

COMPETITIVE TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(in thousands, except share amounts)

	<u>4th quarter ended July 31,</u>		<u>Year ended July 31,</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues				
Retained royalties	\$ 2,118	\$ 508	\$ 11,638	\$ 2,111
Royalty legal awards	-	-	1,037	4,339
Dividends received	147	-	930	-
Settlement with Unilens, net	32	950	32	1,203
Interest income, net	127	8	433	369
Other income	3	-	104	-
	<u>2,427</u>	<u>1,466</u>	<u>14,174</u>	<u>8,022</u>
Expenses				
Personnel and other direct expenses relating to revenues	854	1,137	5,143	3,367
General and administrative expenses	1,202	412	3,046	1,553
Patent enforcement expenses, net of reimbursements	(19)	39	273	107
Impairment loss on investments	-	40	-	40
	<u>2,037</u>	<u>1,628</u>	<u>8,462</u>	<u>5,067</u>
Income before income taxes	390	(162)	5,712	2,955
(Benefit) provision for income taxes	(27)	(40)	10	-
Net income	<u>\$ 417</u>	<u>\$ (122)</u>	<u>\$ 5,702</u>	<u>\$ 2,955</u>
Net income per common share:				
Basic	<u>\$ 0.06</u>	<u>\$ (0.02)</u>	<u>\$ 0.84</u>	<u>\$ 0.47</u>
Assuming dilution	<u>\$ 0.06</u>	<u>\$ (0.02)</u>	<u>\$ 0.78</u>	<u>\$ 0.46</u>
Weighted average number of common shares outstanding:				
Basic	7,152	6,314	6,763	6,248
Assuming dilution	7,571	6,314	7,325	6,457