

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-Q

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

For the quarterly period ended June 30, 2005

OR

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

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

Commission File Number 0-27266

### **Westell Technologies, Inc.**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of  
incorporation or organization)

**36-3154957**

(I.R.S. Employer  
Identification Number)

**750 N. Commons Drive, Aurora, IL**

(Address of principal executive offices)

**60504**

(Zip Code)

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

**Not applicable**

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

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

Indicate by check mark whether the registrant is an accelerated filer as defined by rule 12b-2 of the Act.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of July 25, 2005:

Class A Common Stock, \$0.01 Par Value – 55,392,575 shares

Class B Common Stock, \$0.01 Par Value – 14,741,872 shares

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**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**FORM 10-Q**  
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**Safe Harbor Statement**

Certain statements contained in this Quarterly Report of Form 10-Q regarding matters that are not historical facts or that contain the words “believe”, “expect”, “intend”, “anticipate” or derivatives thereof and other words of similar meaning, are forward-looking statements. Such forward-looking statements include risks and uncertainties, and actual results may differ materially from those expressed in or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those discussed under “Risk Factors” set forth in Westell Technologies, Inc.’s Annual Report on Form 10-K for the fiscal year ended March 31, 2005. Our actual results may differ from these forward-looking statements. Westell Technologies, Inc. undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or otherwise.

**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

**ASSETS**

	June 30, 2005	March 31, 2005
	(unaudited)	
	(in thousands)	
Current assets:		
Cash and cash equivalents	\$ 30,625	\$ 26,350
Investments	1,283	610
Accounts receivable (net of allowance of \$306,000 and \$278,000 respectively)	33,928	30,167
Inventories	23,923	26,419
Prepaid expenses and other current assets	2,545	2,806
Deferred income tax asset	3,980	3,980
Total current assets	96,284	90,332
Property and equipment:		
Machinery and equipment	43,534	44,505
Office, computer and research equipment	25,505	25,270
Leasehold improvements	8,779	8,810
	77,818	78,585
Less accumulated depreciation and amortization	62,340	62,067
Property and equipment, net	15,478	16,518
Goodwill	6,990	6,990
Intangibles, net	6,307	6,893
Deferred income tax asset and other assets	57,955	59,357
Total assets	\$ 183,014	\$ 180,090

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities:		
Accounts payable	\$ 18,788	\$ 19,671
Accrued expenses	8,684	7,962
Accrued compensation	2,656	6,627
Deferred revenue	1,076	1,234
Current portion of long-term debt	174	318
Total current liabilities	31,378	35,812
Other long-term liabilities	2,089	2,080
Total liabilities	33,467	37,892
Minority interest	2,628	2,540
Stockholders' equity:		
Class A common stock, par \$0.01	549	542
Authorized – 109,000,000 shares		
Issued and outstanding – 54,240,298 shares at March 31, 2005 and 54,943,798 shares at June 30, 2005		
Class B common stock, par \$0.01	147	147
Authorized – 25,000,000 shares		
Issued and outstanding – 14,741,872 shares at March 31, 2005 and June 30, 2005		
Preferred stock, par \$0.01	--	--
Authorized – 1,000,000 shares		
Issued and outstanding - none		
Deferred compensation	(2,270)	(2,476)
Additional paid-in capital	391,881	389,242
Treasury stock at cost – 93,100 shares	(247)	(247)
Cumulative translation adjustment	(412)	(672)
Accumulated deficit	(242,729)	(246,878)
Total stockholders' equity	146,919	139,658
Total liabilities and stockholders' equity	\$ 183,014	\$ 180,090

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



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

	Three Months Ended June 30,	
	2005	2004
		(unaudited)
		(in thousands, except per share data)
Equipment revenue	\$ 63,736	\$ 44,920
Service revenue	11,905	11,252
<b>Total revenues</b>	<b>75,641</b>	<b>56,172</b>
Cost of equipment sales	47,134	31,638
Cost of services	5,864	5,988
<b>Cost of goods sold</b>	<b>52,998</b>	<b>37,626</b>
<b>Gross margin</b>	<b>22,643</b>	<b>18,546</b>
Operating expenses:		
Sales and marketing	6,170	5,352
Research and development	4,657	3,574
General and administrative	4,354	4,014
Intangible amortization	324	364
<b>Total operating expenses</b>	<b>15,505</b>	<b>13,304</b>
<b>Operating income</b>	<b>7,138</b>	<b>5,242</b>
Other (expense) income, net	(178)	361
Interest expense	(4)	(36)
<b>Income before minority interest and income taxes</b>	<b>6,956</b>	<b>5,567</b>
Income taxes	2,713	2,183
Minority interest	94	97
<b>Net income</b>	<b>\$ 4,149</b>	<b>\$ 3,287</b>
<b>Net income per common share:</b>		
Basic	\$ 0.06	\$ 0.05
Diluted	\$ 0.06	\$ 0.05
<b>Weighted average number of common shares outstanding:</b>		
Basic	69,124	68,294
Diluted	71,566	70,975

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

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

	Three Months Ended June 30,	
	2005	2004
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income	\$ 4,149	\$ 3,287
Reconciliation of net income to net cash provided by (used in) operating activities:		
Capitalization of software development costs	--	(358)
Depreciation and amortization	2,558	2,275
Gain on sale of fixed assets	(130)	--
Restructuring	(98)	(163)
Deferred Taxes	1,417	2,006
Minority interest	94	97
Tax benefit received on stock option exercises	1,103	178
Changes in assets and liabilities:		
Accounts receivable	(3,507)	859
Inventory	2,496	(2,136)
Prepaid expenses and other current assets	261	43
Other assets	(15)	97
Accounts payable and accrued expenses	(240)	(2,101)
Accrued compensation	(3,971)	(4,288)
	4,117	(204)
Cash flows from investing activities:		
Purchases of property and equipment	(727)	(294)
Proceeds from the sale of equipment	130	--
Purchase of investments	(673)	--
	(1,270)	(294)
Cash flows from financing activities:		
Net repayment of long-term debt and leases payable	(144)	(2,872)
Proceeds from the issuance of common stock	1,544	1,917
	1,400	(955)
Effect of exchange rate changes on cash	28	3
Net increase (decrease) in cash	4,275	(1,450)
Cash and cash equivalents, beginning of period	26,350	11,241
Cash and cash equivalents, end of period	\$ 30,625	\$ 9,791

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

**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**Note 1. Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles in the United States for complete financial statements. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended March 31, 2005.

In the opinion of management, the unaudited interim financial statements included herein reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's consolidated financial position and the results of operations and cash flows at June 30, 2005 and for all periods presented. The results of operations for the three month period ended June 30, 2005 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2006 ("fiscal year 2006").

**Note 2. Computation of Income 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 following table sets forth the computation of basic and diluted earnings per share:

Dollars in thousands, except per share amounts	Three Months Ended June 30,	
	2005	2004
<b>Basic Earnings per Share:</b>		
Net income	\$ 4,149	\$ 3,287
Average basic shares outstanding	69,124	68,294
Basic net income per share	\$ 0.06	\$ 0.05
<b>Diluted Earnings per Share:</b>		
Net income	\$ 4,149	\$ 3,287
Average basic shares outstanding	69,124	68,294
Effect of dilutive securities: stock options and warrants	2,442	2,681
Average diluted shares outstanding	71,566	70,975
Diluted net income per share	\$ 0.06	\$ 0.05

Options to purchase 3,489,051 and 2,632,108 shares of common stock for the three months ended June 30, 2005 and June 30, 2004, respectively, were not included in the computation of diluted shares because the options' exercise prices were greater than the average market price of the common shares.

**Note 3. Restructuring Charge**

The Company recognized a restructuring expense of \$2.6 million in fiscal year 2003. This charge included personnel and facility costs related primarily to the closing of a Conference Plus, Inc. facility and personnel and facility charges at Westell Limited. Approximately 25 employees were impacted by these reorganizations. In fiscal year 2005, the Company terminated a lease that was partially reserved for in the 2003 restructuring. This termination resulted in the reversal of \$545,000 of restructuring for facility costs. As of June 30, 2005, the Company paid approximately \$2.0 million of these accrued restructuring costs leaving a balance of \$90,000.

