REQUEST FOR PROPOSAL

FOR AN

AUTOMATED VEHICLE LOCATOR (AVL) AND INTELLIGENT TRANSPORTATION SYSTEM (ITS)

FOR THE

CITY OF ROCHESTER

DEPARTMENT OF ENVIRONMENTAL SERVICES FLEET

SUBMISSION BY:

INTERFLEET INC.
1685 H STREET # 1195
BLAINE, WA 98230

webtech wireless | InterFleet | nextbus | Quadrant | TELEMATICS FOR THE PLANET

InterFleet Inc.
1685 H Street # 1195
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www.webtechwireless.com

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August 3rd, 2012

City of Rochester
Information Technology
Public Safety Building
185 Exchange Blvd., Suite 530
Rochester, New York 14614

Re: RFP for an AVL and ITS for the City of Rochester

InterFleet Inc. is pleased to submit a response to the City of Rochester's Request for Proposal for an Automated Vehicle Locator (AVL) and Intelligent Transportation System (ITS) for the Department of Environmental Services Fleet.

InterFleet is a subsidiary of WebTech Wireless Inc., a publicly-held company (TSX:WEW) headquartered in Vancouver, British Columbia, one of Canada's most vibrant high-tech centers. Founded in 1999, WebTech Wireless has rapidly grown into a Telematics Market Leader, with more than 1,000 customers worldwide in over 40 countries, and over 350,000 vehicle installations. As a profitable, financially secure, and growing company, WebTech also employs over 200 individuals across the globe.

The company's 13 years of success are built on providing customers with complete end-to-end solutions; covering Training and Support to Installation and Integration Services. The demonstrated history of evolution with client requirements and changing technology provides the City of Rochester with assurance that the solutions proposed can address issues faced not only today but in the future. The success of this philosophy within the public sector market for GPS/AVL is proven through the extensive list of state and local government clients InterFleet Inc. services.

We are happy to respond to any clarification requests and if a demonstration of the proposed features and functionality is desired, we would also be happy to assist you.

All information contained in the proposal submission is factually true and accurately meets the response criteria of all RFP sections.

We look forward to your reply.

Regards,

Chris Jackson
V.P. of Operations and Project Management
InterFleet Inc.

Contact Pertaining to Inquires for this RFP:
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Offices

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NextBus Office
5900 Hollis Street, Suite X
Emeryville, CA
USA 94608
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Fax +1 (510) 521 1446

Key Personnel

All departments within InterFleet wireless play a part in the implementation of a fleet, starting with the definition of scope and submission of an order with the Account Manager and Project Manager, the review by a Solution Engineer, submission to Order Desk, assembly by Production, web site setup by Support Desk, installations by Field Services, and ongoing customer support by the Account Manager and the Support Desk.

The resumes below detail key personnel that oversee these departments and the personnel who will connect with the City of Rochester during the implementation.

Please note that contractors will be used for installations, which are to be determined upon contract award and vehicle installation schedule provided.

Chris Jackson — **V.P. Operations & Project Management**

Type of Degree/Diploma	Major	Year	College/University
Honors Bachelor of Science	Geology and Geography	1999	Queens University
Diploma	GIS Applications Specialist	2000	Fleming College

Experience Summary

- ✓ Oversees Project Management and Solution Engineering teams at InterFleet
- ✓ Government Division Business Lead
- ✓ Responsible for interfacing sales, manufacturing, and development on client projects
- ✓ Product Engineering
- ✓ Lead for advanced Geographical Information Systems (GIS) development
- ✓ Maintaining internal production and development operations
- ✓ Acting as product development liaison between development and sales teams
- ✓ Provide high-level technical support on InterFleet® functionality
- ✓ Complete pre-implementation studies to assess customized software and/or hardware requirements
- ✓ Coordinate advanced product delivery schedules

Professional Experience

InterFleet Inc.………………………………….. 2004 – Present
Vice President of Operations and Project Management, Toronto, ON

Responsible for interfacing sales, manufacturing, and development on client projects as well as maintaining internal production and development operations. Position incorporates responsibilities, as listed above.

Senior Project Manager, Toronto, ON

Main role to lead development projects being incorporated as standard InterFleet® functionality. Acted as the lead for GIS development.

407 ETR Concession Company Limited………………………………..………..…………. 2000 – 2004
Highway Engineering Analyst

Managed technical services and intelligent transportation systems implemented by the Highway Operations department, provided analysis on highway operational control processes and activities for efficiency and effectiveness improvements, administrated, supervised, and coordinated corridor control approvals. Also prepared, negotiated, and administrated highway operations service contracts, reviewed and prepared service contract tenders, prepared cost estimates related to O&M requirements. Furthermore, coordinated the implementation of new winter maintenance control systems, including best management practices, and was responsible for designing and maintaining a highway facility Asset Management System and managed the integration of operational maintenance activities into the GIS

InterFleet Project Experience

Description of Project
GO Transit, Project Manager Implementation of the InterFleet® Automated Vehicle Location System to track and manage GO Transit's 300 unit bus fleet. Development of an Automated Alerts Feature for off route violations. InterFleet implemented 15 meter geo-fence around the 403/407 corridor and other arterial roads where the GO Transit double deck buses travel. An on-board driver notification device sends a message to the driver giving a warning/instructions on how to proceed.
Long Island Rail Road, Project Manager Implementation of a Automated Vehicle Location solution to track and a fleet of 550 service vehicles. InterFleet installed a hosted InterFleet® solution onsite at the Long Island Rail Road Data Centre.
Illinois State Tollway, Project Manager Implementation of the InterFleet® solution to track and manage its fleet of 378 service vehicles. The project showcases InterFleet's industry-proven winter road maintenance applications as well as track the Tollway's Highway Helper vehicles and 26 portable changeable message sign (PCMS) trailers. Specifically, the system provides cumulative and real-time salt application information as well as air and road temperature information on snow plows. This feature helps to optimize snow removal operations as well as offer improved real-time customer service. The Highway Helper and PCMS applications assist in dispatching, incident resolution and increasing the safety of the Tollway.
Alberta Transportation, Project Manager Implementation of the InterFleet® automatic vehicle location system (AVL). The system was recognized in the 2007 Ministers Award of Excellence for Transportation Innovation and helps track and manage approximately 650 contracted winter road maintenance vehicles in the province of Alberta. Among the project's major innovations is the integration of the space, time and vehicle operations data with billings systems and processes to generate automated snow-plow worksheets for contracted winter road activities.

Elizabeth Nicoll — Manager, PMO

Type of Degree/Diploma	Major	Year	College/University
Bachelor of Science	Biology, Science and Geography	1994	University of Toronto

Experience Summary

- ✓ 13 years of project management experience.
- ✓ Management of Project Managers and Project Coordinators.
- ✓ Extensive knowledge of operations and process management.
- ✓ Creation of a Project Management Office.
- ✓ Management of numerous projects with varied scopes.

Professional Experience

InterFleet Inc. ……………………………….. 2011 – Present
Manager, PMO, Toronto, ON

Responsible for the management of project management staff, creation of an InterFleet PMO, project manager on various implementations.

WebTech Wireless Inc. ……………………….. 2008 – 2011
Project Manager, Toronto, ON

Facilitate cross functional meetings with stakeholders, define and document project scope, development of all project documentation, risk identification and development of mitigation strategies, manage conflict resolution, assess opportunities for process improvements.

Rogers Communications…………………………………………………..…………..…………. 2008 – 2009
Project Manager, Toronto, ON

Bell Mobility…………………………………………………………………..…………..…………. 1995 – 2008
Project Manager, Toronto, ON

InterFleet/WebTech Project Experience

Description of Project
Kitchener-Waterloo, Project Manager Facilitated a 6 month pilot involving 5 agencies.
AT&T Blue SIM Migration, Project Manager Developed and executed a project plan with AT&T to migrate the existing customer base to a new cellular platform. Approx. 3,000 units impacted.
City of Chicago, Project Manager Developed and executed a project plan to convert City of Chicago from an ASP model to an Enterprise solution.
Hino USA, Project Manager Designed a telematics program for Hino USA. Involved process design, form creation, and various methods of tracking implementations.
ARI Canada, Project Manager Designed a telematics program for ARI Canada. Developed processes and unique billing requirements.

Charlotte Harila — Senior Account Manager, Government Sales

Type of Degree/Diploma	Major	Year	College/University
Honors Bachelor Degree	International Relations	2007	University of Toronto

Experience Summary

- ✓ Over 3 years of professional experience implementing and managing GPS/AVL implementations for Government customers, including fleets such as Public Works, Waste, and Emergency Services.
- ✓ Experience quarterbacking proposals and competitive bids in both Government and Commercial markets
- ✓ Understanding of wireless, data, and telecommunication services
- ✓ Extensive experience managing multiple implementations and multi-year pilots.
- ✓ Proficient in SalesForce CRM, HEAT, Syspro, SLX CRM, and Office Suite, including Publisher

Professional Experience

InterFleet Inc. ……………………………………..…………………………………...…. 2007 – Present
Senior Account Manager, Toronto ON

Regional Business Manager for Western Canada (British Columbia and Alberta) and Western U.S. (Washington, Oregon, California, Nevada, and Arizona), covering key accounts such as Los Angeles County, Alberta Highways, City and County of San Francisco, Maricopa County, Clark County, etc. Key accounts managed outside territory include the City of Buffalo and Metrolinx Corporation. Continued responsibilities as Member of Exhibiting Team, Project Manager on InterFleet implementations within territory, as well as Lead Proposal Writer on Canadian and U.S. competitive proposals.

Account Manager, Toronto ON

Regional Business Manager for Ontario and select U.S. States (Arizona, California, Eastern New York) covering 120+ provincial and local government accounts ranging from Emergency Services and Transit to Public Works. Was Lead Proposal Writer on 62 Canadian and U.S. competitive proposals, comprising of 70% of the company’s tender responses between 2008 and 2011, and successfully obtaining short-list presentations on 19 of them. Was acting Project Manager on all implementations for new accounts within assigned regions in addition to new accounts obtained from responses to competitive bids, leading to on average of 4 to 5 concurrent projects at any time. Other responsibilities included attending trade shows and conferences throughout the U.S. and Canada as part of the Exhibiting Team, leading Training Sessions for customers, etc.

Inside Sales Representative, Toronto ON

Supported sales and marketing efforts for emerging accounts and new opportunities as well as following up on business to business leads from trade shows and conferences via cold calls and web demos. Also created marketing materials for new hardware and software releases including slip sheets, hardware specification documents, and training materials.

Admiral Travel ………………………………………………………………….……….... 2003 – 2007
Sales Coordinator, Lima, Peru

Admiral Travel S.A. is one of the thirty International Air Transport Association (IATA) accredited agencies in Peru serving both receptive and international tourism. Responsibilities included supporting sales presentations to compete for new corporate accounts. Was a key player in obtaining Volvo (2005) and SKF (2003) contracts. Also led project to revamp all marketing materials including company information, sales packages, weekly newsletter, and company website in preparation for the upcoming International Travel Expo 2008 in Ho Chi Minh City. Also represented the company throughout several business to business networking meetings with both international tour operators and hotel chains in Russia (2003), Egypt (2004), India (2005), Polynesian Islands (2007), and Europe (2003-08).

InterFleet Project Experience

Description of Project
City of Brampton Fleet and Works & Transportation, Account and Project Manager Worked with the City of Brampton to start a two year pilot with the Fleet Services Department. Pilot covered several departments, including By Law, Animal Control, MMS, Parks and Forestry, as well as the in-house Works Fleet. Implementation covered 85 units with 20 integrating to Spreader Controllers

and Plow Sensors. Enhanced reporting included Route Completion and Customer Service Reporting. Project led to work with Works & Transportation Department for implementation within City contractors. New seven year contract for Winter Operations required InterFleet GPS/AVL units. Implementation covered 175 units across 9 local contractors, integrating to Spreader Controllers and Sensors.
City of Toronto Fleet Services, Account Manager The City of Toronto Fleet Services Department issued an RFQ whereby all City of Toronto departments could equip vehicles with GPS units. City of Toronto was already an InterFleet customer via the Transportation Department. New departments since the issuing of the RFQ include Toronto Technical Services, Toronto Water Department, and Toronto Building Services. Current City of Toronto vehicles equipped with GPS units is 420.
Maricopa County, Account and Project Manager County wide implementation covering 437 units. Contract led by Maricopa County Department of Transportation, which installed 281 GPS units with Engine Diagnostics hardware. Implementations were done by yard. From the DOT Contract, other departments were able to sole source the system. This includes Vector Control, currently 29 units with Engine Diagnostics, Environmental Services, 93 units with Engine Diagnostics, and Planning & Development, 34 units with Engine Diagnostics. Vehicles
Onondaga County Department of Transportation, Account and Project Manager Onondaga County had an initial Implementation of 65 Units, with another 22 added in 2010. Integrations include Plow Sensors and Spreader Controllers as well as Telemetry Inputs for summer vehicles, such as Line Painters and Mowers. Enhanced reporting was completed to provide data from telematics being collecting, including PTO Report, Winter Operations Report, Line Painter Report, Mower Report, etc.
City of Buffalo, Account Manager City of Buffalo implementation includes 90+ Public Works Vehicles, integrating to Spreader Controllers and Plow Sensors. In addition, a 311 Integration was developed for the City of Buffalo, whereby the City's 311 system creates geofences within the InterFleet system when citizens call in and tickets are created. When a City of Buffalo vehicle, equipped with InterFleet hardware, crosses the geofence, the ticket is automatically closed within the 311 system, notifying the citizen as well. This automated process of closing 311 tickets is currently being deployed.
Other Accounts Include: Metrolinx/GO Transit, Los Angeles County Public Works, Los Angeles County Metro, Alberta Highways & Infrastructure, and the City and County of San Francisco.

Mike Gunning — Manager, Solutions Engineering

Type of Degree/Diploma	Major	Year	College/University
Honors Bachelor of Applied Science	Computer Engineering	2003	University of Ottawa

Experience Summary

- ✓ 7 years of professional experience with hardware, firmware, and software for InterFleet® solution
- ✓ Provide third level technical support on any Hardware or Software issues not resolved by Technical Support Team
- ✓ 5 years of professional experience on Technical Support Desk
- ✓ Programming knowledge of Java, Microsoft Visual Basic, C and C++, and Unix script writing.
- ✓ Order Review and Configuration Management of all InterFleet® orders

Professional Experience

InterFleet Inc. ……………………………………..…………………………………….. 2005 – Present
Manager, Solutions Engineering

Manage InterFleet® division's Level 3 Technical Support Duties, act as Solutions Engineering Technical Lead on Projects as required through the PMO Office, and provide Configuration management to ensure all order meet the client's requirement. Also provide ongoing evaluation of client feature requests, providing recommendation of hardware and software packages requirements, as well as Technical requirements for any new development feature request or hardware integration

Production Supervisor

Provide supervision and leadership for 8 employees in the Manufacturing Department. Responsible for Scheduling and Prioritization of hardware orders, and acted as SMT Programmer.

Hardware Assembly Technician

Assemble various components to complete Automated Vehicle Location units, Configure and test completed AVL units, and provide Quality assurance of products to verify functionality before dispatch. Also performed diagnostics and repair of units returned under warranty

Convergys Corp. …………..…………………………………………………………………….... 2000 – 2004

Technical Support Specialist

Responsible for providing telephone, chat and e-mail support for broadband Internet subscribers. Provided support for all popular Internet browsers and e-mail clients. Maintained detailed log of each particular issue. Performed backup Team Leader duties in call center management and supervisor escalations

Project Experience

Description of Project
Nextbus Muni Redirection Project, Solutions Engineer The San Francisco Municipal Transportation Agency Fleet of 1200 devices required firmware update and reconfiguration. The upgrade process was required under a very tight timeline of 2 months with little to no impact to the client. Completed the upgrade on all devices and ensuring continued reporting of devices after completion.
City of Cleveland, Solutions Engineer The City of Cleveland has currently deployed 300 of a possible 1000 InterFleet® AVL devices. Current departments covered are Water, Public Power, and Waste Water with other departments imminent. Review all fleet lists to ensure correct hardware and software configurations are ordered and deployed to meet the individual department and vehicle type requirements.
Surface Mount Technology (SMT) Population, Production Supervisor Obtained operation and programming training during the procurement process of SMT equipment for InterFleet® division. Trained other staff, on operation and managed ongoing use of the SMT line. The in house SMT line allowed for complete assembly of product in house, not relying on Outsourcing companies to ensure production timelines were met.
Major Manufacturing Projects, Production Supervisor City of Ottawa, Ville de Quebec, Long Island Rail Road, Alberta Transportation, Chicago OEMC, Illinois State Tollway, Go Transit

Ryan Brooks — Support Desk Manager

Type of Degree/Diploma	Major	Year	College/University
Diploma	Computer Programming	2001	Humber College
Certification	Comptia A+	2005	CDI College

Experience Summary

- ✓ 6 years of professional experience with Support Desk for GPS Systems.
- ✓ Configuration and setup of DHCP and TCP/IP networks.
- ✓ Programming knowledge of Java, Microsoft Visual Basic, C and C++, COBOL, and Unix script writing.

- System Installation Experience, including pre-site assessment of technological architecture and risks, implementation of hardware, servers, terminals, etc., as well as implementation of TCP/IP Networks, routers, and switches/hubs.
- Implementation of Desjardins integrated debit system, including MYSQL, and TL3000 software installation and eN-CRYPT 1200 Pinpad connection.
- Proficient with Microsoft Windows 2000/XP/Vista, and Office suite, as well as PC Hardware and Software Installation and Configuration.

Professional Experience

InterFleet Inc. ………………………………………………………………………………………… 2010 – Present
Support Desk Manager, Toronto, ON

Responsible for planning, directing, and coordinating resources to assist users with resolving technical issues related to InterFleet and NextBus products. This includes consulting with clients to manage service level expectations as well as working through the implementation of necessary desktop configurations to allow for the user to operate InterFleet and NextBus software as expected. Supervises team of 6 Technical Support Desk Specialists.

WebTech Wireless Inc. ………………………………………………………………………………... 2005 – 2010
Level 2 Technical Support Specialist, Vancouver, BC

Support Specialist for WebTech Wireless Quadrant Customers. Responsibilities included verifying installation of GPS telecommunication equipment, processing trouble tickets, data analysis of equipment and related technical issues, customer service and product training, including on-site training and troubleshooting seminars. Lead technical contact for major accounts such as Canadian Pacific Railway, City of Chicago, Commonwealth of Kentucky, and Coach Canada.

AM/PM Service Ltd. …………………………………………………………………………………….. 2005
Systems Analyst - Support

Hardware and software support, software staging, installation and implementation, for the Grocery Division. 24/7 on-call support with company pager, providing remote support for P.O.S. systems.

Nexxlink Technologies Inc…………………………………………………………………….… 2001 – 2005
Analyst

Provided effective level 1, 2, and 3 support, specializing in point of sale connectivity and integration of ERP software. Duties included hardware assembly, software installation, and implementation of all components to customer's specification.

