

WidePoint Reports First Quarter '07 Results

Conference Call Scheduled for 4:30 p.m. EDT Today

Thursday, May 10, 2007

FAIRFAX, Va. — WidePoint Corporation (AMEX: WYY), a leading provider of information technology assurance and identity management services, today announced financial results for the first quarter ended March 31, 2007.

WidePoint reported revenue of \$2.9 million for the first quarter of 2007, an increase of 6% compared to revenue of \$2.7 million for the first quarter of 2006. The Public Key Infrastructure (“PKI”) credentialing and managed services segment experienced 40% growth from \$223,000 for the first quarter of 2006 to \$310,000 for the first quarter of 2007. The company issued 2,843 credentials during the first quarter of 2007 as compared to 1,733 credentials during the first quarter of 2006. WidePoint’s Consulting Services segment witnessed a slight increase in revenues from \$2,461,000 in the first quarter of 2006 to \$2,542,000 in the first quarter of 2007. Net loss for the first quarter of 2007 was \$376,100 or a loss of \$0.01 per share compared with a net loss of \$258,200 or \$0.01 per share in the first quarter of 2006. The company ended the first quarter of 2007 with working capital of approximately \$3.5 million, cash and cash equivalents of approximately \$2.7 million, no senior debt and total stockholders equity of approximately \$7.5 million.

Other first quarter 2007 highlights include:

- WidePoint was awarded a multi-year contract to provide an enterprise-wide Smart ID solution to a federal contractor with over 10,000 initial users and the opportunity to expand to over 100,000 users. The solution complies with Homeland Presidential Directive 12 (“HSPD-12”), Federal Information Processing Standards Publication Series 201 (“FIPS 201”) and Personal Identification Verification (“PIV II”) requirements and regulations.
- WidePoint was awarded and is deploying 3,000 initial first responder credentials under several State initiatives with two major integrators funded by Department of Homeland Security (“DHS”) Grants.
- WidePoint commenced several teaming agreements in three new vertical markets to leverage the Federal PKI in Health Care, Insurance, and Hospitality industries.
- WidePoint launched work on a Department of Defense (“DoD”) physical access initiative to include ORC© External Certificate Authority (“ECA”) certificates on smartcards to support non-DoD entities transacting business with U.S. government entities.
- WidePoint experienced approximately 80% renewal rates of ECA credentials during the quarter ending March 31, 2007.

Steve Komar, CEO of WidePoint, stated, “Our efforts to strategically position and build a base of

business within the Identity Management marketplace is beginning to take hold as we start to expand our presence and expertise with a range of new customers, partners, and integrators.”

Dan Turissini, CTO of WidePoint commented, “Our most recent award to provide an enterprise-wide Smart ID solution represents the first government contractor to fully leverage federal compliant identity management to satisfy both internal and business-to-government transaction protection. Our solution implements a full spectrum turnkey solution from card request to card termination enabling full compliance with recent Federal Acquisition Regulations that address identity management, strong authentication and HSPD-12.”

Turissini added, “Working with the first responder community, establishing pilots within the health care, insurance and hospitality industries, and addressing international government-to-government credentialing needs continues to extend our reach as this new marketplace matures. We continue to be excited about the long-term opportunities as the need and adoption of strong authentication grows.”

WidePoint will hold a conference call with CEO Steve Komar and senior members of the management team today at 4:30 p.m. Eastern Time. The call will cover the company’s first quarter results. Komar will open the call and a question-and-answer session will follow.

To participate, dial **(888) 802-8574 any time after 4:20 p.m. Eastern Time**. International callers should dial **(973) 628-6885**. While in conference, if callers should experience any difficulty or require operator assistance, they can press the (*) followed by the (0) button. This will call an operator to the line.

About WidePoint

WidePoint is a leading provider of information technology assurance and identity management 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 and integration. ORC has earned four major U.S. federal government certifications offering the highest levels of assurance for transactions over the Internet.

WidePoint’s portfolio of customers encompasses U.S. Federal Government agencies, including the Department of Defense, the Department of Homeland Security and the Department of Justice as well as major U.S. defense contractors and several major pharmaceutical companies. For more information, visit <http://www.widepoint.com>.

An investment profile about WidePoint may be found at

<http://www.hawkassociates.com/wyprofile.aspx>.

For investor relations information regarding WidePoint, visit <http://www.hawkassociates.com> and <http://www.americanmicrocaps.com>, or contact Frank Hawkins or Cale Smith, Hawk Associates, at (305) 451-1888, e-mail: info@hawkassociates.com. To receive these releases via e-mail, subscribe at <http://www.hawkassociates.com/email.aspx>.

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; (iv) the declaration and payment of dividends; and (v) the risk factors disclosed in the Company's periodic reports filed with the SEC. 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 including the risk factors disclosed in the company's Forms 10-K and 10-Q filed with the SEC.