**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The Company's restructuring accrual balances, all of which are legal, facility and other costs are presented in the following table:

(in thousands)	Balance March 31, 2005	Paid through June 30, 2005	Balance June 30, 2005
Legal, facility and other costs	\$188	(98)	90

**Note 4. Interim Segment Information**

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

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

Performance of these segments is evaluated utilizing revenue, operating income and total asset measurements. The accounting policies of the segments are the same as those for Westell Technologies, Inc. Segment information for the three-month periods ended June 30, 2004 and 2005, are as follows:

(in thousands)	Telcom Equipment	Telcom Service	Consolidated Total
Three months ended June 30, 2004			
Revenues	\$ 44,920	\$ 11,252	\$ 56,172
Operating income	3,639	1,603	5,242
Depreciation and amortization	1,316	959	2,275
Total assets	108,292	17,593	125,885
Three months ended June 30, 2005			
Revenues	\$ 63,736	\$ 11,905	\$ 75,641
Operating income	5,468	1,670	7,138
Depreciation and amortization	1,751	807	2,558
Total assets	164,128	18,886	183,014

Reconciliation of Operating income for the reportable segments to income before income taxes and minority interest:

(in thousands)	Three Months Ended June 30,	
	2005	2004
Operating income	\$ 7,138	\$ 5,242
Other income (expense), net	(178)	361
Interest expense	(4)	(36)
Income before income taxes and minority interest	\$ 6,956	\$ 5,567



**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**Note 5. Comprehensive Income**

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

(in thousands)	Three Months Ended June 30,	
	2005	2004
Net income	\$ 4,149	\$ 3,287
Other comprehensive income		
Foreign currency translation adjustment	260	49
Comprehensive income	\$ 4,409	\$ 3,336

**Note 6. Inventories**

The components of inventories are as follows:

(in thousands)	June 30,	March 31,
	2005	2005
Raw material	\$ 12,922	\$ 16,827
Work in process	96	217
Finished goods	15,795	14,507
Reserve for excess and obsolete inventory and net realizable value	(4,890)	(5,132)
	\$ 23,923	\$ 26,419

**Note 7. Stock Options**

The Company has elected to follow Accounting Principle Board Opinion No. 25 "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations in accounting for its employee stock options and awards. Under APB No. 25, employee stock options are valued using the intrinsic method, and no compensation expense is recognized since the exercise price of the options equals or is greater than the fair market value of the underlying stock as of the date of the grant. The following table shows the effect on net income and income per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, "Accounting for Stock Based Compensation."

(in thousands, except per-share amounts)	Three months ended June 30,	
	2005	2004
Net income, as reported	\$ 4,149	\$ 3,287
Stock-based employee compensation expense included in reported net earnings, net of related tax effects	--	--
Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1,130)	(967)
Pro forma net income	\$ 3,019	\$ 2,320
Earnings per common share:		
As reported	\$ 0.06	\$ 0.05
Pro forma	\$ 0.04	\$ 0.03
Earnings per common share, assuming dilution:		
As reported	\$ 0.06	\$ 0.05
Pro forma	\$ 0.04	\$ 0.03

**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions for grants in fiscal 2005 and 2006:

	2005	2006
Expected volatility	95%	89%
Risk-free interest rate	3.65%	3.75%
Expected life	5 years	5 years
Expected dividend yield	0.0%	0.0%

**Note 8. Warranty Reserve**

Most of the Company's products carry a limited warranty ranging from one to seven years. The specific terms and conditions of those warranties vary depending upon the product sold. Factors that enter into the estimate of the Company's warranty reserve include the number of units shipped historical and anticipated rates of warranty claims, and cost per claim. The Company periodically assesses the adequacy of its recorded warranty liability and adjusts the reserve as necessary. The Company reports warranty reserve as both current and long term liabilities. The following table presents the changes in the Company's product warranty reserve:

(in thousands)	Three months ended June 30,	
	2005	2004
Total product warranty reserve at the beginning of the period	\$1,806	\$1,853
Warranty expense	548	539
Charged to other accounts	--	--
Deductions	(509)	(554)
Total product warranty reserve at the end of the period	\$1,845	\$1,838

**Note 9. Deferred Compensation**

The Company has a deferred compensation program with the Chief Executive Officer that is funded through a rabbi trust. The rabbi trust qualifies as a Variable Interest Entity under *FASB Interpretation No. 46, Consolidation of Variable Interest Entities* and as such is consolidated in the Company's financial statements. Approximately \$1.3 of cash has been funded into the rabbi trust as of June 30, 2005 and the Company has recorded a \$1.3 million long term liability to accrue for the deferred compensation liability. The rabbi trust is subject to the creditors of the Company. All amounts deferred under this compensation program vest on the earlier of March 31, 2006, the executive's death, permanent disability or a change in control of the Company.

**Note 10. Guarantee**

In conjunction with a sale of product lines and specified fixed assets in fiscal year 2005, the Company provided an unconditional guarantee in the amount of \$1.62 million relating to a 10 year term note payable to the lender that financed the transaction. This guarantee will stay in place until the note is paid in full. The Company must pay all amounts due under the note payable upon demand from the lender. In fiscal year 2005, the Company assessed its obligation under this guarantee pursuant to the provisions of FIN 45, "*Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*" and recorded a \$300,000 liability for the value of the guarantee. The Company will evaluate the liability periodically and adjust the value as required. No adjustments in the liability have been made to date.

**WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 11. New Accounting Pronouncements**

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123R, "Share-Based Payment" ("SFAS 123R"). Under this new standard, companies will no longer be able to account for share-based compensation transactions using the intrinsic value method in accordance with APB 25. Instead, companies will be required to account for such transactions using a fair-value method and recognize the expense over the service period. SFAS 123R allows for several alternative transition methods, but the Company has not yet determined the transition method it will use. On April 14, 2005, the Securities and Exchange Commission announced the adoption of a rule that defers the required effective date of SFAS 123R for registrants to the beginning of the first fiscal year beginning after June 15, 2005. The Company expects to adopt this statement in the first quarter of its 2007 fiscal year. The adoption of SFAS 123R will have an impact on the Company's results of operations, although it will have no incremental impact on the Company's overall financial position.

In January 2005, the Financial Accounting Standards Board (FASB) issued revised Statement of Financial Accounting Standards (SFAS) No. 151, *Inventory Costs*, an amendment of ARB No. 43. The amendments made by SFAS 151 clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges and require the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. SFAS 151 will be effective for the Company beginning in fiscal year 2007. The impact of SFAS 151 is not expected to have a significant impact to the consolidated financial statements.

**Note 12. Subsequent Event**

In July 2005 all 512,820 outstanding warrants were exercised on a cashless basis resulting in the issuance by the Company of 369,036 shares of Class A Common stock.

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

### Overview

The Company is comprised of two segments: telecommunications equipment manufacturer and teleconference services bureau. The equipment manufacturing segment consists of two product lines: Customer Networking Equipment (CNE) products and Network Service Access (NSA) products. The CNE product line includes broadband and digital subscriber line (DSL) technology products that allow the transport of high-speed data over the local loop and enable telecommunications companies to provide broadband services over existing copper infrastructure. The Company's NSA product line consists of manageable and non-manageable T1 transmission equipment, associated mountings and special service plugs for the legacy copper telephone network. Westell realizes the majority of its revenues from the North American market.

The Company's teleconference service segment is comprised of a 91.5% owned subsidiary, Conference Plus, Inc. Conference Plus 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 1000 companies, and serves other customers indirectly through its private label reseller program.

The equipment manufacturing segment of the Company's business consists of two product lines, offering 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 two product lines are:

- *Customer Networking Equipment (CNE)*: Westell's family of broadband products enable the transport of high-speed data over existing local telephone lines and allow telecommunications companies to provide broadband services using their current copper infrastructure. The Company's broadband products also enable residential, small business and Small Office Home Office (SOHO) users to network multiple computers, telephones and other devices to access the Internet. Digital Subscriber Lines (DSL) products make up the majority of the revenue in this product group.
- *Network Service Access (NSA)*: Westell's NSA product family consists of manageable and non-manageable T1 transmission equipment for telephone services, and an array of mounting products used for connecting telephone wires and cables, and special service plugs. The T1 transmission equipment termed Network Interface Units (NIU) and the associated NIU mounting products make up the majority of revenue from this product group.

Below is a table that compares equipment and service revenues for the quarter ended June 30, 2005 with the quarter ended June 30, 2004 by product line.

