Wi-LAN Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

FOR THE YEAR ENDED OCTOBER 31, 2007

JANUARY 18, 2008

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FORWARD-LOOKING INFORMATION

This MD&A, compiled as of January 18, 2008, contains certain forward-looking statements. All statements, other than statements of historical facts, included in this MD&A regarding the strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives of Wi-LAN Inc. ("Wi-LAN" or the "Company") and its management are considered forward-looking statements. When used herein, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The Company cannot guarantee that Wi-LAN will actually achieve the plans, intentions or expectations disclosed in any of these forward-looking statements or statements of "belief" and undue reliance should not be placed on any such forward-looking statements or statements of "belief".

All forward-looking statements and statements of "belief" contained in this MD&A are subject to known and unknown risks, uncertainties, assumptions and other factors outside of management's control that could cause the Company's actual results to differ materially from those indicated or implied in the forward-looking statements or statements of "belief". These risks and uncertainties include, but are not restricted to:

- The time required to obtain license agreements for the Company's patents can range significantly, from a number of months to years, and could be subject to variable cycles;
- In addition to licensing agreements signed so far, the Company is exclusively reliant on its patent portfolio to generate incremental future revenues and cash flows;
- The Company may be required to establish the enforceability of the Company's patents in court to obtain material licensing revenues;
- Changes in patent laws or in the interpretation or application of patent laws could materially adversely affect the Company;
- The Company needs to acquire or develop new patents to continue to grow its current business;
- The Company has made and may make acquisitions of technologies or businesses which could materially adversely affect the Company;
- The viability of the Company's V-chip technology may be subject to continued government support; and
- The Company is dependent on its key officers and employees.

Any forward-looking statements and statements of "belief" represent the Company's estimates as of the date of this MD&A only and should not be relied upon as representing the Company's estimates as of any subsequent date. Wi-LAN assumes no responsibility for the accuracy and completeness of any forward-looking statements and statements of "belief" and, except as required by law, Wi-LAN does not assume any obligation to update any forward-looking statements or statements of "belief". Wi-LAN disclaims any intention or obligation to update or revise any forward-looking statements or statements of "belief", whether as a result of new information, future events or otherwise.

This MD&A should be read in conjunction with Wi-LAN's audited fiscal 2007 consolidated financial statements and the accompanying notes (the "Financial Statements"). Unless otherwise indicated, all financial information is reported in thousands of Canadian dollars, with the exception of share and earnings per share data which is reported in number of shares and Canadian dollars, respectively.

The Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The tables and charts included in this document form an integral part of the MD&A.

Additional information filed by Wi-LAN with Canadian securities regulators, including quarterly reports, annual reports and the Company's Annual Information Form ("AIF"), is available on-line at www.sedar.com and also on Wi-LAN's website at www.wi-lan.com.

STATEGIC OVERVIEW

Wi-LAN Inc. is a technology innovation and licensing company. Since 2006, Wi-LAN has increased its staff to 30, raised a total of $86M in equity, grown its patent portfolio five-fold to approximately 290 patents, signed a number of patent licenses and acquired Tri-Vision International Ltd./Ltée ("Tri-Vision").

Wi-LAN's business operations include licensing its patent portfolio and technology innovation through research and development, mergers and acquisitions.

The process which Wi-LAN typically uses to enter into licensing agreements with companies that utilize its patented technologies is as follows:

1. The Company identifies both the target licensees and the products it believes are infringing the Company's patents;
2. The Company prepares a letter identifying both the infringing products and the patents that are infringed. The Company's letter invites the recipient to enter into licensing discussions;
3. If the target licensee agrees to enter discussions, the Company presents claim charts mapping specific claims in the patents to applicable standards and/or to the recipient's products. The first stage of discussions may focus on legal and technical issues. The second stage of discussions, if it occurs, will generally focus on the financial terms of a license. The third part of the discussions will generally focus on the non-financial terms of the license, which can be quite complex; and
4. If licensing discussions break down or target licensees refuse to enter discussions, Wi-LAN may enter into litigation.

Some of the fundamental technologies which management believes are covered by Wi-LAN's patents include: CDMA, DOCSIS, DSL, GSM/EDGE, V-chip, Mesh, Wi-Fi and WiMAX. Wi-LAN has licensed its patented intellectual property to a growing number of companies around the world.

Generally, licensing agreements take into consideration rights to license the patent(s) and past infringement. Revenues, typically, include lump-sum settlements for licensing rights and/or past infringement, fixed-price agreements that are paid over a specified period of time or running royalties based on a price per-unit and/or percentage of product sales or service revenues enjoyed by the licensee. Settlement of the licensing agreements is in cash, but may include a combination of cash and in-kind patents if they fit the value proposition and strategic objectives of the Company.

Royalty rates and the consideration for a license may vary significantly with different licensees since there are many factors that may make differing terms appropriate. Based on anecdotal information the Company understands that royalties charged in similar circumstances have ranged from less than 0.1% to 7%. Some of the factors that can affect the royalty rate include things such as the clarity of the reads of the patent claims on the patents in question, the significance of the patented invention to the performance of the products, the profitability of the products in question, the propensity of the party to resist a license or to litigate, the number of patents that are applicable, the volume of products that infringe, the geographies into which infringing products are sold, the party's future sales plans and the financial status of the prospective licensee.

Notwithstanding early success in many areas, the environment for patent licensing companies such as Wi-LAN has become tougher during the past year based on several case law developments. On the legislative front, the United States Patent Reform Act, if passed, may significantly reduce patent damages awards.

In this more difficult licensing environment, Wi-LAN will continue to adapt and evolve to ensure success. Recent examples of this evolution include the hiring of highly qualified specialists and subject matter experts in the applicable technologies, acquisition of patents that have strengthened our patent portfolio and multiple financing deals that have significantly strengthened the Company's financial position. These recent accomplishments have built a strong foundation for Wi-LAN's future operations and growth.

