSL and HDSL product costs through design and manufacturing enhancements and volume reductions;
- o developing new and enhanced T-1 products; and
- o developing other niche products for both DSL and T-1 markets

In addition, we expect to continue to evaluate new product opportunities. As a result, we will continue to invest heavily in research and development and sales and marketing, which could adversely affect our short-term operating results. We can offer no assurances that we will achieve profitability in the future.

#### **OUR STOCK PRICE IS VOLATILE AND COULD DROP UNEXPECTEDLY.**

Like many technology stocks, our stock has demonstrated and likely will continue to demonstrate extreme volatility as valuations, trading volume and prices move significantly. This volatility may result in a material decline in the market price of our securities, and may have little relationship to our financial results or prospects.

Our class A common stock price has experienced substantial volatility in the past and is likely to remain volatile in the future due to factors such as:

- o our actual and anticipated quarterly and annual operating results;
- o variations between our actual results and analyst and investor expectations;
- o announcements by us or others on developments affecting our business;

-2-

- 
- o investor and analyst perceptions of our company and comparable public companies;
  - o future sales of debt or equity securities;
  - o the activities of short sellers and risk arbitrageurs regardless of our performance; and
  - o conditions and trends in the data communications and Internet-related industries.

Many of the factors listed above are not within our control. In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class litigation. If we were involved in securities class litigation, we could incur substantial costs and our management's attention could be diverted.

#### **WE FACE SECURITIES CLASS LITIGATION WHICH COULD SIGNIFICANTLY HARM OUR BUSINESS.**

In fiscal 2000, Westell Technologies, Inc. and certain of its officers and directors were named in consolidated class actions. The cases allege generally that the defendants violated the antifraud provisions of the federal securities laws by allegedly issuing material false and misleading statements and/or allegedly omitting material facts necessary to make the statements made not misleading thereby allegedly inflating the price of Westell stock for certain time periods. The cases seek damages allegedly sustained by plaintiffs and the class by reason of the acts and transactions alleged in the complaints as well as interest on any damage award, reasonable attorneys' fees, expert fees, and other costs. We cannot predict what the outcome of these lawsuits will be. It is possible that we may be required to pay substantial damages or settlement costs in excess of our insurance coverage, which could have a material adverse effect on our financial condition and results of operation. Any verdict against us could harm our business. Even if we are meritorious in such litigation, we have incurred and could incur in the future substantial legal costs and management's attention and resources could be diverted from our business which could cause our business to suffer.

#### **WE MAY NEED ADDITIONAL FINANCING.**

We must continue to enhance and expand our product and service offerings in order to maintain our competitive position and to increase our market share. As a result and due to our net losses, the continuing operations of our business may require substantial capital infusions. Whether or when we can achieve cash flow levels sufficient to support our operations cannot be accurately predicted. Unless such cash flow levels are achieved, we may require additional borrowings or the sale of debt or equity securities, sale of non-strategic assets, or some combination thereof, to provide funding for our operations. In addition, if we are unable to generate sufficient working capital or obtain alternative financing, we may not be able to repay our debt under our existing credit facilities when it becomes due. If we cannot generate sufficient cash flow from our operations, or are unable to borrow or otherwise obtain additional funds to finance our operations when needed, our financial condition and operating results would be materially adversely affected and we would not be able to operate our business.

#### **WE HAVE AN ESTIMATED \$67 MILLION OF TOTAL INDEBTEDNESS AT JUNE 27, 2002, WHICH COULD HURT OUR ABILITY TO BORROW AND UTILIZE CASH FLOW AS NECESSARY AND RESTRICT OUR OPERATIONS.**

The degree to which we are leveraged could have important consequences, including the following:

- o our ability to borrow may be limited and additional amounts for working capital and capital expenditures may not be available;
- o a substantial portion of our cash flows must be used to pay our interest expense and repay our debt, which reduces the funds that would otherwise be available for our operations or product development;
- o we may be more vulnerable to economic downturns and competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions; and
- o fluctuations in market interest rates will affect the cost of our borrowings.

In addition, our credit facilities contain numerous covenants imposing financial and operating restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. Our ability to meet the financial ratios and tests and other provisions contained in our credit facilities could be affected by changes in economic or business conditions or other events beyond our control. Any failure to comply with the obligations in our credit facilities could result in an event of default under our facilities, which, if not cured or waived, could permit acceleration of our indebtedness which could have a material adverse effect on us. In addition, our credit facilities expire on June 30, 2003. If we do not obtain alternative financing or

-3-

---

generate sufficient working capital, our ability to refinance this debt could be materially adversely affected.

**DUE TO THE RAPID TECHNOLOGICAL CHANGES IN OUR INDUSTRY, OUR PRODUCTS MAY BECOME OBSOLETE BEFORE WE CAN REALIZE SIGNIFICANT REVENUES FOR OUR PRODUCTS, WHICH COULD CAUSE US TO INCUR CHARGES FOR EXCESS AND OBSOLETE INVENTORY AND MATERIALLY HARM OUR BUSINESS.**

The telecommunications industry is subject to rapid technological change and volatile customer demands, which results in a short product commercial life before a product becomes obsolete. As a result, we have in the past and may in the future devote disproportionate resources to a product that has an unexpected short commercial life and/or have to write off excess and obsolete inventory, each of which would harm our operating results and financial condition and harm our business. From time to time, we may need to write off inventory as excess or obsolete. In the past, we have experienced such write-offs. For example, we recognized an inventory adjustment to net realizable value and charges for excess and obsolete inventory of \$13.9 million during fiscal year 2002. If we incur substantial inventory expenses that we are not able to recover because of changing market conditions, it could have a material adverse effect on our business, financial condition and results of operations.