Richard McIntyre — Field Services Manager

Type of Degree/Diploma	Major	Year	College/University
Diploma	Technology, Electronic Controls	1978	British Columbia Institute of Technology

Experience Summary

- Professional with over 20 years of accumulated Customer Service and Support experience in various high-tech fields, including Manufacturing Systems and Mobile Data Communications.
- Manages team of Field Services Specialists for assignments and coordination of on-site technicians
- Performs needs analysis, contract negotiations, and on-going project management for Field Services

Professional Experience

WebTech Wireless Inc. ………………………………………………………………………… 2005 – Present

Field Services Manager, Burnaby BC

In charge of installations and on-site services at WebTech. Managers a team of Installation Support Specialists and a large network of third party installers across North America, to ensure times, rates, and quality of service are within established parameters.

VeriChip Corporation 2005

Customer Service Engineer, Richmond BC

Direct technical support to Field Installation personnel, infant security, and location product.

Integra Leasing Corporation .... 2004 – 2005

Leasing Agent, Kelowna BC

Sales and promotion of lease services to software and manufacturing industries.

Motorola DataTAC Division .... 1989 – 2002

Service Business Manager, Richmond BC

Renegotiated multiple supply agreements and secured additional service agreements. Responsibilities included product sourcing, hardware and software service matters, supply refinancing, software licensing, and third party product obsolescence. Worked with system engineers to establish professional service estimates.

Customer Service Planner, Richmond BC

Provided information systems support to nationwide mobile data operator. Coordinated installation and customer acceptance sign-off on behalf of customer service. Coordinated monthly trouble ticket review meetings between customer and staff engineering. Refinement of customer support programs. Liaised between customer and support teams to establish needs/capabilities design and implement appropriate cost effective programs. Received Outstanding Achievement President's Award for the highest level of customer satisfaction.

Mobile Data International .... 1983 - 1988

Quality Control Technologist, Richmond BC

Component evaluation technologist to source alternate components for manufacturing.

Test Department Supervisor, Richmond BC

Supervisor to a team of 10 bench repair technicians. Applied quality circle programs, a collaborative feedback methodology, to measure and improve production efficiencies.

Bench Repair Technician, Richmond, BC

Component level troubleshooting and repair of CPU, modem, and user interface products for the mobile data industry. Module level troubleshooting of and replacement of radios used in the mobile data industry.

Saftronics Limited .... 1978 – 1983

Field Service Technician, Port Coquitlam, BC

Commissioning, programming, troubleshooting and component level repair of computerized and variable speed control systems for the forest industry. Operator and maintenance staff training on newly commissioned equipment.

Sears Automotive .... 1974 – 1975

Automotive Repair Assistant, Richmond, BC *(Part-time)*

Preventative maintenance, fault isolation, removal, replacement and repair of discrete electrical components on vehicles.

3.2.2 Vendor Information

Please see chart below.

Question	Vendor Response
Official Name of Company	InterFleet Inc.
Headquarters' Address	1685 H Street # 1195 Blaine, WA 98230
Telephone Number	+1 (877) 434 4844
Fax Number	+1 (855) 240 1245
Federal Tax ID Number	201 681 292
Names under which the business has operated within the last 10 years.	The company was incorporated as InterFleet Inc. in 2004 and has had no name changes.
Contact Name for questions concerning RFP response.	Charlotte Harila Senior Account Manager
Contact's Telephone Number	+1 (877) 434 4844 ext. 243 / +1 (647) 289-4505
Contact's e-mail address	charlotte.harila@webtechwireless.com
Is company authorized and/or licensed to do business in the State of New York?	Yes, InterFleet Inc. is licensed to do business in the State of New York.
Does your company have an office in the City of Rochester or County of Monroe?	No
Company Ownership	Public
If Private, list primary owners and their percentage ownership.	N/A
If Public, list stock trading symbol and market which it is traded.	Toronto Stock Exchange, WEW
Has corporate ownership changed in the last 5 years? If so, provide details.	Yes. InterFleet Inc. was incorporated as subsidiary of Grey Island Systems International Inc. Grey Island and its subsidiaries were acquired by Webtech Wireless Inc. on October 26, 2009.
Has the company purchased any other companies or divisions of companies in the last 5 years? If so, provide details.	InterFleet Inc. has not purchased any other companies or divisions of companies in the last 5 years.
Has the company or any of its principals defaulted on any municipal contracts in the past 5 years? If so, provide details.	No
Please provide details on any lawsuits involving the company that are currently pending or occurred in the past 5 years.	InterFleet Inc. has no lawsuits currently pending or occurred in the past 5 years.

Has your company ever been declared bankrupt or filed for protection from creditors under state or federal proceedings? If so, state the date, court, jurisdiction, amount of liabilities and amount of assets.	No
Is your Company currently on the approved NYS Contract list? If yes, identify contract services.	Yes, InterFleet Inc. is currently on the approved NYS Contract list as confirmed by OGS NY.

3. Detailed RFP Response

3.3.1 Assumptions

InterFleet assumes there will be appropriate resource allocation from the City of Rochester during implementation phases.

3.3.3 Project Costs and Pricing Options

Phase 1 (Snow & Ice Control) and Phase 2 (Solid Waste Management) Pricing

Depending on whether the City of Rochester will require certain in-vehicle integrations, InterFleet's advanced unit (WT MDU) might or might not be required. An analysis of what reporting requirements the City is looking for per vehicle will be needed, in addition to a vehicle list.

For example, vehicles requiring Engine Kill, MDT Integration, Force America Spreader Integration, Regeneration Features, and Engine Diagnostics Integration require the WT MDU. Vehicles that only require 3 telemetry inputs and less, with locations, stops, etc., can be equipped with the WT 5110. Examples include vehicles looking for Boom Up/Down, Activity only, etc.

Once a hardware model has been selected per vehicle, and the required accessories identified, the City of Rochester must then indicate, for each unit, what Report Module they will require and what Reporting Option they wish to have. The Wireless Data Plan will be applied to each unit, depending on the Report Option selected.

Example 1: A Force America 5110 vehicle will require the WT MDU unit with Plow Sensor. It will require the Basic + Winter Ops Report Module, Reporting Option C at 10 seconds, and a 10 MB Wireless Data Plan. Total upfront cost $1,260, total monthly cost $57.

Example 2: A regular vehicle that only requires locations, stops, and activity to be tracked can use the WT 5110 unit. It will require the Basic Reports Module, Reporting Option A at 10 seconds, and a 5 MB Wireless Data Plan. Total upfront cost $450, total monthly cost $29.75.

We have included several reporting options and hardware options to provide flexible pricing options for the City of Rochester.

Hardware

WT MDU for Serial Integration vehicles, i.e. Force America 5100 Integration - $645
WT 5110 for Standard Vehicles (Track and Trace, no Integrations) - $330
WT 5110 in Pelican Case with Cigarette Lighter Adapter (Portable Unit) - $465

Hardware Accessories

Capturing Plow Up/Down - $220
Capturing Sweeper Inputs (if 12v input available) - $30
Capturing Sweeper Inputs (if 12v input not available) - $220
Capturing Boom Up/Down (if 12v input available) - $30
Capturing Any Other 12v Input, i.e. PTO On/Off - $30
Capturing Vehicle for Service or Panic Button Input - $60

Engine Kill Feature - $30
Regeneration Notifications Feature (J1939) - $250
Engine Diagnostics Integration - $250
Mobile Data Terminal for Road Conditions - $1,500

Installations

WT MDU for Force America 5110 Installation - $190
WT 5110 for Standard Vehicles Installation - $110
Plow Up/Down Sensor Installation - $130 *(customer responsible for welding sensor bracket onto plow)*
Sweeper Inputs Installation - $80
Vehicle for Service, Panic Button, Boom Up/Down, PTO, or Other Input Installation - $40

Professional Services

The following Professional Services estimates are based on Phase 1 and Phase 2 only.

Project Management (est. 60 hours) - $9,000
Solutions Engineer (est. 32 hours) - $4,800
1 Day of On-Site Software Training (2 sessions of 2.5 hours each) - $1,250

Basic Reports Module and Ongoing Maintenance Fees

Basic Reports Module

Setup - $10
Monthly Fee - $0.75
Includes: Portal Setup with Map Integration and End User Logins. Also covers Standard Management Reports such as Activity Summary, Stops Report, Work Record Report, or PTO Reports, and Standard Exception Reports such as Idling, Speeding, Geo-Fence, etc.

Reporting Option A - Basic InterFleet Solution

For Track and Trace functionality. Includes up to 3 Telemetry Inputs such as Panic Button On/Off, PTO On/Off, or Boom Up/Down.

InterFleet Service Fee, 10 Second Reporting - $18
InterFleet Service Fee, 30 Second Reporting - $16
InterFleet Service Fee, 1 Minute Reporting - $14
InterFleet Service Fee, 2 Minute Reporting - $12

Waste and Sweeper Reports Module and Ongoing Maintenance Fees

Basic + Waste and Sweeper Reports Module

Setup - $75 per vehicle
Monthly Fee - $6
Includes: In addition to Basic Package, adds Sweeper Report, Customer Service Report, and Waste Route Completion Report.

Reporting Option B - Waste/Sweeper Operations Solution

Includes turn by turn reporting and up to 14 Telemetry Inputs, i.e. Left Broom On/Off, Right Broom On/Off, Water On/Off, Hopper On/Off, etc.

InterFleet Service Fee, 10 Second Reporting - $28
InterFleet Service Fee, 30 Second Reporting - $26
InterFleet Service Fee, 1 Minute Reporting - $24
InterFleet Service Fee, 2 Minute Reporting - $22

Winter Operations Reports Module and Ongoing Maintenance Fees

Basic + Winter Ops Module Report Module

Setup - $75 per vehicle
Monthly Fee - $8
Includes: In addition to Basic Package, adds Advanced Route/Geo-Fence Based Winter Operations Report and Route Completion Report.

<u>Reporting Option C - Winter Operations Solution</u>

Includes turn by turn reporting, up to 14 Telemetry Inputs, and enhanced data capture from Spreader Controllers.

InterFleet Service Fee, 10 Second Reporting - $34
InterFleet Service Fee, 30 Second Reporting - $32
InterFleet Service Fee, 1 Minute Reporting - $30
InterFleet Service Fee, 2 Minute Reporting - $28

Wireless Data Plan Fees

10 MB Wireless Data Plan (10 Second Reporting, Winter Operations) - $15
5 MB Wireless Data Plan (10 Second Reporting, Non Winter) - $11
3 MB Wireless Data Plan (30 Second Reporting) - $10
2 MB Wireless Data Plan (1 Minute Reporting) - $8
1 MB Wireless Data Plan (2 Minute Reporting) - $6

Summer Standby Option

All units in Winter Operations Vehicles can be placed on Summer Standby (no data transmission) if they are not to be used in other vehicles. This decreases their monthly cost to $10 per vehicle per month.

Maintenance Plans *(see Support section)*

WT MDU Gold Maintenance Plan - $65 per unit per year
WT MDU Bronze Maintenance Plan - $50 per unit per year

WT 5110 Gold Maintenance Plan - $24 per unit per year
WT 5110 Bronze Maintenance Plan - $15 per unit per year

Winter Light Up *(see Support section)*

Standard Package - $60 per unit per Winter Season
Premium Package - $100 per unit per Winter Season

Other Items

Asset Watcher - $200
Asset Watcher Monthly Cost - $10

Enhanced Sweeper Data Capture (with Certified Power) - $3,600 per Sweeper

InterFleet Data Transfer Client Tool (Basic Integrations)

One Time Setup Fee - $1,500
Annual Fee - $1,200

Third Party Integrations (Advanced Integrations)

The City of Rochester outlines a plan to integrate AVL with the various internal applications currently supporting the City. In having systems 'talk' with each other, value is multiplied as each department and system is enhanced. InterFleet and Bergmann Associates understand the effort required for integration is in how the business rules are defined in addition to how data should interact and be displayed. Since the RFP does not define these rules in a detailed manner, it is difficult to provide accurate pricing without inflating the actual value, which is to account for the risk of the unknown.

For this stage in the RFP process InterFleet and Bergmann Associates are providing a Rough Order of Magnitude (+/- 50%) estimate, based on the existing information available at this time as well as Bregmann Associates' assumptions based on previous experience. We expect future conversations will give clarity to the specific types of integration required, and a more refined pricing breakdown will follow.

Based on this description, the current estimate for each system is as follows:

- FASTER - $75,000
- RouteSmart - $50,000
- LAGAN 311 -$75,000
- Dispatch – $75,000
- Work Order System (TBD) – $75,000
- ArcGIS - $75,000

This pricing includes the involvement of both InterFleet and Bergmann Associates. Once the specific discovery sessions are held to better understand each of the integrations, it may result in only InterFleet pricing, or InterFleet with a small component being Bergmann Associates.

For reference, these estimates are time and materials based, which are driven from the following hourly rates:

Professional Services Resource (Project Management and Solutions Engineering) - $150.00
Software Engineer - $150.00
GIS Analyst - $125.00

Cost Overruns

If there are delays in hardware installation where installers are on-site and vehicles are not available, or there are delays in making such vehicle arrangements resulting in on-site labor in idle state; there will be hourly rates charged with this associated time. The definition around how these rates will apply will be subject to the project planning of the installation activities.

In addition there are a number of undefined project elements which will not be finalized from both InterFleet and the City of Rochester until the deployment planning phase.

Pricing of reports, features, and toolsets included as part of the requirements of this RFP will not be categorized as components for potential overrun as they are considered commercial of the shelf product and remain within the pricing provided. Only if there are change requests/orders made against current requirements or for new features would there be differences in cost; and these will be managed as part of the project management methodology.

In regards to the third party integrations, these will be managed as separate projects with the scoping and management of costs build as part of the definition associated with these projects.

3.3.4 Degree of Fit

Please see the Comments/Clarifications section after Technical Requirements for additional commentary on the requirements. Comments/Clarifications starts on page 45.

Process Automation Requirements

The following sections describe the key functions, content, and system features that will be required to deliver the City's new AVL/ITS system.

6.1 OBJECT - Vehicles
A vehicle is any equipment that is used to perform a city service/activity. We have a myriad of vehicles starting from HHR's to Side load packers and similar heavy duty trucks.

6.1.1 PROCEDURE - Assign the vehicle to a route
Dispatch will assign a specific type of vehicle to the route depending on the type of activity to be performed

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.1.1	Add a vehicle to a pre-determined group.	User Interface	Y	6.1.1
6.1.1.2	Change the vehicle from one group to another.	User Interface	Y	6.1.1
6.1.1.3	Change display icons for vehicles of the same group.	User Interface	Y	6.1.1

6.1.2 PROCEDURE - Retrieve the vehicle from lot
After dispatch makes vehicle assignments, the driver walks into the lot to locate and drive the vehicle assigned to his route.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.2.1	Identify the location of vehicles within the parking area (e.g. CVMF parking lot).	User Interface	Y	6.1.2.1
6.1.2.2	Transmit a specific signal from the vehicle indicating that the vehicle is parked for service.	User Interface	Y	6.1.2.2

6.1.3 PROCEDURE - Drive the vehicle
The location of a particular job can be pre-determined if it is part of a regular route, or can be inferred from a work order / work request, and then the vehicle(s) involved in performing the same will drive to this address/location.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf

6.1.3.1	Perform engine kill after deeming it is safe to do so in lost or stolen equipment.	User Interface	Y	6.1.3.1
6.1.3.2	Perform route playback.	User Interface	Y	6.1.3.2-3
6.1.3.3	Provide a bread crumb trail for a specified time frame with no limitations on the different factors.	User Interface	Y	6.1.3.2-3
6.1.3.4	Capture geo-fence based events.	User Interface	Y	6.1.3.4-8
6.1.3.5	Auto email resources when a geo- fence event triggers. The City uses MS Exchange Server / Outlook for email applications and the vendor should be able to provide this service in the specified software environment.	Report	Y	6.1.3.4-8
6.1.3.6	Have unlimited geo-fences on a map.	User Interface	Y	6.1.3.4-8
6.1.3.7	Have overlapping geo-fences.	User Interface	Y	6.1.3.4-8
6.1.3.8	Activate or deactivate geo-fences based on the activity that we monitor.	User Interface	Y	6.1.3.4-8
6.1.3.9	Locate vehicle or vehicle groups at any given time.	Report	Y	
6.1.3.10	Optimize the different routes to reduce vehicle miles travelled. The City uses RouteSmart Technologies' RouteSmart® for route optimization and the vendor must either integrate with RouteSmart® or provide an ancillary add-on to the AVL solution for route optimization.	User Interface	Z	6.1.3.10
6.1.3.11	Set the ping rate based on vehicle type and / or use.	User Interface	Y	6.1.3.11
6.1.3.12	Store data on the device and forward (session persistence) when it can communicate back to the base.	Other	Y	6.1.3.12
6.1.3.13	Set what types of data are transmitted in real-time or near real-time (e.g. Location, Engine Trouble) and what types are stored for download (passive) at the end of the day (e.g. Time Between Service Stops) determined on a per vehicle basis	User Interface	N	6.1.3.13

6.1.3.14	Notify 911 or trigger emergency alarms from the device for certain vehicle (e.g. Panic button).	System Interface	Y	6.1.3.14
6.1.3.15	Capture vehicle maintenance and emergency repair issues (e.g. Engine light). The City uses CCG Systems' FASTER Fleet Management for management of its fleet of vehicles and equipment. The vendor must be able to provide integration with FASTER.	Report	Z	6.1.3.10
6.1.3.16	Recognize and flag dangerous maneuvers (e.g. U-turns).	Report	N	
6.1.3.17	Notify (email, SMS) system administrator on alerts, alarms or flagged data. The City uses MS Exchange Server / Outlook for email applications and the vendor should be able to provide this service in the specified software environment.	Report	Y	6.1.3.17
6.1.3.18	Configure the unit to provide turn by turn directions.	User Interface	N	6.1.3.18
6.1.3.19	Install modular AVL hardware to permit tracking a specific subset of vehicles through component removal and re-installation.	Other	Y	6.1.3.19
6.1.3.20	Vehicle operators can “flag” specific locations, and annotate conditions for immediate alert and follow-up, specifically upon encountering a potentially hazardous condition.	Business Form	Y	6.1.3.20
6.1.3.21	Track vehicle speed.	User Interface	Y	6.1.3.21
6.1.3.22	Track and report on vehicle miles travelled. The City uses CCG Systems' FASTER Fleet Management for management of its fleet of vehicles and equipment. The vendor must be able to provide integration with FASTER.	Report	Z	6.1.3.10
6.1.3.23	Initiate an alert if a vehicle becomes stationary for more than the designated period of time while the engine is running (i.e. Idle time).	Report	Y	6.1.3.23

