

RuggedCom Inc.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
2nd Quarter ended September 30, 2010

RuggedCom Inc.
CONSOLIDATED BALANCE SHEETS
(in thousands of United States dollars)

	September 30, (unaudited)	March 31, 2010 (audited)
	\$	\$
Assets		
Current		
Cash and cash equivalents (note 5)	35,157	33,140
Accounts receivable (note 6)	13,600	13,494
Prepaid expenses and other	1,629	1,825
Inventories (note 7)	13,210	10,497
Income taxes recoverable	-	1,036
Future income taxes	622	637
	64,218	60,629
Future income taxes	-	431
Severance pay fund	527	520
Property and equipment	11,015	11,372
Goodwill (note 4)	1,903	1,928
Intangible assets	10,368	11,373
	88,031	86,253
Liabilities		
Current		
Accounts payable and accrued liabilities	6,911	7,618
Current portion of warranty liability	434	604
Income taxes payable	466	280
Current portion of deferred income	25	99
Current portion of lease costs	45	26
Current portion of obligations under capital leases	92	105
	7,973	8,732
Future income taxes	76	-
Warranty liability	408	413
Deferred income	40	32
Severance payable	566	558
Obligations under capital leases	52	95
Lease costs payable	276	265
	9,391	10,095
Shareholders' Equity		
Capital stock (note 8)	49,004	48,886
Contributed surplus (note 10)	3,296	2,538
Accumulated other comprehensive income (loss) (note 9)	3,924	4,887
Retained earnings	22,416	19,847
	26,340	24,734
	78,640	76,158
	88,031	86,253

See accompanying notes to consolidated interim financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS
(in thousands of United States dollars except per share information)

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
	\$	\$	\$	\$
Revenue	21,692	16,740	41,682	32,757
Cost of goods sold	8,470	6,847	16,534	13,787
Gross margin	13,222	9,893	25,148	18,970
Operating expenses				
Research and development	2,865	1,780	5,783	3,805
Sales and marketing	3,945	3,485	7,934	6,463
General and administrative	2,425	1,808	4,826	3,761
Investment tax credits	(82)	(199)	(581)	(386)
Loss on foreign exchange	541	998	8	1,529
Amortization	1,266	508	2,553	901
	10,960	8,380	20,523	16,073
Operating income	2,262	1,513	4,625	2,897
Net interest income	78	38	109	101
Income before income taxes	2,340	1,551	4,734	2,998
Provision for income taxes (note 11)				
Current	676	492	1,661	997
Future	300	54	504	111
	976	546	2,165	1,108
Net income for the period	1,364	1,005	2,569	1,890
Retained earnings — Beginning of period	21,052	16,547	19,847	15,662
Retained earnings — End of period	22,416	17,552	22,416	17,552
Net earnings per common share (note 13)				
Basic	\$ 0.11	\$ 0.08	\$ 0.21	\$ 0.16
Diluted	\$ 0.11	\$ 0.08	\$ 0.21	\$ 0.15
Basic weighted average number of common shares	12,157,529	12,098,002	12,152,367	11,997,705
Diluted weighted average number of common shares	12,474,096	12,574,050	12,437,070	12,599,535

See accompanying notes to consolidated interim financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands of United States dollars)

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net income for the period	1,364	1,005	2,569	1,890
Unrealized foreign currency translation gain (loss) (note 9)	2,585	5,423	(963)	9,993
Comprehensive income for the period	<u>3,949</u>	<u>6,428</u>	<u>1,606</u>	<u>11,883</u>

See accompanying notes to consolidated interim financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of United States dollars)

