UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended December 31, 2017

OR

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

For the transition period from to

Commission File Number 0-27266

Westell Technologies, Inc.
(Exact name of registrant as specified in its charter)

DELAWARE	**36-3154957**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
750 North Commons Drive, Aurora, IL	**60504**
(Address of principal executive offices)	**(Zip Code)**

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

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☒
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of January 26, 2018:

Class A Common Stock, $0.01 Par Value – 12,117,569 shares Class B Common Stock, $0.01 Par Value – 3,484,287 shares

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
FORM 10-Q INDEX

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Cautionary Statement Regarding Forward-Looking Information

Certain statements contained herein that are not historical facts or that contain the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “may,” “will,” “plan,” “should,” or derivatives thereof and other words of similar meaning are forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those expressed in or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, product demand and market acceptance risks, customer spending patterns, need for financing and capital, economic weakness in the United States (“U.S.”) economy and telecommunications market, the effect of international economic conditions and trade, legal, social and economic risks (such as import, licensing and trade restrictions), the impact of competitive products or technologies, competitive pricing pressures, customer product selection decisions, product cost increases, component supply shortages, new product development, excess and obsolete inventory, commercialization and technological delays or difficulties (including delays or difficulties in developing, producing, testing and selling new products and technologies), the ability to successfully consolidate and rationalize operations, the ability to successfully identify, acquire and integrate acquisitions, effects of the Company’s accounting policies, retention of key personnel and other risks more fully described in the Company's Form 10-K for the fiscal year ended March 31, 2017, under Item 1A - Risk Factors. The Company undertakes no obligation to publicly update these forward-looking statements to reflect current events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or otherwise.

Trademarks

The following terms used in this filing are the Company's trademarks: ClearLink®, Kentrox®, Optima Management System®, UDIT®, WESTELL TECHNOLOGIES®, and Westell®. All other trademarks appearing in this filing are the property of their holders.

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WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	(unaudited) December 31, 2017	March 31, 2017	
Assets			
Current assets:			
Cash and cash equivalents	$ 21,492	$ 21,778	
Short-term investments	4,537	—	
Accounts receivable (net of allowance of $90 at December 31, 2017, and March 31, 2017)	11,070	12,075	
Inventories	9,464	12,511	
Prepaid expenses and other current assets	864	1,409	
Total current assets	47,427	47,773	
Land, property and equipment, gross	9,023	16,062	
Less accumulated depreciation and amortization	(7,393)	(14,078)	
Land, property and equipment, net	1,630	1,984	
Intangible assets, net	12,482	15,624	
Tax receivable, non-current	697	—	
Other non-current assets	80	160	
Total assets	$ 62,316	$ 65,541	
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	$ 2,494	$ 4,163	
Accrued expenses	3,528	4,273	
Accrued restructuring	166	1,171	
Deferred revenue	1,931	2,359	
Total current liabilities	8,119	11,966	
Deferred revenue non-current	912	1,102	
Accrued restructuring non-current	—	63	
Other non-current liabilities	341	236	
Total liabilities	9,372	13,367	
Commitments and contingencies (Note 9)			
Stockholders' equity:			
Class A common stock, par $0.01, Authorized – 109,000,000 shares Outstanding – 12,117,569 and 12,015,043[1] shares at December 31, 2017, and March 31, 2017, respectively	121	120	(1)
Class B common stock, par $0.01, Authorized – 25,000,000 shares Issued and outstanding – 3,484,287[1] shares at December 31, 2017, and March 31, 2017	35	35	(1)
Preferred stock, par $0.01, Authorized – 1,000,000 shares Issued and outstanding – none	—	—	
Additional paid-in capital	417,408	416,422	(1)
Treasury stock at cost – 4,628,795 and 4,440,600 [1] shares at December 31, 2017, and March 31, 2017, respectively	(35,891)	(35,335)	
Cumulative translation adjustment	—	608	
Accumulated deficit	(328,729)	(329,676)	
Total stockholders' equity	52,944	52,174	
Total liabilities and stockholders' equity	$ 62,316	$ 65,541	

[1] All common stock (except authorized shares), equity share, and per share amounts have been retroactively adjusted to reflect a one-for-four reverse stock split, which was effective June 7, 2017.

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

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2017	**2016**	**2017**	**2016**
Revenue				
Products	$ 11,754	$ 12,746	$ 43,396	$ 42,240
Services	1,921	2,237	4,085	5,339
Total revenue	13,675	14,983	47,481	47,579
Cost of revenue				
Products	7,114	7,807	26,060	27,788 [1]
Services	485	1,122	1,303	2,805
Total cost of revenue	7,599	8,929	27,363	30,593 [1]
Gross profit	6,076	6,054	20,118	16,986 [1]
Operating expenses				
Research and development	1,542	2,414	6,023	10,018
Sales and marketing	1,950	1,943	6,278	8,220
General and administrative	1,502	1,777	5,022	6,340
Intangible amortization	1,047	1,212	3,142	3,613
Restructuring	—	490	165	3,055
Long-lived assets impairment	—	—	—	1,181
Total operating expenses	6,041	7,836	20,630	32,427
Operating profit (loss)	35	(1,782)	(512)	(15,441)
Other income, net	79	(15)	799 [2]	76
Income (loss) before income taxes	114	(1,797)	287	(15,365)
Income tax benefit (expense)	685 [3]	(10)	660 [3]	(20)
Net income (loss)	$ 799	$ (1,807)	$ 947	$ (15,385)
Net income (loss) per share:				
Basic	$ 0.05	$ (0.12) [4]	$ 0.06	$ (1.00) [4]
Diluted	$ 0.05	$ (0.12) [4]	$ 0.06	$ (1.00) [4]
Weighted-average number of common shares outstanding:				
Basic	15,504	15,391 [4]	15,482	15,315 [4]
Effect of dilutive securities: restricted stock, restricted stock units, performance stock units and stock options [5]	251	—	197	—
Diluted	15,755	15,391 [4]	15,679	15,315 [4]

[1] The nine months ended December 31, 2016, includes $1.6 million of E&O expense for ClearLink DAS inventory and pipeline inventory. See Note 2.
[2] During the quarter ended September 30, 2017, the Company dissolved the NoranTel legal entity, which triggered a one-time foreign currency gain with the reversal of a cumulative translation adjustment. See Note 1.
[3] During the quarter ended December 31, 2017, the Company had income tax benefit from the release of the tax valuation allowance associated with previously generated alternative minimum tax (AMT) credits due to the enacted Tax Reform. See Note 8.
[4] All common stock (except authorized shares), equity share, and per share amounts have been retroactively adjusted to reflect a one-for-four reverse stock split, which was effective June 7, 2017.
[5] The Company had 0.2 million and 0.4 million shares represented by common stock equivalents for the three and nine months ended December 31, 2017 , and 1.0 million and 1.3 million shares represented by common stock equivalents for the three and nine months ended December 31, 2016 , which were not included in the computation of average dilutive shares outstanding because they were anti-dilutive. In periods with a net loss from continuing operations, the basic loss per share equals the diluted loss per share as all common stock equivalents are excluded from the per share calculation.

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

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Net income (loss)	$ 799	$ (1,807)	$ 947	$ (15,385)
Other comprehensive income (loss):				
Foreign currency translation adjustment [1]	—	—	(608)	—
Total comprehensive income (loss)	$ 799	$ (1,807)	$ 339	$ (15,385)

[1] During the quarter ended September 30, 2017, the Company dissolved the NoranTel legal entity, which triggered a one-time foreign currency gain with the reversal of a cumulative translation adjustment. See Note 1.

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock	Cumulative Translation Adjustment	Accumulated Deficit	Total Stockholders' Equity
Balance, March 31, 2017 [1]	$ 120	$ 35	$ 416,422	$ (35,335)	$ 608	$ (329,676)	$ 52,174
Net income	—	—	—	—	—	947	947
Translation adjustment [2]	—	—	—	—	(608)	—	(608)
Common stock issued	3	—	(2)	—	—	—	1
Purchase of treasury stock	(2)	—	—	(556)	—	—	(558)
Stock-based compensation	—	—	988	—	—	—	988
Balance, December 31, 2017	$ 121	$ 35	$ 417,408	$ (35,891)	$ —	$ (328,729)	$ 52,944

[1] All common stock (except authorized shares), equity share, and per share amounts have been retroactively adjusted to reflect a one-for-four reverse stock split, which was effective June 7, 2017.

[2] During the quarter ended September 30, 2017, the Company dissolved the NoranTel legal entity, which triggered a one-time foreign currency gain with the reversal of a cumulative translation adjustment. See Note 1.

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

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine months ended December 31,	
	2017	**2016**
Cash flows from operating activities:		
Net income (loss)	$ 947	$ (15,385)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	3,747	4,714
Long-lived assets impairment	—	1,181
Stock-based compensation	988	1,346
Loss on sale of fixed assets	10	11
Restructuring	165	3,055
Deferred taxes	(697)	20
Gain on disposal of foreign operations	(608)	—
Exchange rate loss (gain)	(20)	44
Changes in assets and liabilities:		
Accounts receivable	1,025	5,098
Inventories	3,047	509
Prepaid expenses and other current assets	545	494
Other assets	80	(7)
Deferred revenue	(618)	686
Accounts payable and accrued expenses	(3,542)	(6,802)
Net cash provided by (used in) operating activities	5,069	(5,036)
Cash flows from investing activities:		
Maturities of held-to-maturity short-term debt securities	—	12,621
Maturities of other short-term investments	474	—
Purchases of held-to-maturity short-term debt securities	—	(2,066)
Purchases of other short-term investments	(5,011)	—
Purchases of property and equipment	(261)	(527)
Net cash provided by (used in) investing activities	(4,798)	10,028
Cash flows from financing activities:		
Purchases of treasury stock	(558)	(146)
Payment of contingent consideration	—	(175)
Net cash provided by (used in) financing activities	(558)	(321)
Gain (loss) of exchange rate changes on cash	1	2
Net increase (decrease) in cash and cash equivalents	(286)	4,673
Cash and cash equivalents, beginning of period	21,778	19,169
Cash and cash equivalents, end of period [1]	$ 21,492	$ 23,842

[1] As of December 31, 2017, the Company has $4.5 million of short-term investments in addition to cash and cash equivalents. See Note 10.

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

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

Note 1. *Basis of Presentation*

Reverse Stock Split

All common stock, equity, share and per share amounts in the financial statements and notes have been retroactively adjusted to reflect a one-for-four reverse stock split, which was effective June 7, 2017.

Description of Business

Westell Technologies, Inc. (the Company) is a holding company. Its wholly owned subsidiary, Westell, Inc., designs and distributes telecommunications products, which are sold primarily to major telephone companies. During the second quarter ended September 30, 2017, the Company dissolved Noran Tel, Inc. (NoranTel) a wholly owned subsidiary of Westell, Inc. NoranTel's operations have been fully incorporated into Westell, Inc. As a result of the wind-up of NoranTel, the Company recognized a one-time $0.6 million foreign currency translation gain, which is presented in Other income, net on the Condensed Consolidated Statements of Operations.

