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, 2000

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 Number)

750 N. COMMONS DRIVE, AURORA, IL	60504
(Address of principal executive offices)	(Zip Code)

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

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 - 42,445,235 shares at February 9, 2001
Class B Common Stock, $0.01 Par Value - 19,019,369 shares at February 9, 2001

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
FORM 10-Q
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SAFE HARBOR STATEMENT
Certain statements contained in this Form 10-Q, which are not historical facts are forward looking statements that involve risks and uncertainties, including, without limitation, statements containing the words "anticipate," "believe," "expect," "intend" and statements relating to margin increases of DSL CPE products and DSL Transport products and other statements set forth on Note 8 to the unaudited financial statements contained in the Form 10-Q. These risks include, but are not limited to, product demand and market acceptance risks (including the future commercial acceptance of the Company's DSL systems by telephone companies and other customers), the impact of Westell's merger with Teltrend, the impact of competitive products and technologies (such as cable modems and fiber optic cable), competitive pricing pressures, product development, excess and obsolete inventory due to new product development, commercialization and technological delays or difficulties (including delays or difficulties in developing, producing, testing and selling new products and technologies, such as DSL systems), the effect of the Company's accounting policies, the effect of economic conditions and trade, legal, social, and economic risks (such as import, licensing and trade restrictions) and other risks more fully described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2000 under the section "Risk Factors". The Company 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.

<TABLE>
WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
<CAPTION>
ASSETS

	March 31, 2000	December 31, 2000
		(unaudited)
	(in thousands)	
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents..	$27,258	$20,346
Short term investments..	1,951	-
Accounts receivable (net of allowance of $855,000 and $1,372,000, respectively)..	42,025	57,505
Inventories..	30,741	94,489
Prepaid expenses and other current assets............................	2,200	4,034
Refundable income taxes..	6,222	6,035
Deferred income tax asset..	3,319	3,319
Land and building held for sale......................................	3,309	3,309

Total current assets	117,025	189,037
Property and equipment:		
Machinery and equipment	34,686	41,495
Office, computer and research equipment	18,682	28,677
Leasehold improvements	3,436	4,324
	56,804	74,496
Less accumulated depreciation and amortization	30,435	38,888
Property and equipment, net	26,369	35,608
Goodwill and intangibles, net	175,482	151,329
Deferred income tax asset and other assets	23,694	22,725
Total assets	$342,570	$398,699

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$21,528	$73,469
Accrued expenses	22,591	13,193
Accrued compensation	6,938	7,483
Current portion of long-term debt	1,633	44,598
Total current liabilities	52,690	138,743
Long-term debt	1,117	-
Other long-term liabilities	2,489	2,993
Commitments and contingencies		
Convertible debt (net of debt discount of $669,000)	6,611	-
Stockholders' equity:		
Class A common stock, par $0.01	402	424
Authorized - 85,000,000 shares		
Issued and outstanding - 40,179,110 shares at March 31, 2000 and 42,441,535 shares at December 31, 2000		
Class B common stock, par $0.01	190	190
Authorized - 25,000,000 shares		
Issued and outstanding - 19,051,369 shares at March 31, 2000 and 19,019,369 shares at December 31, 2000		
Preferred stock, par $0.01	-	-
Authorized - 1,000,000 shares		
Issued and outstanding - none		
Deferred compensation	840	939
Additional paid-in capital	345,485	356,682
Accumulated other comprehensive income (loss)	184	(23)
Accumulated deficit	(67,438)	(102,106)
Total stockholders' equity	279,663	256,963
Total liabilities and stockholders' equity	$342,570	$398,699

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

</TABLE>

<TABLE>

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

<CAPTION>

	Three Months Ended December 31,		Nine Months Ended December 31,	
	1999	2000	1999	2000

(unaudited)
(in thousands, except per share data)

<S>	<C>	<C>	<C>	<C>
Equipment sales..............................	$ 21,964	$ 68,695	$ 56,478	$ 260,730
Services....................................	7,673	10,406	21,525	29,756
Total revenues............................	29,637	79,101	78,003	290,486
Cost of equipment sales......................	16,755	61,137	43,002	218,379
Cost of services............................	4,618	6,321	13,606	18,101
Total cost of goods sold...................	21,373	67,458	56,608	236,480
Gross margin..............................	8,264	11,643	21,395	54,006
Operating expenses:				
Sales and marketing.........................	3,854	8,111	10,966	21,712
Research and development....................	2,967	8,655	8,183	23,602
General and administrative..................	2,902	5,928	9,519	18,131
Amortization of intangibles................	-	7,958	-	23,875
Total operating expenses.................	9,723	30,652	28,668	87,320
Operating loss...............................	(1,459)	(19,009)	(7,273)	(33,314)
Other (income) expense, net..................	(854)	(104)	(905)	(169)
Interest expense.............................	690	1,073	1,418	1,523
Loss before taxes............................	(1,295)	(19,978)	(7,786)	(34,668)
Benefit for income taxes.....................	--	--	--	--
Net loss....................................	$ (1,295)	$ (19,978)	$ (7,786)	$ (34,668)
Net loss per basic and diluted common share...	$ (0.04)	$ (0.33)	$ (0.21)	$ (0.57)
Average number of basic and diluted common shares outstanding..................	36,643	61,427	36,561	60,697

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

</TABLE>

<TABLE>

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

<CAPTION>

	Nine Months Ended December 31,	
	1999	2000
	(unaudited) (in thousands)	
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss...	$ (7,786)	$(34,668)
Reconciliation of net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization..................................	5,480	33,101
Deferred compensation..	--	99
Non-cash interest on debentures................................	--	135
Foreign currency gain on liquidation of Westell Europe, Ltd......	(426)	--

Changes in assets and liabilities:		
Increase in accounts receivable	(4,707)	(15,584)
Increase in inventory	(3,536)	(63,823)
Increase in prepaid expenses and deposits	(666)	(1,833)
Decrease in refundable income taxes	5	187
Increase in accounts payable and accrued expenses	1,993	43,047
(Decrease) increase in accrued compensation	(263)	545
Net cash used in operating activities	(9,906)	(38,794)
Cash flows from investing activities:		
Purchases of property and equipment	(4,980)	(18,015)
Proceeds from sale of equipment	432	(172)
Decrease in other assets	32	439
Decrease in short term investments	-	1,951
Net cash used in investing activities	(4,516)	(15,797)
Cash flows from financing activities:		
(Repayment) borrowing of long-term debt and leases payable	(1,645)	44,598
Proceeds from issuance of convertible debt	18,542	(2,750)
Proceeds from the issuance of common stock	1,428	5,860
Net cash provided by financing activities	18,325	47,708
Effect of exchange rate changes on cash	3	(29)
Net (decrease) increase in cash	3,906	(6,912)
Cash and cash equivalents, beginning of period	6,715	27,258
Cash and cash equivalents, end of period	$ 10,621	$20,346

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

</TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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, 2000.

