



## **News Release**

### **WebTech Wireless Reports Net Income and strong cash flow on 10% Revenue Growth for Quarter Ended March 31, 2009**

**VANCOUVER, BRITISH COLUMBIA – May 12, 2009 – WebTech Wireless Inc.** (TSX: WEW), a leading supplier of location-based and fleet Telematics services, today reported revenue of \$6.7 million for the three month fiscal quarter ended March 31, 2009 representing a 10% increase over revenue reported for the comparable quarter in the prior year. The Company earned Net Income of \$115,000 and generated \$2.5 million in cash from operations during the quarter.

WebTech Wireless is comparing its results for the quarter ended March 31, 2009, to its results for the quarter ended April 30, 2008 as it has changed its fiscal year end from July 31 to December 31, and April 30, 2008 represents the nearest prior year reporting date to March 31.

Highlights for the quarter include:

- Revenue of \$6.7 million
- Net Income of \$115,000
- Increase in cash balances of \$3.8 million since December 31, 2008 including \$2.5 million generated from operations
- Gross profit margins of 56% assisted by high margin sales in Brazil and the US

Revenues at \$6.7 million were positively impacted by continued growth in sales in Canada and the US offset by lower year on year sales in international markets.

Profit margins at 56% were above target and historical levels due to a sale of discounted inventory to a distributor in Brazil and a higher than normal mix of high margin recurring subscription revenues and professional services.

Net income for the three months was \$115,000 (\$nil per common share) and was positively impacted by a foreign exchange gain (\$198,000), gain on restructuring of long term investments (\$207,000) and net interest income (\$87,000).

Expenses for the quarter of \$4.1 million included \$296,000 in stock based compensation charges, of which \$237,000 was a one time charge.

As of March 31, 2009, the Company reported total assets of \$28 million (December 31, 2008: \$25.4 million) and working capital of \$19.1 million (December 31, 2008: \$17.1 million). The increase in working capital was primarily the result of operations.

"We are particularly pleased to be reporting growth, net income and positive cash flow as we chart our path to profitability for the remainder of the year," said Scott Edmonds, Chief Financial Officer, WebTech Wireless Inc. "Achieving revenue growth in these tough markets validates our strategy of building multiple distribution channels and of diversifying our operations across geographies and verticals. We are also benefitting from the steps we took in late 2008 to reduce our operating expenses which will continue to contribute to the generation of cash flow and drive us toward our goal of profitability for the year."

A reminder that the Financial Results Conference Call will be held today, May 12th, at 5:00 pm Eastern Time (2:00 pm Pacific Time). Interested parties may participate in the call by dialing 1-800-926-6734 or (212) 231-2901 (for international callers). The conference call will be archived on the Company's website at: [www.webtechwireless.com](http://www.webtechwireless.com).



### **About WebTech Wireless Inc.**

WebTech Wireless Inc. (TSX:WEW) is a global Telematics, location-based services provider that develops, manufactures, and delivers turnkey wireless solutions designed to improve productivity and profitability. WebTech Wireless products include wireless hardware and software services running on cellular and satellite networks, and include Automatic Vehicle Location, Mapping, Reporting, Vehicle Diagnostics, Driver Status, In-vehicle Telemetry, Messaging, In-vehicle Navigation, and wireless application and Internet connectivity. WebTech Wireless is currently providing devices and services worldwide in eight languages to over forty-one countries covering five continents. WebTech Wireless' scalable solutions are used by a broad range of small, medium and Fortune 500 companies and by governments. For more information, please visit [www.webtechwireless.com](http://www.webtechwireless.com).

### **Forward Looking Statements**

This press release contains forward-looking statements involving risks and uncertainties pertaining to, but not limited to product plans, timing, content, and pricing of products, market and industry expectations, the wireless communications industry, the mobile fleet industry, and general economic and political conditions. Given the risks and uncertainties inherent in the markets and industries referred to in this press release, WebTech Wireless cannot guarantee that any forward looking statements will be realized.

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For further information on WebTech Wireless, please contact:

#### **Press / Media Contact:**

Eric Wilson / WebTech Wireless  
(+1) 778.370.9609, [press@webtechwireless.com](mailto:press@webtechwireless.com)

#### **Investor Relations Contact:**

R. Joe Dhami  
(+1) 877.811.4518 ext. 462, [ir@webtechwireless.com](mailto:ir@webtechwireless.com)

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

	<i>31-Mar-09</i>	<i>31-Dec-08</i>
	<i>(Unaudited)</i>	
<b>ASSETS</b>		
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
<b>LIABILITIES</b>		
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
<b>SHAREHOLDERS' EQUITY</b>		
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"  


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Anwar Sukkarie

"Signed"  


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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>	
	<u>31-Mar-09</u>	<u>30-Apr-08</u>
Revenue	\$ 6,669	\$ 6,056
Cost of goods sold	<u>2,938</u>	<u>2,941</u>
Gross profit	<u>3,731</u>	<u>3,115</u>
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	<u>147</u>	<u>111</u>
	4,108	4,275
Loss before other items	<u>(377)</u>	<u>(1,160)</u>
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>	<u>207</u>	<u>-</u>
Net income/(loss) and comprehensive income/(loss) for the period	<u>\$ 115</u>	<u>\$ (1,949)</u>
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	<u>\$ (42,934)</u>	<u>\$ (35,050)</u>
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>
<b>Operating Activities</b>		
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)
<b>Financing Activities</b>		
Common shares issued, net of costs	32	27
Shares repurchased	-	(671)
Borrowing - against long term investments	1,420	-
	1,452	(644)
<b>Investing Activities</b>		
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
<b>Supplemental cash flow information</b>		
Interest paid	\$ 10	\$ -
Income taxes paid	-	-

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