

WidePoint Q1 Revenue Up 42% to \$10.1M; Second Consecutive Quarter of Positive Net Income

Company Cites Healthy Cash Flow and Growing Adoption of Services; Conference Call Today at 4:30 p.m.

Monday, May 18, 2009

Washington D.C., -- [WidePoint Corporation](http://www.widepoint.com) (NYSE AMEX: WYY), a leading provider of advanced information technology, identity assurance and protection and mobile telecom expense management services, announced today its financial results for the first quarter ended March 31, 2009.

First Quarter 2009 Financial Highlights:

- Revenue increased approximately 42% to \$10.1 million vs. \$7.2 million in Q1 '08
- Income from operations (excluding amortization, depreciation, and stock compensation expense) of approximately \$551,000 vs. Q1 '08 loss of \$156,000
- Net income of approximately \$129,000 on a fully diluted basis vs. a loss of \$863,000 in Q1 '08
- Fully diluted earnings per share of \$0.002 vs. loss per share of \$0.016 in Q1' 08
- Debt reduction of \$2.2 million
- Working capital improved approximately \$332,000 to \$3,047,000

Management Comment

WidePoint CEO Steve Komar said, "We were pleased with the financial performance in the first quarter of 2009. Each of our segments realized internally generated growth, with revenue gains in our Mobile Telecom Managed Services (MTMS), PKI (Public Key Infrastructure) Credentialing and Managed Services and Consulting segments.

"Our MTMS services revenue grew 42% to approximately \$6.4 million as a result of continued adoption by U.S. government agencies and departments. Our PKI credentialing services segment was up 85% to \$1.4 million as we continued to witness the implementation of several federally sponsored programs. Our Consulting services segment witnessed revenue growth of approximately 25% to \$2.4 million as we saw a bottoming and signs of a turnaround in demand from both government and commercial clients," Komar said.

WidePoint CFO Jim McCubbin said, "We were pleased with the revenue growth and margin improvements we witnessed during the first quarter of 2009. While we anticipate these trends should continue, we could possibly experience some unevenness in future quarters attributable to delivery timeframes controlled by our external partners and clients. We were also pleased to see another quarter of profitability along with working capital improvements that included the payoff of approximately \$2.2 million dollars in subordinated debt during the quarter. Overall, we continue to maintain a positive outlook for further revenue growth and positive financial improvements in 2009."

WidePoint will hold a conference call with CEO Steve Komar, CFO Jim McCubbin and Dan Turissini, Vice President, CTO and CEO of Operational Research Consultants, Inc., today, May 18, at 4:30 p.m. EDT. The call will cover the company's quarterly results. To participate, call **1-877-941-9205** any time after 4:20 p.m. ET on May 18, 2009. International callers should dial **1-480-629-9835**.

About WidePoint

WidePoint is a leading provider of advanced information technology products and services including identity assurance and information management and protection services, forensic informatics and wireless technology services. WidePoint has several wholly owned subsidiaries holding major contracts, Operational Research Consultants, Inc. (ORC), iSYS, LLC, Protexx, and WidePoint IL. WidePoint enables organizations to deploy fully compliant IT services in accordance with government-mandated regulations and advanced system requirements. For more information, visit www.widepoint.com.

An investment profile about WidePoint may be found at www.hawkassociates.com/profile/wyy.cfm.

For investor relations information regarding WidePoint, visit www.hawkassociates.com and www.americanmicrocaps.com, or contact Frank Hawkins, Hawk Associates, at 305-451-1888, e-mail: widepoint@hawkassociates.com. To receive notification of future releases via e-mail, subscribe at www.hawkassociates.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; (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

FINANCIAL TABLES

**WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,344,744	\$ 4,375,426
Accounts receivable	6,196,772	5,282,192
Unbilled accounts receivable	1,179,249	2,301,893
Prepaid expenses and other assets	214,633	267,666
Total current assets	<u>11,935,398</u>	<u>12,227,177</u>
Property and equipment, net	381,657	431,189
Goodwill	8,575,881	8,575,881
Intangibles, net	2,019,360	2,236,563
Other assets	106,959	110,808
Total assets	<u>23,019,255</u>	<u>\$ 23,581,618</u>
Liabilities and stockholders' equity		
Current liabilities:		
Related party note payable	\$ —	\$ 2,140,000
Short term note payable	53,052	97,158
Accounts payable	5,431,310	2,465,394
Accrued expenses	1,310,005	2,548,106
Deferred revenue	1,500,239	1,667,969
Short-term portion of long-term debt	495,006	486,707
Short-term portion of capital lease obligation	98,652	107,141
Total current liabilities	<u>8,888,264</u>	<u>9,512,475</u>
Deferred income tax liability	196,113	156,891
Long-term debt, net of current portion	992,156	1,117,230
Deferred rent, net of current portion	5,964	—
Capital lease obligation, net of current portion	73,579	95,248
Total liabilities	<u>\$ 10,156,076</u>	<u>\$ 10,881,844</u>

