



Press Release

For Immediate Release

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GraphOn Corp. Announces First Quarter 2008 Results

SANTA CRUZ, CA, USA – May 16, 2008 – GraphOn Corporation (OTCBB: GOJO), a leading worldwide developer of thin-client application publishing and Web-enabling solutions, today announced its financial results for the first quarter, which ended March 31, 2008.

Financial Highlights

Revenue was approximately \$1.3 million for the three months ended March 31, 2008, as compared to approximately \$1.1 million recorded in the same period of 2007. The net loss for the three months ended March 31, 2008 was approximately \$0.7 million, as compared to the approximate \$1.0 million net loss for the same period of 2007. The basic and diluted loss per common share for the three months ended March 31, 2008 was \$0.01 per share as compared with a basic and diluted loss of \$0.02 per common share for the same quarter of 2007.

"We are pleased with the approximate 15% increase in revenue that we experienced in the first quarter compared to the same period in 2007," Robert Dilworth, Chairman and CEO, said. "We are seeing increased revenue from our distributor network and are excited with the continued strength of our position in the marketplace. Our balance sheet remains strong, allowing us to continue investing resources into our GO-Global products."

About GraphOn Corporation

GraphOn Corporation is a publicly-traded company headquartered in Santa Cruz, California. For over a decade, GraphOn has been an innovator of cost-effective, advanced solutions that help customers access applications from anywhere. GraphOn's high-performance software provides fast remote access, cross-platform connectivity, and a centralized architecture that delivers a dramatically lower cost of ownership. The company's solutions run under Microsoft (MSFT) Windows, Linux and UNIX, including Sun (JAVA) Solaris, IBM AIX, Hewlett-Packard (HPQ) HP-UX, and others. GraphOn is traded on the Over the Counter Bulletin Board under the ticker GOJO (OTCBB:GOJO). For more information, please visit www.graphon.com.

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GRAPHON CORPORATION

Condensed Consolidated Balance Sheets

	(Unaudited)	
	March 31, 2008	December 31, 2007
Assets		
Cash and cash equivalents	\$ 4,780,500	\$ 5,260,800
Accounts receivable, net	747,700	886,600
Prepaid expenses	99,600	42,600
Total current assets	<u>5,627,800</u>	<u>6,190,000</u>
Patents, net	2,519,000	2,741,300
Other assets, net	145,000	143,100
Total assets	<u>\$ 8,291,800</u>	<u>\$ 9,074,400</u>
Liabilities and stockholders' equity		
Accounts payable and accrued liabilities	\$ 717,000	\$ 867,200
Deferred revenue - short term	1,416,500	1,475,000
Deferred revenue - long term	1,802,400	1,833,100
Stockholders' equity	4,355,900	4,899,100
Total liabilities and stockholders' equity	<u>\$ 8,291,800</u>	<u>\$ 9,074,400</u>

Condensed Consolidated Statements of Operations

	Three months ended March 31,	
	2008	2007
	(Unaudited)	(Unaudited)
Revenue	\$ 1,312,300	\$ 1,137,600
Cost of revenue	158,600	118,900
Gross profit	<u>1,153,700</u>	<u>1,018,700</u>
Selling and marketing	408,500	432,500
General and administrative	965,400	974,000
Research and development	486,400	671,500
Total operating expenses	<u>1,860,300</u>	<u>2,078,000</u>
Loss from operations	(706,600)	(1,059,300)
Other income, net	35,500	19,600
Income (loss) before income taxes	(671,100)	(1,039,700)
Income taxes	800	1,700
Net loss	<u>\$ (671,900)</u>	<u>\$ (1,041,400)</u>
Earnings (loss) per common share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average shares outstanding - basic and diluted	<u>47,089,808</u>	<u>46,238,191</u>

This press release contains statements that are forward looking as that term is defined by the United States Private Securities Litigation Reform Act of 1995. These statements are based on current expectations that are subject to risks and uncertainties. Actual results will differ due to factors such as shifts in customer demand, product shipment schedules, product mix, competitive products and pricing, technological shifts and other variables. Readers are referred to GraphOn's most recent periodic and other reports filed with the Securities and Exchange Commission.

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