



CONSOLIDATED FINANCIAL STATEMENTS

**For the Three Months Ended March 31, 2009
and the Three months ended April 30, 2008**

WEBTECH WIRELESS INC.
CONSOLIDATED BALANCE SHEET
(Amounts in 000's)

	<i>31-Mar-09</i>	<i>31-Dec-08</i>
	<i>(Unaudited)</i>	
ASSETS		
Current		
Cash and cash equivalents	\$ 7,681	\$ 3,889
Accounts receivable, net of allowance	6,841	7,769
Inventory, net of allowance	8,321	8,629
Prepaid expenses and deposits	520	452
	23,363	20,739
Property and equipment (Note 5)	1,619	1,624
Long term investments (Note 6)	3,000	3,000
	\$ 27,982	\$ 25,363
LIABILITIES		
Current		
Bank indebtedness (Note 7)	1,000	1,000
Accounts payable and accrued liabilities	2,236	1,991
Current portion of deferred revenue	992	685
	4,228	3,676
Long term		
Deferred lease inducement	852	642
Deferred revenue	269	274
Long term debt secured by long term investment (Note 8)	1,420	-
	2,541	916
	6,769	4,592
SHAREHOLDERS' EQUITY		
Share Capital (Note 9)	59,864	59,689
Contributed Surplus (Note 10)	4,283	4,131
Retained Earnings	(42,934)	(43,049)
	21,213	20,771
	\$ 27,982	\$ 25,363

Commitments (Note 12)

APPROVED BY THE DIRECTORS:

"Signed"

Anwar Sukkarie

"Signed"

Peter W. Roberts

The accompanying notes form an integral part of these financial statements.

WEBTECH WIRELESS INC.
CONSOLIDATED STATEMENT OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(Amounts in 000's except per share amounts)
(Unaudited)

	<i>Three months ended</i>	
	<i>31-Mar-09</i>	<i>30-Apr-08</i>
Revenue	\$ 6,669	\$ 6,056
Cost of goods sold	2,938	2,941
Gross profit	3,731	3,115
Gross margin	55.95%	51.44%
Expenses		
Sales and marketing	1,935	2,106
Research and development	1,268	1,065
General and administrative	758	993
Amortization	147	111
	4,108	4,275
Loss before other items	(377)	(1,160)
Other items		
Interest and other income/(expenses)	87	87
Foreign exchange gain/(loss)	198	(45)
Loss in the fair value of long term investments <i>(Note 6)</i>	-	(831)
Gain on restructuring of long term investments <i>(Note 6)</i>	207	-
Net income/(loss) and comprehensive income/(loss) for the period	\$ 115	\$ (1,949)
Deficit beginning of the period	(43,049)	(32,655)
Income/(Loss) for the period	115	(1,949)
Shares repurchased - excess of purchase price over carrying value	-	(446)
Deficit end of period	\$ (42,934)	\$ (35,050)
Accumulated other comprehensive earnings		
Balance - beginning and end of period	\$ -	\$ -
Basic and fully diluted Earnings/(loss) per share	\$ 0.00	\$ (0.03)
Weighted average number of shares outstanding during the period	57,981,017	56,647,691

The accompanying notes form an integral part of these financial statements.

WEBTECH WIRELESS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in 000's)

(Unaudited)

	<i>Three months ended</i>	
	<i>31-Mar-09</i>	<i>30-Apr-08</i>
Operating Activities		
Net gain/(loss) for the period	\$ 115	\$ (1,949)
Add items not affecting cash:		
Amortization	147	111
Stock based compensation	296	437
Amortization of leasehold inducement	(34)	(17)
Loss in the fair value of long term investments	-	831
	524	(587)
Changes in non-cash working capital items related to operations:		
Accounts receivable	927	(768)
Inventory	308	(124)
Prepaid expense and deposits	(68)	(117)
Accounts payable and accrued liabilities	245	(2,563)
Deferred Revenue	302	470
Deferred lease inducement	244	60
	2,482	(3,629)
Financing Activities		
Common shares issued, net of costs	32	27
Shares repurchased	-	(671)
Borrowing - against long term investments	1,420	-
	1,452	(644)
Investing Activities		
Purchase of capital assets	(142)	(182)
	(142)	(182)
Net increase (decrease) in cash during the period	3,792	(4,455)
Cash and cash equivalents, beginning of period	3,889	13,028
Cash and cash equivalents, end of period	\$ 7,681	\$ 8,573
Cash and cash equivalents consist of:		
Cash	\$ 7,681	\$ 8,573
Supplemental cash flow information		
Interest paid	\$ 10	\$ -
Income taxes paid	-	-

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended March 31, 2009 and April 30, 2008

(Expressed in 000's except per share amounts)

Note 1 Nature of Operations

WebTech Wireless Inc. (the "Company" or "WebTech") develops, sells and provides subscriber and other services for location-based and telematics hardware and software. WebTech is a British Columbia corporation having first been incorporated under the laws of the Yukon Territory on May 12, 1999. The Company was continued to Alberta on July 24, 2000 before its continuance to British Columbia on August 1, 2006.

The Company's shares are listed for trading on the TSX under the symbol WEW.

Note 2 Unaudited interim consolidated financial statements

The unaudited balance sheet as at March 31, 2009 and the unaudited interim statements of operations, comprehensive income and deficit and cash flows for the three months ended March 31, 2009 and April 30, 2008, have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), on the same basis as the audited financial statements of the Company for the year ended December 31, 2008 except as noted below. These interim financial statements include adjustments, which in the opinion of management, are necessary for the fair presentation of the results of operations for the interim periods presented. Results for the three months ended March 31, 2009 are not necessarily indicative of the results to be expected for the full year. These unaudited consolidated interim financial statements do not include all of the disclosures required for annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2008.

Note 3 Change in year-end

The Company changed its year end from July 31 to December 31 for the year ended December 31, 2008. Accordingly, these consolidated financial statements include three months of operations to March 31, 2009 and have been compared to the three months ended April 30, 2008.

Note 4 Recent Accounting Pronouncements**Sections 3064 and 1000 – Goodwill and Intangible Assets**

CICA 3064 replaces CICA 3062 and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of International Accounting Standard (IAS) 38, Intangible Assets. CICA 3450 is replaced by guidance in CICA 3064. Emerging Issues Committee (EIC) 27 is no longer applicable for entities that have adopted CICA 3064. Accounting Guideline (AcG) 11 is amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. CICA 1000 is amended to clarify criteria for recognition of an asset. These sections are effective for the Company's interim and annual financial statements, beginning January 1, 2009. The new standard did not have a material effect on these financial statements.

Convergence with International Financial Reporting Standards ("IFRS")

In January 2006, Canada's Accounting Standards Board ("AcSB") ratified a strategic plan calling for the evolution and convergence of Canadian GAAP with IFRS, after a specified transition period, by publicly accountable enterprises in Canada. The AcSB has more recently confirmed January 1, 2011 as the date IFRS will replace current Canadian GAAP standards and interpretations for entities like the Company. As a result, the Company will be required to prepare its consolidated financial statements in accordance with IFRS for interim and annual financial statements beginning January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended March 31, 2009 and April 30, 2008

(Expressed in 000's except per share amounts)

The impact of the adoption of these standards is not known at this time.

Business Combinations, consolidated financial statements and non-controlling interests

CICA 1582, 1601 and 1602 provide the Canadian equivalent to IFRS 3, Business Combinations (January 2008) and IAS 27, Consolidated and Separate Financial Statements (January 2008). CICA 1582 replaces CICA 1581 and establishes a new section for accounting for a non-controlling interest in a subsidiary. CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011.

Note 5 Property and Equipment

	31-Mar-09			Dec-31-08		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer equipment	\$1,776	\$1,330	\$446	\$1,769	\$1,240	\$529
Computer software	789	\$765	24	786	753	33
Furniture and fixtures	372	\$212	160	375	198	177
Leasehold improvements	1,030	\$111	919	897	83	814
Office and other equipment	233	\$163	70	224	153	71
	\$4,200	\$2,581	\$1,619	\$4,051	\$2,427	\$1,624

Note 6 Long-term Investments

The Company owns \$6 million of long term asset backed notes issued by Master Asset Vehicle II ("MAV2"), a special purpose entity that was created as a result of the restructuring of the Canadian Asset Backed Commercial Paper ("ABCP") market. The Company previously held an investment in ABCP with an original face value of \$6 million. As a result of a disruption in the Canadian asset backed securities market which occurred in August 2007 the ABCP held by the Company became the subject of a restructuring process that replaced its ABCP with long term asset backed securities (New Notes). The restructuring was completed and the New Notes were issued on January 21, 2009.

