



## Wi-LAN Reports Second Quarter 2009 Financial Results and Declares Dividend

*Revenues more than triple from same quarter in 2008*

**OTTAWA, Canada – June 4, 2009** – Wi-LAN Inc. (TSX: WIN) (“Wi-LAN” or the “Company”), a leading technology innovation and licensing company, today announced financial results for the second quarter ended April 30, 2009. All financial amounts are expressed in Canadian dollars.

Second Quarter 2009 Highlights:

- Revenues of \$10.0 million as compared to \$3.2 million in Q2 2008.
- Pro forma earnings\* of \$3.3 million or 4 cents per share as compared to a pro forma loss of \$540 thousand or 1 cent per share in Q2 2008.
- GAAP net loss of \$1.0 million or 1 cent per share as compared to a GAAP net loss of \$4.0 million or 4 cents per share in Q2 2008.
- Signed agreements with 15 companies including 7 wireless, 7 V-Chip and 1 wireline license.
- First ever quarterly dividend of 1.25 cents per common share declared.

“Our business delivered strong operational and financial performance during the second quarter,” said Jim Skippen, Chairman & CEO. “Our teams signed license agreements with 15 companies, the majority of which are long-term running royalty agreements. We invested in valuable patented technologies that will significantly strengthen our licensing programs. Our business generated revenues over 200% higher than the same quarter last year and substantial positive cash flow from operations.”

Added Skippen, “I am pleased that this strong financial performance has enabled us to increase revenue guidance and issue a dividend to our shareholders. This represents the third increase in revenue guidance since the company began providing financial guidance a year ago. The issuance of a quarterly dividend is an important milestone in Wi-LAN’s successful turnaround, since it began rebuilding itself with a licensing focus three years ago.”

The Board of Directors has declared a dividend of 1.25 cents per common share. This dividend will be paid on August 5, 2009 to shareholders of record on June 29, 2009.

Investment income in the second quarter of 2009 was \$1.2 million as compared to \$0.8 million in same period last year. Investment income for the six months ended April 30, 2009 was \$1.7 million as compared to \$1.8 million in the comparable period in fiscal 2008.

The Company reported a foreign exchange loss of \$0.1 million during the second quarter of 2009. This consisted of a \$0.4 million loss on contracts that matured during the quarter and an unrealized gain of \$0.3 million on outstanding forward contracts at the end of the quarter. At April 30, 2009, the Company had forward contracts to sell \$5.0 million U.S. dollars at an average rate of \$1.18 Canadian per U.S. dollar. Foreign exchange loss for the six months ended April 30, 2009 was \$0.7 million as compared to a gain on foreign exchange of \$0.2 million in the comparable 2008 fiscal period.

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 second quarter of 2009, the Company signed V-Chip license agreements with 7 companies including Setec Corporation, Ensky Technology PTE Ltd, IVI Digital Company Limited, AV Guangzhou Limited, Atico International Inc., Hisense USA Corporation and Westinghouse Digital Electronics LLC. This brings the total number of companies that have signed V-Chip licenses, as of April 30, 2009, to 112. During the quarter, Wi-LAN signed wireless license agreements with 7 companies, including manufacturers of wireless-enabled laptops, femtocells, base stations and routers. The addition of these 7 companies brings the total number of companies that have signed wireless licenses, as of April 30, 2009, to 62. The Company also signed a wireline license agreement during the second quarter of 2009.

Litigation expenses in the second quarter of 2009 were \$4.1 million representing an increase of \$1.3 million over the first quarter of 2009 and an increase of \$2.7 million over the same period last year. These expenses consist primarily of expenses related to enforcing and defending Wi-LAN's intellectual property ownership rights in court. The increase was due to the Company's ongoing 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") and activities supporting the addition of the 759 patent to our notebook litigation in the Federal Court of the Eastern District of Texas.

Wi-LAN initiated a share purchase program on October 15, 2008, which concluded on April 10, 2009. During the program, the Company repurchased a total of 833,600 shares for cancellation at an average price of \$1.37.

At April 30, 2009, the Company's net cash, comprised of cash, cash equivalents and short-term investments totalled \$98.6 million, representing a decrease of \$0.8 million from the net cash position at January 31, 2009. The Company's cash equivalents and short-term investments include T-bills, term deposits, GICs and other marketable securities.

## **Financial Guidance**

The Company is revising its financial guidance for the 12 month period ending October 31, 2009. Revenues are expected to be within the range of \$34 million to \$37 million, up from previous guidance of \$30 million to \$34 million. Operating expenses, excluding stock-based compensation, are expected to be in the range of \$26 million to \$29 million, up from previous guidance of \$23 million to \$26 million due principally to increased litigation costs. 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 12 month period end October 31, 2009 reflects our current business indicators and expectations and is subject to fluctuations in foreign currency exchange rates. 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.

## **Change in Year End**

The Company also announced that it will be changing its fiscal year end from October 31 to December 31. This change is being made to provide better alignment with the royalty reporting periods of the Company’s licensees and to better align with industry peers for comparison purposes.

