

Financial Statements  
(Unaudited)

# **DATACOM WIRELESS CORPORATION**

Three-month periods ended March 31, 2009 and 2008

# CORPORATION DATACOM WIRELESS

Financial Statements  
(Unaudited)

Three-month periods ended March 31, 2009 and 2008

## Financial Statements

Balance Sheets.....	1
Statements of Operations and Comprehensive Loss .....	2
Statements of Deficit.....	3
Statements of Cash Flows .....	4
Notes to Financial Statements.....	5

# CORPORATION DATACOM WIRELESS

Balance Sheets  
(Unaudited)

March 31, 2009 and December 31, 2008

---

	March 31, 2009	December 31, 2008
	(Unaudited)	(Audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,202,165	\$ 2,406,238
Accounts receivable	731,576	1,307,002
Research and development credits receivable	172,742	986,072
Current portion of net investment in sales-type lease	251,797	226,748
Inventories	528,214	541,092
Prepaid expenses and deposits	160,075	114,260
	5,046,569	5,581,412
Net investment in sales-type lease	313,290	254,086
Fixed assets	182,231	211,334
Intangible assets	51,800	59,200
	\$ 5,593,890	\$ 6,106,032
<hr/>		
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued charges	\$ 1,605,273	\$ 1,695,776
Deferred revenue	282,502	386,083
Current portion of obligations under capital leases	6,104	13,716
Current portion of long-term debt	21,932	42,623
	1,915,811	2,138,198
Long-term debt	61,055	61,055
Shareholders equity		
Share capital (note 3)	31,350,346	31,350,346
Warrants	2,111,111	2,111,111
Contributed surplus	166,397	153,997
Deficit	(30,010,830)	(29,708,675)
	3,617,024	3,906,779
	\$ 5,593,890	\$ 6,106,032

---

See accompanying notes to unaudited financial statements.

On behalf of the Board:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

# CORPORATION DATACOM WIRELESS

Statements of Operations and Comprehensive Loss  
(Unaudited)

Three- month periods ended March 31, 2009 and 2008

	Three-month ended March 31	
	2009	2008
Revenues	\$ 1,731,896	\$ 2,201,186
Cost of sales	876,320	1,251,647
Gross margin	855,576	949,539
Expenses:		
General and administration	455,297	867,826
Sales and marketing	326,089	647,668
Operation	125,946	238,819
Research and development	194,319	318,183
Research and development tax credits	(12,132)	(45,000)
Depreciation and amortization	35,303	35,584
Financial expenses (revenues)	13,109	(48,246)
Stock-based compensation	12,400	6,300
Amortization of intangible assets	7,400	33,600
	1,157,731	2,054,734
Net loss and comprehensive loss	\$ (302,155)	\$ (1,105,195)
Loss per share Basic and diluted (Note 3)	\$ (0.01)	\$ (0.04)

See accompanying notes to unaudited financial statements.

# CORPORATION DATACOM WIRELESS

Statements of Deficit  
(Unaudited)

Three-month periods ended March 31, 2009 and 2008

---

	Three-month ended March 31	
	2009	2008
Deficit, beginning of period	\$ 29,708,675	\$ 26,495,854
Net loss	302,155	1,105,195
Deficit, end or period	\$ 30,010,830	\$ 27,601,049

---

See accompanying notes to unaudited financial statements.

# CORPORATION DATACOM WIRELESS

## Statements of Cash Flows (Unaudited)

Three-month periods ended March 31, 2009 with comparative figures for 2008

	Three-month ended March 31,	
	2009	2008
Cash flows from operating activities:		
Net Loss	\$ (302,155)	\$ (1,105,195)
Adjustments for:		
Amortization of fixed assets	35,303	35,584
Amortization of intangible assets	7,400	33,600
Stock-based compensation	12,400	6,300
Capitalized interest on long-term debt	3,952	-
Net change in non-cash working capital	1,077,482	(484,439)
	834,382	(1,514,150)
Cash flows from financing activities:		
Repayment of long-term debt	(24,643)	-
Repayment of obligation under capital leases	(7,612)	(9,341)
	(32,255)	(9,341)
Cash flows from investing activities:		
Addition to fixed assets	(6,200)	(10,509)
	(6,200)	(10,509)
Net increase (decrease) in cash and cash equivalents	795,927	(1,534,000)
Cash and cash equivalents, beginning of period	2,406,238	6,120,533
Cash and cash equivalents, end of period	\$ 3,202,165	\$ 4,586,533

See accompanying notes to unaudited financial statements.

