

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

	Three Months Ended		Six Months Ended	
	January 31,		January 31,	
	2010	2009	2010	2009
REVENUE				
Net revenue	\$ 3,516	\$ 1,307	\$ 8,041	\$ 3,091
COST OF REVENUE				
Cost of revenue	2,252	703	5,056	1,516
Gross profit	<u>1,264</u>	<u>604</u>	<u>2,985</u>	<u>1,575</u>
OPERATING EXPENSE				
Selling, general and administrative	1,133	688	2,288	1,455
Research and development	117	277	254	582
Other expense	13	17	32	61
Total operating expense	<u>1,263</u>	<u>982</u>	<u>2,574</u>	<u>2,098</u>
Income (loss) from operations	1	(378)	411	(523)
Interest (expense) income, net	(297)	2	(350)	13
Equity in earnings of unconsolidated investee	48	-	49	-
(Loss) income before income taxes	<u>(248)</u>	<u>(376)</u>	<u>110</u>	<u>(510)</u>
Income tax benefit	-	-	21	-
Net (loss) income	<u>\$ (248)</u>	<u>\$ (376)</u>	<u>\$ 131</u>	<u>\$ (510)</u>
COMPREHENSIVE (LOSS) INCOME				
Net (loss) income	\$ (248)	\$ (376)	\$ 131	\$ (510)
Unrealized gains on available-for-sale securities	-	-	4	-
Foreign currency translation adjustment	-	-	-	(1)
Comprehensive (loss) income	<u>\$ (248)</u>	<u>\$ (376)</u>	<u>\$ 135</u>	<u>\$ (511)</u>
Weighted average shares outstanding				
Basic	<u>2,736</u>	<u>2,736</u>	<u>2,736</u>	<u>2,735</u>
Diluted	<u>2,736</u>	<u>2,736</u>	<u>2,738</u>	<u>2,735</u>
Basic (loss) income per share	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ 0.05</u>	<u>\$ (0.19)</u>
Diluted (loss) income per share	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ 0.05</u>	<u>\$ (0.19)</u>

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

	January 31, 2010	July 31, 2009
	<u>(unaudited)</u>	<u></u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,871	\$ 3,010
Trade accounts receivable, net of allowance of \$299 and \$332, respectively	2,050	2,943
Trade accounts receivable - related party	15	228
Inventories	4,933	5,032
Deferred income taxes	270	270
Prepaid and other current assets	262	242
Total current assets	<u>10,401</u>	<u>11,725</u>
Property and equipment, net	164	209
Intangibles, net	656	410
Investments	1,141	1,136
Investment in unconsolidated equity investee	189	140
Total assets	<u>\$ 12,551</u>	<u>\$ 13,620</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 1,082	\$ 1,127
Trade accounts payable - related party	6	11
Notes payable, related party	742	1,157
Accrued expenses and other	1,144	1,628
Total current liabilities	<u>2,974</u>	<u>3,923</u>
Note payable, related party, net of current portion	<u>3,633</u>	<u>3,891</u>
Total liabilities	<u>6,607</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, 2,890,214 and 2,873,992 shares issued, respectively)	15	14
Additional paid-in capital	56,050	56,048
Treasury stock, at cost (139,580 shares)	(1,503)	(1,503)
Accumulated deficit	(48,725)	(48,856)
Accumulated other comprehensive income	107	103
Total stockholders' equity	<u>5,944</u>	<u>5,806</u>
Total liabilities and stockholders' equity	<u>\$ 12,551</u>	<u>\$ 13,620</u>