

LRAD Corporation
Condensed Consolidated Balance Sheets
(000's omitted)

	June 30,	September 30,
	2010	2009
	(Unaudited)	
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,668	\$ 5,103
Accounts receivable, net	1,902	1,463
Inventories, net	3,124	3,068
Prepaid expenses and other	328	194
Total current assets	<u>11,022</u>	<u>9,828</u>
Equipment, net	164	231
Patents, net	748	897
Deposits	-	58
Total assets	<u>\$ 11,934</u>	<u>\$ 11,014</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 984	\$ 960
Accrued liabilities	1,220	2,010
Total current liabilities	<u>2,204</u>	<u>2,970</u>
Total stockholders' equity	<u>9,730</u>	<u>8,044</u>
Total liabilities and stockholders' equity	<u>\$ 11,934</u>	<u>\$ 11,014</u>

LRAD Corporation
Condensed Consolidated Statements of Operations
(000's omitted except share and per share amounts)
(Unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2010	2009	2010	2009
Revenues	\$ 3,100	\$ 4,404	\$ 12,003	\$ 12,770
Cost of revenues	1,582	2,416	5,553	6,523
Gross profit	1,518	1,988	6,450	6,247
Operating expenses:				
Selling, general and administrative	1,018	1,396	3,499	4,781
Research and development	495	459	1,539	1,360
Total operating expenses	1,513	1,855	5,038	6,141
Income from operations	5	133	1,412	106
Other income	74	3	746	28
Net income before provision for income taxes	79	136	2,158	134
Provision for income taxes	(11)	-	(107)	-
Net income	\$ 68	\$ 136	\$ 2,051	\$ 134
Net income per common share - basic and diluted	\$ 0.00	\$ 0.00	\$ 0.07	\$ 0.00
Weighted average common shares outstanding				
Basic	30,611,456	30,537,302	30,581,706	30,535,905
Diluted	31,104,864	31,546,086	31,136,608	30,897,647