#### **PRICING PRESSURES ON OUR DSL AND HDSL PRODUCTS MAY AFFECT OUR ABILITY TO BECOME PROFITABLE.**

We have and may in the future offer DSL and HDSL products based upon forward pricing. Forward pricing will cause us to incur low margins on DSL and HDSL product sales unless we can reduce manufacturing costs. We believe that manufacturing costs may decrease if:

- o more cost-effective transceiver technologies become available,
- o product design efficiencies and component integration are obtained, and
- o we achieve economies of scale related to increased volume.

There is no guaranty that we will be able to secure significant additional DSL and HDSL orders and reduce per unit manufacturing costs that we have factored into our forward pricing of DSL and HDSL products. As a result, we could incur low margins in connection with sales of DSL and HDSL products even if our unit volume increases. Low margins from our sales of DSL and HDSL products could result in fluctuations in our quarterly operating results and would materially and adversely affect our ability to achieve profitability and implement our business goals.

**OUR PRODUCTS FACE COMPETITION FROM OTHER EXISTING PRODUCTS, PRODUCTS UNDER DEVELOPMENT AND CHANGING TECHNOLOGY, AND IF WE DO NOT REMAIN COMPETITIVE, OUR BUSINESS WILL SUFFER AND WE WILL NOT BECOME PROFITABLE.**

The markets for our products are characterized by:

- o intense competition within the DSL and HDSL market and from other industries such as cable and wireless industries;
- o rapid technological advances;
- o evolving industry standards;
- o changes in end-user requirements;
- o frequent new product introductions and enhancements; and
- o evolving customer requirements and service offerings.

New products introductions or changes in services offered by telephone companies or over the Internet could render our existing products and products under development obsolete and unmarketable. Further, we believe that the domestic market for many of our traditional T-1 products is decreasing, and will likely continue to decrease, as high capacity digital transmission becomes less expensive and more widely deployed. Our future success will largely depend upon our ability to continue to enhance and upgrade our existing products, such as T-1 and DSL, and to successfully develop and market new products, such as HDSL, on a cost-effective and timely basis.

In addition, our current product offerings primarily enable telephone companies to deliver digital communications over copper telephone wires in the local access network. Telephone companies also face competition in the delivery of digital communications from cable operators, new telephone companies, and wireless service providers. If end users obtain their high-speed data

-4-

---

transmission services from these alternative providers, then the overall demand for DSL products will decline.

To remain competitive we must develop new products to meet the demands of these emerging transmission media and new local access network providers. Our business would be severely harmed if our products become obsolete or fail to gain widespread commercial acceptance due to competing products and technologies.

#### **EVOLVING INDUSTRY STANDARDS MAY ADVERSELY AFFECT OUR ABILITY TO SELL OUR PRODUCTS AND CONSEQUENTLY HARM OUR BUSINESS.**

Industry wide standardization organizations such as the American National Standards Institute and the European Telecommunications Standards Institute are responsible for setting transceiver technology standards for DSL and HDSL products. We are dependent on transceiver technologies from third parties to manufacture our products. If transceiver technologies needed for standards-based products are not available to us in a timely manner and under reasonable terms, then our revenues would significantly decrease and our business and operating results would suffer significantly.

In addition, the introduction of competing standards or implementation specifications could result in confusion in the market and delay decisions regarding deployment of our products. Delay in the announcement of standards would materially and adversely impact our product sales and would severely harm our business.

#### **ANY UNEXPECTED INCREASE IN DEMAND FOR DSL AND HDSL PRODUCTS COULD ADVERSELY IMPACT OUR ABILITY TO MANUFACTURE SUFFICIENT QUANTITIES OF DSL AND HDSL PRODUCTS, WHICH WOULD AFFECT OUR ABILITY TO ATTRACT AND RETAIN CUSTOMERS.**

Any unexpected increase in demand for DSL and HDSL products could adversely impact our ability to supply DSL and HDSL products in a timely manner, which would harm our business. Without proper lead times, we may not have the ability to, or may have to pay a premium to, acquire and develop the necessary capabilities to satisfy an unexpected increase in demand for our products. We may become dependent upon subcontractors to manufacture a portion of our DSL products and expect that our reliance on these subcontractors will increase if demand for our DSL products increases. Reliance on subcontractors involves several risks, including the potential lack of adequate capacity and reduced control over product quality, delivery schedules, manufacturing yields and costs. The use of subcontractors could result in material delays or interruption of supply as a consequence of required re-tooling, retraining and other activities related to establishing and developing subcontractor relationships. Any manufacturing disruption would impair our ability to fulfill orders, and if this occurs, our revenues and customer relationships would be materially adversely affected. Any material delays or difficulties in connection with increased manufacturing production or the use of subcontractors could severely harm our business. Our failure to effectively manage any increase in demand for our products would harm our business.

**WE ARE DEPENDENT ON THIRD PARTY TECHNOLOGY, THE LOSS OF WHICH WOULD HARM OUR BUSINESS.**

We rely on third parties to gain access to technologies that are used in our current products and in products under development. For example, our ability to produce DSL products is dependent upon third party transceiver technologies. Our licenses for DSL transceiver technology are nonexclusive and the transceiver technologies have been licensed to numerous other manufacturers. If our DSL transceiver licensors fail to deliver commercially ready or standards compliant transceiver solutions to us and other alternative sources of DSL transceiver technologies are not available to us at commercially acceptable terms, then our business and operating results would be significantly harmed.

Any impairment in our relationships with the licensors of technologies used in our products would force us to find other developers on a timely basis or develop our own technology. There is no guaranty that we will be able to obtain the third-party technology necessary to continue to develop and introduce new and enhanced products, that we will obtain third-party technology on commercially reasonable terms or that we will be able to replace third-party technology in the event such technology becomes unavailable, obsolete or incompatible with future versions of our products. We would have severe difficulty competing if we cannot obtain or replace much of the third-party technology used in our products. Any absence or delay would materially adversely affect our business and operating results.

