SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2002

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 N. 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 X No .
----- -----

The number of shares outstanding of each of the issuer's classes of common stock are:

Class A Common Stock, $0.01 Par Value - 45,907,065 shares at August 2, 2002
Class B Common Stock, $0.01 Par Value - 19,014,869 shares at August 2, 2002

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
FORM 10-Q

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SAFE HARBOR STATEMENT

Certain statements contained in this Quarterly Report of Form 10-Q regarding matters that are not historical facts or that contain the words "believe", "expect", "intend", "anticipate" or derivatives thereof, are forward looking statements. Because such forward-looking statements include 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, those discussed under "Risk Factors" set forth in Westell Technologies, Inc.'s Annual Report on Form 10-K for the fiscal year ended March 31, 2002. Westell Technologies, Inc. ("Westell" or the "Company") undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

<TABLE>

WESTELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

<CAPTION>

ASSETS	March 31, 2002	June 30, 2002
		(unaudited)
	(in thousands)	
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents..	$6,687	$7,268
Accounts receivable (net of allowance of $1,531,000 and $1,520,000, respectively)..	25,266	28,439
Inventories...	18,174	15,148
Prepaid expenses and other current assets..........................	2,169	2,947
Deferred income tax asset..	7,830	7,830
Land and building held for sale....................................	2,052	1,881
Total current assets...	62,178	63,513
Property and equipment:		
Machinery and equipment..	45,148	43,968
Office, computer and research equipment............................	30,873	26,895
Leasehold improvements...	7,634	7,682
	83,655	78,545
Less accumulated depreciation and amortization.....................	54,029	51,681
Property and equipment, net.......................................	29,626	26,864

Goodwill and intangibles, net	16,312	15,923
Deferred income tax asset and other assets	18,037	18,037
Total assets	$ 126,153	$124,337

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$15,702	$12,583
Accrued expenses	16,105	12,563
Notes payable	-	31,660
Accrued compensation	2,374	2,780
Current portion of long-term debt	11,186	11,177
Total current liabilities	45,367	70,763
Long-term debt	39,469	11,919
Other long-term liabilities	5,044	5,018
Stockholders' equity:		
Class A common stock, par $0.01	459	459
Authorized - 109,000,000 shares		
Issued and outstanding - 45,907,065 shares at March 31, 2002 and June 30, 2002		
Class B common stock, par $0.01	190	190
Authorized - 25,000,000 shares		
Issued and outstanding - 19,014,869 shares at March 31, 2000 and June 30, 2002		
Preferred stock, par $0.01	--	--
Authorized - 1,000,000 shares		
Issued and outstanding - none		
Deferred compensation	46	46
Additional paid-in capital	364,566	364,566
Treasury stock at cost - 93,000 shares	(247)	(247)
Cumulative translation adjustment	(18)	(113)
Accumulated deficit	(328,723)	(328,264)
Total stockholders' equity	36,273	36,637
Total liabilities and stockholders' equity	$ 126,153	$ 124,337

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

</TABLE>

<TABLE>

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

<CAPTION>

	Three Months Ended June 30,	
	2001	2002
	(unaudited) (in thousands, except per share data)	
<S>	<C>	<C>
Equipment revenue	$ 50,207	$ 39,030
Service revenue	13,091	10,775
Total revenues	63,298	49,805

Cost of equipment sales......................	43,105	28,956
Cost of services............................	7,875	6,838
Cost of goods sold.........................	50,980	35,794
Gross margin..............................	12,318	14,011
Operating expenses:		
Sales and marketing........................	5,915	4,333
Research and development...................	7,990	3,446
General and administrative.................	5,680	4,651
Goodwill and intangible amortization........	7,953	389
Total operating expenses.................	27,538	12,819
Operating profit (loss)....................	(15,220)	1,192
Other (income) expense, net..................	257	(50)
Interest expense............................	1,359	783
Income (loss) before tax benefit.............	(16,836)	459
Income taxes................................	-	-
Net income (loss)............................	$(16,836)	$ 459
Net income (loss) per common share:		
Basic...............................	$ (0.27)	$ 0.01
Diluted.............................	$ (0.27)	$ 0.01
Weighted average number of common shares outstanding:		
Basic...............................	62,641	64,921
Diluted.............................	62,641	64,922