Key Strategic Initiatives

Technology Innovation

Building on Wi-LAN's rich history of technology innovation which directly contributed to the commercialization of broadband wireless products more than a decade ago, Wi-LAN is engaged in active research and development ("R&D") activities. The Company's internal R&D efforts seek to generate new inventions in next generation communications technologies and to identify new technology/commercial product opportunities. With the goal of growing and strengthening its intellectual property portfolio, this technology innovation complements the Company's ongoing activities to opportunistically acquire appropriate technology.

Value-chain Licensing Opportunity Assessment

Wi-LAN's focus to date has been, generally, on licensing equipment-level companies. As such, the Company will assess the merits of extending its licensing program to include additional participants in the technology value-chain including integrated circuit vendors, component suppliers and service providers.

Licensing Capability Growth

Because of the large and growing number of licensing opportunities available, Wi-LAN will evolve its structure so that licensing of different technology types is managed by dedicated business teams. Initial technology teams will include DSL, Wireless and V-chip Consumer Products. Additional technology teams will be added, as required, to address additional technology types and/or licensing opportunities. This initiative will help Wi-LAN address its growing licensing opportunity by increasing the number of licensing teams that are active, increasing the specialized expertise in the relevant technology areas and bringing more focus and accountability to the generation of revenues in particular technology areas. Growth of team capability and expertise in technology, legal and patent domains will be managed on an ongoing basis taking into account the Company's financial and operating performance.

Licensing Process Execution

In the last eighteen months, Wi-LAN's licensing program has delivered encouraging results. Companies such as; Nokia Corporation, Fujitsu Limited, Matsushita Electric Industrial Co., Ltd., Hyundai IT Corporation, Acer Incorporated and Qingdao Haier Electronics Co., Ltd., joined earlier licensees including Cisco Systems, in reaching negotiated patent licensing agreements. It can be expected that lessons learned from these licensing activities will help the Company improve its ongoing licensing process. Complementing the Company's determination to reach licensing agreements through negotiation is its resolve to receive fair compensation for its patented inventions. The Company has stated previously that it is prepared to take all necessary steps, including litigation, to ensure it receives fair value for its patented inventions. The Company's resolve was demonstrated in 2007 when it launched two large legal actions in the United States. The product types that are the subject of the litigation are laptop computers, wireless routers and DSL modems. A large number of targets including chip suppliers, equipment suppliers and retailers are defendants in the litigation. Although the Company cannot anticipate how the litigation will affect ongoing settlement discussions, the Company believes it is likely that settlement discussions with parties named in the legal action will continue and some parties may feel inclined to take licenses.

NON-GAAP DISCLOSURE

"Pro forma Earnings" is defined by the Company as earnings from continuing operations before stock-based compensation expense, depreciation & amortization expense, and provision for income taxes. The Company is reporting Pro forma Earnings believing that it may be useful for certain investors and readers of the Financial Statements as an important measure of the Company's performance excluding the impact of significant non-cash expenses. Pro forma Earnings is not a measure of financial performance under Canadian GAAP. It does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similarly titled measures used by other companies. Pro forma Earnings should not be interpreted as an alternative to net earnings, cash flows from operations (as determined in accordance with Canadian GAAP) or as a measure of liquidity.

FISCAL 2007 OVERVIEW AND PERFORMANCE HIGHLIGHTS

In fiscal 2007, Wi-LAN established a strong foundation as the Company embarked on an aggressive program to: increase and solidify its management team; improve on its financial resources; monetize its patent portfolio and close a number of licensing agreements; acquire new patents to strengthen the current portfolio and branch out into new technologies; expand its research and development resources; and mark its objectives by launching a significant litigation strategy against a number of companies to assert its patent rights.

The following are some of the highlights of fiscal 2007:

Performance highlights

- December 2006 - licensed its patent portfolio to Nokia Corporation ("Nokia") for total consideration of $49 million;
- December 2006 – completed a bought deal financing for net cash proceeds of $28 million (gross proceeds of $30 million);
- March 2007 - completed a bought deal financing for net cash proceeds of $38 million (gross proceeds of $40 million);
- March 2007 – added Paul Richman and Rick Shorkey to its Board of Directors;
- June 2007 - acquired Tri-Vision that included patents, licenses and other intangibles valued at $93 million relating to V-chip technology, the only solution to parental control that the U.S. Federal Communications Commission ("FCC") has mandated be built into all digital TV receivers, set-top boxes, VCRs and digital video recorders sold or used in the United States;
- Increased the team to 30 staff as at October 31, 2007 from 10 as at October 31, 2006;
- Signed over 20 patent licensing agreements including V-chip licensing agreements pursuant to acquiring Tri-Vision; and
- October 2007 – initiated two litigation actions against 22 companies in the Eastern District of Texas, Marshall Division. The companies include chip suppliers, equipment vendors and electronic retailers that infringe on Wi-LAN patents related to Wi-FI and power consumption in DSL products.

Financial highlights

- Cash and cash equivalents increased from $16,680 on October 31, 2006 to $91,542 on October 31, 2007;
- Licensing revenues totalled $61,270, including patents valued at $42,096;
- Net earnings of $27,617;
- Pro forma earnings of $53,225;
- Basic earnings per share of $0.36 ; and
- Basic pro forma earnings per share of $0.68.

RESULTS OF OPERATIONS – FOURTH QUARTER AND YEAR

The results of the Company's ongoing patent licensing business including revenues, operating expenses, depreciation & amortization, tax expense and other items are reported as "continuing operations" in the consolidated statements of operations and deficit, and balance sheets. In the fiscal second quarter of 2006, the Company decided to exit its products and engineering services businesses. The results of those businesses have been reported as "discontinued operations". With the Company's transition to technology innovation and patent licensing over the past 18 months, and the acquisition of Tri-Vision in Q3 of 2007, the Company's operating results for the quarter ended October 31, 2007 are not directly comparable to those of the quarter ended October 31, 2006. Consequently, the Company's MD&A also includes a comparison to its results for the quarter ended July 31, 2007, a period more comparable to the three months ended October 31, 2007.

