

PRESS RELEASE

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FOR IMMEDIATE RELEASE
May 6, 2009

DDS Wireless Reports 1st Quarter Results

Richmond, BC, May 6, 2009 – DDS Wireless International Inc. (TSX: DD), a world leader in providing complete wireless data solutions for fleet management for several vertical markets for over 20 years, today released financial results for the first quarter ending March 31, 2009. All financial information is expressed in Canadian (“CDN”) dollars and Canadian generally accepted accounting principles (“GAAP”).

“I am pleased to report revenues of \$7.1 million for the quarter ended March 31. Reflected in these results is a 21% increase in recurring revenues for the period compared to the same period in the prior year. This represents continued success in our goal of growing our base of maintenance, subscription and transaction based revenues that provide a more predictable and reliable revenue stream” said Vari Ghai, CEO and Chairman.

Highlights:

- ❖ The Company was awarded a major contract with New York City Transit Authority (“NYCT”) valued at approximately C\$700,000. As part of this contract StrataGen will provide further enhancements to its StrataGen Adept scheduling engine and new StrataGen modules. The modules, Site Tuner™ and Dispatch Alert™ will allow historic comparisons of previous dispatch schedules with new schedules to identify the optimal method of routing and scheduling the over 25,000 para-transit trips per day that the Authority schedules.
- ❖ The Company signed an important contract with the City of Helsinki to provide its Mobirouter™ demand response dispatch system. Mobirouter™ will support a new travel dispatch centre being established by the City of Helsinki to manage its para-transit services, and will enable the integration and management of overflow vehicles including those of private operators such as Helsinki Taxi, another DDS customer.
- ❖ The Company appointed Matt Scheuing to our senior management team as the President of StrataGen, our Transit Business Unit. Matt brings extensive leadership experience and a proven track record of growth and business development in the technology arena.

First Quarter

Revenues for the 3 months ended March 31, 2009 were \$7.1 million, an increase of \$0.1 million, or 1.5% over the same period in the prior year. The marginal increase over the same period in the prior year is due to increases in the recurring revenue base of the Taxi and e-Fleet Businesses, partially offset by declines in the North American Transit business as scheduled project delivery declined over the comparable period, and by lower sales of hardware. Revenue decreased by \$3.5 million or 33.3% from the previous quarter ending December 31, 2008, due to an decrease in the delivery and implementation of systems in the Taxi division and Transit divisions in the current quarter as there were several significant projects the Company delivered on in the prior quarter which did not reoccur in the current

quarter. The quarter ending December 31, 2008 (the Company's 4th quarter) is typically the Company's strongest quarter.

Gross margin for the quarter ended March 31, 2009 was \$3.1 million representing a decrease of 3.8% from \$3.2 million for the first quarter of 2008 and a 40% decrease from the \$5.1 million reported for the three months ended December 31, 2008. The change in gross margin from March 31, 2008 is primarily related to a cost overrun on a particular Transit project, which is not expected to repeat itself in future quarters. This also contributed to the decrease in gross margin compared to the three months ended December 31, 2008, as did a decrease in total revenue in relation to the quarter.

Operating expenses for the three months ended March 31, 2009 totaled \$3.8 million compared to \$3.5 million for the same period in 2008, and \$4.6 million for the three months ended December 31, 2008. The increase over the three months ended March 31, 2008 of \$0.3 million is attributed to additional bad debts expense incurred in the current quarter due to a general increase in provisions for doubtful accounts, and an increase in professional fees relating to the settlement of a previously disclosed legal action. The decrease in operating expenses from Q4 of 2008 is attributable to a decrease in bad debts expense of approximately \$0.6 million and a reduction in some discretionary sales related expenses in the current quarter.

Other expense for the three months ended March 31, 2009 increased to \$0.7 million from \$0.6 million in the same period in the prior year, and from \$35,000 in the three months ended December 31, 2008. The increase as compared to the same period in the prior year is primarily related to a decrease in foreign exchange gain recognized in the three months ended March 31, 2009 as compared to the same period in the prior year. In the previous quarter ended December 31, 2008 the foreign exchange gain was \$0.8 million which effectively offset amortization in the period and resulted in the other expense of only \$35,000.

Net loss after tax for the three months ended March 31, 2009 was \$(1.1) million or \$(0.08) loss per share ("LPS") compared with \$(0.6) million net loss after tax or \$(0.05) LPS for the same period in the prior year, and a net income of \$0.5 million or \$0.04 earnings per share in the prior quarter.

EBITDAS loss (defined as earnings (loss) before interest, tax, depreciation, amortization and stock compensation expense) was \$(0.5) million for the three months ended March 31, 2009 compared to a loss of approximately \$9,000 for the same period ended in the prior year, and a income of \$1.5 million for the previous quarter.