-5-

**WE ARE DEPENDENT ON SOLE OR LIMITED SOURCE SUPPLIERS, THE LOSS OF WHICH WOULD HARM OUR BUSINESS.**

Integrated circuits and other electronic components used in our products are currently available from only one source or a limited number of suppliers. Our inability to obtain sufficient key components or to develop alternative sources for key components as required, could result in delays or reductions in product deliveries, and consequently severely harm our customer relationships and our business. Furthermore, additional sole-source components may be incorporated into our future products, thereby increasing our supplier risks. If any of our sole-source suppliers delay or halt production of any of their components, or fail to supply their components on commercially reasonable terms, then our business and operating results would be harmed.

In the past we have experienced delays in the receipt of key components which have resulted in delays in related product deliveries. There is no guaranty that we will be able to continue to obtain sufficient quantities of key components as required, or that such components, if obtained, will be available to us on commercially reasonable terms.

**WE HAVE NO LONG TERM CONTRACTS OR ARRANGEMENT WITH SUPPLIERS WHICH COULD ADVERSELY AFFECT OUR ABILITY TO PURCHASE COMPONENTS AND TECHNOLOGIES USED IN OUR PRODUCTS.**

We have no long-term contracts or arrangements with any of our suppliers. We may not be able to obtain components at competitive prices, in sufficient quantities or under other commercially reasonable terms. If we enter into a high-volume or long-term supply arrangement and subsequently decide that we cannot use the products or services provided for in the supply arrangement, then our business would also be harmed.

**WE WILL NOT BE ABLE TO SUCCESSFULLY COMPETE, DEVELOP AND SELL NEW PRODUCTS IF WE FAIL TO RETAIN KEY PERSONNEL AND HIRE ADDITIONAL KEY PERSONNEL.**

Because of our need to continually evolve our business with new product developments and strategies, our success is dependent on our ability to attract and retain qualified technical, marketing, sales and management personnel. To remain competitive we must maintain top management talent, employees who are involved in product development and testing and employees who have developed strong customer relationships. Because of the high demand to these types of employees, it is difficult to retain existing key employees and attract new key employees. Our inability to attract and retain additional key employees could harm our ability to successfully sell existing products and develop new products and implement our business goals.

**OUR QUARTERLY OPERATING RESULTS ARE LIKELY TO FLUCTUATE SIGNIFICANTLY AND SHOULD NOT BE RELIED UPON AS INDICATIONS OF FUTURE PERFORMANCE.**

We may experience significant fluctuations in quarterly operating results. Due to the risks identified below and elsewhere in "Risk Factors," sales to our largest customers have fluctuated and could fluctuate significantly between quarters. Sales to our customers typically involve large purchase commitments, and customers purchasing our products may generally reschedule without penalty. As a result, our quarterly operating results have fluctuated significantly in the past. Other factors that have had and may continue to influence our quarterly operating results include:

- o the impact of changes in the DSL customer mix or product mix sold;
- o timing of product introductions or enhancements by us or our competitors;
- o changes in operating expenses which can occur because of product development costs, timing of customer reimbursements for research and development, pricing pressures;
- o availability and pricing of key components;
- o write-offs for obsolete inventory; and
- o the other risks that are contained in this "Risk Factors" section.

Due to our fluctuations in quarterly results, we believe that period-to-period comparisons of our quarterly operating results are not necessarily meaningful. Our quarterly fluctuations make it more difficult to forecast our revenues. It is possible that in some future quarters our operating results will be below the expectations of securities analysts and investors, which may adversely affect our stock price. As long as we continue to depend on DSL products and new

-6-

products, there is substantial risk of widely varying quarterly results, including the so-called "missed quarter" relative to investor expectations.

**WE MAY EXPERIENCE DELAYS IN THE DEPLOYMENT OF NEW PRODUCTS.**

Our past sales have resulted from our ability to anticipate changes in technology, industry standards and telephone company service offerings, and to develop and introduce new and enhanced products and services. Our continued ability to adapt to such changes will be a significant factor in maintaining or improving our competitive position and our prospects for growth. Factors resulting in delays in product development include:

- o rapid technological changes in the telecommunications industry;
- o our customers' lengthy product approval and purchase processes; and
- o our reliance on third-party technology for the development of new products.

There can be no assurance that we will successfully introduce new products on a timely basis or achieve sales of new products in the future. In addition, there can be no assurance that we will have the financial and manufacturing resources necessary to continue to successfully develop new products or to otherwise successfully respond to changing technology standards and telephone company service offerings. If we fail to deploy new products on a timely basis, then our product sales will decrease, our quarterly operating results could fluctuate, and our competitive position and financial condition would be materially and adversely affected.

**THE TELECOMMUNICATIONS INDUSTRY IS A HIGHLY COMPETITIVE MARKET AND THIS COMPETITION MAY RESULT IN OPERATING LOSSES, A DECREASE IN OUR MARKET SHARE AND FLUCTUATIONS IN OUR REVENUE.**

We expect competition to increase in the future especially as the DSL market develops. Because we are significantly smaller than most of our competitors, we may lack the financial resources needed to increase our market share. Many of our competitors are much larger than us and can offer a wider array of different products and services required for a telephone company's business than we do.

We expect continued aggressive tactics from many of our competitors such as:

- o forward pricing of products;
- o early announcements of competing products;
- o bids that bundle DSL products with other product offerings; and
- o intellectual property disputes.

