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	60504
(Address of principal executive offices)	(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.

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. The Company 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.

THE COMPANY'S PRODUCTS

Through its four broadband access product lines, 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: Westell Customer Networking Equipment (CNE) 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: Westell's Carrier Transport and Multiplexer (CTM) products enable our customers to deliver and manage a range of broadband services from the telco central office with interfaces to other carriers such as wireless as well as enterprise customers.
o Carrier Service Access: Westell Carrier Service Access (CSA) products enable telco transmission, maintenance, and troubleshooting of multiple broadband solutions (telco services such as DS1, DS3, HDSL2, HDSL4, DDS and ISDN) from the customer access point to the serving telco central office.

o OSP, Enclosures & Accessories: Westell Outside Plant (OSP) products and solutions focus on facilities equipment linking the telco'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 reports results from these four product lines by two main groups; Broadband Products and Telco Access Products ("TAP"). Broadband products include CNE and CTM product lines and TAP products include CSA and OSP product lines. The prices for the products within each market group varies based upon volume, customer specifications and other criteria and are subject to change due to competition among telecommunications manufacturers. 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 following table sets forth the revenues from Westell's two product groups for the fiscal years indicated (for more information also see "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Annual Report on Form 10-K):

<TABLE>
<CAPTION>

	Fiscal Year Ended March 31,		
	2000	2001	2002
	(In thousands)		
<S>	<C>	<C>	<C>
Broadband products..	$ 37,960	$198,660	$105,011
TAP products...	52,225	120,834	86,291
Broadband products % of total revenues....................................	31.4%	55.0%	43.8%
TAP products % of total revenues..	43.1%	33.4%	35.9%

</TABLE>

Broadband Products. Westell's Broadband products 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.

Digital subscriber line technology uses complex modulation methods to enable high-speed services over copper phone lines. DSL allows the simultaneous transmission of data at speeds up to 8.0 Megabits per second in one direction, or 140 times faster than standard 56k modem service, and up to 1 Megabits per second in the reverse direction, or 17 times faster than standard 56k modem service, while also providing standard analog telephone service over a single pair of copper wires at distances of up to 18,000 feet. With DSL technology, a user can talk and have high-speed data transmissions at the same time over a regular phone line. DSL products enable telephone companies to provide interactive multimedia services over copper wire while simultaneously carrying traditional telephone services, thus mitigating the need for the telephone companies to install second lines to support these services. DSL technology is also known as Asymmetric Digital Subscriber Line (ADSL) when it refers to products that provide bi-directional transmission capacity at varying speeds.

The DSL connection or link is comprised of a DSL Access Multiplexer (DSLAM) and equipment at the users location referred to as customer premise equipment (CPE). The DSLAM is a piece of equipment that typically resides in the telephone companies' central offices. It aggregates, or multiplexes, multiple DSL access lines into a telephone company's high-speed line back to its core or central network. As network service providers begin deploying DSL based services the need for DSL line concentration at the central offices increases. The CPE is typically a small device enabling DSL services that sits on a desktop next to a personal computer.

The following table sets forth a representative list of the Company's Broadband products and their applications:

<TABLE>
<CAPTION>

Product	Description	Applications
<S>	<C>	<C>
WireSpeed(TM)ADSL Bridge Modem	Asymmetrical Digital Subscriber Line (ADSL) customer premise equipment that is connected to a corresponding ADSL device in the service providers' central office. Users can achieve speeds of up to 8 megabits per second downstream and up to 1 megabit per second upstream. Westell's WireSpeed Bridge ADSL Modem provides a 10/100BT Ethernet connection to the residential home PC.	Enables a residential customer of ADSL service to connect a home PC to the ADSL service with a 10/100BT Ethernet connection.
WireSpeedTM ADSLCombo Modem	Westell's WireSpeed Combo ADSL Modem provide a 10/100BT Ethernet connection and/or a USB connection to the residential home PC.	Enable a residential customer of ADSL service to connect home PC's to the ADSL service by using the 10/100BT Ethernet port and/or the USB port.
WireSpeedTM DSL Gateway	Westell's Data Gateway is a broadband high-speed xDSL (ADSL and G.SHDSL) multi-user data platform for residential, small office home office (SOHO) and small businesses. The product offers 4 port 10/100BT, a USB port HPNA and is 802.11b wireless ready.	Enables residential, small office home office (SOHO) and small businesses to network their broadband ADSL/G.SHDSL service to multiple PC's and other computing devices together.
WireSpeedTM ADSL NAT Router	Westell's WireSpeed ADSL NAT Router offers 4 port 10/100BT NAT Router with NAT based firewall for residential and SOHO.	Enables residential and SOHO to network they're broadband ADSL service to multiple PC's and other computing devices via a 4 port 10/100BT Ethernet interface.

</TABLE>

TAP Products. Provide telephone companies with cost-effective solutions to transport, maintain and improve the reliability of high-speed services over copper and fiber lines in the local access network. The following table sets forth a representative list of the Company's products and their applications:

<TABLE>
<CAPTION>

Product	Description	Applications
<S>	<C>	<C>
HDSL2 transmission products	HDSL2 plug-in units provide single-cable-pair T1 circuits between the Telco and their T1 customer	Providing T1 circuits between Telco locations (CO, CEV, fiber-hut) and their customers' premise. Utilizes one pair of "last-mile" copper cable to cost-effectively set up the T1 line.
HDSL4 transmission products	HDSL4 plug-in units provide 2-cable-pair T1 circuits between the Telco and their T1 customer for long distance circuits.	Providing extended T1 circuits between Telco locations (CO, CEV, fiber-hut) and their customer premise. This specific application focuses on distances that

		HDSL2 cannot reach. Utilizes two pair of "last-mile" copper cable and specialized HDSL4 technology to cost effectively set up a T1 line.
Stiletto(TM)............	xDSL transmission system designed to offer the service providers the most economical service delivery currently available. Service provider savings will be in terms of both CapEx and OpEx.	DS1 and SDSL services for businesses.
NIU-PM (Network Interface Unit-Performance Monitoring)..........	Network Interface Unit with Performance Monitoring that stores circuit performance and maintenance information for a single T1 circuit.	Facilitates the maintenance and performance monitoring of T-1 facilities. Provides a "demarcation point" between the Telco equipment and the customer's equipment.
MegaJack(TM)(Network Interface Unit).......	DS3 Network Interface Unit. An electronic module located in the phone companies' central office or at a DS3 customer's premise that provides maintenance capabilities for telephone lines providing DS3 transmission.	Facilitates the maintenance and monitoring of DS3 transmission. Provides a "demarcation point" between the Telco equipment and the customer's equipment.
Op-T-Span(TM)...........	Fiber optic transmission device designed to protect telephone company equipment and employees operating in high voltage environments.	Most often used to provide service to wireless service providers and utility companies whose sites are in high voltage areas.
SmartLink(TM)...........	Automatic protection system for up to 8 DS1 lines. SmartLink protects all DS1 transmission technologies.	SmartLink provides a high-speed backup for any critical DS1 circuits. SmartLink is often deployed to protect DS1 circuits serving financial institutions, customer service centers and wireless service providers.
NCTE Mountings & Enclosures (NCTE = Network Channel Terminating Equipment)...........	Indoor and outdoor mechanical shelves and enclosures used to house Westell's and other companies' traditional and higher speed modules.	Provides installation of end user electronics.

</TABLE>

RESEARCH AND DEVELOPMENT CAPABILITIES AND ENGINEERING BASE

The Company believes that its future success depends, in part, on its ability to maintain its technological leadership through enhancements of its existing products and development of new products that meet customer needs. Westell works closely with its current and potential customers as part of the product development process.

In fiscal 2000 and 2002, the Company received $6.7 and $2.0 million, respectively from customers to fund engineering projects, which was offset against research and development expenses. The Company did not receive any funding from customers for engineering projects in fiscal 2001.

The Company's engineering is conducted in accordance with ISO 9001, which is the international standard for quality management systems for design, manufacturing and service. The Company's research and development personnel are organized into product development teams. Each product development team is generally responsible for sustaining technical support of existing products, decreasing manufacturing costs, conceiving new products in cooperation with other groups within the Company and adapting standard products or technology to meet new customer needs. In particular, each product development team is charged with implementing the Company's engineering strategy of reducing product costs for each succeeding generation of the Company's products in an effort to be a highly valued, superior quality provider, without compromising functionality or serviceability.

The Company believes that the key to this strategy is choosing an initial architecture for each product that enables engineering innovations to result in performance enhancements and future cost reductions. Westell's products are designed in conjunction with input from procurement and manufacturing personnel to optimize the opportunity to achieve the lowest cost positions. The Company's strong quality record is grounded in a solid interface and transference of knowledge between design and manufacturing teams. Successful execution of this strategy also requires that the Company continue to attract and recruit highly qualified engineers.

The Company and products under development are subject to industry wide standardization organizations which include, the American National Standards Institute ("ANSI") in the United States and the European Telecommunications Standards Institute ("ETSI") which are responsible for specifying transmission standards for telecommunications technologies. The industry transmission standard for ADSL adopted by ANSI and ETSI is based upon DMT technology. Westell incorporates DMT technology into its DSL products. The Company has not developed a DMT transceiver technology for its product offerings and is dependent on transceiver technologies sourced from third parties. The Company has established multiple strategic relationships with transceiver technology vendors for DSL chipsets to be used in ADSL systems by the Company. Absent the proper relationships with key silicon chipset vendors, the Company's products may not comply with standards set forth by ANSI and ETSI. Should customers require standards based products containing transceiver technology not available to the Company under reasonable terms and conditions, the Company's business and results of operations would be materially and adversely affected.

CUSTOMERS

The Company's principal customers historically have been U.S. telephone companies. In addition, Westell sells products to several other entities, including public telephone administrations located outside the U.S., independent domestic local exchange carriers, competitive local exchange carriers, inter-exchange carriers, the U.S. federal government, Internet service providers, and business enterprises. Revenues from international customers represented approximately \$10.9 million, \$57.7 million and \$15.5 million of the Company's revenues in fiscal 2000, 2001 and 2002, respectively, accounting for 9.0%, 16.0% and 6.5% of the Company's revenues in such periods.

The Company depends, and will continue to depend, on the Regional Bell Operating Companies (RBOCs) and other independent local exchange carriers for substantially all of its revenues. Sales to the RBOCs accounted for 51.4%, 50.6% and 66.4% of the Company's revenues in fiscal 2000, 2001 and 2002, respectively. Sales to the Company's largest two customers, Verizon and SBC accounted for 43% and 15% of the Company's revenues in fiscal 2002, respectively. Consequently, the Company's future success will depend upon the timeliness and size of future purchase orders from the RBOCs, the product requirements of the RBOCs, the financial and operating success of the RBOCs, and the success of the RBOCs' services that use the Company's products. Any attempt by an RBOC or other Telco access providers to seek out additional or alternative suppliers or to undertake, as permitted under applicable regulations, the internal production of products would have a material adverse effect on the Company's business and

results of operations. In addition, the Company's sales to its largest customers have in the past fluctuated and in the future are expected to fluctuate significantly from quarter to quarter and year to year. The loss of such customers or the occurrence of such sales fluctuations would materially adversely affect the Company's business and results of operations.

The RBOCs and the Company's other customers are significantly larger than, and are able to exert a high degree of influence over, the Company. As a result, our larger customers may be able to reschedule or cancel orders without significant penalty. Prior to selling its products to telcos, the Company must undergo lengthy approval and purchase processes.

MARKETING, SALES AND DISTRIBUTION

The Company sells its products in the U.S. through its domestic field sales organization and selected distributors. The Company has had an established sales force and channel to domestic service providers since its founding in 1980.

The Company markets its products domestically within the United States, as well as in Canada and Europe. In North America, our traditional TAP products are sold directly to the service providers or in some cases to distributors who service these carriers. The Company's Broadband products are sold directly to telephone carriers, to Internet Service Providers who provide DSL services, and directly to end-users through the Company's website and certain retail outlets such as Best Buy. The Company believes that the DSL sales channels are very dynamic and continually looks to adapt and configure its sales force and processes to meet these changes.

The RBOC's and the Company's other customers are significantly larger than, and are able to exert a high degree of influence over, the Company. Prior to selling its products to telephone companies, the Company must undergo lengthy approval and purchase processes. Evaluation can take as little as a few months for products that vary slightly from existing products in the local access network and a year or more for products based on new technologies. Accordingly, the Company is continually submitting successive generations of its current products as well as new products to its customers for approval.

Although the telephone company approval processes may vary to some extent depending on the customer and the product being evaluated, they generally are conducted as follows:

Laboratory Evaluation. The product's function and performance are tested against all relevant industry standards.

Technical Trial. A number of telephone lines are equipped with the product for simulated operation in a field trial. The field trial is used to evaluate performance, assess ease of installation and establish troubleshooting procedures.

Marketing Trial. Emerging products such as DSL are tested for market acceptance of new services. Marketing trials usually involve a greater number of systems than technical trials because systems are deployed at several locations in the telephone company's network. This stage gives telephone companies an opportunity to establish procedures, train employees to install and maintain the new product and to obtain more feedback on the product from a wider range of operations personnel.

Commercial Deployment. Commercial deployment usually involves substantially greater numbers of systems and locations than the marketing trial stage. In the first phase of commercial deployment, a telephone company initially installs the equipment in select locations for select applications. This phase is followed by general deployment involving greater numbers of systems and locations. Commercial deployment does not usually mean that one supplier's product is purchased for all of the telephone companies' needs throughout the system as telephone companies often rely upon multiple suppliers to ensure that their needs can be met. Subsequent orders, if any, are generally placed under single or multi-year supply agreements that are generally not subject to minimum volume commitments.

The relationships that the Company establishes in this extensive process are critical in almost every case. The Company has a history of working closely with the service providers in this fashion and the Company has won numerous quality awards from customers such as SBC and GTE (now Verizon).

TECHNICAL SUPPORT

Westell maintains 24-hour, 7-day-a-week telephone support and provides on-site support. The Company also provides technical consulting, research assistance and training to its customers with respect to the installation, operation and maintenance of its products.

The Company has general purchase agreements with most of its major customers. These agreements may require the Company to accept returns of products or indemnify such customers against certain liabilities arising out of the use of the Company's products. Although, to date, the Company has not experienced any significant product returns or indemnification claims under these contracts, any such claims or returns could have a material adverse effect on the Company's business and results of operations.

The Company's products are required to meet rigorous standards imposed by its customers. Most of the Company's products carry a limited warranty ranging from one to seven years, which generally covers defects in materials or workmanship and failure to meet published specifications, but excludes damages caused by improper use and all other warranties. In the event there are material deficiencies or defects in the design or manufacture of the Company's products, the affected products could be subject to recall. For the past five fiscal years, the Company's warranty expenses have been insignificant. The Company's standard limited warranty for its DSL products ranges from one to five years. Since the Company is continually introducing new products, it can not predict the level of future warranty claims on its products. See "Risk Factors".

MANUFACTURING

The Company utilizes a combination of internal manufacturing capability and a set of turnkey contract manufacturers to satisfy its customers' requirements. To meet demand, primarily for its DSL systems, the Company has outsourced some its manufacturing requirements when customer demand exceeds production capacity. Reliance on third-party subcontractors involves several risks, including the potential absence of adequate capacity and reduced control over product quality, delivery schedules, manufacturing yields and costs. See "Risk Factors."

A substantial portion of the Company's shipments in any fiscal period can relate to orders for products received in that period. Further, a significant percentage of orders, such as Network Interface Units, or NIUs, require delivery within 48 hours. To meet this demand, the Company maintains raw materials inventory and finished goods inventory at its manufacturing facilities. In addition, the Company maintains some finished goods inventory at the customers' sites pursuant to an agreement that the customer will eventually purchase such inventory. Because of the rapid technological changes to our products, the Company faces a reoccurring risk that the inventory it holds may become obsolete. The Company's domestic facilities and processes are certified pursuant to ISO 9001.

COMPETITION

The markets for the Company's products are intensely competitive and the Company expects competition to increase in the future, especially in the evolving broadband and DSL markets. Westell's primary competitors vary by market segment. The Company's principal competitors with respect to its TAP business unit are Adtran, Inc., ADC Telecommunications and HyperEdge. The Company's current competitors in the CPE business unit are primarily Thomson, Siemens, Creative Labs and 2 Wire.

Products that increase the efficiency of digital transmission over copper wire face competition from fiber, wireless, cable modems and other products delivering broadband digital transmission. Telephone companies face competition from cable operators, new local access providers and wireless service providers that are capable of providing high speed digital transmission to end users. In addition, the deployment of products and technologies for copper wire may also reduce the demand for the types of products currently manufactured by the Company. The deployment of HDSL2 and HDSL4 systems in the U.S., while increasing the Westell sales of HDSL2 and HDSL4 equipment, also reduces telephone companies' need for T-1 repeaters, which may result in a decrease in demand for Westell's more traditional T-1 products such as its Network Interface Units. The Company believes that the domestic market for some of its older, low speed TAP transmission products is decreasing,

and will likely continue to decrease, as high capacity digital transmission becomes less expensive and more widely deployed. See "Risk Factors."

TELECONFERENCE SERVICES

Conference Plus, Inc (CPI), founded in 1988, is an application service provider (ASP) or company that manages and hosts specific software and applications, in this case relating to conferencing and meeting services. Conference Plus is an 88.3% owned subsidiary of Westell and manages its teleconferencing and meeting services through its operations center in Schaumburg, Illinois and facilities in Lombard, Illinois and Dublin, Ireland. Conference Plus services generated $30.8 million, $42.0 million and $48.5 million in revenues in fiscal 2000, 2001 and 2002, respectively.

Conference Plus allows multiple individuals and/or businesses to conduct conference calls using a combination of voice, video or data such as graphs or spreadsheets. Unlike a conference call of several years ago, where participants dialed in on phones, today's meeting can include a blend of audio, graphics, spreadsheets or other documents that can be carried over and archived on the Internet to enhance the traditional voice conference call. By enabling its customers to share this blend of information, Conference Plus can increase productivity and save money by reducing travel time, bringing down travel costs, and making it easier for people in remote locations to work together. Teleconferencing and meeting services technologies also allow organizations and individuals to collect and disseminate information faster, more accurately and without the associated costs of face-to-face meetings.

CPI is distinguished by three strategies:

o Re-seller Approach
o Carrier Neutral/Network Independent Strategy; and
o International Expansion

RE-SELLER APPROACH

Conference Plus acts primarily as a re-seller of conferencing and meeting services, managing and hosting applications for major carrier and Fortune 100 companies. A majority of Conference Plus' revenues come from private label commercial teleconferencing services to customers who market or use Conference Plus services under their own brand name. Such companies choose to outsource and private label audio and video teleconferencing services to maintain continuity and save costs. Audio and video teleconferencing is a people intensive service, requiring high levels of concentration on the execution of each and every call. ....As a reseller, Conference Plus has developed back-office capabilities, providing reservation, confirmation, billing, accounting and quality functions for its customers that use their own brand name and sales and distribution channels and rely on Conference Plus to manage operations. The re-seller approach also demands very high quality standards and Conference Plus has received the first ISO 9002 certification in the audio and video conferencing services industry.

CARRIER NEUTRAL/NETWORK INDEPENDENT STRATEGY

A critical part of Conference Plus' approach is its carrier neutral/network independent strategy. CPI is not aligned with any major carrier and can therefore serve as an application service provider, reselling its services to each of the major carriers as well as Fortune 100 companies. Each customer can be assured that the voice and data traffic that is generated by their conferencing and meeting services stays on its own respective network and does not overflow to a competitor's network. CPI's unique architecture ensures that customers have access to all of CPI's capacity during any of their conference calls or meetings.

INTERNATIONAL EXPANSION

Conference Plus currently serves its teleconferencing needs of customers headquartered in the United States from its Schaumburg, Illinois and Lombard, Illinois facilities. As these customers globalize their telecommunications services, Conference Plus will be required to expand its operational presence internationally to meet these needs.

The CPI's facility in Dublin, Ireland was established to help meet this growing demand. In addition, the international market for teleconferencing is expected to grow substantially as a result of deregulation and improved networks with associated reductions in end user costs.

Conference Plus' private label customers and many of its other customers are significantly larger than, and are able to exert a high degree of influence over, Conference Plus. Prior to selling its services, the Company must undergo lengthy approval and purchase processes. Evaluation can take as little as a few months for services that vary slightly from existing services used by the prospective customer to a year or more for services based on technologies such as video or data teleconferencing or which represent a new strategic direction for the customer, as in the case with private labeling teleconference services for a Regional Bell Operating Company.

Conference Plus maintains 24 hour, 7 day a week telephone support and provides on-site support for larger, more complex teleconferences. Conference Plus also provides technical consulting, call planning assistance and usage analysis to its customers with respect to the introduction, enhancement and expanded utilization of its services.

Competition in the teleconferencing business is intense and the Company expects that competition will increase due to low barriers to entry and recent entrants into the audio teleconferencing service market. Many of Conference Plus' competitors, including AT&T, MCI Communications and Sprint Communications, have much greater name recognition, more extensive customer service and marketing capabilities and substantially greater financial, technological and personnel resources than the Company. There can be no assurance that the Company will be able to successfully compete in this market in the future or that competitive pressures will not result in price reductions that would materially adversely affect its business and results of operations.

GOVERNMENT REGULATION

The telecommunications industry, including most of the Company's customers, is subject to regulation from federal and state agencies, including the FCC and various state public utility and service commissions. While such regulation does not affect the Company directly, the effects of such regulations on the Company's customers may, in turn, adversely impact the Company's business and results of operations. For example, FCC regulatory policies affecting the availability of telephone and communications services and other terms on which service providers conduct their business may impede the Company's penetration of certain markets. The Telecommunications Act lifted certain restrictions on the carriers' ability to provide interactive multimedia services including video on demand. Under the Telecommunications Act, new regulations have been established whereby carriers may provide various types of services beyond traditional voice offerings.