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, 2000, and for all periods presented. The results of operations for the three and nine month periods ended December 31, 2000 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2001.

NOTE 2. COMPUTATION OF NET LOSS PER SHARE

The Company follows the provisions of SFAS No. 128, which requires companies to present basic and diluted earnings 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 periods ended December 31, 1999, and 2000, 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 $550,000 in the three months ended March 31, 2000. This charge was for personnel, legal, and other related cost to eliminate redundant employees due to the acquisition of Teltrend Inc. 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. The Company estimates that the costs of these activities will be $2.9 million. Approximately $2.4 million of the total cost has been capitalized as part of the purchase price of Teltrend Inc., primarily related to Teltrend Inc. employees terminated. The remaining cost of $550,000 was charged to operations and relates to Westell employees terminated and other costs. As of December 31, 2000, the Company has paid approximately $1.4 million of these costs.

The restructuring charges and their utilization are summarized as follows:

<TABLE>
<CAPTION>

(in thousands)	Balance March 31, 2000	Utilized through December 31, 2000	Balance December 31, 2000
<S>	<C>	<C>	<C>
Employee Costs...........	$ 2,604	$ 1,323	$ 1,281
Legal & Other Costs......	300	55	245
Total...................	$ 2,904	$ 1,378	$ 1,526

</TABLE>

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, 1999 and 2000, are as follows:

<TABLE>
<CAPTION>

	Telecom Equipment	Telecom Services	Total
<S>	<C>	<C>	<C>

Three months ended December 31, 1999			
Revenues.........................	$ 21,964	$ 7,673	$ 29,637
Operating income (loss)...........	(2,907)	1,448	(1,459)
Depreciation and amortization.....	1,308	610	1,918
Total assets.....................	59,477	18,447	77,924
Three months ended December 31, 2000			
Revenues.........................	$ 68,695	$ 10,406	79,101
Operating income (loss)...........	(20,926)	1,917	(19,009)
Depreciation and amortization.....	10,846	905	11,751
Total assets.....................	377,489	21,210	398,699
Nine months ended December 31, 1999			
Revenues.........................	$ 56,478	$ 21,525	$ 78,003
Operating income (loss)...........	(10,556)	3,283	(7,273)
Depreciation and amortization.....	3,777	1,703	5,480
Total assets.....................	59,477	18,447	77,924
Nine months ended December 31, 2000			
Revenues.........................	$ 260,730	$ 29,756	$ 290,486
Operating income (loss)...........	(38,721)	5,407	(33,314)
Depreciation and amortization.....	30,633	2,468	33,101
Total assets.....................	377,489	21,210	398,699

</TABLE>

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

<TABLE>
<CAPTION>

	Three months ended December 31,		Nine months ended December 31,	
	1999	2000	1999	2000
<S>	<C>	<C>	<C>	<C>
Operating loss	$ (1,459)	$ (19,009)	$ (7,273)	$ (33,314)
Other (income) expense, net...........................	(854)	(104)	(905)	(169)
Interest expense......................................	690	1,073	1,418	1,523
Loss before income taxes..............................	$ (1,295)	$ (19,978)	$ (7,786)	$ (34,668)

</TABLE>

NOTE 5. NEW ACCOUNTING PRONOUNCEMENTS:

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivation Instruments and Hedging Activities", which addresses the accounting for derivative instruments. SFAS No. 133 is effective for quarterly financial statements for the Company's fiscal year ended March 31, 2002. The Company does not expect that SFAS No. 133 will have a significant effect on its current financial reporting.

NOTE 6. COMPREHENSIVE INCOME:

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

<TABLE>
<CAPTION>

	Three months ended December 31,		Nine months ended December 31,	
(in thousands)	1999	2000	1999	2000

<S>	<C>	<C>	<C>	<C>
Net loss.....................................	$(1,295)	$(19,978)	$(7,786)	$(34,668)
Other comprehensive loss				
Foreign currency translation adjustment..	625	45	377	207
Comprehensive loss...........................	$(1,920)	$(20,023)	$(7,409)	$(34,461)

</TABLE>

NOTE 7. BUSINESS ACQUISITION:

On March 17, 2000, the Company acquired 100% of the outstanding shares of Teltrend Inc., a designer, manufacturer and marketer of transmission products used by telephone companies to provide voice and data service over the telephone network.

The acquisition was accounted for as a purchase and, accordingly, the acquired assets and assumed liabilities have been recorded at their estimated fair market values at the date of the acquisition. The results of operations have been included in the consolidated financial statements since the date of acquisition. The estimated fair market values of certain assets are based upon preliminary appraisal reports. The purchase price of approximately $238,241,873 exceeded the fair market value of net assets acquired, resulting in goodwill of $64,207,801 and synergistic goodwill of $57,000,000 which will be amortized on a straight-line basis over an average of approximately ten years.

The following unaudited pro forma consolidated results of operations data assumes the business acquisition described above occurred on April 1, 1999. The pro forma results below are based on historical results of operations including adjustments for interest, depreciation and amortization and do not necessarily reflect actual results that would have occurred.

<TABLE>
<CAPTION>

(in thousands, except per share data)	Three months ended December 31, 1999	Nine months ended December 31, 1999
<S>	<C>	<C>
Revenue......................................	$ 45,441	$ 131,570
Net loss.....................................	(7,066)	(23,663)
Net loss per basic and diluted common share...	(0.12)	(0.42)

</TABLE>

NOTE 8. GOING CONCERN:

The Company has been advised by its Independent accountants that if the matters noted below are not resolved prior to the completion of their audit of the Company's financial statements for the year ended March 31, 2001, their auditors report on those statements may be modified for the outcome of these matters.

a) The need to obtain additional financing
b) The need to increase volume and margins on both new and some existing products and
c) The need to complete the integration of the Teltrend, Inc. acquisition.