As a result of the restructuring, the Company received five different classes of New Notes issued by MAV2. Four of the notes, classes A1, A2, B, and C are supported by a pool of leveraged super senior credit default swaps, unlevered collateralized debt obligations ("CDO's"), traditional financial assets and cash. The leveraged assets supporting these notes have access to a credit facility that can be drawn upon in the event that a margin call is triggered and more collateral must be posted. Additionally, these particular assets are subject to an 18 month moratorium on margin calls. This moratorium will expire in mid-2010.

A fifth note, Class 15, tracks the performance and repayment of a particular leveraged super senior credit default swap that was not pooled with the others. This asset does not have access to a credit facility nor does it enjoy a moratorium on margin calls.

The A1 and A2 notes (approximately 83.4% of the Company's total New Notes) pay floating rate interest and have been assigned an investment grade credit rating of "A". The Class B and C notes (5.7% of the Company's New Notes) are not rated, and accrue interest that will be paid only after the Class A-1 and A-2 notes are fully repaid. In light of the uncertainty related to the ultimate payment of interest on the Class B and C notes, the Company has not factored interest receipts into its valuation of these notes. The Class 15 note (10.9% of the Company's New Notes) is not rated, but pays a floating rate of interest.

Since the restructuring process began, the Company has been valuing its long term investment using a methodology that estimates the characteristics of the New Notes using a variety of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in 000's except per share amounts)

quantitative and qualitative market inputs to estimate the price a prospective investor would pay for those notes using a discounted cash flow calculation.

The most significant variable in determining the value of the Company's long term investment is the yield that prospective investors in MAV2 Notes would require. Accordingly, the Company conducted a sensitivity analysis of the potential yield requirements to arrive at an estimated fair value of its MAV2 Notes of between \$3 and \$3.9 million. As no active market exists for these notes, the Company has elected to conservatively value its Notes at the low end of this range.

As the fair value of the resulting securities is determined using a discounted cash flow approach, and is based on the Company's assessment of market conditions as at March 31, 2009, the fair values reported may change materially in subsequent periods.

Note 7 Bank Indebtedness

As at March 31, 2009, the Company had a credit facility of up to \$5 million, subject to margin criteria, bearing interest at the lender's prime lending rate plus 1.75%. The credit facility is collateralized by a general charge on the assets of the Company. At March 31, 2009, the Company carried a \$1 million balance on this facility (December 31, 2008 – \$1 million). The Company incurred \$10 interest on this credit facility during the quarter ended March 31, 2009 (April 30, 2008 – nil).

Note 8 Long-term debt secured by long-term investment

As at March 31, 2009, the Company had a limited recourse margin credit facility secured solely by its long term investment (Note 6). Margin interest is calculated, compounded and payable monthly at the same rate as 90 day bankers' acceptances issued by the Bank of Montreal. At March 31, 2009, the Company carried a \$1,420 balance on this facility (December 31, 2008 – nil).

Note 9 Share Capital

Authorized: Unlimited common shares with no par value
 Unlimited preferred shares issuable in series

	Number of Shares	Dollars (000's)
Balance July 31, 2008	57,875,118	\$ 59,620
Issued for cash:		
Stock Options	87,067	50
Transfer from contributed surplus on exercise of stock options	-	21
Less: Share issue costs		(2)
Balance December 31, 2008	57,962,185	\$ 59,689
Issued for cash:		
Stock Options issued for cash	50,000	30
Stock Options issued on cashless exercise (1)	153,002	-
Transfer from contributed surplus on exercise of stock options	-	145
Less: Share issue costs		
Balance March 31, 2009	58,165,187	\$ 59,864

(1) During the quarter ended March 31, 2009 the Company issued 153,002 shares in exchange for 506,334 stock options in a cashless exercise transaction.

Stock Option Plan

The Company has two Stock Option Plans from which it made awards to employees, directors and consultants, the Old Plan and the New Plan.

WEBTECH WIRELESS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended March 31, 2009 and April 30, 2008

(Expressed in 000's except per share amounts)

Under the Old Plan, the Company was authorized to grant up to a total of 8,020,135 share purchase options. With the introduction of the New Plan, no further options may be granted under the Old Plan.

Effective December 8, 2008, the Company implemented a new Stock Option Plan (New Plan) from which it makes awards to employees, directors and consultants. Under the New Plan, the Company is authorized to grant the lesser of; (i) 10% of the issued and outstanding common shares as determined from time to time, or (ii) 10 million share purchase options. Under the New Plan, at March 31, 2009 the Company was authorized to grant 5,793,918 share purchase options, of which it had issued 2,200,807 share purchase options, leaving 3,593,111 share purchase options available for issue.

Share purchase options awards are awarded at an exercise price equal to the market price of the Company's common shares on the effective date of the grant, normally the final trading day of the grant month. The Company's standard vesting schedule calls for vesting over three years with one-third of the options vesting on each of the first, second and third anniversaries of the grant date.

A summary of the activity in the Company's Stock Option Plans is presented below:

Old Stock Option Plan	Number of Shares	Weighted Average Exercise Price
Options outstanding July 31, 2008	3,706,860	\$ 2.37
Granted	241,500	\$ 1.34
Expired or cancelled	(2,369,424)	\$ 3.30
Exercised	(87,067)	\$ 0.56
Options outstanding December 31, 2008	1,491,869	\$ 0.86
Granted	0	\$ -
Expired or cancelled	(1,500)	\$ 1.32
Cashless exercise (1)	(506,334)	\$ 0.57
Exercised	(50,000)	\$ 0.60
Options outstanding March 31, 2009	934,035	\$ 1.03

(1) During the quarter ended March 31, 2009 the Company issued 153,002 shares in exchange for 506,334 stock options in a cashless exercise transaction.

New Stock Option Plan	Number of Shares	Weighted Average Exercise Price
Options outstanding December 8, 2008	0	\$ -
Granted	213,000	\$ 1.06
Options outstanding December 31, 2008	213,000	\$ 1.06
Granted	1,987,807	\$ 0.75
Expired or cancelled	0	\$ -
Exercised	0	\$ -
Options outstanding March 31, 2009	2,200,807	\$ 0.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended March 31, 2009 and April 30, 2008

(Expressed in 000's except per share amounts)

The following weighted average assumptions were used in calculating the fair value of stock options granted during the period using the Black-Scholes model:

New Plan	31-Mar-09	31-Dec-08
Risk free rate (range during the period)	1.58%	1.61%
Dividend yield	0%	0%
Expected volatility	80%	80%
Weighted average expected option life	3 years	3 years
Weighted average fair value of options granted	\$ 0.39	\$ 0.55

During the quarter ended March 31, 2009, the Company recorded stock compensation expense of \$296 (April 30, 2008 - \$437) which is included in the operating expenses of the related department on the statement of operations.

As at March 31, 2009, the Company had 3,134,842 share purchase options outstanding entitling the holders to purchase one common share for each option held as follows:

Awards Outstanding By Range							
Exercise Price		Outstanding Awards			Exercisable Awards		
Low	High	Quantity	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Quantity	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
\$0.47	\$0.71	186,500	0.69	\$0.60	186,500	0.69	\$0.60
\$0.72	\$0.75	1,987,807	4.96	\$0.75	602,654	4.96	\$0.75
\$0.76	\$1.10	482,033	2.49	\$0.95	366,198	2.11	\$0.93
\$1.11	\$1.19	120,000	4.75	\$1.15	12,000	4.75	\$1.15
\$1.20	\$1.50	358,502	3.73	\$1.35	111,167	2.49	\$1.33
\$0.47	\$1.50	3,134,842	4.18	\$0.86	1,278,519	3.30	\$0.83

Note 10 Contributed Surplus

Balance July 31, 2008	\$ 1,791
Stock Options Awarded	2,361
Stock options exercised	(21)
Balance December 31, 2008	\$ 4,131
Stock Options Awarded	296
Stock options exercised	(144)
Balance March 31, 2009	\$ 4,283

Note 11 Segmented Information

The Company operates in a single business segment - telematics, and has sales in Canada, the United States, Europe, Mexico, the Middle East and Latin America, and in other areas of the world. Revenues can be split into two categories: non-recurring hardware and software sales and recurring service revenues. As at March 31, 2009, 98% (April 30, 2008 – 97%) of the Company's property and equipment were located in Canada and 2% (April 30, 2008 – 3%) were located in Europe and the United States where they are held by the Company's wholly owned subsidiaries.