SIGNIFICANT ITEMS INCLUDED IN Wi-LAN'S CONSOLIDATED EARNINGS FOR THE THREE MONTHS ENDED OCTOBER 31, 2007 ("Q4/07"), JULY 31, 2007 ("Q3/07") AND OCTOBER 31, 2006 ("Q4/06"), AND FOR THE YEAR ENDED OCTOBER 31, 2007 AND 2006, FOLLOW:

	Three months ended (2)						Years ended October 31 (2)	
	October 31, 2007		July 31, 2007		October 31, 2006		2007	2006
Revenues	$ 7,169		$ 4,761		$ 12		$ 61,270	$ 2,108
Operating expenses								
Stock-based compensation	(804)	19%	(1,141)	31%	(31)	3%	(2,222)	16%	(447)	8%
Other compensation expenses	(1,887)	45%	(1,221)	34%	(556)	50%	(6,558)	49%	(1,741)	30%
Other operating expenses	(1,501)	36%	(1,279)	35%	(530)	47%	(4,640)	35%	(3,533)	62%
Total operating expenses	(4,192)	100%	(3,641)	100%	(1,117)	100%	(13,420)	100%	(5,721)	100%
Depreciation & amortization	(3,936)		(2,028)		(216)		(7,766)		(676)	
Settlement	-		-		-		-		9,635	
Gain on sale of property	-		-		-		-		1,145	
Gain on debt settlement	-		-		-		-		2,919	
Interest										
Interest income	1,083		999		163		3,153		219	
Interest expense on long-term debt	-		-		-		-		(97)	
Earnings/(loss) from continuing operations before income taxes	125		91		(1,159)		43,237		9,561	
Provision for income tax recovery/(expense)	1,106		-		16,726		(15,620)		16,726	
Earnings/(loss)										
From continuing operations	1,231		91		15,567		27,617		26,287	
From discontinued operations	-		-		728		-		(12,178)	
Net and comprehensive earnings	$ 1,231		$ 91		$ 16,295		$ 27,617		$ 14,109	
Pro forma earnings/(loss) (1)	$ 4,865		$ 3,260		$ (912)		$ 53,225		$ 10,684	
Earnings/(loss) per share - basic and diluted										
Continuing operations										
Basic	$ 0.01		$ -		$ 0.26		$ 0.36		$ 0.54	
Diluted	$ 0.01		$ -		$ 0.26		$ 0.34		$ 0.54	
Discontinued operations										
Basic	$ -		$ -		$ 0.01		$ -		$ (0.25)	
Diluted	$ -		$ -		$ 0.01		$ -		$ (0.25)	
Net earnings										
Basic	$ 0.01		$ -		$ 0.27		$ 0.36		$ 0.29	
Diluted	$ 0.01		$ -		$ 0.27		$ 0.34		$ 0.29	
Pro forma earnings/(loss) per share - basic and diluted										
Basic	$ 0.05		$ 0.04		$ -		$ 0.68		$ 0.22	
Diluted	$ 0.05		$ 0.04		$ -		$ 0.66		$ 0.22	
Weighted average number of shares										
Basic	93,329,553		81,420,904		59,781,954		77,784,956		48,447,178	
Diluted	94,677,679		83,665,228		60,112,758		80,092,485		48,777,982	

(1) Pro forma earnings/(loss) represents earnings from continuing operations before stock-based compensation, depreciation & amortization and provision for income taxes.

(2) 2007 includes the results of Tri-Vision since being acquired on June 29, 2007.

Revenues

Licensing revenues earned by the Company for Q4/07, Q3/07 and the year ended October 31, 2007 were $7,169, $4,761 and $61,270, respectively compared with $12 and $2,108 for Q4/06 and the year ended October 31, 2006, respectively. The fiscal 2007 revenues reflect a significant increase in patent licensing agreements acquired by the Company that include Nokia at $49 million.

As partial consideration for the licenses, Wi-LAN received patents that management valued at $4,581 and $42,096 for Q4/07 and the year ended October 31, 2007, respectively (2006 – nil). Management valued these patents, based in part, on valuation reports obtained from major accounting firms.

As the Company continues to monetize and increase licensing revenues from its patent portfolio, the emphasis will be on agreements for past damages settlements and running royalties that deliver recurring revenues. Paid-up licensing agreements that include a one-time fee, patents or a combination of both, will continue to be considered but are expected to have less of an impact on revenues in the future.

Total Operating Expenses

Operating expenses comprise stock-based compensation expense, other compensation costs, legal costs, patent management expenses, and other expenses such as facilities and public company reporting, and stock exchange listing costs. Operating expenses, excluding stock-based compensation, for Q4/07, Q3/07 and the year ended October 31, 2007 were $3,388, $2,500 and $11,198, respectively, compared with $1,086 and $5,274 for Q4/06 and the year ended October 31, 2006. The growth in operating expenses reflects the hiring of additional staff and consultants to implement Wi-LAN's business plans, including the licensing staff that joined the Wi-LAN team with the acquisition of Tri-Vision, effective June 29, 2007. In addition, the Company increased legal expenses attributed to selecting legal counsel and initiating the launch of two actions against 22 identified targets in the Eastern District of Texas, Marshall Division.

Stock-based compensation expense is a non-cash expense driven by the number, fair value and vesting rights of options granted. The stock-based compensation expense in Q4/07, Q3/07 and for the fiscal year 2007 was $804, $1,141 and $2,222, respectively. The comparable amounts for Q4/06 and fiscal year 2006 were $31 and $447, respectively.

There were a total of 3,418,000 options, with an average stock-based compensation value of $1.99 per option, granted in fiscal 2007 compared with 4,302,000 options, with an average stock-based compensation value of $0.42 per option, granted in fiscal 2006. Stock-based compensation expense, for many of the options granted in fiscal 2006, was included in discontinued operations.