To resolve the financing issue, the Company is exploring various alternatives including: an increased line of credit from its current bank group and a larger line of credit from new asset based lenders replacing the current bank credit line. Under the amendment and waiver to the Company's credit facility that was made effective as of December 31, 2001, the Company agreed to raise $25 million in equity financings. To increase volume, the Company expects to add key new customer(s) during the quarter ending March 31, 2001. New higher margin DSL CPE products have been recently introduced and margins in the DSL Transport product group are expected to increase due to a new generation of products which will begin to be produced in the March 31, 2001 quarter. Margins in the Telco Access Product group are expected to increase as the integration of the Teltrend, Inc. acquisition is completed gradually over the quarters ending March 31, 2001 through June 30, 2001.

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

OVERVIEW

Westell Technologies, Inc. ("Westell" or the "Company") derives most of its equipment revenue from the sale of telecommunications equipment that enables telecommunications services over copper telephone wires. The Company offers a broad range of products that facilitate the transmission of high-speed digital and analog data between a telephone company's central office and its end-user customers. These products can be categorized into three business units presented below.

- TELCO ACCESS PRODUCTS ("TAP"): Products that maintain, repair and monitor special service circuits used over copper telephone wires in the portion of the telephone companies' network connecting the central office with the customers' locations (the "Local Loop"). Products include all of Westell's analog products and products that support digital T-1 transmission such as its Network Interface Units ("NIU") products.
- TRANSPORT SYSTEMS: DSL products that contain components that are located in the telephone companies' central offices. Products include Westell's Supervision, a system comprised of central office shelves and electronics that enable high-speed transmission over copper telephone lines.
- CUSTOMER PREMISE EQUIPMENT ("CPE"): High-speed DSL modems and routers that are located at the customers' premises. These products include Westell's WireSpeed(TM) modems that are designed to provide high-speed access through personal computers.

The Company's service revenues are derived from audio, multi port video and multi media teleconferencing services from the Company's Conference Plus, Inc. subsidiary.

Below is a table that compares equipment and service revenues for the three and nine month periods ended December 31, 1999 with the three and nine month periods ended December 31, 2000 by product groupings:

(in thousands)	Three months ended: December 31, 1999	Three months ended: December 31, 2000	Nine months ended: December 31, 1999	Nine months ended: December 31, 2000
TAP	$11,865	$30,885	$38,369	$90,981
Transport Systems	3,748	13,601	8,573	35,296
CPE	6,351	24,209	9,536	134,453
Total equipment	21,964	68,695	56,478	260,730
Services	7,673	10,406	21,525	29,756
Total revenues	$29,637	$79,101	$78,003	$290,486

Westell's net revenues increased 167% and 272% in the three and nine month periods ended December 31, 2000, respectively, when compared to the comparable prior year periods. The increased revenue was due to increases in both equipment revenue and service revenue for the three and six month periods.

The growth in equipment revenue was primarily due to the increased sales of the Company's CPE and Transport Systems products along with increased sales of TAP products due to the Teltrend Inc. acquisition. The increased service revenue is a result of increased teleconference call minutes.

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. The Company believes that its future revenue growth and profitability will principally depend on its success in increasing sales of DSL products and developing new and enhanced TAP and other DSL products. In view of the Company's reliance on the emerging DSL market for growth and the unpredictability of orders and subsequent revenues, 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 NIU's have declined in recent years as telcos 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.

RESULTS OF OPERATIONS - Periods ended December 31, 2000 compared to periods ended December 31, 1999

Revenues. The Company's revenues increased 167% from $29.6 million in the three months ended December 31, 1999 to $79.1 million in the three months ended December 31, 2000. This revenue increase was primarily due to increased equipment revenue from the Company's CPE business unit of $17.9 million when compared with the same period of the prior year. Equipment revenue from the Company's TAP and Transport Systems business units also increased by $19.0 million and $9.9 million, respectively, when compared with the same three month period of the prior year. The increased CPE and Transport Systems equipment revenue was due to overall unit volume increases offset in part by lower unit selling prices. The increased revenue from the TAP business unit was primarily a result of the acquisition of Teltrend Inc., which occurred in March 2000. Service revenue increased in the three month period by $2.7 million when compared with the same period of the prior year due to increased revenue from the Company's Conference Plus, Inc. subsidiary. The increased teleconference service revenue reflects an increase in call minutes.

The Company's revenues increased 272% from $78.0 million in the nine months ended December 31, 1999 to $290.5 million in the nine months ended December 31, 2000. The revenue increase in the nine-month period was primarily due to increased equipment revenue from the Company's CPE business unit of $124.9 million when compared with the same period of the prior year. Equipment revenue from the Company's TAP and Transport systems business units also increased by $52.6 million and $26.7 million, respectively, when compared with the same nine month period of the prior year. The increased CPE and Transport Systems equipment revenue was due to overall unit volume increases offset in part by lower unit selling prices. The increase in the TAP business unit was primarily a result of the acquisition of Teltrend Inc., which occurred in March 2000. Service revenue increased in the nine month period by $8.2 million when compared with the same period of the prior year due to increased revenue from the Company's Conference Plus, Inc. subsidiary. The increased teleconference service revenue reflects an increase in call minutes.

Gross Margin. Gross margin as a percentage of revenue decreased from 27.9% in the three months ended December 31, 1999 to 14.7% in the three months ended December 31, 2000 and decreased from 27.4% in the nine months ended December 31, 1999 to 18.6% in the nine months ended December 31, 2000. The decreased margin in the three and nine month periods ended December 31, 2000 was primarily due to lower margins on DSL products which made up a higher proportion of the total revenue for the period. The low DSL margins were due to high material cost resulting from increased demand for semiconductor components used in DSL products. Margins were also affected by the down time and manufacturing inefficiencies caused by the consolidation of the St. Charles, Illinois manufacturing facility, which was acquired in the Teltrend acquisition, into the Aurora manufacturing facility. Although the consolidation was completed in September 2000, the manufacturing facility experienced inefficiencies related to learning a new system at the Aurora facility. These decreases were off-set in part by product mix changes and cost integration in the TAP and Transport Systems business units and to a lesser extent increased service revenue which historically earns a higher margin.

