

EON COMMUNICATIONS CORPORATION

10-Q Support File

Consolidated Statements of Operations (Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2007	2006	2007	2006
REVENUE				
Third party revenue	\$ 1,319	\$ 2,964	\$ 4,027	\$ 6,136
Related party revenue	168	-	168	-
Net revenue	<u>\$ 1,487</u>	<u>\$ 2,964</u>	<u>\$ 4,195</u>	<u>\$ 6,136</u>
COST OF REVENUE				
Third party cost of revenue	514	1,024	1,457	2,084
Related party cost of revenue	156	-	156	-
Cost of revenue	<u>670</u>	<u>1,024</u>	<u>1,613</u>	<u>2,084</u>
Gross profit	<u>817</u>	<u>1,940</u>	<u>2,582</u>	<u>4,052</u>
OPERATING EXPENSE				
Selling, general and administrative	1,120	1,176	2,177	2,446
Research and development	768	577	1,510	1,248
Other expense, net	24	40	30	64
Total operating expense	<u>1,912</u>	<u>1,793</u>	<u>3,717</u>	<u>3,758</u>
(Loss) income from continuing operations	<u>(1,095)</u>	<u>147</u>	<u>(1,135)</u>	<u>294</u>
Interest income	80	33	160	67
(Loss) income from continuing operations before income taxes	<u>(1,015)</u>	<u>180</u>	<u>(975)</u>	<u>361</u>
Income tax expense	-	-	-	-
(Loss) income from continuing operations after income taxes	<u>(1,015)</u>	<u>180</u>	<u>(975)</u>	<u>361</u>
DISCONTINUED OPERATIONS				
Income from discontinued operations, net of tax of \$162 and minority interest of \$289, respectively	-	149	-	256
Gain on disposal of discontinued operations, net of tax of \$20	-	278	-	278
Income from discontinued operations	<u>-</u>	<u>427</u>	<u>-</u>	<u>534</u>
(Loss) income before extraordinary item	<u>(1,015)</u>	<u>607</u>	<u>(975)</u>	<u>895</u>
EXTRAORDINARY ITEM				
Extraordinary gain, net of income taxes of \$0	-	-	-	217
Net (loss) income	<u>\$ (1,015)</u>	<u>\$ 607</u>	<u>\$ (975)</u>	<u>\$ 1,112</u>
COMPREHENSIVE (LOSS) INCOME				
Net (loss) income	\$ (1,015)	\$ 607	\$ (975)	\$ 1,112
Foreign currency translation adjustment	-	-	-	8
Comprehensive (loss) income	<u>\$ (1,015)</u>	<u>\$ 607</u>	<u>\$ (975)</u>	<u>\$ 1,120</u>
Weighted average shares outstanding:				
Basic	13,552	13,402	13,549	13,291
Diluted	13,552	13,469	13,549	13,356
Basic (loss) income per share:				
From continuing operations after income taxes	\$ (0.07)	\$ 0.02	\$ (0.07)	\$ 0.03
From discontinued operations, net of tax and minority interest	-	0.03	-	0.04
From extraordinary gain, net of income taxes	-	-	-	0.01
Basic (loss) income per share	<u>\$ (0.07)</u>	<u>\$ 0.05</u>	<u>\$ (0.07)</u>	<u>\$ 0.08</u>
Diluted (loss) income per share:				
From continuing operations after income taxes	\$ (0.07)	\$ 0.02	\$ (0.07)	\$ 0.03
From discontinued operations, net of tax and minority interest	-	0.03	-	0.04
From extraordinary gain, net of income taxes	-	-	-	0.01
Diluted (loss) income per share	<u>\$ (0.07)</u>	<u>\$ 0.05</u>	<u>\$ (0.07)</u>	<u>\$ 0.08</u>
	(0.07)	0.05	(0.07)	0.08
	(0.07)	0.05	(0.07)	0.08

EON COMMUNICATIONS CORPORATION
10-Q Support File
Consolidated Condensed Balance Sheets
(Dollars in thousands)

	January 31, 2007	July 31, 2006
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,404	\$ 934
Marketable securities	5,200	5,750
Trade accounts receivable, net of allowance of \$660 and \$372, respectively	752	1,639
Trade accounts receivable - related party	100	27
Proceeds receivable from sale of discontinued operations	-	89
Inventories	2,326	2,167
Prepaid and other current assets	336	289
Total current assets	<u>10,118</u>	<u>10,895</u>
Property and equipment, net	275	338
Long-term receivable, net of allowance of \$232	-	153
Goodwill	418	418
Investments	301	301
Total assets	<u>\$ 11,112</u>	<u>\$ 12,105</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 383	\$ 453
Trade accounts payable - related party	288	72
Deferred acquisition payment	397	397
Accrued expenses and other	1,043	1,376
Total current liabilities	<u>2,111</u>	<u>2,298</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, (10,000,000 shares authorized, no shares issued and outstanding)	-	-
Common stock, \$0.001 par value (50,000,000 shares authorized, 14,139,051 and 14,128,922 shares issued, respectively)	14	14
Additional paid-in capital	55,199	55,030
Treasury stock, at cost (676,900 shares)	(1,502)	(1,502)
Accumulated deficit	(44,710)	(43,735)
Total stockholders' equity	<u>9,001</u>	<u>9,807</u>
Total liabilities and stockholders' equity	<u>\$ 11,112</u>	<u>\$ 12,105</u>