

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>January 31,</u>		<u>January 31,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
REVENUE				
Third party revenue	\$ 1,307	\$ 1,392	\$ 3,091	\$ 3,660
Related party revenue	-	88	-	216
Net revenue	<u>1,307</u>	<u>1,480</u>	<u>3,091</u>	<u>3,876</u>
COST OF REVENUE				
Third party cost of revenue	703	576	1,516	1,468
Related party cost of revenue	-	80	-	200
Cost of revenue	<u>703</u>	<u>656</u>	<u>1,516</u>	<u>1,668</u>
Gross profit	<u>604</u>	<u>824</u>	<u>1,575</u>	<u>2,208</u>
OPERATING EXPENSE				
Selling, general and administrative	688	1,107	1,455	2,147
Research and development	277	680	582	1,437
Other expense	17	11	61	37
Total operating expense	<u>982</u>	<u>1,798</u>	<u>2,098</u>	<u>3,621</u>
Loss from continuing operations	<u>(378)</u>	<u>(974)</u>	<u>(523)</u>	<u>(1,413)</u>
Interest income	<u>2</u>	<u>34</u>	<u>13</u>	<u>80</u>
Loss from continuing operations before income taxes	<u>(376)</u>	<u>(940)</u>	<u>(510)</u>	<u>(1,333)</u>
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss from continuing operations after income taxes	<u>(376)</u>	<u>(940)</u>	<u>(510)</u>	<u>(1,333)</u>
DISCONTINUED OPERATIONS				
Loss from discontinued operations	<u>-</u>	<u>(59)</u>	<u>-</u>	<u>(577)</u>
Loss from discontinued operations	<u>-</u>	<u>(59)</u>	<u>-</u>	<u>(577)</u>
NET LOSS	<u>\$ (376)</u>	<u>\$ (999)</u>	<u>\$ (510)</u>	<u>\$ (1,910)</u>
Weighted average shares outstanding				
Basic and diluted	2,736	2,718	2,735	2,717
Basic and diluted loss per share:				
From continuing operations	\$ (0.14)	\$ (0.35)	\$ (0.19)	\$ (0.49)
From discontinued operations, net of tax	-	(0.02)	-	(0.21)
Basic and diluted loss per share	<u>\$ (0.14)</u>	<u>\$ (0.37)</u>	<u>\$ (0.19)</u>	<u>\$ (0.70)</u>

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

	<u>January 31,</u> <u>2009</u> <u>(unaudited)</u>	<u>July 31,</u> <u>2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,383	\$ 1,545
Marketable securities	1,000	1,000
Trade accounts receivable, net of allowance of \$307 and \$680, respectively	703	932
Trade accounts receivable - related party	7	84
Inventories	2,143	2,501
Prepaid and other current assets	109	177
Total current assets	<u>5,345</u>	<u>6,239</u>
Property and equipment, net	126	176
Intangibles, net	209	251
Investments	1,086	900
Non-current assets	131	88
Total assets	<u>\$ 6,897</u>	<u>\$ 7,654</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 100	\$ 214
Trade accounts payable - related party	122	126
Notes payable	138	138
Accrued expenses and other	954	1,145
Total liabilities, all current	<u>1,314</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	55,994	55,931
Treasury stock, at cost (135,380 shares)	(1,502)	(1,502)
Accumulated deficit	(49,027)	(48,517)
Accumulated other comprehensive income	104	105
Total stockholders' equity	<u>5,583</u>	<u>6,031</u>
Total liabilities and stockholders' equity	<u>\$ 6,897</u>	<u>\$ 7,654</u>