ITEMS INCLUDED IN THE COMPANY'S OTHER COMPENSATION EXPENSE FOLLOW:

	Three months ended			Years ended October 31	
	October 31, 2007	July 31, 2007	October 31, 2006	2007	2006
Other compensation expense					
RSUs and DSUs	$ 143	$ 140	$ 112	$ 1,910	$ 205
Bonuses and commissions	502	178	-	1,424	-
Compensation	1,242	903	444	3,224	1,536
Total other compensation expense	$ 1,887	$ 1,221	$ 556	$ 6,558	$ 1,741

Other compensation expense for Q4/07 totalled $1,887 or 45% of Q4/07 operating expenses. In comparison, other compensation expense for Q3/07 amounted to $1,221 (34% of operating expenses) and Q4/06 amounted to $556 (50% of operating expenses). The increase in Q4/07 over Q3/07 and Q4/06, is explained by increased staffing levels and performance bonuses approved and recorded in Q4/07.

For the years ended October 31, 2007 and 2006, other compensation expenses were $6,558 and $1,741, respectively, representing 49% and 30% of total respective operating expenses for the periods. During the year ended October 31, 2006, the Company was implementing its restructuring and most of the Company's compensation costs were applied to the discontinued businesses supported by the staff during the period. The employees in continuing operations increased from 10 to 30 as at October 31, 2006 and 2007, respectively.

In addition to base salaries and benefits, other compensation expense for the year ended October 31, 2007, included costs relating to restricted share units ("RSUs"), deferred stock units ("DSUs") and bonuses and commissions. The value of RSUs and DSUs is based on the price of Wi-LAN's common shares and the expense recorded each period reflects both the change in the price of Wi-LAN's common shares and the number of RSUs and DSUs accruing. RSUs are settled in cash and DSUs are generally settled by the issue of common shares. RSU and DSU expense increased $1,705 to $1,910 in fiscal 2007 from the $205 expense recorded in fiscal 2006. This increase reflects the positive change in the Company's share price and the acceleration of vesting rights of RSUs from June 2007 to January 2007.

The Q4/07 expense for RSUs and DSUs was $143, compared with $140 in Q3/07. The RSUs added in Q4 were offset by a decrease in the Company's share price during the period.

The applicable quarter-ending closing prices for Wi-LAN's common shares on the Toronto Stock Exchange were:

October 31, 2006	$1.87
January 31, 2007	$5.52
April 30, 2007	$5.55
July 31, 2007	$4.35
October 31, 2007	$3.80

Bonuses and commission expenses amounted to $502 in Q4/07 and $178 in Q3/07. This relates to performance bonuses approved and recorded, and commissions paid on revenues generated during the quarter. During the year ended October 31, 2007, this expense totalled $1,424. These payments relate directly to the successful results achieved by the Company, including the revenues recognized from licensing agreements. There were no bonuses or commissions included in compensation expense in Q4/06 or in the year ended October 31, 2006.

Compensation includes salaries and benefits for employees plus the cost of contractors and consultants. These costs are increasing as the Company adds personnel to key positions that are required to pursue the business opportunities available to the Company.

Other operating expenses amounted to $1,501 in Q4/07, an increase of $222 and $971 over Q3/07 and Q4/06, respectively. The increase over previous quarters reflects the operating expenses of Tri-Vision for the period following its acquisition on June 29, 2007 and costs related to selecting legal counsel and initiating the launch of two actions against 22 identified targets in the Eastern District of Texas, Marshall Division. The increase over Q4/06 reflects the growth of expenses required to enable the Company to achieve its objectives as a patent licensing company.

Other operating costs for the years ended October 31, 2007 and 2006 were $4,640 and $3,533, respectively. The difference is primarily due to the Company's growth in human resources, facilities and legal activities, and the expenses of Tri-Vision following its acquisition.

Depreciation & Amortization

Depreciation & amortization ("D&A") expense reflects mainly the amortization of the Company's patent portfolio and other intangible assets. The most significant additions in fiscal 2007 were: $34,000 of DSL patents acquired in December 2006; $93,264 of V-chip patents and license agreements acquired with Tri-Vision on June 29, 2007; and approximately $7,000 of patents acquired in September 2007 which the Company believes are essential to multi-mode and multi-standard wireless communications devices. These portfolios are being amortized on a straight-line basis over their estimated useful lives of 10 years for the DSL patents and 9 years for the V-chip and wireless devices, respectively.

In Q4/07, D&A expense amounted to $3,936, an increase of $1,908 from Q3/07 and $3,720 higher than Q4/06. The increase from Q3/07 was due mainly to amortization in Q4/07 of the fair value of V-chip patents and other intangibles acquired in the acquisition of Tri-Vision in June 2007. D&A also includes amortization of the Nokia patents acquired in Q1/07 and, therefore, not included in amortization expense in the 2006 periods.

D&A expense for the years ended October 31, 2007 and 2006 was $7,766 and $676, respectively. The increase was due mainly to amortization of the fair value of V-chip patents and other intangibles acquired in the acquisition of Tri-Vision in June 2007, and amortization of the Nokia patents acquired in Q1/07 and, therefore, not included in amortization expense in the fiscal 2006.

Income Tax Expense

For the three months and fiscal year ended October 31, 2007, the Company has recorded income tax recovery/(expense) of $1,146 and ($15,580), respectively on earnings from continuing operations before taxes, of $125 and $43,237, respectively. In addition, withholding taxes on foreign revenues totalled ($40) for the three months and fiscal year ended October 31, 2007.

At October 31, 2006, the Company had unused non-capital tax losses, SR&ED and temporary differences carried forward in the amount of $101,608. At October 31, 2007, there has been a reduction in the tax loss and SR&ED carryforward balances to $46,985, corresponding with year-to-date earnings from continuing operations before income taxes in the amount of $43,237 plus the add-back of stock-based compensation expense and certain amortization charges that are not deductible for income tax purposes.

The carryforward balances may be used to offset future taxable income. Management has provided a full valuation allowance against these remaining tax loss carryforward balances. In assessing whether future tax assets will be realized, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The realization of future tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes are deductible.

The amount of the future tax asset considered realizable could change materially in the near term, based on projections of future taxable income during the carryforward period. Management assesses the valuation allowance against other tax losses carried forward and other temporary differences on a quarterly basis in order to determine when it may be appropriate to recognize additional future income tax benefits in the

Company's financial statements. Going forward, Wi-LAN expects to generate revenues from licensing its patent portfolio, but the timing and nature of individual agreements cannot be predicted.