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

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<TABLE>

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

<CAPTION>

<S>	Three Months Ended June 30, 2001 <C>	2002 <C>
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income (loss)..	$ (16,836)	$ 459
Reconciliation of net income (loss) to net cash used in operating activities:		
Depreciation and amortization..................................	11,516	3,594
Loss on sale of fixed assets...................................	-	201
Other..	121	
Changes in assets and liabilities:		
Accounts receivable..	(2,570)	(3,267)
Inventory..	14,757	3,026

Prepaid expenses and other current assets	(340)	(766)
Other assets	(40)	--
Accounts payable and accrued expenses	(6,387)	(6,700)
Accrued compensation	(633)	406
Net cash used in operating activities	(412)	(3,047)
Cash flows from investing activities:		
Purchases of property and equipment	(4,943)	(473)
Proceeds from the sale of land and building	893	--
Net cash used in investing activities	(4,050)	(473)
Cash flows from financing activities:		
Net borrowing (repayment) under revolving promissory notes	(2,296)	5,570
Net borrowing (repayment) of long-term debt and leases payable	878	(1,469)
Proceeds from the issuance of common stock	5,945	--
Net cash provided in financing activities	4,527	4,101
Effect of exchange rate changes on cash	(9)	--
Net increase in cash	56	581
Cash and cash equivalents, beginning of period	405	6,687
Cash and cash equivalents, end of period	$ 461	$ 7,268

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

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

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended March 31, 2002.

In the opinion of management, the unaudited interim financial statements included herein reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's consolidated financial position and the results of operations and cash flows at June 30, 2002, and for all periods presented. The results of operations for the three month period ended June 30, 2002 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2003 ("fiscal year 2003").

NOTE 2. COMPUTATION OF INCOME (LOSS) PER SHARE

The computation of basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share includes the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued. The effect of this computation on the number of outstanding shares is antidilutive for the period ended June 30, 2001 and therefore the net loss per basic and diluted earnings per share are the same.

NOTE 3. RESTRUCTURING CHARGE

The Company recognized a restructuring charge of $2.9 million in the three months ended March 31, 2000. Approximately $2.4 million of the total cost has been capitalized as part of the purchase of Teltrend Inc. primarily related to approximately 30 Teltrend Inc. employees involuntarily terminated with the remaining $.5 million charged to operations. This charge was for personnel, legal, and other related costs to eliminate redundant employees due to the acquisition of Teltrend Inc. The restructuring plan was to combine and streamline the operations of the two companies and to achieve synergies related to the manufacture and distribution of common product lines. As of March 31, 2002, $2.0 million of these restructuring cost had been paid leaving a balance of approximately $.9 million. As of June 30, 2002, $2.2 million of these costs have been paid.

The Company recognized a restructuring charge of $6.3 million in fiscal year 2002. The fiscal 2002 restructuring plan was to decrease costs primarily by workforce reduction where approximately 200 employees were impacted and to realign the Company's cost structure with the anticipated business outlook. As of March 31, 2002, $3.0 million of the fiscal 2002 restructuring cost had been paid leaving a balance of approximately $3.3 million. During the three months ended June 30, 2002, the Company paid approximately $1.1 million of these accrued restructuring costs.