In addition, the Telecommunications Act permits the carriers to engage in manufacturing activities after the FCC authorizes a carrier to provide long distance services within its service territory. A carrier must first meet specific statutory and regulatory tests demonstrating that its monopoly market for local exchange services is open to competition before it will be permitted to enter the long distance market. When these tests are met, a carrier will be permitted to engage in manufacturing activities, and the carriers, which are the Company's largest customers, may become the Company's competitors as well. See "Risk Factors."

PROPRIETARY RIGHTS AND INTELLECTUAL PROPERTY

The Company's success and future revenue growth will depend, in part, on its ability to protect trade secrets, obtain or license patents and operate without infringing on the rights of others. The Company relies on a combination of technical leadership, copyright, patent, trademark, trade secret and other intellectual property laws, nondisclosure agreements and other protective measures to protect our unpatented proprietary know-how. The Company regards some of its technology as proprietary and the Company has been granted 27 patents and has an additional 16 U.S. patents pending relating to its TAP and DSL products. The Company expects to seek additional patents from time to time related to its research and development activities. See Risk Factors.

Many of the Company's products incorporate technology developed and owned by third parties. Consequently, the Company must rely upon third parties to develop and to introduce technologies which enhance the Company's current products and enable the Company, in turn, to develop its own products on a timely and cost-effective basis to meet changing customer needs and technological trends in the telecommunications industry. Without third party transceiver technologies, such as DMT technology, the Company would not be able to produce any of its DSL systems. Consequently, if the Company's third party

transceiver suppliers fail to deliver implementable or standards compliant transceiver solutions to the Company and other alternative sources of DSL transceiver technology are not available to the Company at commercially acceptable terms, then the Company's business and results of operations would be materially and adversely affected.

Rapid technological evolution has resulted in the need to implement strategic alliances with customers and technology suppliers in order to accelerate the time to market for new products. Without such relationships, due to the lengthy carrier product approval and purchase cycles, the technology may be obsolete by the time the Company completes the product approval and purchase cycles.

EMPLOYEES

As of March 31, 2002, the Company had 969 full-time employees. Westell's equipment manufacturing business had a total of 679 full-time employees, consisting of 144 in sales, marketing, distribution and service, 82 in research and development, 420 in manufacturing and 33 in administration. Conference Plus had a total of 290 full-time employees. None of the Company's employees are represented by a collective bargaining agreement nor has the Company ever experienced any work stoppage. The Company believes its relationship with its employees is good.

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 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:

- creating sustainable DSL and HDSL sales opportunities;
- lowering our DSL and HDSL product costs through design and manufacturing enhancements and volume reductions;
- developing new and enhanced T-1 products; and
- 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:

- Our actual and anticipated quarterly and annual operating results;
- Variations between our actual results and analyst and investor expectations;
- Announcements by us or others on developments affecting our business;
- Investor and analyst perceptions of our company and comparable public companies;
- Future sales of debt or equity securities;
- The activities of short sellers and risk arbitrageurs regardless of our performance; and
- 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:

- our ability to borrow may be limited and additional amounts for working capital and capital expenditures may not be available;
- 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;
- 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
- 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 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, the Company 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:

- more cost-effective transceiver technologies become available,
- product design efficiencies and component integration are obtained, and
- 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:

- intense competition within the DSL and HDSL market and from other industries such as cable and wireless industries;
- rapid technological advances;
- evolving industry standards;
- changes in end-user requirements;
- frequent new product introductions and enhancements; and
- 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. 2002, respectively. 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 a 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 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.

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:

- the impact of changes in the DSL customer mix or product mix sold;
- timing of product introductions or enhancements by us or our competitors;
- changes in operating expenses which can occur because of product development costs, timing of customer reimbursements for research and development, pricing pressures; availability and pricing of key components;
- write-offs for obsolete inventory; and
- 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 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.

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 or 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:

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

The requirement that telephone companies obtain 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.

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:

- foreign currency fluctuations;
- tariffs, taxes and trade barriers;
- difficulty in accounts receivable collection;
- political unrest; and
- 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.

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 June 21, 2002, and has the following obligations to issue additional class A common stock as of June 21, 2002:

- options to purchase 11,749,273 shares of class A common stock, 3,841,362 of which are currently exercisable;
- 1,576,050 shares reserved for issuance under its employee stock purchase plan;
- warrants to purchase 909,000 shares of class A common stock for $5.92 per share; and
- 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:

- assert infringement claims against us in the future, and that such assertions will not result in costly litigation; or

- that we would prevail in any such litigation or be able to license any valid and infringed 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:

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

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:

- maintenance of high quality standards and low cost position;
- international expansion; and
- 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.

ITEM 2. PROPERTIES

The Company leases approximately 185,000 square feet of office, development and manufacturing space in Aurora, Illinois, a suburb of Chicago, and leases a facility in Basingstoke, England for Westell Limited. As of March 31, 2002, the Company also leased facilities in Schaumburg, Illinois and Lombard, Illinois for Conference Plus, and Dublin Ireland for Conference Plus' international operations. The Aurora facility lease expires in 2017.

As of March 31, 2002, the Company also owned property in St. Charles, Illinois that was obtained as part of the Teltrend acquisition. The Company expects to sell this property during fiscal year 2003.

The Company's manufacturing facility is currently operating below maximum capacity. The Company utilizes third-party subcontractors to help fulfill fluctuations in customer demands that are, at times, beyond the manufacturing capacity of the Aurora facility. The Company currently does not plan to expand the manufacturing capacity of its Aurora facility.

ITEM 3. LEGAL PROCEEDINGS

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). The parties are engaged in discovery and settlement negotiations. The case is set for trial on November 3, 2003.

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

1. The Ceyda Foundation Trust v. Ziontz, et al, No. 01C2826 (filed April 20, 2001);
2. Vukovich v. Zionts, et al., No. 18647 (filed January 26, 2001);
3. Dollens v. Zionts, et al., No. 18533 NC (filed December 4, 2000); and
4. Rothchild v. Zionts, et al., No. 01LK259.

On December 4, 2001, these cases were consolidated in the United District Court for the Northern District of Illinois. Each 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, misappropriated corporate information, and beached their fiduciary duties to the Company's shareholders. Each case allegedly arises from the same set of operative facts and seeks the same relief -- damages allegedly sustained by the Company 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. The Court appointed Dollens and Vukovich as lead plaintiffs. On January 15, 2002, defendants filed a motion to dismiss the consolidated derivative action. There has been no ruling yet on the motion to dismiss. The

parties are engaged in discovery and settlement negotiations. The case is set for trial on November 3, 2003.

Westell has settled its litigation with Celsian Technologies, Inc., Virata Corporation, PacTec, a division of La France Corporation and Alcatel Microelectronics, N.V. Westell recorded $2.3 million one-time charges during fiscal 2002 resulting from this settlement.

The Company was named in a declaratory judgment action in the Circuit Court of DuPage County, Wheaton, Illinois entitled WTI (IL) QRS 12-36, Inc. ("Landlord") vs. Westell, Inc. and Westell Technologies, Inc. Landlord is the lessor of the Company's leased facilities in Aurora, Illinois. The covenants under the lease agreement incorporate the covenants under the Company's credit facility. Any amendments to the credit facility are deemed accepted by Landlord as long as Landlord receives a corresponding fee based upon any amendment consideration paid to the lenders by the Company. Landlord claims that it is entitled to additional consideration in connection with the June 29, 2001 amendment due to the Penny family trusts' guarantee entered into on that date, that it is thus not bound by the amendments on that date, and that the Company is therefore in breach of its covenants under the lease. Landlord seeks declaratory judgment that Landlord is due a $4,981,3000 secured guaranty by the Penny family members, and that Landlord may declare the lease in default and pursue any defaults remedies available thereunder. The Company has filed a motion to dismiss on the grounds that the guaranties at issue have been released by the senior lender.

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.

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. The complaint charges HyperEdge with infringing Westell's U.S. Patent Number 5,444,776, which relates to an innovative bridge circuit technology often used in a network interface unit and seeks injunctive relief and $6 million in damages.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Class A Common Stock is quoted on the NASDAQ National Market under the symbol "WSTL." The following table sets forth for the periods indicated the high and low closing sale prices for the Class A Common Stock as reported on the NASDAQ National Market.

<TABLE>
<CAPTION>

<S>	High <C>	Low <C>
Fiscal Year 2001		
First Quarter ended June 30, 2000.................................	$31.75	$12.75
Second Quarter ended September 30, 2000...........................	30.19	12.25
Third Quarter ended December 31, 2000.............................	13.25	2.91
Fourth Quarter ended March 31,2001................................	5.88	2.38
Fiscal Year 2002		
First Quarter ended June 30, 2001.................................	$3.30	$ 1.32
Second Quarter ended September 30, 2001...........................	2.01	0.87
Third Quarter ended December 31, 2001.............................	2.85	1.01
Fourth Quarter ended March 31, 2002...............................	3.70	1.25
Fiscal Year 2003		
First Quarter through June 21, 2002...............................	$1.80	$ 1.09

</TABLE>

As of June 21, 2002, there were approximately 797 holders of record of the outstanding shares of Class A Common Stock.

During 2001, the Company issued an aggregate of approximately 34,982 unregistered shares of common stock pursuant to its employees stock purchase plan. The shares were issued at prices ranging from $1.31 to $2.12 per share for aggregate consideration of $50,131.

Dividends

The Company has never declared or paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future. The Company currently intends to retain any future earnings to finance the growth and development of its business.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA.

The following selected consolidated financial data as of March 31, 1998, 1999, 2000, 2001 and 2002 and for each of the five fiscal years in the period ended fiscal year 2002 have been derived from the Company's consolidated financial statements, which have been audited by Arthur Andersen LLP for fiscal years 1998 through 2000 and by Ernst & Young LLP in fiscal years 2001 and 2002. The data set forth below is qualified by reference to, and should be read in conjunction with, "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Consolidated Financial Statements and the related Notes thereto and other financial information appearing elsewhere in this Form 10-K.

<TABLE>
<CAPTION>

	Fiscal Year Ended March 31,				
	1998	1999	2000	2001	2002
Statement of Operations Data:	(in thousands, except per share data)				
<S>	<C>	<C>	<C>	<C>	<C>
Revenues..	$86,595	$92,004	$120,993	$361,477	$239,823
Cost of goods sold..................................	58,764	66,816	89,969	331,319	205,793
Gross margin...................................	27,831	25,188	31,024	30,158	34,030
Operating expenses:					
Sales and marketing...............................	19,635	19,766	15,338	30,323	19,883
Research and development..........................	26,558	26,605	10,789	33,308	22,444
General and administrative........................	13,151	13,117	14,003	24,254	24,028
Goodwill amortization	--	--	1,326	31,832	25,560
Goodwill impairment	--	--	--	--	97,500
Restructuring charge	1,383	800	550	1,700	6,258
Total operating expenses.......................	60,727	60,288	42,006	121,417	195,673
Operating loss......................................	(32,896)	(35,100)	(10,982)	(91,259)	(161,643)
Other income (loss), net............................	14,290	404	1,056	--	(222)
Interest expense....................................	502	296	1,856	2,197	5,564
Loss before income taxes............................	(19,108)	(34,992)	(11,782)	(93,456)	(167,429)
Benefit for income taxes............................	(5,137)	--	(3,600)	--	--

Loss before cumulative effect of change in accounting principle	(13,971)	(34,992)	(8,182)	(93,456)	(167,429)
Cumulative effect of change in accounting principle	--	--	--	(400)	--
Net loss	$ (13,971)	$ (34,992)	$ (8,182)	$ (93,856)	$ (167,429)
Net loss per basic and diluted share:					
Loss before cumulative effect of change in accounting principle	$ (0.38)	$ (0.96)	$ (0.22)	$ (1.53)	$ (2.60)
Cumulative effect of change in accounting principle	--	--	--	(0.01)	--
Net loss per basic and diluted share	$ (0.38)	$ (0.96)	$ (0.22)	$ (1.54)	$ (2.60)
Average number of basic and diluted common shares outstanding	36,348	36,427	37,658	61,072	64,317

	As of March 31,				
	1998	1999	2000	2001	2002
Balance Sheet Data:					
Working capital (deficit)	$ 47,481	$ 12,213	$ 64,335	$ 38,778	$ (21,688)
Total assets	98,405	64,407	342,570	315,139	126,153
Short term debt	--	500	--	--	--
Long-term debt, including current portion	4,420	4,814	2,750	28,554	50,655
Total stockholders' equity	73,141	39,124	279,663	197,825	36,273

- ------------------------------

</TABLE>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

The following discussion should be read together with the Consolidated Financial Statements and the related Notes thereto and other financial information appearing elsewhere in this Form 10-K.

The Company commenced operations in 1980 as a provider of telecommunications network transmission products that enable advanced telecommunications services over copper telephone wires. Until fiscal 1994, the Company derived substantially all of its revenues from its Telco Access Products (TAP) product lines, particularly the sale of Network Interface Units and related products. NIU products accounted for approximately 35%, 16% and 21% of revenues in fiscal years 2000, 2001 and 2002, respectively. The Company introduced its first DSL products in fiscal 1993 and these products represented approximately 27%, 55% and 38% of revenues in fiscal 2000, 2001 and 2002, respectively. The Company has also provided audio teleconferencing services since fiscal 1989, which constituted approximately 27%, 12% and 20% of the Company's revenues in fiscal 2000, 2001 and 2002, respectively.

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

1) A telecommunications equipment manufacturer of local loop access products, which include Telco Access Products and Broadband products, and
2) A multi-point telecommunications service bureau, Conference Plus, Inc, specializing in audio teleconferencing, multi-point video conferencing, broadcast fax and multimedia teleconference services.

The Company's customer base is comprised primarily of the Regional Bell Operating Companies, independent domestic local exchange carriers and public telephone administrations located outside the U.S. Due to the stringent quality specifications of its customers and the regulated environment in which its customers operate, the Company must undergo lengthy approval and procurement processes prior to selling its products. Accordingly, the Company must make significant up front investments in product and market development prior to actual commencement of sales of new products. In addition, to remain competitive, the Company must continue to invest in new product development and expand its sales and marketing efforts to cover new product lines. As a result of the significant increases in research and development and sales and marketing expenses related to new product and market development, the Company's results of operations were adversely impacted in fiscal 2000, 2001 and 2002.

The Company expects to continue to evaluate new product opportunities and engage in extensive research and development activities and expects to receive funding from certain partners to offset a portion of these development costs. This will require the Company to continue to invest in research and development and sales and marketing, which is expected to 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.

CRITICAL ACCOUNTING POLICIES

Accounts receivable
The Company sells products primarily to various telecommunications providers and distributors. Sales to these customers have varying degrees of collection risk associated with them. Judgement is required in assessing the realization of these receivables based on aging, historical experience and customer's financial condition.

Inventory reserves
The Company reviews ending inventory for excess quantities and obsolescence based on its best estimates of future demand, product lifecycle status and product development plans. The Company evaluates ending inventory for lower of cost or market. Prices related to future inventory demand are compared to current and committed inventory values.

Inventory purchase commitments
In the normal course of business, the Company enters into commitments for the purchase of inventory. The commitments are at market rates and normally do not extend beyond one year. Should there be a dramatic decline in revenues, as there was in fiscal 2002, the Company may incur excess inventory and subsequent losses as a result of these commitments. The Company has established reserves for anticipated losses on such commitments in 2003.

Warranty
The Company reserves for warranty costs based on expected return quantities and expected material and labor costs to provide warranty services.

Goodwill and Intangibles
The Company reviews intangible assets and other long-lived assets for impairment whenever events and circumstances indicate that carrying amounts may not be recoverable. If such events or changes in circumstances occur, the Company will recognize an impairment loss if the undiscounted future cash flows expected to be generated by the asset (or acquired business) are less than the carrying value of the related asset. The impairment loss would adjust the asset to its fair value. Effective April 1, 2002, the Company will adopt SFAS No. 142, "Goodwill and Other Intangible Assets".
RESULTS OF OPERATIONS

The following table sets forth the percentage of revenues represented by certain items in the Company's statements of operations for the periods indicated:

<TABLE>
<CAPTION>

	Fiscal Year Ended March 31,		
	2000	2001	2002
<S>	<C>	<C>	<C>
Equipment	74.5%	88.4%	79.8%
Services	25.5	11.6	20.2
Total revenues	100.0	100.0	100.0
Cost of equipment	58.7	84.7	73.4
Cost of services	15.7	7.0	12.4
Total cost of goods sold	74.4	91.7	85.8
Gross margin	25.6	8.3	14.2
Operating expenses:			
Sales and marketing	12.6	8.4	8.3
Research and development	8.9	9.2	9.4
General and administrative	11.6	6.7	10.0
Goodwill amortization	1.1	8.8	10.6
Goodwill impairment	--	--	40.7

Restructuring charge	0.5	0.5	2.6
Total operating expenses	34.7	33.6	81.6
Operating loss	(9.1)	(25.3)	(67.4)
Other income (loss), net	0.9	0.0	(0.1)
Interest expense	1.5	0.6	2.3
Loss before income tax benefit	(9.7)	(25.9)	(69.8)
Benefit for income taxes	(3.0)	(0.0)	(0.0)
Cumulative effect of change in accounting principle	0.0	(0.1)	(0.0)
Net loss	(6.7)%	(26.0)%	(69.8)%

</TABLE>

FISCAL YEARS ENDED MARCH 31, 2000, 2001 AND 2002

Revenues. Revenues were $121.0 million, $361.5 million and $239.8 million in fiscal 2000, 2001 and 2002 respectively. Revenues increased 198.8% in fiscal 2001 and decreased by 33.7% in fiscal 2002, from the preceding years. The fiscal 2001 increase of $240.5 million was primarily due to a $160.6 million increase in DSL revenue from increased unit volume and a $68.7 million increase in TAP revenue from increased volume as a result of the acquisition of Teltrend Inc. The fiscal 2002 decrease of $121.6 million was primarily due to a $93.6 million decrease in DSL revenue and a $34.5 million decrease in TAP revenue due to reduced demand resulting from the economic downturn in the telecommunications industry. Service revenue increased $11.2 million or 36.3% in fiscal 2001 and $6.5 million or 15.6% in fiscal 2002 due to increased audio conference calling volume at Conference Plus, Inc.

Gross Margin. Gross margin was $31.0 million, $30.2 million and $34.0 million and gross margin as a percentage of revenues was 25.6%, 8.3% and 14.2% in fiscal 2000, 2001 and 2002, respectively. The fiscal 2001 decrease in gross margin as a percent of revenue from the previous year was primarily the result of an adjustment to record inventory at net realizable value and charges for excess and obsolete inventory of $37.1 million. Of this charge, $26.7 million relates to inventory held during the year and $10.4 million relates to inventory purchase commitments in excess of anticipated requirements. Before the impact of

these charges, gross margin as a percentage of sales for fiscal year 2001 was 18.6%. The decrease in gross margin as a percent of revenue before inventory charges from the previous year was primarily the result of aggressive pricing of DSL products and production inefficiencies caused by efforts to integrate the manufacturing facility of Teltrend Inc. The fiscal 2002 gross margin was negatively effected by additional adjustments to record inventory at net realizable value and charges for excess and obsolete inventory of $13.9 million and positively impacted by a $1.2 million benefit recorded related to resolution of a disputed expense with a supplier in the Conference Plus Inc subsidiary. Before the impact of these items, gross margin as a percentage of sales for fiscal year 2002 was 19.5%. The increase in gross margin as a percent of revenue before inventory charges from the previous year was primarily the result of improved product mix.

Sales and Marketing. Sales and marketing expenses were $15.3 million, $30.3 million and $19.9 million in fiscal 2000, 2001 and 2002, respectively, constituting 12.6%, 8.4% and 8.3% of revenues, respectively. In fiscal 2001, sales and marketing expenses increased by $15.0 million or 97.7% from the previous year. This increase was due primarily to the acquisition of Teltrend Inc. In fiscal 2002, sales and marketing expenses decreased by $10.4 million or 34.4% from the previous year. This decrease was due primarily to cost reductions resulting from management initiatives and restructuring implemented in the fourth quarter of fiscal 2001 and the second and fourth quarters of fiscal 2002. 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 were $10.8 million, $33.3 million and $22.4 million in fiscal 2000, 2001 and 2002, respectively, constituting 8.9%, 9.2% and 9.4% of revenues, respectively. In fiscal 2001, research and development increased by $22.5 million or 208.3% from the prior year. This increase was primarily due to the acquisition of Teltrend Inc. and to a lesser extent, due to the absence of funding from customers for engineering projects. In fiscal 2002, research and development decreased by $10.9 million or 32.7% from the prior year. This decrease was primarily due to cost reductions resulting from management initiatives and restructuring implemented in the fourth quarter of fiscal 2001 and the second and fourth quarters of fiscal 2002. The Company believes that a continued investment in research and development will be required for the Company to remain competitive.

General and Administrative. General and administrative expenses were $14.0 million, $24.3 million and $24.0 million in fiscal 2000, 2001 and 2002, respectively, constituting 11.6%, 6.7% and 10.0% of revenues, respectively. General and administrative expenses increased by $10.3 million or 73.6% in fiscal 2001 due primarily to the acquisition of Teltrend Inc. General and administrative expenses remained constant at approximately $24 million in fiscal

2002.

Goodwill and intangible Amortization. Intangible assets include goodwill, synergistic goodwill and product technology related to the Teltrend acquisition. The purchase price of approximately $238.2 million exceeded the fair market value of net assets acquired, resulting in goodwill , synergistic goodwill , and product technology. These items were amortized on a straight-line basis over an average life of approximately 10 years.

Goodwill and intangible impairment. Due to the restructuring the Company implemented, along with 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 the goodwill acquired with the Teltrend acquisition was impaired. . In accordance with its policies, the Company completed evaluations of the fair value of the Teltrend long-lived assets (including goodwill) during the quarters ended December 31, 2001 and March 31, 2002 and reported non-cash charges of $90.5 million and $7.0 million, respectively, to reduce the carrying value of recorded goodwill and intangibles to their estimated fair value.

