

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

	For the three months ended March 31,		For the six months ended March 31,	
	2008	2007	2008	2007
Revenues:				
Products	\$ 6,925	\$ 6,069	\$ 13,695	\$ 12,625
Services	3,010	3,524	6,541	7,535
Total revenues	<u>9,935</u>	<u>9,593</u>	<u>20,236</u>	<u>20,160</u>
Cost of revenues:				
Products	1,225	1,290	2,473	2,418
Services	752	748	1,550	1,602
Amortization of purchased technology	12	12	24	24
Total cost of revenues	<u>1,989</u>	<u>2,050</u>	<u>4,047</u>	<u>4,044</u>
Gross profit	<u>7,946</u>	<u>7,543</u>	<u>16,189</u>	<u>16,116</u>
Operating expenses:				
Research and development	3,466	3,270	7,019	6,285
Sales and marketing	4,241	3,941	8,586	8,232
General and administrative	2,106	2,194	4,278	4,478
Restructuring costs	2,197	-	2,197	-
Total operating expenses	<u>12,010</u>	<u>9,405</u>	<u>22,080</u>	<u>18,995</u>
Operating loss	(4,064)	(1,862)	(5,891)	(2,879)
Interest income	592	840	1,336	1,647
Other income, net	235	1,835	365	1,828
Income (loss) before income taxes	(3,237)	813	(4,190)	596
Provision for income taxes	113	749	331	976
Net income (loss)	<u>\$ (3,350)</u>	<u>\$ 64</u>	<u>\$ (4,521)</u>	<u>\$ (380)</u>
Net income (loss) per share:				
Basic	<u>\$ (0.26)</u>	<u>\$ 0.00</u>	<u>\$ (0.34)</u>	<u>\$ (0.03)</u>
Diluted	<u>\$ (0.26)</u>	<u>\$ 0.00</u>	<u>\$ (0.34)</u>	<u>\$ (0.03)</u>
Shares used in per share calculation:				
Basic	<u>13,119</u>	<u>13,970</u>	<u>13,247</u>	<u>14,037</u>
Diluted	<u>13,119</u>	<u>14,025</u>	<u>13,247</u>	<u>14,037</u>

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

	<u>March 31,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>
ASSETS		
Current Assets:		
Cash, cash equivalents and short-term investments	\$ 50,161	\$ 62,242
Accounts receivable, net	10,569	7,015
Inventories	2,171	2,485
Other current assets	2,242	1,863
Total current assets	<u>65,143</u>	<u>73,605</u>
Long-term investments	7,000	-
Property and equipment, net	1,424	1,585
Goodwill and other intangibles	49,501	49,537
Other assets	2,247	2,243
Total assets	<u>\$ 125,315</u>	<u>\$ 126,970</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 6,459	\$ 5,573
Deferred revenue	7,935	6,206
Total current liabilities	<u>14,394</u>	<u>11,779</u>
Deferred revenue, long-term	137	406
Deferred taxes and other liabilities, long-term	4,695	3,009
Total liabilities	<u>19,226</u>	<u>15,194</u>
Total stockholders' equity	<u>106,089</u>	<u>111,776</u>
Total liabilities and stockholders' equity	<u>\$ 125,315</u>	<u>\$ 126,970</u>