The Company's restructuring balances and their utilization are presented in the following table:

(in thousands)	Balance March 31, 2002	Utilized through June 30, 2002	Balance June 30, 2002
Employee Costs...........	$ 2,039	$1,017	$ 1,022
Legal, facility & Other Costs	2,174	265	1,909
Total....................	$ 4,213	$1,282	$ 2,931

NOTE 4. INTERIM SEGMENT INFORMATION

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

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

Performance of these segments is evaluated utilizing, revenue, operating income and total asset measurements. The accounting policies of the segments are the same as those for Westell Technologies, Inc. Segment information for the three-month periods ended June 30, 2001 and 2002, are as follows:

(in thousands)	Telecom Equipment	Telecom Services	Consolidated Total
Three months ended June 30, 2001			
Revenues........................	$ 50,207	$ 13,091	$ 63,298

Operating income (loss).........	(17,871)	2,651	(15,220)
Depreciation and amortization...	10,551	965	11,516
Total assets....................	272,312	23,566	295,878
Three months ended June 30, 2002			
Revenues........................	$ 39,030	$ 10,775	$ 49,805
Operating income (loss)	(171)	1,363	1,192
Depreciation and amortization...	2,407	1,187	3,594
Total assets....................	101,991	22,346	124,337

Reconciliation of Operating income (loss) for the reportable segments to Income (loss) before income taxes:

	Three Months Ended June 30,	
(in thousands)	2001	2002
Operating income (loss)	$ (15,220)	$ 1,192
Other (income) expense , net..............	257	(50)
Interest expense..........................	1,359	783
Income (loss) before tax benefit	$ (16,836)	$ 459

NOTE 5. ADOPTION OF NEW ACCOUNTING POLICIES

On April 1, 2002, the Company adopted the Financial Accounting Standards Board Statements of Financial Accounting Standards (FASB) No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets. Under the new rules, goodwill and other indefinite-lived intangibles are no longer amortized but subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. Goodwill amortization included in sales and administrative expense in fiscal years 2000, 2001 and 2002 was $1.3 million, $31.8 million and $25.5 million, respectively. Goodwill amortization included in sales and administrative expense for the first quarter of fiscal year 2002 was $0.4 million. Upon adoption of this standard the Company was required to perform an impairment test of goodwill. This test showed no impairment of goodwill. The adoption of the provisions for amortization of intangible assets did not impact the Company's amortization of these assets. The following table discloses pro forma results for net income and earnings per share as if the non-amortization of goodwill provisions of FASB Statement No. 142 were adopted at the beginning of fiscal year 2002.

	Three Months Ended June 30,	
(in thousands, except per share amounts)	2001	2002
Reported Net income (loss)....................	$ (16,836)	$ 459
Add back: Goodwill amortization..............	3,915	
Adjusted Net income (loss)....................	(12,921)	$ 459
Reported basic and diluted earnings per share.	$ (0.27)	$ 0.01
Add back: Goodwill amortization per share.....	.06	
Adjusted basic and diluted earnings per share.	$ (0.21)	$ 0.01

NOTE 6. COMPREHENSIVE INCOME

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

	Three Months Ended June 30,	
(in thousands)	2001	2002
Net income (loss)............................	$ (16,836)	$ 459
Other comprehensive income (loss)		
Foreign currency translation adjustment..	43	(95)
Comprehensive income (loss)..................	$ (16,793)	$ 364

NOTE 7. INVENTORIES

The components of inventories are as follows:

	March 31,	June 30,
(in thousands)	2002	2002
Raw material	$ 22,721	$ 15,388
Work in process..............................	39	149
Finished goods...............................	14,889	12,906
Reserve for excess and obsolete inventory and net realizable value.............................	(19,475)	(13,295)
	$ 18,174	$ 15,148

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

OVERVIEW

Through its four broadband access product lines, the Company offers a broad range of products that facilitate the broadband transmission of high-speed digital and analog data between a telephone company's central office and end-user customers. These four product lines include:

- Customer Networking Equipment: Westell Customer Networking Equipment (CNE) products and solutions enable residential, small business and Small Office Home Office (SOHO) users to network multiple computers, telephones and other devices to access the Internet through the power of broadband xDSL solutions.
- Carrier Transport & Multiplexer: Westell's Carrier Transport and Multiplexer (CTM) products enable our customers to deliver and manage a range of broadband services from the telco central office with interfaces with other carriers such as wireless as well as enterprise customers.
- Carrier Service Access: Westell Carrier Service Access (CSA) products enable telco transmission, maintenance, and troubleshooting of multiple broadband solutions (telco services such as, DS1, DS3, HDSL2, HDSL4 , DDS, ISDN) from the customer access point to the serving telco central office.
- OSP, Enclosures & Accessories: Westell Outside Plant (OSP) products and solutions focus on facilities equipment linking the telco's central office to the communications subscriber through various transmission technologies, such as analog, digital data, traditional repeatered T1, HDSL, HDSL2, and HDSL4.