WEBTECH WIRELESS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the periods ended March 31, 2009 and April 30, 2008

(Expressed in 000's except per share amounts)

Revenue by geographic segment is as follows:

	For the three months ended	
	March 31, 2009 (unaudited)	April 30, 2008 (unaudited)
United States	3,156	1,803
Canada	1,374	1,189
Europe	715	1,046
Mexico, Brazil & Latin America	1,068	1,614
Middle East & Asia	356	404
	\$ 6,669	\$ 6,056

Revenue by category is as follows:

	For the three months ended	
	March 31, 2009 (unaudited)	April 30, 2008 (unaudited)
Non-Recurring Hardware and Software Revenue	4,345	4,408
Recurring Service Revenue	2,324	1,648
	\$ 6,669	\$ 6,056

Note 12 Commitments

The Company has entered into leases for premises with the following total minimum annual payments:

2009	\$ 373
2010	515
2011	509
2012	522
2013 through 2017	1,864
Total	\$ 3,783

Note 13 Litigation

On May 11, 2007 the Company was served with notice of a lawsuit filed by Lunar Eye Inc. ("Lunar Eye") in the Eastern District of Texas, alleging patent infringement by the Company. On June 10, 2008 the Company received notice from the US Patent and Trademark Office ("USPTO") that the patent in question had been rejected by the USPTO based on a Request for Re-examination filed by the Company. Lunar Eye has appealed the rejection and the outcome of this appeal is not yet known. The Company believes the Lunar Eye lawsuit to be without merit.

The Company has filed a number of lawsuits in Brazil against a former value-added reseller ("VAR") in Brazil, Crown Telecom ("Crown"), the principal of Crown and certain companies related to Crown. The Company has previously reached certain partial settlement agreements with Crown under which Crown has granted the Company an irrevocable and complete release from any litigation action by Crown against the Company. Despite this release, Crown has obtained a judgment against the Company in a counter suit against the Company for business interference including a claim of BBR\$106,000,000 (\$60 million). The Company does not believe the judgment which was filed in a junior court, is valid, and as such, the Company is appealing the decision.

WEBTECH WIRELESS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2009 and April 30, 2008

This document is dated May 12, 2009.

(Dollar amounts in 000's)

GENERAL

Certain statements in this document, including statements which may contain words such as "could", "expect", "believe", "will", and similar expressions and statements related to matters that are not historical facts, are forward-looking statements. These forward-looking statements relate to, among other things, financial results, product plans, timing, content and pricing of products, market and industry expectations, and general economic, business and political conditions. All forward-looking statements in this document are based on management's beliefs, intentions and expectations with respect to future events. Such forward-looking statements involve known and unknown risks and uncertainties, including those set out below under the heading Risk and Uncertainties, which may cause the actual results, performances, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements.

In light of the many risks and uncertainties that may cause future results to differ materially from those expected, the Company cannot give assurances that the forward-looking statements contained in this document will be realized. Forward-looking statements are not guarantees of future performance.

The financial data contained in this report and in the Consolidated Financial Statements of the Company for the period ended March 31, 2009 have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") in Canada and are stated in Canadian Dollars.

This interim report has been prepared in accordance with the requirements for interim Management Discussion and Analysis. Certain information that has not substantially changed from information disclosed in the management discussion and analysis for the five months ended December 31, 2008, dated March 9, 2009 has not been duplicated herein. The following discussion and analysis should be read in conjunction with (i) the consolidated financial statements of the Company for the three months ended March 31, 2009, (ii) management discussion and analysis for the five month Transition Period ended December 31, 2008 dated March 9, 2009 and (iii) the Company's Annual Information Form ("AIF") for the five month Transition Period ended December 31, 2008. Each of the foregoing is available at www.sedar.com.

WEBTECH WIRELESS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2009 and April 30, 2008

This document is dated May 12, 2009.

(Dollar amounts in 000's)

OVERVIEW

Founded in 1999, WebTech Wireless Inc. (the "Company") is a pioneering leader in Global Positioning System ("GPS") location-based services and telematics solutions, and has achieved significant success in the commercial and consumer fleet market for these products. The Company's products help government, service and transportation fleets of all sizes, as well as personal automotive users, efficiently measure, monitor and manage the performance of their vehicles and mobile assets – in real time.

The Company has grown into a global operation with sales in more than 45 countries and an extensive suite of GPS location devices (the "WebTech Locator Series") and related peripheral accessories, as well as a feature rich software offering ("Quadrant") that allows customers to control, monitor and manage their vehicle and mobile assets at all times regardless of location.

The Company sells its hardware, software and services through a combination of direct and indirect sales channels. A typical sale involves the sale and installation of a number of WebTech Locator devices, comprised of a GPS locator and a GPRS modem, plus a subscription for a year or more to the Company's robust and feature rich tracking and reporting software, Quadrant, which is offered over the Internet on an application service provider ("ASP") basis. For very large customers with sophisticated in-house information technology ("IT") organizations and complex fleets, the Company licenses Quadrant on a stand-alone basis through a form of enterprise license which allows the customer to run its own ASP service and which attracts a one-time licensing fee plus recurring annual maintenance fees. The Company also sells installation, software development, training and other services to its customers, including "Telematics for the Planet". Telematics for the Planet provides customers with measurement and scorecard tools which allow them to measure and report emissions and other fuel efficiency statistics in order to meet regulatory or other standards and reduce fuel usage and expense while reducing their overall carbon emissions.

CHANGE IN FISCAL YEAR END

On October 9, 2008 the Company announced that it had changed its financial year end from July 31 to December 31. This change aligns the Company's year-end with the seasonality of its business and will better align the Company's year-end with the majority of public companies in the Company's business sector, thereby allowing investors to better assess the Company's performance in relation to its peers. Accordingly, throughout this Management Discussion and Analysis, the results of the quarter ended March 31, 2009 have been compared with the results of the quarter ended April 30, 2008. Management believes these comparisons provide the most meaningful basis for helping readers to compare the Company's results in the first year under the new fiscal year end to prior results. While these comparatives represent amounts reported in accordance with Generally Accepted Accounting Principles they do not provide directly comparable numbers.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure control and procedures

The Company's management is responsible for designing disclosure control and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

Internal control over financial reporting

Management is responsible for designing, establishing and maintaining an adequate system of internal control over financial reporting. The Company's internal control system was designed based on the Risk Management and Governance: Guidance on Control (COCO Framework), published by the Canadian Institute of Chartered Accountants, to provide reasonable assurance regarding the reliability of financial

WEBTECH WIRELESS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

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This document is dated May 12, 2009.

(Dollar amounts in 000's)

reporting and the preparation of financial standards for external purposes in accordance with Canadian generally accepted accounting principles.

There were no changes in the Company's internal control over financial reporting during the period beginning on December 31, 2008 and ended on March 31, 2009 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

INDUSTRY AND ECONOMIC FACTORS

Industry

The Company develops, manufactures and sells turnkey wireless GPS solutions designed to improve the productivity, security, emissions and profitability of commercial fleets, and consumer automobiles. The Company has developed a fully integrated end-to-end system, including both Quadrant, the Company's Internet or enterprise based tracking and reporting software and the WebTech Locator Series, a family of discrete GPS tracking devices that provide Location Based Services ("LBS") and telematics information to a variety of consumer automotive, transportation, service, and government vertical markets around the world.

