

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

	<b>For the Years Ended July 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>REVENUE</b>		
Third party revenue	\$ 10,355	\$ 6,646
Related party revenue	290	348
Net revenue	<u>10,645</u>	<u>6,994</u>
<b>COST OF REVENUE</b>		
Third party cost of revenue	5,659	2,832
Related party cost of revenue	204	323
Cost of revenue	<u>5,863</u>	<u>3,155</u>
Gross profit	4,782	3,839
<b>OPERATING EXPENSE</b>		
Selling, general and administrative (including \$243 and \$210 of related party management fees, respectively)	3,633	3,893
Research and development	926	2,641
Other expense, net	120	283
Total operating expense	<u>4,679</u>	<u>6,817</u>
Income (loss) from continuing operations	103	(2,978)
Interest (expense) income	(466)	117
Equity earnings of unconsolidated equity investee	29	-
Loss from continuing operations before income taxes	<u>(334)</u>	<u>(2,861)</u>
Income tax expense	(5)	-
Loss from continuing operations after income taxes	<u>(339)</u>	<u>(2,861)</u>
<b>DISCONTINUED OPERATIONS</b>		
Loss from discontinued operations	-	(604)
Gain on disposal of discontinued operations, net of tax of \$0	-	13
Loss from discontinued operations	<u>-</u>	<u>(591)</u>
Net loss	<u>\$ (339)</u>	<u>\$ (3,452)</u>
<b>Weighted average shares outstanding</b>		
Basic and diluted	2,735	2,725
<b>Basic and diluted loss per share:</b>		
From continuing operations	\$ (0.12)	\$ (1.05)
From discontinued operations, net of tax	-	(0.22)
Basic and diluted net loss per share	<u>\$ (0.12)</u>	<u>\$ (1.27)</u>

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

	<b>As of July 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,010	\$ 1,545
Marketable securities	-	1,000
Trade accounts receivable, net of allowance of \$332 and \$680, respectively	2,943	932
Trade accounts receivable - related party	228	84
Inventories	5,032	2,501
Deferred income taxes	270	-
Prepaid and other current assets	242	177
Total current assets	11,725	6,239
Property and equipment, net	209	176
Intangibles, net	410	251
Investments	1,136	900
Investment in unconsolidated equity investee	140	-
Other non-current assets	-	88
Total assets	\$ 13,620	\$ 7,654
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 1,127	\$ 214
Trade accounts payable - related party	11	126
Notes payable, related party	1,157	138
Accrued expenses and other	1,628	1,145
Total current liabilities	3,923	1,623
Note payable, related party, net of current portion	3,891	-
Total liabilities	7,814	1,623
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	56,048	55,931
Treasury stock, at cost (139,580 shares)	(1,503)	(1,502)
Accumulated deficit	(48,856)	(48,517)
Accumulated other comprehensive income	103	105
Total stockholders' equity	5,806	6,031
Total liabilities and stockholders' equity	\$ 13,620	\$ 7,654