



PROXIM WIRELESS CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	30-Jun	December 31,
	2008	2007
	<u>(unaudited)</u>	<u></u>
Assets		
Current assets:		
Cash and cash equivalents	\$4,884	\$6,329
Accounts receivable, net	5,067	9,326
Inventory	4,828	5,753
Prepaid expenses	1,159	1,029
Assets held for sale	<u>2,293</u>	<u>2,085</u>
Total current assets	18,231	24,522
Property and equipment, net	2,547	2,538
Other Assets:		
Restricted cash	77	76
Intangible assets, net	7,439	8,400
Deposits and prepaid expenses	<u>489</u>	<u>239</u>
Total other assets	<u>8,005</u>	<u>8,715</u>
Assets held for sale	<u>511</u>	<u>635</u>
Total assets	<u><u>\$29,294</u></u>	<u><u>\$36,410</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$10,312	\$12,752
Line of credit payable .	3,000	-
Deferred revenue	2,840	4,001
License agreement payable - current maturities	<u>851</u>	<u>1,065</u>
Total current liabilities	17,003	17,818
License agreement payable, net of current maturities	756	1,023
Long term liabilities of discontinued operations held for sale	<u>153</u>	<u>232</u>
Total liabilities	17,912	19,073
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value; 4,500,000 shares authorized, none issued at June 30, 2008 and December 31, 2007	-	-
Common stock, \$0.01 par value, 100,000,000 shares authorized, 23,519,069 issued and outstanding at June 30, 2008 and December 31, 2007	235	235
Additional paid-in capital	64,132	63,451
Retained earnings (accumulated deficit)	<u>(52,985)</u>	<u>(46,349)</u>
Total stockholders' equity	<u>11,382</u>	<u>17,337</u>
Total liabilities and stockholders' equity	<u><u>\$29,294</u></u>	<u><u>\$36,410</u></u>

PROXIM WIRELESS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenues	\$15,088	\$16,874	\$25,331	\$32,273
Cost of goods sold	7,831	9,296	13,752	17,568
Gross profit	7,257	7,578	11,579	14,705
Operating expenses:				
Selling costs	5,137	5,094	10,164	9,748
Restructuring Charges	0	91	0	91
General and administrative	3,089	2,884	6,500	5,891
Research and development	1,082	2,009	2,127	4,152
Total operating expenses	9,308	10,078	18,791	19,882
Operating loss	(2,051)	(2,500)	(7,212)	(5,177)
Other income (expenses):				
Interest income	7	28	21	72
Interest expense	(75)	(34)	(114)	(68)
Other income (loss)	745	2576	664	2600
Realized gain/loss from AFS securities	0	0	(59)	22
Total other income (expenses)	677	2,570	512	2,626
Loss before income taxes	(1,374)	70	(6,700)	(2,551)
Benefit (provision) for income taxes	(41)	(45)	(112)	(68)
Loss from continuing operations	(1,415)	25	(6,812)	(2,619)
Loss/income from discontinued operations (loss)	51	(364)	176	(706)
Net income (loss)	(1,364)	(339)	(6,636)	(3,325)
Weighted average number of shares -basic and diluted used in computing net earnings (loss) per share	23,519	21,554	23,519	21,554
Basic and diluted net earnings (loss) per share:				
Continuing operations	(\$0.06)	\$0.00	(\$0.29)	(\$0.12)
Discontinued operations	\$0.00	(\$0.02)	\$0.01	(\$0.03)
Total	(\$0.06)	(\$0.02)	(\$0.28)	(\$0.15)

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL RESULTS

	Three Months Ended			Three Months Ended		
	30-Jun-08			31-Mar-08		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Revenues	\$15,088		\$15,088	\$10,243		\$10,243
Cost of goods sold	7,831	(143)(a) (134)(c)	7,554	5,921	(145)(a) (129)(c)	5,647
Gross profit	7,257	277	7,534	4,322	274	4,596
Operating expenses:						
Selling costs	5,137	(9)(a) (88)(c)	5,040	5,027	(10)(a) (78)(c)	4,939
General and administrative	3,089	(87)(a) (481)(b) (102)(c)	2,419	3,411	(100)(a) (481)(b) (83)(c)	2,747
Research and development	1,082	(117)(a) (38)(c)	927	1,044	(119)(a) (30)(c)	895
Total operating expenses	9,308	922	8,386	9,482	901	8,581
Operating profit (loss)	(2,051)	1,199	(852)	(5,160)	1,175	(3,985)
Other income (expenses):						
Interest income	7		7	13		13
Interest expense	(75)		(75)	(39)		(39)
Other income (loss)	745		745	(139)		(139)
Total other income (expenses)	677		677	(165)		(165)
Loss before income taxes	(1,374)	1,199	(175)	(5,325)	1,175	(4,150)
Benefit (provision) for income taxes	(41)		(41)	(72)		(72)
Loss from continuing operations	(\$1,415)	\$1,199	(\$216)	(\$5,397)	\$1,175	(\$4,222)
Gain (loss) from discontinued operations	\$51	47(b)	\$98	\$125	47 (b)	\$172
Net income (loss)	(\$1,364)	\$1,246	(\$118)	(\$5,272)	\$1,222	(\$4,050)
Weighted average number of shares - basic and diluted used in computing net earnings (loss) per share	23,519		23,519	23,519		23,519
Basic and diluted net earnings (loss) per share:						
Continuing operations	(\$0.06)		(\$0.01)	(\$0.22)		(\$0.17)
Discontinued operations	\$0.00		\$0.00	(\$0.0)		(\$0.0)
Total	(\$0.06)		(\$0.01)	(\$0.22)		(\$0.17)

(a) The effect of depreciation of fixed assets

(b) The effect of amortization of intangible assets

(c) The effect of stock based compensation. The company adopted the provisions of Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" on January 1, 2006 using the modified-prospective transition method