Restructuring charge. The Company recognized restructuring charges of $0.6 million, $1.7 million and $6.3 million in fiscal 2000, 2001 and 2002, respectively. The fiscal 2000 charge was for personnel, legal, and other related costs 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 estimated the costs of these activities to be $2.9 million. Approximately $2.4 million of the total cost was capitalized as part of the purchase price of Teltrend Inc., primarily related to Teltrend Inc. employees involuntarily terminated. The remaining cost of $0.6 million was charged to operations and relates to Westell employees involuntarily terminated

and other costs. As of March 31, 2002, $2.0 million of these costs have been paid.

The fiscal 2001 charge included personnel, facility, and certain development contract costs related to restructuring global operations. As of March 31, 2002, the Company has paid all of the restructuring costs charged in fiscal 2001.

The fiscal 2002 charge included personnel, facility, and other costs related to restructuring global operations to realign the Company's cost structure with the anticipated business outlook. As of March 31, 2002, the Company has paid $3.0 million of the restructuring costs charged in fiscal 2002.

A table which summarizes the restructuring charges and their utilization can be found in Note 10 to the Consolidated Financial Statements of the Company.

Other income (loss), net. Other income (loss), net was income of $1.1 million, $0.0 million and a loss of $222,000 for fiscal years 2000, 2001 and 2002, respectively. In fiscal 2000, the Company recognized other income of $650,000 for a foreign currency gain from the liquidation of Westell Europe Ltd. Excluding the effects of this one-time benefit, Other income (loss), net would have been $406,000 for fiscal year ended March 31, 2000. Other income (loss), net for fiscal 2002 was 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 was $1.9 million, $2.2 million and $5.6 million for fiscal 2000, 2001 and 2002, respectively. The fiscal 2001 and 2002 increases in interest expense were a result of increased usage of bank debt and interest accrued on past due accounts payable.

Benefit for Income Taxes. Benefit for income taxes was $3.6 million in fiscal 2000. No tax benefit was recorded in fiscal years 2001 or 2002. In each of these fiscal years, in addition to the tax benefit related to the loss before income taxes, the Company was able to generate $662,000, $500,000 and $846,000, respectively, in tax credits resulting primarily from research and development activities. The Company recorded valuation allowances of $900,000 in fiscal 2000, $27.7 million in fiscal 2001 and $21.4 million in fiscal 2002 which represents the amount that the deferred tax benefit exceeded the value of the tax planning strategy available to the Company. The Company has approximately $6.8 million in income tax credit carry forwards and a tax benefit of $65.4 million related to a net operating loss carryforward that is available to offset future taxable income. The tax credit carryforwards begin to expire in 2008 and the net operating loss carryforward begins to expire in 2012.

QUARTERLY RESULTS OF OPERATIONS

The following tables present the Company's results of operations for each of the last eight fiscal quarters and the percentage relationship of certain items to revenues for the respective periods. The Company believes that the information regarding each of these quarters is prepared on the same basis as the audited Consolidated Financial Statements of the Company appearing elsewhere in this Form 10-K. In the opinion of management, all necessary adjustments (consisting only of normal recurring adjustments) have been included to present fairly the unaudited quarterly results when read in conjunction with the audited Consolidated Financial Statements of the Company and the Notes thereto appearing elsewhere in this Form 10-K. These quarterly results of operations are not necessarily indicative of the results for any future period.

<TABLE>
<CAPTION>

	Quarter Ended							
	Fiscal 2001				Fiscal 2002			
	June 30, 2000	Sept. 30, 2000	Dec. 31, 2000	Mar. 31, 2001	June 30, 2001	Sept. 30, 2001	Dec. 31, 2001	Mar. 31, 2002
	(in thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Equipment	$93,954	$96,041	$69,465	$60,034	$50,207	$46,319	$55,207	$39,569
Services...................	9,389	9,961	10,406	12,227	13,091	13,102	11,805	10,523
Total revenues..........	103,343	106,002	79,871	72,261	63,298	59,421	67,012	50,092
Cost of equipment..........	75,611	79,221	61,237	90,104	43,105	40,637	47,971	44,449
Cost of services...........	5,739	6,011	6,321	7,075	7,875	8,579	5,655	7,522
Total cost of goods sold	81,350	85,232	67,558	97,179	50,980	49,216	53,626	51,971
Gross margin..........	21,993	20,770	12,313	(24,918)	12,318	10,205	13,386	(1,879)
Operating expenses:								
Sales and marketing......	8,199	6,362	8,381	7,381	5,915	4,806	4,740	4,422
Research and development............	7,438	7,509	8,655	9,706	7,990	5,935	3,543	4,976
General and administrative.........	5,664	6,539	5,928	6,123	5,680	6,207	5,555	6,586
Goodwill amortization.....	7,958	7,958	7,958	7,958	7,953	7,953	7,953	1,701
Goodwill impairment.......	--	--	--	--	--	--	90,500	7,000
Restructuring charge.....	--	--	--	1,700	--	2,200	--	4,058
Total operating expenses.............	29,259	28,368	30,922	32,868	27,538	27,101	112,291	28,743
Operating loss	(7,266)	(7,598)	(18,609)	(57,786)	(15,220)	(16,896)	(98,905)	(30,622)
Other income (expense), net	169	(105)	104	(168)	(257)	(16)	(259)	310
Interest expense...........	119	331	1,073	674	1,359	1,208	1,650	1,347
Loss before income taxes............	(7,216)	(8,034)	(19,578)	(58,628)	(16,836)	(18,120)	(100,814)	(31,659)
Benefit for income taxes............	--	--	--	--	--	--	--	--
Cumulative effect of change in accounting principle...............	(400)	--	--	--	--	--	--	--
Net loss...................	$ (7,616)	$ (8,034)	$ (19,578)	$ (58,628)	$ (16,836)	$ (18,120)	$ (100,814)	$ (31,659)

	Quarter Ended							
	Fiscal 2001				Fiscal 2002			
	June 30, 2000	Sept. 30, 2000	Dec. 31, 2000	Mar. 31, 2001	June 30, 2001	Sept. 30, 2001	Dec. 31, 2001	Mar. 31, 2002
Equipment....................	90.9%	90.6%	87.0%	83.1%	79.3%	78.0%	82.4%	79.0%
Service....................	9.1	9.4	13.0	16.9	20.7	22.0	17.6	21.0
Total revenues...........	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of equipment sales....	73.2	74.7	76.7	124.7	68.1	68.4	71.6	88.7
Cost of services...........	5.5	5.7	7.9	9.8	12.4	14.4	8.4	15.0
Total cost of goods sold...	78.7	80.4	84.6	134.5	80.5	82.8	80.0	103.7
Gross margin.............	21.3	19.6	15.4	(34.5)	19.5	17.2	20.0	(3.7)
Operating expenses:								
Sales and marketing......	7.9	6.0	10.5	10.2	9.4	8.1	7.1	8.8
Research and								

development	7.2	7.1	10.8	13.4	12.6	10.0	5.3	9.9
General and administrative	5.5	6.2	7.4	8.5	9.0	10.5	8.3	13.2
Goodwill amortization	7.7	7.5	10.0	11.0	12.6	13.4	11.9	3.4
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	135.0	14.0
Restructuring charge	0.0	0.0	0.0	2.4	0.0	3.7	0.0	8.1
Total operating expenses	28.3	26.8	38.7	45.5	43.6	45.7	167.6	57.4
Operating loss	(7.0)	(7.2)	(23.3)	(80.0)	(24.1)	(28.5)	(147.6)	(61.1)
Other income (expense), net	0.2	(0.1)	0.1	(0.2)	(0.4)	(0.0)	(0.4)	0.6
Interest expense	0.0	0.3	1.3	0.9	2.1	2.0	2.4	2.7
Loss before income taxes	(7.0)	(7.6)	(24.5)	(81.1)	(26.6)	(30.5)	(150.4)	(63.2)
Benefit for income taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Cumulative effect of change in accounting principle	(0.6)	--	--	--	--	--	--	--
Net loss	(7.6)%	(7.6)%	(24.5)%	(81.1)%	(26.6)%	(30.5)%	(150.4)%	(63.2)%

</TABLE>

The Company's quarterly equipment revenues have varied from quarter to quarter due primarily to quarterly fluctuations in DSL revenues. TAP revenues in the second and third quarters of fiscal 2001 were negatively affected by lost production capacity during the integration of the Teltrend Inc. manufacturing facility with the Westell facility in Aurora, Illinois. Conference Plus service revenues have seen steady growth through each quarter of fiscal 2001 and the first two quarters of fiscal 2002 due primarily to increased audio conference calling traffic volume. Service revenues decreased in the final two quarters of fiscal 2002 due to the slowing economy.

Gross margin as a percentage of revenue has also varied from quarter to quarter. The low margins in the fiscal 2001 and fiscal 2002 quarters are primarily a result of the increased volume in DSL products that have relatively low margins. In the fourth quarter of fiscal 2001, the Company recognized an inventory adjustment to market value and excess inventory charge of $30.8 million of which $20.4 million relates to inventory on hand and $10.4 million relates to inventory purchase commitments in excess of anticipated requirements. Due to anticipated slow demand in certain products in the fourth quarter of fiscal 2002, the Company recognized an inventory adjustment to market value and excess inventory charge of $13.9 million. Fiscal year 2001 margins were also negatively affected by production inefficiencies related to the integration of Teltrend Inc, which was acquired by the Company during March 2000. The Teltrend Inc. manufacturing facility was combined with the Westell facility in Aurora, Illinois during the second quarter of fiscal 2001 and caused production inefficiencies during the second and third quarters of fiscal 2001. Additionally, the Company's Conference Plus, Inc. subsidiary made additional infrastructure enhancements to handle increased call minutes, which also impacted margins in fiscal 2001. The Company believes that its gross margin in future periods will depend on a number of factors, including market demand for the Company's DSL products, pricing pressures, competitive technologies and manufacturing expenses. There can be no assurance that the Company will be able to increase gross margins in future periods due to these factors, even if its DSL products achieve market acceptance.

Operating expenses decreased in the fiscal 2002 quarters compared to fiscal 2001 primarily due to the restructuring the Company has implemented in response to the slowing economy and lack of general demand in the Telecom industry. As a percentage of revenue, operating expenses increased in the last three quarters of fiscal 2002 due to goodwill impairment and restructuring charges taken during the quarters.

The Company expects to continue to experience significant fluctuations in quarterly results of operations. The Company believes that fluctuations in quarterly results may cause the market price of the Class A Common Stock to fluctuate, perhaps substantially. Factors which have had an influence on and may continue to influence the Company's results of operations in a particular quarter include the size and timing of customer orders and subsequent shipments, customer order deferrals in anticipation of new products, timing of product introductions or enhancements by the Company or its competitors, market acceptance of new products, technological changes in the telecommunications industry, competitive pricing pressures, accuracy of customer forecasts of end-user demand, write-offs for obsolete inventory, changes in the Company's operating expenses, personnel changes, foreign currency fluctuations, changes in the mix of products sold, quality control of products sold, disruption in sources of supply, regulatory changes, capital spending, delays of payments by customers, working capital deficits and general economic conditions. Sales to the Company's customers typically involve long approval and procurement cycles and can involve large purchase commitments. Accordingly, cancellation or deferral of one or a small number of orders could cause significant fluctuations in the Company's quarterly results of operations. As a result, the Company believes that period-to-period comparisons of its results of operations are not necessarily meaningful and should not be relied upon as indications of future performance.

Because the Company generally ships products within a short period after receipt of an order, the Company typically does not have a material backlog of unfilled orders, and revenues in any quarter are substantially dependent on orders booked in that quarter. The Company's expense levels are based in large part on anticipated future revenues and are relatively fixed in the short-term. Therefore, the Company 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 the Company's expectations or any material delay of customer orders would have an almost immediate adverse impact on the Company's business and results of operations and on its ability to achieve profitability.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2002, the Company had $6.7 million in cash and cash equivalents consisting primarily of federal government agency instruments and the highest rated grade corporate commercial paper. As of March 31, 2002, the Company had $26.1 million outstanding under its secured revolving promissory note facility. As of March 31, 2002, the Company had approximately $6.3 million available under the secured revolving promissory note facility.

The Company has an asset based revolving credit facility providing for total borrowing based upon 85% of eligible accounts receivable and 30% of eligible inventory not to exceed $7.9 million. The $7.9 million inventory limitation is reduced by $.1 million on the first day of each month The facility provides for maximum borrowings of up to $35.0 million. Borrowings under this facility provide for the interest to be paid by the Company at prime plus 1%. This revolving credit facility requires, among other things, the maintenance of target EBITDA and tangible net worth. The Company was not in compliance with the covenants under the revolving credit facility at March 31, 2002. The Company and its lenders have entered into an amendment and waiver under which the covenant violations were waived.

On June 28, 2002, the Company amended the revolving credit facility. The amendment provides for a $5 million non-amortizing term loan and a $30 million revolving credit facility, both due June 30, 2003. The term loan is secured by, among other things, a security interest in certain collateral granted by certain stockholders. The amendment also terminates the $10 million guarantee provided by trusts of Robert C. Penny III and other Penny family members. Trusts of Robert C. Penny III and other Penny family members are participants to the amended revolving credit facility. This new amendment provides for covenants regarding EBITDA, tangible net worth and maximum capital expenditures. Management expects to be in compliance with the covenants for the term of the debt. The Company had $25.6 million outstanding under its revolving credit facility and was eligible to borrow an additional $4.0 million as of July 2, 2002.

On May 30, 2002, the Company signed two subordinated promissory notes with Solectron Technology SDN BHD. One note in the amount of $5.0 million is for the payment of inventory held by Solectron 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 between the parties was signed on June 3, 2002 in the amount of $1.3 million and is payable monthly over one year. This note was part of the settlement of litigation with Celsian. All three notes bear an interest rate of prime plus 2.5%.

At March 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, $3.5million, $3.4 million and $26.0 million for fiscal years 2003, 2004, 2005, 2006, 2007 and thereafter, respectively.

The Company's operating activities used cash of $22.3 million and $38.6 million in fiscal 2000 and 2001, respectively and generated cash of $10.3 million in fiscal 2002. Cash used by operations in fiscal 2000 resulted primarily from a pre-tax loss from continuing operations of $3.3 million (net of depreciation and amortization) and working capital requirements. Cash used by operations in fiscal 2001 resulted primarily from a loss from continuing operations of $49.9 million (excluding depreciation and amortization) and working capital requirements. Cash generated by operations in fiscal 2002 resulted primarily from a reduction in inventories and accounts receivable. This was offset by a net loss of $29.7 million (excluding depreciation and amortization). Working capital was affected primarily by decreases in inventory and receivables offset by a decrease in accounts payable and accrued compensation.

Capital expenditures in fiscal 2000, 2001 and 2002 were $11.4 million, $22.2 million and $9.2 million, respectively. These expenditures were principally for machinery, computer and research equipment purchases. The Company expects to spend approximately $6.5 million in fiscal 2003 for capital equipment.

At March 31, 2002, the Company's principal sources of liquidity were $6.7 million of cash and cash equivalents and $6.3 million available under its secured revolving promissory notes facility. To meet the Company's cash needs for fiscal year 2003, the Company is exploring various alternatives including the sale of non-strategic assets. Cash in excess of operating requirements 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 had a deferred tax asset of approximately $93.2 million at March 31, 2002. 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. 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

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 March 31, 2002, the balance in the cumulative foreign currency translation adjustment account, which is a component of stockholders' equity, was an unrealized loss of $18,000.

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 2 to the Consolidated Financial Statements included herein at Part II, Item 8 of this Annual Report, the Company's debt consists primarily of a floating-rate bank line-of credit and subordinated term notes. 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 6.5% to approximately 7.2%) average interest rate on the Company's debt. If such an increase occurred, the Company would incur approximately $120,000 per annum in additional interest expense based on the average debt borrowed during the twelve months ended March 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 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's Consolidated Financial Statements required by Item 8, together with the reports thereon of the independent auditors set forth on pages 40-62 of this report. The Consolidated Financial Statement schedules listed under Item 14(a)2, together with the reports thereon of the independent auditors are set forth on pages 63 and 65 of this report and should be read in conjunction with the financial statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

On February 23, 2001, the Company filed a Form 8-K relating to the change in the Company's certifying accountants to Ernst & Young LLP. There have been no disagreements with accountants on accounting and financial disclosure.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Directors of the Company

The information required by this Item is set forth in registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in September 2002 under the caption "Election of Directors," which information is herein by reference.

(b) Executive officers of the Company

The information required by this Item is set forth in registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in September 2002 under the caption "Executive Officers," which information is herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is set forth in registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in September 2002 under the caption "Compensation of Directors and Executive Officers," and "Report of the Compensation of the Board of Directors," which information is herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is set forth in registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in September 2002 under the caption "Ownership of the Capital Stock of the Company" and "Equity Compensation Plan Information" which information is herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The information required by this Item is set forth in registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in September 2002 under the caption "Certain Relationships and Related Transactions," which information is herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

The consolidated financial statements of Westell Technologies, Inc. for the fiscal year ended March 31, 2002, together with the Report of Independent Public Accountants, are set forth on pages 42 through 67 of this Report.

The supplemental financial information listed and appearing hereafter should be read in conjunction with the consolidated financial statements included in the report.

(2) Financial Statement Schedules

The following are included in Part IV of this Report for each of the years ended March 31, 2000, 2001 and 2002 as applicable:

Report of Independent Auditors - page 63 and 64

Schedule II - Valuation and Qualifying Accounts - page 65

Financial statement schedules not included in this report have been omitted either because they are not applicable or because the required information is shown in the consolidated financial statements or notes thereto, included in this report.

(3) Exhibits

3.1 Amended and Restated Certificate of Incorporation, as amended (incorporated herein by reference to Exhibit 3.12 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2001).

3.2 Amended and Restated By-laws laws (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended March 31, 2001).

4.1 Form of Stock Purchase Warrant dated April 15, 1999 by and among Westell Technologies, Inc., Castle Creek Technology Partners LLC, Marshall Capital Management, Inc., and Capital Ventures International (incorporated herein by reference to Westell Technologies, Inc.'s Report on Form 8-K dated April 20, 1999).

4.2 Amended and Restated Certificate of

Incorporation, as amended (See exhibit 3.1).

4.3 Amended and Restated By-laws (see Exhibit 3.2).

4.4 Form of Warrant granted to certain Penny family trusts on June 29, 2001 (incorporated herein be reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended March 31, 2001).

9.1 Voting Trust Agreement dated February 23, 1994, as amended (incorporated herein by reference to Exhibit 9.1 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024).

10.1 Subordination Participation Agreement dated as of June 28, 2002, between LaSalle National Association and certain Penny family trusts.

10.2 Stock Transfer Restriction Agreements entered into by members of the Penny family, as amended, (incorporated herein by reference to Exhibits 10.4 and 10.16 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024).

10.3 Form of Registration Rights Agreement among the Company and Robert C. Penny III and Melvin J. Simon, as trustees of the Voting Trust dated February 23, 1994 (incorporated herein by reference to Exhibit 10.5 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024).

*10.4 1995 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.6 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024).

*10.5 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.7 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024).

*10.6 Teltrend Inc. 1995 Stock Option Plan.(2) (Incorporated by reference to the Teltrend, Inc.'s Registration Statement on Form S-1, as amended (Registration No. 33-91104), originally filed with the Securities and Exchange Commission April 11, 1995)

*10.7 Teltrend Inc. 1996 Stock Option Plan (Incorporated by reference to the Teltrend Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended April 26, 1997).

*10.8 Teltrend Inc. 1997 Non-Employee Director Stock Option Plan (Incorporated by reference to the Teltrend Inc.'s Definitive Proxy Statement for the Annual Meeting of Stockholders held on December 11, 1997).

10.9 [Intentionally Omitted]

10.10 [Intentionally Omitted]

10.11 Lease dated September 25, 1995 between Westell-Meridian LLC and Westell, Inc. (incorporated herein by reference to Exhibit 10.11 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024)

10.12 Amended and Restated Loan and Security Agreement dated August 31, 2000 among LaSalle National Bank, Harris Bank National Association, Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. (incorporated by reference to the like numbered exhibit to Company's Annual Report on Form 10-K for the year ended March 31, 2001).

*10.14 Agreement dated September 13, 1988 between Richard Riviere and Westell Technologies, Inc., as amended (incorporated herein by reference to Exhibit 10.14 to Westell Technologies, Inc.'s Registration Statement on Form S-1, as amended, Registration No. 33-98024).

10.15 Revolving Note dated as of June 29, 2001 payable to LaSalle National Bank and made by Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. (incorporated by reference to the like numbered exhibit to

Company's Annual Report on Form 10-K for the year ended March 31, 2001).

10.16 Amended and Restated Loan and Security Agreement dated June 29, 2001 among LaSalle National Bank, Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. (incorporated by reference to the like numbered exhibit to Company's Annual Report on Form 10-K for the year ended March 31, 2001).

10.17 Lease for Three National Plaza at Woodfield dated December 24, 1991 by and between the First National Bank of Boston, as Trustee pursuant to that certain Pooling and Security Agreement dated April 1, 1988, and Conference Plus, Inc., as amended and modified. (incorporated herein by reference to Exhibit 10.17 to the Company's Form 10-K for fiscal year ended March 21, 1996).

10.18 Lease dated December 10, 1993 between LaSalle National Trust, N.A., as Trustee under Trust Agreement dated August 1, 1979, known as Trust No. 101293, and Westell Incorporated, as amended and modified (incorporated herein by reference to the exhibit of equal number to the Company's Form 10-K for fiscal year ended March 21, 1996).

10.19 Amendment to Amended and Restated Loan and Security Agreement dated February 15, 2001 among LaSalle National Bank, Harris Trust and Savings Bank, Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc., and Teltrend, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q for the period ended December 31, 2000).

10.20 Amendment to Amended and Restated Loan and Security Agreement dated April 13, 2001 among LaSalle National Bank, Harris Trust and Savings Bank, Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc., and Teltrend, Inc. (incorporated by reference to Exhibit 10.18 to the Company's Report on Form 8-K filed on April 17, 2001).

10.21 Amendment to the Amended and Restated Loan and Security Agreement dated as of June 29, 2001 among LaSalle National Bank, Harris Trust and Savings Bank, the Company, Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. (incorporated herein by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended March 31, 2001).