6.1.3.24	Set minimum speed levels for reports based on activity.	Report	Y	6.1.3.21
6.1.3.25	Utilize “geo-fences” to deter travel beyond approved geographic limits and identify potential abuses.	User Interface	Y	6.1.3.4-8
6.1.3.26	Transmit alerts using data from the obd2 (on board diagnostic software) would be sent out over a communication network indicating when preventative maintenance is required. The City uses CCG Systems' FASTER Fleet Management for management of its fleet of vehicles and equipment. The vendor must be able to provide integration with FASTER.	System Interface	Z	6.1.3.10
6.1.3.27	“Encrypt” wireless data streams.	Other	Y	
6.1.3.28	Notify the vehicle driver approaching hazardous/ road conditions (e.g. Speed bumps) with periodic refresh from a leading provider of maps, traffic and location data.	System Interface	N	
6.1.3.29	Utilize AVL data as a remote/virtual inspection force.	Other	Y	
6.1.3.30	Notify system administrator that a vehicle needs regeneration.	Report	Z	6.1.3.30-33
6.1.3.31	Vehicle operators can inform dispatch when the vehicle is idling for regeneration.	Decision Criteria	Z	6.1.3.30-33
6.1.3.32	Run reports to validate vehicle regeneration calls.	Report	Z	6.1.3.30-33
6.1.3.33	Differentiate (color code) vehicles that are regenerating.	User Interface	Z	6.1.3.30-33
6.1.3.34	Track the status of a boom on boom trucks (e.g. Boom - up or Boom - down).	System Interface	Y	6.1.3.34

6.1.4 PROCEDURE - Dump the vehicle

The vehicle is driven to pre-determined dump locations to off-load the carrying weight.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf

6.1.4.1	Notify when the load limits have been exceeded on dump trucks.	System Interface	N	

6.1.5 PROCEDURE - Fuel the vehicle

The vehicle is driven to the pre-determined city fueling facilities (unless there is an emergency or special memo in vogue) if this is part of a process mandate (i.e. must fuel at the close of shift) or on an as needed basis.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.5.1	Integrate with a fuel system. The City uses OPW Petro Vend's K800™ Fuel Control System for centralized control of our fueling operations. We use OPW's Phoenix™ software to import and update fuel data from Petro Vend.	System Interface	Z	6.1.3.10
6.1.5.2	Validate that the vehicle is authorized to fuel at a specific facility. The City uses OPW Petro Vend's K800™ Fuel Control System for centralized control of our fueling operations. We use OPW's Phoenix™ software to import and update fuel data from Petro Vend.	User Interface	Z	6.1.3.10

6.1.6 PROCEDURE - Set salt application rate on the vehicle

We use FORCE® America equipment on our salting vehicles. The driver sets the pre-approved salt application rate. The management staff makes this call with the knowledge of the road surface temperatures that they can get from the sensors on the vehicles.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.6.1	Monitor salting rate and determine amount left. The City uses FORCE® America's SSC5100 salt spreader controls to manage the distribution and application of anti-icing materials during winter operations. The Vendor must integrate their solution with FORCE® America.	System Interface	Y	6.1.6

6.1.6.2	Monitor salt spreader gate status (open/closed). The City uses FORCE® America's SSC5100 salt spreader controls to manage the distribution and application of anti- icing materials during winter operations. The Vendor must integrate their solution with FORCE® America.	System Interface	Y	6.1.6
6.1.6.3	Flag the system with an empty salt truck. The City uses FORCE® America's SSC5100 salt spreader controls to manage the distribution and application of anti-icing materials during winter operations. The Vendor must integrate their solution with FORCE® America.	User Interface	Y	6.1.6

6.1.7 PROCEDURE - Plow and/or salt streets with the vehicle

During the winter months, equipment operators drive thru the city streets performing plowing and salting operations. Any truck with a plow, or vehicles with salt bodies, can be used for this purpose.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.7.1	Capture the percentage of a given route completed.	User Interface	Y	6.1.7.1
6.1.7.2	Track the status of a plow (e.g. Plow - up or plow - down). The City uses FORCE® America's vehicle equipment to control and manage roadway plowing during winter operations. The Vendor must be able to integrate their solution with FORCE® America.	System Interface	Y	6.1.7.2

6.1.8 PROCEDURE - Sweep streets with the vehicle

From May through October, equipment operators drive thru the city streets performing sweeping and flushing operations.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf

6.1.8.1	Track and report the level of water in the water tank of sweepers. The City uses Elgin Pelican® Three-Wheel Broom Sweepers (mix of mechanical and hydraulic) and Elgin Crosswind® 4 Wheel Regenerative Air Sweepers. The vendor must be able to integrate their solution with Elgin vehicle equipment.	System Interface	N	6.1.8
6.1.8.2	Track the status of the water flow on sweepers (e.g. water flow on or water flow off). The City uses Elgin Pelican® Three-Wheel Broom Sweepers (mix of mechanical and hydraulic) and Elgin Crosswind® 4 Wheel Regenerative Air Sweepers. The vendor must be able to integrate their solution with Elgin vehicle equipment.	System Interface	Y	6.1.8
6.1.8.3	Track the filter status on sweepers (check if filter is clogged or needs replacement). The City uses Elgin Pelican® Three-Wheel Broom Sweepers (mix of mechanical and hydraulic) and Elgin Crosswind® 4 Wheel Regenerative Air Sweepers. The vendor must be able to integrate their solution with Elgin vehicle equipment.	System Interface	Y	6.1.8
6.1.8.4	Track the status of the debris hopper on sweepers (check if hopper is full). The City uses Elgin Pelican® Three- Wheel Broom Sweepers (mix of mechanical and hydraulic) and Elgin Crosswind®4 Wheel Regenerative Air Sweepers. The vendor must be able to integrate their solution with Elgin vehicle equipment.	System Interface	Y	6.1.8
6.1.8.5	Track the status of a broom on sweepers (e.g. Broom - up or Broom - down) independently for curb-side and street-side brooms. The City uses Elgin Pelican® Three-Wheel Broom Sweepers (mix of mechanical and hydraulic) and Elgin Crosswind®4 Wheel Regenerative Air Sweepers. The vendor must be able to integrate their	System Interface	Y	6.1.8

6.1.9 PROCEDURE - Park the vehicle

The vehicle will be returned to its starting point by default to park vehicle. If the driver identifies or suspects a mechanical issue with the vehicle, he drives to the Central Vehicle Maintenance Facility (CVMF) and parks it for service in the lot.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.9.1	Transmit a specific signal from the vehicle indicating that the vehicle is parked for service.	User Interface	Y	6.1.2.2

6.1.10 PROCEDURE - Dispatch City vehicles for contractor routes with breakdowns

When a contractor calls in a breakdown, these routes will be covered with a vehicle from the City fleet.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.1.10.1	Add a vehicle to a different group (e.g. add an arterial vehicle under contracted snow plowing).	User Interface	Y	6.1.1
6.1.10.2	Differentiate this route from all other normal routes under this group / activity	User Interface	Y	6.1.1
6.1.10.3	Track the status of a plow (e.g. Plow - up or plow - down). The City uses FORCE® America's vehicle equipment to control and manage roadway plowing during winter operations. The Vendor must be able to integrate their solution with FORCE® America.	System Interface	Y	6.1.7.2

6.2 OBJECT - Maps

The map object can be any physical or electronic maps used by equipment operators to reference their route, route sequence or a single location.

6.2.1 PROCEDURE - Review the map to determine route sequence

The equipment operator refers to map data to determine best route, next address in sequence etc.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.2.1.1	Display a map interface on the on- board dashboard. We require ArcGIS 10 or a comparable map interface using the City's existing map layers and or routes for the different services/operations so we can track operations in a route centric or service centric format.	User Interface	N	6.2.1

6.2.1.2	Resolve address on work request and plot on map. The address could come from our work order system, so we require that the AVL solution be able to resolve address information and geo reference the address provided by the work order system, in various possible address formats.	Other	N	6.2.1
6.2.1.3	Display route to work location. Possible use of turn by turn navigation with spoken and visual instructions.	System Interface	N	6.2.1
6.2.1.4	Update route to accommodate dynamic work request changes. Routesmart® or use of the in-built routing software.	System Interface	Z	6.2.1
6.2.1.5	Plot work locations on the map when on route. If the driver observes a situation needing attention, they can mark the location of work on a map available on the on-board display which then gets delivered to dispatch at regular intervals for further research and assignment.	User Interface	N	6.2.1
6.2.1.6	Switch between weather maps and geo-fences to help make decisions.	User Interface	N	6.2.1
6.2.1.7	Configure the unit to provide turn by turn directions with a map display.	User Interface	N	6.2.1

6.2.2 PROCEDURE - Monitor the contractor vehicle location for compliance

The contractors are assigned specific routes and are monitored for route compliance (e.g. they cannot deter from the route boundaries when a route is in progress).

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.2.2.1	Determine all vehicles are at their respective start points.	Report	Y	6.1.7.1
6.2.2.2	Verify that a contract vehicle is with- in the geo-fenced area when the activity is in progress.	User Interface	Y	6.1.7.1

6.3 OBJECT - Work Requests

A work request is a record / form / document describing the work to be done and furnishes information about the work location, route etc. as well. This can be generated from several different systems in the city including LAGAN, Maintain-IT, Mainframe etc.

6.3.1 PROCEDURE - Review the work request to determine work to be completed

The equipment operator reads through a work request to determine the location where work needs to be performed.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.3.1.1	Access work request from an on-board display.	User Interface	N	6.2.1
6.3.1.2	Make modifications to work request and track changes.	User Interface	N	6.2.1
6.3.1.3	Dynamically add work request to existing work queues.	User Interface	N	6.2.1
6.3.1.4	Integrate a work order/complaint management system within, or as a complement to, an AVL solution.	System Interface	N	6.2.1

6.3.2 PROCEDURE - Create the work request

Depending on the source of the work request, different personnel can create work requests in the system if they are assigned permissions to do so.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.3.2.1	Set up an activity in the AVL system to reflect the crew performing work requests for the day.	Other	N	6.2.1

6.3.3 PROCEDURE - Notify on the work request status

Inform dispatch about the status of a work request and/or provide updates.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.3.3.1	Readily integrate spatial and, where applicable, vehicle status data gathered through the AVL system into LAGAN, the customer relationship management software utilized by 311.	System Interface	Y	6.1.3.10

6.3.4 PROCEDURE - Update the work request

Update the work request with notes and status updates provided by field personnel.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf

6.3.4.1	Readily integrate spatial and, where applicable, vehicle status data gathered through the AVL system into LAGAN, the customer relationship management software utilized by 311.	System Interface	Y	6.1.3.10
6.3.4.2	Capture the percentage of a given route completed.	Decision Criteria	Y	6.1.7.1

6.4 OBJECT - Dispatch Records
A dispatch record is an entry in the Dispatch System which is an MS Access based system. This system has the ability to track the progress in snow and ice related activities like plowing, salting, towing and more.

6.4.1 PROCEDURE - Dispatch the vehicle
The dispatcher in every area will assign a specific vehicle to a route depending on the activity to be performed.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.4.1.1	Interface with the data in the dispatch system.	System Interface	Z	6.1.3.10
6.4.1.2	Track all the information currently stored in the dispatch system.	Other	Z	6.1.3.10
6.4.1.3	Differentiate a dispatched vehicle from a vehicle in a lot.	User Interface	Z	6.1.3.10

6.4.2 PROCEDURE - Update the dispatch information
Make notes and change the status of an on-going activity in the dispatch system.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.4.2.1	Equipment operator can update the dispatch system.	Business Form	Z	6.1.3.10

6.4.3 PROCEDURE - Notify on the route status
Inform dispatch about the status of an activity or provide updates.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.4.3.1	Have two way communications between the vehicles and dispatch (e.g. messaging, radio).	Other	Z	6.1.3.10

6.4.4 PROCEDURE - Create the dispatch information
Create a record in the dispatch system capturing the details of an activity and recording its start.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.4.4.1	Set up an activity in the AVL system to reflect the dispatch information.	Other	Z	6.1.3.10

6.5 OBJECT - Geodatabases
A geodatabase is a data repository for spatial data storage and management.

6.5.1 PROCEDURE - Update the geodatabase with run information
Export route data from a web-based system and import it into a geodatabase for persistent storage.

Reference #	Requirement	Requirement Type	Response (Y,Z,T,N)	Xrf
6.5.1.1	Export historic AVL data into a commercial GIS environment for subsequent analysis. The City of Rochester has a centralized GIS using software products from Environmental Systems Research Institute (ESRI). Currently, ESRI® ArcView9.x client software is installed on desktop workstations throughout the City of Rochester. Central data storage of geographic data files is housed using ArcSDE and ArcIMS v4.0.	System Interface	Z	6.1.3.10

Technical Requirements

This section of the document defines the technical requirements for the proposed system which address architecture, data, security, and system interfaces.

7.1 Architecture

The purpose for the Architecture is to depict the technical elements that come into play within an informational system, in order to permit the applications to function smoothly with little or no downtime. It also functions as the baseline or foundation for which the applications reside and depend upon.

Reference #	Requirement	Response (Y,Z,N,T)	Xrf
7.1.1	Provide architecture that is modular, scalable, and extensible.	Y	
7.1.2	Reside on any standard hardware platform and operating system (not proprietary).	Y	
7.1.3	Host the solution for the City of Rochester.	Y	

7.1.4	Provide a detailed plan with costing and assist in implementing the same if the City of Rochester decides to host the solution.	Y	
7.1.5	Provide an always connected wireless data network.	Y	
7.1.6	Provide a satellite communication network for areas where ground-based wireless communications is weak.	Y	7.1.6
7.1.7	Receive and forward position information from the vehicle's satellite transmitter.	Y	
7.1.8	Ability for two-way mobile messaging to allow e-mail messaging to and from the driver over the Internet wireless communications link.	Y	7.1.8
7.1.9	Send information via satellite, nationwide cellular network or radio frequency — or a combination thereof.	Y	
7.1.10	Provide data transmission without recurring or monthly costs.	N	
7.1.11	Demonstrate experience with integrated AVL/GPS systems.	Y	
7.1.12	Evolve with new technologies to meet future needs as they arise.	Y	
7.1.13	Perform a complete historic data recovery and reporting during an event of hardware failure or network failure emergencies.	Y	
7.1.14	Provide an open API to make integration processes.	Y	
7.1.15	Provide seamless integration to PC based MS® Office products.	Y	
7.1.16	Operate on most current version of Internet Explorer.	Y	
7.1.17	Use HTTPS and other secure means of data transmission including data encryption.	Y	
7.1.18	Interface with standard languages and protocols (not proprietary).	Y	
7.1.19	Configure software from an administrator point of view, with full audit of any configuration change captured.	Y	
7.1.20	Support full software change control process with check-in and check-outs.	Y	
7.1.21	Interface with Microsoft® SQL Server 2005 or higher.	Y	
7.1.22	Provide complete on line documentation including: Installation/Set-up & Configuration, Training/Tutorial, Application, Process Flow and Reference.	Y	

7.1.23	Define alerts at the user level to notify specified individuals or groups when triggered by an event.	Y	
7.1.24	Set-up alerts across all modules.	Y	
7.1.25	Set-up and receive administrative notification of specific activities that may not require user intervention (System Alerts).	N/A	
7.1.26	Interface with the following to provide notifications: MS® Outlook Exchange email and PDAs.	Y	
7.1.27	Remotely manage the environment from a Vendor or City IT perspective using a web interface.	Y	

7.2 Data Requirements

Reference #	Requirement	Response (Y,Z,N,T)	Xrf
7.2.1	Display dates in the USA format.	Y	
7.2.2	Support the translation of views and instructions into multiple languages (e.g. English, Spanish).	Y	
7.2.3	Provide Entity Relationship Diagrams (ERD) showing layout of tables, fields and data entity relationships.	Y	
7.2.4	Provide data dictionary with ability to interface electronically to industry standard reporting environments (i.e. Microsoft® business intelligence).	Y	
7.2.5	Provide numerous user definable fields in every table that will be used by the application.	N	
7.2.6	Automatically archive and purge data per retention periods.	Y	

7.3 System Administration, Security and Audits

Reference #	Requirement	Response (Y,Z,N,T)	Xrf
7.3.1	Authenticate a person's credentials through Windows Active Directory®.	Y	7.3.1
7.3.2	Easily set-up and maintain users within functional groups that can be nested, taking on the parents rights and restricting that further.	Y	
7.3.3	Effect Site/Group-level security (user can view site specific data or multi-site data based on security preferences assigned).	Y	
7.3.4	Effect Site/Group-Specific security configuration per user (user security access may differ from site to site).	Y	

7.3.5	Define read/select, insert, update, and delete in any combination or set for Module/Function/Field for any Group or Individual in an easy to maintain way.	N	
7.3.6	Produce reports which identify who has access to run reports, audit trail log depicting report additions, deletions or changes noting the user who made, time and date stamp.	Y	
7.3.7	Capture a before and after snapshot of data (audit trails) that changes within a system in a text based, non-system specific, human readable format. This should not hinder system performance, and be configurable and user friendly.	N/A	7.3.7
7.3.8	Capture when reports are printed and noting the user, time and date stamp.	N	
7.3.9	Capture when reports are viewed and noting the user, time and date stamp.	N	
7.3.10	Limit access to information based on security level.	Y	
7.3.11	Display fields based on security level.	N	
7.3.12	Limit editing capability to the record creator & security level.	N/A	7.3.7
7.3.13	Customize the software based on the end-user's role in the system.	Y	
7.3.14	Restrict the vehicle groups that a specific end user can see.	Y	
7.3.15	Restrict vehicle routes that a specific end user can see.	Y	

7.4 System Interfaces

The purpose of this section of the document is to provide easy access between independent and disparate systems and assure accuracy in the transfer of data between them. Describe in the response how interfaces will be addressed in the recommended solution. For example, are Application Program Interfaces (API's) used or will interfaces be developed on a case-by-case basis. In addition, identify if interfaces have been implemented with existing customers and what type of applications have been interfaced.

The vendor should provide a diagram that visually shows all integration points in their proposed solution, as well as any other vendors' product recommended to meet the requirements of this RFP. In addition, the vendor should describe its technical strategy to actively integrate to other vendors' products or existing City in-house systems described in Section 5 – *Legacy Systems Environment* that fulfill the City of Rochester's functional needs outside the scope of this RFP.

Reference #	Requirement	Response (Y,Z,N,T)	Xrf

7.4.1	Interface with other software products owned by the vendor but which are in another family to meet a need that does not exist in the standard product, regardless of what platform that product may reside on.	Y	7.4.1-4
7.4.2	Provide plug-in designs that do not require special coding.	Y	7.4.1-4
7.4.3	Interface with third party sources of information via a Web Service call.	Y	7.4.1-4
7.4.4	Perform data imports and exports from and to both desktop and applications running on other processors.	Y	7.4.1-4
7.4.5	Interface seamlessly with barcode and other data collection devices.	Z	7.4.5-6
7.4.6	Interface with HID smart cards attached to user profiles.	Z	7.4.5-6
7.4.7	Provide remote help desk support via telephone and live on-screen control.	Y	

3.3.6 Internal Information Technology Product Environment Support

The purpose of InterFleet being Software as a Service is to eliminate the need for client resourcing commitments when it comes to the solution delivery and maintenance.