#### **OUR LACK OF BACKLOG MAY AFFECT OUR ABILITY TO ADJUST TO AN UNEXPECTED SHORTFALL IN ORDERS.**

Because we generally ship products within a short period after receipt of an order, we typically do not have a material backlog (or known quantity) of unfilled orders, and our revenues in any quarter are substantially dependent on orders booked in that quarter. Our expense levels are based on anticipated future revenues and are relatively fixed in the short-term. Therefore, we may be unable to adjust spending in a timely manner to compensate for any unexpected shortfall of orders. Accordingly, any significant shortfall of demand in relation to our expectations or any material delay of customer orders would have an immediate adverse impact on our business and operating results.

#### **INDUSTRY CONSOLIDATION COULD MAKE COMPETING MORE DIFFICULT.**

Consolidation of companies offering high-speed telecommunications products is occurring through acquisitions, joint ventures and licensing arrangements involving our competitors, our customers and our customers' competitors. We cannot provide any assurances that we will be able to compete successfully in an increasingly consolidated telecommunications industry. Any heightened competitive pressures that we may face may have a material adverse effect on our business, prospects, financial condition and result of operations.

-7-

---

#### **WE DEPEND ON A LIMITED NUMBER OF CUSTOMERS WHO ARE ABLE TO EXERT A HIGH DEGREE OF INFLUENCE OVER US.**

We have and will continue to depend on the large Regional Bell Operating Companies as well as and other telephone carriers including smaller local telephone carriers and new alternative telephone carriers, for substantially all of our revenues. Sales to the Regional Bell Operating Companies accounted for approximately 51.4%, 50.6% and 66.4% of our revenues in fiscal 2000, 2001 and 2002, respectively. Consequently, our future success will depend upon:

- o the timeliness and size of future purchase orders from the Regional Bell Operating Companies;
- o the product requirements of the Regional Bell Operating Companies;
- o the financial and operating success of the Regional Bell Operating Companies; and
- o the success of the Regional Bell Operating Companies' services that use our products.

The Regional Bell Operating Companies and our other customers are significantly larger than we are and are able to exert a high degree of influence over us. These customers may generally reschedule orders without penalty to the customer. Even if demand for our products is high, the Regional Bell Operating Companies have sufficient bargaining power to demand low prices and other terms and conditions that may materially adversely affect our business and operating results.

Any attempt by a Regional Bell Operating Company or our other customers to seek out additional or alternative suppliers or to undertake the internal production of products would have a material adverse effect on our business and operating results. The loss of any of our customer could result in an immediate decrease in product sales and materially and adversely affect our business.

Conference Plus's customer base is very concentrated as its top ten customers represent a large portion of revenue. Customers of Conference Plus have expanded their requirements for our services, but there can be no assurance that such expansion will increase in the future. Additionally, Conference Plus's customers continually undergo review and evaluation of their conferencing and meeting services to evaluate the merits of bringing those services in-house rather than outsourcing those services. There can be no assurance in the future that Conference Plus's customers will bring some portion or all of their conferencing and meeting services in-house. Conference Plus must continually provide higher quality, lower cost services to provide maintain and grow its customer base. Any loss of a major account, would have a material adverse effect on Conference Plus. In addition, any merger or acquisition of a major customer could have a material adverse effect on Conference Plus.

#### **OUR CUSTOMERS HAVE LENGTHY PURCHASE CYCLES THAT AFFECT OUR ABILITY TO SELL OUR PRODUCTS.**

Prior to selling products to telephone companies, we must undergo lengthy approval and purchase processes. Evaluation can take as little as a few months for products that vary slightly from existing products or up to a year or more for products based on new technologies such as DSL and HDSL products. Accordingly, we are continually submitting successive generations of our current products as well as new products to our customers for approval. The length of the approval process can vary and is affected by a number of factors, including:

- o the complexity of the product involved;
- o priorities of telephone companies;
- o telephone companies' budgets; and
- o regulatory issues affecting telephone companies.

The requirement that telephone companies obtain Federal Communications Commission (FCC) approval for most new telephone company services prior to their

implementation has in the past delayed the approval process. Such delays in the future could have a material adverse affect on our business and operating results. While we have been successful in the past in obtaining product approvals from our customers, there is no guaranty that such approvals or that ensuing sales of such products will continue to occur.

-8-

#### **OUR INTERNATIONAL OPERATIONS EXPOSE US TO THE RISKS OF CONDUCTING BUSINESS OUTSIDE THE UNITED STATES.**

International revenues represented 9.0%, 16.0% and 6.5% of our revenues in fiscal 2000, 2001 and 2002, respectively. Because Conference Plus has expanded its conference call business in Europe by opening offices in Dublin, Ireland, we believe that our exposure to international risks may increase in the future. These risks include:

- o foreign currency fluctuations;
- o tariffs, taxes and trade barriers;
- o difficulty in accounts receivable collection;
- o political unrest; and
- o burdens of complying with a variety of foreign laws and telecommunications standards.

The occurrence of any of these risks would impact our ability to increase our revenue and become profitable, or could require us to modify significantly our current business practices.

#### **OUR SERVICES ARE AFFECTED BY UNCERTAIN GOVERNMENT REGULATION AND CHANGES IN CURRENT OR FUTURE LAWS OR REGULATIONS COULD RESTRICT THE WAY WE OPERATE OUR BUSINESS.**

Many of our customers are subject to regulation from federal and state agencies, including the FCC and various state public utility and service commissions. While these regulations do not affect us directly, the effects of regulations on our customers may adversely impact our business and operating results. For example, FCC regulatory policies affecting the availability of telephone company services and other terms on which telephone companies conduct their business may impede our penetration of local access markets.

In addition, our business and operating results may also be adversely affected by the imposition of tariffs, duties and other import restrictions on components that we obtain from non-domestic suppliers or by the imposition of export restrictions on products that we sell internationally. Internationally, governments of the United Kingdom, Canada, Australia and numerous other countries actively promote and create competition in the telecommunications industry. Changes in current or future laws or regulations, in the U.S. or elsewhere, could materially and adversely affect our business and operating results.

