

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

	<u>Three Months Ended</u> <u>April 30,</u>		<u>Nine Months Ended</u> <u>April 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
REVENUE				
Net revenue	\$ 3,576	\$ 2,465	\$ 11,617	\$ 5,556
COST OF REVENUE				
Cost of revenue	2,250	1,356	7,306	2,872
Gross profit	<u>1,326</u>	<u>1,109</u>	<u>4,311</u>	<u>2,684</u>
OPERATING EXPENSE				
Selling, general and administrative	1,058	852	3,346	2,307
Research and development	141	172	395	754
Other expenses	25	26	57	87
Total operating expense	<u>1,224</u>	<u>1,050</u>	<u>3,798</u>	<u>3,148</u>
Income (loss) from operations	102	59	513	(464)
Interest (expense) income, net	(149)	1	(499)	14
Equity in earnings of unconsolidated investee	2	-	51	-
(Loss) income before income taxes	<u>(45)</u>	<u>60</u>	<u>65</u>	<u>(450)</u>
Income tax expense (benefit)	2	-	(19)	-
Net (loss) income	<u>\$ (47)</u>	<u>\$ 60</u>	<u>\$ 84</u>	<u>\$ (450)</u>
COMPREHENSIVE (LOSS) INCOME				
Net (loss) income	\$ (47)	\$ 60	\$ 84	\$ (450)
Unrealized gains on available-for-sale securities	1	-	5	-
Foreign currency translation adjustment	-	-	-	(1)
Comprehensive (loss) income	<u>\$ (46)</u>	<u>\$ 60</u>	<u>\$ 89</u>	<u>\$ (451)</u>
Weighted average shares outstanding				
Basic	<u>2,756</u>	<u>2,736</u>	<u>2,743</u>	<u>2,735</u>
Diluted	<u>2,756</u>	<u>2,736</u>	<u>2,745</u>	<u>2,735</u>
Basic (loss) income per share	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ (0.16)</u>
Diluted (loss) income per share	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ (0.16)</u>

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

	<u>April 30,</u> <u>2010</u>	<u>July 31,</u> <u>2009</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,536	\$ 3,010
Trade accounts receivable, net of allowance of \$298 and \$332, respectively	1,995	2,943
Trade accounts receivable - related party	10	228
Inventories	4,848	5,032
Deferred income taxes	270	270
Prepaid and other current assets	177	242
Total current assets	<u>9,836</u>	<u>11,725</u>
Property and equipment, net	142	209
Intangibles, net	771	410
Investments	1,142	1,136
Investment in unconsolidated equity investee	191	140
Total assets	<u>\$ 12,082</u>	<u>\$ 13,620</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 822	\$ 1,127
Trade accounts payable - related party	5	11
Notes payable - related party	564	1,157
Accrued expenses and other	1,180	1,628
Total current liabilities	<u>2,571</u>	<u>3,923</u>
Note payable - related party, net of current portion	3,603	3,891
Total liabilities	<u>6,174</u>	<u>7,814</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, 2,898,310 and 2,873,992 shares issued, respectively)	15	14
Additional paid-in capital	56,060	56,048
Treasury stock, at cost (139,580 shares)	(1,503)	(1,503)
Accumulated deficit	(48,772)	(48,856)
Accumulated other comprehensive income	108	103
Total stockholders' equity	<u>5,908</u>	<u>5,806</u>
Total liabilities and stockholders' equity	<u>\$ 12,082</u>	<u>\$ 13,620</u>