With that said, when there are points of integration and configuration, there are duties which are typically required, being:

- Primary point of contact/project lead. This position will be required for day to day work during the implementation; and then post-implementation.
- Database admin or Network Administrator to monitor the DataTransfer Software which provides the data feeds to various internal systems.
- GIS Technician/Engineer will not be required day-to-day, however if there are changes in the GIS data which correlates to Public Works operations, and this data is being used by InterFleet functions; updates will be required.
- When integration of the various internal and 3rd party systems takes place; there will be specific roles and responsibilities outlined during the project scoping exercises. Based on this future activity, there may be specific skill sets required by the City to maintain elements of the system during and post integration.

3.3.11 Annual Reports

Please see Appendix B for WebTech Wireless' 2011 Annual Report as well as the Condensed Interim Consolidated Financial Statements for Q1 2012.

Appendix A – Sample Agreements

Please see the following pages.

These Standard Terms and Conditions apply to the purchase and sale of products and the performance of services under all sales quotations and orders ("**Quotations**") agreed between Webtech Wireless Inc. ("**Webtech**") and the customer named in such Quotation ("**Customer**"). Together, these Standard Terms and Conditions, all Exhibits and the relevant Quotation attached hereto, form the Agreement (the "**Agreement**") between Webtech and Customer with respect to such products and services. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Webtech and Customer agree as follows:

1. Products: Webtech agrees to provide to Customer, and Customer agrees to obtain from Webtech, the Webtech products set forth in the Quotation (the "**Products**"), in accordance with the terms and conditions of this Agreement. **[For clarity, the Products referred to under this Agreement do not include any third party products or products that are otherwise not considered by Webtech to be Webtech's standard products, which Webtech may supply from time to time to Customer, or source for Customer from a third party, upon Customer's request. Webtech and Customer shall enter into a separate Quotation or agreement with respect to any such third party products or products that are otherwise not considered by Webtech to be Webtech's standard products]**.

2. Title and Delivery: Risk of loss in the Products shall pass to Customer at the time Webtech delivers the Products to a third party carrier for shipment to Customer. Webtech shall not be liable for any delay in transportation of the Products, or non-delivery of the Products for any reason beyond its reasonable control.

3. Services: Webtech agrees to provide to Customer the services set forth in the Quotation (the "**Services**"), in accordance with the terms and conditions of this Agreement. Such Services may include monthly subscription services, professional services, additional technical support services or other services as set forth in the Quotation.

4. Installation: The parties shall each make commercially reasonable efforts to schedule and complete Webtech's "Standard Installation" of the Products within 30 days following receipt of the Products by Customer. Webtech's "Standard Installation" includes installation of the Products in authorized vehicles. Customer shall pay to Webtech the standard fees charged by Webtech for such "Standard Installation". For any installation that is not a "Standard Installation", Customer may be charged additional fees, including, without limitation, 'trip fees' and 'no show' fees. Installations that are not "Standard Installations" include but are not limited to, the "Engine Alternator" installation, and may be subject to separate or additional terms and conditions. Customer acknowledges that, in connection with the installation and any maintenance of the Products, Webtech or its assignees, agents and contractors may modify or alter, including, without limitation, drill holes, cut panels or rewire the vehicles in which the Products are installed. Webtech shall not be responsible for, and makes no assurances regarding, the restoration of such vehicles to their unmodified or unaltered condition. Customer shall be responsible for confirming the effect (if any) of any such installation work on any vehicle manufacturer's warranty, and Webtech shall have no responsibility or liability, and Customer shall indemnify and hold harmless Webtech from any responsibility or liability, in connection therewith.

5. Technical Support Services: Only Customer's authorized account contacts may request information, changes or technical support pursuant to the Agreement. Monthly Subscription Services include technical support services to be provided by Webtech. Webtech shall use commercially reasonable efforts to maintain a standard response time to technical support issues. Webtech's response time will depend on the complexity of the inquiry and support request volume. Webtech's Technical Support Department assigns the highest priority to customer inquiries related to server unavailability. The estimated time to respond does not apply to inquiries that require extensive research and testing. Technical support services shall be available as follows:
(a) For Quadrant Products: by email at support@webtechwireles.com or by calling Webtech's support line at 1-866-945-4568 between the hours of 6:00 a.m. and 5:00 p.m. Pacific Standard Time ("**PST**") Monday to Friday, and between 8:00 a.m. and 4:30 p.m. PST on Saturday.
(b) For InterFleet Products: by email at customersupport@webtechwireless.com or by calling InterFleet's support line at 1 877 434-4844x4 between the hours of 7:30 a.m. and 5:00 p.m. Eastern Standard Time ("**EST**") Monday to Friday.

6. Service Levels: Webtech shall provide the Services as agreed in the applicable Quotation. Customer is responsible for providing all computer equipment to end users, and internet access and cellular connection with sufficient bandwidth to access the Services and a single point expert administrator to support end users with access to the Services. Under no circumstances will Webtech be responsible for (a) loss of access to the Services due to computer system or network connectivity issues at the Customer's premise or due to general Internet outages or response times., or (b) the terms, conditions or obligations arising from agreements between Customer or its end users and any internet or cellular network or airtime provider in connection with the Products or Services.

7. Terms of Use: Subject to the terms and conditions of this Agreement, including, without limitation, the payment of all amounts owing by Customer hereunder, Webtech hereby grants to Customer a non-exclusive, non-transferable, revocable license to use the software contained within the Products, solely for the purpose of using the Products in Customer's authorized vehicles in accordance with the terms and conditions of this Agreement. Access to the Products and Services shall be restricted to authorized employees of Customer. Customer shall not, without Webtech's prior written consent, use, duplicate, or disclose any technical data or any information on the construction or operation of the Products for any purposes other than for the installation, operation or maintenance of the Products in accordance with this Agreement. Customer agrees that it shall not (a) translate, decompile, disassemble, compile or reverse engineer the Products or Services for any purpose, including, without limitation, to gain access to the source code within the Products to create a derivative product; (b) sell, assign, transfer, rent, lease, sublicense or distribute rights to the Products or Services, in whole or in part; (c) remove any proprietary notices or labels from the Products or Services; or (d) use the Products or Services to configure any other product. These restrictions shall survive the termination or expiry of this Agreement. Customer agrees to provide Webtech with such access to Customer personnel, facilities, vehicles and documentation at such times as Webtech may reasonably request to audit Customer's compliance with the requirements and restrictions set forth in this Agreement.

8. Prices, Taxes, Payment: Any written price quotation, either pursuant to this Agreement or any other form, shall become void unless accepted by Customer within 30 days of the date thereof, unless sooner revoked or rejected by Webtech. Customer shall pay Webtech for the Products and the Services in the amounts set forth in the applicable Quotation, and in accordance with the payment terms set forth in this Agreement. All prices quoted, all orders accepted, and all billings rendered are exclusive of all shipping, federal, state/province and local withholding, excise, sales, use and similar taxes, fees, or charges imposed by any governmental authority on this transaction, which shall be paid by Customer. Customer shall pay to Webtech 100% of all fees set forth on Quotation for the Products, installation and any other services not billed monthly within 30 days after Webtech's delivery of an invoice for such fees to Customer. During the Term (defined in Section 17), Customer shall pay Webtech for the Services that are billed monthly, on a monthly basis in advance, within 10 days after Webtech's delivery of an invoice for such monthly fees to Customer. Webtech shall commence invoicing Customer for the monthly fees for the Services 14 days after the Products are shipped to Customer, regardless of whether the Products have been installed in Customer's vehicles or tractor-trailers. In the event that payment is not received when due, any unpaid balance shall bear interest at the rate of 1.5% per month, or the maximum amount allowed by law, if lower. Such interest shall accrue on the unpaid balance owed by Customer for each month a balance remains unpaid and shall be prorated on a daily basis for each day the payment is overdue. Webtech may charge Customer a fee of $50.00 for any cheque returned due to insufficient funds. Webtech may perform credit verification on Customer, as Webtech deems necessary in its discretion. The amount of credit may be changed or withdrawn completely by Webtech at any time. On any Quotation for which credit is not extended by Webtech, shipment or delivery of Products shall require from Customer, at Webtech's election, payment in full, upon the signing of a Quotation and prior to shipment.

9. Security Interest: Webtech reserves, until full payment has been received, a purchase money security interest in the Products. Customer agrees to execute any document appropriate or necessary to perfect the security interest of Webtech, or in the alternative, Webtech may file this Agreement as a financing statement and/or chattel mortgage.

10. Confidential Information: In this Agreement, "Confidential Information" means all information, software, passwords, account information, reports, records, documents, technical data or know-how including, but not limited to, that which comprises or relates to the party's confidential and proprietary technology, trade secrets, hardware, specifications, designs, plans, research, developments, processes, intellectual property, business plans and strategies, customer names and other information related to customers, pricing and financial information or other business and/or technical information and materials, in oral, demonstrative, written, electronic, graphic or machine-readable form, and also includes the terms of this Agreement; provided, however, that "Confidential Information" does not include any information that: (a) is or becomes publicly available without breach of this Agreement; (b) is disclosed to a party by a third party, provided such information was not obtained by said third party, directly or indirectly, from the other party on a confidential basis; (c) is already known to a party without confidentiality obligations; or (d) is independently developed or discovered by a party without reference to Confidential Information of the other party.

Each party agrees to keep strictly confidential and not disclose or use for any purpose other than for performing its obligations under this Agreement, any Confidential Information of the other party. Neither party shall obtain any interest in the other party's Confidential Information by reason of this Agreement or by reason of the disclosure of such Confidential Information pursuant to this Agreement. Each party may disclose the other party's Confidential Information only to its directors, officers, agents, employees, and professional advisors who have a need to know such Confidential Information for the performance of this Agreement, provided that such directors, officers, agents, employees and professional advisors are bound by obligations of non-disclosure and non-use substantially the same in scope as those contained in this section. Nothing in this section will restrict a party's use or disclosure of its own Confidential Information.

Notwithstanding any provisions of this Section 10, either party may disclose the Confidential Information of the other party to applicable regulatory authorities or if required by judicial or administrative process or timely disclosure requirements imposed by law or by stock exchange policies, provided that such party first provides to the other party prompt notice of such required disclosure and maintains confidentiality to the greatest extent permissible.

11. Intellectual Property:
(a) No express or implied term of this Agreement conveys to Customer any patent rights, copyrights, trademarks, trade names, know-how, trade secrets and other intellectual property rights which are protected by domestic and international laws and regulations (collectively, "**Proprietary Rights**") in the Products or Services, or any modifications, enhancements, changes or new proprietary information that is developed in relation to the Products or Services ("**Improvements**"), and Customer acknowledges Webtech's exclusive rights thereto. All rights to the Products, Services and any Improvements are owned by Webtech, its affiliates or licensors, and Webtech, its affiliates and licensors (as applicable) retain all rights in and to the Products, Services and all Improvements including, without limitation, the source code, object code, and any related information. Any rights not expressly granted in this Agreement are expressly reserved by Webtech.

(b) To the extent any Improvements do not immediately vest in Webtech, Customer hereby assigns all right, title and interest in and to such Improvements to Webtech. Customer covenants and agrees to do all such other things and to execute, or have executed, without further consideration, such documents as may be required for assigning, transferring, conveying and securing to Webtech the exclusive right, title, property, benefit and interest in and to the Proprietary Rights in the Products, Services and all Improvements.

12. Representations and Warranties: Each party represents and warrants to the other party that: (a) it has full power and authority to enter into this Agreement and perform its obligations hereunder; and (b) this Agreement is the legal, valid and binding, enforceable against such party in accordance with its terms.

13. Limited Warranty: Webtech warrants that for a period of 12 months from the date of shipment of the Products to Customer (the "**Warranty Period**"), such Products shall: (a) be free from defects in materials and workmanship; and (b) substantially conform to any applicable specifications for such Products as officially published by Webtech ("**Specifications**")

14. Warranty Procedures. Customer shall promptly notify Webtech in writing if any Products (a) contain defects in materials and workmanship, or (b) do not substantially conform to the Specifications (if any) for such

Products, during the Warranty Period, and request a "Returned Material Authorization" number ("**RMA**") from Webtech. Promptly following its receipt of a RMA from Webtech, Customer shall send such Products, freight and insurance prepaid by Customer, to Webtech or (at Webtech's option) a repair facility designated by Webtech. Customer shall ship such Products in the original shipping containers or in containers which provide equivalent protections, and shall display the RMA on the outside of such containers. Webtech reserves the right to refuse to accept any returned Products that do not bear an RMA on the outside of the container. If Customer returns any Products to Webtech during the Warranty Period, Webtech shall, at its sole option and expense, repair or replace such Products. Customer shall be responsible for any de-installation and re-installation fees, if applicable. This Section states Customer's sole remedy, and Webtech's sole liability, arising out of the limited warranty provided by Webtech under Section 13.

15. Limitations. The limited warranty under Section 13 does not apply in the case of: (a) non-conformities, defects or errors in any Products due to accident, abuse, misuse or negligent use of the Products, use of the Products in a manner other than as intended by Webtech, use of the Products in environmental conditions not conforming to Webtech's instructions, or failure to follow operating maintenance procedures prescribed by Webtech with respect to the Products; (b) defects, errors or non-conformities in any Products due to normal wear and tear; (c) damage to any Products caused by force of nature or act of any third party; (d) any third party products or products that are otherwise not considered by Webtech to be Webtech's standard products, which Webtech may supply from time to time to Customer, or source for Customer from a third party, upon Customer's request; or (e) any installation or other services that are not considered by Webtech to be Webtech's standard services (including, without limitation, the "Engine Alternator" installation), which Webtech may supply from time to time to Customer, upon Customer's request.

16. No Other Warranty. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 13, TO THE GREATEST EXTENT PERMITTED BY LAW, AND NOTWITHSTANDING WEBTECH'S INVOLVEMENT IN THE INSTALLATION AND INITIAL TESTING OF THE FUNCTIONALITY OF ANY PRODUCT, WEBTECH MAKES AND CUSTOMER RECEIVED NO REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE PRODUCTS OR ANY SERVICES PROVIDED HEREUNDER, AND WEBTECH SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES AND REPRESENTATIONS, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE.

17. Term: This Agreement shall be effective as of the date on which these Standard Terms and Conditions are signed by Webtech and Customer, and will continue for a period of 3 (three) years (the "**Term**"), unless terminated earlier in accordance with the terms of this Agreement. Upon completion of the Term, Webtech shall continue to provide the Services under this Agreement on a month-to-month basis, and invoice Customer for such Services, until cancelled by Webtech or Customer for any reason. Requests for cancellation of the Services by Customer following expiration of the Term shall be processed and effective on the last day of the billing cycle in which the cancellation request is received by Webtech.

18. Cancellation: There shall be no cancellation or amendment by Customer of any order for the Products as set forth in the Quotation, after the Products have been shipped to Customer. If any proceeding is brought by or against Customer under bankruptcy or insolvency laws, Webtech shall be entitled to terminate this Agreement and any Services to be provided hereunder. Webtech may suspend or terminate this Agreement and the performance of Services or any subsequent delivery of any Products, without liability, if Customer breaches this Agreement, including, without limitation, by non-payment of any amounts due to Webtech hereunder. If Customer promptly cures any such breach to the satisfaction of Webtech, Webtech may, in its sole discretion, re-activate the Agreement and performance of the Services upon payment by Customer of Webtech's restoration fee then in effect, which shall not be less than $50.00 per Product purchased by Customer. If Webtech terminates this Agreement as a result of Customer's breach, or if Customer wishes to cancel any Services prior to the completion of the Term, the parties agree that the damage suffered by Webtech will be difficult to ascertain. As a result, upon such termination or cancellation, Customer agrees to pay Webtech, as liquidated damages and not as a penalty, a fee equivalent to the applicable aggregate monthly fees for the Services for the remainder of the Term (had the Agreement not been so terminated or cancelled) following the date of such termination or cancellation (the "**Breach Payment**"). Customer shall pay the Breach Payment to Webtech within 10 days following the date of the invoice for the Breach Payment from Webtech.

19. Indemnification by Customer: Customer shall indemnify and hold harmless Webtech, its employees, contractors, officers, directors, representatives, successors, assigns and agents from and against any and all claims, suits, demands, judgments, losses, injuries, obligations, liabilities, costs, damages, and expenses of whatever form or nature, including, without limitation, attorneys' fees, experts' and consultants' fees, and other costs of legal defense (collectively, "**Claims**") arising in whole or in part from: (a) the negligent acts or omissions or willful misconduct of Customer or Customer's employees, contractors, officers, directors, agents or representatives (the "**Customer Personnel**"); (b) Customer's or Customer Personnel's use of the Products or Services, Webtech's Confidential Information, or any Proprietary Rights therein, or failure to use the Products or Services, Webtech's Confidential Information, or any Proprietary Rights therein, in accordance with the terms and conditions of this Agreement; (c) Customer's or Customer Personnel's violation of the rights of any third parties; or (d) any other breach of this Agreement by Customer or Customer Personnel; provided, however, that the foregoing indemnity shall not apply to the extent that any Claims are determined by a final judgment to be caused by the negligence or willful misconduct of Webtech.

20. Indemnification by Webtech: Subject to Section 21, Webtech shall indemnify and hold harmless Customer and its affiliates, agents, employees, officers, directors, successors, and assigns (the "**Customer's Indemnified Parties**") from any Claims asserting that the Products or Services, or the use thereof, constitutes an infringement of any patent, copyright, trade secret, trademark, service mark, or other intellectual property right of any third party; provided, however, that Webtech shall have no liability or obligation to Customer with respect to any Claim to the extent such Claim is based on: (a) Products or Services for which Customer both provided and controlled the detailed design; (b) Customer's use of the Products or Services in an application or environment or on a platform or with equipment or devices for which the Products or Services were not designed or contemplated to be used; (c) any intellectual property that Customer, or any of its affiliates, owns or has exclusive rights to; (d) failure of Customer to install any corrections or enhancements to the Products or Services made available by Webtech; or (e) modifications, alterations, combinations or enhancements of the Products or Services not created by Webtech. If because of such Claims any Customer's Indemnified Party's use of any Products or Services provided by Webtech is enjoined or prevented as contemplated herein, Webtech will, at its own expense and option, either procure for Customer's Indemnified Party the right to continue using the Products or Services or replace or modify such Products or Services with substantially similar and functionally equivalent non-infringing products or services. The foregoing states the sole and exclusive liability of Webtech and its affiliates for such Claims. Customer shall immediately notify Webtech of any such Claim.

21. Limitation of Liability: EXCEPT AS EXPRESSLY PROVIDED HEREIN, WEBTECH SHALL NOT BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, NOR FOR ANY LOSS OF BUSINESS, LOSS OF USE OR OF DATA, INTERRUPTION OF BUSINESS, LOST PROFITS OR GOODWILL, OR OTHER INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING OUT OF THIS AGREEMENT, EVEN IF WEBTECH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THIS EXCLUSION INCLUDES ANY LIABILITY THAT MAY ARISE OUT OF THIRD-PARTY CLAIMS AGAINST CUSTOMER. WEBTECH'S TOTAL LIABILITY UNDER THIS AGREEMENT, IN ALL CIRCUMSTANCES, SHALL NOT EXCEED THE PRICE PAID BY CUSTOMER FOR THE PRODUCTS SET FORTH IN THE RELEVANT QUOTATION.

