

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 31, 2011

WESTELL TECHNOLOGIES, INC.

(Exact name of registrant as specified in charter)

Delaware
(State of other jurisdiction
of incorporation)

0-27266
(Commission
File Number)

36-3154957
(IRS Employer
Identification No.)

750 North Commons Drive, Aurora, Illinois
(Address of principal executive offices)

60504
(Zip Code)

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

N/A

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

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

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

Item 2.01 Completion of Acquisition or Disposition of Assets.

On December 31, 2011, Westell Technologies, Inc., a Delaware corporation (“*Westell Technologies*” or the “*Company*”), completed the previously announced sale of 100% of the issued and outstanding stock of its subsidiary Conference Plus, Inc. (“*ConferencePlus*”) pursuant to the terms of the Stock Purchase Agreement (the “*Agreement*”), dated December 20, 2011, among Arkadin S.A.S., an entity organized under French law (“*Parent*”), Arkadin Inc., a Delaware corporation and subsidiary of Parent, and Westell Technologies.

The consideration received from the sale was \$41.0 million in cash for the stock of ConferencePlus. The purchase price is subject to a post-closing working capital adjustment. Of the purchase price, \$4.1 million was placed in escrow at closing for one year as security for certain indemnity obligations of Westell Technologies, including breaches of representations and warranties made by Westell Technologies. In connection with the transaction, Westell Technologies also agreed not to compete with the ConferencePlus business for a period of three years.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement, a copy of which is filed as Exhibit 2.1 hereto and is incorporated herein by reference. A copy of the press release announcing the completion of the transaction is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 31, 2011, Westell Technologies entered into a General Waiver and Release Agreement (the “*Release Agreement*”) with Timothy Reedy. Mr. Reedy served as Senior Vice President and as President and Chief Executive Officer of ConferencePlus until the December 31, 2011 closing of the sale of ConferencePlus. It is expected that Mr. Reedy will serve as a non-officer employee of Westell Technologies through January 31, 2012 (the “*Termination Date*”) to assist with administrative matters related to the sale of ConferencePlus.

The Release Agreement provides that Mr. Reedy shall be entitled to severance pay and severance benefits described below provided he is not terminated for cause or he does not voluntarily terminate his employment prior to the Termination Date and he signs the general release and waiver form attached to the Release Agreement.

Severance pay to Mr. Reedy consists of a lump sum payment of \$104,120 and other payments totaling \$214,650, which is an amount equal to nine month’s base salary at the rate in effect for Mr. Reedy as of the Termination Date, payable in regular installments. Other severance benefits consist of Company paid continued benefits under COBRA through October 31, 2012 as it applies to the medical and dental benefits for Mr. Reedy and those of his dependents who were covered dependents as of the Termination Date and reimbursement for outplacement services for up to \$5,000.

The Release Agreement also contains a one year non-solicitation covenant and a confidentiality covenant.

The foregoing description of the Release Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Release Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Also, on December 31, 2011, ConferencePlus and Westell Technologies entered into a Settlement Agreement and Release (the "**Settlement Agreement**") with Mr. Reedy pursuant which Mr. Reedy will receive a lump sum payment of \$349,871 on the Termination Date, which is the agreed upon amount equal to 5% of the ConferencePlus EBITDA run rate for the previous twelve months ended December 31, 2011, less any required tax withholdings. The benefits provided under the Settlement Agreement are in lieu of the benefits under an offer letter agreement (the "**Offer Letter**") between Mr. Reedy and Westell Technologies that was entered into in connection with Mr. Reedy joining Westell Technologies in 2002. Under the terms of the Offer Letter, in the event of a sale of ConferencePlus, Mr. Reedy was entitled to receive compensation as of the time of sale based on the greater of 5% of ConferencePlus EBITDA for the trailing twelve months or \$250,000, with a cap of \$1,250,000.

The foregoing description of the Settlement Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Settlement Agreement, a copy of which is filed as Exhibit 10.2 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(b)(1) Pro Forma Financial Information

The pro forma unaudited financial information required to be filed in connection with the disposition described in Item 2.01 above is filed as Exhibit 99.2 hereto.

The unaudited pro forma financial statements are presented for illustrative purposes only. The unaudited pro forma financial statements are not necessarily indicative of the operating results or financial position that would have been achieved had the disposition been consummated as of the dates indicated or of the results that may be obtained in the future.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 2.1	Stock Purchase Agreement, dated December 20, 2011, among Arkadin S.A.S., Arkadin, Inc. and Westell Technologies, Inc. (incorporated by reference to Exhibit 2.1 to the Westell Technologies, Inc. Form 8-K filed December 21, 2011)
Exhibit 10.1	General Waiver and Release Agreement, dated December 31, 2011, by and between Westell Technologies, Inc. and Timothy J. Reedy
Exhibit 10.2	Settlement Agreement and Release dated December 31, 2011, by and between Conference Plus, Inc., Westell Technologies, Inc. and Timothy J. Reedy
Exhibit 99.1	Press Release issued by Westell Technologies, Inc., dated January 3, 2012
Exhibit 99.2	Pro forma financial information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTELL TECHNOLOGIES, INC.

Date: January 6, 2012

By /s/ Brian S. Cooper

Brian S. Cooper
Chief Financial Officer, Treasurer and Secretary

Exhibit Index

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Exhibit 99.2	Pro forma financial information

WESTELL TECHNOLOGIES, INC.**GENERAL WAIVER AND RELEASE AGREEMENT
TIM REEDY**

WHEREAS, my position with Conference Plus, Inc. and any affiliated companies is being eliminated; and

WHEREAS, Westell Technologies, Inc. ("Westell") has offered me the opportunity to remain employed through January 31, 2012, provided that I do not engage in any conduct which might be considered "Cause" (as defined below) for termination.

NOW THEREFORE I AGREE AS FOLLOWS:

1. Description of Special Benefits.

In exchange for my being employed by Westell until January 31, 2012 ("Termination Date"), rather than being terminated upon the sale of Conference Plus, Inc., I will continue working at Westell and will continue to receive pay for my work. I acknowledge that Westell had no obligation to offer me this employment and that my employment could have been terminated on the date Conference Plus, Inc. was sold. During this time I shall continue to be able to participate in Westell's benefit and insurance plans provided that I am eligible for participation pursuant to the terms of those plans. However, I acknowledge that effective December 31, 2011 I shall not be eligible to participate in any of the Company's bonus programs or plans.

I also understand that if I sign this Release, I will receive reimbursement for up to Five Thousand Dollars (\$5000) for outplacement expenses upon presentation of appropriate invoices. Such payments shall be subject to appropriate tax treatment, including withholdings if legally required.

I also understand that if I sign this Release, do not voluntarily terminate my employment, am not terminated for "Cause," remain employed until the Termination Date, and execute on my Termination Date a second agreement, attached hereto as Exhibit A which I received at the same time I received this Release, I will receive the following additional benefits following my Termination Date (which shall be collectively referred to as "Severance Compensation").

