



**FOR RELEASE DECEMBER 9 2009, 9AM**

## **Wireless Matrix Announces Second Quarter Fiscal 2010 Results**

*Completes two major deployments and achieves record subscriber growth*

HERNDON, VA (Dec. 9, 2009) – Wireless Matrix Corporation (TSX: WRX), the leading provider of service chain performance management solutions targeting field service organizations, today announced financial and operating results for the three and six months ended October 31, 2009.

*All currency is expressed in U.S. dollars.*

### **Second Quarter 2010 Highlights**

- Completed deployments on two of the three major sales wins announced during the first quarter, with the third expected to be completed by the end of the fiscal year.
- Largest ever quarterly gain in subscribers, adding 9,600 new subscribers to our network and ending quarter at 79,277 subscribers.
- Backlog of 9,475 additional subscribers under contract to be deployed within the next two quarters for total active and backlog subscribers of 88,752.
- Total revenues of \$10.3 million in the second quarter, an increase of 6% over Q2 2009.
- Network and Application subscriber service revenues of \$7.3 million, up 9% over last year's second quarter.
- Application service revenue up 38% to a record \$2.4M for the quarter from the previous year.
- Adjusted EBITDA\* of \$1.0 million, a decrease of 3% from a year earlier.
- Net loss of \$280,000 or \$0.00 per share, compared to net income of \$483,000 or \$0.01 per share in Q2 2009.
- Cash collections against accounts receivable subsequent to quarter-end was \$3,512,000.

"During the quarter we delivered on significant customer and product development milestones that accelerated our growth prospects," said J. Richard Carlson, president and chief executive officer of Wireless Matrix. "We completed our two large deployments simultaneously and made solid progress on a third, enabling us to add 9,600 new subscribers to our network. We also launched key product enhancements ahead of schedule by request from these customers. While these activities required us to make some up-front investments, we believe they improve our competitiveness, enable us to drive more recurring services revenue per subscriber, and position us very well for long-term growth."

## Financial Highlights

<i>All currency in thousands except per share and ARPU data.</i>	<b>Three months ended October 31</b>		<b>Six months ended October 31</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Service revenue	7,303	6,686	14,363	13,373
Hardware and license revenue	2,992	3,015	6,614	5,542
Total revenue	10,295	9,701	20,977	18,915
Gross margins*	5,683	5,461	11,688	10,835
Adjusted EBITDA*	1,006	1,040	2,164	2,062
Net (loss) income	\$(280)	\$483	\$(107)	\$ 854
Number of shares outstanding	82,280,408	82,619,916		
Basic and diluted income (loss) per share:	\$0.00	\$0.01	\$0.00	\$0.01
Cash balance	12,902			
Working Capital	12,651			
Total subscribers	79,277			
Average Revenue Per Unit (ARPU)*	\$30.03	\$32.93	\$31.24	\$33.18

\* See Non-GAAP Measures below

## Financial and Operating Review

The Company's total revenues in the second quarter of 2010 were \$10.3 million, an increase of 6% from Q2 2009. For the first six months of 2010, revenues of \$14.4 million represented an 11% increase over the comparable prior year period. Revenue growth in the quarter was driven by application services revenue, which increased 38% to \$2.4 million as a result of an increase in new subscribers. Management believes application services revenue will continue to experience strong organic growth in fiscal 2010 due to ongoing subscriber additions.

The Company added 9,600 new subscribers in Q2 2010, of which 61% were application subscribers who purchase services on a Software as a Service (SaaS), recurring revenue basis. The increase is due both to new customers, primarily the two large deployments which begun in Q1 fiscal 2010 and existing customers expanding their subscriptions across their fleets. Wireless Matrix ended the quarter with 79,277 subscribers, a 10% increase over the same period in fiscal 2009.

Total gross margin percentage was 55% in Q2 2010, compared to 56% a year earlier. Overall margins benefited from higher-margin service revenues comprising a greater percentage of total revenues compared to the previous year's second quarter; however, service gross margins decreased to 71% from 73% due to a contractual requirement to purchase additional satellite capacity for a multi-mode communications customer until it completes its transition to primarily cellular communications.