#### **POTENTIAL PRODUCT RECALLS AND WARRANTY EXPENSES COULD ADVERSELY AFFECT OUR ABILITY TO BECOME PROFITABLE.**

Our products are required to meet rigorous standards imposed by our customers. Most of our products carry a limited warranty ranging from one to seven years. In addition, our supply contracts with our major customers typically require us to accept returns of products or indemnify such customers against certain liabilities arising out of the use of our products. Complex products such as those offered by us may contain undetected errors or failures when first introduced or as new versions are released. Because we rely on new product development to remain competitive, we cannot predict the level of these types of claims that we will experience in the future. Despite our testing of products and our comprehensive quality control program, there is no guaranty that our products will not suffer from defects or other deficiencies or that we will not experience material product recalls, product returns, warranty claims or indemnification claims in the future. Such recalls, returns or claims and the associated negative publicity could result in the loss of or delay in market acceptance of our products, affect our product sales, our customer relationships, and our ability to generate a profit.

-9-

#### **INVESTORS COULD BE ADVERSELY AFFECTED BY FUTURE ISSUANCES AND SALES OF OUR SECURITIES.**

Sales of substantial amounts of our common stock in the public market could adversely affect the market price of our securities. Westell has 64,921,934 shares of common stock outstanding as of August 19, 2002, and has the following obligations to issue additional class A common stock as of August 19, 2002:

- o options to purchase 11,617,528 shares of class A common stock, 4,053,015 of which are currently exercisable;
- o warrants to purchase 909,000 shares of class A common stock for \$5.92 per share; and
- o warrants to purchase 512,820 shares of class A common stock for \$1.95 per share.

These obligations could result in substantial future dilution with respect to our common stock.

#### **WE RELY ON OUR INTELLECTUAL PROPERTY THAT WE MAY BE UNABLE TO PROTECT, OR WE MAY BE FOUND TO INFRINGE THE RIGHTS OF OTHERS.**

Our success will depend, in part, on our ability to protect trade secrets, obtain or license patents and operate without infringing on the rights of others. We rely on a combination of technical leadership, trade secrets, copyright and trademark law and nondisclosure agreements to protect our non-patented proprietary expertise. These measures, however, may not provide meaningful protection for our trade secrets or other proprietary information. Moreover, our business and operating results may be materially adversely affected by competitors who independently develop substantially equivalent technology.

In addition, the laws of some foreign countries do not protect our proprietary rights to the same extent as U.S. law. The telecommunications industry is also characterized by the existence of an increasing number of patents and frequent litigation based on allegations of patent and other intellectual property infringement. From time to time we receive communications from third parties alleging infringement of exclusive patent, copyright and other intellectual property rights to technologies that are important to us.

There is no guaranty that third parties will not:

- o assert infringement claims against us in the future, and that such assertions will not result in costly litigation; or
- o that we would prevail in any such litigation or be able to license any valid and infringing patents from third parties on commercially reasonable terms.

Further, such litigation, regardless of its outcome, could result in substantial costs to and diversion of our efforts. Any infringement claim or other litigation against or by us could have a material adverse effect on our business and operating results.

## WE MAY ENGAGE IN FUTURE ACQUISITIONS THAT COULD DILUTE OUR CURRENT STOCKHOLDERS.

We expect to continue to review potential acquisitions and we may acquire businesses, products or technologies in the future. In order to fund such acquisitions, we could:

- o issue equity securities that could dilute our current stockholders' percentage ownership;
- o incur substantial debt; or
- o assume contingent liabilities.

These events could harm our business and/or the price of our common stock. Acquisitions also entail numerous integration risks that could adversely affect our business, such as those listed as risks associated with the acquisition of Teltrend.

-10-

---

## CONFERENCE PLUS'S LARGE COMPETITORS COULD ADVERSELY AFFECT CONFERENCE PLUS'S ABILITY TO MAINTAIN OR INCREASE ITS MARKET SHARE.

Conference Plus participates in the highly competitive industry of voice, video, and multimedia conferencing and meeting services. Competitors include stand-alone conferencing companies and major telecommunications providers. Conference Plus's ability to sustain growth and performance is dependent on its:

- o maintenance of high quality standards and low cost position;
- o international expansion; and
- o evolving technological capability.

Any increase in competition could reduce our gross margin, require increased spending on research and development and sales and marketing, and otherwise materially adversely affect our business and operating results.

## OUR PRINCIPAL STOCKHOLDERS CAN EXERCISE SIGNIFICANT INFLUENCE THAT COULD DISCOURAGE TRANSACTIONS INVOLVING A CHANGE OF CONTROL AND MAY AFFECT YOUR ABILITY TO RECEIVE A PREMIUM FOR CLASS A COMMON STOCK THAT YOU PURCHASE.

As of March 31, 2002, as trustees of a voting trust containing common stock held for the benefit of the Penny family and the Simon family, Robert C. Penny III and Melvin J. Simon have the exclusive power to vote over 60% of the votes entitled to be cast by the holders of our common stock. In addition, all members of the Penny family who are beneficiaries under this voting trust are parties to a stock transfer restriction agreement which prohibits the beneficiaries from transferring any class B common stock or their beneficial interests in the voting trust without first offering such class B common stock to the other Penny family members. Consequently, we are effectively under the control of Messrs. Penny and Simon, as trustees, who have sufficient voting power to elect all of the directors and to determine the outcome of most corporate transactions or other matters submitted to the stockholders for approval. Such control may have the effect of discouraging transactions involving an actual or potential change of control, including transactions in which the holders of class B common stock might otherwise receive a premium for their shares over the then-current market price.

## USE OF PROCEEDS

We will not receive any of the proceeds from the sale of class A common stock offered under this prospectus.