Stockholders' equity:

Common stock, \$0.001 par value; 110,000,000 shares authorized; 58,305,514 and 58,275,514 shares issued and outstanding, respectively

Stock warrants

Additional paid-in capital

Accumulated deficit

Total stockholders' equity

Total liabilities and stockholders' equity

58,306 58,276

38,666 38,666

67,229,238 67,194,788

(54,463,031) (54,591,956)

12,863,179 12,699,774

\$ 23,019,255 \$ 23,581,618

The accompanying notes are an integral part of these consolidated statements.

**WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**Three Months Ended
March 31,**

2009 2008

(unaudited)

Revenues, net

\$ 10,135,382 \$ 7,150,565

Cost of revenues (including amortization and depreciation of \$243,136 and \$213,906, respectively)

8,092,280 6,046,302

Gross profit

2,043,102 1,104,263

Sales and marketing

229,466 165,703

General and administrative (including SFAS 123R stock compensation expense of \$30,730 and \$371,702, respectively)

1,536,271 1,680,274

Depreciation expense

43,007 37,315

Income (Loss) from operations

234,358 (779,029)

Interest income

14,088 15,942

Interest expense

(80,299) (99,573)

Net income (loss) before income tax

\$ 168,147 \$ (862,660)

Deferred income tax expense

39,222 -

Net income (loss)

\$ 128,925 \$ (862,660)

Basic earnings (loss) per share

\$ 0.002 \$ (0.016)

Basic weighted average shares outstanding

58,294,514 54,033,687

Diluted earnings (loss) per share

\$ 0.002 \$ (0.016)

Diluted weighted average shares outstanding

59,302,205 54,033,687

The accompanying notes are an integral part of these consolidated statements.

**WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Three Months Ended
March 31,**

2009 2008

(unaudited)

Cash flows from operating activities:

Net income (loss)	\$ 128,925	\$ (862,660)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred income tax expense	39,222	-
Depreciation expense	57,258	50,114
Amortization expense	228,885	201,107
Amortization of deferred financing costs	842	2,143
Stock options expense	30,730	371,702
Changes in assets and liabilities		
Accounts receivable and unbilled accounts receivable	208,064	1,554,121
Prepaid expenses and other current assets	53,033	(109,545)
Other assets	15,007	24,424
Accounts payable and accrued expenses	1,593,103	747,736
Deferred revenue	(167,730)	274,390
Net cash provided by operating activities	<u>\$ 2,187,339</u>	<u>\$ 2,253,532</u>
Cashflows from investing activities:		
Purchase of subsidiary, net of cash acquired	-	(4,901,745)
Purchase of property and equipment	(7,726)	(27,523)
Software development costs	(11,682)	-
Net cash used in investing activities	<u>\$ (19,408)</u>	<u>\$ (4,929,268)</u>
Cashflows from financing activities:		
Borrowings on notes payable	-	3,800,000
Principal payments on notes payable	(2,160,205)	(609,471)
Principal payments under capital lease obligation	(30,158)	(28,711)
Proceeds from exercise of stock options	3,750	14,400
Cost related to renewal fee for line of credit	(12,000)	-
Costs related to financing purchase of subsidiary	-	(13,713)
Net cash (used in) provided by financing activities	<u>\$ (2,198,613)</u>	<u>\$ 3,162,505</u>
Net (decrease) increase in cash	<u>\$ (30,682)</u>	<u>\$ 486,769</u>
Cash and cash equivalents, beginning of period	<u>\$ 4,375,426</u>	<u>\$ 1,831,991</u>
Cash and cash equivalents, end of period	<u>\$ 4,344,744</u>	<u>\$ 2,318,760</u>
Supplementary Information:		
Promissory Note issued for iSYS acquisition	\$ -	\$ 2,000,000
Value of 1.5 million common shares issued as consideration in the acquisition of iSYS	\$ -	\$ 1,800,000
Cash paid for interest	\$ 228,416	\$ 43,400
The accompanying notes are an integral part of these consolidated statements.		