The Company has line of credit facilities totaling \$4.5 million. At March 31, 2009, the Company had no balance drawn on its credit facilities and \$0.7 million and cash. This compares to \$1.4 million drawn on its line of credit and a bank overdraft balance of \$0.1 million at December 31, 2008. The increase in the Company's cash and cash equivalents as at March 31, 2009 is mainly due to an increase in the collection of customer accounts receivables. As at the date of this release, the Company is not drawn on its line of credit.

As at March 31, 2009 and 2008 the Company had 13,789,746 shares outstanding.

Outlook

The Company is reaffirming its previously issued guidance of revenues in the \$35 million to \$36 million range and to have positive earnings before interest, stock compensation, taxes, foreign exchange, and amortization for the year ending December 31, 2009. Actual revenues may vary significantly from guidance given due to economic conditions, foreign exchange and other factors.

Conference Call

The Company will host a conference call at 5:00 PM EDT (2:00 PM PDT) on May 6, 2009, to discuss the financial results. Please call 416-340-2216 / 866-226-1792 to participate in the call. A replay of this conference call will be available until May 15, 2009, by dialing 416-695-5800 or 1-800-408-3053 and entering access code 5183367

Forward-Looking Statements

This press release contains statements which, to the extent that they are not recitations of historical fact, may constitute forward-looking information. Factors that could cause actual events or results to differ materially from those suggested by these forward-looking statements include, but are not limited to: the ability to successfully integrate Mobisoft Oy and StrataGen Systems Inc. the need to develop, integrate and deploy applications to meet our customer's requirements; the possibility of development or deployment difficulties or delays; the dependence on our customer's satisfaction with DDS Wireless' products; the timing of entering into significant contracts; our customers' continued commitment to the deployment of our solutions; the risks involved in developing integrated software and hardware solutions and integrating them with third-party communication and other services; the performance of the global economy and growth in software industry sales; market acceptance of the Company's products and services; customer and industry analyst perception of the Company and its technology vision and future prospects; the success of certain business combinations engaged in by the Company or by its competitors; political unrest or acts of war; possible disruptive effects of organizational or personnel changes; technological change, new products and standards; risks related to acquisitions and international expansion; reliance on large customers; concentration of sales; international operations and sales; management of growth and expansion; dependence upon key personnel and hiring; reliance on a limited number of suppliers; industry growth; competition; intellectual property; product defects and product liability; currency exchange rate risk; concentration of ownership; and including but not limited to other factors described in DDS Wireless' reports filed on Sedar, including its Annual Information Form and financial report for the year ended December 31, 2008. In drawing a conclusion or making a forecast or projection set out in the forward-looking information, the Company takes into account the following material factors and assumptions in addition to the above factors: the Company's ability to execute on its business plan; the acceptance of the Company's products and services by its customers; the timing of execution of outstanding or potential customer contracts by the Company; the sales opportunities available to the Company; the Company's subjective assessment of the likelihood of success of a sales lead or opportunity; the Company's historic ability to generate sales leads or opportunities; and that sales will be completed at or above the Company's estimated margins. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. All forward-looking statements made in this press release are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by the Company will be realized. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

About DDS Wireless International Inc.

DDS Wireless International Inc. is a global leader in providing application software for multiple vertical markets within the transportation industry. The Company specializes in transit routing and scheduling, real-time dispatching, vehicle location and tracking software applications, communications infrastructure as well as in-vehicle wireless devices. DDS Wireless operates four businesses dedicated for Transit, Taxi, Limousines and Work Truck, and Wireless Devices and Communication Infrastructure. The Company supports its customers worldwide through its offices in Canada, Finland, Singapore, Sweden, U.K. and U.S.A.

For further information, please contact

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SEE ATTACHED SUMMARY FINANCIAL STATEMENTS

DDS WIRELESS INTERNATIONAL INC.

Interim Consolidated Balance Sheets (unaudited)