-11-

---

## SELLING SECURITY HOLDERS

The following table lists the selling stockholders and other information regarding the beneficial ownership of common stock by each of the selling stockholders. All of the shares offered under this prospectus are shares issuable upon exercise of warrants held by the selling stockholders. Holders of class B common stock have four votes per share and holders of class A common stock have one vote per share. Class A common stock is freely transferable and class B common stock is transferable only to certain transferees but is convertible into class A common stock on a share-for-share basis. Percentage of beneficial ownership is based on 45,907,065 shares of class A common stock and 19,014,869 shares of class B common stock outstanding as of July 23, 2002.

STOCKHOLDER	SHARES OWNED PRIOR TO OFFERING		NUMBER OF CLASS A SHARES OFFERED UPON EXERCISE OF WARRANTS	SHARES OWNED AFTER OFFERING			
	CLASS A SHARES	CLASS B SHARES		CLASS A SHARES	PERCENT OF CLASS A COMMON STOCK	PERCENT OF CLASS B COMMON STOCK	PERCENT OF TOTAL VOTING POWER
Robert C. Penny III.....	170,940 (1) (2)	18,268,297 (3)	170,940	--	*	96.1%	59.9%
Melvin J. Simon.....	438,910 (2) (4) (5)	19,014,868 (3) (6)	256,410	182,500	*	100.0%	62.4%
Florence R. Penny.....	256,410 (1) (2) (7)	-- (8)	256,410	--	*	*	*
Marlene D. Foskett.....	170,940 (2) (7)	-- (8)	170,940	--	*	*	*
Barbara J. Pruitt.....	170,940 (1) (7)	-- (8)	170,940	--	*	*	*
-----							
* Less than 1%							
(1)	Includes warrant to purchase 85,470 shares owned by The Marlene Diane Foskett Trust dated December 31, 1970 for which Barbara J. Pruitt, Florence R. Penny and Robert C. Penny III are co-trustees.						
(2)	Includes warrant to purchase 85,470 shares owned by The Barbara J. McDonough Trust dated December 31, 1970 for which Marlene D. Foskett, Florence R. Penny and Robert C. Penny III are co-trustees.						
(3)	Includes 18,268,297 shares of Class B Common Stock held by Messrs. Penny and Simon, as Trustees pursuant to a Voting Trust Agreement dated February 23, 1994, as amended among Robert C. Penny III and Melvin J. Simon, as trustees and certain members of the Penny family and the Simon family. The Trustees have joint voting and dispositive power over all shares in the Voting Trust. Messrs. Penny and Simon each disclaim beneficial ownership with respect to all shares held in the Voting Trust in which they do not have a pecuniary interest. The Voting Trust contains 4,661,645 shares held for the benefit of Mr. Penny and 437,804 shares held for the benefit of Mr. Simon. The address for Messrs. Penny and Simon is Melvin J. Simon & Associates, Ltd., 4343 Commerce Court, Suite 114, Lisle, Illinois 60532. The Voting Trust also holds 47,751 shares for the benefit of Florence R. Penny, 164,520 shares for the benefit of Barbara J. Pruitt, and 453,793 shares for the benefit of Marlene D. Foskett.						
(4)	Includes (i) options to purchase 139,000 shares that are exercisable within 60 days of July 23, 2002, (ii) 9,500 shares held for the benefit of Stacy L. Simon, Melvin J. Simon's daughter for which Natalie Simon, Mr. Simon's wife, is custodian and has sole voting and dispositive power, and (iii) 2,000 shares held in trust for the benefit of Makayla G. Penny, Mr. Penny's daughter, for which Mr. Simon is trustee and has sole voting and dispositive power; Mr. Simon disclaims beneficial ownership of these shares.						
(5)	Includes warrant to purchase 85,470 shares owned by the Marlene D. Foskett Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989 for which Melvin J. Simon is trustee. Includes warrant to purchase 85,470 shares owned by the Barbara J. McDonough Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989 for which Melvin J. Simon is trustee. Includes warrant to purchase 85,470 shares owned by the Robert C. Penny III Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989 for which Melvin J. Simon is trustee.						
(6)	Includes 95,980 shares held in trust for the benefit of Sheri A. Simon and 95,980 shares held in trust for Stacy L. Simon, Melvin J. Simon's daughters, for which Natalie Simon, Mr. Simon's wife, is custodian and has sole voting and dispositive power. Includes; 544,611 shares held in trust for the benefit of Mr. Penny's children, for which Mr. Simon is trustee and has sole voting and dispositive power. Mr. Simon disclaims beneficial ownership of these shares.						
(7)	Includes warrant to purchase 85,470 shares held by The Robert Clinton Penny Trust Number Two dated December 30, 1974 for which Marlene D. Foskett, Florence R. Penny and Barbara J. Pruitt are co-trustees.						
(8)	Does not include shares of Class B Common Stock held in the Voting Trust, described in footnote (3) above, for the benefit of this stockholder.						

-12-

Melvin J. Simon has served as Assistant Secretary and Assistant Treasurer of the Company since July 1995 and as a Director of the Company since August 1992. From August 1992 to July 1995, Mr. Simon served as Secretary and Treasurer of the Company. A Certified Public Accountant, Mr. Simon founded and has served as President of Melvin J. Simon & Associates, Ltd., a public accounting firm, since May 1980. Mr. Simon serves as a Director of the Company's 88% owned subsidiary Conference Plus, Inc.

Robert C. Penny III has served as a Director of the Company since September 1998. He has been the managing partner of P.F. Management Co., a private investment company, since May 1980.

Since 1984, Melvin J. Simon & Associates, Ltd. has provided accounting and other financial services to the Company. Mr. Simon, a director and the Assistant Secretary and Assistant Treasurer of the Company and Co-Trustee of the Voting Trust, is the sole owner of Melvin J. Simon & Associates, Ltd. The Company paid Melvin J. Simon & Associates, Ltd. approximately \$15,475, \$18,236 and \$36,845 in fiscal 2000, 2001 and 2002, respectively, for its services. The Company believes that these services are provided on terms no less favorable to the Company than could be obtained from unaffiliated parties.

