



PRESS RELEASE

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FOR IMMEDIATE RELEASE
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Digital Dispatch Reports 2007 Q1 Operating Results

Richmond, BC, April 23, 2007 – Digital Dispatch Systems Inc. (TSX: DD), a leading provider of mobile data solutions, today released unaudited financial results for the first quarter ended March 31, 2007. All financial information is expressed in Canadian dollars and in accordance with Canadian generally accepted accounting principles (“GAAP”).

Total revenues for the three months ended March 31, 2007 were \$3.9 million compared with total revenues of \$6.1 million in the three months ended December 31, 2006 and \$6.0 million for the same period in the prior year. The Company experienced overall gross margin of 52% for the three months ended March 31, 2007 compared with a gross margin of 49% and 53% for the three months ended December 31, 2006 and March 31, 2006, respectively. Total operating expenses were \$2.5 million for the three months ended March 31, 2007 compared with \$2.8 million for the three months ended December 31, 2006 and \$2.5 million in the same period of the prior year. For the three months ended March 31, 2007, the Company reported a net loss of \$574,000 or (\$0.05) per share compared to net income of \$1.2 million or \$0.10 per share and net income of \$475,000 or \$0.04 per share for the three months ended December 31, 2006 and March 31, 2006, respectively.

The Company had \$10.9 million in cash and 11,863,201 shares outstanding as at March 31, 2007. The Company’s guidance provided for revenues for its 2007 fiscal year of \$26 million remains unchanged at this time.

“While we are disappointed that revenues for the first quarter of 2007 were lower than the same period in the prior year due to the timing of execution of potential customer contracts in conjunction with lower sales experienced during the period, we remain excited about our future prospects for the remainder of 2007. Our new business initiatives including the eFleet application service provider (“ASP”) offering and the recent addition of our new seasoned management team members are expected to drive future growth for 2007 and beyond,” stated Vari Ghai, CEO and President. “We also continue to pursue acquisition opportunities which are expected to also drive incremental future shareholder value.”

Quarterly Highlights

- Announced additional sales for mobile data terminals, computers and related services of approximately \$1.6 million to the Company’s existing customers, MinuteMen of New York and a customer located in Australia.
- The appointments of several new members to its Executive Team:
 - **George Lipski** as Vice President of Research and Development responsible for the Company’s product life cycle and a leader in the Company’s strategy with over 20 years of

experience in the high technology/telecommunications industry. Prior to joining, Mr. Lipski was President of Starvision Multimedia Corporation.

- **Cliff Snelling** as Vice President of Marketing and Product Management overseeing the Company's marketing, product management and business development activities. Mr. Snelling has over 25 years of experience in the wireless data and telecommunications industry and most recently served as the President of SmarTalk Technologies.
- **Raymond Fast** as President of the ASP division of Digital Dispatch overseeing the ASP solutions for dispatch fleet management systems in the taxi, limousine and work truck markets. Mr. Fast has over 24 years experience in engineering, business development and business operations, previously founding Guardian Mobile Monitoring Systems Inc.
- **Ken Piaggio** as Vice President of International Operations overseeing the worldwide customer service and IT organization for Digital Dispatch. Mr. Piaggio previously worked with TIR Systems Ltd. where his roles included VP of Operations, VP of Service Delivery and Director of BP Business Group. Mr. Piaggio also worked with NICE Systems where he held the positions of VP of the Customer Support Centre - The Americas and Director of IT, North America.

For a more detailed analysis, please refer to Management's Discussion and Analysis of Financial Conditions and Results of Operations, which is available on the Company website (www.digital-dispatch.com) and on SEDAR.

Conference Call

The Company will host a conference call at 5:00 PM EST on Wednesday, April 25, 2007 to discuss the financial results. Please call 416-695-9712 or 1-800-769-8320 to participate in the call. A replay of this conference call will be available until Wednesday, May 2, 2007 by dialing 416-695-5275 or 1-888-509-0081 and entering access code 643736.

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. Such forward-looking statements may include financial and other projections as well as statements regarding the Company's future plans, market opportunities, objectives, performance, revenues, growth, profits, operating expenses or the Company's underlying assumptions. 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 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 Digital Dispatch Systems' 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 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 Digital Dispatch Systems' reports filed on Sedar, including its Annual Information Form and financial report for the year ended December 31, 2006. 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.

The Toronto Stock Exchange has neither approved nor disapproved the contents of this press release.

About Digital Dispatch Systems Inc.