Basis of Presentation and Reporting

The accompanying Condensed Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. The Condensed Consolidated Financial Statements have been prepared using generally accepted accounting principles (GAAP) in the United States for interim financial reporting, and consistent with the instructions of Form 10-Q and Article 10 of Regulation S-X and, accordingly, they do not include all of the information and footnotes required in the annual consolidated financial statements and accompanying footnotes. The Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended March 31, 2017. All intercompany accounts and transactions have been eliminated in consolidation.

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 condensed consolidated financial position and the results of operations, comprehensive income (loss) and cash flows at December 31, 2017, and for all periods presented. The results of operations for the periods presented are not necessarily indicative of the results that may be expected for fiscal year 2018.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and that affect revenue and expenses during the periods reported. Estimates are used when accounting for the allowance for uncollectible accounts receivable, net realizable value of inventory, product warranty accrued, relative selling prices, stock-based compensation, intangible assets fair value, depreciation, income taxes, and contingencies, among other things. Actual results could differ from those estimates.

U.S. Tax Reform

See Note 8, Income Taxes for a discussion of the impact of the recently enacted U.S. Tax Reform legislation.

Recently Adopted Accounting Pronouncements

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory* (ASU 2015-11). The core principle of the guidance is that an entity should measure inventory at the "lower of cost and net realizable value" and options that currently exist for "market value" will be eliminated. The ASU defines net realizable value as the "estimated selling prices in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation." The Company adopted ASU 2015-11 on April 1, 2017. The adoption of this ASU did not have a material impact to the Company's Consolidated Financial Statements or related disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting* (ASU 2017-09). ASU 2017-09 clarifies which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The standard is effective for annual periods, and interim periods within those annual reporting periods, beginning after December 15, 2017, with early adoption permitted. The Company is currently evaluating the potential impact ASU 2017-09 will have on the Company's Consolidated Financial Statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory* (ASU 2016-16). ASU 2016-16 requires the recognition of current and deferred income taxes for intra-entity asset transfers when the transaction occurs. ASU 2016-16 is effective for annual periods, and interim periods within those annual reporting periods, beginning after December 15, 2017. Early adoption is permitted. ASU 2016-16 is effective for the Company in the first quarter of fiscal 2019, and the Company is currently in the process of evaluating the potential impact of adoption of this updated authoritative guidance on the Company's Consolidated Financial Statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flow (Topic 230)* (ASU 2016-15). This update is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The update provides new guidance regarding the classification of debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies,
distributions received from equity method investments, beneficial interests in securitized transactions, and separately identifiable cash flows and application of the predominance principle. This standard will be effective for financial statements issued by public companies for annual periods, and interim periods within those annual reporting periods, beginning after December 15, 2017. Early adoption of the standard is permitted. The standard will be applied in a retrospective approach for each period presented. The Company does not anticipate any immediate impact to the Company upon adoption of ASU 2016-15 as the Company currently does not have any debt.

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). In September 2017, the FASB issued ASU 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)* (ASU 2017-13), which provides additional implementation guidance on the previously issued ASU 2016-02. ASU 2016-02 requires lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The Company is currently evaluating the impact that ASU 2016-02 will have on the Company's Consolidated Financial Statements and related disclosures.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard. ASU 2014-09 is initially scheduled to become effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period; early adoption is not permitted. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) — Deferral of the Effective Date* (ASU 2015-14), which defers the effective date of ASU 2014-09 for one year and permits early adoption as early as the original effective date of ASU 2014-09. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. In 2016, the FASB issued additional guidance to clarify the implementation guidance (ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations*; ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*; ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients:*and ASU 2016-20 *(Topic 606) Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. In September 2017, the FASB issued ASU 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)*. In November 2017, the FASB issued ASU 2017-14, *Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from*

Contracts with Customers (Topic 606). These amendments provide additional clarification and implementation guidance on the previously issued ASU 2014-09.

The Company commenced the assessment of ASU 2014-09 during the first quarter of fiscal year 2018 and developed a project plan to guide the implementation. This project plan includes analyzing the standard's impact on the Company's contract portfolio, comparing historical accounting policies and practices to the requirements of the new standard and identifying potential differences from applying the requirements of the new standard to its contracts. The Company will draft an updated accounting policy, evaluate new disclosure requirements and identify and implement appropriate changes to business processes, systems and controls to support recognition and disclosure under the new standard. The Company continues to evaluate the impact this new standard will have on the current contracts with customers. The Company expects to adopt this new standard effective April 1, 2018, using the modified retrospective method that may result in a cumulative effect adjustment as of the date of adoption. The Company expects to complete its analysis on the impact to its Consolidated Financial Statements prior to the first quarter of fiscal year 2019. The Company will continue to monitor additional changes, modifications, clarifications or interpretations related to this guidance and the impact it will have on the Company's Consolidated Financial Statements and related disclosures.

Significant Accounting Policy Update

Accounts Receivable and Allowance for Doubtful Accounts
Trade accounts receivable are recorded at the invoiced amount less payment discounts and estimated allowance for doubtful accounts. The Company provides allowances for doubtful accounts related to accounts receivable for estimated losses resulting from the inability of its customers to make required payments. The Company takes into consideration the overall quality of the receivable portfolio along with specifically identified customer risks. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations to the Company, the Company provides allowances for bad debts against amounts due to reduce the net realized receivable to the amount it reasonably believes will be collected. In certain of the Company's contracts, contractual billings do not coincide with revenue recognized on the contract. Unbilled accounts receivable represent revenue recorded in excess of amounts billable pursuant to contract provisions and, generally, become billable at contractually specified dates. Unbilled amounts are expected to be collected within one year. As of December 31, 2017 there was $220,000 of unbilled accounts receivable on the Condensed Consolidated Balance Sheets presented in Accounts Receivable. There was no unbilled accounts receivable as of March 31, 2017.

Note 2. *Restructuring Charges*

In the nine months ended December 31, 2017, the Company recorded a restructuring expense of $0.2 million related to employee termination costs that spanned all three segments (the 2018 restructuring).

In the second quarter of fiscal year 2017, the Company approved a restructuring plan (the 2017 restructuring), including discontinuing development of the ClearLink Distributed Antenna System (DAS), a general reduction of headcount that spanned all three segments, and consolidation of facilities in Manchester, NH and Aurora, IL. The Company recognized a restructuring expense of $0.5 million and $3.1 million in the three and nine months ended December 31, 2016. The 2017 restructuring costs totaled $3.2 million in the twelve months ended March 31, 2017, inclusive of non-cash charges of approximately $1.2 million related to losses on leased facilities, $1.3 million of employee termination costs, and $0.7 million of other associated costs. In the nine months ended December 31, 2016, a $1.2 million impairment charge of fixed assets and $1.6 million of E&O expense for ClearLink DAS inventory and pipeline inventory, associated with the IBW segment was recognized. The planned restructuring was substantially completed by March 31, 2017.

As of December 31, 2017, $0.2 million of the restructuring costs, related to the office space from the 2017 restructuring, are unpaid and accrued on the Condensed Consolidated Balance Sheets presented in Accrued restructuring. As of March 31, 2017, $1.2 million and $63,000 of the restructuring costs, primarily related to the office space from the 2015 restructuring and 2017 restructuring, were unpaid and accrued on the Condensed Consolidated Balance Sheets presented in Accrued restructuring and Accrued restructuring non-current, respectively. The restructuring costs are expected to be paid in full by the first quarter of fiscal year 2019 concurrent with the termination date of the contractual lease in Manchester, NH.

Total liability for restructuring charges and their utilization for the nine months ended December 31, 2017, are summarized as follows:

	Nine months ended December 31, 2017		
(in thousands)	Employee-related	Other costs	Total
Liability at beginning of period	$ —	$ 1,234	$ 1,234
Charged	165	—	165
Paid	(165)	(1,068)	(1,233)
Liability at end of period	$ —	$ 166	$ 166

Note 3. *Interim Segment Information*

Segment information is presented in accordance with a "management approach", which designates the internal reporting used by the chief operating decision-maker (CODM) for making decisions and assessing performance as the source of the Company's reportable segments. Westell's Chief Executive Officer is the CODM. The CODM continues to define segment profit as gross profit less research and development expenses. The accounting policies of the segments are the same as those for Westell Technologies, Inc. described in the summary of significant accounting policies included in the Company's Annual Report on Form 10-K for year ended March 31, 2017.

The Company's three reportable segments are as follows:

In-Building Wireless (IBW) Segment

The IBW segment solutions enable cellular coverage in stadiums, arenas, malls, buildings, and other indoor areas not served well or at all by the existing "macro" outdoor cellular network. For commercial service, the IBW segment solutions include distributed antenna systems (DAS) conditioners and digital repeaters. For the public safety market, the IBW segment solutions include half-watt and two-watt repeaters and a battery backup unit. The Company's IBW segment also offers ancillary products that consist of passive system components and antennas for both the commercial and public safety markets.

Intelligent Site Management and Services (ISMS) Segment

The ISMS segment solutions include a suite of remote units which provide machine-to-machine (M2M) communications that enable operators to remotely monitor, manage, and control site infrastructure and support systems. Remote units can be and often are combined with the Company's Optima management software system. The Company also offers support agreement services (i.e., maintenance) and deployment services (i.e., installation).

Communications Network Solutions (CNS) Segment

The CNS segment solutions include a broad range of outdoor network infrastructure offerings consisting of integrated cabinets, power distribution products, copper and fiber connectivity panels, T1 network interface units (NIUs), and tower mounted amplifiers (TMAs).

Segment information for the three and nine months ended December 31, 2017, and 2016, is set forth below:

(in thousands)	Three months ended December 31, 2017			
	IBW	ISMS	CNS	Total
Revenue	$ 5,223	$ 5,802	$ 2,650	$ 13,675
Cost of revenue	2,754	2,642	2,203	7,599
Gross profit	2,469	3,160	447	6,076
Gross margin	47.3%	54.5%	16.9%	44.4%
Research and development	750	547	245	1,542
Segment profit	$ 1,719	$ 2,613	$ 202	4,534
Operating expenses:				
Sales and marketing				1,950
General and administrative				1,502
Intangible amortization				1,047
Operating profit (loss)				35
Other income, net				79
Income tax benefit (expense)				685 [1]
Net income (loss)				$ 799

(in thousands)	Three months ended December 31, 2016			
	IBW	ISMS	CNS	Total
Revenue	$ 6,224	$ 5,525	$ 3,234	$ 14,983
Cost of revenue	3,713	2,730	2,486	8,929
Gross profit	2,511	2,795	748	6,054
Gross margin	40.3%	50.6%	23.1%	40.4%
Research and development	1,307	805	302	2,414
Segment profit	$ 1,204	$ 1,990	$ 446	3,640
Operating expenses:				
Sales and marketing				1,943
General and administrative				1,777
Intangible amortization				1,212
Restructuring				490
Operating profit (loss)				(1,782)
Other income, net				(15)
Income tax benefit (expense)				(10)
Net income (loss)				$ (1,807)

[1] During the quarter ended December 31, 2017, the Company had income tax benefit from the release of the tax valuation allowance associated with previously generated alternative minimum tax (AMT) credits due to the enacted Tax Reform. See Note 8.