The Company has granted Robert C. Penny III and Melvin J. Simon, as Trustees of the Voting Trust, certain registration rights with respect to the shares of Common Stock held in the Voting Trust.

In June 2001, trusts for the benefit of Robert C. Penny III, a director of the Company, and other Penny family members, entered into a guaranty of \$10 million of the Company's obligations under its revolving credit facility. In consideration of the guarantee, the Company has granted those trusts warrants to purchase 512,820 shares of Class A Common Stock for a period of five years at an exercise price of \$1.95 per share (the fair market value on the date of grant) and agreed to grant registration rights with respect to shares acquired upon exercise.

-13-

### PLAN OF DISTRIBUTION

Sales of the shares being sold by the selling stockholders are for the selling stockholders' own accounts. We will not receive any proceeds from the sale of the shares offered hereby. The selling stockholder will act independently of us in making decisions with respect to the timing, manner and size of each sale.

The selling stockholders have advised us that:

- o the shares may be sold by the selling stockholders or their respective pledgees, donees, transferees or successors in interest, on The Nasdaq Stock Market, in sales occurring in the public market other than such market quotation system, in privately negotiated transactions, through the writing of options on shares, short sales or in a combination of such transactions;

- o each sale may be made either at market prices prevailing at the time of such sale, at negotiated prices, at fixed prices which may be changed, or at prices related to prevailing market prices;

- o some or all of the shares may be sold through brokers acting on behalf of the selling stockholders or to dealers for resale by such dealers including block trades in which brokers or dealers will attempt to sell the shares but may position and resell the block or principal; and

- o in connection with such sales, such brokers and dealers may receive compensation in the form of discounts and commissions from the selling stockholders and may receive commissions from the purchasers of shares for whom they act as broker or agent which discounts and commissions may be less than or exceed those customary in the types of transactions involved. Any broker or dealer participating in any such sale may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933 and will be required to deliver a copy of this prospectus to any person who purchases any class A common stock from or through such broker or dealer. We have been advised that, as of the date hereof, none of the selling stockholders have made any arrangements with any broker for the sale of their class A common stock.

In offering the class A common stock covered hereby, the selling stockholders and any broker-dealers and any other participating broker-dealers who execute sales for the selling stockholders may be deemed to be "underwriters" within the meaning of the Securities Act of 1933 in connection with such sales, and any profits realized by the selling stockholders and the compensation of such broker-dealer may be deemed to be underwriting discounts and commissions. In addition, any class A common stock covered by this prospectus which qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus.

If necessary, the specific shares of our class A common stock to be sold, the names of the selling stockholders, the respective purchase prices and public offering prices, the names of any agent, dealer or underwriter, and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement of which this prospectus is a part. We entered into a registration rights agreement in connection with the private placement of the convertible debentures and the warrants which required us to register the underlying shares of our class A common stock under applicable federal and state securities laws under certain circumstances and at certain times. The registration rights agreement provides for cross-indemnification of the selling stockholders and us and their respective directors, officers and controlling persons against certain liabilities in connection with the offer and sale of the class A common stock, including liabilities under the Securities Act of 1933 and to contribute to payments the parties may be required to make in respect thereof. We have agreed to indemnify and hold harmless the selling stockholders from certain liabilities under the Securities Act of 1933.

Under applicable rules and regulations under Regulation M under the Securities Exchange Act of 1934, any person engaged in the distribution of the class A common stock may not simultaneously engage in market making activities, subject to certain exceptions, with respect to the class A common stock of the Company for a specified period set forth in Regulation M prior to the commencement of such distribution and until its completion. In addition and without limiting the foregoing, each selling stockholder will be subject to the applicable provisions of the Securities Act of 1933 and Securities Exchange Act of 1934 and the rules and regulations thereunder, including, without limitation, Regulation M, which provisions may limit the timing of purchases and sales of

-14-

shares of the class A common stock by the selling stockholders. The foregoing may affect the marketability of the class A common stock.

We will bear all expenses of the offering of the class A common stock, except that the selling stockholders will pay any applicable underwriting commissions and expenses, brokerage fees and transfer taxes, as well as the fees and disbursements of counsel to and experts for the selling stockholders.

### LEGAL OPINIONS

Our counsel, McDermott, Will & Emery, Chicago, Illinois, has rendered an opinion that the shares offered hereby are duly and validly issued, fully paid and non-assessable.

### EXPERTS

The consolidated financial statements and schedule of Westell Technologies, Inc. at March 31, 2002 and 2001, and for the two years then ended, incorporated by reference in Westell Technologies, Inc.'s Annual Report (Form 10-K) for the year ended March 31, 2002, have been audited by Ernst & Young LLP, independent auditors, set forth in their report thereon, incorporated by reference in this Prospectus and Registration Statement. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements and schedule of Westell Technologies, Inc. at March 31, 2000, and for the year then ended, incorporated by reference in this Prospectus and elsewhere in the Registration Statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in reliance upon the authority of said firm as experts in giving said reports.



After reasonable efforts, we have been unable to obtain Arthur Andersen LLP's written consent to the incorporation by reference of such financial statements in amendments to the Registration Statement. Accordingly, we have omitted such consents in reliance upon Rule 437a of the Securities Act of 1933.

Because Arthur Andersen LLP has not consented to the incorporation by reference of our financial statements in amendments to the Registration Statement, you may not be able to recover against Arthur Andersen LLP under Section 11 of the Securities Act for any untrue statements of a material fact contained in such financial statements or any omissions to state a material fact required to be stated therein.