## **Conference Call Information – June 4, 2009 – 10 AM EDT**

Wi-LAN will conduct a conference call to discuss its financial results today at 10:00 AM Eastern Daylight Saving 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=145131>
- 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=145131> and accessible by telephone until 11:59 PM on June 11, 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 #:323695

## About Wi-LAN

Wi-LAN, founded in 1992, is a leading technology innovation and licensing company. Wi-LAN has licensed its intellectual property to over 180 companies worldwide. Inventions in our portfolio have been licensed by companies that manufacture or sell a wide range of communication and consumer electronics products including 3G cellular handsets, Wi-Fi-enabled laptops, Wi-Fi/DSL routers, xDSL infrastructure equipment, WiMAX base stations and digital televisions. Wi-LAN has a large and growing portfolio of more than 550 issued or pending patents. 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, unrealized gain or loss on foreign exchange contracts, 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 reliant on licensees paying royalties under existing licensing agreements and additional licensing of its patent portfolio to generate future revenues and increased 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 generation of future V-chip revenues and the likelihood of the Company signing additional V-chip licenses could be negatively impacted by changes in government regulation; 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)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
Revenues	\$ 10,012	\$ 3,245	\$ 16,334	\$ 7,986
Operating expenses				
Patent licensing	980	775	1,697	1,426
Litigation	4,092	1,388	6,845	2,815
Research and development	728	932	1,572	1,687
General and admin	1,761	1,558	3,168	2,580
Foreign exchange loss/(gain)	115	(79)	705	(209)
Stock-based compensation (Note 6 (d))	504	450	965	1,017
Depreciation & amortization	4,182	4,061	8,352	8,204
Total operating expenses	12,362	9,085	23,304	17,520
Interest income, net	1,238	789	1,655	1,780
Loss before income taxes	(1,112)	(5,051)	(5,315)	(7,754)
Provision for income tax recovery	(83)	(962)	(451)	(1,750)
Net and comprehensive loss	(1,029)	(4,089)	(4,864)	(6,004)
Deficit, beginning of period	(150,996)	(139,890)	(147,161)	(137,975)
Reduction of stated capital	147,161	-	147,161	-
Deficit, end of period	\$ (4,864)	\$ (143,979)	\$ (4,864)	\$ (143,979)
Loss per share - basic and diluted (Note 6 (h))				
Basic	\$ (0.01)	\$ (0.04)	\$ (0.05)	\$ (0.06)
Diluted	\$ (0.01)	\$ (0.04)	\$ (0.05)	\$ (0.06)
Weighted average number of common shares				
Basic	92,837,506	93,502,574	92,886,021	93,486,496
Diluted	92,837,506	93,502,574	92,886,021	93,486,496



## Wi-LAN Inc.

### Consolidated Balance Sheets

(in thousands of Canadian dollars)

<b>As at</b>	<b>April 30, 2009</b>	October 31, 2008
	<b>(Unaudited)</b>	(Audited)
Assets		
Current assets		
Cash and cash equivalents	<b>\$ 69,762</b>	\$ 38,768
Short-term investments	<b>28,814</b>	62,679
Accounts receivable	<b>3,048</b>	3,441
Prepaid expenses and deposits	<b>186</b>	110
Assets held for sale (Note 5)	<b>2,288</b>	2,229
Current assets	<b>104,098</b>	107,227
Furniture and equipment, net	<b>860</b>	816
Patents and other intangibles, net	<b>137,059</b>	132,111
Goodwill	<b>13,449</b>	13,449
Assets	<b>\$ 255,466</b>	\$ 253,603
Liabilities and Shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	<b>\$ 14,350</b>	\$ 6,530
Current liabilities	<b>14,350</b>	6,530
Future income tax liability	<b>20,366</b>	21,408
Liabilities	<b>34,716</b>	27,938
Shareholders' equity		
Common shares (Note 6(c))	<b>213,957</b>	362,041
Contributed surplus	<b>11,657</b>	10,785
Deficit	<b>(4,864)</b>	(147,161)
Shareholders' equity	<b>220,750</b>	225,665
Liabilities and Shareholders' equity	<b>\$ 255,466</b>	\$ 253,603



**Wi-LAN Inc.**  
**Consolidated Statements of Cash Flows**  
(Unaudited)  
(in thousands of Canadian dollars)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
Cash provided by/(used in)				
Operations				
Net and comprehensive loss	\$ (1,029)	\$ (4,089)	\$ (4,864)	\$ (6,004)
Non-cash items				
Stock-based compensation	504	450	965	1,017
Depreciation & amortization	4,182	4,061	8,352	8,204
Provision for income tax recovery	(604)	(1,146)	(1,369)	(2,292)
	<b>3,053</b>	<b>(724)</b>	<b>3,084</b>	<b>925</b>
Change in non-cash working capital balances				
Accounts receivable	589	(140)	393	589
Prepaid expenses and deposits	32	113	(76)	164
Net assets held for sale	-	-	(59)	1,468
Accounts payable and accrued liabilities	9,056	98	8,054	(915)
Cash generated from (used in) operations	<b>12,730</b>	<b>(653)</b>	<b>11,396</b>	<b>2,231</b>
Financing				
Mortgage repayment	-	-	-	(518)
Common shares repurchased in Normal Course Issuer Bid	(279)	-	(944)	-
Common shares issued for cash on the exercise of options	21	69	21	72
Cash (used in) generated from financing	<b>(258)</b>	<b>69</b>	<b>(923)</b>	<b>(446)</b>
Investing				
Short-term investments	(28,814)	-	33,865	-
Purchase of furniture and equipment	(126)	(48)	(221)	(129)
Purchase of patents	(13,123)	-	(13,123)	(1,363)
Cash (used in) generated from investing	<b>(42,063)</b>	<b>(48)</b>	<b>20,521</b>	<b>(1,492)</b>
Net cash and cash equivalents (used) generated in the period	<b>(29,591)</b>	<b>(632)</b>	<b>30,994</b>	<b>293</b>
Cash and cash equivalents, beginning of period	<b>99,353</b>	<b>92,467</b>	<b>38,768</b>	<b>91,542</b>
Cash and cash equivalents, end of period	<b>\$ 69,762</b>	<b>\$ 91,835</b>	<b>\$ 69,762</b>	<b>\$ 91,835</b>