The Company reports results from these four product lines by two main groups; Broadband Products and Telco Access Products ("TAP"). Broadband products include CNE and CTM product lines and TAP products include CSA and OSP product lines.

Below is a table that compares equipment and service revenues for the quarter ended June 30, 2001 with the quarter ended June 30, 2002 by business unit.

(in thousands)	June 30, 2001	June 30, 2002
TAP..........................	$ 26,903	$ 15,659
Broadband....................	23,304	23,371
Total equipment.............	50,207	39,030
Services....................	13,091	10,775
Total revenues..............	$ 63,298	$ 49,805

The prices for the products within each market group varies based upon volume, customer specifications and other criteria and are subject to change due to competition among telecommunications manufacturers. Increasing competition, in terms of the number of entrants and their size, and increasing size of the Company's customers because of mergers, continues to exert downward pressure on prices for the Company's products. The Company has also elected to eliminate some products and exit some markets based on an analysis of current and future prospects.

Westell's net revenues decreased 21.3% in the three months ended June 30, 2002 when compared to the same period last year due to a 22.3% decrease in equipment revenue combined with a 17.7% decrease in service revenue. The decrease in equipment revenue is due primarily to the decreased sales of the Company's TAP and Broadband products and a decrease in service revenue. Broadband product sales were favorably effected by earning a one-time product royalty of $1.7 million in the period ended June 30, 2002. The decrease in service revenue is a result of decreased teleconference call minutes due to the loss of a significant customer.

The Company expects to continue to evaluate new product opportunities and engage in extensive research and development activities. This will require the Company to continue to invest heavily in research and development and sales and marketing, which could adversely affect short-term results of operations.

In view of the Company's reliance on the emerging DSL market for growth and the unpredictability of orders and subsequent revenues, the Company believes that period to period comparisons of its financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. Revenues from TAP products such as NIUs have declined in recent years as telcos continue to move to networks that deliver higher speed digital transmission services. Failure to increase revenues from new products, whether due to lack of market acceptance, competition, technological change or otherwise, would have a material adverse effect on the Company's business and results of operations.

RESULTS OF OPERATIONS - Period ended June 30, 2002 compared to period ended June 30, 2001.

Revenues. The Company's revenues decreased 21.3% from $63.3 million in the three months ended June 30, 2001 to $49.8 million in the three months ended June 30, 2002. This revenue decrease was due to decreased equipment revenue of $11.2 million and a decrease in teleconference service revenue of $2.3 million. The decreased equipment revenue was due primarily to decreased sales of the Company's TAP products. Revenues from the Company's TAP product line, in the quarter ended June 30, 2002, decreased to $15.6 million compared to $26.9 million in the same quarter one year ago. The decrease in revenues from TAP products is due primarily to lower unit volume. The Company's teleconference service revenue of $10.8 million for the quarter ended June 30, 2002 decreased $2.3 million or 17.7% from $13.1 million in the same quarter one year ago. This decrease in revenue is attributable to a reduction in call minutes and to a lesser extent, price repression at the Company's subsidiary Conference Plus, Inc. Revenue from our Broadband products increased slightly to $23.4 million for the three months ended June 30, 2002 compared to $23.3 million for the quarter ending June 30, 2001 due to earning a one-time product royalty of $1.7 million. Excluding the one-time royalty, Broadband revenue decreased by approximately $1.6 million due to lower unit selling prices offset in part by higher unit volumes.

