



## Wi-LAN Reports First Quarter 2009 Financial Results

*Company's first quarter revenues increase 33 percent over same quarter last year*

**OTTAWA, Canada – March 5, 2009** – Wi-LAN Inc. (TSX: WIN) (“Wi-LAN” or the “Company”), a leading technology innovation and licensing company, today announced financial results for the first quarter ended January 31, 2009. All financial amounts are expressed in Canadian dollars.

### First Quarter 2009 Highlights:

- Revenues of \$6.3 million as compared to \$4.7 million in Q1 2008.
- Pro forma earnings\* of \$808 thousand or 1 cent per share as compared to pro forma earnings of \$2.0 million or 2 cents per share in Q1 2008.
- GAAP net loss of \$3.8 million or 4 cents per share as compared to a GAAP net loss of \$1.9 million or 2 cents per share in Q1 2008.
- Signed agreements with 12 companies including 10 wireless and 2 V-Chip licenses.

“We are pleased with the solid progress our business made during this first quarter,” said Jim Skippen, Chairman & CEO. “Not only did we sign a six-year license for wireless technologies with electronics giant Samsung, we also signed new multi-year licenses with eleven other companies. With revenues 33 percent higher in this quarter than last year, and an increasing revenue backlog, our licensing program continues to deliver strong results.”

Mr. Skippen added, “At this time, we are making significant investments in litigation and technology development which we are confident will drive future growth. We are particularly pleased that despite these significant investments, and despite the tougher economic climate, our business continued to deliver positive cash flow.”

Interest income in the first quarter of 2009 was \$0.4 million as compared to \$1.0 million in the first quarter of 2008. The \$0.6 million reduction is due to the decline in interest rates.

The Company incurred a foreign exchange loss of \$0.6 million during the first quarter of 2009. This loss consisted of a \$0.2 million loss on contracts that matured during the quarter and an unrealized loss of \$0.4 million on outstanding forward contracts at the end of the quarter. At January 31, 2009, the Company had forward contracts to sell \$9.0 million U.S. dollars at an average rate of \$1.184 Canadian per U.S. dollar.



Patent licensing expenses represent the expenses incurred by the Company in the execution of its patent licensing programs which includes staffing and travel-related costs. During the first quarter of 2009, Wi-LAN signed license agreements for wireless-related technologies with ten companies including wireless handset vendors Samsung Electronics Co., Ltd. and Pantech & Curitel Communications, Inc. In addition, Wi-LAN licensed two companies, NVIS Audio & Video Tech and Unique Craft to V-Chip technology.

Litigation expenses increased in the first quarter of 2009. These expenses consist primarily of expenses related to enforcing and defending Wi-LAN's intellectual property ownership rights in court. The increase was due, in part, to the Company's response to declaratory judgment (DJ) claims filed by Intel Corporation and a number of other companies involving a number of Wi-LAN's wireless patents including U.S. Patent No. 6,549,759 (the "759 patent").

All of the companies that filed these DJ actions in California are also defendants in the Company's Texas litigation. During the first quarter of 2009, the Texas court granted Wi-LAN's motion to add the 759 patent to the Company's Texas litigation. With this ruling, the Texas case will cover additional products including dual-mode Wi-Fi/WiMAX and some Bluetooth products.

Wi-LAN initiated a share purchase program on October 15, 2008, which is ongoing, pursuant to which Wi-LAN expects to purchase up to 5 percent of its outstanding common shares. During the quarter ended January 31, 2009, the Company repurchased 469,300 shares for cancellation at an average price of \$1.42. In total, the Company has repurchased 684,300 shares at an average price of \$1.36.

In the first quarter of fiscal 2009, cash and cash equivalents decreased by \$2.0 million to \$99.4 million. The decrease in cash and cash equivalents was due to \$0.7 million used to repurchase shares and \$1.3 million consumed in operations. The Company's cash equivalents include T-bills, term deposits and GICs.

### **2009 Financial Guidance**

The Company is maintaining its 2009 financial guidance. Revenues for the fiscal year ended October 31, 2009 are expected to be within the range of \$30.0 million to \$34.0 million. Operating expenses, excluding stock based compensation, are expected to be in the range of \$23.0 million to \$26.0 million. Pro forma earnings are expected to be within the range of \$9.5 million to \$13.0 million.

