

OCCAM NETWORKS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$33,404	\$37,637
Restricted cash.....	15,808	13,103
Accounts receivable, net.....	12,753	14,819
Inventories, net.....	13,237	13,371
Prepaid and other current assets.....	2,442	2,108
Total current assets.....	77,644	81,038
Property and equipment, net.....	8,407	8,874
Intangibles, net.....	100	890
Other assets.....	113	83
Total assets.....	\$86,264	\$90,885
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$7,506	\$10,135
Accrued expenses.....	7,328	6,464
Deferred sales.....	13,221	12,420
Deferred rent.....	270	237
Capital lease obligations.....	17	17
Total current liabilities.....	28,342	29,273
Deferred rent, net of current portion.....	1,267	1,299
Capital lease obligations, net of current portion.....	43	47
Total liabilities.....	29,652	30,619
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value, 250,000,000 shares authorized; 19,783,867 and 19,773,730 shares issued and outstanding at March 31, 2008 and December 31, 2007, respectively.....	289	289
Additional paid-in capital.....	180,341	179,455
Warrants.....	331	331
Accumulated deficit.....	(124,349)	(119,809)
Total stockholders' equity.....	56,612	60,266
Total liabilities and stockholders' equity.....	\$86,264	\$90,885

OCCAM NETWORKS, INC. AND SUBSIDIARY
GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
	(Unaudited)		
Sales	\$19,653	\$21,265	\$18,987
Cost of sales	11,220	12,083	11,970
Gross margin	8,433	9,182	7,017
Operating expenses:			
Research and product development	4,559	4,336	2,700
Sales and marketing	4,978	3,871	3,460
General and administrative	3,123	3,793	1,601
Purchase of in-process research and development	—	2,180	—
Total operating expenses	12,660	14,180	7,761
Loss from operations	(4,227)	(4,998)	(744)
Other income (expense), net	(654)	—	—
Interest income (expense), net	360	491	773
Income (loss) before provision for income taxes	(4,521)	(4,507)	29
Provision for income taxes	19	56	—
Net income available (loss attributable) to common stockholders	(\$4,540)	(\$4,563)	\$29
Net income (loss) per share available (attributable) to common stockholders:			
Basic	(\$0.23)	(\$0.23)	\$0.00
Diluted	(\$0.23)	(\$0.23)	\$0.00
Weighted average shares:			
Basic	19,779	19,770	19,739
Diluted	19,779	19,770	20,665
Stock-based compensation included in:			
Cost of sales	\$107	\$39	\$102
Research and product development	296	212	236
Sales and marketing	187	136	205
General and administrative	232	139	170
Total stock-based compensation	\$822	\$526	\$713

OCCAM NETWORKS, INC. AND SUBSIDIARY
NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
	(Unaudited)		
Sales.....	\$19,653	\$21,265	\$18,987
Cost of sales.....	11,113	12,044	11,868
Gross margin.....	8,540	9,221	7,119
Operating expenses:			
Research and product development.....	4,263	4,124	2,464
Sales and marketing.....	4,791	3,735	3,255
General and administrative.....	2,891	3,654	1,431
Total operating expenses.....	11,945	11,513	7,150
Non-GAAP income (loss) from operations.....	(3,406)	(2,292)	(31)
Interest income, net.....	360	491	773
Non-GAAP income (loss) before provision for income taxes.....	(3,046)	(1,801)	742
Provision for income taxes.....	19	56	—
Non-GAAP net income (loss) attributable to common stockholders.....	\$(3,065)	\$(1,857)	\$742
Non-GAAP net income (loss) per share attributable to common stockholders:			
Basic.....	\$(0.15)	\$(0.09)	\$0.04
Diluted.....	\$(0.15)	\$(0.09)	\$0.04
Weighted average shares:			
Basic.....	19,779	19,770	19,739
Diluted.....	19,779	19,770	20,665
Reconciliation of non-GAAP net income (loss) attributable to common stockholders to GAAP net income (loss) attributable to common stockholders:			
Non-GAAP net income (loss) attributable to common stockholders.....	\$(3,065)	\$(1,857)	\$742
Stock-based compensation.....	822	526	713
Purchase of in-process research and development.....	654	2,180	—
Net income (loss) attributable to common stockholders.....	\$(4,541)	\$(4,563)	\$29