

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) JANUARY 19, 2005

WESTELL TECHNOLOGIES, INC.

(Exact name of registrant as specified in charter)

DELAWARE	0-27266	36-3154957
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(State of other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

750 NORTH COMMONS DRIVE, AURORA, ILLINOIS	60504
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(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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 19, 2005, Westell Technologies, Inc., issued a press release setting forth its financial results for the three and nine month periods ending December 31, 2004. A copy of the press release is attached hereto as Exhibit 99.1.

The press release furnished 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.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Press release announcing unaudited financial results for the three and nine month periods ending December 31, 2004. (Furnished and not filed with the SEC)

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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: January 19, 2005

By: /s/ Nicholas C. Hindman

Nicholas C. Hindman
Senior Vice President and
Chief Financial Officer

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[logo]

WESTELL NEWS RELEASE

News Release: FOR IMMEDIATE RELEASE

For Additional Information, contact:

SENIOR VICE PRESIDENT & CFO:	TRADE/BUSINESS PRESS:
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WESTELL TECHNOLOGIES REPORTS 3RD QUARTER FISCAL 2005 RESULTS
REVENUE FROM CUSTOMER NETWORKING EQUIPMENT INCREASES 52% YEAR OVER YEAR
COMPANY POSTS IT'S ELEVENTH CONSECUTIVE PROFITABLE QUARTER

AURORA, IL, JANUARY 19, 2005 - - Westell Technologies, Inc. (NASDAQ: WSTL), a leading provider of broadband access solutions and conferencing services, today announced the results for the quarter ending December 31, 2004.

Total revenues for the December quarter increased 24% to \$74.5 million from \$60.0 million in the same quarter of last year and increased 21% from \$61.4 million in the quarter ended September 30, 2004.

Westell reported net income for the December quarter of \$3.7 million, or \$0.05 per diluted share, which includes tax expense of \$2.6 million, or \$0.04 per diluted share. Excluding the tax expense, the non-GAAP net income in the December quarter was \$6.3 million, or \$0.09 per diluted share. A reconciliation of non-GAAP results to GAAP results is provided as part of this press release.

"Our Customer Networking Equipment revenue performance in the December quarter was well beyond our expectations. The early success of our new wireless gateway product, VersaLink(TM), far exceeded even our most optimistic forecast," said Van Cullens, Westell President and CEO. "As a result of this overwhelming initial demand, we expedited production and product delivery, which caused us to incur an incremental cost of approximately \$3 million for the quarter. We expect these incremental expediting costs will decrease in the next quarter. We expect only approximately \$750 thousand of such expense in the March quarter which should contribute to margin improvement," Cullens added.

Mr. Cullens continued, "We remain encouraged by the growth in the broadband market. It is now very evident that our service provider customers are determined to be leaders in the delivery of broadband service, including video and VoIP. Aside from marketing promotions, we believe that market growth will be fueled by continued advancements in DSL, fiber, WiFi, VoIP, Video/Media gateways, home networking and ancillary services. We believe Westell is building a solid foundation of solutions to help customers successfully compete for these emerging opportunities. Our products, including the recently announced TriLink(TM) and Verizon One Gateways; UltraLine(TM); VersaLink(TM); ProLine; and EnVoy(TM) support multiple access options, service management and home networking requirements, all with the high quality and reliability that are Westell hallmarks. We believe these new products, and those we are planning, will expand Westell's traditional position as a preferred supplier in the broadband space," Cullens added.

OUTLOOK

Westell provided guidance for the fourth fiscal quarter ending March 31, 2005. The Company expects revenue to be in the range of \$73-\$77 million. Westell expects EPS to be in a range of \$0.07 to \$0.08 per diluted share (including a provision for income tax expense in the range of \$3.2 to \$3.7

million) and non-GAAP EPS in a range of \$0.11 to \$0.13 per diluted share, excluding the provision for tax expense.

RECONCILIATION OF NON-GAAP TO GAAP RESULTS

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.

Westell will host its earnings call on Thursday, January 20 at 9:30 AM 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 19th please dial ConferencePlus at 1-800-466-1671 no later than 9:15 AM, Eastern Time and ask for the "Westell Technologies Analyst Call". International participants may dial 847-413-3362.

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 10089758#.

ABOUT WESTELL

Westell Technologies, Inc. (NASDAQ: WSTL) headquartered in Aurora, Illinois is a Tier-1 provider of intelligent, carrier-class broadband access products, manufactured using a TL9000 registered quality management system. Westell offers high-speed broadband/DSL and VoIP technology products for carriers, service providers and business enterprises around the world. Additional information can be obtained by visiting Westell's Web site at www.westell.com.

ABOUT CONFERENCEPLUS

Conference Plus, Inc., (ConferencePlus(TM)) a leading global provider of audio, web and videoconferencing services is dedicated to the workplace of the future - now. ConferencePlus is transforming the way work is done through its market-leading multimedia conferencing solutions that combine innovation, proven technology and exceptional customer service. Headquartered in Schaumburg, Illinois with an international headquarters in Dublin, Ireland, ConferencePlus is a subsidiary of Westell Technologies, Inc. (NASDAQ: WSTL). Additional information about ConferencePlus can be obtained by visiting <http://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," "focus," "should," "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.