Gross Margin. Gross margin as a percentage of revenue increased from 19.5% in the three months ended June 30, 2001 to 28.1% in the three months ended June 30, 2002. This increase in gross margin includes the one-time product royalty mentioned above and is also due to extensive efforts to reduce material and labor and handling costs of our products, particularly in our broadband product lines. Excluding the one-time royalty, gross margin as a percentage of revenue would have been 24.7% in the period ended June 30, 2002. Teleconference service gross margin decreased in the three months ended June 30, 2002 due primarily to the reduced call volume and to a lesser extent, price repression.

Sales and Marketing. Sales and marketing expenses decreased 26.7%, from $5.9 million in the three months ended June 30, 2001 to $4.3 million in the three months ended June 30, 2002. Sales and marketing expenses also decreased as a percentage of revenues from 9.3% in the three months ended June 30, 2001 to 8.7% in the three months ended June 30, 2002. The decrease in sales and marketing expenses was primarily due to cost reductions initiated in fiscal 2002 reorganizations. The Company believes that continued investment in sales and marketing will be required to expand its product lines, bring new products to market and service customers.

Research and Development. Research and development expenses decreased 56.9%, from $8.0 million in the three months ended June 30, 2001 to $3.4 million in the three months ended June 30, 2002. Research and development expenses also decreased as a percentage of revenues from 12.6% in the three months ended June 30, 2001 to 6.9% in the three months ended June 30, 2002. The decrease in research and development expense is primarily a result of cost reductions initiated in fiscal 2002 reorganizations. To a lesser extent, research and development expenses decreased because the Company earned $250,000 in the three months ended June 30, 2002 from a customer to fund engineering projects which were offset against research and development expenses. The Company believes that a continued commitment to research and development will be required for the Company to remain competitive.

General and Administrative. General and administrative expenses decreased 18.1%, from $5.7 million in the three months ended June 30, 2001 to $4.7 million in the three months ended June 30, 2002. General and administrative expenses increased as a percentage of revenue from 9.0% in the three months ended June 30, 2001 to 9.3% in the three months ended June 30, 2002. The decrease in general and administrative expenses was primarily due to cost reductions initiated in fiscal 2002 reorganizations.

Goodwill and intangible amortization. Goodwill and intangible amortization expense decreased due to the adoption of the Statements of Financial Accounting Standards (SFAS) 142 issued by the Financial Accounting Standards Board (FASB). Under the new rules, goodwill and other indefinite lived intangibles are no longer amortized but are subject to annual impairment tests. The Company performed the first impairment test as of April 1, 2002 and no write down was required. The amortization of other identifiable intangible assets was approximately $389,000 in the quarter ended June 30, 2002.

Other (income) expense, net. Other (income) expense, net decreased from expense of $257,000 in the three months ended June 30, 2001 to income of $50,000 in the three months ended June 30, 2002. The income for the period was primarily due to the recognition of foreign currency gains/losses on intercompany balances.

Interest expense. Interest expense decreased from $1.4 million in the three months ended June 30, 2001 to $783,000 in the three months ended June 30, 2002. The interest expense during the current period is a result of interest incurred on net obligations outstanding during the period under promissory notes, capital leases, and vendor debt.

Income taxes. There was no benefit or provision for income taxes recorded for both three-month periods ended June 30, 2002 and 2001. The Company reversed valuation reserves for the entire expense generated during the current quarter of $0.3 million. The Company will evaluate on a quarterly basis it's ability to utilize deferred tax assets.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2002, the Company had $7.3 million in cash and cash equivalents consisting primarily of federal government agency instruments and the highest rated grade corporate commercial paper. As of June 30, 2002, the Company had $5.0 million outstanding under its term loan and $26.7 million outstanding and $3.3 million available under its secured revolving credit facility.