Sales and Marketing. Sales and marketing expenses increased 110.4%, or $4.3 million, to $8.1 million in the three months ended December 31, 2000 and increased 98.0%, or $10.7 million, to $21.7 million in the nine months ended December 31, 2000 when compared to the same period last year. Sales and marketing expenses decreased as a percentage of revenues from 12.8% in the three months ended December 31, 1999 to 10.2% in the three months ended December 31, 2000 and decreased as a percentage of revenues from 13.8% in the nine months ended December 31, 1999 to 7.4% in the nine months ended December 31, 2000. The increase in sales and marketing expenses during the three and nine month periods was primarily due to the acquisition of Teltrend Inc., increased marketing of the DSL products and increased shipping charges to customers associated with the increase in sales. The Company believes that continued investment in sales and marketing will be required to expand its product lines, bring new products to market and service customers.

Research and Development. Research and development expenses increased 191.7%, or $5.7 million, to $8.7 million in the three months ended December 31, 2000 and increased 188.4%, or $15.4 million, to $23.6 million in the nine months ended December 31, 2000 when compared to the same period last year. Research and development expenses increased as a percentage of revenues from 9.9% in the three months ended December 31, 1999 to 10.9% in the three months ended December 31, 2000 and decreased as a percentage of revenues from 10.3% in the nine months ended December 31, 1999 to 8.1% in the nine months ended December 31, 2000. This increase in research and development expenses was primarily reflective of the Company's acquisition of Teltrend Inc., which occurred in March 2000. Additionally, the Company received $1.5 million and $4.6 million during the three and nine month periods ended December 31, 1999, respectively, from customers to fund engineering projects, which was offset against research and development expenses. The Company believes that a continued commitment to research and development will be required for the Company to remain competitive.

General and Administrative. General and administrative expenses increased 104.3%, from $2.9 million in the three months ended December 31, 1999 to $5.9 million in the three months ended December 31, 2000 and increased 90.5%, from $9.5 million in the nine months ended December 31, 1999 to $18.1 million in the nine months ended December 31, 2000. General and administrative expenses decreased as a percentage of revenues from 9.7% in the three months ended December 31, 1999 to 7.5% in the three months ended December 31, 2000 and decreased as a percentage of revenues from 12.0% in the nine months ended December 31, 1999 to 6.2% in the nine months ended December 31, 2000. The general and administrative expense increase was primarily due to the Company's acquisition of Teltrend Inc., which occurred in March 2000.

Goodwill Amortization. Intangible assets include goodwill, synergistic goodwill and product technology related to the Teltrend acquisition. The purchase price of approximately $238,241,873 exceeded the fair market value of net assets acquired, resulting in goodwill of $64,207,801 and synergistic goodwill of $57,000,000 which will be amortized on a straight-line basis over an average of approximately ten years.

Other (income) expense, net. Other (income) expense, net decreased from income of $854,000 in the three months ended December 31, 1999 to income of $104,000 in the three months ended December 31, 2000 and increased from income of $905,000 in the nine months ended December 31, 1999 to income of $169,000 in the nine months ended December 31, 2000. Other income is primarily comprised of interest income earned on temporary cash investments, the elimination of minority interest and unrealized gains of losses on intercompany balances denominated in foreign currency.

Interest expense. Interest expense increased from $690,000 in the three months ended December 31, 1999 to $1.1 million in the three months ended December 31, 2000 and increased from $1.4 million in the nine months ended December 31, 1999 to $1.5million in the nine months ended December 31, 2000. Interest expense during the current period is a result of interest incurred on the Company's subordinated secured convertible debentures, Warrants to purchase Class A Common Stock and net obligations outstanding during the period under promissory notes and equipment borrowings.

Income taxes. There was no Benefit for income taxes recorded for either the three or the nine month periods ended December 31, 1999 and 2000. The Company provided valuation reserves for the entire benefit generated during the three and nine month periods ended December 31, 2000 of $4.0 million and $10.6 million, respectively, since the resulting gross deferred tax asset would have exceeded the value of tax planning strategies available to the Company. The Company will evaluate on a quarterly basis it's ability to record a benefit for income taxes in relation to the value of tax planning strategies available in relation to the resulting gross deferred asset.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2000, the Company had $20.3 million in cash. As of December 31, 2000, the Company had $44.6 million outstanding under its secured revolving credit facility. As of December 31, 2000, the Company had approximately $400,000 available under its secured revolving credit facility.

The secured revolving credit facility requires, among other things, the maintenance of a minimum interest coverage ratio, a minimum net worth, a maximum capital expenditures and target EBITDA. The Company's failure to meet these quarterly financial covenants would allow the lenders to demand repayment of all amounts outstanding under the credit facility. The Company was not in compliance with target EBITDA and the interest coverage ratio at December 31, 2000. The Company and its lenders have entered in an amendment and waiver under which the covenant violations discussed above were waived. The amendment and waiver amends covenants regarding EBITDA, capital expenditures and reporting time periods, and increases the interest rate under the credit facility from prime to prime plus 1% and from LIBOR plus 1.75% to LIBOR plus 3.0%. In addition, the amendment and waiver requires the Company to raise $25 million in equity financing by April 15, 2001 and pay such amounts to the lenders. The amounts paid to the lenders will be available for reborrowing under the credit facility subject to the Company's borrowing base. Failure to raise such funds constitutes an event of default and allows the lenders to demand repayment of all amounts outstanding under the credit facility. There can be no assurance that the Company will be able to comply with the amended financial covenants in the amendment and waiver or raise the equity financing required by the amendment and waiver. As a result of the new covenants and other requirements made in the amendment and waiver, outstanding borrowings under the credit facility have been classified as a current liability.

The Company's operating activities used cash of approximately $38.8 million in the nine months ended December 31, 2000. This primarily resulted from a net loss from operations along with increases in accounts receivable, inventory, offset by an increase in accounts payable and accrued expenses.

Capital expenditures for the nine month period ended December 31, 2000 were approximately $18.0 million. Capital expenditures in the nine months ended December 31, 2000 included computer hardware and software, machinery and equipment and teleconferencing bridges. The Company expects to spend approximately $5.0 million for the remainder of fiscal year 2001 related to capital equipment expenditures.