(in thousands)	Nine months ended December 31, 2017 IBW	ISMS	CNS	Total
Revenue	$ 20,098	$ 14,662	$ 12,721	$ 47,481
Cost of revenue	10,965	7,157	9,241	27,363
Gross profit	9,133	7,505	3,480	20,118
Gross margin	45.4%	51.2%	27.4%	42.4%
Research and development	3,656	1,635	732	6,023
Segment profit	$ 5,477	$ 5,870	$ 2,748	14,095
Operating expenses:				
Sales and marketing				6,278
General and administrative				5,022
Intangible amortization				3,142
Restructuring				165
Operating profit (loss)				(512)
Other income, net				799 [2]
Income tax benefit (expense)				660 [1]
Net income (loss)				$ 947

(in thousands)	Nine months ended December 31, 2016 IBW	ISMS	CNS	Total
Revenue	$ 18,989	$ 14,773	$ 13,817	$ 47,579
Cost of revenue	13,251	7,552	9,790	30,593 [3]
Gross profit	5,738	7,221	4,027	16,986 [3]
Gross margin	30.2%	48.9%	29.1%	35.7% [3]
Research and development	5,265	3,336	1,417	10,018
Segment profit (loss)	$ 473	$ 3,885	$ 2,610	6,968
Operating expenses:				
Sales and marketing				8,220
General and administrative				6,340
Intangible amortization				3,613
Restructuring				3,055
Long-lived assets impairment				1,181
Operating profit (loss)				(15,441)
Other income, net				76
Income tax benefit (expense)				(20)
Net income (loss)				$ (15,385)

[1] During the quarter ended December 31, 2017, the Company had income tax benefit from the release of the tax valuation allowance associated with previously generated alternative minimum tax (AMT) credits due to the enacted Tax Reform. See Note 8.
[2] During the quarter ended September 30, 2017, the Company dissolved the NoranTel legal entity, which triggered a one-time foreign currency gain with the reversal of a cumulative translation adjustment. See Note 1.
[3] The nine months ended December 31, 2016, includes E&O expense for ClearLink DAS inventory and pipeline inventory. See Note 2.

Segment asset information is not reported to or used by the CODM.

Note 4. ***Inventories***

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

(in thousands)	December 31, 2017	March 31, 2017
Raw materials	$ 3,148	$ 3,871
Finished goods	6,316	8,640
Total inventories	$ 9,464	$ 12,511

Note 5. ***Stock-Based Compensation***

The Westell Technologies, Inc. 2015 Omnibus Incentive Compensation Plan (the 2015 Plan) was approved at the annual meeting of stockholders on September 16, 2015. The 2015 Plan replaced the Westell Technologies, Inc. 2004 Stock Incentive Plan (the 2004 Plan). If any award granted under the 2015 Plan or the 2004 Plan is canceled, terminates, expires, or lapses for any reason, any Shares subject to such award shall again be available for the grant of an award under the 2015 Plan. Shares subject to an award shall not again be made available for issuance under the Plan if such Shares are: (a) shares delivered to or withheld by the Company to pay the grant or purchase price of an award, or (b) shares delivered to or withheld by the Company to pay the withholding taxes related to an award. The stock options, restricted stock awards, and restricted stock units (RSUs) awarded under the 2015 Plan generally vest in equal annual installments over 3 years for employees and 1 year for independent directors. The stock options, restricted stock awards, and RSUs awarded under the 2004 Plan vest in equal annual installments over 4 years. Performance stock units (PSUs) earned vest over the performance period. Certain awards provide for accelerated vesting if there is a change in control (as defined in the 2015 Plan), or when provided within individual employment contracts. The Company accounts for forfeitures as they occur. The Company issues new shares for stock awards under the 2015 Plan.

The following table is a summary of total stock-based compensation expense resulting from stock options, restricted stock, RSUs and PSUs, during the three and nine months ended December 31, 2017, and 2016:

	Three months ended December 31,		Nine months ended December 31,	
(in thousands)	2017	2016	2017	2016
Stock-based compensation expense	$ 316	$ 253	$ 988	$ 1,346
Income tax benefit	—	—	—	—
Total stock-based compensation expense, after taxes	$ 316	$ 253	$ 988	$ 1,346

Stock Options

Stock option activity for the nine months ended December 31, 2017, is as follows:

	Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value [(1)] (in thousands)
Outstanding on March 31, 2017	362,396	$ 4.89	5.4	$ 39
Granted	100,000	3.06		
Exercised	—	—		
Forfeited	(199,483)	3.72		
Expired	(61,018)	5.82		
Outstanding on December 31, 2017	201,895	$ 4.86	4.6	$ 76

(1) The intrinsic value for the stock options is calculated based on the difference between the exercise price of the underlying awards and the Westell Technologies' closing stock price as of the respective reporting date.

Restricted Stock

The following table sets forth restricted stock activity for the nine months ended December 31, 2017:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of March 31, 2017	34,375	$ 4.11
Granted	104,636	3.01
Vested	(66,250)	3.30
Forfeited	—	—
Non-vested as of December 31, 2017	72,761	$ 3.26

RSUs

The following table sets forth the RSU activity for the nine months ended December 31, 2017:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of March 31, 2017	373,886	$ 4.48
Granted	552,000	2.89
Vested	(137,162)	5.05
Forfeited	(239,193)	3.64
Non-vested as of December 31, 2017	549,531	$ 3.11

PSUs

The following table sets forth the PSU activity for the nine months ended December 31, 2017:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of March 31, 2017 (at target)	76,053	$ 3.56
Granted, at target	40,000	3.06
Vested	(49,686)	2.30
Forfeited	(58,867)	2.79
Non-vested as of December 31, 2017 (at target)	7,500	$ 15.30

Note 6. *Product Warranties*

The Company’s products carry a limited warranty ranging from one to five years for the products within the IBW segment, typically one year for products within the ISMS segment, and one to seven years for products within the CNS segment. The specific terms and conditions of those warranties vary depending upon the customer and the products sold. Factors that affect the estimate of the Company’s warranty reserve include: the number of units shipped, 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 current portions of the warranty reserve are $162,000 and $163,000 as of December 31, 2017, and March 31, 2017, respectively, and are presented on the Condensed Consolidated Balance Sheets in Accrued expenses. The non-current portions of the warranty reserves are $287,000 and $232,000 as of December 31, 2017, and March 31, 2017, respectively, and are presented on the Condensed Consolidated Balance Sheets in Other non-current liabilities.

The following table presents the changes in the Company’s product warranty reserve:

	Three months ended December 31,		Nine months ended December 31,	
(in thousands)	2017	2016	2017	2016
Total product warranty reserve at the beginning of the period	$ 446	$ 460	$ 395	$ 436
Warranty expense to cost of revenue	42	12	160	80
Utilization	(39)	(2)	(106)	(46)
Total product warranty reserve at the end of the period	$ 449	$ 470	$ 449	$ 470

Note 7. *Variable Interest Entity and Guarantee*

The Company has a 50% equity ownership in AccessTel Kentrox Australia PTY LTD (AKA). AKA distributes network management solutions provided by the Company and the other 50% owner to one customer. The Company holds equal voting control with the other owner. All actions of AKA are decided at the board level by majority vote. The Company evaluated ASC 810, *Consolidations*, and concluded that AKA is a variable interest entity (VIE) and the Company has a variable interest in the VIE. The Company has concluded that it is not the primary beneficiary of AKA and, therefore, consolidation is not required. As of December 31, 2017, and March 31, 2017, the carrying amount of the Company's investment in AKA was approximately $61,000 and $111,000, respectively, which is presented on the Condensed Consolidated Balance Sheets within Other non-current assets. The Company received a cash dividend payment of $59,000 from AKA during the three months ended September 30, 2017.

The Company's revenue from sales to AKA for the three months ended December 31, 2017, and 2016, was $1.5 million and $0.3 million, respectively. The Company's revenue from sales to AKA for the nine months ended December 31, 2017 and 2016, was $3.2 million and $2.0 million, respectively. Accounts receivable from AKA was $1.0 million and $0.5 million as of December 31, 2017, and March 31, 2017, respectively. Deferred revenue, which primarily relates to AKA maintenance contracts, was $1.5 million and $2.8 million as of December 31, 2017, and March 31, 2017, respectively. The Company also has provided an unlimited guarantee for the performance of the other 50% owner in AKA, which primarily provides support and engineering services to the customer. This guarantee was put in place at the request of the AKA customer. The guarantee, which is estimated to have a maximum potential future payment of $0.7 million, will stay in place as long as the contract between AKA and the customer is in place. The Company would have recourse against the other 50% owner in AKA in the event the guarantee is triggered. The Company determined that it could perform on the obligation it guaranteed at a positive rate of return and, therefore, did not assign value to the guarantee. The Company's exposure to loss as a result of its involvement with AKA, exclusive of lost profits, is limited to the items noted above.

Note 8. *Income Taxes*

At the end of each interim period, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year and uses that rate to provide for income taxes on a current year-to-date basis before discrete items. If a reliable estimate cannot be made, the Company may make a reasonable estimate of the annual effective tax rate, including use of the actual effective rate for the year-to-date. The impact of discrete items is recorded in the quarter in which they occur. The Company utilizes the liability method of accounting for income taxes and deferred taxes, which are determined based on the differences between the financial statements and tax basis of assets and liabilities given the enacted tax laws. The Company evaluates the need for valuation allowances on the net deferred tax assets under the rules of ASC 740, *Income Taxes.* In assessing the realizability of the Company's deferred tax assets, the Company considers whether it is more likely than not that some or all of the deferred tax assets will be realized through the generation of future taxable income. In making this determination, the Company assessed all of the evidence available at the time, including recent earnings, forecasted income projections and historical performance. The Company determined that the negative evidence outweighed the objectively verifiable positive evidence and previously recorded a full valuation allowance against deferred tax assets. The Company will continue to reassess realizability going forward.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Act”). The Act significantly revises the future ongoing U.S. corporate income tax by, among other things, lowering the U.S. corporate federal income tax rate from 34% to 21% effective January 1, 2018. As a result, a blended federal rate of 30.75% is required for the current year income tax expense. Further, the Company is required to re-measure, through income tax expense, its deferred tax assets and liabilities using the enacted rate at which the items are expected to be recovered or settled. During the third quarter, the Company recorded provisional amounts as a result of the re-measurement of the Company’s net deferred tax asset did not result in income tax expense due to the Company’s full valuation allowance position.

Total net deferred tax assets decreased by $14.3 million, which includes a reclassification of the federal alternative minimum tax (“AMT”) credit to long term receivable, discussed below. As of December 31, 2017, the Company had net deferred tax assets of approximately $38.6 million before a valuation allowance of $38.6 million.