On June 28, 2002, the Company amended the revolving credit facility. The amendment provides for a $5 million non-amortizing term loan and a $30 million revolving credit facility, both due June 30, 2003. The asset based revolving credit facility provides for total borrowing based upon 85% of eligible accounts receivable and 30% of eligible inventory not to exceed $7.6 million. The $7.6 million inventory limitation is reduced by $0.1 million on the first day of each month. Borrowings under this facility provide for the interest to be paid by the Company at prime plus 1%. The term loan is secured by, among other things, a security interest in certain collateral granted by certain stockholders. The amendment also terminates the $10 million guarantee provided by trusts of Robert C. Penny III and other Penny family members. Trusts of Robert C. Penny III and other Penny family members are participants to the amended revolving credit facility. This new amendment provides for covenants regarding EBITDA, tangible net worth and maximum capital expenditures. The Company was in compliance with the covenants at June 30, 2002. Management expects to be in compliance with the covenants for the term of the debt. The Company had $5.0 million outstanding under its term loan and $13.3 million outstanding under its revolving credit facility and was eligible to borrow an additional $8.1 million as of August 2, 2002.

On May 30, 2002, the Company signed two subordinated promissory notes with Solectron Technology SDN BHD. One note in the amount of $5.0 million is for the payment of inventory held by Solectron that the Company is committed to buy. The second note in the amount of $16.6 million is for the payment of accounts payable and accrued interest. Both notes require a weekly principal and monthly interest payment and are payable over 2.3 years. A third subordinated secured promissory note between the parties was signed on June 3, 2002 in the amount of $1.3 million and is payable monthly over one year. This note was part of the settlement of litigation with Celsian. All three notes bear interest at a rate of prime plus 2.5%.

At June 30, 2002 the Company had various operating leases for facilities and equipment. The total minimum future rental payments are $5.3 million, $4.3 million, $3.5 million, $3.5million, $3.4 million and $26.0 million for fiscal years 2003, 2004, 2005, 2006, 2007 and thereafter, respectively.

The Company's operating activities used cash of $3.0 million in the three months ended June 30, 2002. This resulted primarily from reductions in accounts payable and accrued expenses.

Capital expenditures for the three month period ended June 30, 2002 were approximately $0.5 million. The Company expects to spend approximately $4.0 million for capital expenditures for the remainder of fiscal year 2002 related primarily for machinery, computer and research equipment purchases.

At June 30, 2002, the Company's principle sources of liquidity were $7.3 million of cash and the secured revolving promissory note facility under which the Company was eligible to borrow up to an additional $3.3 million based upon receivables and inventory levels. To meet the Company's cash needs for fiscal year 2003, the Company is exploring various alternatives including the sale of non-strategic assets. Cash in excess of operating requirements, if any, will be used to pay down debt or invested on a short-term basis in federal government agency instruments and the highest rated grade commercial paper.

The Company had a deferred tax asset of approximately $92.9 million at June 30, 2002. The net operating loss carryforward begins to expire in 2012. Realization of deferred tax assets associated with the Company's future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration. Although realization of the deferred tax asset is not assured as the Company has incurred operating losses for the 2000, 2001 and 2002 fiscal years, management believes that it is more likely than not that it will generate taxable income sufficient to realize a portion of the tax benefit. Portions of these deferred tax assets are expected to be utilized, prior to their expiration, through a tax planning strategy available to the Company. Management will continue to periodically assess whether it remains more likely than not that the deferred tax asset will be realized. If the tax planning strategy is not sufficient to generate taxable income to recover the deferred tax benefit recorded, an increase in the valuation allowance will be required through a charge to the income tax provision. However, if the Company achieves sufficient profitability or has available additional tax planning strategies to utilize a greater portion of the deferred tax asset, an income tax benefit would be recorded to decrease the valuation allowance.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.

Westell is subject to certain market risks, including foreign currency and interest rates. The Company has foreign subsidiaries in the United Kingdom and Ireland that develop and sell products and services in those respective countries. The Company is exposed to potential gains and losses from foreign currency fluctuations affecting net investments and earnings denominated in foreign currencies. The Company's future primary exposure is to changes in exchange rates for the U.S. dollar versus the British pound and the Irish pound.

As of June 30, 2002, the balance in the cumulative foreign currency translation adjustment account, which is a component of stockholders' equity, was an unrealized loss of $113,000.