At December 31, 2000, the Company's principle sources of liquidity were $20.3 million of cash and approximately $9 million of income tax refunds. The Company's credit facility has a $45.0 million available line of credit, which was fully utilized on December 31, 2000. To meet the Company's cash needs for the fourth quarter of fiscal year 2001 and fiscal year 2002 the Company is exploring various alternatives including; an increased line of credit from its current bank group, a larger line of credit from new asset based lenders replacing the current bank credit line, and some type of equity or subordinated debt offering. Cash in excess of operating requirements will be invested on a short term basis in federal government agency instruments and the highest rated grade commercial paper.

The Company had a deferred tax asset of approximately $53.8 million at

December 31, 2000. This deferred tax asset relates to (i) tax credit carryforwards of approximately $4.9 million, (ii) a net operating loss carryforward tax benefit of approximately $39.9 million and (iii) temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts measured by tax laws. Of such tax credit carryforwards, the first $243,000 of credits expire in 2008 and $722,000 of credits may be carried forward indefinitely. 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.

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 1998, 1999 and 2000 fiscal years, management believes that it is more likely than not that it will generate taxable income sufficient to realize the majority of the tax benefit. A majority of these deferred tax assets are expected to be utilized, prior to their expiration, through a tax planning strategy available to the Company. Management will continue to periodically assess whether it remains more likely than not that the deferred tax asset will be realized. If the tax planning strategy 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 Great British pound and the Irish pound. The Company also has a sales order and accounts receivable denominated in Great British pounds. The Company at times uses foreign currency hedging to manage the exposure to changes in the exchange rate on accounts receivable.

As of December 31, 2000, the net change in the cumulative foreign currency translation adjustment account, which is a component of stockholders' equity, was an unrealized loss of $23,000.

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, 2000, 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 9.5% to approximately 19.5%) average interest rate on the Company's debt. If such an increase occurred, the Company would incur approximately $2.5 million per annum in additional interest expense based on the average debt borrowed during the twelve months ended December 31, 2000. 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.

PART II. OTHER INFORMATION

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ITEM 1. LITIGATION
- ------------------

Westell Technologies, Inc. and certain of its officers and directors have been named in the following class actions:

1. Schumaster v. Westell Technologies, Inc., et al., No. 00C7991 (filed December 26, 2000);

2. Barton v. Westell Technologies, Inc., et al., No. 00C7765 (filed December 12, 2000);

3. Hoffman v. Westell Technologies, Inc., et al., No. 00C7624 (filed December 4, 2000);

4. PAS Mgmt. & Consulting Serv., Inc.v. Westell Technologies, Inc., et al., No. 00C7605 (filed December 4, 2000);

5. Abdelnour v. Westell Technologies, Inc., et al., No. 00C7308 (filed November 20, 2000);

6. Feinstein v. Westell Technologies, Inc., et al., No. 00C7247 (filed November 16, 2000);

7. Lefkowitz v. Westell Technologies, Inc., et al., No. 00 C 6881 (filed November 2, 2000);

8. Greif v. Westell Technologies, Inc., et al., No. 00 C 7046 (filed November 8, 2000);

9. Seplow v. Westell Technologies, Inc., et al., No. 00 C 7019 (filed November 7, 2000);

10. Llanes v. Westell Technologies, Inc., et al., No. 00 C 6780 (filed October 30, 2000); and

11. Bergh v. Westell Technologies, Inc., et al., No. 00 C 6735 (filed October 27, 2000).

Each of these cases was filed in the United States District Court for the Northern District of Illinois and 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. Each of these cases allegedly arises from the same set of operative facts and seeks the same relief -- 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.

On January 11, 2001 Judge George W. Lindbergh of the federal district court for the Northern District of Illinois consolidated these cases into one lawsuit, captioned In re Westell Technologies, Inc., No 00 C 6735 (filed February 1, 2001).

Certain of its Westell Technologies, Inc.'s officers and directors have been named in the following derivative actions:

1. Vukovich v. Zionts, et al., No. 18647 (filed January 26, 2001); and

2. Dollens v. Zionts, et al., No. 18533 NC (filed December 4, 2000).

Each of these cases was filed in the Court of Chancery for the State of Delaware, New Castle County. Each case alleges generally that the defendants issued 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, engaged in insider trading, misappropriated corporate information, and beached their fiduciary duties to Westell Technology, Inc.'s shareholders. Each case allegedly arises from the same set of operative facts and seeks the same relief -- damages allegedly sustained by Westell by reason of the acts and transactions alleged in the complaints, a constructive trust for the amount of profits the individual defendants made on insider sales, reasonable attorneys' fees, expert fees, and other costs.

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

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

On December 13, 2000 the Company held its annual shareholders meeting. Matters put before vote of the security holders were the election of directors. The results were as follows based upon total votes cast of 75,721,878:

	For	Withheld
Thomas A. Reynolds, III	106,336,905	687,808
Melvin J. Simon	104,709,804	2,314,909
Paul A. Dwyer	106,407,939	616,774
Robert C. Penny	105,033,674	1,991,039
John W. Seazholtz	105,020,761	2,003,952
Howard L. Kirby, Jr.	106,442,980	581,733
Bernard F. Sergesketter	106,483,932	540,781
Marc J. Zionts	106,224,082	706,471
J.W. Nelson	106,300,104	724,609

ITEM 5. OTHER EVENTS

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) The following documents are furnished as an exhibit and numbered pursuant to Item 601 of regulation S-K:

Exhibit 10.1 Amendment to Amended and Restated Loan and Security Agreement

b) The registrant was not required to file any reports on Form 8-K for the quarter.

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, 2001

By: MARC J. ZIONTS
MARC J. ZIONTS
Chief Executive Officer

By: NICHOLAS C. HINDMAN

NICHOLAS C. HINDMAN
Chief Financial Officer

AMENDMENT TO AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT

This AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "Amendment") is made as of as February 15, 2001 and made effective as of December 31, 2000, among LaSalle Bank National Association, a national banking association ("LaSalle"), Harris Trust and Savings Bank ("Harris," together with LaSalle, the "Lenders"), LaSalle, in its separate capacity as agent for the Lenders under the Loan Agreement (as hereinafter defined) ("Agent") and Westell Technologies, Inc., a Delaware corporation ("WTI"), Westell, Inc., a Delaware corporation ("Inc."), Westell International, Inc., a Delaware corporation ("WII"), Conference Plus, Inc., an Illinois corporation ("CPI"), and Teltrend, Inc., an Illinois corporation ("Teltrend," together with WTI, Inc., WII and CPI, the "Borrowers").