- a. A lump sum payment equal to One Hundred Four Thousand One Hundred Twenty Dollars (\$104,120). I understand that I will receive this payment, less employment and income tax withholding, the later of: (i) 10 business days after the revocation period for Exhibit A has expired; or (ii) February 28, 2012.
- b. Nine (9) months of my most recent salary for a severance payment of Two Hundred Fourteen Thousand Six Hundred Fifty Dollars (\$214,650). I understand that I will start to receive my severance pay checks, which shall be paid over a

nine month period, less employment and income tax withholding, no later than the first normal pay date which falls at least 10 business days after I execute Exhibit A and it becomes effective and that the first severance payment will include a retroactive payment for any pay dates missed.

- c. Provided I remain eligible for it until my Termination Date, the group health, dental and vision insurance in which I may be enrolled as of January 1, 2012 will continue until January 31, 2012. Effective February 1, 2012, if I am eligible and enrolled as of the Termination Date in group health, dental and vision insurance, I may elect continuation of my group health, dental and vision insurance coverage under COBRA, which if elected may allow me to continue that insurance coverage for the eighteen month period following January 31, 2012 if I remain eligible for it. I understand that if I timely elect to continue the coverage, and remain otherwise eligible for it, for the period between February 1, 2012 and October 31, 2012, Westell will pay for the employer portion of the cost of that coverage in a manner similar to that of other employees. I authorize Westell to make deductions from severance payments as necessary to cover the employee cost of any group health, dental and vision insurance that I may elect for the period following January 31, 2012. Following October 31, 2012, I may continue the coverage provided I remain otherwise eligible for it and pay the full cost of the coverage. I understand that all other benefits and insurance coverages and contributions to Westell's benefit plans on my behalf will cease as of the Termination Date and that none of the severance payments under this Release shall be taken into account as compensation under any plan or program that bases benefits in whole or in part on compensation received from Westell, nor shall I accrue vacation, sick pay, or other similar benefits during the period of these severance payments.

I understand that if I do not voluntarily terminate my employment before the Termination Date and remain employed by Westell through that date, I will be required to execute Exhibit A. I have reviewed Exhibit A and I agree in signing this Release to execute Exhibit A (or, if the lists provided with Exhibit A change, an updated Exhibit A with updated information regarding employees eligible or not eligible for the severance program) within the time period noted therein. If Westell terminates my employment for Cause or I voluntarily terminate my employment before January 31, 2012, I shall not receive any Severance Compensation.

For purposes of this Release, "Cause" means: (i) my failure to comply with a particular directive or request from the Board of the Company regarding a matter material to the Company, and the failure thereafter by me 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 the my receipt of written notice from the Board confirming my noncompliance; (ii) the taking of an action by me regarding a matter material to the Company, which action I knew at the time the action was taken to be specifically contrary to a particular directive or request from the Board or the CEO of Westell; (iii) the failure by me to comply with the written policies of the Company regarding a matter material to the Company, including expenditure authority, and the failure thereafter by me to reasonably address and remedy such noncompliance within thirty (30) days (or such shorter periods shall be reasonable or necessary

under the circumstances) following my receipt of written notice from the Board confirming my noncompliance, but such opportunity to cure shall not apply if the failure is not curable; (iv) my engaging in willful, reckless or grossly negligent conduct or misconduct which, in the good faith determination of the Company's Board, is materially injurious to the Company monetarily or otherwise; (v) the aiding or abetting a competitor or other breach by me of my fiduciary duties.

2. General Duties During Employment.

I acknowledge that my continuing duties for Westell shall consist of supporting the transition of the Conference Plus business, including analysis and defense of any claims against Westell arising therefrom; support for financial reports and filings; and other duties as may be assigned by the CEO of Westell. My work shall be performed on an as-requested basis during normal working hours and from either my own premises or on Westell premises. I understand that many such duties may be performed remotely and via teleconference.

3. General Release of Claims.

I hereby release the Company (as defined in paragraph 6 below) from, and covenant not to sue the Company with respect to, any and all claims I have against the Company. This Release shall not apply in any way to claims to enforce the terms of this Release or Exhibit A.

4. Claims to Which Release Applies.

This Release applies both to claims which are now known or are later discovered. However, this Release does not apply to any claims that may arise after the date I execute the release. Nor does this Release apply to any claims which may not be released under applicable law. Nor does this Release apply to any claims to enforce the terms of this Release or Exhibit A.

5. Claims Released Include Age Discrimination and Employment Claims

The claims released include, but are not limited to:

- (a) claims based on breach of contract, tort, misrepresentation, defamation, wrongful discharge, harassment, retaliation, terms and conditions of employment and discrimination;
- (b) claims arising under the Age Discrimination in Employment Act as amended (29 U.S.C. Section 621 et seq.);
- (c) claims arising out of or relating in any way to my employment with the Company or the conclusion of that employment or any actions or inactions of the Company relating to me in any way; and
- (d) claims arising under any federal, state or local law, regulation, ordinance or order that regulates the employment relationship and/or employee benefits.

6. Release Covers Claims Against Related Parties.

For purposes of this Release, the term “the Company” includes Conference Plus, Inc., Westell and any of its and their present, former and future owners, parents, affiliates and subsidiaries (including but not limited to Arkadin S.A.S. and Arkadin, Inc.), and its and their directors, officers, shareholders, employees, agents, servants, representatives, predecessors, successors, and assigns. Therefore, the claims released include claims I have against any such persons or entities.

7. The Terms “Claims” and “Release” are Construed Broadly.

As used in this Release, the term “claims” shall be construed broadly and shall be read to include, for example, the terms “rights,” “causes of action (whether arising in law or equity),” “damages,” “demands,” “obligations,” “grievances” and “liabilities” of any kind or character. Similarly, the term “release” shall be construed broadly and shall be read to include, for example, the terms “discharge” and “waive.” Nothing in this Release is a waiver of my right to file any charge or complaint with administrative agencies such as the United States Equal Employment Opportunity Commission which, as a matter of law, I cannot be prohibited from or punished for filing (hereafter, “Excepted Charge”), although the Company’s acknowledgment of this exception does not limit the scope of the waiver and release in paragraphs 3-8 herein, and I waive any right to recover damages or obtain individual relief that might otherwise result from the filing of any Excepted Charge.

8. Release Binding on Employee and Related Parties.

This Release shall be binding upon me and my agents, attorneys, personal representatives, executors, administrators, heirs, beneficiaries, successors, and assigns.

9. Additional Consideration.

I have executed this Release in consideration for my employment through January 31, 2012 (which I acknowledge Westell had no obligation to offer, and that my employment could have been terminated at the time Conference Plus, Inc. was sold), payments and benefits described in paragraph 1 above. I acknowledge that the payments and benefits being made to me with this Release represent consideration in addition to anything of value that I am otherwise entitled to receive from the Company.

10. Persons Eligible For Program.

I understand that the individuals who were considered for the 2011 Sale of Conference Plus, Inc. Severance Program are those former employees of Conference Plus, Inc. hired by Westell after the sale of Conference Plus, Inc. (hereafter referred to as “considered group”) and that the individuals who are eligible for benefits under the 2011 Sale of Conference Plus, Inc. Severance Program are those individuals, like me, in the considered group who have been selected and have lost their employment in connection with the 2011 Sale of Conference Plus, Inc. reduction in force. I understand that paragraph 11 below describes the applicable timelines within which I must elect to receive the special payments and benefits provided for in this Release. I also acknowledge that on the date I received this Release, I was provided with a list of

those individuals in the considered group eligible for the 2011 Sale of Conference Plus, Inc. Severance Program and those individuals in the considered group not eligible for the 2011 Sale of Conference Plus, Inc. Severance Program, categorized by job title and age.