The final transition impacts of the Act may differ from the above estimate, possibly materially, due to, among other things, changes in interpretations of the Act, any legislative action to address questions that arise because of the Act, any changes in accounting standards for income taxes or related interpretations in response to the Act, or any updates or changes to estimates the Company has utilized to calculate the transition impacts, including impacts from changes to current year earnings estimates. The Securities Exchange Commission has issued guidance that allows for a measurement period of up to one year after the enactment date of the Act to finalize the recording of the related tax impacts. We currently anticipate finalizing and recording any resulting adjustments in our Form 10-K for our current fiscal year ending March 31, 2018.

As of December 31, 2017, the Company has $697,000 of AMT credit carryforward, which does not expire and is now carried as a tax receivable since, under new federal tax law, the Company expects to recover the entire amount by 2022 via a tax refund. Previously, there was a valuation allowance against the entire AMT credit carryforward. In the third quarter, the Company is reversing the portion of the valuation allowance related to the AMT credit carryforward, resulting in a discrete tax benefit of $697,000.

The Company recorded $685,000 and $660,000 of income tax benefit in the three and nine months ended December 31, 2017, respectively, using an effective income tax rate of 1.76% plus discrete items including the AMT tax benefit described above. The Company recorded $10,000 and $20,000 of income tax expense in the three and nine months ended December 31, 2016, respectively, using an effective rate of (0.13)% plus discrete items. The effective rate in both periods is impacted by the intraperiod allocation as a result of income or loss from continuing operations, and states which base tax on gross margin and not pretax income.

Note 9. ***Commitments and Contingencies***

Litigation and Contingency Reserves

The Company and its subsidiaries are involved in various assertions, claims, proceedings and requests for indemnification concerning intellectual property, including patent infringement suits involving technologies that may be incorporated in the Company’s products, which are being handled and defended in the ordinary course of business. These matters are in various stages of investigation and litigation, and they are being vigorously defended. Although the Company does not expect that the outcome in any of these matters, individually or collectively, will have a material adverse effect on its financial condition or results of operations, litigation is inherently unpredictable. Therefore, judgments could be rendered, or settlements entered, that could adversely affect the Company’s operating results or cash flows in a particular period. The Company routinely assesses all of its litigation and threatened litigation as to the probability of ultimately incurring a liability, and it records its best estimate of the ultimate loss in situations where it assesses the likelihood of loss as probable. As of December 31, 2017, and March 31, 2017, the Company has not recorded any contingent liability attributable to existing litigation.

In the ordinary course of operations, the Company receives claims where the Company believes an unfavorable outcome is possible and/or for which is probable and no estimate of possible losses can currently be made. A significant customer was a defendant in patent infringement claims and is asserting possible indemnity rights under contracts with the Company. The customer has settled one matter, which has been dismissed, and won summary judgment of all claims in the other. The customer has informed the Company that the customer intends to seek to recover from the Company a share of the settlement and defense costs. The Company has not been involved in any settlement discussions nor informed by the customer of any settlement details and therefore management is currently unable to estimate a range of potential loss associated with this claim with any degree of certainty, and the Company is not yet able to calculate the exposure to this claim, which will vary depending upon the settlement reached by the customer and the Company's contribution ratio.

Note 10. ***Short-term Investments***

As of December 31, 2017, the Company owned Certificates of Deposit amounting to $4.5 million held at cost. There were no short-term investments as of March 31, 2017.

Note 11. ***Fair Value Measurements***

Fair value is defined by ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), as the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company’s money market funds are measured using Level 1 inputs.

The following table presents available-for-sale securities measured at fair value on a recurring basis as of December 31, 2017:

(in thousands)	Total Fair Value of Asset or Liability	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets:					
Money market funds	$ 12,724	$ 12,724	—	—	Cash and cash equivalents

The following table presents available-for-sale securities measured at fair value on a recurring basis as of March 31, 2017:

(in thousands)	Total Fair Value of Asset or Liability	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets:					
Money market funds	$ 17,162	$ 17,162	—	—	Cash and cash equivalents

The fair value of the money market funds approximates their carrying amounts due to the short-term nature of these financial assets.

Note 12. ***Share Repurchases***

In May 2017, the Board of Directors authorized a new share repurchase program whereby the Company may repurchase up to an aggregate of $2.0 million of its outstanding Class A Common Stock (the 2017 authorization). The 2017 authorization is in addition to the $0.1 million that was remaining from the August 2011 $20.0 million authorization (the 2011 authorization). There were 133,608 shares repurchased under the 2011 and 2017 authorizations during the nine months ended December 31, 2017 at a weighted average purchase price of $2.98 per share. There were no shares repurchased under the 2011 authorization during the nine months ended December 31, 2016. There was approximately $1.7 million remaining for additional share repurchases under the 2017 authorization as of December 31, 2017.

Additionally, in the nine months ended December 31, 2017, and December 31, 2016, the Company repurchased 54,572 and 44,005 shares of Class A Common Stock, respectively, from certain employees that were surrendered to satisfy the minimum statutory tax withholding obligations on the vesting of restricted stock, RSUs and PSUs. These repurchases were not included in the authorized share repurchase programs and had a weighted-average purchase price of $2.89 and $3.32 per share, respectively.

Note 13. ***Intangible Assets***

Intangible assets include customer relationships, trade names, developed technology and other intangibles. Intangible assets with determinable lives are amortized over their estimated useful lives. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an

impairment loss is recorded for the excess of the asset's carrying amount over its fair value. Intangible asset impairment charges are presented in Intangible amortization on the Condensed Consolidated Statements of Operations.

As a result of the Company reorganizing its reporting structure in the first quarter of fiscal year 2017, the Company reassigned assets and liabilities to reporting units. During the third quarter of fiscal year 2017, the Company experienced triggering events that resulted in the Company testing its intangible assets for impairment. In evaluating whether it is more likely than not that the fair value of the Company's reporting units were less than their carrying value, the Company assessed all relevant events and circumstances and determined that, due to the overall financial performance of the Company and recent change in reporting structure, indicators of impairment were present.

The Company performed an evaluation to test IBW, ISMS and CNS intangible assets for recoverability and concluded there was no impairment during the nine months ended December 31, 2016, for the IBW and ISMS the reporting units. During the third quarter of fiscal 2017, CNS revenue declined more than previously forecasted. As a result, the CNS reporting unit did not pass the recoverability test, therefore the Company completed the second step of the evaluation, which compares the implied fair value of the intangible assets as determined using the multiple-period excess earnings method and the distributor model, with the carrying value to determine the amount of the impairment loss. As a result of that impairment evaluation, the Company concluded that the customer list acquired from the previous ANTONE acquisition for its TMA products was impaired and recorded an impairment charge of $31,000 during the quarter ended December 31, 2016.

There was no intangible asset impairment during the nine months ended December 31, 2017, for the IBW, ISMS and CNS reporting units.

Note 14. ***Accrued Expenses***

The components of accrued expenses are as follows:

(in thousands)	December 31, 2017	March 31, 2017
Accrued compensation	$ 731	$ 1,256
Accrued contractual obligation	1,445	1,445
Other accrued expenses	1,352	1,572
Total accrued expenses	$ 3,528	$ 4,273

Note 15. ***Land, Property, and Equipment***

Long-lived assets consist of property and equipment. Long-lived assets that are held and used should be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived assets might not be recoverable. Due to a significant adverse change in the business climate connected to the ClearLink DAS development project, the Company determined indicators of impairment were present as of June 30, 2016. The Company determined that equipment related to development and manufacturing of this product was fully impaired and recorded an impairment charge of $1.2 million in the nine months ended December 31, 2016. Long-lived asset impairment charges are presented in Long-lived assets impairment on the Condensed Consolidated Statements of Operations. See Note 2 *Restructuring Charges*.

There was no long-lived asset impairment during the nine months ended December 31, 2017.

The components of fixed assets are as follows:

(in thousands)	December 31, 2017	March 31, 2017
Land	$ 672	$ 672
Machinery and equipment	1,603	1,698
Office, computer and research equipment	5,473	6,012
Leasehold improvements	1,275	7,680
Land, property and equipment, gross	$ 9,023	$ 16,062
Less accumulated depreciation and amortization	(7,393)	(14,078)
Land, property and equipment, net	$ 1,630	$ 1,984

The significant decrease in the gross fixed assets and accumulated depreciation is primarily related to the disposals of fully depreciated leasehold improvements associated with a building operating lease that ended on September 30, 2017.

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

Overview

The following discussion should be read together with the Condensed Consolidated Financial Statements and the related Notes thereto and other financial information appearing elsewhere in this Form 10-Q. All references herein to the term "fiscal year" shall mean a year ended March 31 of the year specified.

Westell Technologies, Inc., (the Company) is a leading provider of high-performance wireless infrastructure solutions focused on innovation and differentiation at the edge of communication networks where end users connect. The Company's portfolio of products and solutions enable service providers and network operators to improve performance and reduce operating expenses. With millions of products successfully deployed worldwide, Westell is a trusted partner for transforming networks into high performance, reliable systems.

The Company's three reportable segments are as follows:

In-Building Wireless (IBW) Segment

The IBW segment solutions enable cellular coverage in stadiums, arenas, malls, buildings, and other indoor areas not served well or at all by the existing "macro" outdoor cellular network. For commercial service, the IBW segment solutions include distributed antenna systems (DAS) conditioners and digital repeaters. For the public safety market, the IBW segment solutions include half-watt and two-watt repeaters and a battery backup unit. The Company's IBW segment also offers ancillary products that consist of passive system components and antennas for both the commercial and public safety markets.

Intelligent Site Management and Services (ISMS) Segment

The ISMS segment solutions include a suite of remote units which provide machine-to-machine (M2M) communications that enable operators to remotely monitor, manage, and control site infrastructure and support systems. Remote units can be and often are combined with the Company's Optima management software system. The Company also offers support agreement services (i.e., maintenance) and deployment services (i.e., installation).

Communications Network Solutions (CNS) Segment

The CNS segment solutions include a broad range of outdoor network infrastructure offerings consisting of integrated cabinets, power distribution products, copper and fiber connectivity panels, T1 network interface units (NIUs), and tower mounted amplifiers (TMAs).

Customers

The Company's customer base for its products includes communications service providers, systems integrators, neutral-host operators, and distributors. Due to the stringent customer quality specifications and regulated environments in which customers operate, the Company must undergo lengthy approval and procurement processes prior to selling most of its products. Accordingly, the Company must make significant up-front investments in product and market development prior to actual commencement of sales of new products. The prices for the Company's products vary based upon volume, customer specifications, and other criteria, and are subject to change for a variety of reasons, including cost and competitive factors.

To remain competitive, the Company must continue to invest in new product development and/or in targeted sales and marketing efforts to launch new product features and lines. Failure to increase revenues from new products, whether due to lack of market acceptance, competition, technological change, purchasing decisions, meeting technical specifications or otherwise, could 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 invest in product research and development activities.