The acquisition of Tri-Vision on June 29, 2007, resulted in a future income tax liability, totalling $25,721, relating to the excess accounting value of the identifiable intangible assets over the tax bases of these assets. The future income tax liability will be reduced by the tax effect of the excess accounting amortization of the assets over the amount deductible for income tax purposes. During the three months and fiscal year ended October 31, 2007, the future income tax liability arising from the Tri-Vision acquisition was reduced by $1,146 and a future income tax recovery was recorded.

Discontinued Operations

There was no impact on earnings from the discontinued businesses during the three months and year ended October 31, 2007. The $728 income in Q4/06 and $12,178 loss for the year ended October 31, 2006, represent the operating results and other costs incurred by the discontinued businesses.

Guidance – Operating Expenses

It has been Wi-LAN's practice not to provide guidance on the range of expected future revenues and earnings, given the relatively early stage of its licensing business as well as the difficulty in predicting the timing and value of patent licensing agreements and acquisition opportunities, and possible outcomes of current and future litigation activities. Wi-LAN expects to add revenues, incremental to its existing patent agreements, from licensing its patent portfolio, but the timing and nature of new agreements cannot be predicted.

In order to assist investors and other interested parties in understanding and measuring the Company's performance, management estimates that operating expenses for next year, fiscal 2008, will likely range between $22 and $27 million (approximately $14M in fiscal 2007). Guidance for operating expense in Q4 was an amount up to $4.8M. Based on this, estimated operating expenses for 2008 are in line with Q4 when taking into consideration increased legal activities and a marginal increase in staff related expenses and personnel.

Depreciation & amortization expense will be approximately $15 to $18 million in fiscal 2008, compared with $8M in fiscal 2007.

Non-cash expenses included in management's guidance for 2008 are expected to range from $15 to $21 million.

The major components of operating expenses comprise; compensation, legal costs, patent management expenses and other expenses such as facilities and public company reporting, and listing costs. Depreciation & amortization expenses reflect the value and remaining lives of patent groups in Wi-LAN's overall portfolio, including acquisitions.

Compensation costs may grow as Wi-LAN adds staff to pursue licensing opportunities and manage its business. The compensation costs include stock-based compensation expenses, a non-cash expense, the costs of RSUs and DSUs, bonuses, commissions and other compensation costs in accordance with employment agreements.

Legal expenses will increase, depending mainly on litigation that is undertaken by the Company. Wi-LAN expects that it will be required to litigate from time to time with parties that infringe its patents but refuse to pay what the Company considers fair consideration either for a license or as compensation for past infringement. On October 31, 2007, the Company initiated two litigation actions in the Eastern District of Texas, Marshall Division, against 22 companies. The companies include equipment vendors, chip suppliers and electronic retailers that the Company believes infringe on Wi-LAN patents related to Wi-Fi and power consumption in DSL products.

LIQUIDITY

As at	Q4/07 October 31, 2007	Q3/07 July 31, 2007	Q4/06 October 31, 2006
Cash and cash equivalents	$ 91,542	$ 100,515	$ 16,680
Working capital	93,476	99,250	33,313
Mortgage payable related to assets held for sale	518	555	-

Cash and cash equivalents used by the Company in Q4/07 was $8,973: approximately $7,050 in the acquisition of patents; $1,500 in working capital; and $500 in furniture and equipment. Working capital decreased by $5,774 during the same period to $93,476 at October 31, 2007. The increase in cash and cash equivalents during the year ended October 31, 2007 amounted to $74,862, including total net proceeds of $65,929 generated in December 2006 and March 2007 financings, the receipt of approximately $15,000 (€10,000) from Nokia for a licensing agreement and the cash acquired with Tri-Vision in Q3/07. For the year ended October 31, 2007, working capital increased by $60,163, including the financing activities less $16,726 of future tax asset charged to Q1/07 earnings.

Wi-LAN had no long-term debt at October 31, 2007 and October 31, 2006.

The Company's cash equivalents include t-bills, term deposits and GICs.

Wi-LAN plans to use its cash resources to fund its operations, fund any litigation that might be required and purchase additional high quality patent portfolios that are identified and fit the Company's strategic direction in communications and consumer electronics markets.

The Company's ability to generate cash from operations going forward is based entirely on licensing its patent portfolio to companies around the world who sell equipment in the consumer electronics and other markets. To date, Wi-LAN has licensed all of the patents it owned at December 2005 to Cisco and, effective December 4, 2006, all patents it owned, at that time, to Nokia. Wi-LAN has also licensed many other companies to selected patents, including the V-chip technology. It is difficult to predict the timing and nature of future licenses.

Wi-LAN plans to finance its cash requirements for operating expenses, litigation costs and technology acquisitions by a combination of cash generated from licensing its patent portfolio and, when desirable based on market conditions, by selling common shares to the public.

The Company expects that it will be required to litigate from time to time with parties that infringe its patents but refuse to pay what the Company considers fair consideration either for a license or as compensation for past infringement. It is important that target licensees know that, if necessary, the Company has sufficient funds to fight a protracted litigation, otherwise a party may be more reluctant to take a license.

Patent acquisitions will depend on the quality and fit of the patents that become available to Wi-LAN, and may be achieved by various business structures, including acquisitions for cash or Wi-LAN shares, sharing the net revenues generated from the patents (i.e. on a contingency basis) and the acquisition of patents as consideration for licensing Wi-LAN's current portfolio of patents. During the fiscal year 2007, the cost of patents purchased for cash amounted to $8,921,

CAPITAL RESOURCES

Wi-LAN will have two main types of capital investment going forward. The acquisition of new patents under Wi-LAN's Technology Acquisition Program ("TAP"), to support continuing growth in the Company's licensing business, and furniture and equipment to support staff requirements. The timing and extent of TAP expenditures could be significant if the right opportunities are available and the acquisitions fit Wi-LAN's financial capacity and strategic direction in communications and consumer electronics markets. Expenditures for furniture and equipment will match the Company's growth and are expected to decrease over time.