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Net income for the period	1,364	1,005	2,569	1,890
Non-cash items				
Amortization of property and equipment	704	263	1,358	565
Amortization of other assets	562	244	1,196	335
Future income taxes	300	54	504	111
Stock-based compensation	397	294	799	572
Warranty liability	(73)	1	(162)	30
Lease costs	(8)	65	34	164
Net change in non-cash working capital (note 12 (a))	(1,667)	884	(2,402)	(3,015)
	<u>1,579</u>	<u>2,810</u>	<u>3,896</u>	<u>652</u>
Investing activities				
Acquisition of subsidiary (note 4)	-	(7,970)	-	(7,970)
Additions to property and equipment	(309)	(2,327)	(1,128)	(2,880)
Additions to other assets	(135)	(343)	(363)	(995)
	<u>(444)</u>	<u>(10,640)</u>	<u>(1,491)</u>	<u>(11,845)</u>
Financing activities				
Repayment of obligations under capital leases	(26)	(46)	(52)	(92)
Repayment of loan (note 4)	-	(4,875)	-	(4,875)
Issuance of common shares	19	31	76	1,737
	<u>(7)</u>	<u>(4,890)</u>	<u>24</u>	<u>(3,230)</u>
Effect of exchange rates on cash	<u>1,151</u>	<u>3,870</u>	<u>(412)</u>	<u>7,579</u>
Increase (decrease) in cash and cash equivalents during the period	2,279	(8,850)	2,017	(6,844)
Cash and cash equivalents — Beginning of period	32,878	47,105	33,140	45,099
Cash and cash equivalents — End of period (note 12(b))	<u>35,157</u>	<u>38,255</u>	<u>35,157</u>	<u>38,255</u>

See accompanying notes to consolidated interim financial statements.

RuggedCom Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

1. THE COMPANY

RuggedCom Inc. (the Company) was incorporated under the provisions of the Business Corporations Act (Ontario) on February 22, 2001. The Company provides rugged communications networking solutions designed for mission-critical applications in harsh environments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial statements and, accordingly, certain disclosures normally included in annual audited consolidated financial statements prepared in accordance with Canadian GAAP are not provided. These consolidated financial statements have been prepared following accounting principles consistent with those used in the annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended March 31, 2010, except as disclosed in note 3. The results of operations for the interim period are not necessarily indicative of the results of operations for any other interim period or a full fiscal period.

Recently issued accounting pronouncements

Business combinations

In January 1, 2009, the CICA issued Section 1582, Business Combinations, replacing Section 1581, Business Combinations. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This new standard will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted. The Company is currently assessing the future impact of this new standard on its consolidated financial statements.

Consolidated financial statements

In January 2009, the CICA published Section 1601, Consolidated Financial Statements, and Section 1602, Non-Controlling Interests, which together replace Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011 and should be adopted at the same time as Section 1582. Early adoption is permitted as of the beginning of a fiscal year. The Company is currently assessing the future impact of this new standard on its consolidated financial statements.

RuggedCom Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Multiple deliverable revenue arrangements

In December 2009, the CICA issued EIC 175, Multiple Deliverable Revenue Arrangements, replacing EIC 142, Revenue Arrangements with Multiple Deliverables. This abstract was amended to (1) exclude from the application of the updated guidance those arrangements that would be accounted for in accordance with Financial Accounting Standards Board Statement (FASB) Statement of Position (SOP) 97-2, Software Revenue Recognition as amended by Accounting Standards Update (ASU) 2009-14; (2) provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (3) require, in situations where a vendor does not have vendor-specific objective evidence ("VSOE") or third-party evidence of selling price, that the entity allocate revenue in an arrangement using estimated selling prices of deliverables; (4) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method; and (5) require expanded qualitative and quantitative disclosures regarding significant judgments made in applying this guidance.

The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. If the Abstract is adopted early, in a reporting period that is not the first reporting period in the entity's fiscal year, it must be applied retroactively from the beginning of the Company's fiscal period of adoption.

The Company has elected to early adopt this abstract prospectively to revenue arrangements with multiple deliverables entered into or materially modified on or after April 1, 2010. Arrangements that were entered into prior to April 1, 2010 will continue to be accounted for under the old accounting standard.

The Company's revenue arrangements may contain multiple elements; however, to date revenue from multiple elements has not been significant. Accordingly the adoption of the new EIC 175 did not make a material impact on the Company's financial statements. The Company is still required to determine the appropriate accounting under EIC 175, including whether the deliverables specified in a multiple element arrangement should be treated as separate units of accounting for revenue recognition purposes.

In the past, for arrangements involving multiple elements, the Company allocated revenue to each component of the arrangement using the residual value method, based on vendor-specific objective evidence of the fair value of the undelivered elements. EIC 175 has eliminated the use of the residual value method, and therefore, effective April 1, 2010, the Company has allocated revenue using the relative selling price method of the separate units of accounting. The multiple elements in an arrangement typically might include one or more of the following: hardware, software, installation, and/or other professional service offerings as described in Note 2 of the Company's Annual Financial Statements for 2010. The Company allocates the arrangement fee, in a multiple element transaction, to the separate elements based on their relative selling prices, as indicated by vendor-specific objective evidence or third-party evidence of selling, and if both are not available, estimated selling prices is used. The allocated portion of the arrangement which is undelivered is then deferred.

