

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

	Three Months Ended	
	October 31,	
	2008	2007
REVENUE		
Third party revenue	\$ 1,784	\$ 2,268
Related party revenue	-	128
Net revenue	<u>1,784</u>	<u>2,396</u>
COST OF REVENUE		
Third party cost of revenue	813	892
Related party cost of revenue	-	120
Cost of revenue	<u>813</u>	<u>1,012</u>
Gross profit	<u>971</u>	<u>1,384</u>
OPERATING EXPENSE		
Selling, general and administrative	767	1,040
Research and development	305	757
Other expense	44	26
Total operating expense	<u>1,116</u>	<u>1,823</u>
Loss from continuing operations	(145)	(439)
Interest income	11	46
Loss from continuing operations before income taxes	<u>(134)</u>	<u>(393)</u>
Income tax expense	-	-
Loss from continuing operations after income taxes	<u>(134)</u>	<u>(393)</u>
DISCONTINUED OPERATIONS		
Loss from discontinued operations	-	(518)
Loss from discontinued operations	<u>-</u>	<u>(518)</u>
NET LOSS	<u>\$ (134)</u>	<u>\$ (911)</u>
Weighted average shares outstanding		
Basic and diluted	2,735	2,716
Basic and diluted loss per share:		
From continuing operations	\$ (0.05)	\$ (0.14)
From discontinued operations, net of tax	-	(0.19)
Basic and diluted loss per share	<u>\$ (0.05)</u>	<u>\$ (0.33)</u>

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

	<u>October 31,</u> <u>2008</u>	<u>July 31,</u> <u>2008</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,434	\$ 1,545
Marketable securities	1,000	1,000
Trade accounts receivable, net of allowance of \$731 and \$680, respectively	1,145	932
Trade accounts receivable - related party	73	84
Inventories	2,257	2,501
Prepaid and other current assets	65	177
Total current assets	<u>5,974</u>	<u>6,239</u>
Property and equipment, net	135	176
Intangibles, net	230	251
Investments	1,146	900
Non-current assets	110	88
Total assets	<u>\$ 7,595</u>	<u>\$ 7,654</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 237	\$ 214
Trade accounts payable - related party	174	126
Notes payable	196	138
Accrued expenses and other	1,035	1,145
Total current liabilities	<u>1,642</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, 2,870,888 and 2,869,608 shares issued, respectively)	14	14
Additional paid-in capital	55,988	55,931
Treasury stock, at cost (135,380 shares)	(1,502)	(1,502)
Accumulated deficit	(48,651)	(48,517)
Accumulated other comprehensive income	104	105
Total stockholders' equity	<u>5,953</u>	<u>6,031</u>
Total liabilities and stockholders' equity	<u>\$ 7,595</u>	<u>\$ 7,654</u>