BACKGROUND

A. Lenders, Agent and Borrowers are party to that certain Amended and Restated Loan and Security Agreement dated as of August 31, 2000 (the "Loan Agreement"), pursuant to which Agent, with and on behalf of the Lenders, have made loans and advances to Borrowers, and as security therefor, Borrowers have granted to Agent a lien on Borrowers' real, personal and intellectual property.

B. Borrowers have informed Agent that they were in violation of their Interest Coverage Ratio and EBITDA covenants under the Loan Agreement as of December 31, 2000 and have requested that Agent and Lenders waive such violations and any events of default created thereby.

C. Borrowers have also requested that Agent and Lenders modify certain financial covenants under the Agreement.

D. Agent and Lenders are willing to modify such covenants and grant such waiver provided that Borrowers enter into this Amendment and upon the terms and conditions set forth herein.

E. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1 AMENDMENTS TO LOAN AGREEMENT

1.1 Section 2.12 of the Loan Agreement is hereby amended by deleting from the sixth and seventh lines thereof the following: "Upon the occurrence of an Event of Default,".

1.2 Section 2.27(b) of the Loan Agreement is hereby amended by inserting after "Period" and before the semicolon in the third line thereof the following: ", or, at the option of Agent, on the first day of the reporting period following the reporting period under review".

1.3 Section 2.27(c) of the Loan Agreement is hereby amended by inserting after "Section 10.3" and before the period in the last line thereof the following: ", or, at the option of Agent, on the first day of the reporting period following the reporting period under review".

1.4 Section 8.17 of the Loan Agreement is hereby amended by deleting the number "$27,000,000" in the second line thereof and inserting in its place the number "$23,000,000".

1.5 The Loan Agreement is hereby amended by adding a new Section 9.19 as follows:

"9.19. Inventory Appraisals. Borrowers shall complete an initial appraisal of their Inventory conducted by an inventory specialist selected by Agent's Business Credit Group. Borrowers shall thereafter appraise their Inventory using the same or any other appraisal specialist selected by Agent upon request by Agent. Borrowers shall bear the cost of all Inventory appraisals."

1.6 Section 10.1 of the Loan Agreement is hereby amended by deleting the text of Section 10.1 in its entirety and inserting in its place the following:

"10.1 Borrowing Base Certificate; Aging Reports.

(a) Monthly Reports. As soon as practicable and in any event within fifteen (15) days following the end of each month, Borrowers shall provide Agent with (i) an Aging Report and (ii) an Inventory Report.

(b) Borrowing Requests. Accompanying any request for a Revolving Loan pursuant to Section 2.1 hereof or any request for a Letter of Credit pursuant to Section 2.7 hereof, Borrowers shall provide Agent with a Borrowing Base Certificate in the form of Exhibit A hereto."

1.7 The Loan Agreement is hereby amended by deleting Section 10.2 in its entirety and inserting in its place the following:

"10.2 Compliance Certificate. As soon as practicable and in any event within fifteen (15) days following the last day of each month, Borrowers shall provide Agent with a certificate reflecting Borrowers' compliance with the financial covenants set forth in Section 11 of this Agreement. Such certificate shall be in a form and with such specificity as is satisfactory to Agent and shall contain such additional information as Agent may reasonably require concerning financial covenant calculations included, described or referred to in such certificate and any other documents in connection therewith requested by Agent."

1.8 The Loan Agreement is hereby amended by deleting Section 10.3(a) in its entirety and inserting in its place the following:

"(a) Monthly Financial Statements. As soon as practicable and in any event within fifteen (15) days following the last day of each month, Borrowers shall provide Agent and the Lenders: (i) statements of income and statements of cash flow of Borrowers for each such month and for the period from the beginning of the then current Fiscal Year of Borrowers to the end of such month; (ii) balance sheets of Borrowers as of the end of such month; and (iii) with respect to such statements of income and balance sheets, prepared on a consolidated basis, setting forth in comparative form, figures for the corresponding periods in the preceding Fiscal Year of Borrowers, all in reasonable detail and certified by the Chief Financial Officer of Westell Technologies, Inc. that such statements fairly present the financial condition of Borrowers in accordance with Generally Accepted Accounting Principles, subject to changes resulting from normal year-end adjustments and the absence of footnotes, together with detailed computations of Borrowers' compliance with the covenants set forth in this Agreement."

1.9 Section 11.2 of the Loan Agreement is hereby amended by:

(a) deleting the text from and including the word "Borrowers" to and including "2000," in the third line thereof, and inserting in its place the following:

"Borrowers shall have (i) a minimum Fiscal Year-to-date EBITDA of not less then negative $2,250,000 on February 28, 2001 and of not less than negative $2,775,000 on March 31, 2001,"

; and

(b) deleting the date "March 31, 2001" from the first line of the "Date" column and deleting the number "$17,000,000" from the first line of the "EBITDA" column.

1.10 Annex A to the Loan Agreement is hereby deleted in its entirety, and the Annex A in the form of Exhibit A hereto is inserted in substitution therefor. The parties agree that the Annex A attached hereto as Exhibit A shall be effective as of December 31, 2000, and interest due under the Loan Agreement shall be calculated at Level I from December 31, 2000 until the next adjustment as provided in the Loan Agreement.

SECTION 2 REPRESENTATIONS AND WARRANTIES

To induce Agent and Lenders to amend the Loan Agreement and grant the waiver set forth herein, Borrowers represent and warrant to Agent and Lenders that:

2.1 Representations and Warranties. On the date hereof, the representations and warranties and covenants set forth in the Loan Agreement (as modified by this Amendment), are true and correct with the same effect as though such representations and warranties and covenants had been made on the date hereof, except to the extent that such representations and warranties and covenants expressly relate to an earlier date.

2.2 Corporate Authority of Borrowers. Borrowers have full power and authority to enter into this Amendment, and to incur and perform the obligations provided for under this Amendment and the Loan Agreement, all of which have been duly authorized by all proper and necessary corporate action. No consent or approval of stockholders or of any public authority or regulatory body is required as a condition to the validity or enforceability of this Amendment.

