

OPENWAVE®

Unaudited	FY06 Q3 Mar-06	FY06 Q4 Jun-06	FY07 Q1 Sep-06	FY07 Q2 Dec-06	FY07 Q3 Mar-07	FY07 Q4 Jun-07	FY08 Q1 Sep-07	FY08 Q2 Dec-07	Notes
Supplemental Analysis of Operations (\$ in thousands except shares and per share data)									
Revenues									
License	58,067	37,797	29,570	24,789	14,946	19,402	17,323	16,827	
Maintenance and support	22,353	22,821	22,813	22,833	22,917	22,443	21,644	20,887	
Professional services	23,200	20,425	25,301	25,990	22,712	23,376	19,661	19,055	
Project / Systems	1,273	2,466	6,127	2,080	2,129	2,873	4,344	6,412	
Total revenues	104,893	83,509	83,811	75,692	62,704	68,094	62,972	63,181	
Cost of revenues									
License	1,727	1,901	1,805	737	872	1,510	842	1,010	(1)
Maintenance and support	7,152	6,839	7,626	7,630	8,924	8,647	7,807	7,287	(1)
Professional services	18,280	15,245	19,693	18,983	17,242	15,199	15,347	16,303	(1)
Project / Systems	631	630	2,398	1,278	817	2,528	1,967	3,199	
Amortization of purchased technology and contract intangibles	1,519	1,519	1,518	1,967	2,002	2,056	2,054	2,035	(1)
Stock based compensation and retention bonuses	504	550	465	964	478	827	1,282	925	(1)
Total cost of revenues	29,813	26,684	33,505	31,559	30,335	30,767	29,299	30,759	
Gross profit	75,080	56,825	50,306	44,133	32,369	37,327	33,673	32,422	
Operating expenses									
Research and development	18,601	18,563	17,684	17,134	17,263	16,227	14,183	14,003	(1)
Sales and marketing	26,309	24,540	22,523	22,320	23,779	22,918	16,636	18,422	(1)
General and administrative	13,305	13,082	13,492	14,322	14,296	12,411	10,727	8,970	(1)
Professional fees associated with unusual events	-	341	5,492	750	2,920	3,314	1,374	337	(9)
Restructuring and related costs	765	(3,047)	10,500	2,024	576	15,857	1,208	328	
Acquisition-related costs and amortization of other intangibles	712	713	714	713	774	823	829	1,093	(1)
Stock based compensation and retention bonuses	10,087	8,158	5,080	5,488	4,381	5,523	4,460	2,499	(1)
Gain on sales of technology	(3,800)	-	(1,287)	-	-	-	-	-	
Total operating expenses, incl. all stock-based compensation	65,979	62,350	74,198	62,751	63,989	77,073	49,417	45,652	
Operating income (loss) from continuing operations	9,101	(5,525)	(23,892)	(18,618)	(31,620)	(39,746)	(15,744)	(13,230)	
Interest and other, net	4,121	4,267	5,898	4,945	4,020	3,430	2,904	2,479	
Impairment of nonmarketable equity securities	-	(428)	-	-	(1,185)	1,065	-	-	
Income (loss) from continuing operations before income taxes	13,222	(1,686)	(17,994)	(13,673)	(28,785)	(35,251)	(12,840)	(10,751)	
Income taxes	1,422	489	2,071	1,319	1,347	1,807	954	544	
Net income (loss) from continuing operations	11,800	(2,175)	(20,065)	(14,992)	(30,132)	(37,058)	(13,794)	(11,295)	
Diluted net income (loss) from continuing operations per share	0.12	(0.02)	(0.22)	(0.16)	(0.33)	(0.45)	(0.17)	(0.14)	
Net loss from discontinued operations	(2,230)	(2,927)	(4,472)	(784)	(2,378)	(86,756)	(351)	16,169	
Net income (loss)	9,570	(5,102)	(24,537)	(15,776)	(32,510)	(123,814)	(14,145)	4,874	
Diluted net income (loss) per share	0.10	(0.06)	(0.27)	(0.17)	(0.35)	(1.50)	(0.17)	0.06	
Shares used in computing GAAP net income (loss) per share	95,044	91,709	91,815	93,352	92,114	82,449	82,224	82,397	(2)