The Company's solutions integrate GPS, wireless communication technologies and the Internet to provide fleet operators with real-time information about the location and status of their vehicles. Products include wireless hardware and software services running on cellular and satellite networks, offering the following:

- **Location Based Services:** Real-time location data including mapping, landmark reporting, speed reporting and geofencing, which involves defining virtual electronic boundaries to monitor vehicle location and movement.
- **Telematics:** The ability to remotely monitor, report the functioning of and control vehicles and their operations remotely, including: emissions, fuel efficiency, idle-time, brakes, door locks and remote engine shut-off.
- **Regulatory Compliance:** Driver logs and other measures required for Hours of Service ("HOS") regulations, automated reporting in regulatory formats, driver and other alerts, trip recorder (detailed record of telemetry inputs and location information).
- **Connectivity:** Dispatch, voice/cellular communication, data transmission, text messaging, and enabling peripherals including laptops and personal digital assistants ("PDA's") to gain access to corporate applications.
- **Safety and Security:** Vehicle recovery, transport of hazardous material, air-bag deployment notification, remote door lock/unlock, and remote vehicle diagnostics.
- **Carbon Emissions Management:** A program to allow fleet managers to measure, monitor and manage the carbon emissions of their vehicles.

The Company focuses its sales, marketing and channel development efforts on larger opportunities like long-haul trucking companies, state and municipal governments, automotive original equipment manufacturers ("OEM"), insurance companies and wireless carriers.

According to 2008 reports by Frost & Sullivan, the North American commercial vehicle telematics market generated revenues of over \$1.48 billion in 2007. These market revenues are expected to grow to \$6.47 billion by 2013, driven by multi-modal communication network advancements, security and safety concerns, and reduced costs. According to a December 2005 report by C.J. Driscoll & Associates, there were more than 20 million fleet vehicles in the US, of which only 1.5 to 2 million had GPS tracking systems installed. For Western Europe, Berg Insight estimated in 2007 that the penetration rate for automotive telematics applications in 2006 was at 0.7% and that by 2011 it would exceed 13% or nearly 1.2 million units. Berg Insight also projected in 2008 that the penetration rate for commercial vehicle fleet management in all of Europe would increase from 3.1% or 1.1 million units at the end of 2008, to 9.3% or 3.3 million units in 2013, representing a compound annual growth rate of 20.5%. Telematics Research Group estimated that

WEBTECH WIRELESS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

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worldwide sales of telematics-enabled vehicles will reach approximately 43% of all new automobiles sold in 2010.

During the quarter ended March 31, 2009 the Company announced a sales and distribution agreement with AT&T Wireless ("AT&T"), the largest wireless carrier in the US under which AT&T will be offering the WebTech solution as part of AT&T's suite of products.

The Company also received formal notification from Grupo Nacional Provincial S.A.B ("GNP") the largest insurance company in Mexico, that the Company had successfully completed the pilot phase of a joint project with GNP and a third company WebTrack S.A. de C.V. ("WebTrack") to create and establish the infrastructure necessary to service GNP's personal automotive and fleet policyholders. The Company customized its locators and portal to meet specific GNP requirements under this exclusive agreement to provide a telematics product and solution. The brand, known as Angel Naranja, is now being marketed by GNP in Mexico.

On April 2, 2009 the Company announced the addition of the MDT2000CE-X mobile data terminal to its proven MDT2000 series. This new model, which operates on the new Microsoft mobile platform, includes enhanced features and functionality to increase productivity and comply with regulatory hours of service reporting of driver activity, was introduced in direct response to the needs of transport and freight delivery customers looking for a cost-effective, in-cab solution.

Factors driving the worldwide increase in the use and application of telematics include:

- Continuing need to improve efficiencies and operational control;
- Requirements to comply with regulatory reporting of driver activity;
- An increased awareness of the benefits of telematics by insurance companies, automobile manufacturers and consumers, including as a theft reduction tool;
- A growing acknowledgement by consumers, regulators and manufacturers of the enabling contributions which telematics can make in reducing carbon emissions and to enable the emerging "carbon credit economy";
- New wireless networks and reduced costs for hardware and airtime;
- More comprehensive and better subscriber services at similar prices;
- A trend toward safety and security of mobile workers and assets; and
- Homeland security concerns in the US.

Industry factors are more fully described in the Company's Annual Information Form.

Economic

The global economic downturn, precipitated by the financial crisis which began in July 2007 and significantly deepened in September 2008, has resulted in reduced credit availability and higher borrowing costs to companies and increased currency and commodity price volatility as investors moved their assets to safer investments such as gold, US treasury bonds and the US dollar. Further weakening of the global economy has also contributed to weaker consumer demand, and continues to put significant pressure on companies' capital spending and growth plans. Although there have been recent positive economic signs, the current economic downturn is expected to extend through the end of 2009 and could have a negative impact on the Company's planned growth strategy.

Currency

The Company has operations in five countries, has made sales in over 45 countries and operates in four currencies; the Canadian dollar ("CAD"), the US dollar ("USD"), the British Pound ("GBP") and the Brazilian Reais ("BBR\$"). The Company's reported revenue and net results are affected by fluctuations in the exchange rates of the CAD against the USD, the GBP, and the BBR\$.

In general, a strengthening of the USD against the CAD impacts the Company's reported revenues and accounts receivable positively. This positive effect is partially offset by a smaller unfavorable impact on

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expenses and accounts payable. The strengthening USD may also have a positive impact on gross margin if inventory purchased at a time when the USD is weaker is sold at a time when the resulting revenues are converted at a higher USD rate. The inverse is true when the USD weakens against the CAD. During the quarter ended March 31, 2009, there was a general strengthening of the USD against the CAD, providing an overall beneficial effect to the Company.

As with the USD, a strengthening of GBP against CAD has a positive effect on the Company's reported revenues and accounts receivable which is partially offset by an unfavourable impact on expenses and accounts payable.

The Company's exposure to movements in the BBR\$ are not material to its reported results.

Uncertainty in global financial markets and the poor outlook for the global economy in 2009 continue to drive volatility in worldwide currency markets. The USD continues to benefit from its perceived "safe haven" status and this, combined with continued weak commodity prices, has caused depreciation in the CAD. The GBP is expected to remain weak against the USD as domestic demand in the UK economy remains low.

Credit availability and cost

Recent developments in global credit markets have significantly reduced the ability of companies to obtain debt financing or raise capital through public markets. Despite this, the Company has been able to maintain its working line of credit of \$5 million and has obtained an additional credit facility secured by its long term investment in MAVII ("MAV2") notes.

The Company has relied on growth in hardware sales and a growing customer base generating recurring revenue to fund operating activity and its credit facility is available to bridge any timing differences between cash outflows and inflows which may occur. The Company's reported assets while stable, have grown in prior fiscal years through raising capital on the financial markets, and while management believes the Company is sufficiently funded at this time, there is no guarantee that it will not need additional external funding in the future.

Customer Demand

While the telematics industry is expected to grow and the Company's sales for the quarter ended March 31, 2009 continued an upward trend, there is a possibility that decreasing investments by customers as a result of the global economic downturn could slow the adoption of new technology. Projects may be delayed and customers will require shorter payback periods on their investments. Existing vehicle fleets may also be reduced, resulting in the retirement of their associated GPS locators and cancellation of location based services and telematics solutions. Offsetting these negative factors are the low-capital-cost and fast return-on-investment features of the Company's solution which provide the savings and operating efficiencies which customers demand during lean economic times.

Competitors

The Company operates in a highly competitive environment. WebTech's key telematics competitors are: Qualcomm Incorporated, Trimble, Hughes Telematics and PeopleNet. Qualcomm Enterprise Services develops telematics systems such as OmniVision and OmniTRACS. Trimble offers web-based vehicle tracking services including @Road GeoManager and @Road Pathway. Hughes Telematics offers their products through NetworkCar an on-board diagnostics and telematics solution, and PeopleNet provides a web-based system called the PeopleNet Fleet Manager.

Counterparties

The Company has several key supplier and strategic partnership relationships which may be impacted by weakened demand arising from the weaker economy. These suppliers and partners may not have the financial or organizational resources to fulfill their obligations. Key suppliers may also increase their pricing. The Company has established partnerships with large, established organizations and does not expect foresee significant counterparty risk.

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RESULTS FROM OPERATIONS

Revenue

The Company is reporting revenue of \$6,669 for the quarter ended March 31, 2009 (April 30, 2008 – \$6,056) representing an increase of 10% over the prior comparable quarter. This increase occurred primarily as a result of revenues earned from an increased recurring service revenue subscriber base and shipments of locators and associated accessories under the quadrant Enterprise license and hardware supply agreement with the US division of FedEx Express, a unit of Federal Express.