22. Customer acknowledgements: Customer acknowledges and agrees that (a) data collected by the Products while out of coverage or without calling connectivity may not be stored and retrieved by Customer when coverage or calling connectivity is restored; (b) data collected by the Products are not provided in real time and delays in receipt of data are normal; (c) data will be stored on Webtech's server(s) for a limited amount of time as determined by Webtech, in its sole discretion, after which time the data will be archived and Customer will be charged for any data retrieval; (d) Product (GPS) antennae should have an unobstructed view of the sky; (e) the Products may not operate in enclosed spaces, in buildings, between tall buildings, underground or in canyons; (f) although portions of the Products and Services are encrypted, the Products and Services are capable of being intercepted without knowledge of or permission from Webtech by third parties; (g) Webtech is not a party to nor responsible for the terms, conditions or obligations arising under any agreements between Customer or its end users and any internet, cellular network or airtime provider; (h) Customer may not be able to cancel agreements between Customer and its cellular network or airtime provider upon commercially reasonable terms or at all; (i) Customer must notify Webtech of any change or cancellation relating to its internet, cellular network or airtime providers, and pay all applicable fees to Webtech in connection with any resulting installation, reconfiguration or other services as may be required to be performed by Webtech in relation to the Products or Services as a result of any such change or cancellation; (j) Webtech assumes no responsibility for improper storage of data or information or delivery of messages; (k) Customer assumes the entire risk in downloading or otherwise accessing any data, information, files or other materials obtained from Webtech's website, even if Customer has paid for or otherwise been provided virus protection services from Webtech; and (l) Webtech shall have the right to use, for any purpose, anonymous summary data and data analysis collected by the Products and/or stored on Webtech's server(s).

23. Consequences for Refusal of Services: (a) If Customer wishes to self-install the Products but refuses to receive or obtain "Installer Certification" from Webtech, then the limited warranty under this Agreement shall be void and Webtech shall have no obligation to Customer in connection therewith. For clarity, the "Installer Certification" is the minimum service required to self-install Webtech's Products. (b) If Webtech recommends and Customer refuses Webtech's "Introduction to Quadrant or Interfleet" (as the case may be) training program, then Webtech reserves the right to charge Customer for support calls to Webtech's Technical Support Department if such calls are due to lack of such training, in Webtech's reasonable opinion. For clarity, the "Introduction to Quadrant or Interfleet" (as the case may be) is the minimum required training for standard operation of Quadrant or Interfleet (as the case may be). (c) If Webtech recommends and Customer refuses Webtech's "Installation Coordination", then Customer shall accept responsibility for coordination and scheduling of installations and any associated costs due to schedule delays. For clarity, Webtech's "Installation Coordination" organizes the Product installation process, verifies quantity installed and installation standards for each vehicle. (d) If Webtech recommends and Customer refuses Webtech's "Product Configuration", then Customer agrees to pay Webtech's reasonable fees for future change requests to standard product configuration. For clarity, Webtech's "Product Configuration" provides Webtech and Customer with an assessment of Customer's reporting and data flow requirements, product selections, and configuration files.

24. Coverage and Data Transmission: Customer acknowledges and agrees that the Products, Services and the data transmission are dependent on the coverage of cellular, GPS and Internet networks owned and operated by third parties, and that operation of the Product depends on system availability and capacity, system and equipment upgrades, repairs, maintenance, modifications and relocations, Customer's equipment, terrain, signal strength, structural conditions, weather activities, acts of God and other conditions beyond Webtech's reasonable control. Customer acknowledges that some parts of North America have intermittent coverage or no coverage at all. Webtech is not responsible for data loss or data delays caused by limits in coverage or performance degradation due to any such conditions. Customer acknowledge that coverage of cellular, GPS and Internet networks may be interrupted, halted, or curtailed or the quality of the data transmission may be diminished at any time. The Products, Services and data transmission are dependent upon the availability of the Internet, GPS and cellular networks, which shall be accessed by Customer through third parties.

25. High Risk Activities: The Products and any modifications, alterations, additions or changes to the Products, are not fault tolerant and are not designed, manufactured or intended for use in life support, emergency, mission critical or other ultra-hazardous activities ("**High Risk Activities**"). Webtech specifically disclaims any express or implied warranty of fitness for such High Risk Activities. Customer represents warrants and covenants that it will not use, or permit to be used, the Products for such High Risk Activities, and Customer agrees to fully indemnify and hold harmless Webtech for any damages or other losses resulting from such use.

26. Force Majeure: Notwithstanding anything else in this Agreement, no default, delay or failure to perform on the part of Webtech shall be considered a breach of this Agreement if such default, delay or failure to perform is due to causes beyond the reasonable control of Webtech, including without limitation, failure of a GPS network or cellular network or the Internet network, strikes, lockouts or other labor disputes, riots, civil disturbances, actions or inactions of governmental authorities or suppliers, epidemics, war, embargoes, severe weather, fire, earthquakes, acts of God or the public enemy, nuclear disasters, or default of a common carrier.

27. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Any application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods is expressly waived.

28. Assignment: This Agreement shall enure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns. Customer shall not assign this Agreement, or any rights or obligations hereunder, without the prior written consent of Webtech. Webtech may assign this Agreement upon prior written notice to Customer.

29. General: The headings used in this Agreement are for convenience only and no meaning shall be ascribed to such headings. The waiver by Webtech of a breach of any provision of this Agreement by Customer shall not operate or be construed as a waiver of any subsequent breach by Customer. No delay or omission by Webtech in exercising any right, remedy or power hereunder or existing at law or in equity shall be construed as a waiver thereof. If any of the provisions herein or any part thereof are declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remainder of such provisions or parts thereof and the applicability thereof shall not be affected thereby. Each party agrees to comply with all applicable laws, including, without limitation, all applicable export laws, restrictions and regulations.

30. Entire Agreement: These Standard Terms and Conditions, and the relevant Quotation attached hereto constitute the entire agreement between Webtech and Customer and supersede and replace all prior oral or written agreements, understandings, commitments and practices between Webtech and Customer with respect to the subject matter hereof. This Agreement may not be amended or modified except in writing by an instrument executed by the parties hereto. To the extent of any inconsistency between these Standard Terms and Conditions and the relevant Quotation, these Standard Terms and Conditions shall apply, unless expressly agreed otherwise.

31. Response to Court Orders: Notwithstanding any other provision herein, Customer hereby consents to Webtech providing any information relating to Customer, its vehicles, its use of the Products and Services, and any other information related thereto, as may be requested at any time by way of subpoena or other court order, and agrees to indemnify and hold harmless Webtech from all costs, liabilities, losses, or expenses arising in connection therewith.

32. CUSTOMER ACKNOWLEDGES THAT, AS WITH ANY MAPS OR DRIVING DIRECTIONS, CUSTOMER SHOULD ALWAYS RECHECK DIRECTIONS AND DRIVING CONDITIONS FOR ACCURACY AND CONFIRM THAT THE ROAD STILL EXISTS, BE AWARE OF CONSTRUCTION AND OTHER HAZARDS AND FOLLOW ALL SAFETY PRECAUTIONS AND LAW. THE PRODUCTS AND SERVICES ARE TO BE USED ONLY AS AN AID IN PLANNING.

BY SIGNING THIS AGREEMENT, CUSTOMER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS AGREEMENT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

CUSTOMER NAME	**WEBTECH WIRELESS INC.**
By: ______________________	By: ______________________
Name:	Name:
Title:	Title:

Standard Warranty

This Standard Warranty is given pursuant to Section 8 of the Terms and Conditions of the Service Agreement between Webtech Wireless and Buyer. All capitalized terms used but not defined herein shall have the meanings given such terms in the Terms and Conditions.

1. Limited Warranties by Webtech. Webtech warrants that for a period of twelve (12) months from the date of shipment to Buyer (the "Warranty Period"), all Products(s) furnished under the Agreement: (i) will be free from defects in materials and workmanship, and (ii) will substantially conform to the Specifications for such Products, providing all Products are installed by a Webtech Qualified Installer.

2. Warranty Procedures. Buyer will, within the Warranty Period, notify Webtech in writing or by facsimile of any Products containing defects covered by the limited warranties provide in Section 1, and will request a Returned Material Authorization ("RMA") number. Webtech will provide the RMA number in writing or by facsimile to Buyer promptly following receipt of the request. Promptly following its receipt of the RMA number, Buyer shall de-install and send such defective Products, freight and insurance prepaid by Buyer, to Webtech directly or, if requested by Webtech, to a repair facility designated by Webtech, Buyer shall ship Products in their original shipping containers or in containers which provide equivalent protections, and shall display the RMA number(s) on the outside of the container(s). Webtech reserves the right to refuse to accept any rejected Products that do not bear an RMA number on the outside of the container. If a defective Product is received by Webtech during the applicable warranty period, Webtech will, at its sole option and expense, repair or replace such Product using new and or used Products or materials to make such repair or replacement, and will ship the repaired or replaced Product to Buyer. Webtech shall pay the shipping charges back to buyer for properly returned products; otherwise, Buyer shall be responsible for the return shipping charges. Buyer is responsible for de-installation and re-installation service fees, if applicable. This Section 2 states Buyer's sole remedy, and Webtech's sole liability, arising out of the limited warranties provided by Webtech in Section 1.

3. Limitations. The foregoing warranties do not extend to (i) nonconformities, defect or errors in the Products due to accident, abuse, misuse or negligent use of the Products or use in other than a normal and customary manner, environmental conditions not conforming to Webtech's instructions, or failure to follow prescribed operating maintenance procedures, (ii) defects, errors or nonconformities in the Products due to normal wear and tear, or (iv) damage caused by force of nature or act of any third party.

4. No Other Warranty. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 1, WEBTECH MAKES AND BUYER RECEIVED NO REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE PRODUCTS OR ANY SERVICES AND PROVIDED HEREUNDER, AND WEBTECH SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES AND REPRESENTATIONS, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE.

This Webtech Wireless Inc. **Gold Maintenance Plan Agreement** (this "Agreement") is made this _____ day of ___________, 2012 (the "Effective Date"), by and between **Webtech Wireless Inc.** (the "Company") , with offices at Suite 215, 4299 Canada Way, Burnaby, BC, Canada, V5G 1H3 and ______________________________________(the "Customer") with offices at ____.

Under this Agreement the Company agrees to repair and maintain all Webtech Wireless Inc. Products for the Customer subject to the following provisions:

1. **Maintenance Terms & Conditions**:
   a) The effective date of coverage under this Agreement shall be the date the agreement is fully executed. This Agreement shall automatically be renewed one year from the date of coverage, hereafter referred to as the expiry date, unless either party notifies the other party in writing at least 30 days before the expiry date.
   b) This Agreement covers the Webtech Products (Products) identified in Schedule A.
   c) For any Webtech Products older than a year, the Company reserves the right to inspect these products, as installed, prior to including them and finalizing this Agreement.
   d) The maintenance coverage provided by this agreement includes the following: main harness, power cable and telemetry cable (when separate from main harness), fuses, relays and extension wiring that is internal to the cab.
   e) The maintenance coverage excludes any peripheral equipment attached to the Products, such as: MDTs, antennas, proximity sensors, diagnostic (ECM) gateways or any other peripheral not listed in Schedule A.
   f) This Agreement does not extend to nonconformities, defects or errors due to accident, abuse, misuse or negligent use of the Products or use in other than a normal and customary manner, environmental conditions not conforming to the Company's instructions, or failure to follow prescribed operating maintenance procedures, or damage caused by force of nature or act of any third party.
   g) All repairs performed under this Agreement shall be done only by the Company's qualified repair personnel.
   h) Spare stock shall be supplied to the Customer, by the Company, as per the quantities defined in Schedule C.
   i) Spare stock levels may be adjusted at the Company's discretion and shall be maintained at a location(s) deemed appropriate by the Company.
   j) Spare stock shall remain the property of the Company until such time as it is used to replace Products belonging to the Customer. At such time ownership of the Products being replaced shall transfer from the Customer to the Company.
   k) The Company shall supply to the Customer, biannual reports providing a summary of maintenance performed under this agreement.

2. **Maintenance Service Provided**:
   a) The Company will perform Products replacement and repair in the Customer vehicles on request from the Customer as defined in the terms of this agreement.
   b) The Company may, at its sole discretion, repair, replace or substitute alternate Products with equivalent function to restore faulty Products to proper operation.
   c) The Company shall dispatch repair personnel to repair defective Products from the Point of Dispatch as listed in Schedule D.
   d) No Trips Fees will apply when the Point of Dispatch to requested onsite location is within less than 25 miles (35 km) in one direction. If the onsite location is over 25 miles, a Trip Fee will apply at the per mile fee rate listed in Schedule B, multiplied by the total miles traveled to accomplish the onsite service request.
   e) For **Quadrant Products** Service Call: The Customer initiates a maintenance service call by contacting the Company's Customer Support as follows:
      1. By phone: 1 866 945-4568

2. By email: support@webtechwireless.com
3. Online Submission: https://customercare.webtechwireless.com (Login required)
4. Hours of Phone Service: Monday to Friday, 6am PST to 5pm PST, Saturday, 8am PST to 4pm PST.

f) For **InterFleet Products** Service Call: The Customer initiates a maintenance service call by contacting the Company's Technical Support as follows:
1. By phone: 1 877 434-4844
2. By email: customersupport@webtechwireless.com
3. Online Submission: https://customercare.webtechwireless.com (Login required)
4. Hours of Phone Service: Monday to Friday, 7:30am EST to 5pm EST

g) The Company's Technical/Customer Support issues a service ticket, troubleshoots the issue and if required, forwards the request to the Company's onsite maintenance service provider.
h) Onsite Service Business Hours; Monday to Friday from 6:00 am PST to 5:00 pm PST
i) Response time: The Company's onsite maintenance service provider will phone the Customer's on-site coordinator within 1 business day (Monday to Friday) of receipt of service ticket from Company's Technical/Customer Support requesting the onsite service. The Company's onsite service provider response time goal is to provide service within 3 business days (Monday to Friday) from receipt of service ticket from Company's Technical/Customer Support to the completion of repair/install/de-install.

3. Maintenance Service Not Provided:
The following services are not covered under this Agreement:
1. De-installations for purposes other than to restore service to a vehicle's Products.
2. Installations for purposes other than to restore service to a vehicle's Products.
3. Services required as a result of misuse, abuse or tampering.
4. Products firmware upgrades or configuration changes, other than for repair purposes.

4. Fees:
a) The Company shall cover all direct costs related to providing the maintenance program to the Customer, including labor, shipping and parts.
b) The Company may alter the subsequent year pricing of this Agreement by notifying the Customer at least 60 days prior to the annual renewal date.
c) Any new Products purchased will be included in the Gold Service Plan by paying the prorated amount calculated from the date of purchase to the annual renewal of agreement, and the annual maintenance fee for subsequent years.
d) All Fees under this Agreement are as defined in Schedule B.
e) Installer fees may be applicable for No Shows (vehicles not available for service at scheduled time).
f) Installer fees may be applicable for No Fault Found conditions (vehicle battery disconnect switch open or vehicle dead vehicle battery, RF coverage issue).

Additional Terms & Conditions:

Limitation of Liability: EXCEPT AS EXPRESSLY PROVIDED HEREIN, WEBTECH SHALL NOT BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, NOR FOR ANY LOSS OF BUSINESS, LOSS OF USE OR OF DATA, INTERRUPTION OF BUSINESS, LOST PROFITS OR GOODWILL, OR OTHER INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING OUT OF THIS AGREEMENT, EVEN IF WEBTECH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THIS EXCLUSION INCLUDES ANY LIABILITY THAT MAY ARISE OUT OF THIRD-PARTY CLAIMS AGAINST CUSTOMER. WEBTECH'S TOTAL LIABILITY UNDER THIS AGREEMENT, IN ALL CIRCUMSTANCES, SHALL NOT EXCEED THE PRICE PAID BY CUSTOMER FOR THE PRODUCTS AND SERVICES PROVIDED BY WEBTECH.

High Risk Activities: The Products and any modifications, alterations, additions or changes to the Products, are not fault tolerant and are not designed, manufactured or intended for use in life support, emergency, mission critical or other ultra-hazardous activities ("High Risk Activities"). Webtech specifically disclaims any express or implied warranty of fitness for such High Risk Activities. Customer represents warrants and covenants that it will not use, or permit to be used, the Products for such High Risk Activities, and Customer agrees to fully indemnify and hold harmless Webtech for any damages or other losses resulting from such use.

Force Majeure: Notwithstanding anything else in this Agreement, no default, delay or failure to perform on the part of Webtech shall be considered a breach of this Agreement if such default, delay or failure to perform is due to causes beyond the reasonable control of Webtech, including without limitation, failure of a GPS network or cellular network or the Internet network, strikes, lockouts or other labor disputes, riots, civil disturbances, actions or inactions of governmental authorities or suppliers, epidemics, war, embargoes, severe weather, fire, earthquakes, acts of God or the public enemy, nuclear disasters, or default of a common carrier.

BY SIGNING THIS AGREEMENT, CUSTOMER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS AGREEMENT AND AGREES TO THE TERMS & CONDITIONS.

(CUSTOMER NAME)	**WEBTECH WIRELESS INC.**
______________________________	______________________________
Signature	***Signature***
______________________________	______________________________
Title	***Title***
______________________________	______________________________
Date	***Date***

Schedule A
Webtech Product Serial Number List

[Add Product List And Serial Numbers Here]

Schedule B
Maintenance Plan Fees

Webtech Products covered under this Agreement are as follows:

[Add Product List And Fees Here]

Fees for services excluded from the maintenance program are as follows:

De-Installs:	$_________	per vehicle
Re-Installs:	$_________	per vehicle
Repair Service Tampering:	$_________	per vehicle
No Fault Found:	$_________	per vehicle
Trip Fees *	$_________	per vehicles
No Shows Fees:	$_________	per vehicle

**Trip Fees are calculated at $0.65 per mile ($0.55 per km). Labor costs do not apply to trip fees.*

Please Note:

Accommodations for service technician may be applicable and is billed at cost + 10%, (*Applicable taxes excluded*).

Schedule C
Spare Stock Levels

Number of Products at Site	Swap Stock Supplied
<20	Advance Exchange (1-2 days shipping)
20-150	2 units
150-2000 units	1% of units
> 2000 units	25 units

Swap stock supply and replenishment is based entirely at the discretion of the Company.

Schedule D
Point Of Dispatch Location

[To Be Completed By Field Services]

Appendix B – Financial Statements

All regulatory filings for WebTech Wireless, parent company of InterFleet Inc., are available through the Canadian Securities Administration's 'System for Electronic Document Analysis and Retrieval' (SEDAR).