2.3 Amendment as Binding Agreement. This Amendment constitutes the valid and legally binding obligation of Borrowers, fully enforceable against Borrowers, in accordance with its terms.

2.4 No Conflicting Agreements. The execution and performance by the Borrowers of this Amendment will not (i) violate any provision of law, any order of any court or other agency of government, or the Articles of Incorporation or Bylaws of Borrowers, (ii) violate any indenture, contract, agreement or other instrument to which Borrowers are a party, or by which its property is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such indenture, contract, agreement or other instrument or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrowers.

SECTION 3 CONDITIONS PRECEDENT.

The agreement by Agent and Lenders to amend the Loan Agreement and grant the waiver is subject to the following conditions precedent:

3.1 Reaffirmation of Stock Pledge Agreement. Execution and delivery by WTI of a reaffirmation of that certain Stock Pledge Agreement dated as of August 31, 2000, between WTI and Agent in the form of Exhibit B hereto.

3.2 Corporate Authority. Borrowers shall have provided to Agent certified copies of the unanimous written consent of their Boards of Directors in a form reasonably acceptable to Agent and Lenders authorizing the execution, delivery and performance by the Borrowers of this Amendment and the agreements, instruments and documents executed in connection herewith.

3.3 Fee. Borrowers shall have paid to Agent a fee in the amount of $112,500, which shall be divided by Agent pro rata among the Lenders.

SECTION 4 WAIVER.

Bank hereby waives Borrowers' failure to be in compliance with the following covenants as of December 31, 2000, and any Events of Default created thereby, solely as of December 31, 2000:

(i) Interest Coverage Ratio and

(ii) EBITDA.

In consideration for this waiver, Borrowers agree that after the date hereof, one or more of the Borrowers shall issue and sell capital stock for a minimum aggregate consideration of $25 million in cash net to Company (the "Additional Funds") by April 15, 2001, all of which Additional Funds shall be deposited into Borrowers Loan Account in accordance with Section 3.5(ii) of the Loan Agreement. Failure to raise the Additional Funds by April 15, 2001 shall constitute an Event of Default under the Loan Agreement. The Additional Funds paid into the Borrowers Loan Account pursuant hereto shall not reduce the amount or calculation of Revolving Loans available to Borrowers, and Borrowers may continue to request Revolving Loans, pursuant to the Loan Agreement, as amended hereby. This shall be a limited waiver and shall not constitute a waiver of any

subsequent violations of the Loan Agreement, whether of a different or like nature, nor shall it constitute a course of conduct or dealing.

SECTION 5 REAFFIRMATION

WTI, Inc., CPI and Teltrend (together, the "Pledgors") are each party to both (i) a Security Agreement and Mortgage - Trademarks and Patents and (ii) a Security Interest Agreement - Patents, each dated as of August 31, 2000 (the "Security Agreements") pursuant to which Pledgors granted to Agent a lien on and security interest in certain of Pledgors patents and trademarks as described therein. Pledgors hereby expressly reaffirm and assume all of their obligations and liabilities as set forth in the Security Agreements, agree that the obligations secured thereby shall include all obligations of Borrowers to Agent under the Loan Agreement, as amended from time to time, including this Amendment, and agree to be bound by and abide by and operate and perform under and pursuant to and comply fully with all of the terms, conditions, provisions, agreements, representations, undertakings, warranties, and covenants contained in the Security Agreements, insofar as such obligations and liabilities may be modified by this Amendment.

SECTION 6 GENERAL PROVISIONS.

6.1 Except as amended by this Amendment, the terms and provisions of the Loan Agreement shall remain in full force and effect and are hereby affirmed, confirmed and ratified in all respects. Borrowers ratify, confirm and affirm without condition, all liens and security interests granted to Agent pursuant to the Loan Agreement and the Loan Documents, and such liens and security interests shall continue to secure the obligations and liabilities of Borrowers to Agent, including but not limited to, all loans made by Agent to the Borrowers under the Loan Agreement as amended by this Amendment.

6.2 This Amendment shall be construed in accordance with and governed by the laws of the State of Illinois, and the obligations of Borrowers under this Amendment are and shall arise absolutely and unconditionally upon the execution and delivery of this Amendment.

6.3 This Amendment may be executed in any number of counterparts.

6.4 Borrowers hereby agree to pay all out-of-pocket expenses incurred by Agent in connection with the preparation, negotiation and consummation of this Amendment, and all other documents related thereto, including without limitation, the reasonable fees and expense of Agent's counsel, and any filing fees required in connection with the filing of any documents necessary to consummate the provisions of this Amendment.

6.5 On or after the effective date hereof, each reference in the Loan Agreement or any of the Loan Documents to this "Agreement" or words of like import, shall unless the context otherwise requires, be deemed to refer to the Loan Agreement as amended hereby.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Borrowers, Agent and Lenders have caused this Amendment to be duly executed by their duly authorized officers, all as of the date and year first above written.

"BORROWERS" WESTELL TECHNOLOGIES, INC.

By: ______________________________________
Title: ______________________________________

WESTELL, INC.

By: ______________________________________
Title: ______________________________________

WESTELL INTERNATIONAL, INC.

By: ______________________________________
Title: ______________________________________

CONFERENCE PLUS, INC.

By: ______________________________________
Title: ______________________________________

TELTREND, INC.