10.22 Amendment To Amended And Restated Loan And Security Agreement dated as of October 30, 2001, among LaSalle Bank National Association, Westell Technologies, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend, Inc. (incorporated herein by reference to Exhibit 10.22 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).

*10.23 Severance Agreement dated June 28, 2001, by and between Westell, Inc and E. Van Cullens (incorporated herein by reference to Exhibit 10.23 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).

*10.24 Employment Letter dated June 28, 2001 between Westell Technologies, Inc. and E. Van Cullens (incorporated herein by reference to Exhibit 10.24 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).

10.25 Sixth Amendment to the Amended and Restated Loan and Security Agreement dated as of June 28, 2002 among LaSalle National Bank, Harris Trust and Savings Banks, the Company, Westell, Inc., Westell International, Inc., Conference Plus Inc., and Teltrend, Inc.

21.1 Subsidiaries of the Registrant (incorporated herein by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K for the year ended March 31, 2001).

23.1 Consent of Ernst & Young LLP.

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*Management contract or compensatory plan or arrangement.

(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.

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

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AND SUPPLEMENTARY DATA

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We have not been able to obtain, after reasonable efforts, the re-issued report or consent of Arthur Andersen LLP related to the March 31, 2000 financial statements. Therefore, we have included a copy of their previously issued report.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Westell Technologies, Inc.:

We have audited the accompanying consolidated balance sheet of WESTELL TECHNOLOGIES, INC. (a Delaware corporation) and Subsidiaries as of March 31, 2000, and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended March 31, 2000 and 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westell Technologies, Inc. and Subsidiaries as of March 31, 2000, and the results of their operations and their cash flows for the years ended March 31, 2000 and 1999 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Chicago, Illinois
May 10, 2000

Report of Independent Auditors

To the Board of Directors and the Stockholders
Westell Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Westell Technologies, Inc. and subsidiaries as of March 31, 2002 and 2001 and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Westell Technologies, Inc. and subsidiaries at March 31, 2002 and 2001 and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the financial statements, in fiscal year 2001 the Company changed its method of revenue recognition.

ERNST & YOUNG LLP

Chicago, Illinois
May 21,2002, Except for Notes 2 and 3, as to which the date is
June 28, 2002

<TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

<CAPTION>

	March 31, 2001	March 31, 2002
	(in thousands)	
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 405	$ 6,687
Accounts receivable (net of allowance of $1,363,000 and $1,531,000, respectively)	34,906	25,266
Inventories	73,068	18,174
Prepaid expenses and other current assets	2,124	2,169
Deferred income tax asset	10,500	7,830
Land and building held for sale	2,980	2,052
Total current assets	123,983	62,178
Property and equipment:		
Machinery and equipment	42,077	45,148
Office, computer and research equipment	29,847	30,873
Leasehold improvements	6,032	7,634
	77,956	83,655
Less accumulated depreciation and amortization	41,726	54,029
Property and equipment, net	36,230	29,626
Goodwill and intangibles, net	139,373	16,312
Deferred income tax asset and other assets	15,553	18,037
Total assets	$ 315,139	$ 126,153

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

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WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

<CAPTION>

	March 31, 2001	March 31, 2002
	(in thousands)	
Current liabilities:		
Accounts payable	$ 57,577	$ 15,702
Accrued expenses	22,838	16,105
Accrued compensation	4,687	2,374
Current portion of long-term debt	103	11,186
Total current liabilities	85,205	45,367
Long-term debt	28,451	39,469
Other long-term liabilities	3,658	5,044
Stockholders' equity:		
Class A common stock, par $0.01	425	459
Authorized -- 109,000,000 shares		
Issued and outstanding - 42,472,787 at March 31, 2001 and 45,907,065 at March 31, 2002		
Class B common stock, par $0.01	190	190
Authorized -- 25,000,000 shares		
Issued and outstanding -- 19,014,869 at March 31, 2001 and 19,014,869 at March 31, 2002		
Preferred stock, par $0.01	--	--
Authorized -- 1,000,000 shares		
Issued and outstanding -- none		
Deferred compensation	854	46
Additional paid-in capital	357,684	364,566
Treasury stock at cost -- 0 and 93,000 shares, respectively	--	(247)
Cumulative translation adjustment	(34)	(18)
Accumulated deficit	(161,294)	(328,723)
Total stockholders' equity	197,825	36,273
Total liabilities and stockholders' equity	$ 315,139	$ 126,153

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

</TABLE>

<TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

<CAPTION>

	Fiscal Year Ended March 31, 2000	2001	2002
	(in thousands, except per share data)		
Equipment revenue	$90,185	$319,494	$191,302
Service revenue	30,808	41,983	48,521
Total revenues	120,993	361,477	239,823
Cost of equipment sales	70,965	306,143	176,162
Cost of services	19,004	25,176	29,631
Total cost of goods sold	89,969	331,319	205,793
Gross margin	31,024	30,158	34,030
Operating expenses:			
Sales and marketing	15,338	30,323	19,883
Research and development	10,789	33,308	22,444
General and administrative	14,003	24,254	24,028

-

Goodwill and intangible amortization	1,326	31,832	25,560
Goodwill and intangible impairment	--	--	97,500
Restructuring charge	550	1,700	6,258
Total operating expenses	42,006	121,417	195,673
Operating loss	(10,982)	(91,259)	(161,643)
Other income (expense), net	1,056	--	(222)
Interest expense	1,856	2,197	5,564
Loss before income tax benefit	(11,782)	(93,456)	(167,429)
Benefit for income taxes	(3 ,600)	--	--
Loss before cumulative effect of change in accounting principle	(8,182)	(93,456)	(167,429)
Cumulative effect of change in accounting principle	--	(400)	--
Net loss	$ (8,182)	$(93,856)	$(167,429)
Loss per share:			
Loss before cumulative effect of change in accounting principle	$ (0.22)	$ (1.53)	$ (2.60)
Cumulative effect of change in accounting principle	--	(0.01)	--
Net loss per basic and diluted common share	$ (0.22)	$ (1.54)	$ (2.60)
Average number of basic and diluted common shares outstanding	37,658	61,072	64,317

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

</TABLE>

<TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<CAPTION>

(in thousands)

<S>	Comprehensive Loss <C>	Common Stock Class A <C>	Common Stock Class B <C>	Additional Paid-in Capital <C>	Cumulative Translation Adjustment <C>	Deferred Comp. <C>	Accum. Deficit <C>	Treasury Stock <C>	Total Stockholders' Equity <C>
Balance, March 31, 1999		$ 169	$ 195	$ 97,561	$ 455	$ --	$ (59,256)	$ --	$ 39,124
Net loss	$ (8,182)	--	--	--	--	--	(8,182)	--	(8,182)
Translation adjustment	(271)	--	--	--	(271)	--	--	--	(271)
Total Comprehensive Loss	$ (8,453)								
Class B Stock Converted to Class A Stock...		5	(5)	--	--	--	--	--	--
Issuance of Class A Common Stock and Issuance of stock options for acquisition		202	--	227,564	--	--	--	--	227,766
Options exercised including tax benefit......		6	--	7,385	--	--	--	--	7,391
Warrants issued with Subordinated debentures		--	--	1,838	--	--	--	--	1,838
Conversion of Subordinated Debentures and accrued interest, net of related debt issuance costs of $639 and debt discount of $1,169.......		20	--	11,002	--	--	--	--	11,022
Shares sold under Employee Stock Purchase Plan		--	--	135	--		--	--	135
Deferred Compensation		--	--	--	--	840	--	--	840
Balance, March 31, 2000		402	190	345,485	184	840	(67,438)	--	279,663
Net loss	$ (93,856)	--	--	--	--	--	(93,856)	--	(93,856)
Translation adjustment	(218)	--	--	--	(218)	--	--	--	(218)
Total Comprehensive Loss	$ (94,074)								
Class B Stock Converted to Class A Stock...		0	(0)	--	--	--	--	--	--
Conversion of subordinated debentures......		13	--	6,202	--	--	--	--	6,215
Options Exercised....		10	--	5,757	--	--	--	--	5,767
Shares sold under Employee									

Stock Purchase Plan		0	--	240	--	--	--	--	240
Deferred Compensation		--	--	--	--	14	--	--	14
		-----	-----	---------	------	-----	----------	-------	--------
Balance, March 31, 2001		425	190	357,684	(34)	854	(161,294)	--	197,825
Net loss............	$ (167,429)	--	--	--	--	--	(167,429)	--	(167,429)
	==========								
Translation adjustment	16	--	--	--	16	--	--	--	16

Total Comprehensive Loss	$ (167,413)								
	==========								
Issuance of Class A Common Stock		33	--	5,844	--	--	--	--	5,877
Options Exercised....		--		10	--	--	--	--	10
Shares sold under Employee Stock Purchase Plan		1	--	151	--	--	--	--	152
Treasury stock.......		--	--	--	--	--	--	(247)	(247)
Deferred Compensation		--	--	877	--	(808)	--	--	69
		-----	-----	---------	------	-----	----------	-------	--------
Balance, March 31, 2002		$ 459	$ 190	$ 364,566	$ (18)	$ 46	$ (328,723)	$ (247)	$ 36,273
		=====	=====	=========	======	=====	==========	=======	========

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

</TABLE>

<TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

<CAPTION>

	Fiscal Year Ended March 31,		
	2000	2001	2002
	(in thousands)		
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	$ (8,182)	$ (93,856)	$(167,429)
Reconciliation of net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	8,439	43,941	40,222
Goodwill and intangible impairment	--	--	97,500
Deferred taxes	(7,222)	--	350
Gain on liquidation of Westell Europe Ltd.	(426)	--	--
Accrued interest expense on debentures converted	110	--	--
Deferred compensation	840	14	(807)
Loss on sale of fixed assets and asset impairment	--	--	2,014
Other	--	147	(71)
Change in assets and liabilities:			
Accounts receivable	(16,811)	7,045	9,656
Inventories	(7,271)	(42,451)	54,894
Prepaid expenses and other current assets	113	75	(44)
Refundable income taxes	(15)	9,323	--
Other assets	--	429	(164)
Accounts payable and accrued expenses	7,890	38,969	(47,152)
Accrued compensation	277	(2,251)	(2,313)
	---------	---------	---------
Net cash (used in) provided by operating activities	(22,258)	(38,615)	(13,344)
	---------	---------	---------
Cash flows from investing activities:			
Purchases of property and equipment	(11,434)	(22,172)	(9,205)
Proceeds from sale of equipment	432	190	62
Increase in other assets	(8)	--	--
Decrease in short-term investments	--	1,951	--
Cash acquired in acquisition	29,805	--	--
	---------	---------	---------
Net cash provided by (used in) investing activities	18,795	(20,031)	(9,143)
	---------	---------	---------
Cash flows from financing activities:			
Net borrowing (repayment) under revolving promissory notes	--	28,400	(2,310)
(Repayment) borrowing of long-term debt and leases payable	(2,064)	(2,596)	24,411
Proceeds from issuance of convertible debt	18,542	--	--
Proceeds from issuance of Common Stock including tax benefit on options	7,526	6,008	6,668
	---------	---------	---------
Net cash provided by financing activities	24,004	31,812	28,769
	---------	---------	---------
Effect of exchange rate changes on cash	2	(19)	--
Net increase (decrease) in cash and cash equivalents	20,543	(26,853)	6,282

Cash and cash equivalents, beginning of period	6,715	27,258	405
Cash and cash equivalents, end of period	$ 27,258	$ 405	$ 6,687

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

</TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Business

Westell Technologies, Inc. (the "Company") is a holding company. Its wholly owned subsidiaries, Westell, Inc. and Teltrend LLC (formerly Teltrend Inc.), design, manufacture and distribute telecommunications equipment which is sold primarily to major telephone companies. Teltrend LLC was acquired on March 17, 2000. Conference Plus, Inc., an 88.3%-owned subsidiary, provides teleconferencing, multipoint video conferencing, broadcast fax and multimedia teleconferencing services to various customers.

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. Each outstanding share of Teltrend Inc. was converted into 3.3 shares of the Company's class A common stock. Total consideration included the issuance of 20,196,427 shares of class A common shares valued at $213,575,312 and $10,475,940 in transaction costs. The Company also assumed 605,000 options to purchase Teltrend common stock and converted such options to Company options to purchase approximately 2.0 million shares of class A common stock, which are included in the stock option activity table illustrated in Note 8. The exercise prices of the options assumed range from $3.7121 to $15.5303 and have an average exercise price of $5.6989. The fair value of the options assumed was $14,190,621 and is included in the purchase price and as a component of stockholders' equity in the consolidated financial statements. The fair value of the options assumed was estimated using the Black-Scholes option pricing model.

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 were based upon preliminary appraisal reports. The purchase price of approximately $238,241,873 exceeded the final fair market value of net assets acquired, resulting in goodwill of $59,931,000 and synergistic goodwill of $57,000,000 which is being amortized on a straight-line basis over an average of approximately ten years.

In connection with the acquisition of Teltrend, the Company involuntarily terminated certain employees of Teltrend and recorded approximately $2.4 million in severance benefits, which is included in the $10,475,940 transaction costs described above. See Note 10 for further discussion.

The following unaudited pro forma consolidated results of operations data (in thousands, except per share 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.

	March 31, 2000
Revenue...............	$ 215,367
Net loss..............	(30,676)
Loss per share.........	(0.50)

Principals of Consolidation

The accompanying Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents generally consist of cash, certificates of deposit, time deposits, commercial paper, short-term government obligations and other money market instruments. The Company invests its excess cash in deposits with major financial institutions, in government securities and the highest grade commercial paper of companies from a variety of industries. These securities have original maturity dates not exceeding three months. Such investments are stated at cost, which approximates fair value, and are considered cash equivalents for purposes of reporting cash flows.

Short-Term Investments

Short-term investments generally consist of certificates of deposit, time deposits, commercial paper and short-term government obligations. These securities have original maturity dates exceeding three months and less than one year. Such investments are stated at cost, which approximates fair value.

Inventories

Inventories are stated at the lower of first-in, first-out (FIFO) cost or market. The components of inventories are as follows:

<TABLE>
<CAPTION>

	March 31, 2001	March 31, 2002
	(in thousands)	
Raw materials	$ 47,989	$ 22,721
Work in process	26	39
Finished goods	51,153	14,889
Reserve for excess and obsolete inventory and net realizable value	(26,100)	(19,475)
	$ 73,068	$ 18,174

</TABLE>

During the fiscal year ended March 31, 2001, the Company recorded a charge of $26.7 million to reduce the carrying value of certain inventory to net realizable value. This adjustment was required due to a significant reduction in the selling prices of certain products and a reduction in orders for certain products resulting in increased excess and obsolete inventory reserves. The Company also recorded a charge of $10.4 million related to inventory purchase commitments in excess of anticipated requirements. Such commitments totaled $37.7 at March 31, 2001.

During the fiscal year ended March 31, 2002, the Company recorded a charge of $13.9 million to reduce the carrying value of certain inventory and inventory purchase commitments to net realizable value. This adjustment was required due to a significant reduction in the selling prices of certain products and a reduction in orders for certain products resulting in increased excess and obsolete inventory reserves. Accrued purchase commitments totaled $8.3 million at March 31, 2002.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the assets which range from 2 to 10 years using the straight-line method for financial reporting purposes and accelerated methods for tax purposes. Leasehold improvements are amortized over the lives of the respective leases, or the useful life of the asset, whichever is shorter.

Goodwill and Intangibles

Intangible assets include goodwill, synergistic goodwill and product technology related to the Teltrend acquisition. Intangible assets are being amortized on a straight-line basis over their estimated useful lives. At March 31, 2002, the cost basis and useful lives of intangible assets consist of the following:

	Cost Basis (in thousands)	Life
Goodwill	$ 59,931	15 years
Synergistic goodwill	57,000	5 years
Product technology	55,600	2 - 7 years
Total	172,531	
Less: accumulated amortization	(58,719)	
Less: impairment	(97,500)	
Net	$ 16,312	

On an ongoing basis, the Company reviews intangible assets and other long-lived assets for impairment whenever events and circumstances indicate that carrying amounts may not be recoverable. If such events or changes in circumstances occur, the Company will recognize an impairment loss if the undiscounted future cash flows expected to be generated by the asset (or acquired business) are less than the carrying value of the related asset. The impairment loss would adjust the asset to its fair value.

Due to the restructuring the Company implemented, along with 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 evaluations of the fair value of the Teltrend long-lived assets (including goodwill) during the quarters ended December 31, 2001 and March 31, 2002 and reported non-cash charges of $90.5 million and $7.0 million, respectively, to reduce the carrying value of recorded goodwill and intangibles to their estimated fair value.

See "New Accounting Pronouncements" for pending accounting change concerning goodwill and intangibles.

Revenue Recognition

Revenue is recognized when title has passed to the customer. On certain sales contracts, revenue is not recognized until specific customer product acceptance terms have been met.

The Company's product return policy allows customers to return unused equipment for partial credit if the equipment is currently being manufactured. Credit is not offered on returned products that are no longer manufactured. The Company has recorded a reserve for returns.

The Company's subsidiary Conference Plus, Inc. recognizes revenue for conference calls and other services upon completion of the conference call or services.

Product Warranties

Most of the Company's products carry a limited warranty ranging from one to seven years. The Company accrues for estimated warranty costs as products are shipped.

Deferred Revenue

Deferred revenue represents customer prepayments for goods or services.

Research and Development Costs

Engineering and product development costs are charged to expense as incurred.

Supplemental Cash Flow Disclosures

The following represents supplemental disclosures to the consolidated statements of cash flows:

<TABLE>
<CAPTION>

	March 31,		
	2000	2001	2002
	(in thousands)		
<S>	<C>	<C>	<C>
Schedule of non-cash investing and financing activities:			
Warrants issued with subordinated debentures	$ 1,838	$ --	$ --
Conversion of subordinated debentures and accrued interest, net of related debt issuance costs of $639 and $531 and debt discount of $1,169 and $669 for the years ended March 31, 2000 and 2001, respectively	11,022	6,215	--
Acquisition of Teltrend Inc.			
Fair value of assets acquired	$ 252,132	$ --	$ --
Liabilities assumed	(24,366)	--	--
Common stock issued and options assumed	(277,766)	--	--
Cash paid for:			
Interest	$ 1,207	$ 1,964	$ 2,653
Income taxes	29	37	17

</TABLE>

Disclosures about Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument held by the Company:

Cash and cash equivalents, trade receivables and trade payables: the carrying amounts approximate fair value because of the short maturity of these items.

Revolving promissory notes and installment notes payable to a bank: due to the floating interest rate on these obligations, the carrying amounts approximate fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for allowance for uncollectable accounts receivable, net realizable value of inventory, product warranty accrued, depreciation, employee benefit plans cost, income taxes, and contingencies, among other things.

Foreign Currency Translation

The financial position and the results of operations of the Company's foreign subsidiaries are measured using local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at the end of each period. Income statement accounts are translated at the average rate of exchange prevailing during the period. Translation adjustments arising from differences in exchange rates from period to period are included in the foreign currency translation adjustment account in stockholders' equity.

The Company records transaction gains or losses within Other income (expense), net for fluctuations on foreign currency rates on accounts receivable and cash and for fluctuations on foreign currency rates on intercompany accounts anticipated by management to be settled in the foreseeable future.

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 periods ended March 31 2000, 2001 and 2002, and therefore the net loss per basic and diluted earnings per share are the same.

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards (SFAS) No. 141, Business Combinations, and No. 142, Goodwill and other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. The Company plans to adopt these new standards on April 1, 2002. Adoption of SFAS 142 will eliminate the amortization of goodwill and is expected to reduce the amortization of other identifiable intangible assets to approximately $2 million for fiscal 2003. During fiscal 2003 the Company will perform the first of the required impairment tests as of April 1, 2002 and has not yet determined the effect that these tests will have on the earnings and financial position of the Company.

In June 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. In August 2001, the FASB issued SFAS 144, Accounting for the Impairment - Disposal of Long Lived Assets. The Company will adopt these standards on April 1, 2002. The Company doesn't expect that the adoption of these statements will have a material effect on the Company's financial statements.

Change in Accounting Principle

Effective April 1, 2000, the Company changed its method of accounting for recognizing revenues for product sales. Effective with this change, the Company recognizes revenue based upon the respective terms of delivery for each sale agreement. This change was required by Staff Accounting Bulletin (SAB) No. 101 issued by the Securities and Exchange Commission.

For the restated three-month period ended June 30, 2000 and the year ended March 31, 2001, the Company recognized sales of $2,500,000 and the related operating income of $400,000 resulting from the change in accounting method; these amounts were previously recognized in sales and income in fiscal 2000 under the Company's previous accounting method. These sales and the related income also account for the cumulative effect of the change in accounting method in prior years, which resulted in a charge to net income of $400,000, or $.01 per share. This charge reflects the adoption of SAB No. 101 and is included in the restated three-month period ended June 30, 2000 and the year ended March 31, 2001.

Reclassification of Accounts

Certain prior year amounts have been reclassified in order to conform to the current-year presentation.

NOTE 2. REVOLVING CREDIT AGREEMENTS:

As of March 31, 2001, the Company had a revolving promissory note that enabled the Company to borrow up to $16.0 million and was due August 31, 2003. The revolver bore interest at the bank's prime rate (8% at March 31, 2001) plus 1% and was secured by substantially all of the assets of the Company. The Company had $28.4 million of borrowings under the revolving credit facility as of March 31, 2001.

On June 29, 2001, the Company amended the revolving credit facility, resulting in an asset-based, revolving lending facility providing for total borrowing based upon 85% of eligible accounts receivable and 30% of eligible inventory not to exceed $8.3 million and 70% of the guarantee described below. The$8.3 million inventory limitation is reduced by $.1 million on the first day of each month. The Company was eligible to borrow an additional $6.3 million as of March 31, 2002. Up to $10,000,000 of the facility is collateralized by substantially all assets of the Company and will remain available until June 30, 2002. The facility provides for maximum borrowings of up to $35.0 million. The facility is guaranteed by trusts for the benefit of Robert C. Penny III and other Penny family members and is supported by their brokerage account totaling approximately $10.0 million. In consideration of the guarantee, the Company granted these stockholders 512,820 warrants to purchase shares of Company Class A Common Stock for a period of five years at an exercise price of $1.95 per share. Borrowings under this facility provide for the interest to be paid by the Company at prime plus 1%. This revolving credit facility requires, among other things, the maintenance of target EBITDA and tangible net worth. The Company was not in compliance with these covenants at March 31, 2002. The Company and its lenders have entered into an amendment and waiver under which the covenant violations were waived.