The funding for Wi-LAN's capital investment will come from a combination of cash and cash equivalents on hand, cash generated from licensing activities and external financing as appropriate.

OUTSTANDING COMMON SHARE DATA

As at	October 31, 2007	October 31, 2006
Common shares	93,469,833	61,099,073
Securities convertible into common shares		
Stock options	5,881,999	4,039,350
Deferred stock units (DSUs)	26,348	26,348
Warrants	517,696	772,332
	99,895,876	65,937,103

COMMITMENTS AND CONTINGENCIES

a) Litigation

The Company, in the course of its normal operations, is subject to claims, lawsuits and contingencies. Accruals are made in instances where it is probable that liabilities may be incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company has no reason to believe that the ultimate outcome of these matters would have a significant impact on its consolidated financial position. The significant legal proceedings in which Wi-LAN is involved are summarized below.

In September 2002, the Company, its former Executive Chairman (now Chairman of the Board), and Wi-Com Technologies Inc. (a private Alberta company), among others, were served with two statements of claim alleging the defendants are liable for failing to deliver certain share certificates in a timely manner to the claimants. The claimants are former shareholders of Wi-Com Technologies Inc. The Company maintains that it has defences to these claims and does not believe that it will ultimately be found liable. The Company is vigorously defending these actions, has filed a statement of defence and has also filed a counterclaim against the claimants. To date, it has not been determined if legal liability exists, and accordingly, no provision has been made in the Company's financial statements.

In May 2007, Wi-LAN was served with a claim by a former distribution channel partner for approximately $250 (US$250) regarding a dispute over inventory supplied by Wi-LAN. To date this customer has secured an order in South Africa for seizure of some office equipment at premises apparently occupied by Wi-LAN in South Africa but has not initiated a legal action in Canada. This claim is currently stayed in South Africa and the Company expects to settle for a nominal amount, failing which the Company believes it has no liability for the claim and intends to vigorously defend its position in any action brought against it.

In September 2006, the Company was advised of an action initiated in France by a former Wi-LAN customer that is claiming €661 (approximately $950) for the cost of defective product, remediation efforts and compensatory damages. Wi-LAN has retained counsel to defend, and filed a defence in March 2007. The Company does not believe that it will ultimately be found liable for a material amount and continues to investigate the basis for the claim.

The Company is currently involved in litigation with D-Link in the Federal Court of Canada concerning the alleged infringement by D-Link of Canadian patent No. 2,064,975. This litigation is in its early stages. Over the course of fiscal 2007, the Federal Court of Canada ordered that Wi-LAN's claim for punitive damages be struck from its statement of claim in December 2006, D-Link filed a statement of defence and counterclaim against the Company in April 2007 and, following certain procedural matters, D-Link filed amended statements of defence and counterclaims in December 2007. Wi-LAN continues to work to proceed expeditiously with this litigation and expects to file a reply and statement of defence to D-Link's counterclaim.

In May 2007, Tri-Vision sued TigerDirect. In addition to a declaration of past infringement by TigerDirect , Tri-Vision has also sought an interim, introductory and permanent injunction to prevent future infringement of its Canadian patent No. 2,179,474 and damages, including compensation plus interest and legal costs.

In October 2007, the Company filed claims against 22 major companies including Acer Inc., Apple, Inc., Best Buy Co. Inc., Circuit City Stores, Inc., Dell Inc., Gateway Inc., Hewlett-Packard Company, Intel Corporation, Sony Corporation, Texas Instruments Incorporated and Toshiba Corporation in two separate actions in the US Federal Court for the Eastern District of Texas, Marshall Division. Wi-LAN has claimed that these companies have infringed and continue to infringe its US patent nos. 5,282,222, RE37,802 and 5,956,323 by making and/or selling various products including wireless routers, modems and personal computers that use technology derived from these patents which relate to Wi-Fi and power consumption in DSL products. Certain defendants in these actions have filed answers to the Company's complaints together with claims for declaratory judgment against the Company, to which the Wi-LAN expects to respond. Extensions to file answers in these actions have been granted to certain other defendants.

The Company also understands that Marvell, one of the defendants in Wi-LAN's Texas actions, has filed a complaint in the US Federal Court for the Northern District of California in November 2007, seeking a declaratory judgment that certain of the Company's US patents are invalid.

b) Operating lease

MINIMUM COMMITMENTS FOR THE LEASED PREMISES IN OTTAWA ARE CURRENTLY AS FOLLOWS:

					Years ending October 31,
	Total	2008	2009	2010	Thereafter
Lease for premises	$ 1,685	$ 333	$ 343	$ 343	$ 666

The Company has a commitment for future minimum annual lease payments for its Ottawa premises, totalling $1,685 over the next five years. During the year, Wi-LAN expanded its space from approximately 4,800 square feet to approximately 9,500 square feet, with a resulting increase in its lease commitments.

c) Other

As partial consideration for patents acquired in September 2007, the Company agreed to future additional payments, not to exceed US$4,000, contingent upon the ongoing enforceability of the patents and based on revenues produced from licensing or selling the patents.

RELATED PARTY TRANSACTIONS

On July 31, 2007, the Company signed an agreement to license certain of its patent portfolio to SolutreaCorp ("Solutrea"), formerly, Powerstar International Inc. Wi-LAN has identified Solutrea as a related party because Solutrea's Chairman and CEO, Dr. Hatim Zaghloul, is also Chairman of the Board of Wi-LAN and Wi-LAN's President & CEO, Jim Skippen, was formerly (resigned December 31, 2007) a member of the Board of Directors of Solutrea. In accordance with the license agreement, no amounts were due or payable in the period.

On April 30, 2007, the Company acquired patents owned by two members of the Company's Board of Directors for total cash consideration of $100. These patents have been recorded at the exchange amount.

In July 2006, the Company entered into a one-year consulting contract with Dr. Hatim Zaghloul, the Chairman of the Board, through a company controlled by him. Under the terms of the agreement, Wi-LAN paid a monthly consulting fee of $10 plus expenses, and granted the Chairman options to purchase 250,000 common shares at $1.30 per share. On June 30, 2007, the consulting agreement expired and was not renewed. In the event that Dr. Zaghloul provides any additional consulting services, they will be provided on an ad hoc basis at an hourly rate of $500 per hour.