# CORPORATION DATACOM WIRELESS

Notes to Financial Statements, Continued  
(Unaudited)

Three -month periods ended March 31, 2009 and 2008

---

Datacom Wireless Corporation (the "Company") was incorporated under the Canada Business Corporations Act. The Company is a telematic service provider that supplies strategic-data acquisition, transmission, organization, distribution and integration services for various business sectors, especially in the sectors of transportation, industrial inventory management and public utility services.

## 1. Basis of presentation:

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the most recent audited annual consolidated financial statements, except for new accounting policies that have been adopted effective January 1, 2009. These unaudited interim financial statements do not include all information and note disclosures required by Canadian generally accepted accounting principles for annual financial statements, and, therefore, should be read in conjunction with the December 31, 2008 audited financial statements and the notes thereto.

## 2. Changes in accounting policies:

The Company adopted the following new sections of the Canadian Institute of Chartered Accountants ("CICA") Handbook, which were effective on January 1, 2009:

In February 2008, the CICA released Handbook Section 3064, *Goodwill and Intangible Assets*, and amended Section 1000, *Financial Statement Concepts*, clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Items that no longer meet the definition of an asset are no longer recognized with assets. The adoption of the new recommendations had no impact on the Company financial statements.

In January 2009, the CICA's Emerging Issue Committee ("EIC) issued Abstract EIC-173, *Credit risk and the Fair Value of Financial Assets and Liabilities*, which requires entities to take both counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The adoption of the new recommendations had no impact on the Company's financial statements.

# CORPORATION DATACOM WIRELESS

Notes to Financial Statements, Continued  
(Unaudited)

### 3. Share capital:

(a) The authorized share capital of the Corporation is as follows:

Unlimited number of common shares with no par value

	March 31, 2009	December 31, 2008
27,951,221 common shares	\$ 31,350,346	\$ 31,350,346

The Corporation has established a stock option plan to provide long-term incentives to attract, motivate and retain its employees, directors, officers and consultants. The stock option plan was put in place in 2005 to replace prior plan and has been amended and restated in April 2007 to conform to applicable securities rules and practices for public companies.

Pursuant to the Stock Option Plan, the Board of Directors may allocate non-transferable options to acquire common shares to directors, officers, employees and consultants of the Corporation. Options granted pursuant to the Stock Option Plan vest over a three-year period and are for a maximum term of 10 years, subject to earlier termination in certain events. Options granted pursuant to the Stock Option Plan after the closing of the Offering will not be lower than the closing price of the common shares on the TSX Venture Exchange on the trading day prior to the date of grant.

The Board of Directors may determine, in accordance with the terms of the stock option plan, the terms relating to each option, including the number of shares subject to each option, exercise price and expiration date of each option and the extent to which each option is exercisable during the term of the option.

The following table summarizes the stock option activity as at March 31, 2009:

	Number	Weighted average exercise price
Balance, beginning of period	1,068,791	\$ 0.4765
Options granted		
Options cancelled		
Balance, ending period	1,068,791	\$ 0.4765

# CORPORATION DATACOM WIRELESS

Notes to Financial Statements, Continued  
(Unaudited)

### 3. Share capital (continued):

#### (b) Stock options (continued):

The following table summarizes the stock option outstanding and exercisable as at March 31, 2009:

		Options outstanding		Options currently exercisable	
Weighted average exercise price	Number	Weighted average remaining years	Weighted average exercise price	Number	
\$ 0.4765	1,068,791	8.4	\$ 0.7900	442,778	

#### (c) Loss per share

	Three-month period ended March 31	
	2009	2008
Net loss	\$ (302,155)	\$ (1,105,195)
Weighted average number of diluted common shares outstanding	27,951,221	27,995,151
Basic and diluted <sup>(1)</sup> loss per share	\$ (0.01)	\$ (0.04)

<sup>1)</sup> The diluted loss per share is the same as the basic loss per share as the dilutive effects of stock options and warrants would result in a decrease in the loss per share.

# CORPORATION DATACOM WIRELESS

Notes to Financial Statements, Continued  
(Unaudited)

---

## 4. Restructuring provision :

The following table provides the reconciliation components of the restructuring provision as of March 31, 2009

---

	Severance and other labour related costs	Other costs	Total
Opening balance	\$ 32,692	\$ 210,738	\$ 243,430
Additions	-	-	-
Payments	(23,846)	(172,931)	(196,777)
Ending Balance	\$ 8,846	\$ 37,807	\$ 46,653