WIDEPOINT CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

| Consolidated Balance Sheets | March 31, 2007 (unaudited) | December 31, 2006 (unaudited) |
|--|---|--|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents..... | \$ 2,741,592 | \$ 2,774,813 |
| Accounts receivable..... | 3,293,146 | 6,220,444 |
| Prepaid expenses and other assets..... | 553,384 | 463,369 |
| Total current assets..... | 6,588,122 | 9,458,626 |
| Property and equipment, net..... | 203,129 | 205,231 |
| Goodwill..... | 2,526,110 | 2,526,110 |
| Intangibles, net..... | 1,257,105 | 1,358,212 |
| Other assets..... | 56,192 | 56,192 |
| Total assets..... | \$ 10,630,658 | \$ 13,604,371 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable..... | \$ 1,620,533 | \$ 4,364,747 |
| Accrued expenses..... | 901,369 | 786,842 |
| Deferred revenue..... | 520,818 | 564,594 |
| Short-term portion of deferred rent | 1,810 | 3,057 |
| Short-term portion of capital lease obligation | 44,561 | 45,020 |
| Total current liabilities..... | 3,089,091 | 5,764,260 |
| Long-term portion of deferred rent..... | - | - |

| | | |
|---|---------------|---------------|
| Capital lease obligation, net of current portion..... | 56,834 | 67,851 |
| Total liabilities..... | 3,145,925 | 5,832,111 |
| Stockholders' equity: | | |
| Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 0 and 195,214 shares issued and outstanding, respectively, liquidation value \$3,416,245..... | - | 195 |
| Common stock, \$0.001 par value; 110,000,000 and 110,000,000 shares authorized, respectively; 52,522,699 shares and 50,494,759 shares issued and outstanding, respectively..... | 52,523 | 50,495 |
| Stock warrants..... | 38,666 | 38,666 |
| Additional paid-in capital..... | 60,753,969 | 60,667,229 |
| Accumulated deficit..... | (53,360,425) | (52,984,325) |
| Total stockholders' equity..... | 7,484,733 | 7,772,260 |
| Total liabilities and stockholders' equity..... | \$ 10,630,658 | \$ 13,604,371 |

WIDEPOINT CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended | |
|--|-----------------------------------|--------------|
| | March 31, | |
| | 2007 | 2006 |
| | (unaudited) | |
| Revenues, net | \$ 2,852,370 | \$ 2,683,906 |
| Cost of sales (including amortization and depreciation of \$110,049 and \$101,837, respectively) | 2,196,835 | 1,966,981 |
| Gross profit | 655,535 | 716,925 |
| Sales and marketing | 203,443 | 204,428 |
| General & administrative | 841,175 | 780,454 |
| Depreciation expense | 15,550 | 6,976 |
| Loss from operations | (404,633) | (274,933) |
| Interest income | 31,838 | 18,349 |
| Interest expense | (3,305) | (1,596) |
| Net (loss) earnings before income tax | \$ (376,100) | \$ (258,180) |
| Income tax benefit, net | - | - |
| Net (loss) earnings | \$ (376,100) | \$ (258,180) |
| Basic and diluted net (loss) earnings per share | \$ (0.01) | \$ (0.01) |
| Basic and diluted weighted average shares outstanding | 51,937,845 | 39,338,341 |

WIDEPOINT CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

**Three Months
Ended March 31,
2007 2006
(unaudited)**

| | | |
|--|--------------|--------------|
| Cash flows from operating activities: | | |
| Net (loss) earnings | \$ (376,100) | \$ (258,180) |
| Adjustments to reconcile net earnings (loss) to net cash provided | | |
| by (used in) operating activities: | | |
| Depreciation expense | 24,491 | 7,706 |
| Amortization expense | 101,107 | 101,107 |
| Stock compensation expense | - | 5,625 |
| Stock options expense | 63,976 | 61,063 |
| Changes in assets and liabilities | | |
| Accounts receivable | 2,927,298 | 701,862 |
| Prepaid expenses and other assets | (90,015) | 46,655 |
| Other assets | - | 35,584 |
| Accounts payable and accrued expenses | (2,648,016) | (1,025,968) |
| Net cash (used in) provided by operating activities | \$ 2,741 | \$ (324,546) |
| Net cash flows from investing activities: | | |
| Purchase of property and equipment | (22,389) | (10,575) |
| Software development costs | - | - |
| Net cash flows used in investing activities | \$ (22,389) | \$ (10,575) |
| Net cash used in financing activities | | |
| Principal payments under capital lease obligation | (11,476) | - |
| Costs related to registration statement | (28,207) | (213,693) |
| Proceeds from exercise of stock options | 26,110 | 81,493 |
| Proceeds from exercise of warrants | - | 20,000 |
| Costs related to warrant exercise | - | (166,600) |
| Net cash used in financing activities | \$ (13,573) | \$ (278,800) |
| Net decrease in cash | \$ (33,221) | \$ (613,921) |
| Cash and cash equivalents, beginning of period | \$ 2,774,813 | \$ 2,526,635 |
| Cash and cash equivalents, end of period | \$ 2,741,592 | \$ 1,912,714 |
| Supplementary information: | | |
| Liabilities incurred but not yet paid relating to registration statement | \$ 1,513 | \$ 136,669 |
| Cash paid for interest | \$ 3,305 | \$ - |