(in thousands)	Three months ended June 30,			
	2005	%	2004	%
CNE	\$ 53,044	70.1%	\$ 31,803	56.6%
NSA	10,692	14.2%	13,117	23.4%
Total equipment	63,736	84.3%	44,920	80.0%
Services	11,905	15.7%	11,252	20.0%
Total revenues	\$ 75,641		\$ 56,172	

The prices for the products within each market group vary based upon volume, customer specifications and other criteria and are subject to change due to competition among telecommunications manufacturers and service providers. Increasing competition, in terms of the number of entrants and their size, and increasing size of the Company's customers because of past mergers, continues to exert downward pressure on prices for the Company's products.

The Company's customer base is comprised primarily of the Regional Bell Operating Companies (RBOCs), 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 upfront investments in product and market development prior to actual commencement of sales of new products.

To remain competitive, the Company must continue to invest in new product development and invest in targeted sales and marketing efforts to cover new product lines. 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. The Company expects to continue to evaluate new product opportunities and engage in extensive research and development activities.

The Company is focusing on expanding its product offerings in the equipment segment from basic high speed broadband to more sophisticated applications such as networking, VoIP, wireless systems, video, multimedia distribution and control and user interfaces. This will require the Company to continue to invest in research and development and sales and marketing, which could adversely affect short-term results of operations. In view of the Company's reliance on the DSL market for revenues and the unpredictability of orders and pricing pressures, the Company believes that period-to-period comparisons of its financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. Revenues from NSA products such as NIUs have declined in recent years due primarily to reduced demand resulting from the migration by telephone companies to high-speed digital transmission products and the sale of Data Station Termination product lines that occurred in the first quarter of fiscal 2005.

In the equipment manufacturing segment, the Company is focusing on new product opportunities such as the DSL wireless gateway, voice/media-over-IP, and vertical applications. The Company has introduced new products including Ultraline<sup>TM</sup>, ProLine<sup>TM</sup>, VersaLink<sup>TM</sup>, TriLink<sup>TM</sup> and TR-069 compliant software which are targeted at the home networking, small office/home office (SOHO) and small business markets. The Company continues to support the Verizon One product, a multimedia gateway. The Company has multiple evaluations and is entering trials for TriLink<sup>TM</sup>, UltraLine<sup>TM</sup> and the Westell Media Gateway, a variation of the VerizonOne product marketed outside of the United States. The Company continues to focus on expanding existing and new products into the international markets such as Europe, Canada, Mexico and the Pacific Rim.

The Company expects revenue and earnings per share in the quarter ended September 30, 2005 to be lower than revenue and earnings per share in the June 30, 2005 quarter as a result of seasonal weakness, a change in customers promotional strategies, deferred product transitions and additional pricing pressures. The Company expects to sell a higher mix of its Proline<sup>TM</sup> product and fewer VersaLink<sup>TM</sup> units in the quarter ended September 30, 2005 compared to June 30, 2005. As the selling price of VersaLink<sup>TM</sup> is higher than that of the Proline<sup>TM</sup> product, lower revenue is expected. The Company believes that its customers continue to expect growth in the broadband market that the Company's CNE products serve. More users are subscribing to DSL services and some subscribers currently using DSL technology desire new DSL technology as the older modems cannot deliver newer applications that require higher broadband speed.

The NSA market continues to decline as the transition to high-speed digital service continues. The Company expects NSA revenue to continue to decline 10% to 15% per year. The Company's goal is to increase market share in mountings and NIUs in the NSA market to offset in part reduced prices for NIUs and mountings. The Company is investing in new products in the NSA product line that complement the broadband market products such as PowerSpan that may support the deployment of VoIP in residential markets and partnership derived products such as VirtualEdge<sup>TM</sup> and INTELPORT<sup>TM</sup>.

## Results of Operations

### Revenues

Three months ended June 30,

	2005	2004	Change
Consolidated revenue	\$75,641	\$56,172	\$19,469
Equipment revenue:			
CNE	53,044	31,803	21,241
NSA	10,692	13,117	(2,425)
Total equipment revenue	63,736	44,920	18,816
Services revenue	11,905	11,252	653

CNE revenue increased due to a 45% increase in unit sales and an overall increase in selling price per unit of 12% due to the sale of VersaLink<sup>TM</sup> product in fiscal 2005 which has a higher selling price per unit than traditional modems. Traditional modem units sales decreased 10% and had price reduction of 13% in the first quarter of fiscal 2005 compared to the same period in fiscal 2004. NSA revenues decreased due to lower unit sales and lower selling prices per unit. In addition, NSA product revenue in the June 30, 2004 quarter includes an \$883,000 contractual settlement from a customer, \$900,000 of non-recurring revenue and approximately \$500,000 of revenue from a product line subsequently sold. The overall decrease in NSA product revenue is due to reduced demand resulting from the migration by telephone companies to high-speed digital transmission products. Revenue in the services segment increased due to an increase in minutes billed in the fiscal year 2005 quarter offset in part by lower revenue per minute at the Company's Conference Plus, Inc. subsidiary.

*Gross Margin*

Three months ended June 30,

	2005	2004	Change
Consolidated Margin	29.9%	33.0%	(3.1)%
Equipment Margin	26.0%	29.6%	(3.6)%
Service Margin	50.7%	46.8%	3.9%

Gross margin as a percent of sales in the equipment segment declined due primarily to a higher mix of CNE sales and lower NSA sales in the three months ended June 30, 2005 compared to June 30, 2004. In addition, the June 30, 2004 margin includes the \$833,000 contractual settlement mentioned above. The Company believes continued pricing pressures and continued reduction of NSA sales affecting its equipment segment could continue to adversely impact margins in the future. The service margins increase is due to a reduction in long distance rates and a decrease in depreciation expense. It is the Company's strategy to offset the effects of these anticipated price reductions with continued cost reductions and introducing new products that have higher sales prices and margins.

*Sales and Marketing*

Three months ended June 30,

	2005	2004	Change
Consolidated sales and marketing expense	\$6,170	\$5,352	\$818
Equipment sales and marketing expense	4,017	3,808	209
Services sales and marketing expense	2,153	1,544	609

The equipment segment sales and marketing expenses increase was primarily due to salary increases. Sales and marketing expense increase in the Company's services segment was due primarily to more employees at Conference Plus. The Company believes that sales and marketing expense in the future will continue to be a significant percent of revenue and will be required to expand its product lines, bring new products to market and service customers.

*Research and Development*

Three months ended June 30,

	2005	2004	Change
Consolidated research and development expense	4,657	3,574	1,083
Equipment research and development expense	4,200	3,172	1,028
Services research and development expense	457	402	55

The increase in research and development expense is primarily a result of more employees in the period ended June 30, 2005. In addition, the Company capitalized \$358,000 of engineering expenses as an intangible asset for TR-069 compliant software in the three months ended June 30, 2004. No costs were capitalized in the period ended June 30, 2005. The Company believes that research and development expenses will increase in fiscal year 2006 as the Company continues to expand its product offerings. Areas of focus include VoIP, video, multimedia distribution and control, wireless systems, user interfaces and other broadband applications.

*General and Administrative*

Three months ended June 30,

	2005	2004	Change
Consolidated general and administrative expense	\$4,354	\$4,014	\$340
Equipment general and administrative expense	2,579	2,281	298
Services general and administrative expense	1,775	1,733	42

The increase in general and administrative expense in the equipment segment was due primarily to increased fees relating to Sarbanes-Oxley 404 compliance.

*Intangible amortization* Intangible assets include product technology related to the March 17, 2000 acquisition of Teltrend Inc. Intangible amortization expense, which is attributed to the equipment segment, was \$324,000 and \$364,000 for the three months ended June 30, 2005 and 2004, respectively.

*Other income (expense), net* Other income (expense), net was \$178,000 of expense in the three months ended June 30, 2005 and \$361,000 of income for the three-month period ended June 30, 2005. The June 30, 2004 quarter contained income from a \$400,000 legal settlement in the equipment segment. The remainder of other income (expense), net for the three-month period ended June 30, 2004 and all of the three month period ended June 30, 2005 was comprised of interest income earned on temporary cash investments and unrealized gains or losses on intercompany balances denominated in foreign currency.

*Interest expense* Interest expense decreased to \$4,000 in the three months ended June 30, 2005 from \$36,000 in the three months ended June 30, 2004. The decrease in interest expense during the current period is a result of lower net obligations outstanding during the period.