On June 28, 2002, the Company amended the revolving credit facility. The amendment provides for a $5 million non-amortizing term loan and a $30 million revolving credit facility, both due June 30, 2003. The term loan is secured by, among other things, a security interest in Collateral granted by certain stockholders. The amendment also terminates the $10 million guarantee provided by trusts of Robert C. Penny III and other Penny family members. This new amendment provides for covenants regarding EBITDA, tangible net worth and maximum capital expenditures. Management expects to be in compliance with the covenants for the term of the debt.

NOTE 3. LONG-TERM DEBT:

Long-term debt consists of the following:

<TABLE>
<CAPTION>

<S>	March 31, 2001 <C>	March 31, 2002 <C>
	(in thousands)	
Capitalized lease obligations secured by related equipment..............................	$ 154	$1,687
Revolving Promissory note payable, interest at prime plus 1%, secured by substantially all assets of the Company, due through June 2003.......................	28,400	26,090
Vendor notes payable..	--	22,878
	28,554	50,655
Less current portion..	(103)	(11,186)
	$28,541	$39,469

</TABLE>

Future maturities of long-term debt at March 31, 2002 are as follows (in thousands):

2003..	$ 11,186
2004..	36,013
2005..	3,456
	$ 50,655

At March 31, 2002 the Company has provided for inventory purchases from Solectron Technology SDN BHD.

On May 30, 2002 the Company signed two subordinated promissory notes with Solectron . One note in the amount of $5.0 million is for the payment of inventory held by Solectron 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 between the parties was signed on June 3, 2002 in the amount of $1.3 million and is payable monthly over one year. This note was part of the settlement of litigation with Celsian. All three notes bear and interest rate of prime plus 2.5%.

NOTE 4. CONVERTIBLE DEBENTURES AND WARRANTS:

In April 1999, the Company completed a subordinated secured convertible debenture private placement totaling $20 million. In connection with the financing, the Company issued five-year warrants for approximately 909,000 shares of Class A Common stock at an exercise price equal to $8.921 per share, which was approximately 140% of the initial conversion price of the debentures. These warrants were determined to have a fair market value of $1 million. Subsequently, in December 1999, the Company repriced the warrants from $8.921 to $5.92 per share and, due to this debt modification, increased the value of the warrants by approximately $838,000. The total value of the warrants, approximately $1.8 million, was recorded as a debt discount in the accompanying March 31, 2000 consolidated balance sheet and was being amortized over the life of the convertible debentures of five years. This unamortized amount was recorded to equity on a pro rata basis as debentures converted.

As of March 31, 2000, holders of these debentures converted an aggregate principal amount of $12,720,000 and the accrued interest thereon of approximately $110,000 into 2,013,548 Class A common shares at a conversion price of $6.372 per shares. The amount converted to equity is net of a pro rata portion of the total debt discount and debt issuance costs in the amounts of $1,168,788 and $639,279, respectively.

During fiscal year 2001 the remaining debentures, with a principal amount of $7,280,000 and accrued interest of approximately $135,000 were converted into 1,163,620 Class A common shares at a conversion price of $6.372 per share. The amount converted to equity is net of a pro rata portion of the total debt discount and debt issuance costs in the amounts of $668,929 and $530,708 respectively.

On June 29, 2001, in consideration of a guarantee given by several shareholders to support the credit facility, the Company granted warrants to purchase 512,820 shares of Class A common shares at a conversion price of $1.95 per share. The warrants are exercisable at any time until June 29, 2006. The total value of the warrants, approximately $46,000, was recorded as expense. As of March 31, 2002, all warrants were outstanding.

NOTE 5. INCOME TAXES:

The Company utilizes the liability method of accounting for income taxes and deferred taxes are determined based on the differences between the financial statements and tax basis of assets and liabilities given the provisions of the enacted tax laws. The income tax benefits charged to net income are summarized as follows:

<TABLE>
<CAPTION>

	Fiscal Year Ended March 31,		
	2000	2001	2002
	(in thousands)		
<S>	<C>	<C>	<C>
Federal:			
Current	$ (284)	$ --	$ --
Deferred	(2,866)	--	--
	(3,150)	--	--
State:			
Current	(40)	--	--
Deferred	(410)	--	--
	(450)	--	--
Total	$ (3,600)	$ --	$ --

</TABLE>

The Company utilizes the flow-through method to account for tax credits. In fiscal 2000, 2001 and 2002, the Company generated approximately $662,000, $500,000 and $846,000, respectively, of tax credits.

The statutory federal income tax rate is reconciled to the Company's effective income tax rates below:

<TABLE>
<CAPTION>

Fiscal Year Ended March 31,		
2000	2001	2002

<S>	<C>	<C>	<C>
Statutory federal income tax rate	(34.0)%	(34.0)%	(34.0)%
Meals and entertainment	0.6	0.1	0.1
State income tax, net of federal tax effect	(4.9)	(4.9)	(4.9)
Income tax credits recognized	(4.2)	(0.5)	(0.3)
Valuation allowance	7.6	26.0	10.5
Goodwill amortization	4.2	13.2	28.5
Other	0.1	0.1	0.1
	(30.6)%	0.0%	0.0%

</TABLE>

Components of the net deferred income tax asset are as follows:

<TABLE>
<CAPTION>

	March 31,	
	2001	2002
	(in thousands)	
<S>	<C>	<C>
Deferred income tax assets:		
Allowance for doubtful accounts	$ 517	$ 683
Alternative minimum tax credit	605	998
Research and development credit carryforward	4,157	5,835
Capital loss carryforward	2,328	2,328
Compensation accruals	1,554	1,223
Inventory reserves	14,430	11,247
Warranty reserve	1,198	1,203
Net operating loss carryforward	46,819	65,460
Accrued interest	--	1,164
Other	662	3,079
	72,270	93,220
Deferred income tax liabilities:		
Property and equipment	254	159
Other	16	11
	270	170
Valuation allowance	(46,205)	(67,605)
Net deferred income tax asset	$ 25,795	$ 25,445

</TABLE>

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 net deferred tax asset is not assured and 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 associated with future temporary differences, NOL carryforwards and tax credit carryforwards prior to their expiration through a tax planning strategy available to the Company. At March 31, 1998, management determined that the strategy was not sufficient to realize all of the net deferred tax asset and as such the Company recorded a valuation allowance. During fiscal years 2000, 2001 and 2002 the Company increased the valuation allowances by $900,000, $27.7 million and $21.4 million, respectively. At March 31, 2002 management re-assessed the valuation of the net deferred tax asset and determined that the tax planning strategy was sufficient to support the realization of the recorded net deferred income tax asset. On a quarterly basis, management will assess whether it remains more likely than not that the net 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, a reduction in the valuation allowance will be recorded.

The Company has approximately $6.8 million in income tax credit carryforwards and a tax benefit of $65.4 million related to a net operating loss carryforward that is available to offset taxable income in the future. The tax credit carryforwards begin to expire in 2008 and the net operating loss carryforward begins to expire in 2012.

NOTE 6. COMMITMENTS:

The Company leases a 185,000 square foot corporate facility in Aurora, Illinois to house manufacturing, engineering, sales, marketing and administration that runs through 2017.

The Company also has lease commitments to lease other office and warehouse facilities at various locations. All of the leases require the Company to pay utilities, insurance and real estate taxes on the facilities. Total rent expense was $2.5 million, $3.5 million and $4.5 million for 2000, 2001, and 2002, respectively.

Total minimum future rental payments at March 31, 2002 are as follows (in thousands):

2003...	$ 5,295
2004...	4,287
2005...	3,513
2006...	3,494
2007...	3,356
Thereafter...	26,047

	$ 45,992

NOTE 7. CAPITAL STOCK AND STOCK RESTRICTION AGREEMENTS:

Capital Stock Activity:

On October 25, 2001 at the Annual Meeting of Stockholders, the stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the number of class A Common Stock authorized for issuance from 85,000,000 to 109,000,000.

The Board of Directors has the authority to issue up to 1,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, without any further vote or action by stockholders.

Stock Restriction Agreements:

The members of the Penny family (major stockholders) have a Stock Transfer Restriction Agreement which prohibits, with limited exceptions, such members from transferring their Common Stock acquired prior to November 30, 1995, without first offering such stock to the other members of the Penny family. A total of 18,824,908 shares of Common Stock are subject to this Stock Transfer Restriction Agreement.

Shares issued and outstanding:

The following table summarizes Common Stock transactions for fiscal years 2000, 2001 and 2002.

<TABLE>
<CAPTION>

	Common Stock Shares Issued and Outstanding		Treasury Stock
	Class A	Class B	
	(in thousands)		
<S>	<C>	<C>	<C>
Balance, March 31, 1999..............................	16,928	19,528	--
Class B Stock Converted to Class A Stock.............	477	(477)	--
Issuance of Class A Common Stock and Issuance of stock options for acquisition...................	20,196	--	--
Options exercised...................................	551	--	--
Conversion of Subordinated Debentures	2,014	--	--
Shares sold under Employee Stock Purchase Plan.......	13	--	--
	----------	--------	---------
Balance, March 31, 2000..............................	40,179	19,051	--
Class B Stock Converted to Class A Stock............	36	(36)	--
Conversion of subordinated debentures................	1,164	--	--
Options Exercised...................................	1,044	--	--
Shares sold under Employee Stock Purchase Plan.......	50	--	--
	----------	-----------	---------
Balance, March 31, 2001..............................	42,473	19,015	--
Issuance of Class A Common Stock	3,315	--	--
Options Exercised...................................	5	--	--
Shares sold under Employee Stock Purchase Plan......	114	--	--
Treasury stock......................................	--	--	(93)

Balance, March 31, 2002..............................	45,907	19,015	(93)

</TABLE>

NOTE 8. EMPLOYEE BENEFIT PLANS:

401(k) Benefit Plan:

The Company sponsors a 401(k) benefit plan (the "Plan") which covers substantially all of its employees. The Plan is a salary reduction plan that allows employees to defer up to 15% of wages subject to Internal Revenue Service limits. The Plan also allows for Company discretionary contributions. The Company provided for discretionary and matching contributions to the Plan totaling approximately $501,000, $1.3 million and $487,000 for fiscal 2000, 2001 and 2002, respectively.

Employee Stock Purchase Plan:

The Company maintains a stock purchase plan that allows participating employees to purchase, through payroll deductions, shares of the Company's Class A Common Stock for 85% of the average of the high and low reported sales prices at specified dates. Under the stock purchase plan, 217,950 shares are authorized. As of March 31, 2000 and 2001 there were 126,512 and 76,781 shares, respectively, available for future issuance. As of March 31, 2002 no shares were available for issuance.

Employee Stock Incentive Plan:

In October 1995, the Company adopted a stock incentive plan (SIP plan) that permits the issuance of Class A Common Stock, restricted shares of Class A Common Stock, nonqualified stock options and incentive stock options to purchase Class A Common Stock, performance awards and stock appreciation rights to selected employees, officers, non-employee directors of the Company. During fiscal 2000, the SIP plan was amended to allow the issuance of stock options to advisory board members and consultants. No stock awards were issued in fiscal 2000, 2001 or 2002.

During March 2000, as part of the Teltrend merger (see Note 1), the Company adopted the following three stock options plans (collectively the "three adopted option plans"): Teltrend Inc. 1995 Stock Option Plan (the "1995 Stock Option Plan"), Teltrend Inc. 1996 Stock Option Plan (the "1996 Stock Option Plan"), and Teltrend Inc. 1997 Non-Employee Director Stock Option Plan (the "1997 Director Option Plan"). Under both the 1995 and 1996 Stock Option Plans nonqualified stock options were granted to key employees. Nonqualified stock options were granted to Non-Employee Directors under the 1997 Director Option Plan.

Under the Company's Stock Incentive Plan, the 1995 Stock Option Plan, the 1996 Stock Option Plan, and the 1997 Director Option Plan ("all stock plans"), 13,000,000 shares were authorized and there were 4,079,740 shares available for further issuance at March 31, 2002. The stock option activity under all stock plans is as follows:

<TABLE>
<CAPTION>

<S>	Outstanding Options <C>	Weighted Average Exercise Price <C>
Outstanding at March 31, 1999..............	2,643,446	6.69
Granted..........................	4,287,827	7.11
Exercised........................	(551,041)	6.07
Expired..........................	--	--
Canceled.........................	(543,020)	5.49
Outstanding at March 31, 2000..............	5,837,212	7.17
Granted..........................	3,859,650	11.79
Exercised........................	(1,043,826)	5.53
Expired..........................	--	--
Canceled.........................	(1,293,708)	9.75
Outstanding at March 31, 2001..............	7,359,328	$ 9.37
Granted..........................	5,726,973	1.94
Exercised........................	(5,000)	2.12
Expired..........................	--	--
Canceled.........................	(3,863,173)	7.35
Outstanding at March 31, 2002..............	9,218,128	$ 5.61

</TABLE>

The exercise price of the stock options granted is generally established at the market price on the date of the grant. The Company has reserved Class A Common Stock for issuance upon exercise of these options granted.

As part of the Teltrend merger on March 17, 2000, the vested options under the three adopted option plans were exchanged at a ratio of 3.3 shares of Westell common stock for each share of Teltrend common stock and the option strike price was adjusted by that same ratio. These options are included in the granted totals above for the year ended March 31, 2000.

During fiscal 2000, 2001 and 2002, respectively, the Company granted 30,000, 3,000 and 30,000 stock options to non-employee advisory board members or consultants. Compensation expense of $840,000, $13,545 and $23,871 was recognized for the issuance of these non-employee stock options under Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation" FAS 123 for fiscal 2000 and 2001 respectively.

The Company accounts for employee stock options under APB Opinion 25, as permitted under generally accepted accounting principles. Accordingly, no compensation cost has been recognized in the accompanying financial statements related to options granted to "employees" as defined in APB Opinion 25. Had compensation cost for these options been determined consistent with ("SFAS 123"), which is an accounting alternative that is permitted but not required, the Company's net loss and net loss per share would have been $(13,530,000), $(108,585,000) and $(178,124,000) and $(0.36), $(1.78) and $(2.77) for fiscal 2000, 2001 and 2002, respectively.

The fair value of each option is estimated on the date of grant based on the Black-Scholes option pricing model, with the exception of the options assumed in the acquisition which are described in Note 1. The estimate assumes, among other things, a risk-free interest rate of 6.5% and no dividend yield; expected volatility of 73% and an expected life of 7 years. A majority of the options granted to employees in fiscal 2001 vest ratably over five years. Options granted in fiscal 2000 related to the Teltrend merger were fully vested due to the change in control provision in the three adopted plans. A majority of the remaining options granted to employees in fiscal 2000 and 2002 vest ratably over two to five years. Certain options vest upon the earlier of the achievement of individual goals established or 8 years. The weighted average fair value of the options granted during the years ended March 31, 2000, 2001 and 2002 were $5.52, $8.43 and $1.94, respectively.

The following table summarizes information about all stock options outstanding as of March 31, 2002:

<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 3/31/02	Remaining Life	Weighted-Average Exercise Price	Number Exercisable at 3/31/02	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$1.07 - $1.95	2,903,817	9.38 yrs	$ 1.47	0	$ 0.00
1.96 - 4.00	2,237,135	8.40 yrs	2.64	677,935	3.81
4.02 - 5.34	1,930,295	7.88 yrs	5.02	706,087	5.03
5.44 - 21.44	2,070,331	6.95 yrs	14.21	1,375,785	12.41
22.44 - 36.18	76,550	7.93 yrs	31.49	34,300	32.11
$1.07 - 36.18	9,218,128	8.27 yrs	$ 5.61	2,795,107	$ 8.70

</TABLE>

NOTE 9. SEGMENT AND RELATED INFORMATION:

Operating Segments:

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 described in the summary of significant accounting policies. Segment information for the fiscal years ended March 31, are as follows:

<TABLE>

<CAPTION>

	Telecom Equipment	Telecom Services	Consolidated Total
2000			
Revenues	$90,185	$30,808	$120,993
Operating income (loss)	(16,264)	5,282	(10,982)
Depreciation and amortization	6,085	2,354	8,439
Total assets	321,921	20,649	342,570
2001			
Revenues	$319,494	$41,983	$361,477
Operating income (loss)	(99,387)	8,128	(91,259)
Depreciation and amortization	40,553	3,388	43,941
Total assets	295,960	19,179	315,139
2002			
Revenues	$191,302	$48,521	$239,823
Operating income (loss)	(166,063)	4,420	(161,643)
Depreciation and amortization	35,847	4,375	40,222
Total assets	105,969	20,184	126,153

</TABLE>

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

<TABLE>
<CAPTION>

	Fiscal Year Ended March 31,		
	2000	2001	2002
Operating loss	$ (10,982)	$ (91,259)	$ (161,643)
Other income, net	1,056	--	(222)
Interest expense	1,856	2,197	5,564
Loss before income taxes	$ (11,782)	$ (93,456)	$ (167,429)

</TABLE>

Enterprise-wide Information:

The Company's revenues are primarily generated in the United States. More than 90% of all revenues were generated in the United States for in fiscal years 2000 and 2002 and approximately 84% in fiscal year 2001. Significant Customers and Concentration of Credit:

The Company is dependent on certain major telephone companies that represent more than 10% of the total revenue. Sales to major customers and successor companies that exceed 10% of total revenue are as follows:

	Fiscal Year Ended March 31,		
	2000	2001	2002
Customer A	14.7%	25.9%	43.2%
Customer B	19.2	17.6	14.9
Customer C	7.9	14.3	3.5

Major telephone companies comprise a significant portion of the Company's trade receivables. Receivables from major customers that exceed 10% of total accounts receivable balance are as follows:

	Fiscal Year Ended March 31,	
	2001	2002
Customer I	41.2%	46.5%
Customer II	5.4	12.6
Customer III	25.1	10.4

Geographic Information

The Company's financial information by geographic area was as follows for the years ended March 31:

	Domestic	International	Total
	(in thousands)		
2000			
Revenue	$ 110,124	$ 10,869	$ 120,993
Operating loss	(10,243)	(739)	(10,982)
Identifiable assets	334,907	7,663	342,570

=

2001			
Revenue..........................	$ 303,758	$ 57,719	$ 361,477
Operating loss..................	(88,394)	(2,865)	(91,259)
Identifiable assets.............	313,067	2,072	315,139
2002			
Revenue..........................	$ 224,341	$ 15,482	$ 239,823
Operating loss..................	(161,513)	(130)	(161,643)
Identifiable assets.............	124,045	2,108	126,153

International identifiable assets and operating loss are related to Westell Ltd., which is located in the United Kingdom and Conference Plus Global Services, Ltd., which is located in Dublin Ireland.

NOTE 10. 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 costs 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 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 involuntarily terminated. The remaining cost of $550,000 has been charged to operations and relates to Westell employees involuntarily terminated and other costs. As of March 31, 2002, $2.0 million of these costs have been paid.

The Company recognized restructuring charges of $1.7 million in fiscal year 2001 and $6.3 million in fiscal year 2002. These charges included personnel, facility, and certain development contract costs related to restructuring global operations. The fiscal 2001 restructuring plan was to decrease costs by workforce reduction. The 2001 restructuring was focused primarily on the sales and marketing functions and is expected to generate a payroll cost savings of approximately $2.5 million annually. As of March 31, 2002, $1.7 million and $3.0 million of restructuring cost has been paid for charges taken in fiscal 2001 and 2002 respectively. The fiscal 2002 restructuring plan was to further decrease costs primarily by workforce reduction where approximately 200 employees were impacted and to realign the Company's cost structure with the anticipated business outlook.

The restructuring charges and their utilization are summarized as follows:

<TABLE>
<CAPTION>

(Dollars in thousands)	Accrued at March 31 1999	Teltrend Inc. Involuntary Termination	2000 Charged	2000 Utilized	Accrued at March 31 2000	2001 Charged	2001 Utilized	Accrued at March 31 2001	2002 Charged	2002 Utilized	Accrued at March 31 2002
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employee costs......	$601	$2,356	$250	$547	$ 2,604	$ 1,550	$ 1,552	$ 2,602	$ 4,066	$4,629	$ 2,039
Contract costs......	89		--	--	--	--	--	--	--	--	--
Legal, other and facility costs......	154		300	130	300	150	55	395	2,191	412	2,174
Charge reversal.....	--		--	169	--	--	--	--	--	--	--
Total..............	$844	$2,356	$550	$846	$ 2,904	$ 1,700	$ 1,607	$ 2,997	$ 6,257	$ 5,041	$ 4,213

</TABLE>

NOTE 11. OTHER INCOME, NET:

In fiscal 2000, the Company recognized other income of $650,000 resulting from foreign currency gain from the liquidation of Westell Europe Ltd. Excluding the effect of this one time benefit, Other income, net would have been $426,000 for fiscal year ended March 31, 2000. Excluding this one time item, Other income, net for the years ended March 31, 2001 and 2002 was primarily due to interest income earned on temporary cash investments made as a result of investing available funds.

NOTE 12. LITIGATION:

The Company is a party to various legal actions arising in the normal course of business and to class action shareholder suits against the Company and current and former officers thereof. These suits are at various stages of legal proceeding. Management, after taking into consideration legal counsel's evaluation, is unable to determine the likely outcome of these actions, but believes the outcome of one or more of the actions could have a material adverse effect on the Company's financial position.

We have not been able to obtain, after reasonable efforts, the re-issued report or consent of Arthur Andersen LLP related to the March 31, 2000 financial statements. Therefore, we have included a copy of their previously issued report.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Westell Technologies, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements as of March 31, 2000 and for the years ended March 31, 2000 and 1999, included in WESTELL TECHNOLOGIES, INC.'S Annual Report in this Form 10-K and have issued our report thereon dated May 10, 2000. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule II, Valuation and Qualifying Accounts, included herein is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

Chicago, Illinois
May 10, 2000

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders of Westell Technologies, Inc.

