

**BSM Technologies Inc.**

5875 Hwy 7,  
Suite 200,  
Woodbridge,  
Ontario

Tel: 905.265.1200  
Fax: 905.265.1288

**Email:**  
ir@bsmwireless.com

**Website:**  
www.bsmtechnologies.com

**Symbol:**  
GPS (TSX-V)

**BSM Technologies Reports First Quarter 2009 Revenues of \$2.47 Million and first positive EBITDA of \$ 106,086;**

**Woodbridge, Ontario, CANADA, February 11, 2009** - BSM Technologies Inc, (BSM)(GPS: TSX-V) (<http://www.bsmtechnologies.com>) a leading provider of high security vehicle tracking and surveillance solutions today announced that revenues for the three months ended December 31, 2008 were \$ 2,467,714.

**Noteworthy Highlights for the three months ended December 31, 2008**

- EBITDA (Income before interest, taxes, depreciation and amortization of intangible assets) of \$ 106,086, as compared to net loss before interest, taxes, depreciation and amortization of intangible assets of \$ 843,510 for the three months ended December 31, 2007.
- Revenue increased by \$ 390,306 or 19% to \$ 2,467,714 from \$ 2,077,408 for three months ended December 31, 2007.
- Gross profits increased by \$ 243,132 to \$1,236,118 or 50% of the revenue from \$992,986 or 48% of the revenue for the three months ended December 31, 2007.
- The expenditure to revenue ratio decreased to 47% for the three months ended December 31, 2008 from 90% for the three months ended December 31, 2007.

"BSM's is pleased to announce its first positive EBITDA in its history. Excluding one-time legal and restructuring costs, the cash generated by the Company's consolidated operations, before interest, was approximately \$162,000. This significant progress is a function of our Management team addressing both our cost base and sales and marketing infrastructure. Key risk factors have been addressed and I believe BSM is well positioned for growth going forward." commented Mr. Aly Rahemtulla, President and CEO of BSM.

**Results of operations**Revenue

Revenue for the three months ended December 31, 2008 increased by \$ 390,306 or 19% to \$ 2,467,714 from \$ 2,077,408 for the three months ended December 31, 2007. Increase in revenue is attributed to increased hardware and services revenue. Recurring service revenue for the three months ended December 31, 2008 increased by \$ 286,721 or 32% to \$ 1,191,484 from \$ 904,763 for the three months ended December 31, 2007. The increase in services revenue is

attributable to (i) the growth in the installed base of subscribers to the company's Sentinel services, and (ii) additional billable service features such as data bus integration. Non recurring hardware and software revenue for the three months ended December 31, 2008 increased by \$103,585 to \$1,276,230 from \$

1,172,645 for the three months ended December 31, 2007. Increase in non recurring hardware and software revenue is attributed to higher hardware activations and software sales in North America.

#### Gross Profit

The gross profit for the three months ended December 31, 2008 increased by \$ 243,132 to \$1,236,118 or 50% of the revenue from \$992,986 or 48% of the revenue for the three months ended December 31, 2007. The increase in quarterly total gross profit was primarily due to an increase in higher gross profit margin services revenue, a result of the growth of the services subscriber base and introduction of additional billable service features such as our new data bus integration offering. Gross profit margin for the three months ended December 31, 2008 was 50%, representing an increase over the reported gross profit margin of 48% for the three months ended December 31, 2007. The increase in total gross profit margins was due primarily to (i) reduction in cost of the hardware devices, and (ii) increased sales mix of higher gross profit margin services revenue.

#### Operating expenses

The expenditure to revenue ratio decreased to 47% for the three months ended December 31, 2008 from 90% for the three months ended December 31, 2007. The quarter over quarter decrease in operating expenses before interest expense and amortization of intangible assets was due to reduced legal and overall operating expenses, resulting from a series of cost cutting initiatives undertaken in the last quarter to align the Company's cost base to its expected revenue stream

#### EBITDA

EBITDA (Income before interest, taxes, depreciation and amortization of intangible assets) of \$ 106,086, as compared to net loss before interest, taxes, depreciation and amortization of intangible assets of \$ 843,510 for the three months ended December 31, 2007.

#### Income/loss from operations

Net loss for the for the three months ended December 31, 2008 , was \$327,794 or \$0.004 per share on a diluted basis compared with a net loss of \$1,016,092 or \$0.01 per share on a diluted basis for the for the three months ended December 31, 2007.