In some instances, a group of contracts or agreements with the same customer may be so closely related that they are, in effect, part of a single multiple element arrangement and, therefore, the Company will allocate the corresponding revenue among the various components, as described above.

RuggedCom Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

4. ACQUISITION

On September 17, 2009 the Company completed the acquisition of 100% of the shares of WiNetworks Ltd. for cash of \$8,904, including acquisition costs of \$652.

The acquisition has been accounted for using the purchase method of accounting and, accordingly, the operations of WiNetworks have been included in the consolidated financial statements since the date of acquisition.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed on acquisition:

Assets purchased

Inventory	\$	2,834
Other current assets		657
Property and equipment		1,208
Other assets		160
Future tax asset		1,952
Technological assets		8,228
Agreements		390
Customer list		655
Goodwill		1,628
		<u>17,712</u>

Liabilities assumed

Current liabilities		2,747
Future tax liability		1,952
Loan		4,875
		<u>9,574</u>

Net non-cash assets acquired 8,138

Cash acquired 766

Net assets acquired \$ 8,904

Upon the closing of the purchase, RuggedCom repaid the loan acquired as part of the acquisition. Future tax liabilities associated with the temporary differences of the acquired non-deductible intangible assets have been recorded. The goodwill recorded as a result of the acquisition is not tax deductible.

5. REVOLVING DEMAND FACILITY

The Company has a \$1,000 Canadian dollar revolving demand facility with a major Canadian financial institution. Funds drawn against this facility bear interest at prime rate. The use of the revolving demand facility has been restricted by \$139 United States dollars as security for guarantees. The bank has a first ranking on \$1,000 Canadian of term deposits and bank balances. As at September 30, 2010 and 2009, there was no balance drawn against this facility.

RuggedCom Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

6. ACCOUNTS RECEIVABLE

	September 30, 2010	March 31, 2010
	<u>\$</u>	<u>\$</u>
Trade receivables	13,645	13,538
Allowance for doubtful accounts	(45)	(44)
	<u>13,600</u>	<u>13,494</u>

7. INVENTORIES

	September 30, 2010	March 31, 2010
	<u>\$</u>	<u>\$</u>
Raw materials	12,684	10,130
Finished goods	526	367
	<u>13,210</u>	<u>10,497</u>

Included in cost of goods sold for the three and six months ended September 30, 2010 is a provision of \$72 and a recovery of \$127 (2009 - provision of \$42 and \$150) respectively, recognized in the period for losses of inventories.

8. CAPITAL STOCK

Authorized

- Unlimited number of Class A shares
- Unlimited number of common shares

Issued

12,158,675 (March 31, 2010 - 12,144,458) common shares

	September 30, 2010	March 31, 2010
	<u>\$</u>	<u>\$</u>
	<u>49,005</u>	<u>48,886</u>

	Number of shares	Amount \$
Balance, March 31, 2010	12,144,458	48,886
Issued for options exercised (a)	12,480	90
Balance, June 30, 2010	<u>12,156,938</u>	<u>48,976</u>
Issued for options exercised (b)	1,737	28
Balance, September 30, 2010	<u>12,158,675</u>	<u>49,004</u>

(a) Common shares issued for options vested and exercised in the period were 12,480 at a weighted average share price of \$4.64 (\$4.77 Canadian).

(b) Common shares issued for options vested and exercised in the period were 1,737 at a weighted average share price of \$11.07 (\$11.50 Canadian).

RuggedCom Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

9. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the reconciliation of accumulated other comprehensive income (loss):

	2010	2009
	\$	\$
Balance, March 31, 2010	4,887	(8,952)
Unrealized foreign currency translation gain (loss) for the period	(3,548)	4,570
Balance, June 30, 2010	1,339	(4,382)
Unrealized foreign currency translation gain for the period	2,585	5,423
Balance, September 30, 2010	3,924	1,041

10. CONTRIBUTED SURPLUS

The following table presents the reconciliation of contributed surplus with respect to stock-based compensation:

	2010	2009
	\$	\$
Balance, March 31, 2010	2,538	1,559
Stock-based compensation expense	402	278
Fair value of options exercised	(33)	(119)
Balance, June 30, 2010	2,907	1,718
Stock-based compensation expense	397	294
Fair value of options exercised	(8)	(19)
Balance, September 30, 2010	3,296	1,993