We have audited the consolidated financial statements of Westell Technologies, Inc. as of March 31, 2002 and 2001, and for the years then ended, and have issued our report thereon dated May 21, 2002, except for Notes 2 and 3, as to which the date is June 28, 2002 (included elsewhere in this Registration Statement). Our audit also included the 2002 and 2001 information on the financial statement schedule listed in Item 16(b) of this Registration Statement. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit.

In our opinion, the 2002 and 2001 information on the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Chicago, Illinois
May 21, 2002

<TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

ACCOUNTS RECEIVABLE ALLOWANCES
(IN THOUSANDS)

<CAPTION>

	2000	2001	2002
<S>	<C>	<C>	<C>
Balance at beginning of year	$703	$855	$1,363
Transfer from acquired company	273	--	--
Provision for doubtful accounts	223	627	971
Write-offs of doubtful accounts, net of recoveries	(344)	(119)	(803)

Balance at end of year	$855	$1,363	$1,531

</TABLE>

<TABLE>

RESTRUCTURING RESERVES
(IN THOUSANDS)

<CAPTION>

<S>	2000	2001	2002
Balance at beginning of year	$ 844	$ 2,904	$ 2,997
Purchase price adjustment	2,356	--	--
Charges to operating expenses	550	1,700	6,257
Restructuring costs paid	(677)	(1,607)	(5,041)
Charge reversal	(169)	--	--
Balance at end of year	$ 2,904	$ 2,997	$ 4,213

</TABLE>

SUBORDINATED PARTICIPATION AGREEMENT

This Subordinated Participation Agreement (this "Agreement") is made as of the 28th day of June, 2002, between LASALLE BANK NATIONAL ASSOCIATION, a national banking association ("LaSalle"), and by the undersigned parties collectively identified as "Participants" (each a "Participant" and collectively, the "Participants"). LaSalle has made or has agreed to make loans and other extensions of credit to Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc., and Teltrend LLC (collectively, the "Borrowers") pursuant to that certain Amended and Restated Loan and Security Agreement by and between LaSalle and the Borrowers dated August 31, 2000, as the same has been or may hereafter be amended, restated, supplemented or otherwise modified from time to time (the "Loan Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

In consideration of the payment on the date hereof by the Participants to LaSalle of the aggregate amount of $5,000,000 (the "Purchase Price") in immediately available United States funds, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, LaSalle hereby sells to each of the Participants, and each of the Participant hereby purchases from LaSalle, without recourse to LaSalle, on the terms and conditions hereinafter set forth, a subordinated last-out participation interest in (a) the Term Loan made by LaSalle to the Borrowers, (b) all rights, claims (including "claims" within the meaning of Section 101(5) of the Bankruptcy Code) and causes of action of LaSalle against the Borrowers and any other Person that arise under, from, in, to or in connection with the Loan Agreement and the Loan Documents, to the extent attributable in whole or in part to the Term Loan, and (c) the collateral for and guarantees of the Term Loan (each such interest (expressed as a percentage interest) being herein called the "Participation Interest"); provided, that the maximum aggregate principal amount of all Participants' Participation Interests in the Term Loan shall not exceed $5,000,000. Notwithstanding anything to the contrary in this Participation Agreement, no Participant shall have any interest in any of the fees or other amounts payable by Borrowers to LaSalle, individually or as Agent, under the Loan Documents, other than reimbursements for amounts paid by the Participants pursuant to this Agreement for which the Borrower is otherwise liable under the Loan Documents.

1. The parties hereto acknowledge and agree that it is their intent that the Participation Interests of the Participants be subordinated, "last-out" participation interests meaning, among other things, that no Participant shall have any right (x) to receive any payment of principal in respect of their Participation Interests in the Term Loan while LaSalle (including any other participant(s) or assignees of LaSalle's) has any Loans outstanding to, undrawn Letters of Credit issued for the account of, or unreimbursed Letter of Credit drawings or other Obligations owing to it by, the Borrowers or (y) to receive any payment of interest in respect of their Participation Interests in the Term Loan unless and until LaSalle (including any other participant(s) of LaSalle's) shall have received payment in full of all interest Obligations then due and payable to it by the Borrowers under the Loan Documents. Each Participant hereunder shall be jointly and severally liable for all obligations and undertakings of each other Participant hereunder. The Participation Interests of each Participant are as set forth on Schedule I attached hereto (as the same may be amended pursuant to Section 12 below).

2. Except as otherwise provided herein, all payments received by LaSalle pursuant to the Loan Documents or otherwise (including without limitation, any amounts received by way of set-off, banker's lien, counterclaim, realization on collateral or otherwise) may be applied to any outstanding Obligations in such order as LaSalle, in its discretion, deems appropriate, and each Participant hereby acknowledges and agrees that LaSalle, in exercising that discretion, may allocate any or all such amounts to any such Obligations (including post-petition interest, whether or not allowed in a bankruptcy proceeding of any of the Borrowers) other than (and prior to) those in which such Participant has an interest. LaSalle shall be entitled to withhold and apply any payment or property to be paid or delivered to the Participants hereunder against any amounts payable by the Participants to LaSalle under this Agreement.

(a) Notwithstanding the foregoing, if LaSalle receives any payment of interest in respect of the Loans from the Borrower or reimbursement of amounts paid by the Participants pursuant to this Agreement (other than Purchase Price), then upon the payment to LaSalle and its participants and assignees (other than the Participants) of all amounts of interest or reimbursement amounts then due and owing to them under the Loan Documents, LaSalle hereby agrees it shall remit to the Participants such remaining portion of such payment as shall then be required to pay accrued but unpaid interest or reimbursement amounts, as applicable, owing to the Participants hereunder within three (3) Business Days after LaSalle's receipt of collected and immediately available funds therefor from the Borrowers;

(b) Subject to the limitation in Section 1(x) above, upon the receipt by LaSalle and its participants and assignees (other than the Participants) of payment in full of all of the outstanding Obligations under the Loan Documents, any further principal amounts remitted to LaSalle with respect to the Term Loan shall be remitted to the Participants within three (3) Business Days after LaSalle's receipt of collected and available funds therefor.

3. All payments required to be made by LaSalle to the Participants, and all communications by LaSalle to any of the Participants, shall be sent to such Participants to such account and/or such address as shall be specified by such person from time to time on reasonable advance written notice delivered to LaSalle (the initial accounts and addresses being set forth on Schedule I hereto). Notwithstanding LaSalle's agreement to make such distributions as aforesaid, each of the Participant's hereby agrees (i) that LaSalle shall have no liability (including for payment of interest pursuant to Section 12 below) for the improper allocation as between Participants of any payment made by LaSalle hereunder, (ii) the Participants shall be liable as among themselves for all adjustments of any improperly allocated distribution to any one or more Participants and (iii) to jointly and severally indemnify, defend and hold harmless LaSalle, its employees, directors, officers and agents for any losses, costs, fees, expenses (including without limitation, reasonable attorneys' fees and court costs), damages, claims, suits or actions arising out of or related to the allocation of, or failure of any other Participant to make any corrective adjustment with respect to, any payment made by LaSalle hereunder.

4. All payments with respect to the Obligations (including, without limitation, any payment by way of set-off, banker's lien, counterclaim, realization on collateral or otherwise) received by any Participant at any time

from any source other than LaSalle shall be promptly, but in any event within three (3) Business Days thereafter, paid over by the Participants to LaSalle for application in accordance with the Loan Documents and this Agreement.

5. If any payment received by LaSalle and forwarded to the Participants pursuant to this Agreement is rescinded or must otherwise be returned for any reason, the Participants jointly and severally hereby agree to return or pay over to LaSalle the aggregate portion of such payment or amount previously remitted to the Participants, together with the Participants' proportionate share of all interest payable by LaSalle in connection therewith (as such amount and such share of such payment and interest shall be calculated by LaSalle, which calculation shall be deemed conclusively correct absent manifest or demonstrable error).

6. If LaSalle (a) incurs any cost, fee, expense or disbursement (including reasonable fees and disbursements of counsel) in connection with or attributable in whole or in part to the Term Loan or the Loan Agreement or any of the other Loan Documents in connection therewith or (b) incurs any expense which it deems necessary or desirable to protect the rights of LaSalle, the Participants or the Collateral therefor or which otherwise arises in connection with the enforcement of the Term Loan, then, to the extent LaSalle is not reimbursed by the Borrowers for such cost, fee, disbursement or expense, the Participants jointly and severally hereby agree to pay to LaSalle promptly upon receipt of notice thereof, but in any event within five (5) days thereafter, an amount equal to the Participants' allocable share of each such amount so incurred or suffered (as such amounts and such shares shall be calculated by LaSalle, which calculation shall be deemed conclusively correct absent manifest or demonstrable error).

7. This Agreement shall be in full force and effect until the earliest of (i) the date on which LaSalle gives the Participants written notice that all Obligations have been fully and indefeasibly satisfied in full in cash and the Loan Agreement has been terminated, (ii) the date on which all Obligations attributable to the Participation Interests have been fully and indefeasibly satisfied in full in cash and all obligations of the Participants to LaSalle hereunder have been satisfied in full in cash, or (iii) such other date as the Participants and LaSalle shall agree in writing.

8. LaSalle will exercise the same care and attention with respect to the administration of the Term Loan as LaSalle gives to its other credit transactions in which no participations are sold. LaSalle may use its sole discretion with respect to exercising or refraining from exercising its rights or taking or refraining from taking any actions which may be vested in LaSalle or which LaSalle may be entitled to take or assert under or with respect to the Term Loan, any other Loan, the Loan Agreement or any other Loan Document (including, without limitation, the release of any liens on collateral securing the Term Loan or any other Loan and/or the release of any guarantors of the Term Loan or any other Loan), and LaSalle shall not be liable to any Participant with respect to anything that LaSalle may do or refrain from doing in the exercise of its business judgment, in the absence of its own gross negligence or willful misconduct. LaSalle shall have no obligation to make any claim or assert any lien upon, or assert any right of setoff with respect to, any property held by LaSalle, whether or not such property constitutes Collateral for any of the Term Loan. LaSalle may, in its sole discretion, without prior notice to the

Participants and without any consent or other action by the Participants, grant any waiver or consent under or with respect to the Loan Agreement, any other Loan Document and/or the Term Loan or agree to any amendment of the Loan Agreement or any other Loan Document, including, without limitation, entering into any amendment extending the final maturity date of the Loans, increasing or decreasing the rate of interest on any of the Loans or amending, modifying or waiving any other provision or default under the Loan Agreement or the other Loan Documents. Without limiting the foregoing, LaSalle shall have the exclusive right, in LaSalle's name alone, to carry out the provisions of the Loan Agreement and the other Loan Documents, to enforce and collect the Obligations, to exercise and enforce all rights and privileges granted to LaSalle under the Loan Agreement and the other Loan Documents, to take or refrain from taking legal action to enforce or protect Participants' and/or LaSalle's interests with respect to the Loan Agreement, the other Loan Documents, the Collateral and the Obligations, to consent to the use by Borrowers of cash collateral under ss. 363 of the Bankruptcy Code in any bankruptcy case of Borrowers, and to extend postpetition financing to Borrowers under ss. 364 of the Bankruptcy Code in any bankruptcy case of such Borrowers. No Participant shall have or seek to exercise any right of legal or equitable redress against Borrowers. No Participant shall have any voting rights or consent or approval rights under the Loan Agreement or the other Loan Documents. LaSalle may rely upon the advice of counsel concerning legal matters and upon any written communication or any telephone conversation which LaSalle believes to be genuine and correct or to have been signed, sent or made by the proper person and LaSalle shall not be required to make any inquiry concerning the performance by the Borrowers or any other person of any of their respective obligations and liabilities under or in respect of the Loan Agreement or any other Loan Document. LaSalle shall not be deemed a trustee, partner or fiduciary for any Participant in connection with the Participation nor shall LaSalle have any duties to any Participant except as expressly set forth in this Agreement.

9. If LaSalle is sued or threatened with any suit, claim or action in any bankruptcy or other insolvency proceeding involving Borrowers (i) on account of any alleged preferential or fraudulent transfer received or alleged to have been received, directly or indirectly, from Borrowers or any other Person, which is attributable in whole or in part to the existence of Participants' subordinated Participation Interests, or (ii) relating to the equitable subordination of the Term Loan Obligations or the recharacterization of any of the Term Loan Obligations as equity, which is attributable in whole or in part to the existence of Participants' subordinated Participation Interests, then each Participant hereby jointly and severally hereby agrees to indemnify, defend and hold LaSalle harmless from any liability arising from such suit, claim or action, including, without limitation, from all expenses, costs and

reasonable attorneys' fees paid or incurred, or payments made by LaSalle, in connection therewith. To the extent that any amounts previously paid in respect of the Obligations are recovered from LaSalle, such amounts shall be reinstated as part of the Obligations, repayable in accordance with the priorities established herein.

10. LaSalle may accept deposits from, make loans or otherwise extend credit to, take deposits from and generally engage in any kind of banking or trust business with, the Borrowers or any other person, receive security for such loans or extensions of credit, and receive payment on such loans or extensions of credit and otherwise act with respect thereto freely and without accountability, as if this Agreement were not in effect. Unless and until the

Term Loan has been assigned to the Participants by LaSalle pursuant to Section 11 below, no Participant shall have any right to exercise any right, claim or action against any of the Borrowers or their property (including any right of set-off or counterclaim) with respect to any of the Obligations or against any of the collateral for any of the Obligations. LaSalle shall maintain records with respect to the aggregate Participation Interests and this Agreement. All sums received and payments made or deemed made by LaSalle in connection with the Term Loan and the Participation Interests will be clearly and fully accounted for on LaSalle's records in a manner which reflects the Participants' respective interest therein. If any Participant shall at any time request an accounting, LaSalle shall furnish a written accounting thereto as soon as practicable (but in no event more than once in any 60 day period for any Participant).

11. Each Participant acknowledges and agrees that:

(a) It has adequate information concerning the business and financial condition of the Borrowers to make an informed decision regarding the purchase of its Participation Interest and has independently and without reliance upon LaSalle and based on such information as such Participant has deemed appropriate, made its own analysis and decision to enter into this Agreement, except that such Participant has relied upon the representations, warranties, agreements and covenants of LaSalle expressly provided in this Agreement. Such Participant shall continue to make its own analysis and decisions with respect to its Participation Interest without reliance upon LaSalle;

(b) It has received and reviewed each of the Loan Documents to the extent deemed necessary or advisable by such Participant;

(c) Except as set forth in Section 14 below, LaSalle has not made and shall not at any time be deemed to make any representation or warranty, express or implied, with respect to (i) the due execution, authenticity, legality, accuracy, completeness, validity or enforceability of any of the Loan Documents, (ii) the financial condition, solvency or creditworthiness of the Borrowers or any other entity which may have liability for the Term Loan or the collectibility of the Term Loan, (iii) the validity, perfection, enforceability, value or sufficiency of, or title to any security for the Term Loan, or the filing, or recording or taking of any other actions with respect to the Loan Documents, or the security for the Term Loan, or (iv) any other matter having any relation to this participation, the Term Loan, the Collateral or the Loan Documents; and

(d) LaSalle may, but shall have no obligation to, furnish any information relating to the Borrowers, the Term Loan, the Collateral or otherwise to any Participant, except as expressly otherwise provided herein; it being agreed, however, that if and to the extent LaSalle does in fact provide any such information to any Participant, LaSalle shall have no ongoing obligation to provide any similar or additional information in the future or to update any such information so provided.

Upon the repayment in full of the Obligations other than the Participant's Participation Interest, LaSalle shall have the right (but not the obligation) to transfer and assign to the Participants, and the Participants jointly and severally agree to accept such transfer and assignment of, all of LaSalle's right, title and interest in and to the Term Loan (provided that no additional consideration for such transfer and assignment shall be required hereunder), without recourse, representation or warranty. The obligation of the Participants to accept such transfer and assignment as aforesaid shall be unconditional and irrevocable, notwithstanding any change of circumstances, including (a) any modification or amendment of, or any consent, waiver, release or forbearance with respect to, any of the terms of the Loan Agreement or any of the Loan Documents; (b) any other act or omission to act on the part of LaSalle or on the part of any of the Borrowers or any other person; (c) the existence of any Default or Event of Default under the Loan Agreement or any default under any of the other Loan Documents; or (d) any change of any kind in the financial position or creditworthiness of the Borrowers or any other Person.

12. If any payment hereunder is not paid by either party to the other when due hereunder (other than any payment otherwise properly made but misallocated by LaSalle as among the Participants as provided in Section 3 above), then interest shall accrue, and be payable immediately, on all such amounts not paid at a per annum rate equal to the average Federal Funds Rate during the period in question as published daily by the Federal Reserve Bank of New York. For the purposes of this Section 12, the "Federal Funds Rate" shall mean, for any date, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates set by the Federal Reserve Bank of New York on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding business day in The Wall Street Journal (Eastern Edition), or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transaction received by LaSalle from three federal funds brokers of recognized standing selected by LaSalle. For a day that is not a Business Day, the Federal Funds Rate shall be the rate applicable to federal funds transactions on the immediately preceding day for which such rate is reported.

13. Each Participant hereby agrees that it will not sell or otherwise dispose of any portion of its Participation Interest or grant any sub-participation therein without the prior written consent of LaSalle, provided that upon prior written notice to LaSalle, any Participant shall be permitted to transfer any Participation Interest to another Participant, and in any event, upon any such transfer, the affected Participants shall promptly deliver a revised Schedule I to this Agreement to LaSalle setting forth any revisions thereto pursuant to such assignment. In the event of a sub-participation, the applicable Participant shall not be relieved of any of its obligations to LaSalle hereunder. Each Participant represents that it is acquiring the Participation Interest for its own account and not with a view to, or for sale

in connection with, any distribution thereof and that it is an "accredited investor" (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 (as amended).

14. LaSalle hereby represents and warrants to each Participant on the date hereof, that LaSalle has good and marketable title to the Participant Interests being conveyed hereunder and hereby transfers such interests free and clear of any lien, claim or encumbrance in favor of any other person or entity (other than any such person or entity asserting any lien, claim or encumbrance through any Participant).

15. By its confirmation and acceptance of this Agreement, each Participant represents that it is entitled to receive any payments to be made to it hereunder without the withholding of any tax and that, upon LaSalle's request, such Participant will furnish to LaSalle such certifications,

statements and other documents deemed necessary or appropriate by LaSalle to evidence such Participant's exemption from the withholding of any tax imposed by any applicable jurisdiction or to enable LaSalle to comply with any applicable laws or regulations relating thereto.

16. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been given (a) if sent by facsimile, upon confirmation of receipt (b) if sent by overnight courier service, the next day, and (c) if sent by mail, the third day after being mailed by certified mail, postage prepaid, return receipt requested, in any such case addressed to either party at its address as follows or at such other address as may hereafter be designated by notice as herein provided:

If to LaSalle: LaSalle Bank National Association
135 South LaSalle Street
Chicago, Illinois 60674
Attention: Ms. Stephanie Kline
Facsimile: 312-904-6546

If to any Participant: To the address set forth on Schedule I

17. THIS AGREEMENT MAY NOT BE AMENDED EXCEPT IN WRITING SIGNED BY LASALLE AND BY EACH AFFECTED PARTICIPANT, AND THE RESPECTIVE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS. WITH RESPECT TO ANY DISPUTES ARISING HEREUNDER, EACH PARTY HERETO HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN THE STATE OF ILLINOIS AND WAIVES ANY OBJECTION IT MAY HAVE IN RESPECT OF SUCH DISPUTE ON THE GROUND OF VENUE OR THAT ANY PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

18. This Agreement may be executed in any number of counterparts and all of such counterparts shall together constitute one and the same instrument.

19. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

20. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

If the foregoing correctly sets forth the understanding between us, please indicate your confirmation thereof, and your acceptance of this Agreement by signing and returning to us the enclosed copy of this Agreement.

Very truly yours,

LASALLE BANK NATIONAL ASSOCIATION

By____
Title____

Confirmed and accepted as of the date first above written:

PARTICIPANTS:

Marlene D. Foskett Trust under agreement The Marlene Diane Foskett Trust dated
Florence R. Penny Children's Trust dated December 31, 1970
December 28, 1989

- ----------------------------------

Melvin J. Simon, Trustee ________________________________
Barbara J. Pruitt, Co-Trustee

Florence R. Penny, Co-Trustee

Robert Clinton Penny III, Co-Trustee

Barbara J. McDonough Trust under agreement The Barbara J. McDonough Trust dated Florence R. Penny Children's Trust dated December 31, 1970 December 28, 1989

- ----------------------------------
Melvin J. Simon, Trustee _________________________________
Marlene D. Foskett, Co-Trustee

Florence R. Penny, Co-Trustee

Robert Clinton Penny III, Co-Trustee

Robert C. Penny III Trust under agreement The Robert Clinton Penny Trust Number Florence R. Penny Children's Trust dated Two dated December 30, 1974 December 28, 1989

- --------------------------------
Melvin J. Simon, Trustee ________________________________
Marlene D. Foskett, Co-Trustee

Florence R. Penny, Co-Trustee

Barbara J. Pruitt, Co-Trustee

Each of Borrowers hereby acknowledges and agrees that it shall constitute an Event of Default under (and as such term is defined in) the Loan Agreement if at any time the payment or priority provisions of this Agreement are held to be unenforceable as against any Participant, or any Participant brings any suit or action challenging the enforceability of the payment or priority provisions of this Agreement or the undertakings of the Participants (or any of them) hereunder.

BORROWERS: WESTELL TECHNOLOGIES, INC.

By: ____________________________________
Title: ____________________________________

WESTELL, INC.

By: ____________________________________
Title: ____________________________________

WESTELL INTERNATIONAL, INC.

By: ____________________________________
Title: ____________________________________

CONFERENCE PLUS, INC.

