

Catapult Communications Corporation
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	For the three months ended December 31,	
	2006	2005
Revenues:		
Products	\$ 6,556	\$ 8,534
Services	4,011	3,568
Total revenues	10,567	12,102
Cost of revenues:		
Products	1,128	1,188
Services	854	1,062
Amortization of purchased technology	12	171
Total cost of revenues	1,994	2,421
Gross profit	8,573	9,681
Operating expenses:		
Research and development	3,015	3,083
Sales and marketing	4,291	4,627
General and administrative	2,284	2,427
Total operating expenses	9,590	10,137
Operating loss	(1,017)	(456)
Interest income	807	620
Other income (expense), net	(7)	13
Income (loss) before income taxes	(217)	177
Provision for income taxes	227	34
Net income (loss)	\$ (444)	\$ 143
Net income (loss) per share:		
Basic	\$ (0.03)	\$ 0.01
Diluted	\$ (0.03)	\$ 0.01
Shares used in per share calculation:		
Basic	14,103	14,743
Diluted	14,103	15,006

Catapult Communications Corporation
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>December 31,</u> 2006	<u>September 30,</u> 2006
ASSETS		
Current Assets:		
Cash, cash equivalents and short-term investments	\$ 67,594	\$ 70,134
Accounts receivable, net	9,559	9,696
Inventories	3,578	3,484
Other current assets	1,136	1,677
Total current assets	<u>81,867</u>	<u>84,991</u>
Property and equipment, net	1,780	1,912
Goodwill and other intangibles	49,592	49,610
Other assets	289	294
Total assets	<u><u>\$ 133,528</u></u>	<u><u>\$ 136,807</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 4,624	\$ 4,592
Deferred revenue	7,352	7,703
Total current liabilities	<u>11,976</u>	<u>12,295</u>
Deferred revenue, long-term portion	351	256
Deferred taxes and other liabilities, long-term	2,662	2,524
Total liabilities	<u>14,989</u>	<u>15,075</u>
Total stockholders' equity	<u>118,539</u>	<u>121,732</u>
Total liabilities and stockholders' equity	<u><u>\$ 133,528</u></u>	<u><u>\$ 136,807</u></u>