In view of the Company's reliance on the communications infrastructure market for revenues, the project nature of the business, the unpredictability of orders, and pricing pressures, the Company believes that period-to-period comparisons of its financial results should not be relied upon as an indication of future performance. The Company has experienced quarterly fluctuations in customer ordering and purchasing activity due primarily to the project-based nature of the business and to budgeting and procurement patterns toward the end of the calendar year or the beginning of a new calendar year. While these factors can result in the greatest fluctuations in the Company's third and fourth fiscal quarters, this is not always consistent and may not always correlate to financial results.

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Other Matters

During the fourth quarter of fiscal year 2017, the Company executed a new three-year lease beginning in October 2017 for approximately 83,000 square feet, a portion of our current Aurora, Illinois headquarters facility. The reduced footprint is more suitable to our current operation and is expected to generate cash savings of approximately $2.0 million annually compared to the lease which expired on September 30, 2017.

On May 17, 2017, the Company issued a press release announcing that the Company's Board of Directors approved a share repurchase program of up to $2.0 million of its Class A common stock.

Effective June 7, 2017, the Company effected a reverse stock split of its outstanding Class A and Class B Common Stock at a ratio of one-for-four. The reverse stock split is intended to increase the per share trading price of Westell's common stock to satisfy the $1.00 minimum bid price requirement for continued listing on the NASDAQ Capital Market. All common stock, equity, share and per share amounts in the financial statements and notes have been retroactively adjusted to reflect the reverse stock split.

Results of Operations

Below is a table that compares revenue for the three and nine months ended December 31, 2017, and 2016, by segment.

Revenue

	Three months ended December 31,			Nine months ended December 31,		
(in thousands)	2017	2016	Change	2017	2016	Change
IBW	$ 5,223	$ 6,224	$ (1,001)	$ 20,098	$ 18,989	$ 1,109
ISMS	5,802	5,525	277	14,662	14,773	(111)
CNS	2,650	3,234	(584)	12,721	13,817	(1,096)
Consolidated revenue	$ 13,675	$ 14,983	$ (1,308)	$ 47,481	$ 47,579	$ (98)

IBW revenue was $5.2 million and $20.1 million in the three and nine months ended December 31, 2017, compared to $6.2 million and $19.0 million in the same periods in the prior year. The decrease in revenue in the three months ended December 31, 2017 was due primarily to a decrease in sales of DAS conditioners, commercial repeaters, and system components, partially offset by an increase in public safety products. The increase in revenue for the nine months ended December 31, 2017, was primarily driven by increases in sales of DAS conditioners, public safety products, and system components, partially offset by a drop in sales of commercial repeaters. While the market for our Universal DAS Interface Tray (UDIT), a stand-alone active DAS conditioner, remains strong, the market is expected to shift to where the primary function of stand-alone conditioners, attenuating the RF signal, is integrated into larger network elements, such as the DAS head-end. It is also expected that the market for commercial repeaters will either remain flat or continue to decline, as customers continue to shift to other forms of commercial in-building coverage, such as small cells. The IBW public safety market is expected to grow as local municipalities pass and enforce ordinances that define in-building cellular communication coverage for public safety in buildings.

ISMS revenue was $5.8 million and $14.7 million in the three and nine months ended December 31, 2017, respectively, compared to $5.5 million and $14.8 million in the same respective periods in the prior year. The increase in revenue in the three months ended December 31, 2017 was driven primarily by increased sales of remote units. The decrease in revenue for the nine months ended December 31, 2017, was primarily due to a decrease in service revenue (both deployment and support), partially offset by increased product revenue (both remote units and Optima software). Due to the fact that our ISMS business is project-based, it is difficult to make a determination on future trends.

CNS revenue was $2.7 million and $12.7 million in the three and nine months ended December 31, 2017, respectively, compared to $3.2 million and $13.8 million in the same respective periods in the prior year. The decrease in revenue in the three months ended December 31, 2017 was driven primarily by lower sales of T1 NIUs. The decrease in revenue for the nine months ended December 31, 2017, was primarily due to lower sales of TMAs, T1 NIUs, and copper and fiber connectivity panels, and was partially offset by increased sales of integrated cabinets. We expect sales of integrated cabinets, which are heavily project-based, to remain uneven, while sales of power distribution panels are expected to remain steady. We expect T1 NIU and TMA revenue to decrease over time as these products are in declining markets.

Gross Margin

	Three months ended December 31,			Nine months ended December 31,		
	2017	2016	Change	2017	2016	Change
IBW	47.3%	40.3%	7.0 %	45.4%	30.2%	15.2 %
ISMS	54.5%	50.6%	3.9 %	51.2%	48.9%	2.3 %
CNS	16.9%	23.1%	(6.2)%	27.4%	29.1%	(1.7)%
Consolidated gross margin	44.4%	40.4%	4.0 %	42.4%	35.7%	6.7 %

The consolidated gross margins increased in the three and nine months ended December 31, 2017 compared to the same periods in the prior year. The increases were driven primarily by the IBW segment margin increases, which were largely due to the outsourcing of final assembly and test operations, plus in the nine month period ended December 31, 2016, a one-time charge of $1.4 million for obsolete inventory associated with the Company's decision to discontinue the ClearLink DAS program in the quarter ended June 30, 2016. The ISMS and CNS segment gross margin changes were primarily attributable to product revenue mix changes within each of those segments as noted above.

Research and Development

	Three months ended December 31,			Nine months ended December 31,		
(in thousands)	2017	2016	Change	2017	2016	Change
IBW	$ 750	$ 1,307	$ (557)	$ 3,656	$ 5,265	$ (1,609)
ISMS	547	805	(258)	1,635	3,336	(1,701)
CNS	245	302	(57)	732	1,417	(685)
Consolidated research and development expense	$ 1,542	$ 2,414	$ (872)	$ 6,023	$ 10,018	$ (3,995)

Consolidated research and development expenses decreased by $0.9 million and $4.0 million in the three and nine months ended December 31, 2017, respectively, compared to the same periods in the prior year. The decreases were part of the Company's resetting of its expense structure, which included R&D expense reductions across all three segments to a level more suitable to current revenues.

Sales and Marketing

	Three months ended December 31,			Nine months ended December 31,		
(in thousands)	2017	2016	Change	2017	2016	Change
Consolidated sales and marketing expense	$ 1,950	$ 1,943	$ 7	$ 6,278	$ 8,220	$ (1,942)

Sales and marketing expense was flat and decreased $1.9 million in the three and nine months ended December 31, 2017, respectively, compared to same periods in the prior fiscal year. The decrease in the nine months ended December 31, 2017, was part of the Company's recent resetting of its expense structure, including lower payroll and headcount related expenses in our sales and marketing organization.

General and Administrative

	Three months ended December 31,			Nine months ended December 31,		
(in thousands)	2017	2016	Change	2017	2016	Change
Consolidated general and administrative expense	$ 1,502	$ 1,777	$ (275)	$ 5,022	$ 6,340	$ (1,318)

Consolidated general and administrative expense decreased $0.3 million and $1.3 million in the three and nine months ended December 31, 2017, respectively, compared to the same periods in the prior fiscal year. These decreases were part of the Company's recent resetting of its expense structure, including lower payroll and headcount related expenses across the various G&A functions, including information technology, accounting and finance, auditing, human resources, and legal.

Intangible amortization

	Three months ended December 31,			Nine months ended December 31,		
(in thousands)	2017	2016	Change	2017	2016	Change
Consolidated intangible amortization	$ 1,047	$ 1,212	$ (165)	$ 3,142	$ 3,613	$ (471)

The intangible assets consist of product technology, customer relationships, trade names, and backlog derived from acquisitions. The decrease in the three and nine months ended December 31, 2017, compared to the same periods in the prior fiscal year resulted primarily from repeater product intangibles from the acquisition of Cellular Specialties, Inc. becoming fully amortized.

Restructuring

In the nine months ended December 31, 2017, the Company recorded a restructuring expense of $0.2 million related to employee termination costs that spanned all three segments (the 2018 restructuring). There was no restructuring expense in the three months ended December 31, 2017.

In the second quarter of fiscal year 2017, the Company approved a restructuring plan (the 2017 restructuring) , including discontinuing development of the ClearLink Distributed Antenna System (DAS), a general reduction of headcount that spanned all three segments, and consolidation of facilities in Manchester, NH and Aurora, IL. The Company recognized a restructuring expense of $0.5 million and $3.1 million in the three and nine months ended December 31, 2016. The 2017 restructuring costs totaled $3.2 million in the twelve months ended March 31, 2017, inclusive of non-cash charges of approximately $1.2 million related to losses on leased facilities, $1.3 million of employee termination costs, and $0.7 million of other associated costs.

Long-lived assets impairment

There were no long-lived assets impaired during the nine months ended December 31, 2017. Due to a significant adverse change in the business climate connected to the ClearLink DAS development project, the Company determined indicators of impairment were present as of June 30, 2016. The Company determined that equipment related to development and manufacturing of this product was fully impaired and recorded an impairment charge of $1.2 million during the nine months ended December 31, 2016. The three and nine months ended December 31, 2016, also include a $31,000 intangible impairment charge associated with the customer list acquired from the previous ANTONE acquisition for TMA products sold in the CNS segment which is presented in the Intangible amortization line on the Statement of Operations.

Other income, net

	Three months ended December 31,			Nine months ended December 31,		
(in thousands)	2017	2016	Change	2017	2016	Change
Consolidated other income (expense)	$ 79	$ (15)	$ 94	$ 799	$ 76	$ 723

Other income, net contains interest income earned on cash and cash equivalents and foreign currency gains and losses. During the nine months ended December 31, 2017, the Company recorded a non-recurring foreign currency gain of $0.6 million related to the wind-down of the NoranTel legal entity. The remaining foreign currency impacts related primarily to the receivables and cash denominated in Australian and Canadian currencies.

Income tax expense

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Act"). The Act significantly revises the future ongoing U.S. corporate income tax by, among other things, lowering the U.S. corporate federal income tax rate from 34% to 21% effective January 1, 2018. As a result, a blended federal rate of 30.75% is required for the current year income tax expense. Further, the Company is required to re-measure, through income tax expense, its deferred tax assets and liabilities using the enacted rate at which the items are expected to be recovered or settled. During the third quarter, the Company recorded provisional amounts as a result of the re-measurement of the Company's net deferred tax asset did not result in income tax expense due to the Company's full valuation allowance position.

The final transition impacts of the Act may differ from the above estimate, possibly materially, due to, among other things, changes in interpretations of the Act, any legislative action to address questions that arise because of the Act, any changes in accounting standards for income taxes or related interpretations in response to the Act, or any updates or changes to estimates the Company has utilized to calculate the transition impacts, including impacts from changes to current year earnings estimates. The Securities Exchange Commission has issued guidance that allows for a measurement period of up to one year after the

enactment date of the Act to finalize the recording of the related tax impacts. We currently anticipate finalizing and recording any resulting adjustments in our Form 10-K for our current fiscal year ending March 31, 2018.