	As at,	
	March 31, 2009	December 31, 2008
Assets		
Current assets:		
Cash	\$ 734,111	\$ -
Accounts receivable, net	3,651,856	6,943,023
Unbilled receivables	3,060,983	3,241,843
Income taxes receivable	85,789	86,491
Future income taxes	16,905	19,253
Inventories	2,617,054	2,165,696
Prepaid expenses	599,738	831,404
Current portion of leases receivable	536,817	501,484
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	11,303,253	13,789,194
Plant and equipment	3,585,240	3,938,256
Investment	102,565	102,565
Long-term leases receivable	1,881,281	1,926,872
Future income taxes	5,255,323	4,970,208
Acquired intangibles	8,779,852	9,407,286
Goodwill	3,670,760	3,533,201
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	34,578,274	37,667,582
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank overdraft	-	62,748
Lines of credit	-	1,401,431
Acquisition purchase price payable	763,243	763,243
Accounts payable and accrued liabilities	4,239,934	5,093,321
Future income taxes	525,972	695,336
Deferred revenue	2,311,496	1,883,984
Current portion of long-term debt	305,894	313,666
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	8,146,539	10,213,729
Long-term debt	320,569	287,187
Future income taxes	674,394	762,667
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	9,141,502	11,263,583
Shareholders' equity:		
Share capital	24,608,226	24,608,226
Contributed surplus	814,459	814,459
(Deficit) Retained earnings	(427,207)	628,936
Accumulated other comprehensive income (loss)	441,294	352,378
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	25,436,772	26,403,999
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	\$ 34,578,274	\$ 37,667,582
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DDS WIRELESS INTERNATIONAL INC.

Interim Consolidated Statements of Operations (unaudited)

	Three Months Ended March 31,	
	2009	2008
Revenue	\$ 7,106,507	\$ 7,001,000
Cost of sales		
Sales related expenses	3,825,965	3,702,031
Amortization of sales related assets	226,017	123,549
	3,054,525	3,175,420
Operations expenses:		
Research and development	1,426,847	1,270,447
Sales and marketing	935,971	938,303
General and administrative	1,471,492	1,277,841
	3,834,310	3,486,591
Loss before under noted	(779,785)	(311,171)
Other (income) expense:		
Amortization of plant and equipment	113,733	143,936
Amortization of acquired intangibles	657,236	633,000
Foreign exchange (gain) loss	(93,798)	(178,770)
Stock compensation	-	33,540
Other	8,996	(41,596)
	686,167	590,110
Loss before income taxes	(1,465,952)	(901,281)
Income tax provision (recovery)		
Current	25,240	328,233
Future (recovery)	(435,049)	(583,960)
	(409,809)	(255,727)
Net loss	\$ (1,056,143)	\$ (645,554)
Loss per common share		
Basic and Diluted	\$ (0.08)	\$ (0.05)
Weighted average number of shares outstanding	13,789,746	13,164,506

DDS WIRELESS INTERNATIONAL INC.

Interim Consolidated Statements of Comprehensive loss (unaudited)

	Three Months Ended March 31,	
	2009	2008
Net loss	\$ (1,056,143)	\$ (645,554)
Other Comprehensive Income		
Unrealized gain on translation of self-sustaining foreign operations, net of income taxes of \$nil	88,916	50,719
Comprehensive loss	\$ (967,227)	\$ (594,835)

Interim Consolidated Statements of Changes in (Deficit) Retained Earnings and Accumulated Other Comprehensive Income (loss) (unaudited)

	Three Months Ended March 31,	
	2009	2008
(Deficit) Retained Earnings		
Beginning of year	\$ 628,936	\$ 2,106,161
Net loss	(1,056,143)	(645,554)
	(427,207)	1,460,607
Accumulated Other Comprehensive Income (Loss) on translation of Self-sustaining Foreign Operations		
Beginning of year	352,378	(867,271)
Net unrealized gain on translation of self-sustaining foreign operations in the year net of income taxes of \$nil	88,916	50,719
	\$ 441,294	(816,552)
Total (Deficit) Retained Earnings and Accumulated Other Comprehensive Loss	\$ 14,087	\$ 644,055

DDS WIRELESS INTERNATIONAL INC.

Interim Consolidated Statements of Cash Flows (unaudited)

Three Months Ended March 31,

	2009	2008
Cash (used in) provided by:		
Operations:		
Net (loss)	\$ (1,056,143)	\$ (645,554)
Items not involving cash:		
Amortization of plant and equipment	339,750	267,485
Amortization of acquired intangibles	657,236	633,000
Future income taxes	(435,049)	(583,959)
Investment tax credits included in research and development	(152,195)	-
Unrealized foreign exchange gain	(13,660)	50,719
Amortization of gain on disposition property	-	(47,770)
Stock compensation	-	33,540
	(660,061)	(292,539)
Change in non-cash operating working capital	3,047,326	1,068,370
	2,387,265	775,831
Investing:		
Purchase of plant and equipment	(188,975)	(463,188)
Acquisitions, net of cash acquired	-	87,315
	(188,975)	(375,873)
Financing:		
(Payments) Drawings on long-term debt	-	136,853
Drawings on bank overdraft	(62,748)	-
Drawings on line of credit	(1,401,431)	(925,954)
	(1,464,179)	(789,101)
Increase (Decrease) in cash and cash equivalents	734,111	(389,143)
Cash and cash equivalents, beginning of year	-	1,075,203
Cash and cash equivalents, end of year	\$ 734,111	\$ 686,060