SELECTED ANNUAL INFORMATION

						Years ended October 31,
		2007		2006		2005
Revenues	$	61,270	$	2,108	$	-
Earnings/(loss) from continuing operations before tax		43,237		9,561		(4,173)
Provision for income tax recovery/(expense)		(15,620)		16,726		-
Earnings/(loss) from continuing operations		27,617		26,287		(4,173)
Loss from discontinued operations		-		(12,178)		(21,605)
Net and comprehensive earnings/(loss)	$	27,617	$	14,109	$	(25,778)
Earnings/(loss) per share - basic and diluted						
Continuing operations						
Basic	$	0.36	$	0.54	$	(0.10)
Diluted	$	0.34	$	0.54	$	(0.10)
Discontinued operations						
Basic	$	-	$	(0.25)	$	(0.51)
Diluted	$	-	$	(0.25)	$	(0.51)
Net earnings						
Basic	$	0.36	$	0.29	$	(0.61)
Diluted	$	0.34	$	0.29	$	(0.61)

						As at October 31,
		2007		2006		2005
Cash and cash equivalents	$	91,542	$	16,680	$	3,690
Future tax asset		-		16,726		-
Patents and other intangibles, net		146,955		9,787		10,059
Goodwill		16,400		-		-
Total assets		262,505		44,775		25,578
Future income tax liability		24,575		-		-
Total liabilities		29,464		1,501		14,662
Shareholders' equity		233,041		43,274		10,916
Shares outstanding (end of period)		93,470		61,099		42,229

SELECTED QUARTERLY INFORMATION

The following is a summary of Wi-LAN's quarterly financial results for the past eight quarters.

Operating Highlights

Fiscal quarter	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06
Three months ended	Oct 31/07	July 31/07	Apr 30/07	Jan 31/07	Oct 31/06	July 31/06	Apr 30/06	Jan 31/06
Revenues	$ 7,169	$ 4,761	$ 75	$ 49,265	$ 12	$ 2,096	$ -	$ -
Operating and amortization expenses	(8,128)	(5,669)	(3,254)	(4,136)	(1,333)	(1,670)	(1,705)	(1,689)
Settlement (1)	-	-	-	-	-	-	-	9,635
Gain on debt settlement	-	-	-	-	-	-	2,919	-
Provision for income tax recovery/(expense)	1,106	-	-	(16,726)	16,726	-	-	-
Earnings/(loss) from continuing ops	1,231	91	(2,275)	28,570	15,567	432	1,236	9,052
Earnings/(loss) from discontinued ops	-	-	-	-	728	(832)	(6,412)	(5,662)
Net earnings/(loss)	$ 1,231	$ 91	$ (2,275)	$ 28,570	$ 16,295	$ (400)	$ (5,176)	$ 3,390
Pro forma earnings (2)	$ 4,865	$ 2,261	$ (1,988)	$ 46,018	$ (1,075)	$ (912)	$ 1,457	$ 9,279
Earnings/(loss) per share - basic and diluted								
Continuing operations								
Basic	$ 0.01	$ -	$ (0.03)	$ 0.45	$ 0.26	$ 0.01	$ 0.03	$ 0.21
Diluted	$ 0.01	$ -	$ (0.03)	$ 0.43	$ 0.26	$ 0.01	$ 0.03	$ 0.21
Discontinued operations								
Basic	$ -	$ -	$ -	$ -	$ 0.01	$ (0.02)	$ (0.15)	$ (0.13)
Diluted	$ -	$ -	$ -	$ -	$ 0.01	$ (0.02)	$ (0.15)	$ (0.13)

(1) The $9,635 settlement with Cisco, net of expenses, comprising the settlement of the lawsuit, sale of patents and a license, has been reported as a "settlement", and not revenue.

(2) Pro forma earnings represents earnings/(loss) from continuing operations before stock-based compensation, depreciation & amortization and provision for income taxes.

Financial Position

Fiscal quarter	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06
As at	Oct 31/07	July 31/07	Apr 30/07	Jan 31/07	Oct 31/06	July 31/06	Apr 30/06	Jan 31/06
Cash and cash equivalents	$ 91,542	$ 100,515	$ 94,967	$ 57,756	$ 16,680	$ 9,556	$ 3,239	$ 8,374
Future tax asset	-	-	-	-	16,726	-	-	-
Patents and other intangibles, net	146,955	138,684	42,295	43,047	9,787	9,988	10,170	8,848
Goodwill	16,400	17,683	-	-	-	-	-	-
Total assets	262,505	263,574	140,087	103,396	44,775	20,727	15,254	28,484
Future income tax liability	24,575	25,721	-	-	-	-	-	-
Total liabilities	29,464	33,384	2,587	1,790	1,501	1,766	4,227	13,940
Shareholders' equity	233,041	230,190	137,500	101,606	43,274	18,961	11,027	14,544
Shares outstanding (end of period)	93,470	93,255	75,167	69,038	61,099	54,426	44,638	42,229

CRITICAL ACCOUNTING POLICIES, INCLUDING INITIAL ADOPTION OF POLICIES, AND CRITICAL ESTIMATES

Critical accounting estimates are defined as estimates that are very important to the portrayal of Wi-LAN's financial position and operating results and require management to make judgments based on underlying assumptions about future events and their effects.

These underlying assumptions are based on historical experience and other factors that management believes to be reasonable under the circumstances and are subject to change as events occur, as additional information is obtained and as the environment in which Wi-LAN operates changes.

Critical accounting estimates and accounting policies are reviewed annually or more often if needed, by the Audit Committee of the Board.

