

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) JULY 21, 2004

WESTELL TECHNOLOGIES, INC.

(Exact name of registrant as specified in charter)

DELAWARE 0-27266 36-3154957

(State of other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification No.)

750 NORTH COMMONS DRIVE, AURORA, ILLINOIS 60504

(Address of principal executive offices) (Zip Code)

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

N/A

(Former name or former address, if changed since last report)

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On July 21, 2004, Westell Technologies, Inc., issued a press release setting forth its earnings results for the quarter and six months ended June 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1.

The press release filed as Exhibit 99.1 contains certain non-GAAP financial measures. These non-GAAP measures are provided to enhance the investors' overall understanding of the Company's current financial performance. Specifically, we believe the non-GAAP financial measures provide useful information to both management and investors by excluding certain items that may not be indicative of our core operating results. We believe these financial measures are useful to investors in understanding certain non-GAAP information used by management in its financial and operational decision-making. These measures should be considered in addition to results prepared in accordance with GAAP, and are not a substitute for, or superior to, GAAP results. The non-GAAP measures included in the attached press release have been reconciled to the nearest GAAP measure.

The information in this Form 8-K is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Form 8-K shall not be incorporated by reference in any other filing under the Securities Exchange Act of 1934 or Securities Act of 1933 except as shall be expressly set forth by specific reference to this Form 8-K in such filing.

SIGNATURES

Pursuant to the requirements 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.

WESTELL TECHNOLOGIES, INC.

Date: July 21, 2004

By: /s/ Nicholas C. Hindman

Nicholas C. Hindman
Senior Vice President and
Chief Financial Officer

COMPANY POSTS ITS NINTH CONSECUTIVE PROFITABLE QUARTER

AURORA, Ill.--(BUSINESS WIRE)--July 21, 2004--Westell Technologies, Inc. (NASDAQ:WSTL - News), a leading provider of broadband access solutions and conferencing services, today announced the results for its first quarter ending June 30, 2004.

Total revenues for the quarter increased to \$56.2 million from \$55.3 million in the first quarter of last fiscal year.

Westell reported net income for the first quarter of \$3.3 million, or \$0.05 per diluted share, which includes tax expense of \$2.2 million, or \$0.03 per diluted share. Excluding the tax expense, non-GAAP net income in the first quarter increased to \$5.6 million, or \$0.08 per diluted share, compared to \$4.6 million, or \$0.07 per diluted share in the first quarter of last year. A reconciliation of non-GAAP results to GAAP results is provided as part of this press release.

"It is very gratifying to have posted our ninth consecutive quarter of profitability, despite trying market conditions," said Van Cullens, Westell President and CEO. "On the balance sheet, we committed to be debt free by the end of the June 2004 quarter and we are very proud to have achieved that goal," Cullens added.

"We are encouraged by recent indications that DSL deployments appear to be increasing over the June quarter levels. We continue to expect DSL to be stronger in the back half of fiscal 2005," Cullens added.

Cullens continued, "Customer interest and engagement on our new products such as; VersaLink(TM) (Wi-Fi & FTTP), TriLink (TM) (VoIP) and EnVoy(TM) (remote management software), are exceeding our original expectations which we believe could result in orders and shipments beginning in the September quarter."

Outlook

Westell provided guidance for the second fiscal quarter ending September 30, 2004. The Company expects revenue to be in a range of \$57 to \$59 million. Westell expects non-GAAP EPS of \$0.08 (excluding a provision for income tax expense of approximately \$ 2.2 million) and EPS of \$0.05 on a GAAP basis including the provision for tax expense.

New Effective Tax Rate for Fiscal Year 2005 Income Statements

Due to the Company's strong performance in fiscal 2004 and projected future ability to generate taxable income, the Company is required under GAAP to record tax expense in fiscal 2005. The Company's current effective tax rate approximates 40%. Westell does not expect to incur any significant cash tax payments for the foreseeable future as a result of the anticipated utilization of net operating loss carryforwards to reduce its cash tax liabilities.

- o Guidance
- o Reconciliation of Non-GAAP to GAAP Results and GAAP outlook
- o A detailed calculation of non-GAAP net income and net income per

share is included in the attached statement of operations, which also includes equivalent GAAP net income and GAAP net income per share.

Conference Call Information

Westell will host its earnings call on Thursday, July 22nd, at 9:30AM Eastern Time for analysts, shareholders, investors, and the public.

The live earnings call will be available to the public. Participants can join for the voice portion of the call by following the instructions below. Participants must separately register for the call.

To participate in the voice portion:

1. All participants must pre-register by dialing 1-800-299-5919, International 1-402-220-4796.

2. Leave your name and the company whom you represent.
3. To participate in the call on the 22th, please dial ConferencePlus at 1-800-559-1203 no later than 9:15 AM, Eastern Time and ask for the "Westell Technologies Analyst Call". International participants may dial 630-691-2762.

The Company's earnings press release and any related earnings information to be discussed on the earnings call will be posted on the Investor Relations section of the Company's web site at <http://www.westell.com>. Digital Audio Replay of this call will be available one hour following the conclusion of the call by dialing 1-888-843-8996 or 630-652-3044 and entering 9443429#.

