

Applix, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2005	2004	2005	2004
Revenues:				
Software license	\$ 5,026	\$ 3,692	\$ 8,473	\$ 7,459
Professional services and maintenance	4,406	3,571	8,607	7,187
Total revenues	9,432	7,263	17,080	14,646
Cost of revenues	1,021	1,128	2,002	2,357
Gross margin	8,411	6,135	15,078	12,289
Operating expenses:				
Sales and marketing	3,915	2,645	7,310	5,158
Product development	1,294	1,229	2,445	2,555
General and administrative (includes \$15 of stock-based compensation for the three months ended June 30, 2005 and 2004, respectively, and \$30 of stock-based compensation for the six months ended June 30, 2005 and 2004, respectively)	1,406	1,488	2,767	3,096
Restructuring	-	(27)	-	(27)
Amortization of an acquired intangible asset	62	62	125	125
Total operating expenses	6,677	5,397	12,647	10,907
Operating income	1,734	738	2,431	1,382
Non-operating income (expense):				
Interest and other income (expense), net	114	(181)	94	(34)
Income before income taxes:	1,848	557	2,525	1,348
Provision for income taxes	120	88	166	115
Income from continuing operations	1,728	469	2,359	1,233
Loss from discontinued operations	(30)	(18)	(50)	(44)
Net income	\$ 1,698	\$ 451	\$ 2,309	\$ 1,189
Net income per share, basic and diluted:				
Continuing operations, basic	\$0.12	\$0.03	\$0.16	\$0.09
Continuing operations, diluted	\$0.11	\$0.03	\$0.14	\$0.08
Discontinued operations, basic and diluted	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Net income per share, basic	\$0.12	\$0.03	\$0.16	\$0.09
Net income per share, diluted	\$0.11	\$0.03	\$0.14	\$0.08
Weighted average number of shares outstanding:				
Basic	14,627	14,157	14,542	13,812
Diluted	16,129	15,724	16,284	15,382

Applix, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and par value amounts)

	June 30,	December 31,
	2005	2004
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 18,448	\$ 15,924
Short-term investments	2,880	-
Accounts receivable, net	5,247	6,171
Other current assets	1,562	1,703
Total current assets	28,137	23,798
Restricted cash	500	400
Property and equipment, net	637	580
Intangible asset, net	438	562
Other assets	645	687
Goodwill	1,158	1,158
TOTAL ASSETS	\$ 31,515	\$ 27,185
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 1,188	\$ 795
Accrued expenses	5,737	5,177
Accrued restructuring expenses, current portion	46	112
Deferred revenues	8,051	8,421
Total current liabilities	15,022	14,505
Accrued restructuring expenses, long term portion	217	261
Other long term liabilities	133	181
Total liabilities	15,372	14,947
Stockholders' equity:		
Preferred stock; \$.01 par value; 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock; \$.0025 par value; 30,000,000 shares authorized; 14,657,372 and 14,290,584 shares issued and outstanding, respectively	37	36
Additional paid-in capital	56,196	54,348
Accumulated deficit	(38,364)	(40,673)
Accumulated other comprehensive loss	(1,726)	(1,473)
Total stockholders' equity	16,143	12,238
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 31,515	\$ 27,185