Please see the following pages for WebTech's Annual Report for 2011 as well as the Condensed Interim Consolidated Financial Statements for Q1 2012.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2012

WEBTECH WIRELESS INC.
Consolidated Statements of Financial Position (Unaudited)
(in Canadian dollars, amounts in thousands)

	March 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,886	$ 5,856
Trade and other receivables (*note 19*)	10,483	10,340
Inventories (*note 4*)	4,805	5,235
Prepaid expenses and deposits	627	1,007
Total current assets	20,801	22,438
Restricted cash	1,002	1,019
Property and equipment (*note 5*)	1,058	1,021
Intangible assets (*note 6*)	6,227	6,646
Goodwill (*note 7*)	14,016	14,016
Total assets	$ 43,104	$ 45,140
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Borrowings (*note 8*)	$ 167	$ 472
Trade and other payables	5,623	6,755
Acquisition liabilities (*note 9*)	-	500
Current portion of deferred revenue	2,933	2,848
Total current liabilities	8,723	10,575
Borrowings *(note 8)*	264	-
Deferred lease inducement	546	577
Deferred revenue	885	789
Total liabilities	10,418	11,941
Shareholders' equity		
Share capital (*note 10*)	99,628	99,628
Other capital reserves (*note 11*)	8,262	8,144
Deficit	(76,255)	(75,664)
Accumulated other comprehensive income	1,051	1,091
Total shareholders' equity	32,686	33,199
Total liabilities and shareholders' equity	$ 43,104	$ 45,140

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Approved on behalf of the Board:

"signed"
Scott Edmonds, Director

"signed"
Robert Kittel, Director

WEBTECH WIRELESS INC.

Consolidated Statements of Operations (Unaudited)

(in Canadian dollars, amounts in thousands except share and per share data)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Revenue	$ 10,185	$ 9,332
Cost of sales (excluding amortization)	4,954	5,163
	5,231	4,169
Sales and marketing	1,814	1,975
Research and development	1,425	1,519
General and administrative	1,889	2,167
Share-based payments	118	145
Depreciation and amortization	533	522
Total operating expenses	5,779	6,328
Loss before the undernoted	(548)	(2,159)
Finance expense	22	34
Foreign exchange loss	21	161
Restructuring expense (*note 15*)	-	4,040
	43	4,235
Net loss before tax	(591)	(6,394)
Tax recovery	-	131
Net loss for the period	$ (591)	$ (6,263)
Net loss per share (basic and diluted)	$ (0.01)	$ (0.07)
Weighted average number of shares outstanding	105,424,265	95,590,932

Consolidated Statements of Other Comprehensive Income (Unaudited)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Net loss for the period	$ (591)	$ (6,263)
Other comprehensive (loss) income on translation of foreign subsidiaries	(40)	13
Total comprehensive loss for the period	$ (631)	$ (6,250)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

WEBTECH WIRELESS INC.

Consolidated Statements of Changes in Equity (Unaudited)

(in Canadian dollars, amounts in thousands)

	Three months ended March 31, 2012	Three months ended March 31, 2011
Share capital		
Beginning of period	$ 99,628	$ 94,170
Share issuance	-	5,458
End of period	99,628	99,628
Other capital reserves		
Beginning of period	8,144	7,526
Share-based payments	118	197
End of period	8,262	7,723
Deficit		
Beginning of period	(75,664)	(69,192)
Net loss for the period	(591)	(6,263)
End of period	(76,255)	(75,455)
Accumulated other comprehensive income		
Beginning of period	1,091	1,190
Other comprehensive (loss) income on translation of foreign subsidiaries	(40)	13
End of period	1,051	1,203
Total shareholders' equity	$ 32,686	$ 33,099

The accompanying notes are an integral part of these condensed interim consolidated financial statements

WEBTECH WIRELESS INC.
Consolidated Statements of Cash Flows (Unaudited)
(in Canadian dollars, amounts in thousands)

	Three months ended March 31, 2012	Three months ended March 31, 2011
OPERATING ACTIVITIES		
Net loss for the period	$ (591)	$ (6,263)
Items not involving cash:		
Depreciation of property and equipment	108	149
Amortization of intangible assets	423	373
Amortization of deferred revenue on purchase allocation	2	-
Amortization of leasehold inducement	(31)	(31)
Interest paid, net	9	10
Share-based payments	118	145
Share-based payments - restructuring	-	52
Recovery of deferred tax liability	-	(131)
Loss on disposal of assets	-	256
(Loss) gain on translation of foreign subsidiaries	(40)	13
Unrealized foreign exchange loss	104	211
Changes in non-cash working capital items related to operations:		
Trade and other receivables	(222)	498
Inventories	430	550
Prepaid expenses and deposits	380	(204)
Trade and other payables	(1,145)	3,524
Deferred revenue	181	217
Interest paid	(18)	(20)
Net cash used in operating activities	(292)	(651)
INVESTING ACTIVITIES		
Purchase of property and equipment	(145)	(51)
Purchase of intangible assets	(4)	(2)
Repayment of acquisition liabilities	(500)	-
Restricted cash	17	325
Net cash (used in) provided by investing activities	(632)	272
FINANCING ACTIVITIES		
Common shares issued, net of issuance costs	-	5,458
(Repayments of) proceeds from borrowings	(41)	485
Repayment of finance lease obligations	-	(27)
Interest received on cash and cash equivalents	9	10
Net cash (used in) provided by financing activities	(32)	5,926
Effect of foreign currency exchange rates on cash and cash equivalents	(14)	(50)
Net (decrease) increase in cash and cash equivalents	(970)	5,497
Cash and cash equivalents, beginning of period	5,856	4,020
Cash and cash equivalants, end of period	$ 4,886	$ 9,517
Cash and cash equivalants consist of:		
Balances with financial institutions	$ 4,886	$ 8,617
Cash equivalents	$ -	$ 900

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Note 1 General information

Webtech Wireless Inc. and its subsidiaries (together "Webtech" or the "Company") is a global provider of telematics and location-based services. The Company sells and provides subscription and other services for location-based and telematics software as well as selling its own and third party hardware. Webtech was incorporated under the laws of the Yukon Territory on May 12, 1999, continued to Alberta on July 24, 2000 and British Columbia on August 1, 2006. The Company is domiciled in Canada and the address of its registered office is 595 Burrard Street, PO Box 49314, Suite 2600, Three Bentall Centre, Vancouver, British Columbia, Canada.

The Company's shares are listed for trading on the TSX under the symbol WEW.

Note 2 Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements have been prepared on a basis consistent with and should be read in conjunction with the annual financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

The Company has reclassified certain balances to conform to the presentation adopted in the current year. In addition, there may be minor differences due to rounding of numbers.

These condensed interim consolidated financial statements for the three months ended March 31, 2012 were approved by the Board of Directors for issue on May 10, 2012.

Note 3 New standards and interpretations adopted

Certain new standards, amendments to standards, and interpretations effective for the current reporting period have been applied in preparing these condensed interim consolidated financial statements:

IFRS 7, Financial Instrument - Disclosures ("IFRS 7")
The IASB amended IFRS 7 in October 2010. IFRS 7 was amended to provide guidance relating to disclosures with respect to the transfer of financial assets that results in derecognition, and continuing involvement in financial assets. The Company has commenced application of this section as of January 1, 2012. The adoption of this standard had no impact on the Company's financial statements.

(in Canadian dollars, amounts in thousands except share and per share data)

Note 4 Inventories

		March 31, 2012		December 31, 2011
Parts	$	4,034	$	4,427
Finished goods		771		808
	$	**4,805**	**$**	**5,235**

The direct cost of inventories included in cost of sales for the three months ended March 31, 2012 amounted to $1,659 (2011 - $2,112). During the period, inventories were reviewed for obsolescence as part of ongoing operations. As at March 31, 2012, the obsolescence provision against inventories totaled $937 (December 31, 2011 - $754).

Note 5 Property and equipment

		Computer equipment		Furnitures and fixtures		Leasehold improvements		Office and other equipment		Total
Cost										
Balance January 1, 2011	$	2,225	$	513	$	1,092	$	926	$	4,756
Currency translation adjustments		(5)		(1)		-		(6)		(12)
Additions		162		18		33		13		226
Disposals/write-offs		(75)		(22)		(48)		(704)		(849)
Balance December 31, 2011	$	2,307	$	508	$	1,077	$	229	$	4,121
Cost										
Balance January 1, 2012	$	2,307	$	508	$	1,077	$	229	$	4,121
Currency translation adjustments		-		-		-		-		-
Additions		125		3		2		15		145
Disposals/write-offs		-		-		-		-		-
Balance March 31, 2012	$	2,432	$	511	$	1,079	$	244	$	4,266
Accumulated depreciation										
Balance January 1, 2011	$	1,854	$	362	$	355	$	389	$	2,960
Currency translation adjustments		-		1		-		-		1
Depreciation charge for the period		159		63		147		137		506
Disposals/write-offs		(4)		(2)		-		(361)		(367)
Balance December 31, 2011	$	2,009	$	424	$	502	$	165	$	3,100
Accumulated depreciation										
Balance January 1, 2012	$	2,009	$	424	$	502	$	165	$	3,100
Currency translation adjustments		-		-		-		-		-
Depreciation charge for the period		44		14		37		13		108
Disposals/write-offs		-		-		-		-		-
Balance March 31, 2012	$	2,053	$	438	$	539	$	178	$	3,208
Net Book Value										
Balance January 1, 2011	$	371	$	151	$	737	$	537	$	1,796
Balance December 31, 2011	$	298	$	84	$	575	$	64	$	1,021
Balance March 31, 2012	$	379	$	73	$	540	$	66	$	1,058

Total depreciation of property and equipment for the three months ended March 31, 2012 was $108 (2011 – $149).

(in Canadian dollars, amounts in thousands except share and per share data)

Note 6 Intangible assets

The following table presents details of movement in the carrying value of the intangible assets by type:

	Contractual customer relationships	Technology	Non compete agreements	Computer software	Total
Cost					
Balance January 1, 2011	$ 10,731	$ 2,668	$ 1,500	$ 952	$ 15,851
Additions	-	-	-	40	40
Disposals/write-offs	-	-	-	(2)	(2)
Balance December 31, 2011	$ 10,731	$ 2,668	$ 1,500	$ 990	$ 15,889
Cost					
Balance January 1, 2012	$ 10,731	$ 2,668	$ 1,500	$ 990	$ 15,889
Additions	-	-	-	4	4
Balance March 31, 2012	$ 10,731	$ 2,668	$ 1,500	$ 994	$ 15,893
Accumulated amortization					
Balance January 1, 2011	$ 5,602	$ 717	$ 560	$ 884	$ 7,763
Amortization charge for the period	699	398	313	70	1,480
Balance December 31, 2011	$ 6,301	$ 1,115	$ 873	$ 954	$ 9,243
Accumulated amortization					
Balance January 1, 2012	$ 6,301	$ 1,115	$ 873	$ 954	$ 9,243
Amortization charge for the period	150	78	188	7	423
Balance March 31, 2012	$ 6,451	$ 1,193	$ 1,061	$ 961	$ 9,666
Net Book Value					
Balance January 1, 2011	$ 5,129	$ 1,951	$ 940	$ 68	$ 8,088
Balance December 31, 2011	$ 4,430	$ 1,553	$ 627	$ 36	$ 6,646
Balance March 31, 2012	$ 4,280	$ 1,475	$ 439	$ 33	$ 6,227

Total amortization of intangible assets for the three months ended March 31, 2012 was $423 (2011 - $373). Of that amount, $416 (2011 - $353) related to amortization of intangible assets acquired from the acquisition of InterFleet Inc. ("InterFleet") in 2009.

The Company determined there were no indicators of impairment at March 31, 2012.

Note 7 Goodwill

Goodwill of $14,016 arose as a result of the acquisition of InterFleet Inc. in 2009. Goodwill has been allocated to the following cash generating units ("CGU's"):

	March 31, 2012	December 31, 2011
Quadrant	$ 7,752	$ 7,752
InterFleet	3,352	3,352
NextBus	2,912	2,912
	$ 14,016	**$ 14,016**

The Company performs the annual test of impairment in the fourth quarter of each year.

(in Canadian dollars, amounts in thousands except share and per share data)

Note 8 Borrowings

The Company has a demand credit facility of a maximum of $2,000 in the form of a $1,500 revolving line of credit and a $500 term loan, both secured by a general security arrangement over all of the Company's assets.

The $1,500 revolving line of credit facility bears interest at the lender's prime rate plus 1.5%. As at March 31, 2012, the interest rate on the credit facility was 4.5% and the unused portion of the facility amounted to $1,500.

The Company has drawn $500 from the non-revolving term facility, which has an amortization period of 36 months and a terminal payment due on a maturity date of September 30, 2013. Interest on the term facility is the lender's prime rate plus 2.5%. As at March 31, 2012, the outstanding balance on the facility was $431 (December 31, 2011 - $472) and the interest rate on the credit facility was 5.5%.

The facility contains a covenant that requires the Company to maintain certain financial ratios. During the three months ended March 31, 2012, the lender and the Company agreed to amend the covenant under the credit facility and as at March 31, 2012, the Company had met its obligations. As at December 31, 2011, the Company was not in compliance and had classified the obligations under this credit facility as current.

Note 9 Acquisition liabilities

During the three months ended March 31, 2012, the remaining acquisition liabilities were fully repaid (December 31, 2011 - $500).

Note 10 Share capital

Authorized: Unlimited common shares with no par value
Authorized: Unlimited preferred shares with no par value issuable in series

	Number of common shares		Amount
Balance December 31, 2010	**90,424,265**	**$**	**94,170**
Issued for cash:			
Private placement[(1)]	15,000,000		6,000
Less: Share issue costs	-		(542)
Balance December 31, 2011	**105,424,265**	**$**	**99,628**
Balance March 31, 2012	**105,424,265**	**$**	**99,628**

(1) On March 1, 2011, the Company closed a private placement, issuing 15,000,000 common shares at a price of $0.40 for gross proceeds of $6,000.

Share-based payments
The Company has two Stock Option Plans from which it makes awards to employees, directors and consultants. The Stock Option Plans date from December 14, 2005 ("Old Plan") and December 8, 2008 ("New Plan"). The terms of the Old Plan and New Plan remain unchanged from December 31, 2011.

(in Canadian dollars, amounts in thousands except share and per share data)

Share purchase options are awarded at a Canadian dollars exercise price equal to the closing market price of the Company's common shares on the day prior to the date of grant. The share purchase options generally vest over three years with one-third of the options vesting on each of the first, second and third anniversaries of the grant date. The share purchase options have a five-year term from date of grant and are exercisable in exchange for cash.

A summary of the activity in the Company's Stock Option Plans is presented below:

Old stock option plan	**Number of options**		**Weighted average exercise price**
Options outstanding December 31, 2010	**306,002**	**$**	**1.24**
Expired	(145,502)	$	1.14
Forfeited	(1,500)	$	1.10
Options outstanding December 31, 2011	**159,000**	**$**	**1.34**
Options outstanding March 31, 2012	**159,000**	**$**	**1.34**

New stock option plan	**Number of options**		**Weighted average exercise price**
Options outstanding December 31, 2010	**6,589,459**	**$**	**0.68**
Granted	4,061,000	$	0.39
Forfeited	(2,155,504)	$	0.83
Options outstanding December 31, 2011	**8,494,955**	**$**	**0.51**
Forfeited	(850,904)	$	0.63
Options outstanding March 31, 2012	**7,644,051**	**$**	**0.49**

The following weighted average assumptions were used in calculating the fair value of stock options granted during the period using the Black-Scholes model:

	March 31, 2012		**March 31, 2011**
Risk free rate	N/A		2.00%
Dividend yield	N/A		0%
Expected volatility	N/A		69%
Expected life	N/A		2.87
Forfeiture rate	N/A		12.14%
Weighted average expected option life	N/A		3 years
Weighted average fair value of options granted	N/A	$	0.23

During the three months ended March 31, 2012, the Company recorded share-based payments expense of $118 (2011 - $197), of which nil (2011 - $52) related to restructuring activities (note 15). The fair value of each option is accounted for over the vesting period of the options and the related credit is included in other capital reserves.

As at March 31, 2012, the Company had 7,803,051 share purchase options outstanding (December 31, 2011 - 8,653,955), entitling the holders to purchase one common share for each option held as follows:

	Outstanding Awards				**Exercisable Options**			
Exercise Price Range	**Quantity**	**Weighted Average Remaining Contractual Life (Years)**	**Weighted Average Exercise Price**		**Quantity**	**Weighted Average Remaining Contractual Life (Years)**	**Weighted Average Exercise Price**	
$0.28 - $0.34	1,859,000	4.27	$	0.33	-	-		-
$0.35 - $0.39	1,535,700	3.14	$	0.37	601,889	2.47	$	0.37
$0.40 - $0.49	2,127,015	3.53	$	0.45	916,006	3.06	$	0.45
$0.50 - $0.79	1,774,120	2.01	$	0.70	1,576,385	1.90	$	0.71
$0.80 - $1.35	507,216	1.86	$	1.20	507,216	1.86	$	1.20
	7,803,051	3.18	$	0.51	3,601,496	2.28	$	0.66

(in Canadian dollars, amounts in thousands except share and per share data)

Note 11 Other capital reserves

		Amount
Balance December 31, 2010	**$**	**7,526**
Share-based payments		565
Share-based payments - restructuring		53
Balance December 31, 2011	**$**	**8,144**
Share-based payments		118
Balance March 31, 2012	**$**	**8,262**

Note 12 Expenses by nature

	Three months ended			
		March 31, 2012		March 31, 2011
Wages and employee benefits	$	4,796	$	5,193
Hardware for resale		1,659		2,112
Professional fees		1,213		1,168
Telecommunications		779		703
Depreciation and amortization		533		522
Occupancy		524		644
Selling expenses		352		371
Software		255		109
Share-based payments		118		145
Other		547		4,759
	$	**10,776**	**$**	**15,726**

Note 13 Compensation of key management

Key management includes the Company's directors and Executive Officers.

The remuneration of directors and key management for the three months ended March 31, 2012 and 2011 is as follows:

	Three months ended			
		March 31, 2012		March 31, 2011
Salaries and short-term benefits	$	459	$	463
Share-based payments		67		36
	$	**526**	**$**	**499**

Note 14 Segmented information

The Company operates in the location-based services industry and has two distinct reporting business segments, telematics and predictive arrival, as described below:

- Telematics segment – includes the revenues, and operations of the Company's Quadrant and InterFleet solutions which provide telematics and vehicle fleet location-based services to commercial and government fleets. These two operating segments have been aggregated for reporting purposes as they possess similar economic characteristics.

(in Canadian dollars, amounts in thousands except share and per share data)

- Predictive arrival segment – includes the revenues and operations of the Company's NextBus brand which provides real-time predictive information ("RTPI") solutions for public and private transit fleets.

The Company's chief operating decision maker is the Chief Executive Officer. The following information is regularly provided to, and reviewed by the chief operating decision maker.