The above statements are forward-looking and actual results may differ materially. The "Forward-looking Information" section at the end of this news release provides information on various risks and uncertainties that the Company faces. Additional information identifying risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in Wi-LAN's current Annual Information Form and its other filings with the various Canadian securities regulators which are available online at [www.sedar.com](http://www.sedar.com). Annual financial guidance for fiscal 2009 is provided to assist investors and other interested parties in

understanding Wi-LAN's performance. The reader is cautioned that using this information for any other purpose may be inappropriate.

The Company's revenues result from the licensing of intellectual property which, by its very nature, is directly affected by the timing of the closure of license agreements, the nature and extent of specific licenses including actual rates, product sales by licensees which can be subject to seasonality as well as overall market demands and the timeliness of the receipt of licensee royalty reports. In addition, certain revenues may be of a one-time nature. Thus, quarter-to-quarter fluctuations in revenue are normal and should be expected. Management believes that the strength of its business should be measured by annual revenues and growth in estimated revenue backlog.

The above guidance for the fiscal year ending October 31, 2009 reflects our current business indicators and expectations. Due to their nature, certain income and expense items, such as significant settlements from companies involved in current enforcement actions, new significant litigation or defense actions that could arise during the course of the year, losses on asset impairments or realized foreign exchange losses cannot be accurately forecast. Accordingly, we exclude forecasts of such items from our guidance. Wi-LAN's imperative is to negotiate the best possible license as measured over the long-term and accordingly, the timing of actual license signings may vary from that forecasted. Actual results may vary materially from the guidance provided as a consequence of the above noted factors.

### **Conference Call Information – March 5, 2009 – 10 AM EST**

Wi-LAN will conduct a conference call to discuss its financial results today at 10:00 AM Eastern Standard Time. Wi-LAN CEO, Jim Skippen and CFO, Shaun McEwan, will be on the call.

#### Calling Information

- A live audio webcast will be available at <http://www.investorcalendar.com/IC/CEPage.asp?ID=141218>
- To access the call from Canada and U.S., dial 1.877.407.0778 (Toll Free)
- To access the call from other locations, dial 201.689.8565 (International)

#### Replay Information

The call will be available at <http://www.investorcalendar.com/IC/CEPage.asp?ID=141218> and accessible by telephone until 11:59 PM on March 12, 2009.

- Replay Number (Toll Free): 1.877.660.6853
- Replay Number (International): 201.612.7415
- Replay passcodes (both required for playback)
  - Account #: 286
  - Conference ID #:314416



## **About Wi-LAN**

Wi-LAN, founded in 1992, is a leading technology innovation and licensing company. Our portfolio of patented inventions applies to a wide range of consumer electronics and communications products. Some of the fundamental technologies covered by Wi-LAN's patents include: CDMA, DOCSIS, DSL, GSM/EDGE, V-chip, Wi-Fi and WiMAX. Wi-LAN has a large and growing portfolio of more than 300 issued or pending patents. Wi-LAN has licensed its intellectual property to over 170 companies. For more information: [www.wi-lan.com](http://www.wi-lan.com).

## **Note**

*(\*) Wi-LAN follows Canadian generally accepted accounting principles ("GAAP") in preparing its interim and annual financial statements. To assist readers in further understanding its operating performance, Wi-LAN is reporting "pro forma earnings" which is a non-GAAP financial term. Wi-LAN's pro forma earnings represent earnings from continuing operations before stock-based compensation, depreciation & amortization and provision for income taxes.*

## **Forward-looking Information**

*Certain statements in this release, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties that face the Company; such statements may contain such words as "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, and may be based on management's current assumptions and expectations related to all aspects of the wireless and wireline telecommunications industries and the global economy. Risks and uncertainties that may face the Company include, but are not restricted to: licensing of the Company's patents can take an extremely long time and may be subject to variable cycles; the Company is currently almost exclusively reliant on additional licensing of its patent portfolio to generate future revenues and cash flows; the Company may be required to establish the enforceability of its patents in court in order to obtain material licensing revenues; changes in patent laws or in the interpretation or application of patent laws could materially adversely affect the Company; a court may determine that certain of the Company's patents are not infringed by certain standards or products or may disagree with management with respect to whether one or more of the Company's patents apply to certain standards or products, which could adversely affect the Company; the Company will need to acquire or develop new patents to continue and grow its business; the Company has made and may make acquisitions of technologies or businesses which could materially adversely affect the Company; the Company may require investment to translate its intellectual property position into sustainable profit in the market; the viability of the Company's V-chip technology may be subject to continued government support; the Company is dependent on its key officers and employees; the price of the Company's common shares is volatile and subject to market fluctuation; and the Company may be negatively affected by reduced consumer spending due to the uncertainty of economic and geopolitical conditions. These risks and uncertainties may cause actual results to differ from information contained in this release, when estimates and assumptions have been used to measure and report results. There can be no assurance that any statements of forward-looking information contained in this release will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral statements containing forward-looking information are based on the estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Except as required by applicable laws, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Readers are cautioned not to place undue reliance on any statements of forward-looking information that speak only as of the date of this release. Additional information identifying risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in Wi-LAN's current Annual Information Form and its other filings with the various Canadian securities regulators which are available online at [www.sedar.com](http://www.sedar.com).*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.*