Segmented Information

To date the Company has made sales in over 45 countries around the world, with the majority of these sales coming from North America and Europe. Revenue growth in the quarter ended March 31, 2009 was driven by a growing recurring service revenue subscriber base in North America and shipments under the aforementioned agreement with the US courier company. Revenues declined in geographical segments other than Canada and United States.

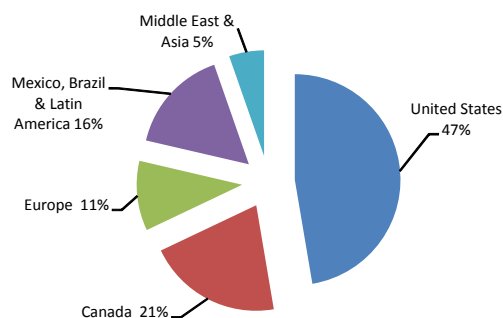
Revenue by geography:

	For the three months ended		Growth
	March 31, 2009 (unaudited)	April 30, 2008 (unaudited)	
United States	3,156	1,803	75%
Canada	1,374	1,189	16%
Europe	715	1,046	-32%
Mexico, Brazil & Latin America	1,068	1,614	-34%
Middle East & Asia	356	404	-12%
	\$ 6,669	\$ 6,056	10%

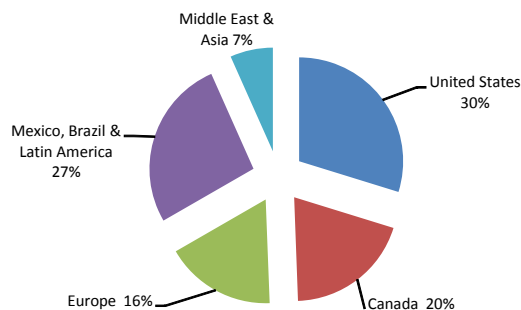
Revenues from sales in the United States and Canada increased by a combined 51% over the prior comparable quarter, driven largely by sales in the United States, while international sales declined by a combined 30%.

Revenue by geographic segment (% distribution)

Quarter ended March 31, 2009



Quarter ended April 30, 2008



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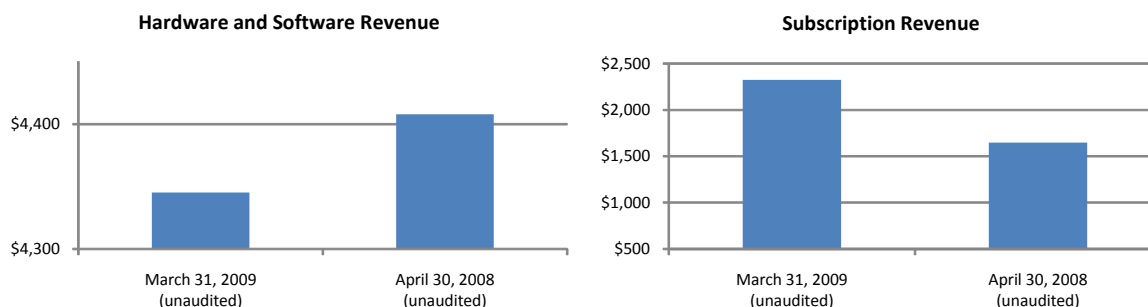
Revenue by category:

	For the three months ended		Growth
	March 31, 2009 (unaudited)	April 30, 2008 (unaudited)	
Hardware and Software Revenue	4,345	4,408	-1%
Subscription Revenue	2,324	1,648	41%
	\$ 6,669	\$ 6,056	10%

The Company's Hardware and Software revenue was \$4,345 (April 30, 2008 - \$4,408), declining 1% over the prior comparable quarter. The Company expects hardware and software revenue to increase throughout the remainder of the year, as it delivers according to existing and developing sales contracts.

Subscription revenue earned from monitoring the locators which the Company sells, grew by 41% over the comparable quarter, and comprised 35% (April 30, 2008 - 28%) of total revenue, as a result of a growing subscriber base generated from increased hardware sales over the past several quarters.

Revenues by category:



Gross Profit and Gross Profit Margins

Gross profit grew by 20% to \$3,731 for the quarter from \$3,115 in the comparable quarter. Gross profit margin for the period was 56% compared with 51% for the comparable quarter, an increase of five percentage points, driven by a stronger mix of higher margin recurring service subscriptions.

Operating Expenses

In anticipation of slowing of growth, the Company undertook a staff reduction and expense review program in November 2008, reducing its workforce and planned expenditures. The Company also cancelled a number of "out-of-the-money" stock options, recognizing a one-time non-cash charge to the Company's statement of operations, comprehensive loss and deficit at that time, resulting in reduced future stock based compensation expense. As a result of these measures, the Company experienced a 4% decrease in operating expenses for the quarter ended March 31, 2009 compared with the quarter ended April 30, 2008. Expenses for the quarter ended March 31, 2009, are \$1,100 or 23% lower, from those reported in the quarter ended October 31, 2008, the quarter during which the Company instituted the cost saving measures noted above.

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Marketing and Sales

Marketing and sales expenses decreased by 9% over the prior comparable quarter as a result of the Company's aforementioned efforts to contain costs. The Company expects future increases in these expenses as new strategic marketing initiatives are implemented in 2009.

Research and Development

Research and development costs for the period increased by 19% over the prior comparable quarter due to increased staffing and facility costs to support enhancement of the Company's product portfolio and service offerings.

During the quarter ended March 31, 2009 the Company released new, custom and next generation products including:

- The successful delivery of Quadrant Enterprise to a major transportation customer.
- Commencement of volume production of the new WT7000 (version 6.2) locators which include integration of Motorola's new g.24 low cost GSM/GPRS module.
- New firmware for the locator product line to provide additional support for in-vehicle diagnostics and enhanced accelerometer functionality to detect aggressive driving.
- Enhanced Voice Command Recognition and Text to Speech for hands free operation in mobile applications, for increased efficiency and return on investment.
- Several major Quadrant enhancements including
 - Vehicle performance reports for newer J1979 and J1939 enabled light and heavyweight vehicles.
 - California BAR SMOG monitoring and reports, which enable customers to participate in this leading Green initiative
 - Variable Day Start Time and Driver Log web interface enhancements for customers who monitor and report hours of service.
 - Idling report enhancements to improve monitoring of a fleet's idle time and idle time as a percentage of total operating time.

The Company continues to invest in research and development activities to maintain technical leadership in consumer automotive and transportation markets.

General and Administration

General and administration expenses decreased 24% over the prior comparable quarter as a result of a reduced workforce, reduced stock based compensation expense and general cost containment efforts.

Asset Backed Commercial Paper and MAV2 Notes

The Company owns \$6 million face value of long term asset backed notes that were issued by MAV2, a special purpose entity that was created as a result of the restructuring of the Canadian Asset Backed Commercial Paper ("ABCP") market. The Company previously held an investment in ABCP with an original face value of \$6 million. As a result of a disruption in the Canadian asset backed securities market which occurred in August 2007 the ABCP held by the Company became the subject of a restructuring process that replaced its ABCP with long term asset backed securities ("New Notes"). The restructuring was completed and the New Notes were issued on January 21, 2009.

As a result of the restructuring, the Company received five different classes of New Notes issued by MAV2. Four of the notes, classes A1, A2, B, and C are supported by a pool of leveraged super senior credit default swaps, unlevered collateralized debt obligations ("CDO's") as well as traditional assets and cash. The leveraged assets supporting these notes have access to a credit facility that can be drawn upon in the event that a margin call is triggered and more collateral must be posted. Additionally, these particular assets are subject to an 18 month moratorium on margin calls. This moratorium will expire in mid-2010.

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A fifth note, Class 15, tracks the performance and repayment of a particular leveraged super senior credit default swap that was not pooled with the others. This asset does not have access to a credit facility nor does it enjoy a moratorium on margin calls.

The A1 and A2 notes (approximately 83.4% of the Company's total New Notes) pay floating rate interest and have been assigned an investment grade credit rating of "A". The Class B and C notes (5.7% of the Company's total New Notes) are not rated, and accrue interest that will be paid only after the Class A1 and A2 notes are fully repaid. In light of the uncertainty related to the ultimate payment of interest on these Class B and C notes, the Company has not factored interest receipts into its valuation of these notes. The Class 15 note (10.9% of the Company's total New Notes) is not rated, but pays a floating rate of interest.