11. Opportunity to Consider this Release: Consultation with Attorney.

I have read this Release and fully understand its terms. I am hereby being offered 45 calendar days following the date on which I received this Release on December 13, 2011, which also is the date on which I received the lists of individuals, by age and job title, referenced in paragraph 10 and Exhibit A and the lists attached to it, to consider this Release. I am hereby advised in writing to consult with an attorney before signing this Release and I have done so or had the opportunity to do so.

12. All Representations in Documents.

In entering into this Release I acknowledge that I have not relied on any verbal or written representations by any Company representative other than those explicitly set forth in this Release. This Release sets forth the entire agreement between the Company and me and completely supersedes any prior agreements, oral statements or understandings concerning the termination of my employment and any benefits I might receive following that termination, with the exception of the Settlement Agreement and Release between and among Conference Plus, Inc., Westell Technologies, Inc. and myself, which shall not be superseded by this Release and shall remain in effect. I agree that I am not entitled to any other severance or benefits, vacation, bonus, commission or other payments of any kind, except those described in this Release and the Settlement Agreement and Release. In particular, I agree that any severance agreement with the Company that I may have signed is no longer in effect and that I am not entitled to any payments under any severance agreement. I further agree that I am forfeiting any shares, restricted stock units, or options which have not vested by my Termination Date.

13. Voluntary Agreement.

I have read this Release and fully understand its terms. I have entered into this Release knowingly and voluntarily and understand that its terms are binding on me.

14. Partial Invalidity of Release.

If any part of this Release is held to be unenforceable, invalid or void, then the balance of this Release shall nonetheless remain in full force and effect to the extent permitted by law.

15. Headings.

The headings and subheadings in this Release are inserted for convenience and are not to be used in construing this Release.

16. Applicable Law.

Illinois law will apply in connection with any dispute or proceeding concerning this Release.

17. Relationship of Severance Benefits to My Rights Under Other Benefit Plans.

I understand that the payments payable to me under paragraph 1 above shall not be taken into account for purposes of determining my benefits under any other qualified or nonqualified plans of the Company.

18. Suit in Violation of this Release—Loss of Benefits and Payment of Costs

If I bring an action against the Company in violation of this Release or if I bring an action asking that the Release be declared invalid or unenforceable, I agree that prior to the commencement of such an action I will tender back to the Company all payments which I have received as consideration for this Release and that all remaining payments and benefits to be provided to me as consideration for this Release will permanently cease as of the date such action is initiated. If my action is unsuccessful or if the Company successfully brings an action for my failure to comply with the terms of this Release, I further agree that I will pay all costs, expenses and reasonable attorneys' fees incurred by the Company in its successful defense against the action I brought or in its successful prosecution of the action it brought. However, the previous two sentences shall not be applicable to an action if I bring it to challenge the validity of this Release under the Age Discrimination in Employment Act (which I may do without penalty under this Release).

19. Cessation of Payments and Benefits

If the Company determines in its reasonable discretion that: (1) I have breached any of the provisions and obligations contained in paragraph 21 of this Release; or (2) I am working full-time as an employee or have entered into another arrangement with a similar outcome with, Arkadin S.A.S., Arkadin, Inc., Conference Plus, Inc. or an affiliated company, then all payments and benefits still owing under this Release shall immediately cease. I may provide consulting services to such companies for a period of 3 months following the date I sign this Release without it being a violation of this Release. Thereafter, I may only provide consulting services to such companies with Westell's consent, which consent shall not be unreasonably withheld. In the event I do not receive such consent, all payments and benefits still owing under this Release shall immediately cease.

20. No Reapplication

I agree following my Termination Date not to reapply for employment with, otherwise work for, or provide services to the Company directly or indirectly through another entity, including but not limited to a temporary employment agency or independent contractor.

21. Confidential Information and Non-Solicitation

I agree not to reveal to any other person or entity or use for my own benefit any Confidential Information of or about the Company during my employment and for a period of two (2) years after the Termination Date. I acknowledge that through the services I have or will perform for the Company, I have been or will be granted access to, have been or will be exposed to and otherwise have obtained or will obtain Confidential Information regarding the confidential

business affairs of the Company. As used in this Release, Confidential Information means “trade secrets” as defined by law, as well as all proprietary non-public information relating to the operation of the Company and includes such matters as product research, development and manufacturing methods; customers and confidential development efforts; business integration, organization and strategic planning; purchasing; financing; marketing; customer relations; cost and pricing information; employee capabilities and compensation; and other information of a similar nature not available to the public, including without limitation any information specifically designated by the Company as “Confidential” or “Secret.” This information may be oral or written and may be that which I have originated or will originate as well as that which otherwise has come or will come into my possession or knowledge. Confidential Information shall be defined to exclude information which is or becomes public knowledge through no fault of mine, or which was known to me before the start of my earliest relationship with the Company (including Conference Plus, Inc.). I agree to retain all Confidential Information in confidence; not to use, or disclose to third parties, any such Confidential Information, as determined by the Company. I agree that I will treat all matters relating to the business activities of the Company as confidential and I will not divulge or disclose any information gained in connection with my employment by the Company (including while I was employed at Conference Plus, Inc.) to any other person, firm, or corporation except upon the written request or instruction of the Company. The restrictions set forth in this paragraph are in addition to and not in lieu of any obligations I may have as provided by law with respect to the Company’s Confidential Information, including any obligations I may owe under statutes governing trade secrets that extend beyond the period of confidentiality set forth in this paragraph.

I agree that during the course of my employment and for one (1) year following the Termination Date, I will not for any reason solicit or divert, or attempt to solicit or divert, directly or indirectly, any business or any person or entity which is, at the time of my separation, or which has been within one (1) year prior to my separation, a customer or vendor of the Company with whom I had a direct relationship.

I agree that during the course of my employment and for one (1) year following the Termination Date, I will not for any reason, directly or indirectly solicit for employment, or advise or recommend to any other person that they solicit for employment, any person who is an employee of the Company, who was supervised by me in the last year of my employment or with whom I had significant contact in the last year of my employment.

I acknowledge that the nature of the services I have provided to the Company involved exposure to Confidential Information and close contact with customers and referral sources. Therefore, I acknowledge and agree that the covenants set forth in this Release are reasonable and necessary in all respects for the protection of the Company’s legitimate business interests, including without limitation the Company’s Confidential Information, trade secrets, customer relationships, and customer good-will, which represents a significant portion of the Company’s net worth and in which the Company has a property interest. I acknowledge and agree that, in the event that I breach any of the covenants set forth in this paragraph, the Company may be irreparably harmed and may not have an adequate remedy at law; and, therefore, in the event of such a breach, the Company shall be entitled to injunctive relief, in addition to (and not exclusive of) any other remedies (including monetary damages) to which the Company may be entitled under law. In any action in which the Company is successful in enforcing the terms of this

paragraph, I shall also pay the Company's attorney's fees and costs. As referenced in paragraph 19, the Company's obligation to make any payments to me whatsoever shall terminate in the event that, and at such time as, I am in breach of my obligations as set forth in this paragraph. In the event I perform services that compete with the Company for any person or entity that was during my employment a customer or active prospect of the Company in violation of this paragraph, I shall remit to the Company an amount equal to the revenue received from any such customer.

