

WAVECOM S.A.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for share and per share data)

Prepared in accordance with U.S. generally accepted accounting principles.

	March 31, 2007	Three months ended December 31, 2007	March 31, 2008
	Euro	Euro	Euro
Revenues :			
Product sales	47 785	44 543	36 907
Services revenue	332	1 205	1 196
	48 117	45 748	38 103
Cost of revenues :			
Cost of goods sold	26 012	21 543	17 427
Cost of services	1 559	1 009	1 054
	27 571	22 552	18 481
Gross profit	20 546	23 196	19 622
Operating expenses :			
Research and development	7 758	9 132	9 724
Sales and marketing	5 413	5 896	7 198
General and administrative	5 784	5 911	5 823
Total operating expenses	18 955	20 939	22 745
Operating income (loss)	1 591	2 257	(3 123)
Interest income and other financial income, net	417	871	825
Foreign exchange loss, net	(48)	(512)	(44)
Total financial income	369	359	781
Income (loss) before income taxes	1 960	2 616	(2 342)
Income tax expense (benefit)	12	(4 461)	(7)
Net income (loss)	1 948	7 077	(2 335)
Basic net income (loss) per share	0.13	0.46	(0.15)
Diluted net income (loss) per share	0.12	0.39	(0.15)
Number of shares used for computing :			
- basic	15 401 390	15 221 619	15 254 603
- diluted	16 230 460	18 916 763	15 254 603

WAVECOM S.A.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except for share data)

Prepared in accordance with U.S. generally accepted accounting principles.

	At December 31, 2007	At March 31, 2008
	Euro	Euro
ASSETS		
Current assets :		
Cash and cash equivalents	4 677	5 537
Marketable securities	134 610	121 975
Accounts receivable, net	29 467	27 631
Inventory	6 032	4 925
Value added tax recoverable	1 124	962
Prepaid expenses and other current assets	3 141	3 794
Deferred tax assets	4 514	4 514
Total current assets	183 565	169 338
Other assets :		
Long-term investments	3 731	5 648
Other assets and Interest in associates	4 517	4 372
Research tax credit	2 049	2 590
Income tax receivable	13 083	13 083
Intangible and tangible assets, net	16 336	19 560
Goodwill	8 117	16 629
Total assets	231 398	231 220
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities :		
Accounts payable	27 612	24 697
Accrued compensation	8 584	6 117
Current portion of other accrued expenses	3 572	3 649
Current portion of convertible bonds	664	351
Current portion of capitalized lease obligations	207	292
Deferred revenue and advances received from customers	307	1 210
Deferred tax liabilities	-	306
Other liabilities	3 652	5 756
Total current liabilities	44 598	42 378
Long-term liabilities :		
Long-term portion of other accrued expenses	16 636	15 799
Long-term portion of convertible bonds	80 500	80 500
Long-term portion of capitalized lease obligations	340	365
Other long-term liabilities	616	762
Total long-term liabilities	98 092	97 426
Shareholders' equity :		
Shares, euro 1 nominal value, 15,800,131 shares authorized, issued and outstanding at March 31, 2008 (15,796,591 at December 31, 2007)	15 797	15 800
Additional paid-in capital	146 052	150 962
Treasury stock at cost (544,322 shares at March 31, 2008 and December 31, 2007)	(8 823)	(8 823)
Accumulated deficit	(62 548)	(64 883)
Accumulated other comprehensive income (loss)	(1 770)	(1 640)
Total shareholders' equity	88 708	91 416
Total liabilities and shareholders' equity	231 398	231 220

WAVECOM S.A.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

Prepared in accordance with U.S. generally accepted accounting principles.

	Three months ended March 31,	
	2007	2008
	<u>Euro</u>	<u>Euro</u>
Cash flows from operating activities :		
Net income (loss)	1 948	(2 335)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Amortization and impairment of intangible and tangible assets	2 254	2 147
Amortization of debt issue costs	-	140
Share-based compensation	692	4 876
Loss (gain) on sales and retirement of tangible assets	4	(23)
Disposal of marketable securities, net	-	12 682
Deferred tax	-	(24)
Net decrease in cash from working capital items	<u>(5 127)</u>	<u>(1 915)</u>
Net cash provided (used) by operating activities	<u>(229)</u>	<u>15 548</u>
Cash flows from investing activities :		
Acquisition (disposal) of long-term investments	18	(1 917)
Purchases of intangible and tangible assets	(924)	(1 655)
Acquisition of certain assets, net of cash acquired	-	(10 750)
Proceeds from sale of intangible and tangible assets	-	35
Net cash used by investing activities	<u>(906)</u>	<u>(14 287)</u>
Cash flows from financing activities :		
Principal payments on capital lease obligations	(90)	(73)
Proceeds from exercise of stock options and founders' warrants	284	37
Net cash provided (used) by financing activities	194	(36)
Effect of exchange rate changes on cash and cash equivalents	<u>(107)</u>	<u>(365)</u>
Net increase (decrease) in cash and cash equivalents	(1 048)	860
Cash and cash equivalents, beginning of period	<u>54 776</u>	<u>4 677</u>
Cash and cash equivalents, end of period	<u><u>53 728</u></u>	<u><u>5 537</u></u>