Since the restructuring process began, the Company has been valuing its long term investment using a methodology that estimates the characteristics of the New Notes using a variety of quantitative and qualitative market inputs to estimate the price a prospective investor would pay for those notes using a discounted cash flow calculation.

The most significant variable in determining the value of the Company's long term investment is the yield that prospective investors in MAV2 notes would require. Accordingly, the Company conducted a sensitivity analysis of the potential yield requirements to arrive at an estimated fair value of its New Notes of between \$3 and \$3.9 million. As no active market exists for these notes, the Company has elected to conservatively value its Notes at the low end of this range.

As the fair value of the resulting securities is determined using a discounted cash flow approach, and is based on the Company's assessment of market conditions as at March 31, 2009, the fair values reported may change materially in subsequent periods.

Net Operating Income and Net Income

The Company is reporting net income of \$115 for the quarter ended March 31, 2009 compared with a net loss of \$1,949 in the prior comparable quarter, as a result of increased revenues and gross margins, reduced expenses, and foreign exchange gains.

Earnings per share for the quarter is nil compared with a loss per share of \$0.03 in the prior comparable quarter.

Litigation

On May 11, 2007 the Company was served with notice of a lawsuit filed by Lunar Eye Inc. ("Lunar Eye") in the Eastern District of Texas, alleging patent infringement by the Company. On June 10, 2008 the Company received notice from the US Patent and Trademark Office ("USPTO") that the patent in question had been rejected by the USPTO based on a Request for Re-examination filed by the Company. Lunar Eye has appealed the rejection and the outcome of this appeal is not yet known. The Company believes the Lunar Eye lawsuit to be without merit.

The Company has filed a number of lawsuits in Brazil against a former value-added reseller ("VAR") in Brazil, Crown Telecom ("Crown"), the principal of Crown and certain companies related to Crown. The Company has previously reached certain partial settlement agreements with Crown under which Crown has granted the Company an irrevocable and complete release from any litigation action by Crown against the Company. Despite this release, Crown has obtained a judgment against the Company in a counter suit against the Company for business interference including a claim of BBR\$106,000,000 (\$60 million). The Company does not believe the judgment which was filed in a junior court, is valid, and as such, the Company is appealing the decision.

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SUMMARY OF QUARTERLY RESULTS

Selected Quarterly Financial Information (unaudited)

(in thousands except share amounts)	Three months ended Jul 31 2007	Three months ended Oct 31 2007	Three months ended Jan 31 2008	Three months ended Apr 30 2008	Three months ended Jul 31 2008	Three months ended Oct 31 2008	Two months ended Dec 31 2008	Three months ended Mar 31 2009
Revenue	\$ 3,836	\$ 4,711	\$ 5,209	\$ 6,056	\$ 4,834	\$ 7,840	\$ 3,561	\$ 6,669
Gross Profit	\$ 2,645	\$ 2,198	\$ 2,795	\$ 3,115	\$ 2,092	\$ 3,833	\$ 1,072	\$ 3,731
Gross Margin %	69%	47%	54%	51%	43%	49%	30%	56%
Expenses	\$ 3,712	\$ 3,282	\$ 3,753	\$ 4,275	\$ 4,708	\$ 4,820	\$ 3,882	\$ 3,707
Net earnings (loss)	\$ (7,121)	\$ (1,758)	\$ (1,675)	\$ (1,949)	\$ (2,410)	\$ (987)	\$ (4,602)	\$ 24
EPS (Basic)	\$ (0.13)	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ -	\$ (0.10)	\$ -
EPS (Diluted)	\$ (0.13)	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ -	\$ (0.10)	\$ -
Total Assets	\$ 36,716	\$ 35,406	\$ 33,229	\$ 29,023	\$ 28,185	\$ 29,803	\$ 25,363	\$ 27,982
Total Long Term Liabilities	Nil	\$ 90	\$ 114	\$ 661	\$ 627	\$ 651	\$ 916	\$ 2,541

The Company has continued to achieve growth organically through increased direct sales to small and medium sized customers as well as larger government and commercial clients. To further extend its reach, the Company has also signed agreements with wireless carriers, AT&T in the US and Roger's Communications in Canada, to distribute its products through the carriers' networks of distributors, and has also signed a network of distributors around the world which contribute a significant portion of the Company's sales. The sales cycle to customers, depends upon the complexity of the product and services provided, and can vary from a few weeks to many months. In addition, the Company continues to seed the market by selling product to large potential customers for use on a trial basis. Some of these trials may last for over one year. Consequently, results may vary from quarter to quarter as sales cycles or trials may close in a particular quarter or slip into a later quarter. Quarterly results are also affected by factors such as the seasonality of the buying patterns of customers and fluctuations in the US-Canadian dollar exchange rate.

LIQUIDITY AND CAPITAL RESOURCES

Working capital

At March 31, 2009, the Company had working capital of \$19,135, (December 31, 2008 - \$17,063). Working capital increased primarily due to higher cash on hand.

The Company's cash resources increased by \$3,792 in the quarter ended March 31, 2009, \$2,482 of which was generated from operations. The Company also leveraged its long term investment in MAV2 notes by drawing \$1,420 against its credit facility secured by these notes. The Company believes it has the ability to continue to generate cash from operations in both the short and long term. The Company has historically grown organically and does not have any significant commitments nor does it anticipate any large capital or other cash outlays in the near term which would require it to seek financing. It is the Company's expectation that inventory on hand will continue to be reduced and that as these goods are delivered to customers and the resulting accounts receivable collected the Company's overall cash position will continue to improve.

Subject to the factors set out elsewhere in this document, including under the header "Risks and Uncertainties" and in the Company's AIF, the Company does not currently foresee any working capital deficiencies. Notwithstanding the Company's positive working capital position, the Company may require future financing in order to satisfy future growth activities.

Current assets

The Company's total current assets at March 31, 2009 totaled \$23,363 (December 31, 2008 - \$20,739).

Cash and cash equivalents

At March 31, 2009, the Company had cash and cash equivalents of \$7,681, compared with \$3,889, at December 31, 2008. During the quarter ended March 31, 2009 the Company generated cash from operating activities before changes in non-cash working capital of \$524 (April 30, 2008 – used \$587) and

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generated cash of \$2,482 (April 30, 2008- used cash \$3,629) primarily from the collection of large accounts receivable balances and deposits from customers. The Company also generated cash of \$1,420 from leveraging it's long term investment in MAV2 notes.

Accounts receivable

Net accounts receivable of \$6,841 (April 30, 2008 - \$5,586) includes amounts due from five customers with large volume sales contracts, comprising 51% of total accounts receivable. As at March 31, 2009, \$3,145 of the Company's accounts receivable balance of \$7,260 was past due. Of these past due amounts \$2,464 or 79% has been collected as of May 11, 2009.

From time to time, the Company may avail itself of growth opportunities by granting extended credit terms to its resellers and distributors with large volume orders, reducing accounts receivable turnover and contributing to larger accounts receivable balances and increased credit risk. No such situations have occurred in the quarter.

The Company's management has reviewed its accounts receivable balances as at March 31, 2009, and believes that an adequate provision has been made for doubtful accounts. Further analysis of the Company's accounts receivable is provided under the Other Disclosures section of this management discussion and analysis.

Inventory

Inventory decreased from \$8,629 at December 31, 2008 to \$8,321 at March 31, 2009 as the Company delivered inventory previously in stock. The Company continues to purchase inventory to meet certain specific short term customer needs and expects its overall inventory levels to drop in the coming quarters.

Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities at March 31, 2009 totaled \$2,236 (December 31, 2008 - \$1,991), a 12% increase over the prior year end and primarily related to the timing of inventory purchases and their associated payment.

Long-term investments

The Company's long-term investments at March 31, 2009 totaled \$3,000 (December 31, 2008 - \$3,000) and were entirely comprised of an investment in MAV2 notes as described above.

Long-term debt secured by long-term investment

The Company has long term debt in the form of a limited recourse margin credit facility secured solely by its long term investment in MAV2 Notes. The Company leveraged its long term investment in MAV2 notes by drawing \$1,420 against this credit facility during the quarter ended March 31, 2009. Margin interest is calculated, compounded and payable monthly at the same rate as 90 day bankers' acceptances issued by the Bank of Montreal.

