

eOn Communications Corporation
Condensed Consolidated Statements of Operations
(Dollars in thousands, except per share data)
Unaudited

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2009	2008	2009	2008
REVENUE				
Third party revenue	\$ 2,465	\$ 1,387	\$ 5,556	\$ 5,047
Related party revenue	-	127	-	343
Net revenue	<u>2,465</u>	<u>1,514</u>	<u>5,556</u>	<u>5,390</u>
COST OF REVENUE				
Third party cost of revenue	1,356	635	2,872	2,103
Related party cost of revenue	-	116	-	316
Cost of revenue	<u>1,356</u>	<u>751</u>	<u>2,872</u>	<u>2,419</u>
Gross profit	<u>1,109</u>	<u>763</u>	<u>2,684</u>	<u>2,971</u>
OPERATING EXPENSE				
Selling, general and administrative	852	1,150	2,307	3,297
Research and development	172	703	754	2,140
Other expense	26	123	87	160
Total operating expense	<u>1,050</u>	<u>1,976</u>	<u>3,148</u>	<u>5,597</u>
Income (loss) from continuing operations	59	(1,213)	(464)	(2,626)
Interest income	1	16	14	96
Income (loss) from continuing operations before income taxes	<u>60</u>	<u>(1,197)</u>	<u>(450)</u>	<u>(2,530)</u>
Income tax expense	-	-	-	-
Income (loss) from continuing operations after income taxes	<u>60</u>	<u>(1,197)</u>	<u>(450)</u>	<u>(2,530)</u>
DISCONTINUED OPERATIONS				
Loss from discontinued operations	-	(7)	-	(584)
Loss from discontinued operations	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(584)</u>
NET INCOME (LOSS)	<u>\$ 60</u>	<u>\$ (1,204)</u>	<u>\$ (450)</u>	<u>\$ (3,114)</u>
Weighted average shares outstanding				
Basic	2,736	2,734	2,735	2,722
Diluted	2,736	2,734	2,735	2,722
Basic income (loss) per share:				
From continuing operations	\$ 0.02	\$ (0.44)	\$ (0.16)	\$ (0.93)
From discontinued operations, net of tax	-	-	-	(0.21)
Basic income (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.44)</u>	<u>\$ (0.16)</u>	<u>\$ (1.14)</u>
Diluted income (loss) per share:				
From continuing operations	\$ 0.02	\$ (0.44)	\$ (0.16)	\$ (0.93)
From discontinued operations, net of tax	-	-	-	(0.21)
Diluted income (loss) per share	<u>\$ 0.02</u>	<u>\$ (0.44)</u>	<u>\$ (0.16)</u>	<u>\$ (1.14)</u>

eOn Communications Corporation
Condensed Consolidated Balance Sheets
(Dollars in thousands, except share and per share amounts)

	<u>April 30,</u> <u>2009</u>	<u>July 31,</u> <u>2008</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,394	\$ 1,545
Marketable securities	700	1,000
Trade accounts receivable, net of allowance of \$341 and \$680, respectively	2,392	932
Trade accounts receivable - related party	3	84
Inventories	5,164	2,501
Deferred income taxes	212	-
Prepaid and other current assets	294	177
Total current assets	<u>10,159</u>	<u>6,239</u>
Property and equipment, net	251	176
Intangibles, net	295	251
Investments	1,207	900
Deferred income taxes	58	-
Non-current assets	-	88
Total assets	<u>\$ 11,970</u>	<u>\$ 7,654</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 725	\$ 214
Trade accounts payable - related party	-	126
Notes payable	138	138
Accrued expenses and other	1,029	1,145
Total current liabilities	<u>1,892</u>	<u>1,623</u>
Note payable	<u>4,430</u>	<u>-</u>
Total liabilities	<u>6,322</u>	<u>1,623</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, (10,000,000 shares authorized, no shares issued and outstanding)	-	-
Common stock, \$0.005 par value (10,000,000 shares authorized, 2,873,992 and 2,869,608 shares issued, respectively)	14	14
Additional paid-in capital	56,000	55,931
Treasury stock, at cost (139,580 shares)	(1,503)	(1,502)
Accumulated deficit	(48,967)	(48,517)
Accumulated other comprehensive income	104	105
Total stockholders' equity	<u>5,648</u>	<u>6,031</u>
Total liabilities and stockholders' equity	<u>\$ 11,970</u>	<u>\$ 7,654</u>