Wireless Matrix had a cash balance of \$12.9 million at October 31, 2009, compared to \$15.9 million at July 31, 2009. The cash balance decreased by \$3.0 million due to \$1.2 million investment in property, equipment and intangible assets to build additional capacity, develop a disaster recovery center and invest in infrastructure to support future growth, \$1.0 million in the purchase through a put right of stock options from employees that were to expire, and approximately \$1.0 million in delayed payments from clients. The Corporation has no debt, and its \$4 million line of credit remains unused.

## Outlook

"In fiscal 2010 we will continue to focus on execution of our new customer deployments, advancement of our technology roadmap, and completion of the infrastructure initiatives we have underway," added Mr. Carlson. "We are investing in enhancing the functionality, scalability and reliability of our service offering. With a growing subscriber base, a strengthened product offering and a healthy pipeline, we are optimistic about our prospects for continued growth. The sales orders for additional 950 subscribers from existing customers announced yesterday is continued evidence of our future growth potentials."

Wireless Matrix anticipates achieving the following results for the fiscal year ending April 30, 2010:

- More than 90,000 subscribers at year-end
- Total revenues of \$42 to \$44 million
- Adjusted EBITDA of \$4 to \$5 million
- Net income of approximately break-even.

## Conference Call

Wireless Matrix has scheduled a conference call to begin at 10:00 a.m. EST on Wednesday, December 9, 2009, to discuss these results. The conference call dial-in number is 1-800-926-7535. A replay of the conference call will be available on the Company's website at [www.wirelessmatrix.com](http://www.wirelessmatrix.com) or by dialing 1-800-595-0055, (code #21443254), shortly after the completion of the conference call until 11:59 p.m. EST on December 10, 2009.

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## About Wireless Matrix

Wireless Matrix Corporation (TSX: WRX) is a leader in mobile resource management providing service chain execution solutions to enterprises with service fleets. Our solutions provide location intelligence for managing, measuring and monitoring service execution, while at the same time increasing productivity and reducing operating expenses within service fleet operations. The Wireless Matrix solution suite includes FleetOutlook®, a web-based platform that provides management and fleet operators complete visibility into their operations, enabled by real-time wireless data communication services over a variety of proprietary modems and hardware devices. Wireless Matrix is headquartered in Herndon, Va., and has offices in San Francisco and Burnaby, British Columbia.

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### Non-GAAP measures

In addition to providing measures in accordance with Canadian GAAP, Wireless Matrix presents certain supplemental measures that are used by Management to manage and measure operations. These are gross margin, operating expenses, adjusted EBITDA, current liabilities before deferred product revenue, ARPU, and churn rates. These measures do not have any standardized meaning prescribed by Canadian GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Investors are urged to refer to the "Supplemental Non-GAAP measures" section in our Management Discussion and Analysis for more details.

### Forward Looking Statements

*General information regarding the Corporation set forth in this document, including management's assessment of the Corporation's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's and management's control, including but not limited to, the impact of general economic conditions, industry conditions, market demand, dependence on key customers, financial conditions and wherewithal of customers, non-infringement on third-party technology, ability to grow through acquisition, technological aptitude of products and intellectual property rights, inventory management, fluctuation of commodity prices, fluctuation of foreign exchange rates, imperfection of estimates, effective integration of acquisitions, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost-effective access to sufficient capital from internal and external sources, ability to integrate and realize anticipated benefits from acquisitions, ability to procure and resell third party network communications at favorable rates, and to effectively manage growth. The Corporation's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward-looking statements and accordingly, no assurance can be given that any of the events anticipated to occur or transpire from the forward-looking statements will provide what, if any, benefits to the Corporation. All data presented herein should be read in conjunction with the Corporation's regulatory filings, with the appropriate Securities Commission and SEDAR. These filings, including the Corporation's AIF, are located at [www.sedar.com](http://www.sedar.com).*

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*