If this paragraph is deemed invalid or unenforceable for any reason, it is the Parties' intention that such covenants be equitably reformed or modified to the extent necessary (and only to such extent to) render it valid and enforceable in all respects. In the event that the time period and geographic scope referenced above is deemed unreasonable, overbroad, or otherwise invalid, it is the Parties' intention that the enforcing court shall reduce or modify the time period and/or geographic scope to the extent necessary (and only to such extent necessary) to render such covenants reasonable, valid, and enforceable in all respects.

22. Confidentiality.

I agree that the existence and terms of this Release have been and will be kept confidential by me and not disclosed, revealed or characterized by me (directly or indirectly by innuendo or otherwise), except as required by law, to anyone other than my immediate family and my attorney and tax advisor, who shall also agree similarly not to make any further disclosure.

23. Non-disparagement.

I agree not to make disparaging remarks about the Company, or their products, services or practices (including, but not limited to, human resources and Westell's and Conference Plus, Inc.'s practices), provided that I may make truthful statements about products or services relating to business activity I am engaged in. Nothing in this Release shall be construed to prevent me from communicating with any government agency regarding matters that are within the agency's jurisdiction.

24. Seven Day Revocation Period.

I understand that I have a period of seven calendar days following the date I deliver a signed copy of this Release to Brian Cooper to revoke this Release by giving written notice to Brian Cooper of Westell at 750 North Commons Drive, Aurora, IL 60504. This Release and my entitlement to payments and benefits under paragraph 1 above will be binding and effective upon the expiration of this seven day period if I do not revoke the Release, but not before that time.

25. Third Party Beneficiaries

Employee acknowledges that Conference Plus, Inc. and any of its and Westell's present, former and future owners, parents, affiliates and subsidiaries (including but not limited to Arkadin S.A.S. and Arkadin, Inc.) are intended beneficiaries of the protections and promises provided in paragraphs 3-8 and 21 of this Release and as such they are also entitled to bring claims against Employee to enforce the terms of these paragraphs and/or to rely upon these paragraphs to defend any claims Employee may bring against them.

/s/ Timothy Reedy
Timothy Reedy

Date December 31, 2011

Received and acknowledged by:

WESTELL TECHNOLOGIES, INC.

/s/ Brian S. Cooper
Brian Cooper
Chief Financial Officer

Date December 31, 2011

**AGES AND JOB TITLES OF INDIVIDUALS ELIGIBLE FOR THE 2011 SALE OF
CONFERENCE PLUS, INC. SEVERANCE PROGRAM**

Job Title(as of December 13, 2011)

Age (as of December 13, 2011)

Chief Operating Officer, Conference Plus, Inc.

48

President and Chief Executive Officer, Conference Plus, Inc.

50

**AGES AND JOB TITLES OF INDIVIDUALS NOT ELIGIBLE FOR THE 2011 SALE OF
CONFERENCE PLUS, INC. SEVERANCE PROGRAM**

Job Title (as of December 13, 2011)

Age (as of December 13, 2011)

None

EXHIBIT A

WESTELL TECHNOLOGIES, INC.

**GENERAL WAIVER AND RELEASE AGREEMENT
TIM REEDY**

Consistent with the release of claims I was provided on December 13, 2011 that I previously executed and which is attached hereto as Exhibit 1 ("December 2011 Release"), I understand that my employment with Westell Technologies, Inc. ("Westell") and, to the extent applicable, any affiliated companies, has terminated effective as of the close of business on January 31, 2012 (the "Termination Date").

1. Termination and Description of Special Benefits.

I also understand that regardless of whether I sign this Release, I will be paid my normal salary through the Termination Date. I understand that the special benefits I will receive by timely signing and not revoking this Release are:

- a. A lump sum payment equal to One Hundred Four Thousand One Hundred Twenty Dollars (\$104,120). I understand that I will receive this payment, less employment and income tax withholding, the later of: (i) 10 business days after the revocation period in paragraph 23 has expired; or (ii) [February 28, 2012.]
- b. Nine (9) months of my most recent salary for a severance payment of Two Hundred Fourteen Thousand Six Hundred Fifty Dollars (\$214,650). I understand that I will start to receive my severance pay checks which shall be paid over a nine month period, less employment and income tax withholding, no later than the first normal pay date which falls at least 10 business days after this Release becomes effective and that the first severance payment will include a retroactive payment for any pay dates missed.
- c. The group health, dental and vision insurance in which I am currently enrolled on my Termination Date will continue until January 31, 2012. Effective February 1, 2012, if I am eligible and enrolled as of the Termination Date in group health, dental and vision insurance, I may elect continuation of my group health, dental and vision insurance coverage under COBRA, which if elected may allow me to continue that insurance coverage for the eighteen month period following January 31, 2012. I understand that if I timely elect to continue the coverage, and remain otherwise eligible for it, for the period between February 1, 2012 and October 31, 2012, Westell will pay for the employer portion of the cost of that coverage in a manner similar to that of other employees. I authorize Westell to make deductions from severance payments as necessary to cover the employee cost of any group health, dental and vision insurance that I may elect for the period following January 31, 2012. Following October 31, 2012, I may continue the

coverage provided I remain otherwise eligible for it and pay the full cost of the coverage. I understand that all other benefits and insurance coverages and contributions to Westell's benefit plans on my behalf will cease as of the Termination Date and that none of the severance payments under this Release shall be taken into account as compensation under any plan or program that bases benefits in whole or in part on compensation received from Westell, nor shall I accrue vacation, sick pay, or other similar benefits during the period of these severance payments.

2. General Release of Claims.

I hereby release the Company (as defined in paragraph 5 below) from, and covenant not to sue the Company with respect to, any and all claims I have against the Company. This Release shall not apply in any way to claims to enforce the terms of this Release or Exhibit A.

3. Claims to Which Release Applies.

This Release applies both to claims which are now known or are later discovered. However, this Release does not apply to any claims that may arise after the date I execute the release. Nor does this Release apply to any claims which may not be released under applicable law. Nor does this Release apply to any claims to enforce the terms of this Release or Exhibit A.

4. Claims Released Include Age Discrimination and Employment Claims

The claims released include, but are not limited to:

- (e) claims based on breach of contract, tort, misrepresentation, defamation, wrongful discharge, harassment, retaliation, terms and conditions of employment and discrimination;
- (f) claims arising under the Age Discrimination in Employment Act as amended (29 U.S.C. Section 621 et seq.);
- (g) claims arising out of or relating in any way to my employment with the Company or the conclusion of that employment or any actions or inactions of the Company relating to me in any way; and
- (h) claims arising under any federal, state or local law, regulation, ordinance or order that regulates the employment relationship and/or employee benefits.

