

WAVECOM S.A.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

Prepared in accordance with U.S. generally accepted accounting principles.

	Six months ended June 30,	
	2004	2005
	<u>Euro</u>	<u>Euro</u>
Cash flows from operating activities :		
Net income (loss).....	(40 107)	6 869
Adjustments to reconcile net income (loss) to net cash provided from operating activities :		
Amortization of intangible and tangible assets	7 300	4 171
Reversal of impairment of tangible assets.....	-	(236)
Loss on sales and retirement of tangible assets	48	1 117
Reversal of long term investment depreciation.....	(306)	-
Impairment of intangible assets.....	1 768	-
Amortization of deferred stock-based compensation	350	-
Net decrease in cash from working capital items.....	<u>(16 364)</u>	<u>(13 401)</u>
Net cash used by operating activities	<u>(47 311)</u>	<u>(1 480)</u>
Cash flows from investing activities :		
Disposal of long term investments.....	442	5 421
Purchase of minority interest in Arguin	(1 768)	-
Purchases of intangible and tangible assets	(2 119)	(839)
Proceeds from sale of intangible and tangible assets	<u>15</u>	<u>753</u>
Net cash provided by (used in) investing activities	<u>(3 430)</u>	<u>5 335</u>
Cash flows from financing activities :		
Principal payments on capital lease obligations	(466)	(260)
Proceeds from exercise of stock options and founders' warrants.....	<u>712</u>	<u>-</u>
Net cash provided by (used in) financing activities	246	(260)
Effect of exchange rate changes on cash and cash equivalents	<u>(19)</u>	<u>490</u>
Net increase (decrease) in cash and cash equivalents	(50 514)	4 085
Cash and cash equivalents, beginning of period	<u>110 705</u>	<u>53 318</u>
Cash and cash equivalents, end of period	<u><u>60 191</u></u>	<u><u>57 403</u></u>