As of December 31, 2017, the Company has $697,000 of federal alternative minimum tax ("AMT") credit carryforward, which does not expire and is now carried as a tax receivable since, under new federal tax law, the Company expects to recover the entire amount by 2022 via a tax refund. Previously, there was a valuation allowance against the entire AMT credit carryforward. In the third quarter, the Company is reversing the portion of the valuation allowance related to the AMT credit carryforward, resulting in a discrete tax benefit of $697,000.

The Company recorded $685,000 and $660,000 of income tax expense in the three and nine months ended December 31, 2017, respectively, using an effective income tax rate of 1.76% plus discrete items including the AMT tax benefit described above. The Company recorded $10,000 and $20,000 of income tax expense in the three and nine months ended December 31, 2016, respectively, using an effective rate of (0.13)% plus discrete items. The effective rate in both periods is impacted by the intraperiod allocation as a result of income or loss from continuing operations, and states which base tax on gross margin and not pretax income.

Net income (loss)

Net income was $0.8 million and $0.9 million in the three and nine months ended December 31, 2017, respectively. Net loss was $1.8 million and $15.4 million in the three and nine months ended December 31, 2016, respectively. The changes were a result of the cumulative effects of the variances identified above.

Liquidity and Capital Resources

Overview

At December 31, 2017, the Company had $21.5 million in cash and cash equivalents consisting of bank deposits and money market funds that invest only in government securities. As of December 31, 2017, the Company also had $4.5 million in short-term investments which consisted of certificate of deposits.

The Company believes that the existing sources of liquidity and cash from operations will satisfy cash flow requirements for the foreseeable future.

Cash Flows

The Company's operating activities generated cash of $5.1 million in the nine months ended December 31, 2017, which resulted primarily from $0.9 million in net income, adjusted for non-cash charges of $3.6 million of amortization, depreciation, restructuring, non-recurring foreign currency gain, loss on sale of fixed assets, release of tax valuation allowance related to the AMT tax credits and stock-based compensation expense and $0.5 million generated from net working capital. The Company's investing activities used cash of $4.8 million, which resulted from investing in short-term investments and capital equipment purchases. In the nine months ended December 31, 2017, the Company's financing activities used $0.6 million of cash resulting primarily from the purchase of treasury stock.

As previously mentioned, the Act reduces the corporate federal tax rate from 34% to 21% effective January 1, 2018. As a result of the Act, the Company was required to re-measure, through income tax expense, its deferred tax assets and liabilities using the enacted rate at which the items are expected to be recovered or settled. The re-measurement of Company's net deferred tax asset did not result in income tax expense due to the Company's full valuation allowance position. Total net deferred tax assets decreased in the quarter ended December 31, 2017, by $14.3 million, which includes a reclassification of the AMT credit to long term receivable, discussed in the tax expense section above. As of December 31, 2017, the Company had net deferred tax assets of approximately $38.6 million before a valuation allowance of $38.6 million.

Illinois enacted an income tax increase on July 6, 2017, however, due to the Company's full valuation allowance position, this rate change is not expected to have a profit or loss impact in the second quarter or any periods in the foreseeable future. The second quarter fiscal 2018 increase in the Company's net deferred tax assets related to the tax rate increase is $0.8 million, and there is a corresponding increase to the Company's valuation allowance.

Also, as of December 31, 2017, the Company had a $3.0 million tax contingency reserve related to uncertain tax positions, which is offset against deferred tax assets. The federal net operating loss carryforward begins to expire in fiscal year 2023. 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, among other factors. The Company weighed positive and negative evidence to assess the need for a valuation allowance

against deferred tax assets and whether a tax benefit should be recorded when taxable losses are incurred. The existence of a valuation allowance does not limit the availability of tax assets to reduce taxes payable when taxable income arises. Management periodically evaluates the recoverability of the deferred tax assets and may adjust the valuation allowance against deferred tax assets accordingly.

Off-Balance Sheet Arrangements

The Company has a 50% equity ownership in AccessTel Kentrox Australia PTY LTD (AKA). AKA distributes network management solutions provided by the Company and the other 50% owner to one customer. The Company holds equal voting control with the other owner. All actions of AKA are decided at the board level by majority vote. The Company also has provided an unlimited guarantee for the performance of the other 50% owner in AKA, which primarily provides support and engineering services to the customer. This guarantee was put in place at the request of the AKA customer. The guarantee, which is estimated to have a maximum potential future payment of $0.7 million, will stay in place as long as the contract between AKA and the customer is in place. The Company would have recourse against the other 50% owner in AKA in the event the guarantee is triggered. The Company determined that it could perform on the obligation it guaranteed at a positive rate of return and, therefore, did not assign value to the guarantee. The Company received a cash dividend payment of $59,000 from AKA during the nine months ended December 31, 2017.

Critical Accounting Policies

A complete description of the Company’s significant accounting policies is discussed in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017. There have been no material changes in the Company's critical accounting policies from those disclosed in the Annual Report on Form 10-K for the year ended March 31, 2017, except as described below.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount less payment discounts and estimated allowance for doubtful accounts. The Company provides allowances for doubtful accounts related to accounts receivable for estimated losses resulting from the inability of its customers to make required payments. The Company takes into consideration the overall quality of the receivable portfolio along with specifically identified customer risks. In circumstances where the Company is aware of a specific customer’s inability to meet its financial obligations to the Company, the Company provides allowances for bad debts against amounts due to reduce the net realized receivable to the amount it reasonably believes will be collected. In certain of the Company’s contracts, contractual billings do not coincide with revenue recognized on the contract. Unbilled accounts receivable represent revenue recorded in excess of amounts billable pursuant to contract provisions and, generally, become billable at contractually specified dates. Unbilled amounts are expected to be collected within one year.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.

Not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company’s senior management, including the Company’s chief executive officer and chief financial officer, the Company conducted an evaluation of the effectiveness of the design and operation of the Company’s 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, the Company’s chief executive officer and chief financial officer concluded as of the Evaluation Date that the Company’s disclosure controls and procedures were effective such that the information relating to the Company, including consolidated subsidiaries, required to be disclosed in the Company’s 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 the Company’s 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 the Company’s internal control over financial reporting that occurred during the quarter ended December 31, 2017, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is involved in various legal proceedings incidental to the Company’s business and its previously owned operations. In the ordinary course of operations, the Company receives claims where the Company believes an unfavorable outcome is possible and/or for which is probable and no estimate of possible losses can currently be made. A significant customer was a defendant in patent infringement claims and is asserting possible indemnity rights under contracts with the Company. The customer has settled one matter, which has been dismissed, and won summary judgment of all claims in the other. The customer has informed the Company that the customer intends to seek to recover from the Company a share of the settlement and defense costs. The Company has not been involved in any settlement discussions nor informed by the customer of any settlement details and therefore management is currently unable to estimate a range of potential loss associated with this claim with any degree of certainty, and the Company is not yet able to calculate the exposure to this claim, which will vary depending upon the settlement reached by the customer and the Company's contribution ratio.

ITEM 1A. RISK FACTORS

See “Risk Factors” in Part 1 – Item 1A of the Company's Annual Report on Form 10-K for the year ended March 31, 2017, for information about risk factors. There have been no material changes in the Company's risk factors from those disclosed in the Company's Annual Report on Form 10-K for the year ended March 31, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information about the Company’s repurchase activity for its Class A Common Stock during the three months ended December 31, 2017.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (b)	Maximum Number (or Approximate Dollar Value) that May Yet Be Purchased Under the Programs (b)
October 1 - 31, 2017	18,024	$ 2.8773	18,024	$ 1,721,196
November 1 - 30, 2017	17,337	2.8376	2,100	1,715,121
December 1 - 31, 2017	66	3.9800	—	1,715,121
Total	35,427	$ 2.8599	20,124	$ 1,715,121

(a) In the three months ended December 31, 2017, the Company repurchased 15,303 shares from employees that were surrendered to satisfy the minimum statutory tax withholding obligations on the vesting of restricted stock, restricted stock units and performance-based restricted stock units. These repurchases were not included in the authorized share repurchase program and had a weighted-average purchase price of $2.83 per share.

(b) In May 2017, the Board of Directors authorized a new share repurchase program whereby the Company may repurchase up to an aggregate of $2.0 million of its outstanding Class A Common Stock in addition to the $0.1 million remaining from the August 2011 authorization. The August 2011 authorization was exhausted during the first quarter of fiscal year 2018 and there was approximately $1.7 million remaining under the May 2017 authorization as of December 31, 2017.

Items 3, 4 and 5 are not applicable and have been omitted.

ITEM 6. EXHIBITS

Exhibit Number	Description
Exhibit 10.1	Resignation Letter of Matthew B. Brady, dated November 20, 2017 (incorporated by reference to Exhibit 10.1 of the Westell Technologies, Inc. Form 8-K filed on November 27, 2017).
Exhibit 10.2	Offer Letter for Kirk R. Brannock, dated November 24, 2017 (incorporated by reference to Exhibit 10.2 of the Westell Technologies, Inc. Form 8-K filed on November 27, 2017).
Exhibit 10.3	Form of Restricted Stock Unit Award Agreement for award granted to Kirk R. Brannock on November 30, 2017.
Exhibit 10.4	Severance agreement for Jesse Swartwood, dated February 7, 2018.
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 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.
Exhibit 101	The following financial information from the Quarterly Report on Form 10-Q for the period ended December 31, 2017, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss); (iv) the Condensed Consolidated Statements of Stockholders' Equity (v) the Condensed Consolidated Statements of Cash Flows; and (vi) the Notes to the Condensed Consolidated Financial Statements.

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SIGNATURES

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

	WESTELL TECHNOLOGIES, INC.
	(Registrant)
DATE: February 9, 2018	By: /s/ Kirk R. Brannock
	Kirk R. Brannock
	Chief Executive Officer
	By: /s/ Thomas P. Minichiello
	Thomas P. Minichiello
	Chief Financial Officer

Exhibit 10.3

WESTELL TECHNOLOGIES, INC.

FORM of RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT is granted by WESTELL TECHNOLOGIES, INC. (the ***"Company"***) to Kirk Brannock (the ***"Participant"***) this 30th day of November 2017 (the " ***Grant Date***") pursuant to the Company's 2015 Omnibus Incentive Compensation Plan (the ***"Plan"***). The applicable terms of the Plan are incorporated herein by reference, including the definitions of terms contained therein.

WHEREAS, the Company believes it to be in the best interests of the Company and its stockholders for its officers and other Participants to have an incentive tied to the price of the Company's Class A Common Stock (the ***"Common Stock"***) in order that they will have a greater incentive to work for and manage the Company's affairs in such a way that its shares may become more valuable; and

WHEREAS, the Company has determined to grant the Participant restricted stock units which assuming certain conditions and other requirements specified below are satisfied convert into shares of Common Stock pursuant to the terms of the Plan and this Agreement;

NOW, THEREFORE, in consideration of the premises and of the services to be performed by the Participant and other conditions required hereunder, the Company and the Participant intending to be legally bound hereby agree as follows:

1. Restricted Stock Units Award. The Company hereby grants to the Participant 25,000 "***Restricted Stock Units***". The Restricted Stock Units granted under this Agreement are units that will be reflected in a book account maintained by the Company until the shares of Common Stock have been issued pursuant to Section 3 or have been forfeited. This Award is subject to the terms and conditions of this Agreement and the Plan.