Digital Dispatch Systems Inc. is a worldwide provider of mobile data solutions for fleet and mobile workforce management. Founded in 1987, we have an installed base of 75,000 wireless mobile data devices and nearly 200 wireless data systems in four continents. We offer products and services to manage vehicle fleets and mobile workforces, including dispatch software, wireless communication infrastructure and a range of in-vehicle mobile devices.

Visit www.digital-dispatch.com for more information.

For further information, please contact

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SEE ATTACHED FINANCIAL STATEMENTS

DIGITAL DISPATCH SYSTEMS INC.

Consolidated Balance Sheets

	March 31, 2007 (Unaudited)	December 31, 2006 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,224,387	\$ 6,712,786
Short-term investments	4,646,588	4,381,016
Accounts receivable	6,956,359	7,627,088
Income taxes receivable	844,748	777,629
Future income taxes	80,636	81,087
Inventories	3,989,113	3,465,262
Prepaid expenses	318,200	387,893
Current portion of leases receivable	899,555	968,708
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	23,959,586	24,401,469
Plant and equipment	621,747	491,180
Long-term leases receivable	1,732,155	1,940,441
Future income taxes	2,271,175	1,903,985
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	\$ 28,584,663	\$ 28,737,075
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,476,071	\$ 2,604,899
Future income taxes	596,699	521,900
Deferred revenue	1,010,353	562,296
Deferred gain	191,076	191,076
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	4,274,199	3,880,171
Long-term portion of deferred gain	95,539	143,308
Shareholders' equity:		
Share capital	19,764,711	19,764,711
Contributed surplus	453,069	378,069
Retained earnings	4,893,759	5,467,430
Cumulative translation adjustments	(896,614)	(896,614)
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	24,214,925	24,713,596
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	\$ 28,584,663	\$ 28,737,075

DIGITAL DISPATCH SYSTEMS INC.

Consolidated Statements of Operations and Retained Earnings
Three months ended March 31, 2007 and 2006

	2007 (Unaudited)	2006 (Unaudited)
Revenue	\$ 3,855,690	\$ 6,006,293
Cost of sales	1,861,068	2,830,600
	1,994,622	3,175,693
Operating expenses:		
Research and development	959,752	1,028,915
Sales and marketing	910,873	669,000
General and administrative	677,562	827,384
	2,548,187	2,525,299
Earnings before under noted	(553,565)	650,394
Other (income) expense:		
Amortization of plant and equipment	69,490	80,797
Foreign exchange	132,622	(94,289)
Stock compensation	75,000	38,276
Other	(47,176)	(47,769)
	229,936	(22,985)
Earnings before income taxes	(783,501)	673,379
Income taxes:		
Current	(218,657)	137,558
Future	8,827	61,156
	(209,830)	198,714
Net earnings (loss)	(573,671)	474,665
Retained earnings, beginning of period	5,467,430	11,614,206
Stock repurchase	-	(86,618)
Retained earnings, end of period	\$ 4,893,759	\$ 12,002,253
Earnings per common share:		
Basic	\$ (0.05)	\$ 0.04
Diluted	(0.05)	0.04

DIGITAL DISPATCH SYSTEMS INC.

Consolidated Statements of Cash Flows
Three months ended March 31, 2007 and 2006

	2007 (Unaudited)	2006 (Unaudited)
Cash provided by (used in):		
Operations:		
Net earnings (loss)	\$ (573,671)	\$ 474,665
Items not involving cash:		
Amortization of plant and equipment	69,490	80,797
Future income taxes	8,827	61,156
Amortization of gain on disposition of property	(47,769)	(47,769)
Stock compensation	75,000	38,276
	<u>(468,123)</u>	<u>607,125</u>
Change in non-cash operating working capital	167,914	1,406,728
	<u>(300,209)</u>	<u>2,013,853</u>
Investments:		
Decrease in short-term investment	(265,572)	(234,835)
Purchase of capital assets	(200,057)	(98,305)
Repayments on lease receivables	277,439	190,391
	<u>(188,190)</u>	<u>(142,749)</u>
Financing:		
Repurchase of share capital	-	(177,749)
	-	<u>(177,749)</u>
Effect of foreign currency exchange rates on cash and cash equivalents	-	41,757
Increase (decrease) in cash and cash equivalents	(488,399)	1,735,112
Cash and cash equivalents, beginning of period	6,712,786	6,770,989
Cash and cash equivalents, end of period	<u>\$ 6,224,387</u>	<u>\$ 8,506,101</u>