11. INCOME TAXES

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
	\$	\$	\$	\$
Earnings before income taxes	2,340	1,551	4,734	2,998
Tax at statutory rate (28.28%; 2009 - 31.14%)	661	523	1,338	974
Subsidiaries foreign tax rates differential	22	-	64	-
Permanent differences	127	62	452	193
Effect of rate change	(21)	(7)	68	(25)
Allowance (net of benefit) for unused tax losses	159	-	219	-
Other	28	(32)	24	(34)
	976	546	2,165	1,108

RuggedCom Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

12. SUPPLEMENTAL CASH FLOW INFORMATION

a) Net change in non-cash working capital

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
	\$	\$	\$	\$
Accounts receivable	(1,185)	(543)	(267)	1,228
Prepaid expenses and other	287	(291)	170	(668)
Inventories	(1,422)	(187)	(2,836)	(246)
Accounts payable and accrued liabilities	47	2,733	(611)	1,940
Income taxes payable	608	(767)	1,206	(5,308)
Deferred income	(2)	(61)	(64)	39
	<u>(1,667)</u>	<u>884</u>	<u>(2,402)</u>	<u>(3,015)</u>

b) Cash and cash equivalents

	September 30, 2010	March 31, 2010
	\$	\$
Cash	10,863	3,889
Cash equivalents	24,294	29,251
	<u>35,157</u>	<u>33,140</u>

(c) Supplemental disclosures

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
	\$	\$	\$	\$
Interest paid	2	5	5	11
Income taxes paid	7	1,144	106	5,998

(d) Included in amortization on intangibles is \$365 of amortization on intangibles from the purchase of WiNetworks.

RuggedCom Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

13. EARNINGS PER COMMON SHARE

The following is a reconciliation of basic and diluted earnings per common share:

	3 month period ended September 30, 2010	3 month period ended September 30, 2009	6 month period ended September 30, 2010	6 month period ended September 30, 2009
Net income and dilutive net income attributable to	\$ 1,364	\$ 1,005	\$ 2,569	\$ 1,890
Common shares outstanding — Beginning of period	12,399,988	11,896,306	12,139,771	11,804,347
Weighted average number of common shares issued in	(242,459)	201,696	12,596	193,358
Basic weighted average number of common shares	12,157,529	12,098,002	12,152,367	11,997,705
Effect of dilutive securities, stock options and warrants	316,567	476,048	284,703	601,830
Diluted weighted average common shares outstanding — End of period	12,474,096	12,574,050	12,437,070	12,599,535

14. SEGMENTED INFORMATION

The Company has determined that it has two reportable segments: RuggedCom and WiNetworks. Each business segment assumes responsibility for its operating results. In the comparative quarter from the prior year, the Company only had one The RuggedCom segment derives its revenue mainly from the sale of Ethernet based equipment and the software and services that are associated with the products. The WiNetworks segment derives its revenues mainly from the sale of RuggedMAX equipment and services that are associated with the products.

Segments are defined as components for which information is available and is regularly evaluated by the chief operating decision maker or decision making group. The Company also manages its operations on a geographic and industry basis.

RuggedCom Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

14. SEGMENTED INFORMATION (continued)

a) By business segment

	3 month period ended September 30, 2010			3 month period ended
	RuggedCom	WiNetworks	Consolidated	September 30,
	\$	\$	\$	2009
				Consolidated
				\$
Revenue	20,439	1,253	21,692	16,740
Cost of goods sold	7,938	532	8,470	6,847
Gross margin	12,501	721	13,222	9,893
Operating expenses:				
Research and development	1,886	979	2,865	1,780
Sales and marketing	3,932	13	3,945	3,485
General and administrative	2,044	381	2,425	1,808
Investment tax credits (recoverable)	52	(134)	(82)	(199)
Foreign exchange loss (gain)	592	(51)	541	998
Amortization	1,101	165	1,266	508
Total operating expenses	9,607	1,353	10,960	8,380
Interest income (expense)	53	25	78	38
Income (loss) before income taxes	2,947	(607)	2,340	1,551
Provision for income taxes - current	676	-	676	492
Provision for income taxes - future	300	-	300	54
Net income (loss)	1,971	(607)	1,364	1,005
Assets	80,464	7,567	88,031	83,809