		Three months ended March 31, 2012		March 31, 2011
Revenue				
Telematics	$	7,676	$	7,560
Predictive Arrival		2,509		1,772
Total Revenue	**$**	**10,185**	**$**	**9,332**
Gross Margin (1)				
Telematics	$	3,950	$	3,286
Predictive Arrival		1,281		883
Total Gross Margin	**$**	**5,231**	**$**	**4,169**

(1) Gross Margin is defined as revenue less cost of sales, excluding amortization

		March 31, 2012		December 31, 2011
Assets				
Telematics(1)	$	39,659	$	42,772
Predictive Arrival		3,445		2,368
Total Assets	**$**	**43,104**	**$**	**45,140**
Liabilities				
Telematics(1)	$	7,052	$	9,578
Predictive Arrival		3,366		2,363
Total Liabilities	**$**	**10,418**	**$**	**11,941**

(1) Shared or common assets and liabilities are not allocated to the indvidual segments, they have been included within the telematics segment

The Company has sales in Canada, the United States, the UK, Mexico, and in other areas of the world. As at March 31, 2012, 93% (December 31, 2011 – 92%) of the Company's property and equipment were located in Canada and 7% (December 31, 2011 – 8%) were located in the UK and the United States, where they are held by the Company's wholly owned subsidiaries.

Revenue by geographic segment is as follows:

		Three months ended March 31, 2012		March 31, 2011
United States	$	5,583	$	4,466
Canada		3,164		3,482
Europe		454		373
Mexico & Latin America		865		752
Rest of the world		119		259
	$	**10,185**	**$**	**9,332**

(in Canadian dollars, amounts in thousands except share and per share data)

Revenue by category is as follows:

	Three months ended March 31, 2012	March 31, 2011
Hardware	$ 2,827	$ 3,278
Recurring	6,192	5,195
Services and other	1,166	859
	$ 10,185	**$ 9,332**

Revenue is impacted by seasonality, as the Company traditionally experiences higher revenue in the fourth quarter of each year because of the business and purchasing cycles of its customers and the Company plans its operations accordingly. If these cycles were to alter, the Company might be adversely affected.

The Company's property and equipment, intangible assets, and goodwill are located in the following geographic regions:

	March 31, 2012	December 31, 2011
Plant and equipment		
Canada	$ 980	$ 939
United States	76	80
Europe	2	2
	$ 1,058	**$ 1,021**
Intangible assets		
Canada	$ 2,455	$ 2,727
United States	3,772	3,919
	$ 6,227	**$ 6,646**
Goodwill		
Canada	$ 10,004	$ 10,004
United States	4,012	4,012
	$ 14,016	**$ 14,016**

Note 15 Restructuring expense

For the three months ended March 31, 2012, there were no restructuring costs incurred (2011 - $4,040).

As at March 31, 2012, the restructuring provision included in trade and other payables totaled $828 (December 31, 2011 – $932).

(in Canadian dollars, amounts in thousands except share and per share data)

Note 16 Commitments

Under operating lease agreements for office premises, the Company is required to make future annual minimum lease payments as follows:

		Total
2012	$	753
2013		942
2014		894
2015 through 2018		2,473
Total	**$**	**5,062**

Note 17 Litigation and other contingencies

(a) In August 2009, a competitor alleged patent infringement by the Company. No damages are specified in the lawsuit and the Company is unable to estimate the dollar value or the outcome of this claim.

(b) The Company is a party to a Franchise Agreement with regards to certain elements of its NextBus business. The Franchisee is claiming to have certain rights under the Franchise Agreement and the Company does not agree with the Franchisee's interpretation. Pursuant to the terms of the Agreement, the parties are resolving the dispute through arbitration and a hearing is scheduled for November 2012 to clarify certain terms of the Agreement. The Company does not expect the outcome of the arbitration to have a material impact on its business.

(c) The Company has filed lawsuits against a former reseller. The reseller has also filed a claim against the Company. The outcome cannot be practicably determined. The Company believes the reseller’s claim to be without merit and will vigorously defend the claim.

(d) In addition, by virtue of the nature of the Company’s business and products, the Company is involved in other legal matters which arise from time to time in the ordinary course of the Company’s business. At this time, there are no legal matters of this type which are believed to be material to the Company’s results of operations, liquidity, or financial condition except as discussed above.

(e) In the normal course of business, the Company provides surety bonds under standard contractual performance terms in service agreements with its government customers. At March 31, 2012, the Company was obligated under bonds totaling $4,429 (December 31, 2011 - $4,429). Related to the bonds, the Company also carries $1,000 USD letter of credit at March 31, 2012 (December 31, 2011 - $1,000 USD), which is 100% secured by restricted cash on deposit at a US banking institution.

(in Canadian dollars, amounts in thousands except share and per share data)

Note 18 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Related parties include key management, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Two independent members of the board of directors also serve on the board of directors of an insurance company under which the Company holds $1,470 in performance and materials bonds (December 31, 2011 - $1,470).

Note 19 Financial instruments and fair values

Measurement categories, fair values and valuation methods
Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statements of operations and other comprehensive income. Those categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost. The following table shows the carrying values of assets and liabilities for each of these categories at March 31, 2012 and December 31, 2011.

	March 31, 2012		December 31, 2011	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Loans and receivables	$ 16,371	$ 16,371	$ 17,215	$ 17,215
Other financial liabilities	6,054	6,054	7,727	7,727

The carrying value of the Company's financial assets and liabilities is considered to be a reasonable approximation of fair value.

Credit risk
The following table provides information regarding the aging of financial assets as at March 31, 2012, net of allowance for doubtful accounts:

	0 - 30 days	31 - 60 days	61 - 90 days	91 days +	Carrying Value
Trade accounts receivable	$ 2,872	$ 3,173	$ 1,151	$ 2,483	$ 9,679
Other accounts receivable	804	N/A	N/A	N/A	804
Total	**$ 3,676**	**$ 3,173**	**$ 1,151**	**$ 2,483**	**$ 10,483**

Allowance for doubtful accounts	**March 31, 2012**	**December 31, 2011**
Opening balance	$ 1,369	$ 1,600
Increase/(decrease) in provision	143	(210)
Bad debts written off	(93)	(21)
Closing balance	**$ 1,419**	**$ 1,369**

As at March 31, 2012, $6,807 of the Company's accounts receivable balance of $10,483 has aged in excess of 30 days, net of any provisions for losses. Unimpaired amounts aged in excess of 90 days are primarily attributable to government contracts subject to payment delays inherent in government payment review processes. Of the balances outstanding as at March 31, 2012, $4,740 or 45% of the net amount outstanding had been collected as of May 10, 2012. Management believes that the remaining outstanding balance is fully collectible.

The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters that could delay the collection of funds at an early stage.

During the three months ended March 31, 2012, there were no customers comprising greater than 10% of sales (2011 - nil).

Liquidity risk
At March 31, 2012, the Company had a revolving demand credit facility with a Canadian Chartered Bank of up to $1,500 (see note 8) which can be drawn as direct advances or letters of guarantee, subject to margin criteria, bearing interest at the lender's prime lending rate plus 1.5%. In addition, the Company obtained a $500 non-revolving term loan facility with interest at the lender's prime lending rate plus 2.5% and a maturity date of September 30, 2013. The credit facility is collateralized by a general charge on all the assets of the Company. At March 31, 2012, the Company carried a balance on the term loan facility of $431. In addition, the Company has a $170 credit card facility with a Canadian Chartered Bank. As at March 31, 2012, the Company has met its obligations under the credit facility.

At March 31, 2012, the Company's trade and other payables were $5,623 (December 31, 2011 - $6,755), $4,795 (December 31, 2011 - $5,823) of which became due and payable within the normal terms of trade, generally between 30 and 90 days. The remainder of trade and other payables relates to accruals for restructuring charges (*note 15*).

Market risk

Foreign exchange risk

The Company has operations based in the United Kingdom and the United States in the form of its wholly owned subsidiaries. The Company's financial results are reported in Canadian dollars. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the US dollar ("USD"), as a majority of the Company's revenues are earned in USD. During the three months ended March 31, 2012, 64% of the Company's revenue was in USD (2011 – 59%) and 4% was in British Pounds ("GBP") (2011 – 4%). The Company periodically estimates its obligations payable in these foreign currencies and converts excess foreign funds into Canadian currency to mitigate the risks associated with changes in foreign currency rates. The Company does not currently have any derivative instruments. At March 31, 2012, the Company held net current monetary assets in USD and in GBP equal to $7,737 CAD and $686 CAD, respectively (December 31, 2011 - $7,707 CAD and $896 CAD).

The Company estimates the impact of a 10% change in exchange rates on its net current monetary assets to be $842 (December 31, 2011 - $860).

Interest rate risk

The Company estimates the impact on net income of a 2% change in interest rates on its debt affected by variable interest rates to be $10 (March 31, 2011 - $23).

Note 20 Capital risk management

The Company considers its share capital and other capital reserves as capital, the total book value of which totaled $107,890 at March 31, 2012 (December 31, 2011 - $107,772).

The Company is not subject to any externally imposed capital requirements.

WEBTECH WIRELESS INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the period ended March 31, 2012
This document is dated May 10, 2012
(Dollar amounts in 000's, except share and per share amounts)

GENERAL

The following Management's Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the Company's Fiscal 2011 Consolidated Financial Statements and accompanying notes, and the Company's condensed interim financial statements for the three months ended March 31, 2012 and the accompanying notes. These documents, along with additional information about the Company, including the Annual Report and Annual Information Form, are available at www.webtechwireless.com and www.sedar.com.

Certain statements in this document, including statements which may contain words such as "could", "expect", "believe", "will", and similar expressions and statements related to matters that are not historical facts, are forward-looking statements. These forward-looking statements relate to, among other things, financial results, product plans, timing, content and pricing of products, market and industry expectations, and general economic, business and political conditions. All forward-looking statements in this document are based on management's beliefs, intentions and expectations with respect to future events. Such forward-looking statements involve known and unknown risks and uncertainties, including those set out below under the heading Additional Risks and described in greater detail under Risk Factors in the Annual Information Form ("AIF") of Webtech Wireless Inc. (the "Company"), which may cause the actual results, performances, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements.

In light of the many risks and uncertainties that may cause future results to differ materially from those expected, the Company cannot give assurances that the forward-looking statements contained in this document will be realized. Forward-looking statements are not guarantees of future performance.

The financial data contained in this report and in the Condensed Interim Consolidated Financial Statements of the Company for the quarter ended March 31, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are stated in Canadian dollars, unless otherwise noted. In addition to the results reported in accordance with IFRS, the Company uses various non-GAAP financial measures, which are not recognized under IFRS, as supplemental indicators of the Company's operating performance and financial position. These non-GAAP financial measures are provided to enhance the user's understanding of the Company's historical and current financial performance and its prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of the Company's core operating results and ongoing operations and provide a more consistent basis for comparison between quarters and years. Details of such non-GAAP financial measures and how they are derived are provided in conjunction with the discussion of the financial information reported.

The Company has reclassified certain balances to conform to the presentation adopted in the current year. In addition, there may be minor differences due to rounding of numbers.

OVERVIEW

Founded in 1999, the Company is a global provider of telematics and automated vehicle fleet location and GPS services ("AVL/GPS") in the Mobile Resource Management ("MRM") industry, that helps organizations efficiently measure, monitor and manage the performance of their mobile assets in real-time. The Company has three major product lines: Quadrant®, InterFleet®, and NextBus®. The Quadrant hardware and software products are sold and used globally in diverse markets including, but not limited to, transportation, oil & gas, waste management, utilities, and service fleets. The InterFleet products are focused on a telematics solution for winter operations and AVL/GPS hardware and software solutions to municipal and state governments throughout Canada and the US. NextBus provides real-time predictive information ("RTPI") solutions for public and private transit fleets.

The Company's solutions enable customers to improve the productivity, profitability, regulatory compliance and safety and security of their fleets, drivers and fleet operations through both client server and hosted applications offered on an enterprise license or Software as a Service ("SaaS") basis. In addition, NextBus provides transit riders with real time information about the arrival of the next transit vehicle. Through a combination of organic growth and acquisitions, the Company now serves customers of all sizes in numerous vertical markets.

The Company develops, manufactures and supports its own hardware and software products, as well as offering hosted and enterprise applications. A typical sale involves the installation of a Webtech Wireless Locator™ in-vehicle device, which functions using advanced global position system ("GPS") and 3G and other cellular and satellite communications technology. A multi-year subscription connects the Locator to the Company's Internet-based Quadrant or InterFleet portals, which provide detailed mapping, reporting, dispatching, and operational analysis capabilities. The InterFleet Locators average ten second updates with second-by-second reporting—critical to real-time fleet operations—and automatic refresh updated status changes every three seconds. In the case of NextBus, the Locator connects to the Company's NextBus portal, which provides both fleet management information to transit agencies and information to transit riders via transit signs, websites, SMS message and smart phone applications. Alternatively, the NextBus portal can connect to most computer aided dispatch/automatic vehicle location systems via its open interface technology.

These services are offered through an application service provider ("ASP") layer, or SaaS, or on an enterprise basis for large customers with their own IT infrastructure and complex fleets. Under the enterprise model, the Company licenses its software on a stand-alone basis through an enterprise license, which attracts a one-time licensing fee plus recurring annual maintenance fees. The Company's NextBus solution is also offered on an ASP/SaaS basis.

The Company sells its solutions through a combination of direct and indirect sales channels. By working with qualified local partners and distributors, the Company has been able to penetrate a wider market than would be the case in selling only directly to customers.

The Company expects to grow organically in transport, government, service, and transit markets as the overall industry grows. It will also continue to seek accretive acquisitions as appropriate.

RECENT DEVELOPMENTS

NextBus Strategic Initiative
On January 12, 2012, the Company announced that it is considering strategic alternatives with respect to its NextBus operations. Webtech Wireless is undertaking a process to consider the various options including a possible sale of the NextBus business. The Company retained Raymond James Ltd. as financial advisor to assist Webtech Wireless in reviewing all of its strategic alternatives. The Company is in the process of identifying a purchaser for the NextBus assets and must reach an agreement with any such purchaser

through negotiation, at a price and on terms that are acceptable to both the Company and the purchaser. The proceeds from any disposition will be added to working capital.

Recent Business Results
Operationally, acquiring and retaining recurring subscription revenue continued to be the focus of the Company and made up 61% of revenue in the quarter (2011: 56%). Recurring revenue is up 19% for the quarter over the prior year quarter as sales of Quadrant, InterFleet and NextBus solutions over the prior twelve months drove a substantial increase in subscriber count. One-time service revenues from the Quadrant and NextBus brands increased due to continued implementation of Quadrant transportation and theft recovery solutions, as well as progress on large scale implementations of NextBus projects. These increases drove the improvement in service revenues. Hardware sales decreased as there were several InterFleet hardware sales in the prior year quarter which were not repeated. Gross margins were 51% for the quarter, a significant improvement over 45% in the prior year following the restructuring of the InterFleet operations. The current quarter was also impacted by the increase of high margin recurring revenue in the revenue mix relative to hardware revenue. Operational expenses decreased by 9% in the quarter as compared to Q1 2011 as the Company significantly restructured in 2011 and reduced both staff levels and administrative overhead.

(Dollar amounts in 000's, except share and per share amounts)

RESULTS FROM OPERATIONS

	Three months ended			
	March 31, 2012	**March 31, 2011**	**Variance ($)**	**Variance (%)**
Hardware revenue	$ 2,827	$ 3,278	$ (451)	-14%
Recurring revenue	6,192	5,195	997	19%
Services and other revenue	1,166	859	307	36%
Total revenue	**10,185**	**9,332**	**853**	**9%**
Cost of sales	4,954	5,163	(209)	-4%
Gross margin	5,231	4,169	1,062	25%
	51%	*45%*		
Expenses				
Sales and marketing	1,814	1,975	(161)	-8%
Research and development	1,425	1,519	(94)	-6%
General and administrative	1,889	2,167	(278)	-13%
Share-based payments	118	145	(27)	-19%
Depreciation and amortization	533	522	11	2%
Total operating expenses	5,779	6,328	(549)	-9%
Loss before the undernoted	(548)	(2,159)	1,611	-75%
Finance expense	22	34	(12)	-37%
Foreign exchange loss on operations	21	161	(140)	-87%
Restructuring expense	-	4,040	(4,040)	-100%
Net loss before taxes	**(591)**	**(6,394)**	**5,803**	**-91%**
Income tax recovery	-	131	(131)	-100%
Net loss for the period	**$ (591)**	**$ (6,263)**	**$ 5,672**	**-91%**
Net loss per share (basic and diluted)	$ (0.01)	$ (0.07)	$ 0.06	-91%
Weighted average number of shares outstanding	105,424,265	95,590,932		

Financial position	**March 31, 2012**	**December 31, 2011**
Total assets	$ 43,104	$ 45,140
Total liabilities	10,418	11,941

	Three months ended	
	March 31, 2012	**March 31, 2011**
Net loss as reported	$ (591)	$ (6,263)
Add (deduct)		
Finance expense	22	34
Tax recovery	-	(131)
Depreciation and amortization	533	522
Share-based payments	118	145
Foreign exchange loss	21	163
NextBus strategic review	144	-
Work force realignment	139	-
Restructuring cost including share-based payments	-	4,040
Intellectual property litigation	-	253
Adjusted EBITDA (Loss) (1)	**$ 386**	**$ (1,237)**

(1) Adjusted EBITDA (Loss) is a non-GAAP measure and is therefore not universally defined. Adjusted EBITDA (Loss) is defined as earnings before interest, tax, depreciation, amortization, share based payments, foreign exchange (gain) loss on operations, restructuring charges, and other non-recurring items as outlined above.

Revenue

Total revenue for Q1 2012 increased over the prior comparable period largely due to growth in recurring revenues from the additions of new subscribers of Quadrant transportation solutions, sales in the theft recovery segment, and several large InterFleet and NextBus projects that were implemented in the prior twelve months. NextBus services revenue also increased substantially. These increases were offset by the reduction in InterFleet hardware and services revenue as compared to Q1 2011, which resulted from the delivery of a number of large projects in the prior year and the impacts of the 2011 restructuring and product remediation programs.

Revenues by category

	Three months ended						
	March 31, 2012			March 31, 2011			Variance
		$	%		$	%	%
Hardware revenue	$	2,827	28%	$	3,278	35%	-14%
Recurring revenue		6,192	61%		5,195	56%	19%
Services and other revenue		1,166	11%		859	9%	36%
	$	**10,185**	**100%**	**$**	**9,332**	**100%**	**9%**

Hardware revenue for the quarter has decreased compared to Q1 2011 as a result of the drop in InterFleet hardware sales as noted above. InterFleet hardware sales in the prior year included delivery on several large government projects that were not duplicated in 2012. As well, InterFleet revenues have been impacted as the brand continues to regain traction following product remediation issues and an operational restructuring in 2011.