5. Release Covers Claims Against Related Parties.

For purposes of this Release, the term "the Company" includes Conference Plus, Inc., Westell and any of its and their present, former and future owners, parents, affiliates and subsidiaries (including but not limited to Arkadin S.A.S. and Arkadin, Inc.), and its and their directors, officers, shareholders, employees, agents, servants, representatives, predecessors, successors, and assigns. Therefore, the claims released include claims I have against any such persons or entities.

6. The Terms “Claims” and “Release” are Construed Broadly.

As used in this Release, the term “claims” shall be construed broadly and shall be read to include, for example, the terms “rights,” “causes of action (whether arising in law or equity),” “damages,” “demands,” “obligations,” “grievances” and “liabilities” of any kind or character. Similarly, the term “release” shall be construed broadly and shall be read to include, for example, the terms “discharge” and “waive.” Nothing in this Release is a waiver of my right to file any charge or complaint with administrative agencies such as the United States Equal Employment Opportunity Commission which, as a matter of law, I cannot be prohibited from or punished for filing (hereafter, “Excepted Charge”), although the Company’s acknowledgment of this exception does not limit the scope of the waiver and release in paragraphs 2-7 herein, and I waive any right to recover damages or obtain individual relief that might otherwise result from the filing of any Excepted Charge.

7. Release Binding on Employee and Related Parties.

This Release shall be binding upon me and my agents, attorneys, personal representatives, executors, administrators, heirs, beneficiaries, successors, and assigns.

8. Additional Consideration.

I have executed this Release in consideration for the payments and benefits described in paragraph 1 above. I acknowledge that the payments and benefits being made to me with this Release represent consideration in addition to anything of value that I am otherwise entitled to receive from the Company. I acknowledge that the payments and benefits I am being provided under this Release are sufficient to support this Release.

9. Persons Eligible For Program.

I understand that the individuals who were considered for the 2011 Sale of Conference Plus, Inc. Severance Program are those former employees of Conference Plus, Inc. hired by Westell after the sale of Conference Plus, Inc. (hereafter referred to as “considered group”) and that the individuals who are eligible for benefits under the 2011 Sale of Conference Plus, Inc. Severance Program are those individuals, like me, in the considered group who have been selected and have lost their employment in connection with the 2011 Sale of Conference Plus, Inc. reduction in force. I understand that paragraph 10 below describes the applicable timelines within which I must elect to receive the special payments and benefits provided for in this Release. I also acknowledge that on the date I received the December 2011 Release, I was provided with this Release and a list of those individuals in the considered group eligible for the 2011 Sale of Conference Plus, Inc. Severance Program and those individuals in the considered group not eligible for the 2011 Sale of Conference Plus, Inc. Severance Program, categorized by job title and age.

10. Opportunity to Consider this Release: Consultation with Attorney.

I have read this Release and fully understand its terms. I acknowledge that I received this Release and a list of those individuals in the considered group eligible for the 2011 Sale of Conference Plus, Inc. Severance Program and those individuals in the considered group not eligible for the 2011 Sale of Conference Plus, Inc. Severance Program on the same day I received the December 2011 Release and that I have 45 days to consider this Release. **I understand that although I received this Release when I received the December 2011 Release, I should not sign this Release until after my Termination Date, that is, until February 1, 2012, at the earliest.** I am hereby advised in writing to consult with an attorney before signing this Release and I have done so or had the opportunity to do so.

11. All Representations in Documents.

In entering into this Release I acknowledge that I have not relied on any verbal or written representations by any Company representative other than those explicitly set forth in this Release. This Release sets forth the entire agreement between the Company and me and completely supersedes any prior agreements, oral statements or understandings concerning the termination of my employment and any benefits I might receive following that termination, with the exception of the Settlement Agreement and Release between and among Conference Plus, Inc., Westell Technologies, Inc. and myself, and any other agreements limiting my ability to solicit or disclose confidential information, which shall not be superseded by this Release and shall remain in effect. I agree that I am not entitled to any other severance or benefits, vacation, bonus, commission or other payments of any kind, except those described in this Release and the Settlement Agreement and Release. In particular, I agree that any severance agreement with the Company that I may have signed is no longer in effect and that I am not entitled to any payments under any severance agreement. I further agree that I am forfeiting any shares, restricted stock units, or options which have not vested by my Termination Date.

12. Voluntary Agreement.

I have read this Release and fully understand its terms. I have entered into this Release knowingly and voluntarily and understand that its terms are binding on me.

13. Partial Invalidity of Release.

If any part of this Release is held to be unenforceable, invalid or void, then the balance of this Release shall nonetheless remain in full force and effect to the extent permitted by law.

14. Headings.

The headings and subheadings in this Release are inserted for convenience and are not to be used in construing this Release.

15. Applicable Law.

Illinois law will apply in connection with any dispute or proceeding concerning this Release.

16. Relationship of Severance Benefits to My Rights Under Other Benefit Plans.

I understand that the payments payable to me under paragraph 1 above shall not be taken into account for purposes of determining my benefits under any other qualified or nonqualified plans of the Company.

17. Suit in Violation of this Release—Loss of Benefits and Payment of Costs

If I bring an action against the Company in violation of this Release or if I bring an action asking that the Release be declared invalid or unenforceable, I agree that prior to the commencement of such an action I will tender back to the Company all payments which I have received as consideration for this Release and that all remaining payments and benefits to be provided to me as consideration for this Release will permanently cease as of the date such action is initiated. If my action is unsuccessful or if the Company successfully brings an action for my failure to comply with the terms of this Release, I further agree that I will pay all costs, expenses and reasonable attorneys' fees incurred by the Company in its successful defense against the action I brought or in its successful prosecution of the action it brought. However, the previous two sentences shall not be applicable to an action if I bring it to challenge the validity of this Release under the Age Discrimination in Employment Act (which I may do without penalty under this Release).

18. Cessation of Payments and Benefits

If the Company determines in its reasonable discretion that: (1) I have breached any of the provisions and obligations contained in paragraph 20 of this Release; or (2) I am working full-time as an employee or have entered into another arrangement with a similar outcome with, Arkadin S.A.S., Arkadin, Inc., Conference Plus, Inc. or an affiliated company, then all payments and benefits still owing under this Release shall immediately cease. I may provide consulting services to such companies for a period of 3 months following the date I signed the December 2011 Release without it being a violation of this Release. Thereafter, I may only provide consulting services to such companies with Westell's consent, which consent shall not be unreasonably withheld. In the event I do not receive such consent, all payments and benefits still owing under this Release shall immediately cease.

19. No Reapplication

I agree not to reapply for employment with, otherwise work for, or provide services to the Company directly or indirectly through another entity, including but not limited to a temporary employment agency or independent contractor.