*Income taxes* The Company recorded \$2.7 and \$2.2 million of income tax expense in the three-month periods ended June 30, 2005 and 2004, respectively, based on an estimated tax rate for the year of approximately 39%.

**Liquidity and Capital Resources**

At June 30, 2005, the Company had \$30.6 million in cash and cash equivalents consisting primarily of federal government agency instruments and the highest rated grade corporate commercial paper. At June 30, 2005, the Company had no amounts outstanding and \$28.4 million available under its secured revolving credit facility.

On June 30, 2005, the Company had a revolving credit facility that provided for maximum borrowings of up to \$30 million. The term on the credit facility expires on June 30, 2006. This asset based revolving credit facility provides for total borrowings based upon 85% of eligible accounts receivable and 30% of eligible inventory not to exceed \$4.0 million as of June 30, 2005. The \$4.0 million inventory limitation is reduced by \$0.1 million on the first day of each month. Borrowings under this facility provide for the interest to be paid by the Company at the prime rate or Libor rate plus 2.5%. This credit facility contains covenants regarding EBITDA, tangible net worth and maximum capital expenditures. The Company was in compliance with these covenants on June 30, 2005 and expects to comply with these covenants for the term of the credit facility. The Company expects to replace the existing credit facility with a new facility with similar borrowing capacity prior to June 30, 2006.

In connection with the Company's management changes implemented at its subsidiary Conference Plus, Inc., in fiscal year 2003, the Company purchased 3.2% of the outstanding shares of common stock of Conference Plus, Inc. from former officers of Conference Plus, Inc. for approximately \$1.6 million payable in cash and promissory notes. The purchase price was based upon the minority interest value set forth in an appraisal of Conference Plus, Inc. As of June 30, 2005, there was \$126,000 outstanding under these notes.

The Company's operating activities generated cash of \$4.1 million in the three month period ended June 30, 2005. Cash generated by operations resulted primarily from net income, non-cash depreciation and amortization in both segments and reductions in inventory offset in part by increases in accounts receivable and reductions in accrued compensation in the equipment segment

Capital expenditures for the three month period ended June 30, 2005 were \$727,000. The capital expenditures in the equipment segment were \$400,000 and were primarily for machinery and research and development equipment purchases. The services segment capital expenditures were \$327,000. These expenditures were primarily for computer and telecom bridge equipment.

At June 30, 2005 the Company's principle sources of liquidity were \$30.6 million of cash and the secured revolving credit facility under which the Company was eligible to borrow up to an additional \$28.4 million based upon receivables and inventory levels. Cash in excess of operating requirements, if any, will be invested on a short-term basis in federal government agency instruments and the highest rated grade commercial paper. The Company believes its future cash requirements for the next twelve months will be satisfied by cash generated from operations and its current credit facility.

The Company had deferred tax assets of approximately \$68.5 million at June 30, 2005, consisting primarily of net operating loss carryforwards. The Company has recorded a valuation allowance reserve of \$7.3 million to reduce the recorded net deferred tax asset to \$61.2 million.

The net operating loss carryforwards begin 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. The Company uses estimates of future taxable income and a tax planning strategy that involves the potential sale of the Company's 91.5% subsidiary Conference Plus, Inc. to access the valuation allowance required against deferred tax assets. Management periodically evaluates the recoverability of the deferred tax assets and will adjust the valuation allowance against deferred tax assets accordingly.

#### **Critical Accounting Policies**

There were no changes in critical accounting policies during the quarter.

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

Westell is subject to certain market risks, including foreign currency and interest rates. The Company has foreign subsidiaries in the United Kingdom and Ireland that develop and sell products and services in those respective countries. The Company is exposed to potential gains and losses from foreign currency fluctuations affecting net investments and earnings denominated in foreign currencies. Market risk is estimated as the potential decrease in pretax earnings resulting from a hypothetical decrease in the ending exchange rate of 10%. If such a decrease occurred, the Company would incur approximately \$695,000 in additional other expense based on the ending intercompany balance outstanding at June 30, 2005. The Company's future primary exposure is to changes in exchange rates for the U.S. dollar versus the British pound and the Euro.

As of June 30, 2005, the balance in the cumulative foreign currency translation adjustment account, which is a component of stockholders' equity, was an unrealized loss of \$412,000.

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. In the past 12 months the Company's debt consisted primarily of 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 6.3% to approximately 6.9%) average interest rate on the Company's debt. If such an increase occurred, the Company would incur approximately \$5,000 per annum in additional interest expense based on the average debt borrowed during the twelve months ended June 30, 2005. 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 foreign currency or interest rates.



#### ITEM 4. CONTROLS AND PROCEDURES

##### *Evaluation of Disclosure Controls and Procedures.*

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to the Company, including consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission ("SEC") reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to the Company's management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

##### *Changes in Internal Control Over Financial Reporting.*

There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2005 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

#### **Part II. OTHER INFORMATION**

##### **Item 1. LEGAL PROCEEDINGS**

The Company is involved in various other legal proceedings incidental to the Company's business. Management believes that the outcome of such proceedings will not have a material adverse effect on our consolidated operations or financial condition.

#### **ITEM 6. EXHIBITS**

Exhibit 3.1 Amended and Restated Certificate of Incorporation, as amended.

Exhibit 3.2 Amended and Restated By-laws, as amended.

Exhibit 31.1 Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 31.2 Certification by the Chief Financial Officer Pursuant to Pursuant to Section 302 of the Sarbanes- Oxley Act of 2002

Exhibit 32.1 Certification by the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

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

WESTELL TECHNOLOGIES, INC.  
(Registrant)

DATE: August 9, 2005

By: /s/ E. VAN CULLENS  
E. VAN CULLENS  
Chief Executive Officer

By: /s/ NICHOLAS C. HINDMAN, Sr.  
NICHOLAS C. HINDMAN, Sr.  
Chief Financial Officer

CERTIFICATE OF AMENDMENT  
OF  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
WESTELL TECHNOLOGIES, INC.

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WESTELL TECHNOLOGIES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Company"), DOES HEREBY CERTIFY THAT:

FIRST: The Board of Directors of the corporation approved and adopted the following resolution for amending its Amended and Restated Certificate of Incorporation declaring it advisable and recommended that the amendment be submitted to the stockholders for their consideration:

RESOLVED, that paragraph B of ARTICLE NINTH of the Amended and Restated Certificate of Incorporation of the Company be amended in its entirety to read as follows:

Special Meetings of Stockholders. Special meetings of the stockholders, for any purpose or purposes (except to the extent otherwise provided by law or this Amended and Restated Certificate of Incorporation), may only be called by the Chairman of the Board, the President, a majority of the Board of Directors then in office or stockholders owning at least 25% of the voting power represented by all of the issued and outstanding capital stock of the corporation.

SECOND: The amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by the stockholders of the Company entitled to vote.

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IN WITNESS WHEREOF, WESTELL TECHNOLOGIES, INC. has caused this Certificate to be executed by its Chief Financial Officer this 30th day of September, 2004.

WESTELL TECHNOLOGIES, INC.

By /s/ Nicholas Hindman, Sr.  
Name: Nicholas Hindman, Sr.  
Title: Senior Vice President

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THIRD AMENDMENT  
TO THE  
AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
WESTELL TECHNOLOGIES, INC.

The Amended and Restated Certificate of Incorporation of Westell Technologies, Inc. (the "Corporation") was filed in the office of the Secretary of State of Delaware on November 28, 1995 and was amended by a First Amendment on April 12, 1999 and a Second Amendment on March 17, 2000. This Third Amendment to the Amended and Restated Certificate of Incorporation increases the number of authorized shares of the Class A Common Stock of the Corporation as adopted by the Corporation's Board of Directors and approved by its stockholders at a special meeting in accordance with Section 242 of the General Corporation Law of Delaware.

The first paragraph of Article FIFTH of the Amended and Restated Certificate of Incorporation is hereby amended and restated as follows:

"FIFTH: The total number of shares of all classes of capital stock which the corporation shall have the authority to issue is One Hundred Thirty-Five Million (135,000,000) of which One Hundred Nine Million (109,000,000) shares shall be shares of Class A Common Stock (the "Class A Common Stock") with a par value of \$0.01 per share; Twenty Five Million (25,000,000) shares shall be shares of Class B Common Stock (the "Class B Common Stock") with a par value of \$0.01 per share; and One Million (1,000,000) shares shall be shares of Preferred Stock (the "Preferred Stock") with a par value of \$0.01 per share."