#### Liquidity and capital resources

The Company used \$111,007 to finance operating activities during the three months ended December 31, 2008, including \$23,076 in operating losses and an increase of \$ 87,931 in non cash operating working capital. This compares with cash used in the three months ended December 31, 2007 of \$ 190,881 - \$915,936 to finance operating losses offset by a decrease of \$722,017 in non cash operating working capital.

At December 31, 2008, the working capital deficiency was \$ 322,291 (December 31, 2007- \$ 1,613,030). Working Capital has been calculated by netting current assets and current liabilities, and excluding deferred revenue which is a non cash item. Working capital as at December 31, 2008 increased by \$ 1,290,739, as compared to the prior period. The primary cause of the working capital increase was new equity and debenture financing received in fiscal 2008, offset by operating losses incurred.

The Company's consolidated financial statements, accompanying notes and Management's Discussion and Analysis will be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") website ([www.sedar.com](http://www.sedar.com)) on or before February 12, 2009.

This press release is available on the Company's official website at <http://www.bsmtechnologies.com>. Alternatively, investors are able to e-mail their questions to [ir@bsmwireless.com](mailto:ir@bsmwireless.com) where they can also request addition to the BSM investor e-mail list.

### **About BSM Technologies**

BSM Technologies designs, manufactures and markets a comprehensive line of AVSL ("Automatic Vehicle Security and Tracking") solutions for Commercial and Government Fleet Management, including Law Enforcement, through its subsidiary BSM Wireless. The BSM line of products range from Fleet Management and Consumer Vehicle Protection offerings to the full featured *Stinger* product line. Featured in news media worldwide, BSM's *Stinger* product is the key technology behind the Bait and Covert applications used by hundreds of Law Enforcement agencies to deter vehicular, trailer and heavy equipment theft.

Superior functionality, seamless switching between multiple communication networks, enhanced reliability, advanced security features, and excellent value characterize BSM products. By incorporating advanced wireless locating and mapping technology, and IP-based communications protocols, the BSM line of products provides sophisticated real-time monitoring and control of commercial and personal vehicle assets to meet the demanding needs and stringent requirements of today's mobile environments.

### **About SecTrack**

SecTrack is a European-based satellite telematics distribution company, selling Inmarsat D+ and IsatM2M transceivers and airtime subscription to value added resellers throughout Europe, Asia, Africa, Central and South America. It has a network of more than 220 value-added resellers in over 38 countries servicing a multitude of maritime and land based sectors including nuclear transport monitoring, mining, security tracking of trucks, trailers and other vehicles and tracking of airplanes and rescue helicopters.

For more information please visit  
<http://www.sectrack.be>

### **About Netistix Technologies**

Incorporated in 2002, Netistix Technologies Corporation is head quartered in Woodbridge, Canada and has developed *FleetPulse*, a comprehensive and customizable wireless fleet management system leveraging direct connection to vehicle diagnostic systems, and communicating via cellular or Wi-Fi communication networks. The *FleetPulse* Wireless Fleet Management System delivers actionable information that reduces fleet operation and environmental costs, improves productivity and increases safety.

For more information, please visit  
<http://www.netistix.com>

### **Non-GAAP Measures**

EBITDA is not a recognized measure of financial performance under GAAP. BSM calculates EBITDA as the operating profit before interest, taxes, depreciation and amortization of intangible assets. BSM's method of calculating EBITDA may differ from other companies and accordingly, may not be comparable to measures used by other companies.

## **Company Contact**

Mr. Aly Rahemtulla  
President and CEO  
BSM Technologies Inc.  
1 (905) 265 1200  
[ir@bsmwireless.com](mailto:ir@bsmwireless.com)  
[www.bsmwireless.com](http://www.bsmwireless.com)

*Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. Factors that might cause a difference include, but are not limited to, market acceptance of principal products, the impact of competitive products and technologies, the possibility of products infringing patents and other intellectual property of fourth parties, and costs of product development.*

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

*No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release may include certain "forward-looking statements" that involve risks and uncertainties. Actual results may differ materially from results indicated in any forward-looking statements. The company cautions that, among other things, in view of the rapid changes in communications markets and technologies, and other risks including the cost and market acceptance of the company's new products, the level of individual customer procurements and competitive product offerings and pricing, and general economic circumstances, the company's business prospects may be materially different from forward-looking statements made by the company*