2. Vesting of Award.

Vesting Schedule. The Restricted Stock Units will vest immediately

3. Conversion of the Restricted Stock Units to Common Stock. Immediately following the vesting of Restricted Stock Units under Section 2, the Company shall issue to the Participant a certificate representing one share of Common Stock for each Restricted Stock Unit becoming vested. The Company shall not be required to issue fractional shares of Common Stock upon the settlement of the Restricted Stock Units.

After Restricted Stock Units are converted to shares of Common Stock, the Participant shall receive a cash payment or payments from the Company equal to any cash dividends paid with respect to the number of shares of Restricted Stock relating to Restricted Stock Units that are earned hereunder during the period beginning with the date of Award through the date the shares of Common Stock become issued and outstanding.

4. Interpretation by Administrator. The Participant agrees that any dispute or disagreement that may arise in connection with this Agreement shall be resolved by the

Administrator, in its sole discretion, and that any interpretation by the Administrator of the terms of this Agreement, the Award or the Plan and any determination made by the Administrator under this Agreement or such plan may be made in the sole discretion of the Administrator.

5. Miscellaneous.

(a) This Agreement shall be governed and construed in accordance with the
aws of the State of Delaware applicable to contracts made and to be performed therein between residents thereof.

(b) This Agreement may not be amended or modified except by the written
consent of the parties hereto.

(c) The captions of this Agreement are inserted for convenience of reference only and shall not be taken into account in construing this Agreement.

(d) This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and shall be binding upon and inure to the benefit of the Participant, the Beneficiary and the personal representative(s) and heirs of the Participant.

IN WITNESS WHEREOF, the parties hereto have, personally or by a duly authorized representative, executed this Agreement as of the Grant Date first above written.

Westell Technologies, Inc.

By: /s/ Thomas P. Minichiello
Name (printed): Tom Minichiello
Title: SVP and CFO

/s/ Kirk R. Brannock
____
Name (Printed): Kirk Brannock

Exhibit 10.4

Jesse Swartwood SEVERANCE AGREEMENT

SEVERANCE AGREEMENT

This Severance Agreement is entered into this 7th day of February, 2018, by and among Westell Technologies, Inc., a Delaware corporation and Westell, Inc., an Illinois corporation (collectively, "the Company") and Jesse Swartwood ("Executive").

RECITALS

A. The Company desires to continue to retain Executive and recognizes the valuable services the Executive has rendered and is expected to render in the future, and desires assurance the Executive will provide his active participation in the business of the Company; and

B. The Executive wishes to continue to serve the Company but desires the assurances and benefits provided by this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Company and the Executive hereby agree as follows:

1. **Termination by Company with Severance Pay and Severance Benefits** .

If the Company in the future terminates Executive's employment without Cause or reason, by delivery to Executive of a termination notice. Upon a termination of employment by the Company without Cause, Executive shall be entitled to Severance Pay and Severance Benefits upon execution (within 30 days from the date of such termination) and effectiveness of a general release of the Company and its affiliates generally in the form attached as Exhibit A hereto (to be updated by the Company to reflect the then particular circumstances and any legal requirements) and the expiration of any revocation period thereunder without revocation.

Such Severance Pay and Severance Benefits are in lieu of and not in addition to any post termination payments or benefits to which Executive may otherwise be entitled in accordance with Company policy, practice or any other agreement.

2. **Termination without Severance Pay or Severance Benefits** . The Company may at any time terminate the Executive for Cause, effective upon delivery to the Executive of a termination notice. Executive shall not be entitled to Severance Pay or Severance Benefits if the Executive dies, becomes disabled such that she is unable to perform substantially all of his duties (notwithstanding the provision of any reasonable accommodation) for one hundred twenty (120) days during any period of 365 consecutive calendar days, resigns his position, or is terminated by the Company for Cause at any time.

3. **Forfeiture of Severance Pay and Severance Benefits** . If Executive shall breach (other than an immaterial and inadvertent breach) any obligation of confidentiality, nondisclosure or nonsolicitation under this or any other written agreement in effect between Executive and the Company or its affiliates, then in addition to any rights the Company has under those agreements to enjoin action and recover damages, the Company shall be released from any further obligation to pay Severance Pay or provide Severance Benefits to the Executive.

4. **No Obligation to Seek Further Employment** . Executive shall not be required to seek other employment, nor shall the amount of any Severance Payment provided hereunder be reduced by any compensation earned by the Executive by virtue of other employment after the date of termination of Executive's employment with the Company.

5. **Effect on Other Contractual Rights** . The provisions of this Agreement, and any payment provided hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive's existing rights to COBRA benefits or vested benefits under retirement plans of the Company, but except for contractual rights under issued and outstanding stock options owned by the Executive, are provided in lieu of any other termination benefits or severance payment obligations under any policy or practice of the Company now or hereafter in effect.

6. **Confidential Information**. Executive acknowledges that the information, observations and data obtained by him during the course of his employment by the Company concerning the affairs of the Company and its affiliates (the "Company Information") are confidential and are the property of the Company or its affiliates. Executive hereby agrees that she shall not disclose to any unauthorized person or use for his own account or for the account of any third party any Company Information without the Company's written consent, unless and then only to the extent it becomes generally known to and available for use by the public other than as a result of Executive's acts or failure to act. Executive shall use his best efforts to prevent the unauthorized misuse, espionage, loss or theft of the Company Information. Executive further agrees to deliver to the Company at the termination of his employment, or at any other time the Company may request in writing, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to Company that Executive may then possess or have under his control.

7. **No Solicitation**. Whether or not Executive is entitled to Severance Pay or Severance Benefits, Executive shall not, for one year following termination: (a) induce or attempt to induce any person who is employed by the Company or one of its direct or indirect subsidiaries in any capacity to leave such person's position, or in any way interfere with the relationship between the Company or one of its direct or indirect subsidiaries and such person, or (b) hire directly or through another entity, in any capacity, any person who was employed by the Company or one of its direct or indirect subsidiaries within 12 months prior to termination of Executive's employment, unless and until such person has been separated from employment with the Company or one of its direct or indirect subsidiaries for at least six months.

8. **Definitions:**

"Severance Pay" means an amount equal to six months base salary at the base salary rate in effect for Executive as of the effective date of the termination, payable in regular installments at the time salary would have been payable (with each payment being treated as a separate payment)

"Severance Benefits" means continued benefits under COBRA for Executive and those of his dependents who were covered dependents as of the effective date of the termination, which the Company shall continue to pay for the Company portion of the required premium or contribution during the period in which the Executive is receiving severance payments from the Company in the amount which the Company was remitting on behalf of the Executive prior to his termination. The Executive shall be required to continue to pay that portion of any premiums or contributions that the Executive was remitting prior to his termination to maintain such benefit (subject to any increases imposed by the benefit plan).

"Cause" means (i) theft, dishonesty, fraudulent misconduct, unauthorized disclosure of trade secrets, gross dereliction of duty or other grave misconduct on the part of the Executive that is substantially injurious to the Company or one of its direct or indirect subsidiaries; (ii) the Executive's willful act or omission that she knew would have the effect of materially injuring the reputation, business or prospects of the Company or one of its direct or indirect subsidiaries; (iii) the failure by Executive to comply with a particular directive or request from the Board of the Company or one of its direct or indirect subsidiaries, regarding a matter material to the Company or one of its direct or indirect subsidiaries, and the failure thereafter by Executive to reasonably address and remedy such noncompliance within thirty (30) days (or such shorter period as shall be reasonable or necessary under the circumstances) following Executive's receipt of written notice from such Board confirming Executive's noncompliance; (iv) the taking of an action by Executive regarding a matter material to the Company or one of its direct or indirect subsidiaries, which action Executive knew at the time the action was taken to be specifically contrary to a particular directive or request from the Board of the Company or one of its direct or indirect subsidiaries; (v) the failure by Executive to comply with the written policies of the Company or one of its direct or indirect subsidiaries, regarding a matter material

to the Company, or such subsidiary, including expenditure authority, and the failure thereafter by Executive to reasonably address and remedy such noncompliance within thirty (30) days (or such shorter period as shall be reasonable or necessary under the circumstances) following Executive's receipt of written notice from such Board confirming Executive's noncompliance, but such opportunity to cure shall not apply if the failure is not curable; (vi) Executive's engaging in willful, reckless or grossly negligent conduct or misconduct which, in the good faith determination of the Board of the Company or one of its direct or indirect subsidiaries, is materially injurious to the Company or one or more of its direct or indirect subsidiaries, monetarily or otherwise; (vii) the aiding or abetting a competitor or other breach by the Executive of his fiduciary duties to the Company or one of its direct or indirect subsidiaries for which she serves as officer or director; (viii) a material breach by Executive of his obligations of confidentiality or nondisclosure or (if applicable) any breach of Executive's obligations of nonsolicitation under this Agreement; (ix) the use or knowing possession by Executive of illegal drugs on the premises of the Company or one of its direct or indirect subsidiaries; (x) Executive is convicted of, or pleads guilty or no contest to, a felony or a crime involving moral turpitude; or (xi) the Executive's consent to an order of the Securities and Exchange Commission for the Executive's violation of the federal securities laws.

9. **Notice**. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested and postage prepaid, addressed, in the case of Executive, to his latest address in the Company records, and in the case of the Company, to the Company's principal office, provided that all notice to the Company shall be directed to the attention of the Board of Directors with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

10. **Waiver, Amendment and Integration** . No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral

or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement sets forth the complete agreement of the Company with regard to any post termination payment and benefits.

11. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, excluding conflicts of law principles.

12. **No Employment Contract**. Nothing in this Agreement shall be deemed to constitute a contract or guaranty of employment or alter the at-will status of Executive's employment.

13. **Validity**. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

15. **Tax Effect**. All payments and benefits provided hereunder shall be provided net of applicable withholding.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Westell Technologies, Inc..
By: Kirk R. Brannock:

/s/ Kirk R. Brannock

____
Title: Chief Executive Officer

Westell, Inc.
By: Kirk R. Brannock:

/s/ Kirk R. Brannock

____
Title: Chief Executive Officer

Jesse Swartwood:

/s/ Jesse Swartwood

____
Jesse Swartwood

Exhibit A

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is entered into between Westell, Inc. and its affiliates ("Employer") and ("Employee"). In consideration for the mutual promises set forth below, Employer and Employee agree as follows.

1. Employee's employment with Employer will terminate ____________ ("Separation Date"). All employee benefits, plans, programs and fringe benefits cease as of the Separation Date unless otherwise noted herein.