OPENWAVE®

	FY06 Q3 Mar-06	FY06 Q4 Jun-06	FY07 Q1 Sep-06	FY07 Q2 Dec-06	FY07 Q3 Mar-07	FY07 Q4 Jun-07	FY08 Q1 Sep-07	FY08 Q2 Dec-07	Notes
Unaudited									
Pro Forma (\$ in thousands except shares and per share data)									
GAAP net income (loss)	9,570	(5,102)	(24,537)	(15,776)	(32,510)	(123,814)	(14,145)	4,874	
Add back:									
Restructuring and related costs	765	(3,047)	10,500	2,024	576	17,548	1,208	328	
Acquisition-related costs and amortization	2,231	2,232	2,232	2,680	2,776	2,879	2,883	3,128	
Stock option review and related costs	-	341	5,492	750	540	-	-	-	
Stock based compensation	10,591	8,708	5,545	6,452	4,450	1,442	2,344	3,424	
Professional fees associated with unusual events	-	-	-	-	2,380	3,314	1,374	337	(8)
Retention bonuses related to strategic alternatives	-	-	-	-	409	3,217	3,398	-	
Gain on sale of technology	(3,800)	-	(1,287)	-	-	-	-	-	
Impairment of non-marketable equity securities	-	428	-	-	1,185	(1,065)	-	-	
Acquisition-related hedging costs	-	-	-	-	-	-	-	-	
Discontinued operations	2,230	2,927	4,472	784	2,378	86,756	351	(16,169)	(10)
Tax impact of the above reconciling items	(959)	(1,770)	(813)	(877)	(792)	(826)	(821)	(822)	
Pro Forma net income	20,628	4,717	1,604	(3,963)	(18,608)	(10,549)	(3,408)	(4,900)	
Add back interest expense	1,283	-	-	-	-	-	-	-	
Numerator for fully diluted non-GAAP earnings per share	21,911	4,717	1,604	(3,963)	(18,608)	(10,549)	(3,408)	(4,900)	
Fully diluted pro forma net income per share	0.21	0.05	0.02	(0.04)	(0.20)	(0.13)	(0.04)	(0.06)	
% of Revenue									
License revenues	55.4%	45.3%	35.3%	32.7%	23.8%	28.4%	27.5%	26.6%	(1)
Maintenance and support revenues	21.3%	27.3%	27.2%	30.2%	36.5%	33.0%	34.4%	33.1%	(1)
Professional services revenues	22.1%	24.5%	30.2%	34.3%	36.2%	34.3%	31.2%	30.2%	(1)
Project / Systems revenues	1.2%	3.0%	7.3%	2.7%	3.4%	4.2%	6.9%	10.1%	
License gross margin	97.0%	95.0%	93.9%	97.0%	94.2%	92.2%	95.1%	94.0%	(1)
Maintenance and support gross margin	68.0%	70.0%	66.6%	66.6%	61.1%	61.5%	63.9%	65.1%	(1)
Professional services gross margin	21.2%	25.4%	22.2%	27.0%	24.1%	35.0%	21.9%	14.4%	(1)
Project / Systems gross margin	50.4%	74.5%	60.9%	38.6%	61.6%	12.0%	54.7%	50.1%	
Total gross margin, excluding stock-based compensation and amortization of intangibles	73.5%	70.5%	62.4%	62.2%	55.6%	59.1%	58.8%	56.0%	
Research and development, excluding stock-based compensation	17.7%	22.2%	21.1%	22.6%	27.5%	23.8%	22.5%	22.2%	(1)
Sales and marketing, excluding stock-based compensation	25.1%	29.4%	26.9%	29.5%	37.9%	33.7%	26.4%	29.2%	(1)
General and administrative, excluding stock-based compensation	12.7%	15.7%	16.1%	18.9%	22.8%	18.2%	17.0%	14.2%	(1)
Other operating expenses	6.7%	10.6%	5.4%	8.2%	8.2%	9.3%	8.4%	5.7%	(7)
Total operating expenses, incl. all stock-based compensation	62.2%	77.9%	69.5%	79.2%	96.4%	85.0%	74.3%	71.3%	(7)
Operating profit / loss	8.7%	-6.6%	-28.5%	-24.6%	-50.4%	-58.4%	-25.0%	-20.9%	
Net profit / loss	11.2%	-2.6%	-23.9%	-19.8%	-48.1%	-54.4%	-21.9%	-17.9%	