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COMMITMENTS

The Company has entered into leases for premises with the following total minimum payments

2009	\$ 373
2010	515
2011	509
2012	522
2013 through 2017	1,864
Total	\$ 3,783

The Company has no commitments outside the normal course not described above.

NEW ACCOUNTING PRONOUNCEMENTS

The CICA has issued the following standards, which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning on or after January 1, 2009. The Company will adopt the requirements commencing in the financial year ending December 31, 2009 and is considering the impact this will have on the Company's financial statements. These new standards are described below.

Sections 3064 and 1000 – Goodwill and Intangible Assets

CICA 3064 replaces CICA 3062 and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of International Accounting Standard ("IAS") 38, Intangible Assets. CICA 3450 is replaced by guidance in CICA 3064. Emerging Issues Committee ("EIC") 27 is no longer applicable for entities that have adopted CICA 3064. Accounting Guideline ("AcG") 11 is amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. CICA 1000 is amended to clarify criteria for recognition of an asset.

These sections are effective for the Company's interim and annual financial statements beginning January 1, 2009. The adoption of these new standards did not have a material effect on these financial statements.

Convergence with International Financial Reporting Standards

In January 2006, Canada's Accounting Standards Board ("AcSB") ratified a strategic plan calling for the evolution and convergence of Canadian GAAP with IFRS, after a specified Transition Period, by publically accountable enterprises in Canada. The AcSB has more recently confirmed January 1, 2011 as the date IFRS will replace current Canadian GAAP standards and interpretations entities like the Company. As a result, the Company will be required to prepare its consolidated financial statements in accordance with IFRS for interim and annual financial statements beginning January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010.

The impact of the adoption of these standards is not known at this time.

Business Combinations, consolidated financial statements and non-controlling interests

CICA 1582, 1601 and 1602 provide the Canadian equivalent to IFRS 3, Business Combinations (January 2008) and IAS 27, Consolidated and Separate Financial Statements (January 2008). CICA 1582 replaces CICA 1581 and establishes a new section for accounting for a non-controlling interest in a subsidiary. CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011.

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OTHER DISCLOSURES

Financial Instruments

The Company is exposed to a number of risks related to changes in foreign currency exchange rates, interest rates, collection of accounts receivable, settlement of liabilities and management of cash and cash equivalents.

The Company has established policies and procedures to manage these risks, with the objective of minimizing the adverse effects that changes in these variables could have on the Company's consolidated financial statements.

a) Fair Value of Financial Instruments:

Other than long-term investments, bank indebtedness, and accounts receivable, the fair value of the Company's financial instruments approximates their carrying amount due to their short term nature.

b) Credit risk:

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss being incurred by the Company. Recent events in global financial markets continue to impact the global economic environment. These events are not directly related to the Company or the industry in which it operates, however, there may be an impact on the Company over the course of time. It is possible that reduced economic activity may adversely affect the Company's operating results and financial condition through increased credit risk associated with the Company's financial instruments. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, long term investments, bank indebtedness and accounts receivable.

The Company limits its exposure to credit loss by maintaining its cash and cash equivalents with high credit quality financial institutions in Canada, the United States and the United Kingdom. The Company's cash equivalents consist of call deposit investments with two of these institutions. The Company's Canadian banks are members of the Canadian Deposit Insurance Corporation. The Canadian Deposit Insurance Corporation provides insurance coverage up to a maximum of \$100 on chequing and savings accounts with these banks. Of the amounts held with financial institutions on deposit, \$100 is covered by the Canadian Deposit Insurance Corporation, meaning that in the event that the financial institutions with which the deposits are held cease trading, \$7,581 of the Company's cash and cash equivalents would be at risk. The Company considers the likelihood of such a loss to be remote.

As at March 31, 2009, the Company had long term investments valued at \$3,000 (Face value – \$6,000) (December 31, 2008 - \$3,000) comprised of long term asset backed notes that were issued by MAV2, a special purpose entity that was created as a result of the restructuring of the Company's previous investment in third party ABCP.

The Company provides credit to its clients in the normal course of operations. The Company minimizes its credit risk associated with its accounts receivable by performing credit evaluations on customers, maintaining regular and ongoing contact with customers, routinely reviewing the status of individual accounts receivable balances and following up on overdue amounts. Concentration of credit risk with respect to accounts receivable, is considered to be limited as the Company deals with many hundreds of customers in multiple jurisdictions. From time to time, however, the Company does enter into agreements with very large customers that, due to the size of the transaction, will result in some concentration of credit risk. The Company estimates, on a continuing basis, the probable losses on its accounts and records a provision for losses based on the estimated realizable value of the accounts. At March 31, 2009, accounts receivable from five (April 30, 2008 – three) customers comprised an aggregate of 51% (April 30, 2008 –

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34.1%) of total accounts receivable, of which 38% of the total had been collected as of May 11, 2009. During the period ended March 31, 2009, due to a large volume sales contract, one individual customer comprised greater than 10% of sales. Management does not believe that there is significant credit risk arising from any of the Company's customers; however, should one of the Company's main customers become unable to settle amounts due, the impact on the Company could be significant. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts.

c) Financial assets past due:

The following table provides information regarding the aging of financial assets that are past due but which are not impaired:

Financial assets As at March 31, 2009					
	Neither past due nor impaired	Past due 31 - 60 days	Past due 61 - 90 days	Past due 91 days +	Carrying Value on the balance sheet
Trade Accounts Receivable	3,619	30	581	2,534	6,764
Other Accounts Receivable	496	N/A	N/A	N/A	496
Total	4,115	30	581	2,534	7,260

As at March 31, 2009, \$3,145 of the Company's accounts receivable balance of \$7,260 was past due. The definition of items that are past due is determined by reference to terms agreed with individual customers. The Company has estimated probable losses on these accounts and recorded a provision for doubtful accounts of \$419. None of the remaining amounts outstanding have been challenged by customers and the Company continues to provide services and products to them. Of the overdue balances at March 31, 2009, \$2,464 or 79% of the amount overdue had been collected as of May 11, 2009. Consequently, management has no reason to believe that the remaining outstanding balance is not fully collectible in the future.

The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Ongoing contact is made with customers and once items are identified as being past due, further contact is made with the respective debtor to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through ongoing review of accounts receivable balances; following up on amounts past due; management of cash and cash equivalents, including allocation between cash-on-hand and call deposits; and use of a credit facility to bridge timing differences between cash outflows and cash inflows.

As at March 31, 2009, the Company had a credit facility of up to \$5 million, subject to margin criteria, bearing interest at the lender's prime lending rate plus 1.75%. The credit facility is collateralized by a general charge on the assets of the Company. At March 31, 2009, the Company carried a \$1 million balance on this facility (April 30, 2008 – nil).

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The Company also had long term debt in the form of a limited recourse margin credit facility secured solely by its long term investment in MAV2 notes. The Company leveraged its long term investment in MAV2 notes by drawing \$1,420 against this credit facility during the quarter ended March 31, 2009. At March 31, 2009, the Company's accounts payable and accrued liabilities were \$2,236, 64% of which become due for payment within the normal terms of trade, generally between 30 and 60 days.

Although the global economy and the Company's largest regional market, the United States, continued to suffer the impacts of the economic downturn in the quarter ended March 31, 2009, the Company experienced growth in sales. Further weakening of global economic conditions could impact the achievement of management's plans as a result of customer vehicle fleet reduction, and project delays with larger customers.

Historically, the Company has relied on growth in hardware sales and a growing customer base generating recurring revenue to fund operating activity, its credit facility to bridge the timing differences between cash outflows and inflows and several rounds of financing through public equity markets to fund specific growth initiatives. Recent developments in global credit markets have significantly reduced the ability of companies to obtain debt financing or raise capital through public markets and while management does not plan on raising any additional funds through these channels, should circumstances change, the Company's ability to access such capital may be impaired.

e) Market risk

Market risk is the risk to the Company of adverse financial impact due to changes in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. Market risk arises as a result of the Company generating revenues and incurring expenses in foreign currencies, holding cash and cash equivalents which earn interest and having operations based in the United Kingdom, the United States and Brazil in the form of its wholly owned subsidiaries.

f) Interest rate risk

The Company is exposed to interest rate risk by virtue of holding cash and cash equivalents, bank indebtedness and a credit facility secured by the long term investment.