The numbered paragraphs (1) through (17) of Article FIFTH shall remain unchanged.

IN WITNESS WHEREOF, the Corporation has caused this Third Amendment to the Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer this 5th day of November, 2001.

WESTELL TECHNOLOGIES, INC.

/s/ Nicholas C. Hindman

Name: Nicholas C. Hindman, Sr.

Title: Senior Vice President &  
Secretary



SECOND AMENDMENT  
TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
WESTELL TECHNOLOGIES, INC.

The Amended and Restated Certificate of Incorporation of Westell Technologies, Inc. (the "Corporation") was filed in the office of the Secretary of State of Delaware on November 28, 1995 and was amended by a First Amendment on April 12, 1999. This Second Amendment to the Amended and Restated Certificate of Incorporation increases the number of authorized shares of the Class A Common Stock of the Corporation as adopted by the Corporation's Board of Directors and approved by its stockholders at a special meeting in accordance with Section 242 of the General Corporation Law of Delaware.

The first paragraph of Article FIFTH of the Amended and Restated Certificate of Incorporation is hereby amended and restated as follows:

"FIFTH: The total number of shares of all classes of capital stock which the corporation shall have the authority to issue is One Hundred Eleven Million (111,000,000) of which Eighty Five Million (85,000,000) shares shall be shares of Class A Common Stock (the "Class A Common Stock") with a par value of \$0.01 per share; Twenty Five Million (25,000,000) shares shall be shares of Class B Common Stock (the "Class B Common Stock") with a par value of \$0.01 per share; and One Million (1,000,000) shares shall be shares of Preferred Stock (the "Preferred Stock") with a par value of \$0.01 per share."

The numbered paragraphs (1) through (17) of Article FIFTH shall remain unchanged.

IN WITNESS WHEREOF, the Corporation has caused this Second Amendment to the Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer this 17th day of March, 2000.

WESTELL TECHNOLOGIES, INC.

/s/ J. William Nelson  
J. William Nelson  
President

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FIRST AMENDMENT  
TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
WESTELL TECHNOLOGIES, INC.

The Amended and Restated Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of Delaware on November 28, 1995. This First Amendment to the Amended and Restated Certificate of Incorporation increases the number of authorized shares of the Class A Common Stock of Corporation as approved by written consent of the shareholders in accordance with Sections 228 and 242 of the General Corporation Law of Delaware.

The first paragraph of Article FIFTH of the Amended and Restated Certificate of Incorporation is hereby amended and restated as follows:

“FIFTH: The total number of shares of all classes of capital stock which the corporation shall have the authority to issue is Ninety One Million Five Hundred Thousand (91,500,000) of which Sixty Five Million Five Hundred Thousand (65,500,000) shares shall be shares of Class A Common Stock (the “Class A Common Stock”) with a par value of \$0.01 per share; Twenty Five Million (25,000,000) shares shall be shares of Class B Common Stock (the “Class B Common Stock”) with a par value of \$0.01 per share; and One Million (1,000,000) shares shall be shares of Preferred Stock (the “Preferred Stock”) with a par value of \$0.01 per share.”

The numbered paragraphs (1) through (17) of Article FIFTH shall remain unchanged.

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to the Amended and Restated Certificate of Incorporation to be signed by its duly authorized officers this 23rd day of March, 1999.

WESTELL TECHNOLOGIES, INC.

/s/ Stephen J. Hawrysz  
Stephen J. Hawrysz  
Vice President

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AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF

WESTELL TECHNOLOGIES, INC.

The original Certificate of Incorporation was filed with the Secretary of State of Delaware on October 29, 1980 under the name R-COM, INC. An amendment was filed on November 17, 1992 changing its name to Electronic Information Technologies, Inc., and an amendment was filed October 30, 1995 changing its name to Westell Technologies, Inc. This Amended and Restated Certificate of Incorporation restates and integrates the original Certificate of Incorporation and all amendments thereto, and includes amendments adopted by the board of directors and stockholders of Westell Technologies, Inc. as part of this Amendment and Restatement on August 9, 1995 and October 27, 1995 respectively. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of Delaware and shall become effective upon filing with the Secretary of State of the State of Delaware.

FIRST: The name of the corporation is Westell Technologies, Inc.

SECOND: The period of existence of the corporation is perpetual.

THIRD: Its registered office in the State of Delaware is located at 1209 Orange Street, City of Wilmington, County of New Castle, and The Corporation Trust Company is the registered agent at such address.

FOURTH: The nature of the business and the objects and purposes to be transacted, promoted and carried on are to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FIFTH: The total number of shares of all classes of capital stock which the corporation shall have authority to issue is Sixty Nine Million Five Hundred Thousand (69,500,000) of which Forty Three Million Five Hundred Thousand (43,500,000) shares shall be shares of Class A Common Stock (the "Class A Common Stock") with a par value of \$0.01 per share; Twenty Five Million (25,000,000) shares shall be shares of Class B Common Stock (the "Class B Common Stock") with a par value of \$0.01 per share; and One Million (1,000,000) shares shall be shares of Preferred Stock (the "Preferred Stock") with a par value of \$0.01 per share.

(1) Common Stock. Class A Common Stock and Class B Common Stock shall be identical in all respects and shall have equal rights and privileges, except as otherwise provided in this Article FIFTH.

(2) Dividends on Common Stock. Dividends may be paid on either or both the Class A Common Stock and Class B Common Stock as and when declared by the Board of Directors of the corporation out of any funds of the corporation legally available for the payment of dividends, except that so long as any shares of Class A Common Stock are outstanding:

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(a) No dividend (other than a dividend payable in shares of the corporation in the manner provided in subparagraph (2)(b) below) shall be declared or paid upon either class of common stock unless such dividend, at the same rate per share, is simultaneously declared and paid upon both classes of common stock.

(b) Stock dividends declared and paid on Class A Common Stock shall be payable solely in shares of Class A Common Stock and stock dividends declared and paid on Class B Common Stock shall be payable solely in shares of Class B Common Stock. No stock dividend may be declared or paid on the Class A Common Stock unless a stock dividend payable in shares of Class B Common Stock, proportionately on a per-share basis, is simultaneously declared and paid on the Class B Common Stock. No stock dividend may be declared or paid on the Class B Common Stock unless a stock dividend payable in shares of Class A Common Stock, proportionately on a per-share basis, is simultaneously declared and paid on the Class A Common Stock.

(3) Treatment of Common Stock on Liquidation. The holders of both Class A Common Stock and Class B Common Stock shall be entitled to share ratably upon any liquidation, dissolution or winding up of the affairs of the corporation (voluntary or involuntary) in all assets of the corporation. Neither the consolidation nor the merger of the corporation with or into another corporation or corporations, nor a reorganization of the corporation alone, nor the sale or transfer by the corporation of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the corporation for the purposes of this subparagraph (3).

(4) Voting Rights of Common Stock. Except in cases where pursuant to the Delaware General Corporation Law, the holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to vote as separate classes, they shall vote together as a single class, provided that the holders of shares of Class A Common Stock shall have one (1) vote per share of Class A Common Stock held and the holders of shares of Class B Common Stock shall have four (4) votes per share of Class B Common Stock held. Without limiting the generality of the foregoing, the number of authorized shares of Class A Common Stock may be increased or decreased (but not below the number of shares of Class A Common Stock then outstanding) by the affirmative vote of the holders of shares possessing a majority of the votes represented by the outstanding shares of Class A Common Stock and Class B Common Stock voting as a single class as aforesaid. Whenever such holders are entitled pursuant to the Delaware General Corporation Law to vote as separate classes, holders of Class A Common Stock voting as a separate class shall be entitled to one (1) vote per share of Class A Common Stock held and holders of Class B Common Stock voting as a separate class shall be entitled to four (4) votes per share of Class B Common Stock held.

(5) Transfer of Class B Common Stock. No person holding shares of Class B Common Stock (hereinafter called a "Class B Holder") may transfer, and the corporation shall not register the transfer of, such shares of Class B Common Stock, whether by sale, assignment,

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exchange, gift, bequest, appointment or otherwise, except to a "Permitted Transferee" of such Class B Holder.