-15-

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following are the estimated expenses (other than the SEC registration fee) of the issuance and distribution of the securities being registered, all of which will be paid by the Company.

SEC registration fee.....	\$ 55
Printing expenses.....	1,000
Fees and expenses of counsel.....	3,000
Fees and expenses of accountants.....	2,000
Miscellaneous.....	5,000
	-----
Total.....	\$11,055
	=====

#### ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Delaware General Corporation Law (Section 102) allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or to any of its stockholders for monetary damage for a breach of his/her fiduciary duty as a director, except in the case where the director breached his/her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. The Company's Restated Certificate of Incorporation contains a provision which eliminates directors' personal liability as set forth above.

The Delaware General Corporation Law (Section 145) gives Delaware corporations broad powers to indemnify their present and former directors and officers and those of affiliated corporations against expenses incurred in the defense of any lawsuit to which they are made parties by reason of being or having been such directors or officers, subject to specified conditions and exclusions; gives a director or officer who successfully defends an action the right to be so indemnified; and authorizes the Company to buy directors' and officers' liability insurance. Such indemnification is not exclusive of any other right to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or otherwise.

The Company's Restated Certificate of Incorporation provides for indemnification to the fullest extent authorized by Section 145 of the Delaware General Corporation Law for directors, officers and employees of the Company and also to persons who are serving at the request of the Company as directors, officers or employees of other corporations (including subsidiaries); provided that, with respect to proceedings initiated by such indemnitee, indemnification shall be provided only if such proceedings were authorized by the Board of Directors. This right of indemnification is not exclusive of any other right which any person may acquire under any statute, bylaw, agreement, contract, vote of stockholders or otherwise.

The Company maintains a directors' and officers' liability insurance and corporate reimbursement policy insuring directors and officers against loss arising from claims made arising out of the performance of their duties.

#### ITEM 16. EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
4.1	Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.12 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 2001).
4.2	Amended and Restated Bylaws of the Company (incorporated herein by reference to the Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the year ended March 31, 2001).
5	Opinion of McDermott, Will & Emery regarding legality
23.1	Consent of McDermott, Will & Emery (included in Exhibit 5)
23.2	Consent of Ernst & Young LLP
24	Power of Attorney included on signature page of the registration statement
-----	

#### ITEM 17. UNDERTAKINGS.

1. The undersigned registrant hereby undertakes:

(a) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by the registrants is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Aurora, Illinois, on the 17th day of March, 2002.

#### Westell Technologies, Inc.

By: /s/ Nicholas C. Hindman  
 Nicholas C. Hindman  
 Chief Financial Officer and  
 Senior Vice President

### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Melvin J. Simon and Nicholas C. Hindman, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement or any registration statement for this offering that is to be effective upon the filing pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission granting unto said attorneys-in fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorney-in-fact or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the 17th day of March, 2002.

SIGNATURE -----	TITLE -----
/s/ E. Van Cullens ----- E. Van Cullens	President, Chief Executive Officer and Director
/s/ John W. Seazholtz ----- John W. Seazholtz	Chairman of Board of Directors
/s/ Melvin J. Simon ----- Melvin J. Simon	Assistant Secretary and Assistant Treasurer and Director
/s/ Nicholas C. Hindman ----- Nicholas C. Hindman	Senior Vice President and Chief Financial Officer (principal financial officer and accounting officer)
/s/ Paul A. Dwyer ----- Paul A. Dwyer	Director
/s/ Robert C. Penny ----- Robert C. Penny	Director
/s/ Thomas A. Reynolds III ----- Thomas A. Reynolds III	Director

/s/ Roger L. Plummer	Director
-----	
Roger L. Plummer	
/s/ Bernard F. Sergesketter	Director
-----	
Bernard F. Sergesketter	

## Exhibit 5

McDermott, Will &amp; Emery 227 West Monroe Street Chicago, Illinois 60606

October 18, 2002

Westell Technologies, Inc.  
750 N. Commons Drive  
Aurora, Illinois 60504

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

You have requested our opinion in connection with the above-referenced registration statement (the "Registration Statement"), under which certain stockholders of the Westell Technologies, Inc. (the "Company") may sell 512,820 shares of Class A Common Stock of the Company (the "Shares"). The Shares will be acquired by the stockholders upon the exercise of outstanding warrants held by such stockholders.

In arriving at our opinion expressed below, we have examined the Registration Statement and such other documents as we have deemed necessary to enable us to express the opinion hereinafter set forth. In addition, we have examined and relied, to the extent we deem proper, on certificates of officers of the Company as to factual matters, and on the originals or copies certified or otherwise identified to our satisfaction, of all such corporate records of the Company and such other instruments and certificates of public officials and other persons as we have deemed appropriate. In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies, the genuineness of all signatures on documents reviewed by us and the legal capacity of natural persons.

Based upon and subject to the foregoing, we are of the opinion that upon exercise of the warrants and payment of valid consideration therefore, the Shares will have been duly authorized and, when issued in accordance with the terms and conditions set forth in the Registration Statement and the warrants, will be validly issued, fully paid and non-assessable.

We hereby consent to the references to our firm under the caption "Legal Matters" in the Registration Statement and to the use of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not hereby admit that we come within the category of persons whose consent is

required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ McDermott, Will &amp; Emery

## EXHIBIT 23.1

## CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement and related prospectus of Westell Technologies, Inc. for the registration of 512,820 shares of its common stock and to the incorporation by reference therein of our report dated May 21, 2002, except for Notes 2 and 3, as to which the date is June 28, 2002, with respect to the consolidated financial statements and schedule of Westell Technologies, Inc. included in its Annual Report (Form 10-K) for the year ended March 31, 2002, filed with the Securities and Exchange Commission.

Chicago, Illinois  
October 17, 2002

End of Filing

Powered By   
© 2003 | EDGAR Online, Inc.