2. Employer agrees to:

   a. Pay Employee severance pay in the amount of $ less required withholdings. The severance will be paid on regularly scheduled pay days following the Effective Date of this Agreement, provided that Employee signs this Agreement and does not revoke it.

   b. Pay earned but unused PTO.

   c. Continue current levels of medical, dental and vision coverage at the employee rate for the lesser of six months after the termination of the standard employer sponsored coverage or until you become eligible for coverage by a health plan of any subsequent employer. Employee will be receiving under separate cover information regarding their rights under COBRA.

3. In exchange for the promises and agreements contained herein and the payments described in Paragraph 2a and 2c above, Employee on behalf of himself, his heirs, executors, administrators, and assigns, hereby irrevocably and unconditionally releases, holds harmless and discharges, to the fullest extent permitted by law, Employer and all of its affiliated or related entities (including but not limited to Westell Technologies, Inc.) ("Employer Group"), their successors, assigns, officers, directors, agents, and employees (together with Employer Group, "Released Parties") from all claims, charges, complaints, grievances, liabilities, obligations, promises, damages, actions, causes of action, suits, rights, demands, costs, losses and expenses of any nature whatsoever, whether known or unknown, suspected or unsuspected, vested or contingent, concealed or hidden, which Employee ever had, may have or ever will have relating to Released Parties, by reason of any and all acts, omissions, events, transactions, circumstances or facts existing or occurring up to the date hereof. This release includes but is not limited to: 1) all liabilities for the payment of earnings; commissions; bonuses; severance pay; salary; accruals under any vacation, sick leave, holiday, or employee benefit plans; 2) any charges, lawsuits or claims of retaliation or discrimination on account of age, race, color, sex, sexual orientation, marital status, disability, national origin, citizenship and religion, brought under any federal, state, or local law, including but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Age Discrimination in Employment Act, as amended by the Older Workers' Benefit Protection Act, the Americans with Disabilities Act, the Worker Adjustment Retraining and Notification Act, the Family and Medical Leave Act of 1993, the National Labor Relations Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Fair Labor Standards Act, the Illinois Wage Payment and Collection Act, or any similar state

wage and hour law, the Illinois Human Right Act, or any other state anti-discrimination law; and 3) any tort, contract, and quasi-contract or other common law claims. This general release shall not apply to Employee's rights under this Agreement, nor shall it in any way affect his right to enforce the terms of the Agreement or to obtain appropriate relief in the event of any breach of this Agreement. Also excluded from this release are any claims which cannot be waived by law, including but not limited to the right to participate in an investigation conducted by certain government agencies. Employee does, however, waive Employee's right to reinstatement or any monetary recovery should any agency (such as the Equal Employment Opportunity Commission) pursue any claims on Employee's behalf.

4. Employee represents that he has not filed any charges, suits, claims or complaints against Released Parties referred to above, and Employee agrees, to the fullest extent permitted by law, that he will not do so at any time in the future with respect to any claim which arose prior to the date of this Agreement. This release forever bars all suits which arose or might arise in the future from any occurrences arising prior to the date of this Agreement and authorizes any court to dismiss any claim filed by the Employee with prejudice. Employee understands that if he takes any legal action against Released Parties, Employee must, as a condition precedent to such action, repay the severance pay provided for in this Agreement. However, Employee shall not be required to repay the severance pay if the action is to challenge the waiver of his claims under the Age Discrimination in Employment Act.

5. The following provisions apply to and are made a part of this Separation Agreement and Release:

a. Employee does not release or waive any right or claim which he may have which arises after the date of this Agreement.

b. In exchange for this release, Employee acknowledges that he has received separate consideration beyond that which Employee is otherwise entitled to under Employer policy or applicable law, including without limitation the severance pay.

c. Employer expressly advises Employee to consult with an attorney of Employee's choosing prior to executing this Agreement which contains a general release of all claims.

d. Employee has forty-five (45) days from the date of receipt to sign this Agreement and return it to Sharon Hintz at the address below. In the event Employee signs this Agreement, Employee has a further period of seven (7) days in which to revoke this Agreement. This Agreement is not effective until the end of the revocation period ("Effective Date"). Any revocation must be communicated in writing, by personal delivery or first class mail to:

Sharon Hintz
Westell, Inc.
750 N. Commons Drive
Aurora, Illinois 60504

Any revocation must be received by Sharon Hintz, in writing, on or before the 7th day after Employee signs this Agreement.

e. Within seven days of executing this agreement, Employee agrees to return to Employer all Employer property, including but not limited to files, records, computer hardware and software, credit cards, keys, card key passes, all other property or information provided by Employer Group to Employee. Employee agrees to retain no copies of Employer Group documents.

f. At or before the time Employee was given a copy of this agreement, he received a copy of the information sheets attached hereto as Schedule A, containing the ages and job classifications of all Westell employees who will be terminated and offered a severance plan due to the Company's reduction in force and Schedule B, containing the ages and job classifications of all Westell employees who will not be terminated or offered a severance package due to the Company's reduction in force.

6. The parties recognize that disclosure of the terms of this Agreement to non-parties would cause the Employer serious damage. Employee agrees not to disclose the terms of this Agreement to anyone other than his spouse, his attorneys and his financial advisors, except when required by law or valid subpoena. Aside from the noted exceptions, Employee further agrees to advise his spouse, his attorneys and his financial advisors as to the terms of this paragraph, to instruct his spouse, his attorneys and his financial advisors not to disclose the terms and existence of this Agreement to anyone else and to be responsible for any violation by any person to whom he has disclosed any portion of the Agreement.

7. Employee agrees that any and all information obtained by or disclosed to him at any time during his employment with the Employer which is not generally known to the public is strictly confidential and/or proprietary to the Employer Group and Employee shall not make use of this information for his own purposes or for the benefit of anyone other than the Employer Group and he shall not disclose this information to any person or organization.

8. Employee agrees not to disparage the Released Parties utilizing any medium to include printed materials, internet services, verbal comments or any action that is construed by the Employer as demeaning, mischievous, or capable of negative impact on its reputation and goodwill value. Employee understands that engagement in such activity will require that the Employee must repay the severance provided in this Agreement. Moreover, any actions of this nature may subject Employee to appropriate legal remedy and recovery of damages.

9. In exchange for the promises and agreements contained herein and the payments described in Paragraph 2a and 2c above, for a period of twelve months following the separation of employment, Employee agrees that he will not, directly or indirectly, on his own behalf or on behalf of any other party, employ, solicit for employment, attempt to solicit for employment, or encourage or otherwise cause to leave their employment at Employer Group, any person who is or was during the six-month period prior to such employment, solicitation or encouragement an employee of the Employer Group.

10. In exchange for the promises and agreements contained herein and the payments described in Paragraph 2a and 2c above, for a period of twelve months following the separation of employment, Employee agrees that he will not, directly or indirectly, influence, solicit or attempt to influence or solicit any customer of the Employer Group with whom he had contact during his last two years of employment with Employer, to cease doing business with the Employer Group or to divert their business away from Employer Group or to a business competitive with the business of Employer Group.

11. In exchange for the promises and agreements contained herein and the payments described in Paragraph 2a and 2c above, for a period of twelve months following the separation of employment, Employee shall not, anywhere in North America, Europe, or any other market the Employer Group serves, directly or indirectly engage, control, advise, manage, or become interested in (as owner, stockholder, partner, co-venturer, director, officer, employee, agent, consultant or otherwise) any business competitive with the business of Employer Group.

12. In the event Employee breaches the provisions of paragraphs 5e, 6, 7, 8, 9, 10 or 11 of this Agreement, the Employer preserves all remedies which it may have at law or in equity, including without limitation injunctive relief, and reserves the right to demand repayment of all financial and other benefits to be provided pursuant to this Agreement, along with attorneys' fees where permitted by law.

13. Employee agrees to reasonably cooperate with the Employer in any internal investigation or administrative, regulatory, or judicial proceeding. Employee understands and agrees that his cooperation may include, but not be limited to, making himself available to the Employer upon reasonable notice for interviews and factual investigations; appearing at Employer's request to give testimony without requiring service of a subpoena or other legal process; volunteering to the Employer pertinent information; and turning over to the Employer all relevant documents which are or may come into his possession all at times and on schedules that are reasonably consistent with his other permitted activities and commitments. Employee understands that in the event the Employer asks for his cooperation in accordance with this provision, the Employer will reimburse him solely for reasonable travel expenses, including lodging and meals, upon his submission of receipts.

14. It is understood that this Agreement does not constitute an admission by the Employer of any violation of any federal, state or municipal statutory or common law. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of wrongdoing by the Employer. Further, the Employer specifically denies any wrongdoing and disclaims any liability to or wrongful acts against Employee or any other person, on the part of the Employer, its affiliates, parents and subsidiaries, and their respective past, present and future employees, owners, directors, trustees, shareholders, distributees, agents, partners, attorneys and/or representatives.

15. This Agreement shall be interpreted, construed and enforced under the laws of the State of Illinois and any disputes hereunder litigated in an Illinois court of competent jurisdiction.

16. In the event that any term or provision of this Agreement shall be finally determined to be superseded, invalid, illegal or otherwise unenforceable pursuant to applicable law by a governmental authority having jurisdiction and venue, that determination shall not impair or

otherwise affect the validity, legality or enforceability, to the maximum extent permissible by law, by or before that authority, of the remaining terms and provisions of this Agreement, which shall be enforced as if the unenforceable term or provision were deleted; provided, however, that in the event that paragraphs 9, 10, or 11 of this Agreement are determined by such authority to be unenforceable because of unreasonable geographic scope, duration or otherwise, such authority may nevertheless enforce those paragraphs as to a reduced geographic scope, duration, or other limitation deemed reasonable by such authority.

17. Employee acknowledges that he has carefully read and fully understands all of the provisions of this Agreement, and he is knowingly, voluntarily, and willfully entering into this Agreement.

18. Employee acknowledges that in executing this Agreement, he has not relied upon any representation by Employer or its agents not set forth in this Agreement and that he has not been subjected to any duress, coercion, fraud, overreaching or exploitation.

19. Employee acknowledges that he received this Agreement on or before ________.

20. This Agreement sets forth the entire agreement between the parties and supersedes any prior agreements and understandings, written or oral.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Westell, Inc.

________________________________ By: ______________________________

Tom Minichiello

________________________________ ______________________________

Date Date

____

Witness Signature

____

Witness Name (please print)

____

(Street Address)

____

(City, State, Zip Code)

Exhibit 31.1

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

I, Kirk R. Brannock, certify that:

(1) I have reviewed this quarterly report on Form 10-Q for the period ended December 31, 2017 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: February 9, 2018

/s/ Kirk R. Brannock
Kirk R. Brannock
Chief Executive
Officer

Exhibit 31.2

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

I, Thomas P. Minichiello, certify that:

(1) I have reviewed this quarterly report on Form 10-Q for the period ended December 31, 2017 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: February 9, 2018

/s/ Thomas P. Minichiello
Thomas P. Minichiello
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 ended December 31, 2017 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/ Kirk R. Brannock

Kirk R. Brannock
Chief Executive Officer

February 9, 2018

/s/ Thomas P. Minichiello

Thomas P. Minichiello
Chief Financial Officer

February 9, 2018

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.