The Company does not have significant exposure to interest rate risk related to its debt obligations, which are primarily U.S. Dollar denominated. The Company's market risk is the potential loss arising from adverse changes in interest rates. As further described in Note 2 to the Consolidated Financial Statements included herein at Part II, Item 8 of this Annual Report, the Company's debt consists primarily of a floating-rate bank line-of credit and subordinated term notes. Market risk is estimated as the potential decrease in pretax earnings resulting from a hypothetical increase in interest rates of 10% (i.e. from approximately 6.5% to approximately 7.2%) average interest rate on the Company's debt. If such an increase occurred, the Company would incur approximately $130,000 per annum in additional interest expense based on the average debt borrowed during the twelve months ended June 30, 2002. The Company does not feel such additional expense is significant.

The Company does not currently use any derivative financial instruments relating to the risk associated with changes in interest rates.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Westell Technologies, Inc. and certain of its officers and directors have been named in the following class actions:

1. Schumaster v. Westell Technologies, Inc., et al., No. 00C7991 (filed December 26, 2000);
2. Barton v. Westell Technologies, Inc., et al., No. 00C7765 (filed December 12, 2000);
3. Hoffman v. Westell Technologies, Inc., et al., No. 00C7624 (filed December 4, 2000);

4. PAS Mgmt. & Consulting Serv., Inc. v. Westell Technologies, Inc., et al., No. 00C7605 (filed December 4, 2000);
5. Abdelnour v. Westell Technologies, Inc., et al., No. 00C7308 (filed November 20, 2000);
6. Feinstein v. Westell Technologies, Inc., et al., No. 00C7247 (filed November 16, 2000);
7. Lefkowitz v. Westell Technologies, Inc., et al., No. 00 C 6881 (filed November 2, 2000);
8. Greif v. Westell Technologies, Inc., et al., No. 00 C 7046 (filed November 8, 2000);
9. Seplow v. Westell Technologies, Inc., et al., No. 00 C 7019 (filed November 7, 2000);
10. Llanes v. Westell Technologies, Inc., et al., No. 00 C 6780 (filed October 30, 2000); and
11. Bergh v. Westell Technologies, Inc., et al., No. 00 C 6735 (filed October 27, 2000).

Each of these cases was filed in the United States District Court for the Northern District of Illinois and alleges generally that the defendants violated the antifraud provisions of the federal securities laws by allegedly issuing material false and misleading statements and/or allegedly omitting material facts necessary to make the statements made not misleading thereby allegedly inflating the price of Westell stock for certain time periods. Each of these cases allegedly arises from the same set of operative facts and seeks the same relief -- damages allegedly sustained by plaintiffs and the class by reason of the acts and transactions alleged in the complaints as well as interest on any damage award, reasonable attorneys' fees, expert fees, and other costs.

On January 11, 2001 Judge George W. Lindbergh of the federal district court for the Northern District of Illinois consolidated these cases into one lawsuit, captioned In re Westell Technologies, Inc., No 00 C 6735 (filed February 1, 2001). The parties are engaged in discovery and settlement negotiations. The case is set for trial on November 3, 2003.

Certain of Westell Technologies, Inc.'s officers and directors have been named in the following derivative actions:

1. The Ceyda Foundation Trust v. Zionts, et al, No. 01C2826 (filed April 20, 2001);
2. Vukovich v. Zionts, et al., No. 18647 (filed January 26, 2001);
3. Dollens v. Zionts, et al., No. 18533 NC (filed December 4, 2000); and
4. Rothchild v. Zionts, et al., No. 01LK259.