20. Confidential Information and Non-Solicitation

I agree not to reveal to any other person or entity or use for my own benefit any Confidential Information of or about the Company for a period of two (2) years after the Termination Date. I acknowledge that through the services I have or will perform for the Company, I have been or will be granted access to, have been or will be exposed to and otherwise have obtained or will obtain Confidential Information regarding the confidential business affairs of the Company. As used in this Release, Confidential Information means "trade

secrets” as defined by law, as well as all proprietary non-public information relating to the operation of the Company and includes such matters as product research, development and manufacturing methods; customers and confidential development efforts; business integration, organization and strategic planning; purchasing; financing; marketing; customer relations; cost and pricing information; employee capabilities and compensation; and other information of a similar nature not available to the public, including without limitation any information specifically designated by the Company as “Confidential” or “Secret.” This information may be oral or written and may be that which I have originated or will originate as well as that which otherwise has come or will come into my possession or knowledge. Confidential Information shall be defined to exclude information which is or becomes public knowledge through no fault of mine, or which was known to me before the start of my earliest relationship with the Company (including Conference Plus, Inc.). I agree to retain all Confidential Information in confidence; not to use, or disclose to third parties, any such Confidential Information, as determined by the Company. I agree that I will treat all matters relating to the business activities of the Company as confidential and I will not divulge or disclose any information gained in connection with my employment by the Company (including while I was employed at Conference Plus, Inc.) to any other person, firm, or corporation except upon the written request or instruction of the Company. The restrictions set forth in this paragraph are in addition to and not in lieu of any obligations I may have as provided by law with respect to the Company’s Confidential Information, including any obligations I may owe under statutes governing trade secrets that extend beyond the period of confidentiality set forth in this paragraph.

I agree that during the course of my employment and for one (1) year following the Termination Date, I will not for any reason solicit or divert, or attempt to solicit or divert, directly or indirectly, any business or any person or entity which is, at the time of my separation, or which has been within one (1) year prior to my separation, a customer or vendor of the Company with whom I had a direct relationship.

I agree that during the course of my employment and for one (1) year following the Termination Date, I will not for any reason, directly or indirectly solicit for employment, or advise or recommend to any other person that they solicit for employment, any person who is an employee of the Company, who was supervised by me in the last year of my employment or with whom I had significant contact in the last year of my employment.

I acknowledge that the nature of the services I have provided to the Company involved exposure to Confidential Information and close contact with customers and referral sources. Therefore, I acknowledge and agree that the covenants set forth in this Release are reasonable and necessary in all respects for the protection of the Company’s legitimate business interests, including without limitation the Company’s Confidential Information, trade secrets, customer relationships, and customer good-will, which represents a significant portion of the Company’s net worth and in which the Company has a property interest. I acknowledge and agree that, in the event that I breach any of the covenants set forth in this paragraph, the Company may be irreparably harmed and may not have an adequate remedy at law; and, therefore, in the event of such a breach, the Company shall be entitled to injunctive relief, in addition to (and not exclusive of) any other remedies (including monetary damages) to which the Company may be entitled under law. In any action in which the Company is successful in enforcing the terms of this paragraph, I shall also pay the Company’s attorney’s fees and costs. As referenced in paragraph 18, the Company’s obligation to make any payments to me whatsoever shall terminate in the

event that, and at such time as, I am in breach of my obligations as set forth in this paragraph. In the event I perform services that compete with the Company for any person or entity that was during my employment a customer or active prospect of the Company in violation of this paragraph, I shall remit to the Company an amount equal to the revenue received from any such customer.

If this paragraph is deemed invalid or unenforceable for any reason, it is the Parties' intention that such covenants be equitably reformed or modified to the extent necessary (and only to such extent to) render it valid and enforceable in all respects. In the event that the time period and geographic scope referenced above is deemed unreasonable, overbroad, or otherwise invalid, it is the Parties' intention that the enforcing court shall reduce or modify the time period and/or geographic scope to the extent necessary (and only to such extent necessary) to render such covenants reasonable, valid, and enforceable in all respects.

21. Confidentiality.

I agree that the existence and terms of this Release have been and will be kept confidential by me and not disclosed, revealed or characterized by me (directly or indirectly by innuendo or otherwise), except as required by law, to anyone other than my immediate family and my attorney and tax advisor, who shall also agree similarly not to make any further disclosure.

22. Non-disparagement.

I agree not to make disparaging remarks about the Company, or their products, services or practices (including, but not limited to, human resources and Westell's and Conference Plus, Inc.'s practices), provided that I may make truthful statements about products or services relating to business activity I am engaged in. Nothing in this Release shall be construed to prevent me from communicating with any government agency regarding matters that are within the agency's jurisdiction.

23. Seven Day Revocation Period.

I understand that I have a period of seven calendar days following the date I deliver a signed copy of this Release to Brian Cooper to revoke this Release by giving written notice to Brian Cooper of Westell at 750 North Commons Drive, Aurora, IL 60504. This Release and my entitlement to payments and benefits under paragraph 1 above will be binding and effective upon the expiration of this seven day period if I do not revoke the Release, but not before that time.

24. Third Party Beneficiaries

Employee acknowledges that Conference Plus, Inc. and any of its and Westell's present, former and future owners, parents, affiliates and subsidiaries (including but not limited to Arkadin S.A.S. and Arkadin, Inc.) are intended beneficiaries of the protections and promises provided in paragraphs 2-7 and 20 of this Release and as such they are also entitled to bring claims against Employee to enforce the terms of these paragraphs and/or to rely upon these paragraphs to defend any claims Employee may bring against them.

Timothy Reedy

Received and acknowledged by:
WESTELL TECHNOLOGIES, INC.

Brian Cooper
Chief Financial Officer

Date _____

Date _____

**AGES AND JOB TITLES OF INDIVIDUALS ELIGIBLE FOR THE 2011 SALE OF
CONFERENCE PLUS, INC. SEVERANCE PROGRAM**

<u>Job Title (as of December 13, 2011)</u>	<u>Age (as of December 13, 2011)</u>
Chief Operating Officer, Conference Plus, Inc.	48
President and Chief Executive Officer, Conference Plus, Inc.	50

**AGES AND JOB TITLES OF INDIVIDUALS NOT ELIGIBLE FOR THE 2011 SALE OF
CONFERENCE PLUS, INC. SEVERANCE PROGRAM**

Job Title (as of December 13, 2011)

Age (as of December 13, 2011)

None

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") dated December 31, 2011 is made between Timothy J. Reedy (the "Employee"), Conference Plus, Inc. (the "Company") and Westell Technologies, Inc. ("Westell").

WHEREAS, the Company made an employment offer to Employee on October 22, 2002 which was accepted by Employee on October 28, 2002 (the "Offer Letter").

WHEREAS, the Offer Letter states that, in the event of a sale of the Company (defined as 51% Change in Control), Employee will receive a payment based on the Company's EBITDA run rate for the preceding 12 months at the time of sale. Per the Offer Letter, the payment would be equal to 5% of the EBITDA run rate beginning at \$5,000,000 and stopping at \$25,000,000; provided however, that the Employee would receive a minimum payment of \$250,000 (regardless of the EBITDA run rate) and a maximum payment of \$1,250,000 (even if the EBITDA run rate exceeded \$25,000,000). The payment is conditioned on Employee staying in his capacity for a successor, if desired by the acquirer, for a minimum of six months. The Employee would receive the payment upon the earlier of six months after the Change in Control or the Employee's termination.

WHEREAS, Westell has entered into an agreement pursuant to which it will sell 100% of the outstanding shares of capital stock of the Company to Arkadin, Inc. ("Buyer") (the sale is referred to as the "Transaction"), and the Transaction would constitute a "Change in Control" of the Company as defined in the Offer Letter.