About Westell

Westell Technologies, Inc., headquartered in Aurora, Illinois, is a holding company for Westell, Inc. and ConferencePlus, Inc. Westell, Inc. manufactures broadband telecommunications access products. ConferencePlus, Inc. is a collaborative Application Service Provider that manages and hosts voice, video, IP applications and back-office services. Additional information can be obtained by visiting Westell's Web site at www.westell.com. -----

About ConferencePlus

ConferencePlus, a Westell Technologies, Inc. (NASDAQ:WSTL - News) subsidiary, is a leading global provider of audio, web, video and IP conferencing services. ConferencePlus is dedicated to providing high quality, innovative conferencing solutions to its domestic and international clients and telecommunications resellers. ConferencePlus is recognized for outstanding customer service and support to help clients meet their business objectives. The company is headquartered in Schaumburg, Illinois with an international headquarters in Dublin, Ireland. Additional information can be obtained by visiting the ConferencePlus web site at www.conferenceplus.com.

"Safe Harbor" statement under the Private Securities Litigation Reform Act 1995:

Certain statements contained herein including, without limitation, statements containing the words "believe," "on track," "anticipate," "committed" "expect," "estimate", "await," "continue," "intend," "may," "will," "should," and similar expressions are forward looking statements that involve risks and uncertainties. These risks include, but are not limited to, product demand and market acceptance risks, need for financing, the economic downturn in the U.S. economy and telecom market, the impact of competitive products or technologies, competitive pricing pressures, product development, excess and obsolete inventory due to new product development, commercialization and technological delays or difficulties (including delays or difficulties in developing, producing, testing and selling new products and technologies), the effect of Westell's accounting policies, the need for additional capital, the effect of economic conditions and trade, legal social and economic risks (such as import, licensing and trade restrictions) and other risks more fully described in Westell's Annual Report on Form 10-K for the fiscal year ended March 31, 2004 under the section "Risk Factors". Westell undertakes no obligation to release publicly the result of any revisions to these forward looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

WESTELL TECHNOLOGIES, INC.
FINANCIAL RESULTS (CONTINUED)
(Dollars in thousands)

	JUN. 30, 2004	MAR. 31, 2004
	-----	-----
Cash and Short term Investments	9,791	11,241
Receivables	22,998	23,807
Inventory	18,211	16,075
Total current assets	60,305	62,117
Goodwill and long term intangibles	12,126	12,615
Total assets	125,885	129,781
Total current liabilities	24,378	34,492

Bank and Solelectron notes payable	-	2,631	
Total liabilities and minority interest	28,689	38,016	
Shareholders' Equity	97,196	91,765	
Days Sales Outstanding	37	35	

WESTELL TECHNOLOGIES, INC.
FINANCIAL RESULTS

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	Three Months ended Jun. 30,		%
	2004	2003	Change
	-----	-----	-----
Revenues			
NSA	\$ 13,117 (1)	\$ 13,547	-3%
CNE	31,803	30,160	5%
Services	11,252	11,580	-3%
	-----	-----	
Total revenues	56,172	55,287	2%
	-----	-----	
Gross profit			
Equipment	13,282 (1)(6)	15,445	
Services	5,264	4,826	
	-----	-----	
Total gross profit	18,546	20,271	-9%
	-----	-----	
Gross margin			
Equipment	29.6% (1)	35.3%	
Services	46.8%	41.7%	
	-----	-----	
Total gross margin	33.0%	36.7%	
	-----	-----	
Operating expenses			
Sales & marketing	5,352 (6)	5,427	-1%
Expense to revenue	9.5%	9.8%	
General & administrative	4,014 (6)	5,134	-22%
Expense to revenue	7.1%	9.3%	
Research & development	3,574 (6)(7)	4,436	-19%
Expense to revenue	6.4%	8.0%	
Restructuring	--	--	
Expense to revenue	0.0%	0.0%	
Intangibles amortization (2)	364	363	
Expense to revenue	0.6%	0.7%	
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Total operating expenses	13,304	15,360	-13%
	-----	-----	
Expense to revenue	23.7%	27.8%	
Operating income	5,242	4,911	7%
Other income (expense)	361 (3)	156	
Interest expense	(36)	(359)	-90%
	-----	-----	
Income before minority interest and taxes	5,567	4,708	18%
	-----	-----	
Income taxes	2,183	-- (4)	
Minority interest	97	111	
Net income	\$ 3,287	\$ 4,597	
	=====	=====	

Income per common share:		
Basic	0.05	0.07
	-----	-----
Diluted	0.05	0.07
	-----	-----

Average number of common shares
outstanding:

Basic	68,294	65,495
Diluted	70,975	69,014

NON-GAAP RESULTS AND RECONCILIATION TO GAAP

GAAP net income	\$ 3,287	\$ 4,597
Income tax expense	2,183	--
	-----	-----
Non-GAAP net income (5)	\$ 5,470	\$ 4,597
	=====	=====

GAAP Income per basic share	0.05	0.07
Basic per share income tax expense	0.03	--
	-----	-----
Non-GAAP income per basic share (5)	0.08	0.07
	=====	=====

GAAP Income per diluted share	0.05	0.07
Diluted per share income tax expense	0.03	--
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Non-GAAP income per diluted share (5)	0.08	0.07
	=====	=====

FOOTNOTES:

- (1) The Company earned \$883,000 in the three months ended June 30, 2004 for a contractual settlement.
- (2) Teltrend product technology intangible amortization.
- (3) Includes a \$400,000 legal settlement recorded in the three months ended June 30, 2004.
- (4) Valuation allowances were utilized for taxable income.
- (5) Non-GAAP net income and net income per share excludes the impact of tax expense.
- (6) The Company recorded \$1.4 million of bonus and profit sharing accrual in the three months ended June 30, 2003. No bonus or profit sharing was recorded in the three months ended June 30, 2004.
- (7) The Company capitalized \$358,000 of software development costs as an intangible asset.