FINANCIAL TABLES TO FOLLOW:

Westell Technologies, Inc.
Financial Results
(Dollars in thousands except per share amounts)

	Three Months ended			Nine Months ended		
	Dec. 31, 2004	2003	% Change	Dec. 31, 2004	2003	% Change
Revenues						
NSA	\$9,090	\$13,442	-32%	\$33,484 (1)	\$42,025	-20%
CNE	54,484	35,761	52%	125,592	97,805	28%
Services	10,877	10,775	1%	32,946	33,810	-3%
Total revenues	74,451	59,978	24%	192,022	173,640	11%
Gross profit						
Equipment	15,090 (2)	16,036		41,990 (1)(2)	45,834 (3)	
Services	5,468	3,082 (4)		16,393	12,579 (4)	
Total gross profit	20,558	19,118	8%	58,383	58,413	0%
Gross margin						
Equipment	23.7%(2)	32.6%		26.4%(1)(2)	32.8%(3)	
Services	50.3%	28.6%(4)		49.8%	37.2%(4)	
Total gross margin	27.6%	31.9%		30.4%	33.6%	
Operating expenses						
Sales & marketing	5,740	4,647	24%	16,622	14,857	12%
Expense to revenue	7.7%	7.7%		8.7%	8.6%	
General & administrative	4,446	4,545	-2%	13,222	14,014	-6%
Expense to revenue	6.0%	7.6%		6.9%	8.1%	
Research & development	4,053	3,874	5%	11,155	12,630	-12%
Expense to revenue	5.4%	6.5%		5.8%	7.3%	
Restructuring	-	-	(452) (5)	-	-	
Expense to revenue	0.0%	0.0%		-0.2%	0.0%	
Intangibles amortization(6)	324	364		1,012	1,091	
Expense to revenue	0.4%	0.6%		0.5%	0.6%	
Total operating expenses	14,563	13,430	8%	41,559	42,592	-2%

Expense to revenue	19.6%	22.4%	21.6%	24.5%
Gain on sale of assets	-	-	1,453 (7)	-
Operating income	5,995	5,688	5% 18,277	15,821 16%
Other income	395	212	788	403
Interest expense	(7)	(127)	-94% (58)	(683) -92%
Income before minority interest and taxes	6,383	5,773	11% 19,007	15,541 22%
Income taxes	2,614	- (8)	7,364	- (8)
Minority interest	106	23	323	255
Net income	<u>\$3,663</u>	<u>\$5,750</u>	<u>\$11,320</u>	<u>\$15,286</u>

Income per common share:

Basic	0.05	0.09	0.17	0.23
Diluted	0.05	0.08	0.16	0.22

Average number of common shares outstanding:

Basic	68,421	67,373	68,364	66,569
Diluted	71,081	70,897	70,874	70,502

Non-GAAP Results and Reconciliation to GAAP

GAAP net income	\$3,663	\$5,750	\$11,320	\$15,286
Income tax expense	2,614	-	7,364	-

Non-GAAP net income (9)	<u>\$6,277</u>	<u>\$5,750</u>	<u>\$18,684</u>	<u>\$15,286</u>
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GAAP Income per basic share	0.05	0.09	0.17	0.23
Basic per share income tax expense	0.04	-	0.11	-

Non-GAAP income per basic share (9)	<u>0.09</u>	<u>0.09</u>	<u>0.27</u>	<u>0.23</u>
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GAAP Income per diluted share	0.05	0.08	0.16	0.22
Diluted per share income tax expense	0.04	-	0.10	-

Non-GAAP income per diluted share (9)	<u>0.09</u>	<u>0.08</u>	<u>0.26</u>	<u>0.22</u>
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Footnotes:

- (1) The Company earned \$883,000 in the three months ended June 30, 2004 for a contractual settlement.
- (2) Includes approximately \$3 million of expedited production and product delivery costs.
- (3) Includes \$1.2 million to settle a customer contract obligation which arose in the quarter ended September 30, 2003.
- (4) Includes a \$775,000 one time early contract termination penalty of a long distance contract at the Company's Conference Plus, Inc. subsidiary.
- (5) Reversal of restructuring charge resulting from an early lease termination at the Company's Conference Plus subsidiary.
- (6) Teltrend product technology intangible amortization.
- (7) Includes a \$1.5 million gain from the sale of NSA assets.
- (8) Valuation allowances were utilized for taxable income.
- (9) Non-GAAP net income and net income per share excludes the impact of tax expense.

Westell Technologies, Inc.
 Financial Results (continued)
 (Dollars in thousands)

	Dec. 31, 2004	Mar. 31, 2004
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Cash and Short term Investments	21,659	11,241
Receivables	28,477	23,807
Inventory	28,083	16,075
Total current assets	85,380	62,117
Goodwill and intangibles	13,930	13,944
Total assets	148,461	129,781
Total current liabilities	39,130	34,492
Bank and Solectron notes payable	-	2,631
Total liabilities and minority interest	43,107	38,016
Shareholders' Equity	105,354	91,765
Days Sales Outstanding	34	35