OPENWAVE®

Unaudited	FY06 Q3 Mar-06	FY06 Q4 Jun-06	FY07 Q1 Sep-06	FY07 Q2 Dec-06	FY07 Q3 Mar-07	FY07 Q4 Jun-07	FY08 Q1 Sep-07	FY08 Q2 Dec-07	Notes
% Qtr over Qtr Growth									
License revenues	16%	-35%	-22%	-16%	-40%	30%	-11%	-3%	
Maintenance and support revenues	-8%	2%	0%	0%	0%	-2%	-4%	-3%	
Professional services revenues	-18%	-12%	24%	3%	-13%	3%	-16%	-3%	
Project / Systems revenues	-33%	94%	148%	-66%	2%	35%	51%	48%	
Total revenues	0%	-20%	0%	-10%	-17%	9%	-8%	0%	
Geographic Information									
Revenue (\$ in millions)									
Americas	66.4	38.0	42.9	40.7	32.2	39.6	31.7	30.7	
EMEA	11.7	15.2	13.3	13.8	13.3	11.5	15.6	10.9	
Asia	<u>26.7</u>	<u>30.3</u>	<u>27.6</u>	<u>21.2</u>	<u>17.3</u>	<u>16.9</u>	<u>15.7</u>	<u>21.6</u>	
Total revenues	104.8	83.4	83.9	75.7	62.8	68.1	63.0	63.2	
% of total revenues									
Americas	63%	46%	51%	54%	51%	58%	50%	49%	
EMEA	11%	18%	16%	18%	21%	17%	25%	17%	
Asia	26%	36%	33%	28%	28%	25%	25%	34%	
Disaggregate Revenue Information (\$ in millions)									
Gateway	36.7	24.3	27.5	31.5	27.3	31.7	25.2	14.7	
Messaging	31.7	27.4	30.9	27.0	21.5	22.0	19.0	17.4	
Client	30.4	23.3	20.9	10.7	8.9	6.0	9.6	15.4	
Other	6.0	8.5	4.6	6.5	5.0	8.4	9.2	15.6	
% of total revenues									
Gateway	35%	29%	33%	41%	44%	47%	40%	23%	
Messaging	30%	33%	36%	36%	34%	32%	30%	28%	
Client	29%	28%	25%	14%	14%	9%	15%	24%	
Other	6%	10%	6%	9%	8%	12%	15%	25%	
Balance Sheet & Other (\$ in millions except days and per share data)									
Bookings	115.9	113.4	72.2	109.4	48.2	68.0	46.2	80.4	
Backlog	230.4	260.3	248.7	283.5	269.0	268.9	249.0	262.2	
Accounts receivable, (net)	141.8	139.4	141.1	135.1	81.1	72.9	56.3	51.0	
Deferred revenue	47.4	63.4	59.8	59.7	56.5	58.3	62.3	53.4	
Billed DSO	70.2	96.8	104.7	123.8	91.2	74.3	60.2	50.2	(4)
Unbilled DSO	51.4	53.4	46.9	36.9	25.3	22.0	20.3	22.5	(4)
Cash & investments	496.7	505.6	497.9	470.6	382.9	280.6	269.9	292.8	
Cash & investments per fully diluted share	4.81	5.40	5.42	5.04	4.16	3.40	3.28	3.55	
Capital expenditure, net	2.0	3.9	3.9	2.9	3.3	0.8	1.8	1.1	
Depreciation & amortization of intangibles	4.6	4.9	4.0	5.0	5.2	5.3	5.2	5.3	(3)

OPENWAVE®

Unaudited	FY06 Q3 Mar-06	FY06 Q4 Jun-06	FY07 Q1 Sep-06	FY07 Q2 Dec-06	FY07 Q3 Mar-07	FY07 Q4 Jun-07	FY08 Q1 Sep-07	FY08 Q2 Dec-07	Notes
Headcount									
Functional									
Research and development	303	292	298	345	323	276	232	227	
Sales and marketing	269	270	259	259	255	247	189	174	
Services	450	469	489	440	426	386	376	362	(5)
General and administrative	238	240	228	220	227	195	165	155	
Total permanent employees	1,260	1,271	1,274	1,264	1,231	1,104	962	918	
Geographic									
Americas	754	775	750	748	714	615	548	517	
EMEA	326	303	312	301	303	284	235	227	
Asia	180	193	212	215	214	205	179	174	
Total permanent employees	1,260	1,271	1,274	1,264	1,231	1,104	962	918	
Carrier Service Provider (CSP) Information									
CSP's with revenue >10%									
A	16% (s)	19% (s)	22% (s)	23% (s)	21% (s)	27% (s)	21% (s)	21% (s)	(6)
B	14% (c)							12% (k)	
C	13% (m)								

NOTES

- (1) Numbers presented exclude amortization of acquisition-related contract intangible, stock based compensation and retention bonus which is noted separately.
- (2) Share count becomes diluted upon profitability.
- (3) Depreciation and amortization includes depreciation on fixed assets and amortization of intangible assets (which includes amortization of acquisition-related contract intangibles as noted in footnote 1 above).
- (4) Days Sales Outstanding calculation is (end of quarter accounts receivable / revenue for quarter) x 90.
- (5) Services headcount includes employees engaged in maintenance & support, customer education, consulting and customer advocacy functions.
- (6) Letter in parentheses represents the customer name: (c) for Cingular, (k) for KDDI, (m) for Motorola, (s) for Sprint
- (7) Excludes stock option review, restructuring charges, stock based compensation, and retention bonus.
- (8) Professional fees associated with stock option lawsuit, proxy contests, and strategic alternatives.
- (9) Includes costs related to stock option review as well as professional fees associated with unusual events
- (10) Includes gain on sale of discontinued operations

The data are derived from our historical consolidated financial statements and internal records. Certain customer and subscriber data are provided by our customers or are estimated by Openwave based on internal company records. The data should be read in conjunction with Openwave's most recently filed reports filed with the SEC on forms 10-K, 10-Q and 8K, which are available on the company's website or at www.sec.gov.