The Company's objective in managing its cash and cash equivalents is to ensure that sufficient funds are maintained on hand at all times to meet day-to-day requirements, drawing on the line of credit only at times when there are timing differences between cash outflows and cash inflows and placing excess cash in short-term deposits. When placing cash and cash equivalents on short-term deposit, the Company deals only with high quality commercial banks and ensures that access to the funds can be obtained on short-notice.

Accrued interest payable on the credit facility and the facility secured by the long term investment at March 31, 2009 was nil (April 30, 2008 - nil). Total interest expense for the period ended March 31, 2009 was \$10 (April 30, 2008 - nil).

g) Foreign Currency Risk

The Company's financial results are reported in Canadian dollars. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the CAD relative to the USD, as a majority of the Company's revenues are earned in USD. During the period ended March 31, 2009, 69% of the Company's revenue was in USD and 11% was in GBP (April 30, 2008 - 54% and 18%). The Company periodically estimates its obligations payable in these foreign currencies and converts excess foreign funds into CAD to mitigate the risks associated with changes in foreign currency rates. The Company does not currently have any derivative instruments. At March 31, 2009, the Company held net current monetary assets in USD and in GBP equal to \$4,883 and \$1,156, (December 31, 2008 - \$7,392 and \$1,331 respectively).

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h) Sensitivity analysis

A summary of the Company's estimates of the impact of a 10% change in exchange rates on its revenues and net current monetary assets is presented below:

	Sensitivity analysis As at March 31, 2009			
Effect of a +/- 10% change in the foreign currency exchange rate	USD	GBP	BBR\$	Total
Revenue +/-	458	71	0	529
Net monetary assets +/-	488	116	18	622

The financial position of the Company would likely be different from its current position at the time that a change in exchange rates occurs, causing the impact of the Company's results to differ from those shown above.

Capital management

The Company considers its share capital and contributed surplus as capital, the total book value of which totaled \$64,147 at March 31, 2009 (December 31, 2008 - \$63,820).

The Company manages its capital structure with the objective of providing sufficient resources to meet day-to-day operating requirements; to allow it to enhance existing product offerings as well as to develop new ones, and to have the financial ability to expand the size of its operations by taking on new customers. In managing its capital structure, the Company takes into consideration various factors, including the growth of its business and related infrastructure and the upfront cost of taking on new clients.

The Company's officers and senior management are responsible for managing the Company's capital and do so through regular meetings and review of financial information. The Company's Board of Directors is responsible for overseeing this process.

The Company manages its capital through the issuance of new share capital to the public and through the prudent use of credit facilities when needed.

The Company is not subject to any externally imposed capital requirements.

ADDITIONAL RISKS

In addition to those risks and uncertainties described elsewhere in this document, the Company is subject to the following risks and uncertainties which are described in greater detail in the Company's AIF:

- The Company has grown quickly and expects to continue growing. If the Company is unable to effectively manage this growth its ability to operate effectively would be impaired.
- The Company may not be able to sustain profitability from operations for the current fiscal year and beyond.
- The Company operates in a rapidly evolving technology market. Its continued success depends on its ability to keep pace with these technology changes.
- The Company may not be able to continue to protect its intellectual property from unauthorized exploitation by others and to protect itself from claims of infringement by others.
- The Company may require further financing to fund its growth and such financing may not be available on acceptable terms, or at all.

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- The Company's industry is very competitive and includes several competitors with greater resources than the Company.
- The Company depends on several suppliers and service providers to provide critical components for its products and services.
- The Company relies on distributors to sell its products in various countries around the world. There is a risk that certain of these distributors may terminate their relationship with the Company. If such relationships are terminated, alternate distributors may not be available in those regions.
- The Company may be subject to product liability claims arising from the use of its products and services which could, if successful, adversely impact the Company's business.
- The Company provides credit to its customers in the normal course of operations. The Company estimates, on a continuing basis, the probable losses, and records a provision for such losses based on the estimated realizable value. There is no assurance that this provision will be adequate.
- The Company may have significant inventory volumes that could be subject to write down due to obsolescence.
- Insurance to cover the risks to which the Company's activities will be subject may not be available at economically feasible premiums or at all. There is no assurance that in the event of claim or loss that the Company will have adequate insurance coverage.
- The Company provides its customers with a limited warranty on its products. Despite quality control procedures, there is no assurance that the Company's provision for this warranty is adequate.
- The Company's success depends on its ability to attract and retain highly skilled engineering, managerial, marketing and sales personnel. Competition for qualified personnel in the wireless and wireless data industries is intense. The Company believes that there are only a limited number of persons with the requisite skills to serve in many key positions and the Company may not be able to hire and retain these persons.
- Fluctuations in the exchange rate between the Canadian and US dollars and between Canadian dollars and UK pounds affect the Company by impacting revenue, expenses and the balance sheet.
- The Company's stock price may experience significant fluctuations due to operating performance, performance relative to analysts' estimates, disposition or acquisition by a large shareholder, a law suit against the Company, the loss or acquisition of a significant customer or distributor, industry-wide factors and factors other than the operating performance of the Company. These factors, among others, may cause decreases in the value of the Common Shares.
- The Company operates in a global marketplace with sales in numerous countries and is exposed to numerous regulatory regimes.
- The Company's operations are dependent upon its ability to protect its network infrastructure, portal system and customers' equipment against damage from human error, fire, earthquakes, floods, power loss, telecommunications failures, power failure, sabotage, intentional acts of vandalism and similar events.
- The Company's success is dependent on its ability to market its products and services.
- The Company's results could be adversely affected by changing economic conditions in the countries in which it operates.
- The Company has four foreign subsidiaries, one is incorporated and operating in the United Kingdom, one is incorporated and operating in Brazil, one is incorporated and operating in the US and the fourth is incorporated in Barbados. Such subsidiaries are subject to the laws of their jurisdiction of incorporation and any changes to such laws.
- The Company's portal system is subject to failure due to loss of power, connectivity or human error. In the event that the Company's systems become inoperative for a period of time, the Company could be adversely affected by a reduction in customer satisfaction, loss of business and litigation.
- The Company depends on signals from GPS satellites built and maintained by the US Department of Defense. Availability of these satellites is dependent on the US Department of Defense continuing to maintain the satellites and could be affected by future government regulation.
- The revenues and earnings of the Company may fluctuate from quarter to quarter, which could affect the market price of the Company's Common Shares.
- The Company depends on a small number of customers for a significant portion of its revenue. The Company sells primarily to fleet managers and other high volume users of fuel, who are exposed to

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changes in the price of oil and related distillates. As such, its customers may be adversely affected by the volatility and increases in such prices, and thus reducing their capacity to purchase the Company's products.

- Future growth of the Company depends in part on the successful deployment of next generation wireless data and voice networks by third parties for which the Company is developing products. If these network operators cease to offer effective and reliable service, or fail to market their services effectively, sales of the Company's products will decline and revenues will decrease.
- As part of the business strategy of the Company, the Company may acquire additional assets and businesses principally relating to or complementary to the Company's current operations. Any acquisitions and/or mergers will be accompanied by the risks commonly encountered in acquisitions of companies.
- The Company holds \$6 million in investments in MAV2 Notes, which the Company has valued as a Long Term Investment with a market value of \$3 million as at March 31, 2009. This valuation is based upon certain assumptions which could prove to be unreliable or incorrect. Were this to be the case, the Company may realize the full amount of its current valuation of this investment and further losses on this investment may have to be recognized.
- The Company's operations and results could be adversely affected by the H1N1 virus pandemic should the virus reach full pandemic risk levels, potentially resulting in closed borders, travel restrictions and government notifications to the public to work from home and avoid assembly with groups of people.

OUTSTANDING SHARE DATA

As at May 11, 2009, the Company had 58,165,187 common shares outstanding. The Company has 3,134,842 share purchase options outstanding entitling the holders to purchase one common share for each option held at prices from \$0.47 to \$1.50 per share expiring on various dates up to March 31, 2014.

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Additional information relating to the Company, including the Company's AIF, is available on SEDAR at www.sedar.com.