(a) The term "Permitted Transferee" shall mean:

i) Florence Penny or any of her descendants or their spouses;

ii) Melvin J. Simon, his spouse, or any of their descendants;

iii) Gary F. Seamans, his spouse, or any of their descendants;

iv) any trust, including a voting trust, established for the primary benefit of any person (or persons) who is a Permitted Transferee under (i), (ii) or (iii) above;

v) the guardian of a disabled or adjudicated incompetent Class B Holder or Permitted Transferee;

vi) the Executor or Administrator of the estate of a deceased Class B Holder;

vii) any partnership or corporation in which all record and beneficial owners of all equity interests are Permitted Transferees; and

viii) any other Class B Holder.

(b) If any shares of Class B Common Stock are acquired by any person who is not a Permitted Transferee, all shares of Class B Common Stock then held by such person shall be deemed without further act on anyone's part to be converted into shares of Class A Common Stock, and stock certificates formerly representing such shares of Class B Common Stock shall thereupon and thereafter be deemed to represent the like number of shares of Class A Common Stock.

(c) Notwithstanding anything to the contrary set forth herein, any Class B Holder may pledge such Holder's shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee, and shall remain subject to the provisions of this subparagraph (5). In the event of foreclosure or other similar action by the pledgee, such pledged shares of Class B Common Stock (i) may be transferred to the pledgee if the pledgee is a Permitted Transferee; or (ii) converted into shares of Class A Common Stock and transferred to the pledgee if the pledgee is not a Permitted Transferee.

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(d) For purposes of this subparagraph (5):

i) The relationship of any person that is derived by or through legal adoption shall be considered a natural one.

ii) Each joint owner of shares of Class B Common Stock shall be considered a "Class B Holder" of such shares.

iii) A minor for whom shares of Class B Common Stock are held pursuant to a Uniform Gift to Minors Act or similar law shall be considered a Class B Holder of such shares.

iv) Unless otherwise specified, the term "person" means both natural persons and legal entities.

(e) Shares of Class B Common Stock shall be registered in the names of the beneficial owners thereof and not in "street" or "nominee" name. For this purpose, a "beneficial owner" of any shares of Class B Common Stock shall mean a person who, or an entity which, possesses the power, either singly or jointly, to direct the voting or disposition of such shares. The corporation shall note, or cause to be noted on the certificates for shares of Class B Common Stock, the existence of the restrictions on transfer and registration of transfer imposed by this subparagraph (5).

(6) Optional Conversion of Class B Common Stock.

(a) Each share of Class B Common Stock may at any time be converted, at the option of the holder thereof, into one fully paid and nonassessable (unless otherwise provided in the Delaware General Corporation Law, as from time to time in effect) share of Class A Common Stock. Such right shall be exercised by the surrender of the certificate representing such shares of Class B Common Stock to be converted at the office of the corporation or its transfer agent (the "Transfer Agent") during normal business hours accompanied by a written notice of the election by the holder thereof to convert and (if so required by the corporation or the Transfer Agent) an instrument of transfer, in form satisfactory to the corporation and the Transfer Agent, duly executed by such holder or his duly authorized attorney, together with any funds in the amount of any applicable transfer tax (unless provision satisfactory to the corporation is otherwise made therefor), if required pursuant to subparagraph (6)(c), below.

(b) As promptly as practical after the surrender for conversion of a certificate representing shares of Class B Common Stock in the manner provided in subparagraph (6)(a) above and the payment of funds in any amount required by the provisions of subparagraphs (6)(a)

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and (6)(c), the corporation will deliver or cause to be delivered at its office or at the office of the Transfer Agent to or upon the written order of the holder of such certificate, a certificate or certificates representing the number of fully paid and nonassessable (except as may be otherwise provided in the Delaware General Corporation Law, as from time to time in effect) shares of Class A Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate representing shares of Class B Common Stock and all rights of the holder of such shares of Class B Common Stock as such holder shall cease at such time and the person or persons in whose name or names the certificate or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock at such time; provided, however, that any such surrender and payment on any date when the stock transfer books of the corporation shall be closed shall constitute a transfer to the person or persons in whose name or names the certificate or certificates representing shares of Class A Common Stock are to be issued as the recordholder or holders thereof for all purposes effective immediately prior to the close of business on the next succeeding day on which such stock transfer books are open.

(c) The issuance of certificates for shares of Class A Common Stock upon conversion of shares of Class B Common Stock shall be made without charge for any stamp or similar tax in respect to such issuance. However, if any such certificate is to be issued in a name other than that of the holder of the share or shares of Class B Common Stock converted, the person or persons requesting the issuance thereof shall pay to the corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance, or shall establish to the satisfaction of the corporation that any such tax has been paid.

(7) Mandatory Conversion of Class B Common Stock. Should the number of shares of Class B Common Stock issued and outstanding at any time be equal to or less than 10% of the total number of shares of Class A and Class B Common Stock issued and outstanding at such time, then, without further act, each share of Class B Common Stock shall be converted to one share of Class A Common Stock, and stock certificates formerly representing outstanding shares of Class B Common Stock shall thereupon and thereafter be deemed to represent a like number of shares of Class A Common Stock, and any outstanding right to receive Class B Common Stock shall automatically become the right to receive a like number of shares of Class A Common Stock.

(8) Repurchases of Common Stock. Subject to any applicable provisions of this Article FIFTH, the corporation may at any time or from time to time purchase or

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otherwise acquire shares of its common stock of either class in any manner now or hereafter permitted by law, publicly or privately, or pursuant to any agreement.

(9) Subdivision or Combination of Common Stock. The shares of common stock of either class shall not be subdivided by a stock split, reclassification or otherwise or combined by reverse stock split, reclassification or otherwise unless, at the same time, the shares of common stock of both classes are proportionately, on a per share basis, so subdivided or combined.

(10) Covenant to Reserve Class A Common Stock. The corporation covenants that it will at all times reserve and keep available, solely for the purpose of issuance upon conversion of the outstanding shares of Class B Common Stock, such number of shares of Class A Common Stock as shall be issuable upon the conversion of all such outstanding shares, provided that nothing contained herein shall be construed to preclude the corporation from satisfying its obligations with respect to the conversion of the outstanding shares of Class B Common Stock by delivery of shares of Class A Common Stock which are held in the treasury of the corporation. The corporation covenants that if any shares of Class A Common Stock, required to be reserved for purposes of conversion hereunder, require registration with or approval of any governmental authority under any federal or state law before such shares of Class A Common Stock may be issued upon conversion, the corporation will use reasonable efforts to cause such shares to be duly registered or approved, as the case may be. The corporation covenants that all shares of Class A Common Stock which shall be issued upon conversion of shares of Class B Common Stock, will, upon issue, be fully paid and nonassessable and not entitled to any preemptive rights.

(11) Treatment of Common Stock on Consolidation or Merger. In the event of a merger or consolidation of the corporation with or into another entity (whether or not the corporation is the surviving entity), the holders of each class of common stock shall be entitled to receive the same per share consideration as the per share consideration, if any, received by any holder of each other class of common stock in such merger or consolidation.

(12) Limitation on Issuance of Class B Common Stock. Following the initial issuance of shares of Class B Common Stock pursuant to the Amended and Restated Certificate of Incorporation filed on July 10, 1995, such Class B Common Stock shall be issued by the corporation only (a) in payment of a stock dividend on then outstanding shares of Class B Common Stock as provided in subparagraph (2)(b); or (b) in connection with a stock split, reclassification or other subdivision of then outstanding shares of Class B Common Stock as provided in subparagraph (9), unless such further issuance shall have been approved by the holders of a majority of the voting power of the shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

(13) Status of Reacquired Class B Common Stock. Shares of Class B Common Stock converted, exchanged, purchased, retired or surrendered to the corporation, or which have been issued and reacquired by the corporation in any manner, shall, upon compliance with any applicable provisions of the Delaware General Corporation Law, have the status of authorized and unissued shares of Class B Common Stock and may be reissued subject to the protective conditions or restrictions of subparagraph (12) above.

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(14) Preferred Stock. The Preferred Stock shall be entitled to such preferences in the distribution of dividends and assets, and shall be divided into such series, as the Board of Directors of the corporation shall determine, with full authority in the Board of Directors to determine, prior to issuance, from time to time, the relative preferences, limitations and relative rights of the shares of any series of Preferred Stock, with respect to dividends, redemption, payments on liquidation, sinking fund provisions, conversion privileges and voting rights.