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**Wi-LAN Inc.****Consolidated Statements of Operations and Deficit**

(Unaudited)

(in thousands of Canadian dollars, except per share amounts)

<b>Three Months Ended January 31,</b>	<b>2009</b>		2008	
Revenues	\$	<b>6,322</b>	\$	4,741
Operating expenses				
Patent licensing		<b>717</b>		651
Litigation		<b>2,753</b>		1,427
Research and development		<b>844</b>		755
General and admin		<b>1,407</b>		1,022
Foreign exchange loss/(gain)		<b>590</b>		(130)
Stock-based compensation		<b>461</b>		567
Depreciation & amortization		<b>4,170</b>		4,143
Total operating expenses		<b>10,942</b>		8,435
Interest income, net		<b>418</b>		991
Loss before income taxes		<b>(4,202)</b>		(2,703)
Provision for income tax recovery		<b>(367)</b>		(788)
Net and comprehensive loss		<b>(3,835)</b>		(1,915)
Deficit, beginning of period		<b>(147,161)</b>		(137,975)
Deficit, end of period	\$	<b>(150,996)</b>	\$	(139,890)
Loss per share - basic and diluted				
Basic	\$	<b>(0.04)</b>	\$	(0.02)
Diluted	\$	<b>(0.04)</b>	\$	(0.02)
Weighted average number of common shares				
Basic		<b>92,993,318</b>		93,470,768
Diluted		<b>92,993,318</b>		93,470,768



## Wi-LAN Inc.

### Consolidated Balance Sheets

(in thousands of Canadian dollars)

<b>As at</b>	<b>January 31, 2009</b>	<b>October 31, 2008</b>
	<b>(Unaudited)</b>	(Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 99,353	\$ 38,768
Short-term investments	-	62,679
Accounts receivable	3,637	3,441
Prepaid expenses and deposits	218	110
Assets held for sale	2,288	2,229
Current assets	<b>105,496</b>	107,227
Furniture and equipment, net	828	816
Patents and other intangibles, net	128,024	132,111
Goodwill	13,449	13,449
Assets	<b>\$ 247,797</b>	\$ 253,603
Liabilities and Shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,262	\$ 6,530
Current liabilities	<b>5,262</b>	6,530
Future income tax liability	20,970	21,408
Liabilities	<b>26,232</b>	27,938
Shareholders' equity		
Common shares	361,375	362,041
Contributed surplus	11,186	10,785
Deficit	(150,996)	(147,161)
Shareholders' equity	<b>221,565</b>	225,665
Liabilities and Shareholders' equity	<b>\$ 247,797</b>	\$ 253,603

**Wi-LAN Inc.****Consolidated Statements of Cash Flows**

(in thousands of Canadian dollars)

<b>Three Months Ended January 31,</b>	<b>2009</b>	<b>2008</b>
Cash provided by/(used in)		
Operations		
Net and comprehensive loss	\$ (3,835)	\$ (1,915)
Non-cash items		
Stock-based compensation	461	567
Depreciation & amortization	4,170	4,143
Provision for income tax recovery	(367)	(1,146)
	429	1,649
Change in non-cash working capital balances		
Accounts receivable	(196)	729
Prepaid expenses and deposits	(108)	51
Net assets held for sale	(59)	1,468
Accounts payable and accrued liabilities	(1,399)	(1,013)
Cash generated from/(used in) operations	(1,333)	2,884
Financing		
Mortgage repayment	-	(518)
Common shares repurchased in Normal Course Issuer Bid	(666)	-
Common shares issued for cash on the exercise of options	-	3
Cash used in financing	(666)	(515)
Investing		
Short-term investments	62,679	-
Purchase of furniture and equipment	(95)	(81)
Purchase of patents for cash	-	(1,363)
Cash generated from/(used in) investing	62,584	(1,444)
Net cash and cash equivalents generated in the period	60,585	925
Cash and cash equivalents, beginning of period	38,768	91,542
Cash and cash equivalents, end of period	\$ 99,353	\$ 92,467