

# WidePoint Year-End Revenue Up 139% to \$13.2M; Company Cites Significant Balance Sheet Improvements, Files for Amex Listing

## Conference Call Scheduled for April 4

Monday, April 03, 2006

**Fairfax, Va.** -- WidePoint Corporation (OTC Bulletin Board: WDPT), a technology-based provider of products and services to the government sector and commercial markets, announced today that revenue for the fiscal year ended Dec. 31, 2005 rose 139% to approximately \$13.2 million.

The company also reported a significant improvement in year-to-year operating results, reflected in an approximate improvement of \$1.1 million in earnings before interest, taxes, depreciation, amortization and non-recurring non-cash expenses associated with our Chesapeake and financial instruments entries (EBITDA), versus our calendar year 2004, with the full-year 2005 EBITDA loss totaling approximately \$12,000. Reported net loss for the 2005 year included non-recurring non-cash charges of approximately \$5.4 million from the recognition of warrants issued in connection with a preferred stock financing, and approximately \$1.9 million of non-recurring non-cash charges resulting from the release of performance-based charges in common stock issued to the former shareholders of Chesapeake Government Technologies, Inc. These non-recurring non-cash charges totaling approximately \$7.3 million should have no effect on future financial statements. Primarily as a result of these items, the company reported a net loss for the year ending December 31, 2005 of approximately \$7.4 million, or (\$0.30) per share, compared with a net loss of approximately \$4.3 million, or (\$0.26) per share, for the year ending December 31, 2004.

For the fourth quarter ended Dec. 31, 2005, the company reported revenue of approximately \$4.0 million, a gain of 31% over the \$3.1 million in revenue reported during the fourth quarter of 2004. The company also reported a net loss of approximately \$7.1 million, or (\$0.27) per share, compared with a net loss of approximately \$3.5 million, or (\$0.20) per share, during the fourth quarter of 2004.

The company further announced that it has filed an application to list its common stock securities on the American Stock Exchange in conjunction with the company's filing of its Form 10-K for the year ended December 31, 2005.

WidePoint CEO Steve Komar said, "2005 was an important repositioning and building year for WidePoint. Several key accomplishments will enable us to leverage our accelerating year-to-year growth into substantially improved financial results in 2006. We have expanded our sales and marketing efforts in order to further boost revenue in 2006, and are negotiating strategic alliances to expand our distribution channels. We invested in product enhancements to maintain our competitive advantage. We have stabilized our financial position and improved our liquidity. We now have an excellent business opportunity to provide solutions that will satisfy wide-reaching government mandates for eAuthentication and Public Key Infrastructure (PKI) identity management initiatives in

the federal marketplace associated with the Homeland Security Presidential Directive 12. We believe these events and trends will be increasingly recognized as a result of our proposed listing on the American Stock Exchange."

Jim McCubbin, CFO of WidePoint, said, "The sharp revenue increase in 2005 revenue reflected the acquisition of Operational Research Consultants (ORC), corresponding growth of ORC's eAuthentication and PKI services and improvements in our commercial operations. Also important were the improvements in our balance sheet. We resolved several non-recurring expenses that would otherwise have followed us into future periods. We completed capital investments in our PKI services and increased our asset base to approximately \$10.6 million while managing the business around a neutral EBITDA level for the year.

"As a result of the conversion of a significant number of our warrants, our cash position increased significantly by more than \$3.6 million for the year, and we paid down all of our approximately \$1.6 million in short-term borrowings from the beginning of the year," McCubbin said. "With the completion of these milestones in 2005, we are positioned to financially support the execution phase of our business model for 2006."

A copy of the company's Annual Report filed on Form 10-K with the Securities and Exchange Commission for the year ended December 31, 2005 can be found at [www.widepoint.com/who/investor](http://www.widepoint.com/who/investor) [www.widepoint.com/who/investor\\_info.asp](http://www.widepoint.com/who/investor_info.asp).

The company will hold a conference call at 4:15 p.m. EDT, Tuesday, April 4 to discuss the 2005 financial results and the company's future activities. To participate, call (913) 981-5543 any time after 4:05 p.m. EDT on April 4. 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 as well as 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.*