(15) Issuance of Stock. Except as provided in subparagraph (12) above, shares of capital stock of the corporation may be issued by the corporation from time to time in such amounts and proportions and for such consideration (not less than the par value thereof in the case of capital stock having par value) as may be fixed and determined from time to time by the Board of Directors and as shall be permitted by law. No holder of shares of the capital stock of the corporation shall be entitled to any preemptive right to subscribe to any new or additional shares of capital stock of the corporation or securities convertible into shares of capital stock, whether now or hereafter authorized.

(16) Unclaimed Dividends. Any and all right, title, interest and claim in or to any dividends declared by the corporation, whether in cash, stock or otherwise, which are unclaimed by the stockholder entitled thereto for a period of six years after the close of business on the payment date, shall be and be deemed to be extinguished and abandoned; and such unclaimed dividends in the possession of the corporation, its transfer agents or other agents or depositories, shall at such time become the absolute property of the corporation, free and clear of any and all claims of any persons whatsoever.

(17) Affidavits. The corporation may, in connection with preparing a list of stockholders entitled to vote at any meeting of stockholders, or as a condition to the transfer or the registration of Class B Common Stock on the corporation's books, require the furnishing of such affidavits or other proof as it, in its sole discretion, deems necessary to establish that any person is the beneficial owner of shares of Class B Common Stock or is a Permitted Transferee.

SIXTH: The number of directors constituting the board of directors shall be fixed from time to time by or in the manner provided in the By-laws, and may be increased or decreased as therein provided, provided that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

SEVENTH: A member of the corporation's Board of Directors shall not be personally liable to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except for liability of the director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, relating to the payment of unlawful dividends or unlawful stock repurchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall

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be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Article by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

EIGHTH: A. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in paragraph B hereof with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"), provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article or otherwise.

B. Right of Indemnitee to Bring Suit. If a claim under paragraph A of this Article is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought

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by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking the corporation shall be entitled to recover such expenses upon final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met the applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article or otherwise shall be on the corporation.

C. Non-Exclusivity of Rights. The rights of indemnification and to the advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Amended and Restated Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

D. Insurance. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

E. Indemnification of Employees and Agents of the Corporation. The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and to the advancement of expenses, to any employee or agent of the corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

NINTH: A. Stockholder Nomination of a Director Candidate and Introduction of New Business. Advance notice of stockholder nominations for the election of directors and of new business to be brought by stockholders before any meeting of the stockholders of the corporation shall be given in the manner provided by the By-laws of the corporation.

B. Special Meetings of Stockholders. Special meetings of the stockholders, for any purpose or purposes (except to the extent otherwise provided by law or this Amended and Restated Certificate of Incorporation), may only be called by the Chairman of the Board, the President, a majority of the Board of Directors then in office or stockholders owning

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at least a majority of the voting power represented by all of the issued and outstanding capital stock of the corporation.

C. Written Consent by Stockholders Without a Meeting. Except as otherwise specified in this Amended and Restated Certificate of Incorporation, any corporate action upon which a vote of stockholders is required or permitted under the Delaware General Corporation Law, this Amended and Restated Certificate of Incorporation or the By-laws of the corporation may be taken without a meeting, without prior notice and without a vote of stockholders, if stockholders holding stock entitled to vote upon the action, and having not less than the minimum number of votes that would be necessary to authorize and take such action at a meeting at which all shares entitled to vote thereon were present and voted, shall consent in writing to such corporate action being taken. Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given to those stockholders entitled to vote who have not consented in writing to the action.

TENTH: A. By-laws. The Board of Directors of the corporation is authorized to adopt, amend or repeal the By-laws of the corporation, subject to applicable law and any applicable provisions in any resolution of the Board of Directors, except that any By-law provision adopted by the stockholders amending the By-laws after their initial adoption may be amended or repealed only by the holders of Class A and Class B Common Stock possessing not less than a majority of the votes represented by the outstanding Class A and Class B Common Stock of the corporation, voting as a single class.

B. Ballots in the Election of Directors. Elections of directors need not be by written ballot unless the By-laws of the corporation shall so provide.

C. Location of Books. The books of the corporation may be kept at such place within or without the State of Delaware as the By-laws of the corporation may provide or as may be designated from time to time by the Board of Directors of the corporation.

ELEVENTH: Whenever a compromise or arrangement is proposed between the corporation and its creditors or any class of them and/or between the corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or the voting power of stockholders or class of stockholders of the corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the corporation, as the case may be, and also on the corporation.

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TWELFTH: The corporation reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon a stockholder herein are granted subject to this reservation.

IN WITNESS WHEREOF, the corporation has caused this Amended and Restated Certificate to be signed by its duly authorized officers this 28th day of November, 1995.

Attest:

WESTELL TECHNOLOGIES, INC.

/s/ Melvin J. Simon  
Melvin J. Simon,  
Assistant Secretary

/s/ Gary F. Seamans  
Gary F. Seamans, Chairman of  
the Board

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AMENDED AND RESTATED  
BY-LAWS  
OF  
WESTELL TECHNOLOGIES, INC.

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AMENDED AND RESTATED  
BY-LAWS OF  
WESTELL TECHNOLOGIES, INC.

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meeting. All meetings of the stockholders for the election of directors shall be held at such place either within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Time of Annual Meeting. Annual meetings of stockholders shall be held on the second Wednesday in August if not a legal holiday, and if a legal holiday, then on the next business day following, at 10:00 a.m., or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which the stockholders shall elect directors to succeed those whose terms then expire and transact such other business as may properly be brought before the meeting. No stockholder shall have cumulative voting rights.

Section 3. Notice of Annual Meetings. Written or printed notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten or more than sixty days before the date of the meeting.

Section 4. Voting Lists. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the

meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 5. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chairman of the board or the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors then in office, or at the request in writing of stockholders owning shares having at least a majority of the voting power represented by all of the issued and outstanding capital stock of the corporation. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Notice of Special Meetings. Written or printed notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business to be Transacted. Business transacted at any meeting of stockholders shall be limited to the purposes stated in the notice. Any stockholder desiring to nominate an individual to serve as a director of the corporation or desiring to take up any matter at a meeting shall make such nomination or state such business in writing and file such notice with the secretary at least sixty days prior to the meeting date. This provision shall be in addition to any requirement under Rule 14a-8 of Regulation 14A under the Securities Exchange Act of 1934.

Section 8. Quorum and Adjournments. The holders of a majority of the voting power represented by the issued and outstanding Class A Common Stock and the Class B Common Stock, taken together as a single class, and entitled to vote thereat, present in person and represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation; provided, however, that with respect to any matter on which any class of stock is entitled to vote separately as a class, the holders of a majority of the voting power represented by the issued and outstanding shares of such class, present in person and represented by proxy, shall constitute a quorum for purposes of such matter. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. Vote Required. When a quorum is present at any meeting, the vote of the holders of a majority of the voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of a statute or of

the certificate of incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question. Every reference in these bylaws to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock.

Section 10. Voting Rights. Except to the extent required by statute or the certificate of incorporation, holders of Class A Common Stock and Class B Common Stock shall vote together as a single class, each holder of Class A Common Stock shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of Class A Common Stock held by such stockholder, and each holder of Class B Common Stock shall at every meeting of the stockholders be entitled to four votes in person or by proxy for each share of Class B Common Stock held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

Section 11. Action by Stockholders. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting, without prior notice, and without a vote if a consent thereto in writing or by electronic transmission, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the stockholders. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

### ARTICLE III

#### DIRECTORS

Section 1. Number and Term of Office. The number of directors which shall constitute the whole board shall be not less than six nor more than ten and shall be established from time to time by resolution of the board. No reduction in number of directors shall affect the term of any directors then in office. Except as provided in Section 2 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3. General Powers. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or these by-laws directed or required to be exercised or done by the stockholders.

#### MEETINGS OF THE BOARD OF DIRECTORS

Section 4. Place of Meetings. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. Regular Meetings. A regular meeting of the board of directors shall be held without other notice than this by-law, immediately after, and at the same place as, the annual meeting of stockholders. The board of directors may provide, by resolution, the time and place, either within or without the State of Delaware, for the holding of additional regular meetings without other notice than such resolution.

Section 6. Special Meetings. Special meetings of the board may be called by the chairman of the board or the president on one day's notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of any two or more directors.

