

---

## VOXWARE REPORTS SECOND QUARTER RESULTS FOR FISCAL 2010

**HAMILTON, NJ – February 12, 2010** – Voxware, Inc. (Nasdaq: VOXW), a leading supplier of software for voice-driven warehousing operations, reported results for the three and six months ended December 31, 2009. Overall revenues decreased 2% to \$3.364 million for the quarter ended December 31, 2009 from \$3.449 million during the comparable prior year period. Revenues decreased 9% to \$6.111 million for the six months ended December 31, 2009 from \$6.703 million during the comparable prior year period. Net loss on a Generally Accepted Accounting Principles (“GAAP”) basis was \$528,000 for the quarter ended December 31, 2009, compared to \$1.693 million for the comparable prior year period. Net loss on a GAAP basis was \$1.743 million for the six months ended December 31, 2009, compared to a net loss of \$3.663 million for the six months ended December 31, 2008. Voxware's financial statements for the quarter ended December 31, 2009, can be found in its Form 10-Q filed with the Securities and Exchange Commission on February 12, 2010.

“During our second fiscal quarter, we saw a revenue increase over our first quarter of 22% and only a small 2% decrease from the prior period,” said Scott Yetter, Voxware CEO. “This reporting period concludes the first half of fiscal 2010. As we have previously stated, we took steps to more closely align expenses with expected revenue, and the improvement in our bottom line reflects the initial impact of those steps. Our cash position remains strong at \$2.8 million as we move into the second half of the year.”

“Large enterprises continue to seriously evaluate Voxware’s software, and we believe that cost containment projects such as implementing voice in distribution centers will be among the first to be funded as the economic climate improves.”

Net loss on a non-GAAP basis was \$152,000 and \$1.020 million, respectively, for the three and six months ended December 31, 2009. The difference between the GAAP and non-GAAP net loss is attributable to non-cash stock-based compensation, which was \$376,000 and \$723,000, respectively for the three and six months ended December 31, 2009. A reconciliation of GAAP measures with non-GAAP measures can be found at the end of this release.

### **About Voxware**

Voxware, Inc. (NASDAQ: VOXW), provides voice-driven software products that optimize the full spectrum of warehouse operations for greater accuracy, productivity and flexibility in supply chain execution. Voxware’s corporate headquarters are in Hamilton, New Jersey, with operating offices in Cambridge, Massachusetts, the United Kingdom, and France. Additional information about Voxware can be obtained at <http://www.voxware.com>.

**Consolidated Balance Sheets**  
(in thousands, except share data)

	<u>December 31, 2009</u>		<u>June 30, 2009</u>	
	(unaudited)			
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$	2,828	\$	4,342
Accounts receivable, net of allowance for doubtful accounts of \$167 and \$158 at December 31, 2009 and June 30, 2009, respectively		2,873		3,350
Inventory, net		569		564
Deferred project costs		14		33
Prepaid expenses and other current assets		361		337
<b>Total current assets</b>		<u>6,645</u>		<u>8,626</u>
Property and equipment, net		415		454
Capitalized software development costs		51		-
Other assets		141		184
<b>TOTAL ASSETS</b>	\$	<u><u>7,252</u></u>	\$	<u><u>9,264</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	\$	275	\$	525
Accounts payable and accrued expenses		1,917		2,541
Current portion of deferred revenues		2,335		2,365
<b>Total current liabilities</b>		<u>4,527</u>		<u>5,431</u>
Long-term portion of deferred revenues		97		85
Long-term debt, net of current maturities		88		163
<b>Total liabilities</b>		<u>4,712</u>		<u>5,679</u>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>STOCKHOLDERS' EQUITY</b>				
Common Stock, \$0.001 par value, 15,000,000 shares authorized as of December 31, 2009 and 12,000,000 shares authorized at June 30, 2009; 8,041,893 and 8,007,766 shares issued and outstanding at December 31, 2009 and June 30, 2009, respectively		8		8
Additional paid-in capital		83,841		83,143
Accumulated deficit		(81,309)		(79,566)
<b>Total stockholders' equity</b>		<u>2,540</u>		<u>3,585</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$	<u><u>7,252</u></u>	\$	<u><u>9,264</u></u>

Financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in Forms 10-K and 10-Q.