RuggedCom Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

14. SEGMENTED INFORMATION (continued)

	6 month period ended September 30, 2010			6 month period ended September 30, 2009
	RuggedCom	WiNetworks	Consolidated	Consolidated
	\$	\$	\$	\$
Revenue	39,787	1,895	41,682	32,757
Cost of goods sold	15,595	939	16,534	13,787
Gross margin	24,192	956	25,148	18,970
Operating expenses:				
Research and development	3,775	2,008	5,783	3,805
Sales and marketing	7,875	59	7,934	6,463
General and administrative	4,081	745	4,826	3,761
Investment tax credits (recoverable)	(353)	(228)	(581)	(386)
Foreign exchange loss (gain)	14	(6)	8	1,529
Amortization	2,237	316	2,553	901
Total operating expenses	17,629	2,894	20,523	16,073
Interest income (expense)	86	23	109	101
Income (loss) before income taxes	6,695	(1,961)	4,734	2,998
Provision for income taxes - current	1,661	-	1,661	997
Provision for income taxes - future	504	-	504	111
Net income (loss)	4,530	(1,961)	2,569	1,890
Assets	80,464	7,567	88,031	83,809

b) By geographic region

	3 month period ended September 30, 2010			3 month period ended September 30, 2009
	RuggedCom	WiNetworks	Consolidated	Consolidated
	\$	\$	\$	\$
Sales				
North America	9,085	954	10,039	6,700
Latin America	1,602	102	1,704	1,730
Asia Pacific	5,139	-	5,139	4,120
Europe, Middle East and Africa	4,613	197	4,810	4,190
Total	20,439	1,253	21,692	16,740

RuggedCom Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

14. SEGMENTED INFORMATION (continued)

Sales	6 month period ended September 30, 2010			6 month period ended September 30, 2009
	RuggedCom	WiNetworks	Consolidated	Consolidated
	\$	\$	\$	\$
North America	17,377	1,228	18,605	14,495
Latin America	3,294	137	3,431	2,800
Asia Pacific	9,504	8	9,512	6,785
Europe, Middle East and Africa	9,612	522	10,134	8,677
Total	39,787	1,895	41,682	32,757

c) By industry

Sales	3 month period ended September 30, 2010			3 month period ended September 30, 2009
	RuggedCom	WiNetworks	Consolidated	Consolidated
	\$	\$	\$	\$
Electric Power (Utilities)	13,871	593	14,464	11,045
Transportation Systems	3,864	455	4,319	2,693
Industrial Processes	1,908	8	1,916	2,178
Military	926	2	928	824
Other	(130)	195	65	-
Total	20,439	1,253	21,692	16,740

Sales	6 month period ended September 30, 2010			6 month period ended September 30, 2009
	RuggedCom	WiNetworks	Consolidated	Consolidated
	\$	\$	\$	\$
Electric Power (Utilities)	26,923	977	27,900	21,470
Transportation Systems	7,700	455	8,155	5,483
Industrial Processes	3,486	93	3,579	3,660
Military	1,778	103	1,881	2,097
Other	(100)	267	167	47
Total	39,787	1,895	41,682	32,757

RuggedCom Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of United States dollars except for "Number of Shares" and "Per share amounts")

14. SEGMENTED INFORMATION (continued)

d) The following table details our sales allocated by region among countries exceeding 10%:

	3 month period ended September 30, 2010			3 month period ended ended September 30,
	RuggedCom	WiNetworks	Consolidated	Consolidated
USA	39.1%	51.5%	39.1%	29.8%
	6 month period ended September 30, 2010			6 month period ended September 30,
	RuggedCom	WiNetworks	Consolidated	Consolidated
USA	35.8%	40.9%	35.8%	35.4%

For the three and six month periods ended September 30, 2010, WiNetworks revenue includes \$430 of wired product sales.

15. SUBSEQUENT EVENT

After the second quarter period end the Company agreed to purchase the substation automation business of Bow Networks Inc through a cash purchase of selected assets and intellectual property for \$2.0 million (\$2.1 million Canadian). The transaction was completed October 29, 2010 by way of a Bow Networks Inc. shareholder vote.

The acquisition will be accounted for using the purchase method of accounting and, accordingly, the substation operations business of Bow Networks Inc. will be included in the consolidated financial statements beginning in the third quarter of the current fiscal year.

16. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's consolidated interim financial statement presentation.