By: ______________________________________
Title: ______________________________________

Address: 750 North Commons Drive
Aurora, Illinois 60504

LASALLE BANK NATIONAL ASSOCIATION,
a national banking association, as Agent

By: ______________________________________
Title: ______________________________________

Address: 135 S. LaSalle Street

Chicago, Illinois 60603
Attn: Stephanie Patterson

LASALLE BANK NATIONAL ASSOCIATION

By: ______________________________________
Title: ______________________________________

Address: 135 South LaSalle Street
Chicago, Illinois 60603
Attn: Stephanie Patterson

HARRIS TRUST AND SAVINGS BANK

By: ______________________________________
Title: ______________________________________

Address: 111 West Monroe Street
Chicago, Illinois 60690
Attn: M. James Barry, III

Exhibit A to Amendment to Amended and Restated Loan Agreement

ANNEX A

Applicable Margin

Interest Coverage Ratio

<TABLE>
<CAPTION>

	LEVEL I	LEVEL II	LEVEL III	LEVEL IV	LEVEL V
	< 2.0	2.0 < 3.0	3.0 < 4.0	4.0 < 5.0	5.0
<S>	<C>	<C>	<C>	<C>	<C>
LIBOR Margin	3.00%	2.50%	2.25%	2.00%	1.75%
Reference Rate Margin	1.00%	0.50%	0.25%	0%	0%
Unused Fee	0.50%	0.375%	0.375%	0.25%	0.25%
Standby L/C Fee Rate	3.00%	2.50%	2.25%	2.00%	1.75%
Trade L/C Fee Rate	1.50%	1.25%	1.125%	1.00%	0.875%

</TABLE>

Exhibit B to Amendment to Amended and Restated Loan Agreement

REAFFIRMATION OF STOCK PLEDGE AGREEMENT

This Reaffirmation of Stock Pledge Agreement dated as of February 15, 2001 (this "Reaffirmation") is entered into between WESTELL TECHNOLOGIES, INC., a Delaware corporation (herein called the "Pledgor"), and

LASALLE BANK NATIONAL ASSOCIATION as agent on behalf of LaSalle Bank National Association and the "Lenders" (as hereinafter defined) (herein called the "Pledgee"), and has reference to the following facts and circumstances:

A. Pursuant to that certain Amended and Restated Loan and Security Agreement dated as of August 31, 2000, (herein as amended or modified from time to time, the "Loan and Security Agreement") between Pledgee, Lenders, and Pledgor (together with its subsidiaries, Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. collectively referred to hereinafter as "Borrowers"), Pledgor granted Pledgee a security interest in its shares of certain of the Borrowers pursuant to that certain Stock Pledge Agreement dated as of August 31, 2000 (the "Pledge Agreement").

B. Borrowers have notified Pledgee of the occurrence of certain Events of Default existing under the Loan and Security Agreement as of December 31, 2000.

C. Borrowers desire to enter into an Amendment to the Loan and Security Agreement dated the date hereof (the "Amendment") pursuant to which Pledgee and Lenders will conditionally forbear against exercising remedies available to them as a result of the occurrence of the Events of Default and will amend certain financial covenants under the Loan and Security Agreement.

D. Pledgor is financially interested in Borrowers.

E. Pledgor desires that Pledgee enter into the Amendment.

F. Pledgee is willing to enter into the Amendment only upon the condition that Pledgor execute and deliver this Reaffirmation in favor of Pledgee.

NOW, THEREFORE, in consideration of the foregoing, Pledgor hereby agrees as follows:

1 The preambles to this Reaffirmation are hereby incorporated herein by this reference thereto.

2 Pledgor does hereby expressly ratify, confirm and affirm without condition, all liens and security interests granted to the Pledgee pursuant to the Pledge Agreement, and such liens and security interests shall continue to secure the obligations and liabilities of Borrowers to Pledgee and Lenders, including but not limited to, all loans made by Lenders to Borrowers under the Loan and Security Agreement and all amendments thereto.

3. This Reaffirmation constitutes the valid and legally binding obligation of Pledgor, fully enforceable against Pledgor, in accordance with its terms.

4. This Reaffirmation shall inure to the benefit of Pledgee and Lenders, their successors and assigns, and be binding upon Pledgor, and its successors and assigns.

IN WITNESS WHEREOF, the Pledgor has executed this Reaffirmation on the date above set forth.

WESTELL TECHNOLOGIES, INC.

By: ___________________________
Its: ___________________________

REAFFIRMATION OF STOCK PLEDGE AGREEMENT

This Reaffirmation of Stock Pledge Agreement dated as of February 15, 2001 (this "Reaffirmation") is entered into between WESTELL TECHNOLOGIES, INC., a Delaware corporation (herein called the "Pledgor"), and

LASALLE BANK NATIONAL ASSOCIATION as agent on behalf of LaSalle Bank National Association and the "Lenders" (as hereinafter defined) (herein called the "Pledgee"), and has reference to the following facts and circumstances:

A. Pursuant to that certain Amended and Restated Loan and Security Agreement dated as of August 31, 2000, (herein as amended or modified from time to time, the "Loan and Security Agreement") between Pledgee, Lenders, and Pledgor (together with its subsidiaries, Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. collectively referred to hereinafter as "Borrowers"), Pledgor granted Pledgee a security interest in its shares of certain of the Borrowers pursuant to that certain Stock Pledge Agreement dated as of August 31, 2000 (the "Pledge Agreement").

B. Borrowers have notified Pledgee of the occurrence of certain Events of Default existing under the Loan and Security Agreement as of December 31, 2000.

C. Borrowers desire to enter into an Amendment to the Loan and Security Agreement dated the date hereof (the "Amendment") pursuant to which Pledgee and Lenders will conditionally forbear against exercising remedies available to them as a result of the occurrence of the Events of Default and will amend certain financial covenants under the Loan and Security Agreement.

D. Pledgor is financially interested in Borrowers.

E. Pledgor desires that Pledgee enter into the Amendment.

F. Pledgee is willing to enter into the Amendment only upon the condition that Pledgor execute and deliver this Reaffirmation in favor of Pledgee.

NOW, THEREFORE, in consideration of the foregoing, Pledgor hereby agrees as follows:

1 The preambles to this Reaffirmation are hereby incorporated herein by this reference thereto.

2 Pledgor does hereby expressly ratify, confirm and affirm without condition, all liens and security interests granted to the Pledgee pursuant to the Pledge Agreement, and such liens and security interests shall continue to secure the obligations and liabilities of Borrowers to Pledgee and Lenders, including but not limited to, all loans made by Lenders to Borrowers under the Loan and Security Agreement and all amendments thereto.

3. This Reaffirmation constitutes the valid and legally binding obligation of Pledgor, fully enforceable against Pledgor, in accordance with its terms.

4. This Reaffirmation shall inure to the benefit of Pledgee and Lenders, their successors and assigns, and be binding upon Pledgor, and its successors and assigns.

IN WITNESS WHEREOF, the Pledgor has executed this Reaffirmation on the date above set forth.

WESTELL TECHNOLOGIES, INC.

By: ___________________________
Its: ___________________________