**Voxware, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(in thousands, except per share data)

	<b>Three Months Ended December 31,</b>		<b>Six Months Ended December 31,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>REVENUES</b>				
Product revenues	\$ 1,749	\$ 1,985	\$ 3,101	\$ 3,805
Services revenues	1,615	1,464	3,010	2,898
<b>Total revenues</b>	<b>3,364</b>	<b>3,449</b>	<b>6,111</b>	<b>6,703</b>
<b>COST OF REVENUES</b>				
Cost of product revenues	743	772	1,223	1,622
Cost of services revenues	531	876	1,116	1,701
<b>Total cost of revenues</b>	<b>1,274</b>	<b>1,648</b>	<b>2,339</b>	<b>3,323</b>
<b>GROSS PROFIT</b>	<b>2,090</b>	<b>1,801</b>	<b>3,772</b>	<b>3,380</b>
<b>OPERATING EXPENSES</b>				
Research and development	748	1,013	1,504	2,025
Sales and marketing	976	1,451	2,226	2,931
General and administrative	864	1,025	1,745	2,079
<b>Total operating expenses</b>	<b>2,588</b>	<b>3,489</b>	<b>5,475</b>	<b>7,035</b>
<b>OPERATING LOSS</b>	<b>(498)</b>	<b>(1,688)</b>	<b>(1,703)</b>	<b>(3,655)</b>
<b>INTEREST EXPENSE, NET</b>	<b>(30)</b>	<b>(3)</b>	<b>(40)</b>	<b>(6)</b>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(528)</b>	<b>(1,691)</b>	<b>(1,743)</b>	<b>(3,661)</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>
<b>NET LOSS</b>	<b>\$ (528)</b>	<b>\$ (1,693)</b>	<b>\$ (1,743)</b>	<b>\$ (3,663)</b>
<b>NET LOSS PER SHARE</b>				
Basic	\$ (0.07)	\$ (0.26)	\$ (0.22)	\$ (0.56)
Diluted	\$ (0.07)	\$ (0.26)	\$ (0.22)	\$ (0.56)
<b>WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTING NET LOSS PER SHARE</b>				
Basic	8,029	6,517	8,021	6,505
Diluted	8,029	6,517	8,021	6,505

Financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in Forms 10-K and 10-Q.

**Voxware, Inc. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures to Comparable GAAP Measures**  
(in thousands)

Three Months Ended December 31,			
	2009 GAAP	2009 Adjustments	2009 Non-GAAP
NET LOSS	\$ (528) (b)	\$ 376 (a)	\$ (152) (b)
Six Months Ended December 31,			
	2009 GAAP	2009 Adjustments	2009 Non-GAAP
NET LOSS	\$ (1,743) (b)	\$ 723 (c)	\$ (1,020) (b)

**Notes:**

(a) Adjustment to exclude non-cash stock-based compensation of \$376,000 from net loss of which \$38,000 was reported in research and development costs, \$81,000 was reported in sales and marketing costs, and \$257,000 was reported in general and administrative costs.

(b) GAAP and non-GAAP net loss for the three and six months ended December 31, 2009 are not audited.

(c) Adjustment to exclude non-cash stock-based compensation of \$723,000 from net loss of which \$73,000 was reported in research and development costs, \$157,000 was reported in sales and marketing costs, and \$493,000 was reported in general and administrative costs.

**About Non-GAAP Financial Measures**

To supplement the consolidated financial statements presented in accordance with GAAP, this press release includes the following measure defined by the Securities and Exchange Commission as non-GAAP financial measures: non-GAAP net profit. This non-GAAP measure is not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, this non-GAAP measure, the financial statements prepared in accordance with GAAP and reconciliations of Voxware's GAAP financial statements to such non-GAAP measure should be carefully evaluated.

Management believes that the large amount of stock-based compensation charges incurred during the three and six months ended December 31, 2009 makes non-GAAP net loss an important metric for investors to value the Company. Accordingly, we believe that non-GAAP net loss, excluding non-cash stock-based compensation costs, are meaningful measures for investors to evaluate our financial performance. Moreover, because of varying available valuation methodologies and the variety of award types that companies can use under ASC 718, we believe that providing non-GAAP financial measures that exclude non-cash stock-based compensation allows investors to make additional comparisons between our operating results to those of other companies. The presentation of non-GAAP net profit, when read in conjunction with our reported GAAP results, can provide useful supplemental information to our management and investors regarding financial and business trends relating to our financial condition and results of operations.

Stock-based compensation has been and will continue to be for the foreseeable future a significant recurring expense in our business. In addition, other companies may calculate non-GAAP financial measures differently than us, thereby limiting the usefulness of these non-GAAP financial measures as a comparative tool. We compensate for this limitation by providing specific information regarding the GAAP

amounts excluded from the non-GAAP net profit and evaluating such non-GAAP financial measures with financial measure calculated in accordance with GAAP.

*This news release contains forward-looking statements. Such statements are subject to certain factors that may cause Voxware's plans to differ or results to vary from those expected including the risks associated with Voxware's need to introduce new and enhanced products and services in order to increase market penetration and the risk of obsolescence of its products and services due to technological change; Voxware's need to attract and retain key management and other personnel with experience in providing integrated voice-based solutions for e-logistics, specializing in the supply chain sector; the potential for substantial fluctuations in Voxware's results of operations; competition from others; Voxware's evolving distribution strategy and dependence on its distribution channels; the potential that speech products will not be widely accepted; Voxware's need for additional capital and its ability to raise such capital on terms acceptable to Voxware; the potential for Nasdaq delisting proceedings; and a variety of risks set forth from time to time in Voxware's filings with the Securities and Exchange Commission. Voxware undertakes no obligation to publicly release results of any of these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unexpected results.*

For Additional Information:

Public Relations Contact:  
PR@voxware.com

Investor Relations Contact:  
William Levering  
IR@voxware.com  
609-514-4100

Product/Sales Inquiries:  
marketing@voxware.com  
609-514-4100 ext. 4122