On December 4, 2001, these cases were consolidated in the United District Court for the Northern District of Illinois. Each case alleges generally that the defendants issued material false and misleading statements and/or allegedly omitted material facts necessary to make the statements made not misleading thereby inflating the price of Westell stock for certain time periods, engaged in insider trading, misappropriated corporate information, and beached their fiduciary duties to the Company's shareholders. Each case allegedly arises from the same set of operative facts and seeks the same relief - -- damages allegedly sustained by the Company by reason of the acts and transactions alleged in the complaints, a constructive trust for the amount of profits the individual defendants made on insider sales, reasonable attorneys' fees, expert fees, and other costs. The Court appointed Dollens and Vukovich as lead plaintiffs. On January 15, 2002, defendants filed a motion to dismiss the consolidated derivative action. There has been no ruling yet on the motion to dismiss. The parties are engaged in discovery and settlement negotiations. The case is set for trial on November 3, 2003. On July 24, 2002, Judge Lefkow granted in part and denied in part defendants' motion to dismiss the complaint. The Court dismissed those portions of the complaint based on an alleged breach of the duty of care or based on any alleged misrepresentations or omissions, except as to Defendant Zionts. The Court also dismissed the claims for damages based on exposure to defending the related class action and loss of Westell's integrity in the market and goodwill. Accordingly, the Court essentially limited the case to allegations of insider trading and damages from the profits from insider trading.

The Company was named in a declaratory judgment action in the Circuit Court of DuPage County, Wheaton, Illinois entitled WTI (IL) QRS 12-36, Inc. ("Landlord") vs. Westell, Inc. and Westell Technologies, Inc. Landlord is the lessor of the Company's leased facilities in Aurora, Illinois. The covenants under the lease agreement incorporate the covenants under the Company's credit facility. Any amendments to the credit facility are deemed accepted by Landlord as long as Landlord receives a corresponding fee based upon any amendment consideration paid to the lenders by the Company. Landlord claims that it is entitled to additional consideration in connection with the June 29, 2001 amendment due to the Penny family trusts' guarantee entered into on that date, that it is thus not bound by the amendments on that date, and that the Company is therefore in breach of its covenants under the lease. Landlord seeks declaratory judgment that Landlord is due a $4,981,3000 secured guaranty by the Penny family members, and that Landlord may declare the lease in default and pursue any defaults remedies available thereunder. The Company has filed a motion to dismiss on the grounds that the guaranties at issue have been released by the senior lender.

In the opinion of the Company, although the outcome of any legal proceedings set forth above cannot be predicted with certainty, the liability of the Company in connection with its legal proceedings could have a material effect on the Company's financial position.

In May 2002, the Company filed a patent infringement lawsuit against HyperEdge Corporation in the U.S. District Court for the Northern District of Illinois. The complaint charges HyperEdge with infringing Westell's U.S. Patent Number 5,444,776, which relates to an innovative bridge circuit technology often used in a network interface unit and seeks injunctive relief and $6 million in damages.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 99.1 Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 99.2 Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

WESTELL TECHNOLOGIES, INC.
(Registrant)

DATE: August 14, 2002 By: E. VAN CULLENS

E. VAN CULLENS
Chief Executive Officer

By: NICHOLAS C. HINDMAN

NICHOLAS C. HINDMAN
Chief Financial Officer

EXHIBIT 99.1

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 period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I hereby certify that, to my knowledge and in my capacity as Chief Executive Officer and based upon a review of the portions of the Report with respect to which I or a person under my supervision are responsible for and have provided or reviewed information, financial or otherwise, for inclusion in the Report:

1) the portions of the Report which I have reviewed and for which I am responsible do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which statements were made, not misleading; and

2) the information contained in the portions of the Report which I have reviewed and for which I have responsibility, present, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

/s/ E. Van Cullens
E. Van Cullens
Chief Executive Officer
August 14, 2002

Exhibit 99.2

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 period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I hereby certify that, to my knowledge and in my capacity as Chief Financial Officer and based upon a review of the portions of the Report with respect to which I or a person under my supervision are responsible for and have provided or reviewed information, financial or otherwise, for inclusion in the Report:

1) the portions of the Report which I have reviewed and for which I am responsible do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which statements were made, not misleading; and

2) the information contained in the portions of the Report which I have reviewed and for which I have responsibility, present, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

/s/ Nicholas C. Hindman
Nicholas C. Hindman
Chief Financial Officer
August 14, 2002