

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

	For the three months ended September 30,		For the twelve months ended September 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:				
Products	\$ 7,626	\$ 9,928	\$ 25,090	\$ 32,372
Services	3,080	3,902	14,251	15,012
Total revenues	<u>10,706</u>	<u>13,830</u>	<u>39,341</u>	<u>47,384</u>
Cost of revenues:				
Products	1,493	1,938	5,311	5,513
Services	734	885	3,101	3,811
Amortization of purchased technology	12	2,029	49	2,543
Total cost of revenues	<u>2,239</u>	<u>4,852</u>	<u>8,461</u>	<u>11,867</u>
Gross profit	<u>8,467</u>	<u>8,978</u>	<u>30,880</u>	<u>35,517</u>
Operating expenses:				
Research and development	3,601	3,594	13,349	13,652
Sales and marketing	4,292	4,136	16,701	17,341
General and administrative	2,343	3,508	9,102	10,647
Restructuring Costs	-	359	-	359
Total operating expenses	<u>10,236</u>	<u>11,597</u>	<u>39,152</u>	<u>41,999</u>
Operating loss	(1,769)	(2,619)	(8,272)	(6,482)
Interest income	796	826	3,268	2,817
Other income (expense), net	48	(67)	1,795	(11)
Loss before income taxes	(925)	(1,860)	(3,209)	(3,676)
Provision for income taxes	777	9,216	1,212	6,990
Net loss	<u>\$ (1,702)</u>	<u>\$ (11,076)</u>	<u>\$ (4,421)</u>	<u>\$ (10,666)</u>
Net loss per share:				
Basic	<u>\$ (0.13)</u>	<u>\$ (0.76)</u>	<u>\$ (0.32)</u>	<u>\$ (0.72)</u>
Diluted	<u>\$ (0.13)</u>	<u>\$ (0.76)</u>	<u>\$ (0.32)</u>	<u>\$ (0.72)</u>
Shares used in per share calculation:				
Basic	<u>13,587</u>	<u>14,617</u>	<u>13,849</u>	<u>14,736</u>
Diluted	<u>13,587</u>	<u>14,617</u>	<u>13,849</u>	<u>14,736</u>

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

	<u>September 30,</u> <u>2007</u>	<u>September 30,</u> <u>2006</u>
<b>ASSETS</b>		
Current Assets:		
Cash, cash equivalents and short-term investments	\$ 62,242	\$ 70,134
Accounts receivable, net	7,015	9,696
Inventories	2,485	3,484
Other current assets	1,863	1,677
Total current assets	<u>73,605</u>	<u>84,991</u>
Property and equipment, net	1,585	1,912
Goodwill and other intangibles	49,537	49,610
Other assets	3,066	294
Total assets	<u>\$ 127,793</u>	<u>\$ 136,807</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 5,573	\$ 4,592
Deferred revenue	6,206	7,703
Total current liabilities	<u>11,779</u>	<u>12,295</u>
Deferred revenue, long-term portion	389	256
Deferred taxes and other liabilities, long-term	3,849	2,524
Total liabilities	<u>16,017</u>	<u>15,075</u>
Total stockholders' equity	<u>111,776</u>	<u>121,732</u>
Total liabilities and stockholders' equity	<u>\$ 127,793</u>	<u>\$ 136,807</u>