Patents and Other Intangibles

Wi-LAN has acquired patents, license agreements and other intangible assets in conjunction with both business acquisitions and as full or partial settlement of licensing fees. In determining the fair value of these patents and other intangibles, the Company makes estimates and judgements about the future income-producing capabilities of these assets and related future cash flows. The Company also makes estimates about the useful lives of these assets based on assessment of the legal and economic lives of the patents and potential future licensing revenues achievable from the portfolio. The portfolio as at October 31, 2007 is being amortized on a straight-line basis over the remaining useful lives of the patents and ranges from 9 to 14 years. If the Company's basis for assessing the useful lives of the intangibles and potential future licensing revenues achievable from the portfolio are adversely affected by future events or circumstances, the Company will record write-downs of patents, write-down of other intangible assets, or changes in the estimated useful lives of these assets, which would result in charges to amortization expense in the future. Such charges would not affect cash flows.

Income Taxes

In assessing the realizability of future tax assets and the application of the valuation allowance, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The realization of future tax assets is dependent upon the generation of future taxable income during the periods in which loss carryforwards and temporary differences are deductible. The amount of the future tax asset considered realizable is based on management's estimates of future taxable income by jurisdiction during the carryforward period and also takes into consideration tax planning strategies that management intends to pursue. This assessment could change materially in the near term.

Stock Option Accounting

Wi-LAN estimates the fair value of options for financial reporting purposes using the Black-Scholes model, which requires a number of subjective assumptions, including the expected lives of the option, risk-free interest rate, dividend rate and future volatility of the price of the Company's common shares. The use of different subjective assumptions could materially affect the fair value estimate. The Company estimates the risk-free interest rate based on Government of Canada benchmark bonds. The Company bases its estimate of expected life of the option based on an analysis of options exercised by its employees and the period over which the options can be exercised. Wi-LAN estimates the volatility of its share price based on the historical volatility and expected future volatility of the share price. The fair values of the options issued are being recognized as compensation expense over their applicable vesting periods.

Revenue Recognition

As the Company continues to develop and expand its revenue streams, it has implemented specific policies with respect to revenue recognition.

The Company licenses rights to its patent portfolio and recognizes revenue when it is earned. The Company considers revenue to be earned when it has persuasive evidence of an arrangement, the obligation has been fulfilled in accordance with the terms of the licensing agreement, including delivery and acceptance, and collection is reasonably assured.

Revenues from licensing arrangements with extended payment terms where fees are fixed in one or more instalments of cash or in-kind property, such as patents, are generally recognized as payments become due.

Revenues from royalties based on the licensee's sale of products incorporating or using the Company's patent portfolio, often referred to as "running royalties," are recognized based on royalties due to Wi-LAN as reported by licensees during the quarter.

The application of these policies did not have an impact on Wi-LAN's financial results for comparable periods.

Goodwill

Pursuant to the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1581, "Business Combinations", the Company has recorded goodwill resulting from the acquisition of Tri-Vision and has applied the recommendations of CICA Handbook Section 3062, "Goodwill and Intangible Assets."

Goodwill represents the excess of the purchase price of the Company's business acquisition over the fair value of identifiable net assets acquired and is allocated as at the date of the business combination. Goodwill is not amortized, but will be tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate the asset might be impaired.

The impairment test is carried out in two steps. In the first step, the carrying value of the reporting unit including goodwill is compared with its fair value. When the fair value of a reporting unit exceeds its carrying value, goodwill of the reporting unit is considered not to be impaired and the second step is considered unnecessary.

In the event the fair value of the reporting unit, including goodwill, is less than the carrying value, the implied fair value of the reporting unit's goodwill is compared with its carrying value to measure the amount of the impairment loss. When the carrying value of goodwill in the reporting unit exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statements of operations and deficit.

CHANGES IN ACCOUNTING POLICIES, INCLUDING INITIAL ADOPTION

Financial Instruments and Other Comprehensive Income

Effective November 1, 2006, the Company adopted the CICA Handbook Section 1530, "Comprehensive Income," CICA Handbook section 3855, "Financial Instruments – Recognition and Measurement," CICA Handbook section 3861, "Financial Instruments – Presentation and Disclosure," and CICA Handbook section 3865, "Hedges."

These new Handbook sections provide requirements for the recognition and measurement of financial instruments, hedge accounting and reporting, and displaying comprehensive income. The standards require that all financial assets be classified as held for trading (HFT), available for sale (AFS), held to maturity, or loans and receivables. Furthermore, these standards require that all financial assets be measured at fair value with the exception of loans and receivables, debt securities classified as held to maturity, and equities which do not have quoted market values in active markets.

Depending on the designation of the financial instruments, changes in unrealized fair value are reflected either in net income or in other comprehensive income. Changes in financial assets designated as HFT continue to be reported in net income in the statement of net income. Changes in financial assets designated as AFS are reported as other comprehensive income (OCI) in the statement of comprehensive income and are included in accumulated other comprehensive income (AOCI) until the financial asset is disposed of or becomes impaired.

The adoption of these policies has not had an impact on Wi-LAN's financial statements. The Company holds financial instruments with the following designations and accounting treatments:

Available-for-sale financial assets

AFS securities are carried at fair values with unrealized gains and losses included in AOCI as described above. Dividends, interest, and realized gains and losses on sales are included in interest income. Write-downs for other-than-temporary impairments in value are included in the investment provision in the statement of net income.

Loans and receivables

Accounts receivable are designated into this category. Loans and receivables are accounted for at amortized cost using the effective interest rate method; and, changes are reflected in the statement of net income.

Other financial liabilities

Current liabilities are designated into this category. Other financial liabilities are recorded at amortized cost using the effective interest rate method; and, changes are reflected in the statement of net income.

DISCLOSURE CONTROLS AND PROCEDURES

In conformance with the Canadian Securities Administrators Multilateral Instrument 52-109, Wi-LAN has filed certificates signed by the President & CEO and CFO that, among other things, deal with the matter of disclosure controls and procedures.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as of January 18, 2008, and based on its evaluation has concluded that these are effective.

The evaluation took into consideration the Company's corporate disclosure policy and the functioning of its executive officers, Board of Directors and Board Committees. In addition, the evaluation covered the Company's processes, systems and capabilities relating to regulatory filings, public disclosures and the identification and communication of material information.