By: ____________________________________
Title: ____________________________________

TELTREND LLC

By: ____________________________________
Title: ____________________________________
Address: 750 North Commons Drive
Aurora, Illinois 60504

SCHEDULE I

PERCENTAGE INTERESTS; NOTICE AND PAYMENT INFORMATION

PERCENTAGE INTERESTS
- --------------------

<TABLE>
<CAPTION>

Participant	Percentage Interest
Marlene D. Foskett Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989	18.00%
Barbara J. McDonough Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989	12.60%
Robert C. Penny III Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989	2.04%
The Marlene Diane Foskett Trust dated December 31, 1970	15.34%
The Barbara J. McDonough Trust dated December 31, 1970	50.00%
The Robert Clinton Penny Trust Number Two dated December 30, 1974	2.02%

</TABLE>

NOTICE INFORMATION
- ------------------

For each Participant: c/o Melvin J. Simon
4343 Commerce Court
Suite 306
Lisle, Illinois 60532
Facsimile: 630-955-1159

PAYMENT INFORMATION
- -------------------

<TABLE>
<CAPTION>

Participant	Wiring Instructions
Marlene D. Foskett Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989	Bank of America San Francisco, California ABA #121000358 Robertson Stephens Account #14993-01920 For Further Credit To Account #35072560

Participant	Wiring Instructions

Barbara J. McDonough Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989	Bank of America San Francisco, California ABA #121000358 Robertson Stephens Account #14993-01920 For Further Credit To Account #35072610
Robert C. Penny III Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989	Bank of America San Francisco, California ABA #121000358 Robertson Stephens Account #14993-01920 For Further Credit To Account #35072537
The Marlene Diane Foskett Trust dated December 31, 1970	Bank of America San Francisco, California ABA #121000358 Robertson Stephens Account #14993-01920 For Further Credit To Account #35083104
The Barbara J. McDonough Trust dated December 31, 1970	Bank of America San Francisco, California ABA #121000358 Robertson Stephens Account #14993-01920 For Further Credit To Account #35083179
The Robert Clinton Penny Trust Number Two dated December 30, 1974	Bank of America San Francisco, California ABA #121000358 Robertson Stephens Account #14993-01920 For Further Credit To Account #35083096

</TABLE>

SIXTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT AND WAIVER

This SIXTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT AND WAIVER (this "Amendment and Waiver") is made as of June 28, 2002 among LaSalle Bank National Association, a national banking association, individually (in such capacity, the "Lender") and as agent (in such capacity, the "Agent"), Westell Technologies, Inc., a Delaware corporation ("Technologies"), Westell, Inc., an Illinois corporation ("Westell"), Westell International, Inc., a Delaware corporation ("International"), Conference Plus, Inc., a Delaware corporation ("CPI"), and Teltrend LLC, a Delaware limited liability company and successor by merger to Teltrend, Inc. ("Teltrend," and together with Technologies, Westell, International and CPI, being, collectively, the "Borrowers").

BACKGROUND

A. The Agent, the Lender and the Borrowers are party to that certain Amended and Restated Loan and Security Agreement dated as of August 31, 2000 (as the same has been and may hereafter be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lender has made and may hereafter make certain loans, advances and other financial accommodations to the Borrowers and the Borrowers have granted to the Agent, for the benefit of the Lender and any other lenders who from time to time may become party to the Loan Agreement, a lien on and a security interest in all of the Borrowers' real, personal and intellectual property. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Loan Agreement.

B. The Borrowers and the Lenders are parties to a certain Amended and Restated Revolving Note dated as of May 30, 2002 in the original principal amount of $35,000,000 (the "Revolving Note").

C. Pursuant to the Loan Agreement, the Marlene D. Foskett Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989, The Marlene Diane Foskett Trust dated December 31, 1970, Barbara J. McDonough Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989, The Barbara J. McDonough Trust dated December 31, 1970, Robert C. Penny III Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989, and The Robert Clinton Penny Trust Number Two dated December 30, 1974 (collectively, "Guarantors") executed a certain Guaranty (as amended, the "Guaranty") and a certain Securities Pledge Agreement (as amended, the "Pledge Agreement"), each dated as of June 29, 2001 and made in favor of Agent on behalf of Lenders.

D. Borrowers have informed Agent that they desire to enter this Amendment and Waiver to, among other things, (i) provide for a term loan, (ii) reduce the maximum available Revolving Loan Facility, (iii) modify the termination date of the revolving line of credit, (iv) terminate the Guaranty and the Pledge Agreement, (v) grant waivers with respect to Borrowers' non-compliance with certain covenants contained in the Loan Agreement, and (vi) otherwise modify Borrowers' Obligations as provided herein.

E. Agent is willing to so amend the Loan Agreement and grant such waivers upon the terms and conditions set forth herein.

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 1.1 of the Loan Agreement is hereby amended as follows:

(a) The following definitions are hereby added thereto in the proper alphabetical order:

"Geneva Property" means that parcel of land owned by Teltrend and located at the southwest corner of Averill Road and Kautz Road, Geneva, Illinois.

"Mortgage" means that certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of September 4, 2001 by Teltrend in favor of Agent, on behalf of Lenders, for the Geneva Property, as the same has been or may hereafter be amended, restated, supplemented or otherwise modified from time to time.

"Term Loan" shall mean the direct advance made by the Lender to the Borrowers in the form of a term loan under and pursuant to this Agreement, as set forth in Section 2.1(b) of this Agreement."

"Term Loan Commitment" shall mean with respect to all applicable Lenders, Five Million and 00/100 Dollars ($5,000,000.00), and with respect to any Lender shall mean the amount set forth next to its name on the signature pages hereto (or any amendment hereto) as its Term Loan Commitment."

"Term Loan Reserve" shall mean at any time the amount, if any, by which $5,000,000 exceeds the outstanding principal balance of the Term Loan.

"Term Note" shall have the meaning set forth in Section 2.1(b) hereof."

(b) The following definitions are hereby amended and restated in their entirety to read as follows:

"Borrowing Base" means, as at any date the amount thereof is determined and subject to the other terms of this Agreement, (a) the sum of (i) 85% of the face value of the Eligible Accounts, less unapplied cash and (ii) the lesser of (A) 30% of the value of the Eligible Inventory and (B) the Inventory Borrowing Cap, minus (b) the

sum of the undrawn face amount of any Letters of Credit outstanding, unreimbursed draws with respect to Letters of Credit, and the aggregate outstanding amount of Borrowers' exposure under Permitted Swap Obligations as determined by Bank, minus (c) such other reserves as the Agent, at the direction of the Majority Lenders in their sole discretion, may establish from time to time by delivery of written notice thereof at least twenty (20) days prior to establishment of any such reserves."

"Commitments" shall mean collectively the Revolving Loan Commitments and the Term Loan Commitment.

"Loans" shall mean the collective reference to the Revolving Loans and the Term Loan.

"Maximum Revolving Credit Facility" means, at any time, $30,000,000.

"Notes" shall mean the Revolving Loan Notes and the Term Note.

"Pro Rata Share" shall mean, with respect to any Lender, a fraction (expressed as a percentage), the numerator of which is equal to the sum of (a) such Lender's Revolving Loan Commitment, plus (b) such Lender's Term Loan Commitment, and the denominator of which is equal to the sum of all Lenders' Commitments.

(c) The definition of "Revolving Loan Termination Date" is hereby changed to "Termination Date" and is further amended by deleting the date "June 30, 2002" and inserting in its place the date "June 30, 2003."

(d) The definition of "Majority Lenders" is hereby amended by adding at the end of such definition the following language:

"; provided, however, if any provision of this Agreement requires action by the Majority Lenders and (i) relates to the extension of the maturity of the Term Loan, an adverse modification of the payment schedule, the amount of principal or the calculation or amount of interest of the Term Loan or of this clause (i), then "Majority Lenders" shall mean Lenders holding at least 67% of the outstanding principal amount of the Term Loan, or (ii) relates to the extension of the maturity of the Revolving Loan, or an adverse modification of the amount of principal or the calculation or amount of interest of the Revolving Loan or of this clause (ii), then "Majority Lenders" shall mean Lenders holding at least 67% of the Revolving Loan Commitment."

(e) The definition of "CPI Stock Option Plan" is hereby amended by adding at the end of such definition the following language:

"and the CPI 2002 Non-Qualified Stock Plan, in either case, as the same has been or may hereinafter be amended, restated, supplemented, or otherwise modified from time to time with the consent of the Agent."

(f) The following definitions are hereby deleted: "Guarantors," "Guarantors' Liabilities," "Guaranty," "Pledged Securities," "Pledged Securities Value," and "Securities Pledge Agreement" and all references thereto in the Loan Agreement shall be disregarded.

1.2 All references in the Loan Agreement to "Revolving Loan Termination Date" shall hereafter be deemed to refer to the Termination Date.

1.3 With the exception of Sections 1.1, 2.1(a), 2.2, 3.4, and 3.5(b), all other references in the Loan Agreement to a "Revolving Loan" or the "Revolving Loans" shall hereafter be deemed to refer to the Loans (as such term is amended hereby), and all references to "Revolving Loan Notes" shall hereafter be deemed to refer to the Notes (as such term is amended hereby), except, in each case, where such interpretation would be wholly inapplicable.

1.4 Section 2.1 of the Loan Agreement is hereby amended by renumbering it as "Section 2.1(a)" and by restating the first paragraph thereof in its entirety to read as follows:

"Subject to the terms and provisions of this Agreement and the other Loan Documents, the Lenders may, each in its sole discretion, severally and not jointly, make revolving loans and advances (the "Revolving Loans") to Borrowers, from time to time until the Termination Date, not to exceed each Lender's Revolving Loan Commitment Percentage of the Revolving Loans requested by Borrowers, in an aggregate amount of Revolving Loans not to exceed (A) the lesser of (i) the Borrowing Base or (ii) the Maximum Revolving Credit Facility, minus the aggregate undrawn face amount of any Letters of Credit outstanding at such time and any unreimbursed drawings with respect to Letters of Credit, minus (B) the Term Loan Reserve, if any, and in the case of each Lender, up to but not exceeding each Lender's Revolving Loan Commitment."

1.5 Section 2.1 of the Loan Agreement is hereby amended by redesignating Exhibit C, the Form of Revolving Loan Note, as "Exhibit C-1".

1.6 A new Section 2.1(b) is hereby added to the Loan Agreement as follows:

"(b) Term Loan Commitment. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties of the Borrowers set forth herein and in the other Loan Documents, the Lenders having any Term Loan Commitment (as set forth on the signature pages to the amendment hereto creating such facility) hereby severally agree to make a Term Loan equal to its respective Term Loan Commitment. The Term Loan shall be made to the Borrowers in a single principal advance on June 28, 2002. The Term Loan shall be evidenced by, and shall be repayable in accordance with, the terms hereof and the Term Note in the form of

Exhibit C-2 hereto (the "Term Note")."

1.7 Section 3.4 of the Loan Agreement is hereby amended by inserting a new sentence at the end of such section to read as follows:

"Borrower shall not be permitted to voluntarily prepay any amounts outstanding under the Term Loan prior to the repayment of all other Obligations outstanding under the Loan Documents (including without limitation the payment of, or providing cash collateral for, the undrawn face amount of any outstanding Letters of Credit)."

1.8 Section 3.5 of the Loan Agreement is hereby amended by (i) designating the existing text thereof as clause "(a)" and inserting the following as a new subsection (b) thereto:

"(b) Lenders shall apply any Mandatory Prepayments first to any amounts outstanding under any Revolving Loan (which Mandatory Prepayments shall be available for reborrowing hereunder subject to the terms hereof). After the outstanding principal amounts of all Revolving Loans have been reduced to zero, Lenders shall apply Mandatory Prepayments to the Term Loan. In no event shall Borrowers be permitted to reborrow amounts prepaid and applied to the Term Loan. In the case of all prepayments, whether voluntary or mandatory, such payments shall be accompanied by payment of all accrued and unpaid interest on the Loans being prepaid."

1.9 Section 3.6 of the Loan Agreement is hereby amended by deleting the second sentence thereof in its entirety.

1.10 Section 8.1 of the Loan Agreement is hereby amended by deleting the word "or" in front of clause (C) and inserting between clause (C) and the words "so long as" the following language:

", or (D) the sale of the Geneva Property on or prior to June 30, 2003 for a cash purchase price payable at the closing of such sale of at least $1,700,000, the entire proceeds (including amounts in excess of $1,700,000) of which, (notwithstanding clause (ii) below) shall be applied in accordance with Section 3.5(a)(i) and may be reborrowed subject to the other provisions of this Agreement,"

1.11 Section 8.1 of the Loan Agreement is hereby further amended by adding after the first sentence thereof the following language:

"In the event that Teltrend consummates a sale of the land secured by the Mortgage in accordance with clause (D), above, Agent hereby agrees to release the Mortgage."

1.12 Section 8.17 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"8.17 Capital Expenditures. Make or incur any Capital Expenditures in excess of (i) $6,500,000 in their 2003 Fiscal Year, (ii) $7,000,000 in each of their 2004 Fiscal Year or any Fiscal Year thereafter."

1.13 Section 11.2 of the Loan Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"11.2 EBITDA. Borrowers shall have on each date set forth below, a minimum EBITDA: (a) for each of the following dates, measured on a year to date basis ending on such date:

Date	EBITDA
June 30, 2002	$3,400,000
July 31, 2002	$4,400,000

August 31, 2002	$5,900,000
September 30, 2002	$7,400,000
October 31, 2002	$8,300,000
November 30, 2003	$10,300,000
December 31, 2003	$11,700,000
January 31, 2003	$13,000,000
February 28, 2003	$14,500,000

(b) as at the end of each month during each of the following periods for the twelve-month period ending on such date, commencing March 31, 2003 through and including June 30, 2003, not less than $15,700,000 as of such date.

1.14 The Loan Agreement is hereby amended by deleting Section 11.3(a) in its entirety and substituting the following therefor:

"11.3(a) [Reserved]."

1.15 Section 11.3(b) of the Loan Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"(b) Tangible Net Worth. Commencing with June 2002, Borrowers shall maintain, measured on a monthly basis as at the end of each of the following months, the minimum Tangible Net Worth set forth opposite such date set forth below (parentheses denote negative):

Date	Tangible Net Worth
June 30, 2002	$(13,100,000)
July 31, 2002	$(13,300,000)
August 31, 2002	$(10,300,000)
September 30, 2002	$(9,900,000)
October 31, 2002	$(10,300,000)
November 30, 2003	$(9,000,000)
December 31, 2003	$(8,700,000)
January 31, 2003	$(8,500,000)
February 28, 2003	$(7,900,000)

As of the last day of each month commencing March 31, 2003 through and including June 30, 2003, Borrowers shall maintain a minimum Tangible Net Worth of not less than negative $7,500,000 as of such date."

1.16 Section 12.12 of the Loan Agreement is hereby amended in clause (b) by deleting the words "fifty-one percent (51%)" and substituting the words "forty percent (40%)" therefor.

1.17 The Loan Agreement is hereby amended by deleting Section 12.13 in its entirety and substituting the following therefor:

"12.13 [Reserved]."

1.18 Schedule 7.27 to the Loan Agreement is hereby deleted in its entirety and replaced with Schedule 1.18 attached hereto, it being acknowledged that such schedule shall be delivered by Borrowers by July 8, 2002, and failure to deliver by such date shall constitute an Event of Default.

SECTION 2 REPRESENTATIONS AND WARRANTIES

To induce Agent to amend the Loan Agreement and grant the waiver set forth herein, Borrowers jointly and severally represent and warrant to Agent 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 and Waiver), 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 Waiver, and to incur and perform the obligations provided for under this Amendment and Waiver 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 and Waiver which has not been obtained.

2.3 Amendment and Waiver as Binding Agreement. This Amendment and Waiver 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 and Waiver will not (i) violate any provision of law, any order of any court or other agency of government, or the Articles of Incorporation, Certificate of Formation, Operating Agreement or Bylaws of Borrowers, (ii) violate any indenture, contract, agreement or other instrument to which Borrowers are a party, or by which any of their 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 to amend the Loan Agreement and grant the waivers is subject to the following conditions precedent:

3.1 Revolving Note. Execution and delivery by Borrowers of a Revolving Note in the form of Exhibit A hereto.

3.2 Term Note. Execution and delivery by Borrowers of a Term Note in the form of Exhibit B hereto.

3.3 Release of Guaranty and Securities Pledge Agreement. Execution and delivery by Agent of a Release of Guaranty and Securities Pledge Agreement in the form of Exhibit C hereto.

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

3.5 Mortgage Amendment. Second Amendment to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of June 28, 2002 between Teltrend and Agent in the form of Exhibit E hereto.

3.6 Reaffirmation of Subordination Agreement. Execution and delivery by Solectron Corporation and Solectron Technology SDN.BHD. of that certain Subordination Agreement dated as of May 30, 2002 in the form of Exhibit F hereto.

3.7 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 authorizing the execution, delivery and performance by the Borrowers of this Amendment and Waiver and the agreements, instruments and documents executed in connection herewith.

3.8 Fee. Borrowers shall have paid to Agent for its own account a restructuring fee in the amount of $300,000.

3.9 Borrowers shall have delivered to the Agent each and every agreement, document, note, release, guaranty, certificate, notice, affidavit, exhibit, schedule, resolution, legal opinion, assignment, security agreement or financing statement which the Agent may reasonably request from the Borrowers, in form and substance satisfactory to Agent, to effect the intent of this Amendment and Waiver.

SECTION 4 WAIVERS

4.1 The Bank hereby waives Borrowers' failure to be in compliance with the Tangible Net Worth and EBITDA covenants as of February 28, 2002, March 31, 2002, April 30, 2002 and May 31, 2002, and any Events of Default created thereby, solely as of those dates.

4.2 The Agent hereby waives Borrowers failure to be in compliance with the Net Worth covenants as of December 31, 2001 and March 31, 2002, and any Events of Default created thereby, solely as of those dates.

The foregoing waivers shall be limited waivers and shall not constitute a waiver of any other or subsequent violations of the Loan Agreement, whether of a different or like nature, nor shall such waivers constitute a course of conduct or dealing.

SECTION 5 REAFFIRMATION AND ACKNOWLEDGMENT

Technologies, Westell, 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 Waiver, 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 and Waiver.

SECTION 6 MISCELLANEOUS PROVISIONS.

6.1 To the extent the provisions of this Amendment and Waiver differ from or are inconsistent with the terms of the Loan Agreement or any of the Loan Documents, the provision of this Amendment and Waiver shall govern; otherwise, 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 and Waiver.

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

6.3 This Amendment and Waiver 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 Waiver, 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 and Waiver.

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.

6.6 The Agent and the Lenders hereby consent to the adoption by CPI of the CPI 2002 Nonqualified Stock Plan in the form of Exhibit G attached hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Borrowers and Agent has caused this Amendment and Waiver 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 LLC.

By: ____________________________________
Title: ____________________________________
Address: 750 North Commons Drive
Aurora, Illinois 60504

AGENT AND LENDER: LASALLE BANK NATIONAL ASSOCIATION

By: ____________________________________
Title: ____________________________________
Address: 135 South LaSalle Street
Chicago, Illinois 60603
Attn: Stephanie Kline

Revolving Loan Commitment:
$30,000,000
Percentage: 100%

Term Loan Commitment:
$5,000,000
Percentage: 100%

Exhibit A

AMENDED AND RESTATED REVOLVING NOTE

$30,000,000 June 28, 2002

WESTELL TECHNOLOGIES, INC., WESTELL, INC., WESTELL INTERNATIONAL, INC., CONFERENCE PLUS, INC. and TELTREND LLC (collectively, "Borrowers"), hereby jointly and severally promise to pay to the order of

LaSalle Bank National Association (the "Lender"), on June 30, 2003 the principal sum of Thirty Million and No/100 Dollars ($30,000,000), or such lesser amount of all of the then outstanding advances made by the Lender to Borrowers pursuant to Section 2.1 of the "Loan Agreement" (as hereinafter defined), together with interest on any and all principal amounts remaining unpaid hereunder from time to time from the date hereof until paid, at the rate(s) set forth in Section 2.10 of the Loan Agreement, payable on the last day of each Interest Period (as such term is defined in the Loan Agreement), and continuing until the Revolving Loans (as such term is defined in the Loan Agreement) are paid in full.

Any amount of interest or principal hereof which is not paid when due, whether on the last day of an Interest Period, at stated maturity, by acceleration or otherwise, shall bear interest payable on demand at the Default Rate (as such term is defined in the Loan Agreement).

All payments of principal and interest on this Note shall be payable in lawful money of the United States of America. In no event shall the interest payable exceed the highest rate permitted by law. Principal and interest shall be paid to Lender at its office at 135 South LaSalle Street, Chicago, Illinois 60603, or at such other place as the holder of this Note may designate in writing to Borrowers. All payments hereunder shall be applied as provided in the Loan Agreement. In determining Borrowers' liability to the Lender hereunder, the books and records of the Lender shall be controlling absent arithmetic or manifest or demonstrable error.

This Note evidences certain indebtedness incurred under the Amended and Restated Loan and Security Agreement, dated August 31, 2000 between Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc., Teltrend LLC (as successor to Teltrend, Inc.), and the financial institutions from time to time parties thereto, including the Lender (collectively, the "Lenders"), and LaSalle Bank National Association, as agent (the "Agent") for the Lenders (as heretofore or hereafter amended, restated, supplemented or otherwise modified, the "Loan Agreement"), to which reference is hereby made for a statement of the terms and conditions under which the due date of this Note or any payment thereon may be accelerated or is automatically accelerated, or under which this Note may be prepaid or is required to be prepaid. All capitalized terms used herein shall, unless otherwise defined herein, have the meanings set forth in the Loan Agreement. The holder of this Note is entitled to all of the benefits provided in said Loan Agreement and the Loan Documents referred to therein. Borrowers agree to pay all costs of collection and all reasonable attorneys' fees paid or incurred in enforcing any of the Lender's rights hereunder promptly on demand of the Lender and as more fully set forth in the Loan Agreement.

This Note may be prepaid in whole or in part, and shall be prepaid as appropriate, in accordance with the terms of the Loan Agreement.

Except as set forth in the Loan Agreement, the Borrowers, endorsers and all other parties to this Note waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Loan Agreement. In any action on this Note, the Lender or its assignee need not file the original of this Note, but need only file a photocopy of this Note certified by the Lender or such assignee to be a true and correct copy of this Note.

