

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

	<b>Three Months Ended</b>	
	<b>October 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>REVENUE</b>		
Net revenue	\$ 4,525	\$ 1,784
<b>COST OF REVENUE</b>		
Cost of revenue	2,804	813
Gross profit	1,721	971
<b>OPERATING EXPENSE</b>		
Selling, general and administrative	1,155	767
Research and development	137	305
Other expense	19	44
Total operating expense	1,311	1,116
Income (loss) from operations	410	(145)
Interest (expense) income	(53)	11
Equity earnings of unconsolidated equity investee	1	-
Income (loss) before income taxes	358	(134)
Income tax expense	21	-
Income (loss) after income taxes	\$ 379	\$ (134)
<b>COMPREHENSIVE INCOME (LOSS)</b>		
Net income (loss)	\$ 379	\$ (134)
Unrealized gains on available-for-sale securities	4	-
Foreign currency translation adjustment	-	(1)
Comprehensive income (loss)	\$ 383	\$ (135)
<b>Weighted average shares outstanding</b>		
Basic	2,735	2,735
Diluted	2,736	2,735
Basic income (loss) per share	\$ 0.14	\$ (0.05)
Diluted income (loss) per share:	\$ 0.14	\$ (0.05)

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

	<u>October 31,</u> <u>2009</u>	<u>July 31,</u> <u>2009</u>
	<u>(unaudited)</u>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,282	\$ 3,010
Trade accounts receivable, net of allowance of \$312 and \$332, respectively	2,553	2,943
Trade accounts receivable - related party	77	228
Inventories	4,716	5,032
Deferred income taxes	270	270
Prepaid and other current assets	289	242
Total current assets	<u>11,187</u>	<u>11,725</u>
Property and equipment, net	186	209
Intangibles, net	536	410
Investments	1,141	1,136
Investment in unconsolidated equity investee	141	140
Total assets	<u>\$ 13,191</u>	<u>\$ 13,620</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 1,198	\$ 1,127
Trade accounts payable - related party	11	11
Notes payable, related party	784	1,157
Accrued expenses and other	1,323	1,628
Total current liabilities	<u>3,316</u>	<u>3,923</u>
Note payable, related party, net of current portion	<u>3,685</u>	<u>3,891</u>
Total liabilities	<u>7,001</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, 2,875,214 and 2,873,992 shares issued, respectively)	14	14
Additional paid-in capital	56,049	56,048
Treasury stock, at cost (139,580 shares)	(1,503)	(1,503)
Accumulated deficit	(48,477)	(48,856)
Accumulated other comprehensive income	107	103
Total stockholders' equity	<u>6,190</u>	<u>5,806</u>
Total liabilities and stockholders' equity	<u>\$ 13,191</u>	<u>\$ 13,620</u>