

# WidePoint Announces Q1 Revenue of \$2.7M and Continued PKI Adoption and Revenue Growth

## Conference Call Scheduled for May 22

Tuesday, May 16, 2006

**Fairfax, Va. --** WidePoint Corporation (OTC Bulletin Board: WDPT), a technology-based provider of products and services to the government sector and commercial markets, today announced financial results for the first quarter ended March 31, 2006.

Revenue for the quarter was approximately \$2,684,000, compared with approximately \$2,670,000 for the comparable quarter ended March 31, 2005. The increase in revenue was primarily attributable to Public Key Infrastructure (PKI) credentialing and managed services segment revenue growth of 262% to \$223,000, from \$85,000 a year ago. The PKI revenue growth was a result of increasing early adoption and ramp-up ahead of the pending deadlines issued under the federal government mandate under Homeland Security Presidential Directive No. 12 (HSPD-12) that commence on July 30, and October 27, 2006. The PKI segment revenue increase was partially offset by a decline in consulting services segment revenue of approximately \$123,000 as the result of contract delays that occurred during the first quarter of 2006 and as a result of the company's revenue recognition policy that resulted in an increase in deferred revenues that the company should recognize during the second and third quarters of 2006.

The operating loss for the quarter narrowed to \$268,000, which included increases in investments in sales and marketing efforts in preparation for the deadlines associated with HSPD-12 and stock option expense of approximately \$61,000, compared to a loss of \$507,000 in the first quarter of 2005. As a result of the above, the net loss for the period was approximately \$258,000, or \$0.01 per diluted share, compared to net income of approximately \$432,962 for the quarter ended March 31, 2005, which included a non-operational gain from financial instruments of \$996,000.

WidePoint CEO Steve Komar said, "We are optimistic about the latter half of 2006 and the results we expect for the full fiscal year as our PKI segment participates in the launch and rollout of HSPD-12. We are still early in the adoption phase of the HSPD-12 mandate by federal agencies and remain confident in our expectations for strong growth within this segment during the second half of the year. We continue to expand our sales and marketing efforts, proposal activity, and negotiate strategic alliances in advance of the mandate's deadlines to further solidify our position as a leader in this developing marketplace."

WidePoint CFO Jim McCubbin said, "We are pleased with the developing business model within our PKI business segment as we continue to witness revenue and certificate growth as we approach the launch of HSPD-12. Excluding amortization expense, we realized positive operating income for this segment at an early point in the launch of its service life cycle and remain positive on its profitable expansion opportunities."

The company will hold a conference call at 4:15 p.m. EDT, Monday, May 22 to discuss the first quarter financial results and the company's future activities. To participate, call (913) 312-1295 any time after 4:05 p.m. EDT on May 22. A webcast of the call will be available at [www.hawkassociates.com/wdptmore.aspx](http://www.hawkassociates.com/wdptmore.aspx) .

### **About WidePoint**

WidePoint is a technology-based provider of products and services to the government sector and commercial markets. WidePoint specializes in providing systems engineering, integration and information technology services. WidePoint's wholly owned subsidiary, ORC is at the forefront of implementing government compliant eAuthentication identity management managed services and associated systems engineering/integration. ORC has earned four major U.S. federal government certifications offering the highest levels of assurance for transactions over the Internet and has been awarded the first Basic Purchasing Agreement (BPA) under the newly created Authentication category established under the General Services Administration's (GSA) Information Technology Professional Services FSC Group 70 contract. This BPA, awarded by GSA with a \$100 million ceiling, enables all federal, state and local governments to procure ORC's identity management solutions.

WidePoint's profile of customers encompasses U.S. federal government agencies, including the Department of Defense, the Department of Homeland Security and the Department of Justice and major transnational corporations such as SAIC and Northrup Grumman as well as several major pharmaceutical companies. For more information, visit [www.widepoint.com](http://www.widepoint.com) .

An investment profile about WidePoint may be found at [www.hawkassociates.com/wdptprofile.aspx](http://www.hawkassociates.com/wdptprofile.aspx).  
[www.hawkassociates.com/wdptprofile.aspx](http://www.hawkassociates.com/wdptprofile.aspx).

For investor relations information regarding WidePoint, contact Frank Hawkins or Cale Smith, Hawk Associates, at (305) 451-1888, e-mail:[info@hawkassociates.com](mailto:info@hawkassociates.com). An online investor relations kit including copies of WidePoint press releases, current price quotes, stock charts and other valuable information for investors may be found at [www.hawkassociates.com](http://www.hawkassociates.com) and [www.americanmicrocaps.com](http://www.americanmicrocaps.com).

*Safe-Harbor Statement: Under the Private Securities Litigation Reform Act of 1995, this press release may contain forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), including all statements that are not statements of historical fact regarding the intent, belief or current expectations of the company, its directors or its officers with respect to, among other things: (i) the company's financing plans; (ii) trends affecting the company's financial condition or results of operations; (iii) the company's growth strategy and operating strategy; and (iv) the declaration and payment of dividends. The words "may," "would," "will," "expect," "estimate," "anticipate," "believe," "intend" and similar expressions and variations thereof are intended to identify forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond the company's ability to control, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors.*