WHEREAS, Employee's position with the Company is being eliminated in connection with the closing of the Transaction, however, Westell has agreed to employ Employee following the closing of the Transaction until January 31, 2012 (the "Termination Date") in order to assist Westell with administrative matters related to the Transaction.

WHEREAS, the Company, Westell and Employee wish to determine and settle the payment obligations that will be due to the Employee under the Offer Letter upon the Change in Control that will occur as a result of the Transaction and the termination of Employee's employment on the Termination Date, and to settle and satisfy their obligations with respect to the Offer Letter.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The parties acknowledge that the General Waiver and Release Agreement, dated as of December 31, 2011, between Employee and Westell and the Offer Letter are the only written employment or related agreements in effect between them as of the date hereof, and that all prior employment or related agreements, including but not limited to the Severance Agreement, dated May 15, 2008, between the Company and the Employee (the "Severance Agreement") have expired or terminated without any rights or obligations thereunder.

2. Subject to the consummation of the Transaction, Westell shall, on the Termination Date, make a lump sum payment in cash to the Employee in an amount equal to \$349,871, which is the agreed upon amount equal to 5% of the EBITDA run rate for the previous twelve months ended, less any required tax withholdings.

3. In exchange for and subject to the payment pursuant to Section 2 above, the Employee, on behalf of himself and his successors, predecessors, assignees, owners and agents (collectively, the "Assigns") hereby fully releases and discharges the Company and Westell and their related entities, successors, predecessors, assignees, owners and agents (collectively the "Company Entities") from any and all debts, claims, counterclaims, third-party claims, demands, liabilities, actions, causes of action, rights, warranties, judgments, obligations, losses, damages, attorneys' fees, assessments, whether known or unknown, suspected or unsuspected, arising in law, contract, equity or otherwise ("Claims"), which the Employee or any of his Assigns had, has, or may have against any of the Company Entities as related to this Agreement, the Offer Letter or the Severance Agreement.

4. Subject to the consummation of the Transaction, upon making the payment set forth in Section 2 above and without further action, the Offer Letter shall be terminated and neither party shall have any rights thereunder. However, if the Transaction is not consummated, then this Agreement shall be null and void and of no force and effect, and the Offer Letter shall be unmodified and remain in full force and effect.

5. Subject to the consummation of the Transaction, this Agreement contains the entire agreement between the Company, Westell and the Employee with respect to the Offer Letter and the Severance Agreement and supersedes all prior agreements and understandings, oral or written, between them with respect to such matters; provided however, that this Agreement does not supersede the General Waiver and Release Agreement, dated as of December 31, 2011, between Employee and Westell.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

EMPLOYEE:

Timothy J. Reedy

/s/ Timothy J. Reedy _____

COMPANY:

Conference Plus, Inc.

By: /s/ Brian S. Cooper _____

Name: Brian S. Cooper

Title: CFO

WESTELL:

Westell Technologies, Inc.

By: /s/ Brian S. Cooper _____

Name: Brian S. Cooper

Title: CFO



Westell News Release

News Release: FOR IMMEDIATE RELEASE

For additional information, contact:

Investors / Trade / Media
Brian Cooper
Chief Financial Officer
Westell Technologies, Inc.
630.375.4740
BCooper@westell.com

Westell Technologies Closes Transaction to Sell Its Conference Plus Subsidiary to Arkadin

AURORA, IL, January 3, 2012 – Westell Technologies, Inc. (NASDAQ: WSTL), a leading provider of telecommunications equipment for wireline, wireless and home networks, today announced that as of December 31, 2011, it had closed the previously announced transaction to sell its subsidiary Conference Plus, Inc. to a subsidiary of Arkadin S.A.S. The transaction agreement was announced on December 21, 2011.

About Westell

Westell Technologies, Inc., headquartered in Aurora, Illinois, designs, distributes, markets and services a broad range of carrier-class communications equipment, including digital transmission, remote monitoring, power distribution and demarcation products used by wireline and wireless telecommunications service providers, industrial customers, and home network users. Additional information can be obtained by visiting <http://www.westell.com>.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On December 31, 2011, Westell Technologies, Inc., a Delaware corporation (“*Westell Technologies*” or the “*Company*”), completed the previously announced sale of 100% of the issued and outstanding stock of its subsidiary Conference Plus, Inc. (“*ConferencePlus*”) pursuant to the terms of the Stock Purchase Agreement (the “*Agreement*”), dated December 20, 2011, among Arkadin S.A.S., an entity organized under French law (“*Parent*”), Arkadin Inc., a Delaware corporation and subsidiary of Parent, and Westell Technologies.

The following unaudited pro forma financial statements of Westell Technologies are presented to comply with Article 11 of Regulation S-X and follow proscribed SEC guidelines. The unaudited pro forma financial statements do not purport to present what the Westell Technologies’ results would have been had the disposition actually occurred on the dates presented or to project Westell Technologies’ results from operations or financial position for any future period.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2011, presents pro forma effects of the ConferencePlus transaction as if the sale had occurred on September 30, 2011. The unaudited pro forma condensed consolidated statements of operations for the fiscal year ended March 31, 2011 and the six months ended September 30, 2011, present the pro forma effects as if the ConferencePlus transaction occurred on March 31, 2010. In addition, on April 15, 2011, the Company completed a sale of certain assets of the Company’s Customer Networking Solutions (“CNS”) segment. The effects of the CNS transaction are reflected in the pro forma statements presented. Full pro forma financial statements related to the CNS transaction were previously disclosed in Westell Technologies’ Current Report on Form 8-K filed with the SEC on April 21, 2011.

These unaudited pro forma financial statements and accompanying notes should be read together with Westell Technologies’ audited consolidated financial statements and the accompanying notes, as of and for the fiscal year ended March 31, 2011 and Westell Technologies’ unaudited consolidated financial statements and the accompanying notes as of and for the three and six month periods ended September 30, 2011.

Westell Technologies, Inc.
Pro Forma Condensed Consolidated Statement of Operations
Year Ended March 31, 2011

(Amounts in thousands except per share amounts)

(Unaudited)

	As Reported (a)	Pro forma adjustments		Pro Forma
		CNS (b)	Conference Plus, Inc. (c)	
Revenue	\$190,177	\$(44,344)	\$ (42,328)	\$103,505
Cost of revenue	127,889	(33,502)	(21,592)	72,795
Gross profit	62,288	(10,842)	(20,736)	30,710
	32.8%	24.4%	49.0%	29.7%
Operating expenses:				
Sales & marketing	18,224	(756)	(7,411)	10,057
Research & development	14,313	—	(2,539)	11,774
General & administrative	14,389	—	(5,766)	8,623
Restructuring	—	—	—	—
Intangibles amortization	656	—	(111)	545
Total operating expenses	47,582	(756)	(15,827)	30,999
Operating income (loss)	14,706	(10,086)	(4,909)	(289)
Other income (expense)	(16)	—	39	23
Interest (expense)	(5)	—	1	(4)
Income (loss) before minority interest and taxes	14,685	(10,086)	(4,869)	(270)
Income taxes	53,251	3,926	1,896	59,073
Net income (loss)	\$ 67,936	\$ (6,160)	\$ (2,973)	\$ 58,803
Net income per common share:				
Basic	\$ 1.00			\$ 0.87
Diluted	\$ 0.98			\$ 0.85
Average number of common shares outstanding:				
Basic	67,848			67,848
Diluted	69,477			69,477

See accompanying notes to the unaudited consolidated pro forma financial statements.