This is the Revolving Note referred to in the Loan Agreement. This Note is secured by, among other things, a security interest in the Collateral granted to the Agent pursuant to Section 4 of the Loan Agreement.

No delay on the part of the Lender in exercising any right under this Note, any security agreement, guaranty or other undertaking affecting this Note, shall operate as a waiver of such right or any other right under this Note, nor shall any omission in exercising any right on the part of the Lender under this Note operate as a waiver of any other rights.

Upon the occurrence of an Event of Default which is an Uncured Default under the Loan Agreement, the outstanding indebtedness evidenced by this Note, together with all accrued interest, shall be due and payable in accordance with the terms of the Loan Agreement, without notice to or demand upon the Borrowers except as otherwise provided in the Loan Agreement, and the Lender may exercise all of its rights and remedies reserved to it under the Loan Agreement or applicable law.

If any provision of this Note or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of this Note and the application of such provision to other parties or circumstances will not be affected thereby and the provisions of this Note shall be severable in any such instance.

This Note shall be in replacement of and in substitution for that certain Revolving Loan Note dated May 30, 2002, in the original principal amount of $35,000,000, made by Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc., and Teltrend LLC and payable to the order of Lender (the "Original Note"). The indebtedness evidenced by the Original Note is continuing indebtedness, and nothing herein shall be deemed to constitute a payment, settlement or novation of the Original Note, or to release or otherwise adversely affect any lien, mortgage or security interest securing such indebtedness or any rights of the Lender against any guarantor, surety or other party primarily or secondarily liable for such indebtedness.

BORROWERS HEREBY WAIVE ANY RIGHT BORROWERS MAY NOW OR HEREAFTER HAVE TO SUBMIT ANY CLAIM, ISSUE OR DEFENSE ARISING HEREUNDER OR UNDER THE OTHER DOCUMENTS RELATING TO THIS NOTE TO A TRIAL BY JURY.

This Note shall be deemed to have been made under and shall be governed in accordance with the internal laws and not the conflict of law rules of the State of Illinois.

WESTELL TECHNOLOGIES, INC.

By: ________________________________
Title: ____________________________

WESTELL, INC.

By: ________________________________
Title:______________________________

WESTELL INTERNATIONAL, INC.

By:_________________________________
Title:______________________________

CONFERENCE PLUS, INC.

By:_________________________________
Title:______________________________

TELTREND LLC

By: ________________________________
Title: _____________________________

Exhibit B

TERM NOTE

$5,000,000.00 June 28, 2002
Chicago, Illinois

FOR VALUE RECEIVED, WESTELL TECHNOLOGIES, INC., WESTELL, INC., WESTELL INTERNATIONAL, INC., CONFERENCE PLUS, INC. and TELTREND LLC (collectively, "Borrowers"), hereby jointly and severally promise to pay to the order of LASALLE BANK NATIONAL ASSOCIATION, a national banking association (hereinafter, together with any holder hereof, called the "Lender"), whose address is 135 South LaSalle Street, Chicago, Illinois 60603, on or before June 30, 2003 (the "Maturity Date"), the principal sum of Five Million and 00/100 DOLLARS ($5,000,000.00), which amount is the principal amount of the Term Loan made by the Lender to the Borrowers under and pursuant to that certain Amended and Restated Loan and Security Agreement dated as of August 31, 2000 (as amended, restated, supplemented or modified from time to time, the "Loan Agreement"), executed by and between the Borrowers and the Lender, as Agent and as a lender, and the other lenders from time to time a party thereto, together with interest (computed on the actual number of days elapsed on the basis of a 360 day year) on the principal amount of the Term Loan outstanding from time to time as provided in Section 2.10 of the Loan Agreement. Capitalized words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Loan Agreement.

The outstanding principal of this Note, and all accrued interest thereon, shall be payable as follows:

(a) installments of interest only on the principal balance of this Note outstanding from time to time commencing on June 30, 2002 and continuing on the last day of each Interest Period (as such term is defined in the Loan Agreement); and

(b) a final installment equal to the remaining outstanding principal balance of this Note, and all accrued and unpaid interest thereon, on the Maturity Date, unless payable sooner pursuant to the provisions of the Loan Agreement.

Any amount of interest or principal hereof which is not paid when due, whether on the last day of an Interest Period, at stated maturity, by acceleration or otherwise, shall bear interest payable on demand at the Default Rate (as such term is defined in the Loan Agreement).

This Note evidences the Term Loan incurred by the Borrowers under and pursuant to the Loan Agreement, to which reference is hereby made for a statement of the terms and conditions under which the due date of this Note or any payment thereon may be accelerated or is automatically accelerated, or under which this Note may be prepaid or is required to be prepaid. The holder of this Note is entitled to all of the benefits provided in said Loan Agreement and the Loan Documents referred to therein. Borrowers agree to pay all costs of collection and all reasonable attorneys' fees paid or incurred in enforcing any of the Lender's rights hereunder promptly on demand of the Lender and as more fully set forth in the Loan Agreement.

All payments of principal and interest on this Note shall be payable in lawful money of the United States of America. In no event shall the interest payable exceed the highest rate permitted by law. Principal and interest shall be paid to Lender at its office at 135 South LaSalle Street, Chicago, Illinois 60603, or at such other place as the holder of this Note may designate in writing to Borrowers. All payments hereunder shall be applied as provided in the Loan Agreement. In determining Borrowers' liability to the Lender hereunder, the books and records of the Lender shall be controlling absent arithmetic or manifest or demonstrable error.

This Note may not be voluntarily prepaid, but shall be prepaid as appropriate, in accordance with the terms of the Loan Agreement.

Except as set forth in the Loan Agreement, the Borrowers, endorsers and all other parties to this Note waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Loan Agreement. In any action on this Note, the Lender or its assignee need not file the original of this Note, but need only file a photocopy of this Note certified by the Lender or such assignee to be a true and correct copy of this Note.

This Note is secured by, among other things, a security interest in the Collateral granted to the Agent pursuant to Section 4 of the Loan Agreement.

No delay on the part of the Lender in exercising any right under this Note, any security agreement, guaranty or other undertaking affecting this Note, shall operate as a waiver of such right or any other right under this Note, nor shall any omission in exercising any right on the part of the Lender under this Note operate as a waiver of any other rights.

Upon the occurrence of an Event of Default which is an Uncured Default under the Loan Agreement, the outstanding indebtedness evidenced by this Note, together with all accrued interest, shall be due and payable in accordance with the terms of the Loan Agreement, without notice to or demand upon the Borrowers except as otherwise provided in the Loan Agreement, and the Lender may exercise all of its rights and remedies reserved to it under the Loan Agreement or applicable law.

The Term Loan evidenced hereby has been made and/or issued and this Note has been delivered at the Lender's main office set forth above. This Note shall be governed and construed in accordance with the laws of the State of Illinois, in which state it shall be performed, and shall be binding upon the Borrowers, and their legal representatives, successors, and assigns. Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or be invalid under such law, such provision shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Note. The term "Borrowers" as used herein shall mean all parties signing this Note, and each one of them, and all such parties, their respective successors and assigns, shall be jointly and severally obligated hereunder.

BORROWERS HEREBY WAIVE ANY RIGHT BORROWERS MAY NOW OR HEREAFTER HAVE TO SUBMIT ANY CLAIM, ISSUE OR DEFENSE ARISING HEREUNDER OR UNDER THE OTHER DOCUMENTS RELATING TO THIS NOTE TO A TRIAL BY JURY.

IN WITNESS WHEREOF, the Borrowers have executed this Note as of the date set forth above.

WESTELL TECHNOLOGIES, INC.

By: ________________________________
Title: ____________________________

WESTELL, INC.

By: ________________________________
Title:______________________________

WESTELL INTERNATIONAL, INC.

By:_________________________________
Title:______________________________

CONFERENCE PLUS, INC.

By:_________________________________
Title:______________________________

TELTREND LLC

By: ________________________________
Title: _____________________________

Exhibit C

RELEASE OF GUARANTY AND SECURITIES PLEDGE AGREEMENT

This Release of Guaranty and Securities Pledge Agreement (the "Release") is made as of the 28th day of June, 2002 by LaSalle Bank National Association, a national banking association, as agent (in such capacity, "Agent") for the "Lenders" (as defined in the Loan Agreement referred to below) (together, Agent and the Lenders, the "Releasing Parties"), in favor of Marlene D. Foskett Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989, The Marlene Diane Foskett Trust dated December 31, 1970, Barbara J. McDonough Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989, The Barbara J. McDonough Trust dated December 31, 1970, Robert C. Penny III Trust under agreement Florence R. Penny Children's Trust dated December 28, 1989, and The Robert Clinton Penny Trust Number Two dated December 30, 1974 (collectively, "Guarantors").

WHEREAS, pursuant to that Amended and Restated Loan and Security Agreement dated as of August 31, 2000 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used but not defined herein shall have the meanings set forth in the Loan Agreement), Guarantors have previously executed and delivered to the Agent that certain Guaranty (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty") dated as of June 29, 2001, guarantying certain obligations of Westell Technologies, Inc. and its subsidiaries (collectively, "Borrowers").

WHEREAS, pursuant to the Loan Agreement, Guarantors delivered to Agent a Securities Pledge Agreement dated as of June 29, 2001 (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement").

WHEREAS, Agent and the Borrowers (as defined in the Loan Agreement) intend to enter into a Sixth Amendment to Amended and Restated Loan and Security Agreement and Waiver (the "Sixth Amendment"), which, among other things, provides for the release of the Guaranty and the Pledge Agreement by the Releasing Parties.

NOW THEREFORE, the Releasing Parties hereby agree as follow:

1. Concurrent with the consummation of the Sixth Amendment, the Guaranty shall be terminated, the Releasing Parties shall irrevocably discharge and fully release Guarantors from their obligations and liabilities under the Guaranty and, in accordance with the provisions thereof, the Guaranty shall cease to be of any further force or effect.

2. Concurrent with the consummation of the Sixth Amendment, the Pledge Agreement shall be terminated, the Releasing Parties shall irrevocably discharge and fully release their lien on the Pledged Collateral (as defined in the Pledge Agreement) of Guarantor granted to the Releasing Parties under the Pledge Agreement and, in accordance with the provisions thereof, the Pledge Agreement shall cease to be of any further force or effect.

3. Lender hereby agrees that upon the effectiveness of this Release, Lender shall notify Robertson Stephens, Inc. that (i) Lender's security interest in the Account (as defined in the Pledge Agreement) and (ii) the Account Control Agreement by and between Lender and Robertson Stephens, Inc. dated as of June 29, 2001, are terminated.

4. This Release shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the undersigned has executed this Release as of the date first written above.

AGENT AND LENDER: LASALLE BANK NATIONAL ASSOCIATION, individually and as Agent

By:

Title:

Exhibit D

REAFFIRMATION OF STOCK PLEDGE AGREEMENT

This Reaffirmation of Stock Pledge Agreement dated as of June 28, 2002 (this "Reaffirmation") is entered into between WESTELL TECHNOLOGIES, INC., a Delaware corporation (herein called the "Pledgor"), and LASALLE BANK NATIONAL ASSOCIATION, as Agent (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") among Pledgee, Pledgor, as Agent and as a Lender, and the other lenders from time to time a party thereto, (together with its subsidiaries, Westell, Inc., Westell International, Inc., Conference Plus, Inc. and Teltrend LLC, 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 and that certain Stock Pledge Agreement dated as of June 29, 2001 (each as amended, restated, supplemented or otherwise modified from time to time, collectively, the "Pledge Agreements").

B. Borrowers desire to enter into a Sixth Amendment to Loan and Security Agreement and Waiver dated as of the date hereof (the "Amendment and Waiver") pursuant to which Pledgee has agreed to restructure certain provisions of the Loan and Security Agreement.

C. Pledgor is financially interested in Borrowers.

D. Pledgor desires that Pledgee enter into the Amendment and Waiver.

E. Pledgee is willing to enter into the Amendment and Waiver 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 Agreements, and such liens and security interests shall continue to secure the obligations and liabilities of Borrowers to Pledgee, including but not limited to, all loans made by Pledgee 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: ___________________________

Exhibit E

This instrument was prepared
by (and after recordation
should be returned to):

Scott J. Moore
Jenner & Block, LLC
One IBM Plaza
Chicago, IL 60611

SECOND AMENDMENT TO
MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

This Second Amendment to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing (hereafter, this "Amendment"), is entered into as of the 28th day of June, 2002, by and between Teltrend LLC, a Delaware limited liability company, as successor in interest to Teltrend, Inc. (herein, together with its successors and assigns, called the "Mortgagor") in favor of LASALLE BANK NATIONAL ASSOCIATION, a national banking association, having an office at 135 South LaSalle, Chicago, Illinois 60603 (the "Mortgagee").

RECITALS

WHEREAS, Westell Technologies, Inc., Westell, Inc., Westell International, Inc., Conference Plus, Inc., and Mortgagor, as successor by merger with Teltrend, Inc. (collectively, the "Borrowers"), the financial institutions from time to time parties thereto, including the Mortgagee (collectively, the "Lenders"), and LaSalle Bank National Association, as agent (the "Agent") for the Lenders, are parties to that certain Amended and Restated Loan and Security Agreement dated as of August 31, 2000 (as the same has been amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement");

WHEREAS, the Borrowers are parties to that certain Amended and Restated Revolving Note dated as of May 30, 2002 in the original principal amount of $35,000,000 (the "Original Note");

WHEREAS, as security for the Indebtedness (as defined under the Mortgage) under the Loan Agreement and the Original Note, Mortgagor, as successor by merger with Teltrend, Inc., and Mortgagee are parties to a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of September 4, 2001 and recorded in the office of the County Recorder of Kane County, Illinois as Document No. 2001K104543, as amended by that certain First Amendment to Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of May 30, 2002 (as the same has been or shall be amended, restated, supplemented or otherwise modified from time to time, the "Mortgage"), pursuant to which the Mortgagor granted to Mortgagee a mortgage on

certain real property located in Kane County, Illinois and more particularly described on Exhibit A attached hereto (the "Premises").

WHEREAS, the Mortgagor intends to execute and deliver to Mortgagee (i) a Sixth Amendment to Amended and Restated Loan and Security Agreement and Waiver (the "Amendment and Waiver"), (ii) an Amended and Restated Revolving Note in the original principal amount of $30,000,000 in substitution for and replacement of the Original Note (the "Amended Note"), and (iii) a Term Note in the original principal amount of $5,000,000 (the "Term Note," and, together with the Amended Note, the "Notes");

WHEREAS, Mortgagor and Mortgagee desire to amend the Mortgage as of the Effective Date so as to provide that the Premises continue to secure the obligations and liabilities of the Mortgagor to Mortgagee, as amended, under the Amendment and Waiver and the Notes;

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor and Mortgagee hereby agree as follows:

1. Amendments.

1.1 All references in the Mortgage or in any other agreements executed and/or delivered in connection therewith to the term "Mortgage" shall hereafter be deemed to mean the Mortgage, as amended by this Amendment. Capitalized terms used herein, which are defined in the Mortgage, unless otherwise defined herein, shall have the meanings provided therefor in the Mortgage.

1.2 The Mortgage is hereby amended by deleting the property address listed on the cover page to Exhibit A.

1.3 The Mortgage is hereby amended to provide that the Mortgage continues to secure the obligations and liabilities of the Mortgagor to Mortgagee, in each case, under the Loan Agreement, the Notes, and all such other instruments, documents and agreements executed and/or delivered in connection therewith, in each case as the same have been amended.

1.4 The Mortgage is hereby amended to provide that the term "Note" shall be amended to mean the Notes made by Mortgagor and payable to the order of the Mortgagee at Chicago, Illinois.

1.5 Mortgagor hereby expressly affirms and assumes all of Mortgagor's obligations and liabilities to Mortgagee as set forth in the Mortgage and the other instruments, documents and agreements executed and/or delivered in connection therewith, in each case as the same have been amended, and agrees 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, guarantees, indemnities and covenants contained in the Mortgage and other applicable documents to which such entity is a party, as such obligations and liabilities may have been amended, and as amended by this Amendment.

1.6 The Mortgage is hereby amended in all other respects to include and give effect to the foregoing amendments. As so amended, the Mortgage shall remain in full force and effect and shall continue to constitute the valid and binding obligation of the Mortgagor, enforceable in accordance with its terms, and the Mortgagor hereby affirms and agrees to remain bound by the agreements and covenants set forth in the Mortgage, as amended hereby. The Mortgagor hereby affirms, certifies, makes and confirms all representations and warranties set forth in the Mortgage, as amended hereby. Nothing herein shall be deemed to constitute or shall be construed as a waiver of any rights, remedies or security of or granted to the Mortgagor hereunder or under the Mortgage, and no subordination of the Mortgagee's interest in or lien or mortgage on the Collateral is intended or to be implied hereby.

2. Representations and Warranties.

On the date hereof, after giving effect to this Amendment, Mortgagor represents and warrants to Mortgagee that:

2.1 The affirmative and negative covenants set forth in the Mortgage are not currently being breached as of the date of this Amendment.

2.2 No Default (as such term is defined in the Mortgage) has occurred and is continuing.

3. General Provisions.

3.1 As herein modified or amended, the Mortgage shall remain in full force and effect and is hereby affirmed, confirmed and ratified in all respects.

3.2 This Amendment shall be governed by and construed in accordance with the laws of the State of Illinois.

3.3 On or after the effective date hereof, each reference in the Mortgage or any other agreements or documents executed in connection therewith to "this Mortgage" or words of like import, shall, unless the context otherwise requires, be deemed to refer to the Mortgage as amended hereby.

3.4 This Amendment shall be binding upon the Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor and shall inure to the benefit of Mortgagee, its successors and assigns.

3.5 Mortgagor hereby agrees to pay all out-of-pocket expenses incurred by Mortgagee 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 Mortgagee's counsel, and any filing fees required in connection with the filing of any documents necessary to consummate the provisions of this Amendment.

3.6 The recitals to this Amendment are hereby incorporated into this Mortgage in their entirety and are deemed to be a part thereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the day and year first above written.

Mortgagor:

TELTREND LLC, a Delaware limited liability company

By: WESTELL, INC., its sole member

By:_______________________________
Title:______________________________

Accepted:

LASALLE BANK NATIONAL ASSOCIATION, a national banking association

By: ___________________________
Title: ___________________________

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, ___________________, a notary public in and for said County in the State aforesaid, do hereby certify that _____________________, personally known to me to be the _____________________ of Westell, Inc., an Illinois corporation, the sole member of Teltrend LLC, a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged they as such he signed and delivered the said instrument pursuant to proper authority, as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN, under my hand and notarial seal this ___ day of June, 2002.

Notary Public

My Commission expires:

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, ____________________, a notary public in and for said County in the State aforesaid, do hereby certify that ______________________, personally known to me to be the ______________________ of the LaSalle Bank National Association, a national banking association, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged they as such he signed and delivered the said instrument pursuant to proper authority, as the free and voluntary act and deed of said national banking association, for the uses and purposes therein set forth.

GIVEN, under my hand and notarial seal this ___ day of June, 2002.

Notary Public

My Commission expires:

- ----------------------

EXHIBIT A TO FIRST AMENDMENT TO
MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

Legal Description of the Premises

See attached.

Property Identification Number: 12-01-400-019

Exhibit F

REAFFIRMATION OF
SUBORDINATION AGREEMENT

This Reaffirmation of Subordination Agreement (this "Reaffirmation"), dated and effective as of the 28th day of June, 2002, is executed by and between Solectron Corporation ("Solectron Corp.") and Solectron Technology SDN.BHD. ("Solectron BHD", and, together with Solectron Corp., "Junior Creditor") and LaSalle Bank National Association ("Lender"), 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, (as heretofore or hereafter amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") by and among Lender, individually and as agent (in such capacity, the "Agent"), the other Lenders from time to time a party thereto, Westell Technologies, Inc., ("Technologies"), Westell, Inc., ("Westell"), Westell International, Inc., ("International"), Conference Plus, Inc., ("CPI"), and Teltrend LLC, as successor by merger to Teltrend, Inc. ("Teltrend," and together with Technologies, Westell, International and CPI, being, collectively, the "Borrowers"), Junior Creditor delivered to Lender a certain Subordination Agreement dated as of May 30, 2002 (the "Subordination Agreement").

B. Borrowers intend to enter into a Sixth Amendment to Amended and Restated Loan and Security Agreement and Waiver (herein, as amended or modified from time to time, the "Amendment and Waiver") pursuant to which Lender shall extend the maturity of Borrowers' revolving credit facility and modify and waive certain financial covenants.

C. Junior Creditor will benefit from such modifications and waivers.

D. Junior Creditor desires to induce Agent to execute, deliver and perform the Amendment and Waiver of even date herewith.

E. Agent is willing to enter into the Amendment and Waiver only upon the condition that Junior Creditor execute and deliver this Reaffirmation in favor of Bank.

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

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

2. Junior Creditor hereby reaffirms and agrees that the term "Senior Debt" as used in the Subordination Agreement shall include and refer to, among other things, the obligations, indebtedness and liabilities of the Borrowers to Agent and Lenders pursuant to the Loan Agreement as amended by the Amendment and Waiver and pursuant to the other Loan Documents (as defined in the Loan Agreement) as the same may have been, or may hereafter be, amended, restated, supplemented or otherwise modified from time to time.

3. Junior Creditor hereby expressly reaffirms and assumes (on the same basis as set forth in the Subordination Agreement) all of Junior Creditor's undertakings, obligations and liabilities as set forth in the Subordination Agreement, and agrees 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 Subordination Agreement, as such undertakings, obligations and liabilities may be modified by the Amendment and Waiver and the related amendments to the other Loan Documents.

4. This Reaffirmation shall inure to the benefit of Bank, its successors and assigns and be binding upon Junior Creditor, its successors and assigns.

SOLECTRON CORPORATION, a Delaware corporation

By: ____________________________________

Title: __________________________________

SOLECTRON TECHNOLOGY SDN.BHD.

By: ______________________________________
Title: ___________________________________

Exhibit G

CPI 2002 Nonqualified Stock Plan

(see attached)