Section 7. Quorum and Action. At all meetings of the board of directors, a minimum of a majority of the full number of directors in office shall constitute a quorum for the transaction of business and the act of at least 70% of the directors present at any meeting duly held at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Resignations. Any director of the corporation may resign at any time by giving written notice to the board of directors, the chairman of the board, the president, or the secretary of the corporation. Such resignation shall take effect at the time specified therein; and, unless tendered to become effective only upon acceptance thereof, the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Removal. At any meeting of the stockholders any director or directors may be removed from office, without assignment of any reason therefor, by a majority of the voting power entitled to vote in elections of directors.

Section 10. Informal Action. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. The Board of Directors or any committee designated by the Board may take any action required or permitted to be taken by them without a meeting unless otherwise prohibited by law or the Certificate of Incorporation.

Section 11. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person



acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

#### COMMITTEES OF DIRECTORS

Section 12. Appointment and Powers. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, including an Executive Committee, a Compensation Committee and an Audit Committee. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of a committee, to act at the meeting in the place of any such absent or disqualified member. Three (3) members of a committee must be present to constitute a quorum for any committee meeting and the unanimous vote of all committee members present shall be required to approve any matter presented to a committee. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and, unless the resolution so provided, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

#### COMPENSATION OF DIRECTORS

Section 13. Compensation. The board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as a director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

#### ARTICLE IV

##### NOTICES

Section 1. Manner of Notice. Whenever, under the provisions of a statute or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 2. Waiver. Whenever any notice is required to be given under the provisions of a statute or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

## ARTICLE V

### OFFICERS

Section 1. Number and Qualifications. The officers of the corporation shall be chosen by the board of directors and shall be a CEO, a chairman of the board, a vice-president, a secretary and a treasurer. The board of directors may also choose a vice-chairman of the board, a president, additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provide.

Section 2. Election. The board of directors, at its first meeting after each annual meeting of stockholders shall choose a chairman of the board, one or more vice-presidents, a secretary, and a treasurer.

Section 3. Other Officers and Agents. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. Salaries. The salaries of all officers and agents of the corporation shall be fixed by the board of directors or a duly authorized committee of the board.

Section 5. Term of Office. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the directors then in office. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

Section 6. CEO. The CEO shall be the chief executive officer of the corporation. The CEO shall have executive authority to see that all orders and resolutions of the board of directors are carried into effect and, subject to the control vested in the board of directors by statute, by the certificate of incorporation or by these by-laws, shall administer and be responsible for the overall management of the business and affairs of the corporation. The CEO shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation

Section 7. The Chairman. The chairman of the board shall preside at all meetings of the shareholders and of the board of directors, and in general shall perform all duties incident to the office of the chairman of the board and such other duties as from time to time may be assigned to the chairman of the board by the board of directors.

Section 8. The Vice-Chairman of the Board. The vice-chairman of the board, if one is elected, shall perform such duties and have such powers as the board of directors may from time to time prescribe.

Section 9. The President. The president, if one is elected, shall have such duties and have such powers as the board of directors may from time to time prescribe. In the absence of the CEO, or in the event of the absence or inability or refusal to act of the CEO, then the president shall perform the duties of the CEO, and when so acting, shall have all the powers of and be subject to all the restrictions upon the CEO.

Section 10. The Vice-Presidents. In the absence of the CEO and the President, or in the event of the absence or inability or refusal to act of the CEO and the President, then the vice-president (or in the event that there be more than one vice-president, then any executive vice-president and then the other vice-president or vice-presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the CEO, and when so acting, shall have all the powers of and be subject to all the restrictions upon the CEO. The vice-presidents shall perform such other duties and have such other powers as the chief executive officer or the board of directors may from time to time prescribe.

Section 11. The Secretary. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the chief executive officer, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of an assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 12. The Assistant Secretary. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the chief executive officer or the board of directors may from time to time prescribe.

Section 13. The Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the chairman of the board, the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation. If required by the board of directors, he shall give the

corporation a bond (which shall be renewed every six years) in the sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in the case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The Assistant Treasurer. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the chief executive officer or the board of directors may from time to time prescribe.

## ARTICLE VI

### CERTIFICATES OF STOCK, TRANSFERS, AND RECORD DATES

Section 1. Form of Certificates. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the board of directors, or the chairman of the board or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designation, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the Delaware General Corporation Law, in lieu of the foregoing requirements, there may be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Facsimile Signatures. Where a certificate is countersigned (1) by a transfer agent other than the corporation or its employee, or (2) by a registrar other than the corporation or its employee, any other signature on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person

claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representatives, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sums it may direct to indemnify against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfers of Stock. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 5. Fixing Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect or any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 6. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the Delaware General Corporation Law.

## ARTICLE VII GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors, in their absolute discretion, think proper, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the corporation, unless otherwise provided by resolution of the board of directors, shall begin on the first day of April in each year and end on the last day of March in each year.

Section 4. Seal. The corporate seal shall be inscribed thereon with the name of the corporation and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 5. Stock in Other Corporations. Shares of any other corporation which may from time to time be held by this corporation may be represented and voted at any meeting of shareholders of such corporation by the chairman of the board, president or vice-president, or by any proxy appointed in writing by the chairman of the board, president or a vice-president of the corporation, or by any other person or persons thereunto authorized by the board of directors. Shares represented by certificates standing in the name of the corporation may be endorsed for sale or transfer in the name of the corporation by the chairman of the board, president or any vice-president or by any other officer or officers thereunto authorized by the board of directors. Shares belonging to the corporation need not stand in the name of the corporation, but may be held for the benefit of the corporation in the individual name of the treasurer or of any other nominee designated for that purpose by the board of directors.

## ARTICLE VIII

### INDEMNIFICATION

Section 1. Indemnification. (a) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee, agent or fiduciary of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in paragraph (B) of Article EIGHTH of the corporation's certificate of incorporation with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such person in connection with a proceeding (or part thereof)

initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by a person in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that the director or officer is not entitled to be indemnified under this Section or otherwise. The corporation may, by action of its board of directors, grant rights to indemnification, and to the advancement of expenses, to employees and agents of the corporation to the fullest extent and with the same scope and effect as the foregoing indemnification of, and advancement of expenses to, directors and officers.

(b) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

(c) The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under Delaware law.

(d) Any amendment, repeal or modification of any provision of this Section by the stockholders or the directors of the corporation shall not adversely affect any right or protection of a director or officer of the corporation existing at the time of such amendment, repeal or modification.

## ARTICLE IX

### STOCKHOLDER PROTECTION PROVISIONS

Unless approved by the holders of a majority of the shares present and entitled to vote at a duly convened meeting of shareholders, the Company shall not grant any stock options with an exercise price that is less than 100% of the fair market value of the underlying stock on the date of grant, or reduce the exercise price of any stock option granted under any existing or future stock option plan;

This Article IX may not be further amended or repealed without the affirmative vote of the holders of a majority of the shares present and entitled to vote at a duly convened meeting of shareholders. Notwithstanding anything contained herein to the contrary, the provisions in this Article IX shall not apply to any rights offering and related over-allotment subscription offering that is offered to all of the stockholders of the Company on a pro rata basis.

ARTICLE X  
AMENDMENTS

These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or, except with respect to Article IX, by the board of directors at any regular meeting of the board of directors or of the stockholders or at any special meeting of the board of directors or of the stockholders, if notice of such alteration, amendment, repeal or adoption of new by-laws be contained in the notice of such special meeting of the stockholders.



**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, E. Van Cullens, certify that:

- (1) I have reviewed this annual report on Form 10-Q for the period ended June 30, 2005 of the Company;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 9, 2005

/s/ E. VAN CULLENS  
E. Van Cullens  
President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

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

(1) I have reviewed this annual report on Form 10-Q for the period ended June 30, 2005 of the Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 9, 2005

/s/NICHOLAS C. HINDMAN, Sr.

Nicholas C. Hindman, Sr.

Treasurer, Secretary, Senior Vice President and Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Westell Technologies, Inc. (the "Company") on Form 10-Q for the fiscal period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that based on their knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;  
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of and for the periods covered in the Report.

/s/ E. VAN CULLENS

E. Van Cullens  
Chief Executive Officer  
August 9, 2005

/s/NICHOLAS C. HINDMAN, Sr.

Nicholas C. Hindman, Sr.  
Chief Financial Officer  
August 9, 2005

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Westell Technologies, Inc. and will be retained by Westell Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.