Westell Technologies, Inc.
Pro Forma Condensed Consolidated Statement of Operations
Six Months Ended September 30, 2011
(Amounts in thousands except per share amounts)
(Unaudited)

	As Reported (d)	Pro forma adjustments		Pro Forma
		CNS (e)	Conference Plus, Inc. (f)	
Revenue	\$ 65,589	\$ (962)	\$ (21,660)	\$42,967
Cost of revenue	40,421	(718)	(11,079)	28,624
Gross profit	25,168	(244)	(10,581)	14,343
	38.4%	25.3%	48.9%	33.4%
Operating expenses:				
Sales & marketing	7,452	(32)	(3,758)	3,662
Research & development	5,410	—	(1,342)	4,068
General & administrative	6,624	—	(2,706)	3,918
Restructuring	277	(277)	—	—
Intangibles amortization	318	—	(41)	277
Total operating expenses	20,081	(309)	(7,847)	11,925
Operating income (loss)	5,087	65	(2,734)	2,418
Other income (expense)	32,046	(31,654)	(293)	99
Interest (expense)	(5)	—	—	(5)
Income (loss) before minority interest and taxes	37,128	(31,589)	(3,027)	2,512
Income taxes	(12,499)	12,775	1,184	1,460
Net income (loss)	\$ 24,629	\$ (18,814)	\$ (1,843)	\$ 3,972
Net income per common share:				
Basic	\$ 0.36			\$ 0.06
Diluted	\$ 0.36			\$ 0.06
Average number of common shares outstanding:				
Basic	67,879			67,879
Diluted	69,284			69,284

See accompanying notes to the unaudited consolidated pro forma financial statements.

Westell Technologies, Inc.
Pro Forma Condensed Consolidated Balance Sheet
As of September 30, 2011
(Amounts in thousands)
(Unaudited)

	<u>As Reported (g)</u>	<u>Pro Forma Adjustments</u>		<u>Pro Forma</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 89,026	\$ 34,906 (h)		\$123,932
Restricted cash	3,350	4,100 (i)		7,450
Short-term investments	18,846	—		18,846
Accounts receivable, net	17,900	(6,880) (j)		11,020
Inventories	11,691	—		11,691
Prepaid expenses and other current assets	2,274	(782) (j)		1,492
Deferred income tax asset	8,000	(1,254) (k)		6,746
Total current assets	<u>151,087</u>	<u>30,090</u>		<u>181,177</u>
Property and equipment:				
Property and equipment, net	3,051	(1,597) (j)		1,454
Goodwill	2,144	(1,374) (j)		770
Intangibles, net	3,061	(115) (j)		2,946
Deferred income tax asset	40,091	(10,732) (k)		29,359
Other assets	174	(55) (j)		119
Total assets	<u>\$ 199,608</u>	<u>\$ 16,217</u>		<u>\$215,825</u>
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	\$ 10,258	\$ (455) (j)		\$ 9,803
Accrued expenses	5,247	(1,562) (j)		3,685
Accrued compensation	1,942	(1,178) (j)		764
Total current liabilities	<u>17,447</u>	<u>(3,195)</u>		<u>14,252</u>
Other long-term liabilities	5,264	—		5,264
Total liabilities	<u>22,711</u>	<u>(3,195)</u>		<u>19,516</u>
Stockholders' equity:				
Total stockholders' equity	<u>176,897</u>	<u>19,412</u> (l)		<u>196,309</u>
Total liabilities and stockholders' equity	<u>\$ 199,608</u>	<u>\$ 16,217</u>		<u>\$215,825</u>

See accompanying notes to the unaudited consolidated pro forma financial statements.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

1. Basis of presentation

On December 31, 2011, Westell Technologies completed the sale of ConferencePlus to Arkadin, Inc. pursuant to the Stock Purchase Agreement. The total consideration paid to Westell Technologies was \$41.0 million in cash, subject to a post-closing working capital adjustment. Of the purchase price, \$4.1 million was placed in escrow at closing for one year as security for certain indemnity obligations of Westell Technologies, including breaches of representations and warranties made by Westell Technologies. In connection with the transaction, Westell Technologies also agreed not to compete with the ConferencePlus business for a period of three years.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2011, presents pro forma effects of the transaction as if the ConferencePlus sale had occurred on September 30, 2011. The unaudited pro forma condensed consolidated statements of operations for the fiscal year ended March 31, 2011 and the six months ended September 30, 2011, present the pro forma effects as if the ConferencePlus sale had occurred on March 31, 2010. In addition, on April 15, 2011, the Company completed a sale of certain assets of the Company's Customer Networking Solutions ("CNS") segment. The effects of the CNS transaction are reflected in the pro forma statements presented. Full pro forma financial statements related to the CNS transaction were previously disclosed in Westell Technologies Current Report on Form 8-K filed with the SEC on April 21, 2011.

2. Notes Regarding the Unaudited Pro Forma Adjustments

- a. Represents the historical income statement of Westell Technologies, Inc. for the year ended March 31, 2011 as reported in the Company's Form 10-K for the fiscal year ended March 31, 2011.
- b. Represents the elimination of CNS segment revenue and cost of sales related to customers impacted by the sale, certain operating expenses and related income taxes for the year ended March 31, 2011.
- c. Represents the elimination of ConferencePlus segment revenue and expenses for the year ended March 31, 2011 together with pro forma adjustments to eliminate other income, interest expense, and taxes related to ConferencePlus which are not included in the segment reporting.
- d. Represents the historical unaudited income statement of Westell Technologies, Inc. for the six months ended September 30, 2011 as reported in the Company's Form 10-Q for the quarter ended September 30, 2011.
- e. Represents the elimination of CNS segment revenue related to customers impacted by the sale, certain operating expenses, the gain on the sale of CNS assets and related income tax impacts for the six months ended September 30, 2011.
- f. Represents the elimination of ConferencePlus segment revenue and expenses for the six months ended September 30, 2011, together with pro forma adjustments to eliminate other income and taxes related to ConferencePlus which are not included in the segment reporting.

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- g. Represents the historical unaudited balance sheet of Westell Technologies, Inc. as of September 30, 2011 as reported in the Company's Form 10-Q for the quarter ended September 30, 2011.
 - h. Represents the ConferencePlus purchase price of \$41 million, plus an estimated working capital adjustment, less \$4.1 million that was placed in an escrow account to cover possible indemnification claims that may arise from this transaction, less other transactional costs.
 - i. Represents the amount placed in escrow to cover possible indemnification claims that may arise from the ConferencePlus transaction.
 - j. Represents the elimination of ConferencePlus balance sheet as of September 30, 2011.
 - k. Represents the estimated utilization in deferred tax assets resulting from the gain on the sale of ConferencePlus.
 - l. Represents the estimated gain resulting from the ConferencePlus divestiture, net of income taxes.