The increase in recurring revenue is due to improved recurring revenues across all business units from the addition of new subscribers. Sales of the Quadrant theft recovery solution in Mexico were strong over the last twelve months and implementations of NextBus at several large customers were also completed over the time period. Finally, InterFleet recurring revenues have shown significant year over year improvement evidencing the recovery of the business unit.

At March 31, 2012, the subscriber base was approximately 102,000 subscribers, including both direct and enterprise subscribers as well as data pump subscribers. Increases in Quadrant, InterFleet and NextBus full service subscribers drove the increase over the prior period comparative of 87,000 subscribers.

	('000)
Full service subscribers	95
Data pump subscribers	7
Total	**102**

Service and other revenue increased in Q1 2012, largely from the progress on significant projects at NextBus. Quadrant service revenues grew relative to the prior year due to several significant engagements with existing customers. This growth was offset by a drop in InterFleet revenue as discussed above.

Revenue by segment

	Three months ended						
	March 31, 2012			March 31, 2011			Variance
		$	%		$	%	%
Telematics	$	7,676	75%	$	7,560	81%	2%
Predictive Arrival		2,509	25%		1,772	19%	42%
	$	**10,185**	**100%**	**$**	**9,332**	**100%**	**9%**

Telematics includes the sale of products and services under the Quadrant and InterFleet brands as well as OEM hardware sales. Predictive Arrival incorporates the sale of products and services under the NextBus brand. The telematics revenue is primarily derived through solution sales that include hardware, subscription, and service components to the commercial, theft recovery and government vertical markets. In addition, there are hardware-only sales to the OEM vertical market, primarily in Europe.

(Dollar amounts in 000's, except share and per share amounts)

Telematics revenue in Q1 2012 increased over the prior period as a result of the subscriber additions and resulting growth in the recurring revenue stream. Service revenues at telematics remained consistent with the prior year and hardware revenues decreased year over year due to the drop in InterFleet hardware sales discussed above.

The revenue from the predictive arrival segment is primarily derived from the municipal transit vertical, but also includes sales to educational institutions, colleges and universities. Predictive arrival revenue increased due to the increases in all three categories of revenue – hardware, recurring and services - related to several large customers as discussed above. NextBus continued to sell successfully to large municipal transit agencies, but it increased sales further through deals with smaller agencies, educational institutions, colleges and universities. In addition, recurring revenue continues to grow as new customers are added as there is very low attrition or churn.

Revenue distribution by geography
In Q1 2012, the majority of sales came from Canada, US and Mexico with OEM sales in Europe and the rest of the world.

	Three months ended						
	March 31, 2012			March 31, 2011			Variance
		$	%		$	%	%
United States	$	5,583	55%	$	4,466	48%	25%
Canada		3,164	31%		3,482	37%	-9%
Europe		454	4%		373	4%	22%
Mexico & Latin America		865	9%		752	8%	15%
Rest of the world		119	1%		259	3%	-54%
	$	**10,185**	**100%**	**$**	**9,332**	**100%**	**9%**

For Q1 2012, revenue from sales in the US increased as compared to Q1 2011 due to continued growth of Quadrant commercial projects in the US, as well as increased sales in the predictive arrival segment which are primarily located in the US. Canadian sales were impacted by a drop in revenue from the InterFleet product as there were several large projects in 2011. In addition, restructuring and product remediation programs in 2011 impacted the current quarter's sales, as discussed above. Sales in Mexico and Latin America experienced growth as a result of hardware revenue relating to sales of the Company's theft recovery solution to the insurance market in Mexico. Revenues in the rest of the world decreased year over year due to the volatility of demand within the OEM market.

Gross Margins
The increase in gross margin percentage is due to the revenue mix as high margin recurring revenues accounted for 61% of the Company's revenues in Q1 2012 as compared to 56% in the prior year. Margins within recurring revenues have also improved year over year resulting largely from an increase in subscription revenue and realized cost savings in Q1 2012.

Sales and Marketing
Sales and marketing expenses decreased over the prior comparable quarter, primarily as a result of reduced spending on travel, consulting and other expenses.

Research and Development
The Company continues to invest in research and development activities to maintain technical leadership in transportation markets. Research and development costs decreased over the prior comparable quarter as the Company reduced staffing and consulting costs by integrating its Toronto and Vancouver research and development activities and increasing its focus on software development. In addition, spending on prototypes and patents, consultants and research and development related professional fees was reduced.

General and Administrative
General and administrative spending included one-time costs associated with the NextBus strategic review and severance payments resulting from a work force realignment made during the quarter.

Excluding the impact of these one-time item expenses, general and administrative costs decreased by 9% over the prior comparable quarter as a result of the restructuring program previously discussed.

Depreciation and amortization
Depreciation and amortization is consistent with the prior comparable quarter.

Finance expense and foreign exchange (gain) loss on operations
Finance expense includes interest income and expense. The foreign exchange loss is due to the stronger Canadian dollar relative to the US dollar at March 31, 2012. The loss was partially offset by foreign exchange gains resulting from the weakening of the Canadian dollar relative to the UK Pound ("GBP"), as the Company has a significant intercompany account balance outstanding with its UK subsidiary.

Net Income/Loss and Other Comprehensive Income/Loss
The Company is reporting a net loss of $591 for the quarter ended March 31, 2012 compared with a net loss of $6,263 for the prior comparable period.

For the quarter ended March 31, 2012, the Company reported a loss per share of $0.01, compared with a $0.07 loss per share in the prior comparable three month period ended March 31, 2011.

Adjusted EBITDA (Loss)
Adjusted EBITDA (Loss) in the current quarter amounted to $386 compared to a loss of $1,237 in the prior comparable period.

(Dollar amounts in 000's, except share and per share amounts)

SUMMARY OF QUARTERLY RESULTS

Selected Quarterly Financial Information (unaudited)

	Quarter ended Jun 30 2010	Quarter ended Sep 30 2010	Quarter ended Dec 31 2010	**Quarter ended Mar 31 2011**	Quarter ended Jun 30 2011	Quarter ended Sep 30 2011	Quarter ended Dec 31 2011	**Quarter ended Mar 31 2012**
Revenue	$ 9,607	$ 10,334	$ 10,974	**$ 9,332**	$ 9,842	$ 10,785	$ 11,449	**$ 10,185**
Gross Profit	5,099	6,616	3,993	**4,169**	5,339	5,640	5,484	**5,231**
Gross Margin %	53%	64%	36%	**45%**	54%	52%	48%	**51%**
Expenses	7,293	7,999	12,232	**10,432**	6,077	5,006	6,418	**5,822**
Net earnings (loss)	$ (2,194)	$ (1,383)	$ (8,239)	**$ (6,263)**	$ (738)	$ 634	$ (934)	**$ (591)**
EPS (Basic)	$ (0.03)	$ (0.02)	$ (0.08)	**$ (0.07)**	$ -	$ 0.01	$ (0.01)	**$ (0.01)**
EPS (Diluted)	$ (0.03)	$ (0.02)	$ (0.08)	**$ (0.07)**	$ -	$ 0.01	$ (0.01)	**$ (0.01)**
Total Assets	$ 55,129	$ 53,013	$ 46,566	**$ 48,709**	$ 44,388	$ 46,308	$ 45,140	**$ 43,104**
Total Long Term Liabilities	$ 2,555	$ 3,704	$ 1,597	**$ 1,432**	$ 1,488	$ 1,406	$ 1,366	**$ 10,418**

The quarterly results are presented under IFRS.

The Company's sales cycle to customers depends upon the complexity of the products and services provided, and can vary from a few weeks to many months. Quarterly results are also affected by factors such as the seasonality of the buying patterns of customers who ramp up operations for winter (snow removal) and to meet budgeted spending levels (government) prior to fiscal year ends and fluctuations with the US/Canadian dollar and GBP/Canadian dollar exchange rates. To mitigate the impact of these long lead time sales efforts, the Company has developed relationships with large distributors who generate both small and medium-sized leads, as well as larger sales leads. In addition, the Company has an inside sales force focused on small and medium sized customers that have shorter sales cycles. The Company has also modified its sales compensation plans and its sales team focus in order to reduce quarterly fluctuations in revenue.

(Dollar amounts in 000's, except share and per share amounts)

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2012	December 31, 2011	Variance ($)	Variance (%)
Cash and cash equivalents	$ 4,886	$ 5,856	$ (970)	-17%
Accounts receivable, net of allowance	10,483	10,340	143	1%
Inventories, net of allowance	4,805	5,235	(430)	-8%
Prepaid expenses and deposits	627	1,007	(380)	-38%
Total current assets	20,801	22,438	(1,637)	-7%
Borrowings	167	472	305	-64%
Accounts payable and accrued liabilities	5,623	6,755	1,132	-17%
Acquistion liabilites	-	500	500	-100%
Current portion of deferred revenue	2,933	2,848	(85)	3%
Total current liabilities	8,723	10,575	1,852	-18%
Working Capital	$ 12,078	$ 11,863	$ 215	2%

WORKING CAPITAL

The change in cash balance for the period is summarized in the following table:

Change in cash balance	**Quarter ended March 31, 2012**	**Year ended December 31, 2011**
Cash, beginning of period	$ 5,856	$ 4,020
Used in operations	(292)	(849)
Financing activities		
Common shares issued, net of issuance costs	-	5,458
Repayment of borrowings	(41)	(898)
Repayment of finance lease obligation	-	(337)
Interest received on cash and cash equivalents	9	33
Investing activities		
Proceeds on disposal of property and equipment	-	310
Purchase of property and equipment	(145)	(214)
Purchase of intangible assets	(4)	(38)
Payment of acquisition liabilities	(500)	(1,000)
Increase (decrease) in restricted cash	17	(564)
Other	(14)	(65)
Cash, end of period	**$ 4,886**	**$ 5,856**

The Company has historically invested in product and market development and carried significant inventory to meet customer requirements. As a result, the Company has historically had negative cash flows. However, as a result of the significant restructuring executed in 2011, the Company has taken steps to improve its ability to generate cash from operations.

The Company does not anticipate any large capital or other cash outlays in the near term that would require it to seek financing.

Subject to the factors set out elsewhere in this document, including under the header "Additional Risks" and under the heading "Risk Factors" in the Company's AIF, the Company does not currently foresee any working capital deficiencies. Notwithstanding the Company's positive working capital position, the Company may require financing in order to satisfy future growth activities. The Company may also need additional capital to fund specific growth projects or acquisitions in the future, and while no such projects are planned at this time, a change in circumstances could result in the need for additional capital.

Capital management
The Company considers its share capital and other capital reserves as capital, the total book value of which totaled $107,890 at March 31, 2012 (December 31, 2011 - $107,772).

The Company is not subject to any externally imposed capital requirements.

Current assets
The decrease in current assets is driven by the timing of payments for bonuses and severance at the beginning of the year, combined with improved management techniques to minimize the Company's inventory risk exposure.

Cash and cash equivalents
At March 31, 2012, the Company had cash and cash equivalents of $4,886 compared with $5,856 as at December 31, 2011. Please refer to table above for details of the changes in the cash balance.

Accounts receivable
The Company continues to manage its customers' payment terms, particularly government customers who require extended payment terms, but are ultimately low collections risks. Included in accounts receivable is $564 from the Company's manufacturing partner. The Company has sold raw material inventory that was formerly held by the partner, but owned by the Company. No revenue was recorded on this transaction.

Inventory
Inventory decreased from $5,235 at December 31, 2011 to $4,805 at March 31, 2012. The decrease was largely due to a change in our contractual manufacturing arrangement whereby our manufacturing partner in China is shifting from a labour provider to a contract manufacturer. To facilitate this process, our manufacturing partner purchased $548 of raw materials in the quarter. No revenue was recorded on this transaction.

Borrowings
Borrowings is related to a three year, $500 term loan drawn from a Canadian bank. As at March 31, 2012, the Company had met its obligations under the credit facility.

Accounts payable and accrued liabilities
The Company's accounts payable and accrued liabilities at March 31, 2012 totaled $5,623 (December 31, 2011 - $6,755), with the decrease due to the payment of bonuses and severance previously accrued for.

Acquisition liabilities
Under the terms of the acquisition agreement with InterFleet, three InterFleet executives were entitled to retention bonuses in the amount of $1,000 each, totaling $3,000, of which $1,500 was paid in January 2010. Subsequent to the termination of the employment contracts of the three executives, $1,000 of the remaining liabilities were paid during the year ended December 31, 2011 with the remaining $500 paid during the three months ended March 31, 2012.

OUTLOOK

The Company is planning to achieve growth in the coming periods by increasing recurring subscription revenue, services sales, and hardware sales in both its telematics business (Quadrant and InterFleet) and from increasing subscriptions revenue from its NextBus business. However, the Company is considering strategic alternatives with respect to its NextBus operations. The Company is continuing a process to consider the various options to extract value from its NextBus operations, including a possible sale of the NextBus business. The Company has retained Raymond James Ltd. as financial advisor to assist in reviewing all of its strategic alternatives related to NextBus. The Company has not yet made a determination regarding NextBus.

For the commercial market of the telematics segment, the Company expects to see growth within its Quadrant brand driven by increasing regulation in the transportation sector (Hours of Service and related driver reporting driven by the US regulation CSA 2010), the adoption of telematics to improve efficiencies, and continued hardware-only OEM sales. The Company is also gaining sales traction in the oil and gas vertical with its recently developed and launched lone worker, and Hours of Service solutions aimed at this market, where adoption of telematics is being driven by corporate governance, safety, and efficiency concerns.

In the government market, the Company expects to achieve growth in the coming periods with its InterFleet brand, as awareness of the InterFleet brand as a solution for public sector service winter maintenance grows among fleet managers. The InterFleet brand encompasses function-specific solutions for operators of snowplows, salt spreaders, waste management vehicles, emergency medical services, police vehicles, and other government functions. In the short term, the warranty issues with the InterFleet product expensed in 2011 may have an impact on new customer acquisition. The Company has taken a number of pro-active steps to resolve these issues and avoid any impact on sales and believes that this product will become increasingly attractive to customers with the changes made.

With predictive arrival, the NextBus product is currently in place in five of the top-ten transit authorities in North America and, as a result, has significant brand recognition amongst its target customer base—regional transit authorities. NextBus revenue is expected to continue to grow due to greater adoption of real-time passenger information systems by medium and small transit authorities and educational institutions, colleges and universities.

The Company intends to continue to develop and add to these solutions and expand its customer base through both direct and indirect sales efforts.

Assuming sales prices and the product mix between hardware and non-hardware revenue remains consistent, the Company expects gross margins at above 50% to be sustainable for the foreseeable future.

The restructuring executed by Webtech Wireless in 2011, positions the Company to deliver operating leverage as revenue grows.

LITIGATION

In August 2009, a competitor alleged patent infringement by the Company. No damages are specified in the lawsuit and the Company is unable to estimate the dollar value or the outcome of this claim.

The Company is a party to a Franchise Agreement with regards to certain elements of its NextBus business. The Franchisee is claiming to have certain rights under the Franchise Agreement and the Company does not agree with the Franchisee's interpretation. Pursuant to the terms of the Agreement, the parties are resolving the dispute through arbitration and a hearing is scheduled for November 2012 to clarify certain terms of the Agreement. The Company does not expect the outcome of the arbitration to have a material impact on its business.

(Dollar amounts in 000's, except share and per share amounts)

The Company has filed lawsuits against a former reseller. The reseller has also filed a claim against the Company. The outcome cannot be practicably determined. The Company believes the reseller's claim to be without merit and will vigorously defend the claim.

In addition, by virtue of the nature of the Company's business and products, the Company is involved in other legal matters which arise from time to time in the ordinary course of the Company's business. At this time, there are no legal matters of this type which are believed to be material to the Company's results of operations, liquidity, or financial condition except as discussed above.

COMMITMENTS

Under operating lease agreements for office premises, the Company is required to make future annual minimum lease payments as follows:

		Total
2012	$	753
2013		942
2014		894
2015 through 2018		2,473
Total	**$**	**5,062**

TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Related parties include key management, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Two independent members of the board of directors also serve on the board of directors of an insurance company under which the Company holds $1,470 in performance and materials bonds (December 31, 2011 - $1,470).

Key management includes the Company's directors and Executive Officers. The remuneration of directors and key management for the three months ended March 31, 2012 and 2011 is as follows:

		Three months ended March 31, 2012		March 31, 2011
Salaries and short-term benefits	$	459	$	463
Share-based payments		67		36
	$	**526**	**$**	**499**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting estimates are defined as estimates and assumptions management must make, which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. The underlying assumptions are based on historical experience and other factors that management believes to be reasonable under the circumstances, and are subject to change as new events occur, as more industry experience is acquired, as additional information is obtained and as the Company's operating environment changes. Critical accounting estimates are reviewed quarterly by the Audit Committee of the Board of Directors. Management's judgment is applied in the following significant areas: purchase price allocations in business combinations, valuation of intangible assets, assessment of asset and goodwill impairment, allowances for doubtful accounts, net realizable value of inventory, warranty provisions, revenue recognition for multi-element arrangements, useful economic life of property and equipment and intangibles, share-based payments, contingencies and future income tax valuation reserves.

(Dollar amounts in 000's, except share and per share amounts)

The Company's critical accounting estimates are as follows:

- The estimated useful lives of intangible assets are reviewed annually. The Company amortizes its intangible assets using assumptions of amortization methods and useful lives;
- The Company reviews goodwill at least annually and other non-financial assets when there is any indication that the asset might be impaired. The Company has estimated the value in use and fair value of operating segments to which goodwill is allocated using discounted cash flow models that required assumptions about future cash flows, margins and discount rates.

FINANCIAL INSTRUMENTS

Measurement categories, fair values and valuation methods

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statements of operations and other comprehensive income. Those categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost. The following table shows the carrying values of assets and liabilities for each of these categories at March 31, 2012 and December 31, 2011.

	March 31, 2012		December 31, 2011	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Loans and receivables	$ 16,371	$ 16,371	$ 17,215	$ 17,215
Other financial liabilities	6,054	6,054	7,727	7,727

The carrying value of the Company's financial assets and liabilities is considered to be a reasonable approximation of fair value.

Credit risk

The following table provides information regarding the aging of financial assets as at March 31, 2012, net of allowance for doubtful accounts:

	0 - 30 days	31 - 60 days	61 - 90 days	91 days +	Carrying Value
Trade accounts receivable	$ 2,872	$ 3,173	$ 1,151	$ 2,483	$ 9,679
Other accounts receivable	804	N/A	N/A	N/A	804
Total	**$ 3,676**	**$ 3,173**	**$ 1,151**	**$ 2,483**	**$ 10,483**

Allowance for doubtful accounts	**March 31, 2012**	**December 31, 2011**
Opening balance	$ 1,369	$ 1,600
Increase/(decrease) in provision	143	(210)
Bad debts written off	(93)	(21)
Closing balance	**$ 1,419**	**$ 1,369**

As at March 31, 2012, $6,807 of the Company's accounts receivable balance of $10,483 has aged in excess of 30 days, net of any provisions for losses. Unimpaired amounts aged in excess of 90 days are primarily attributable to government contracts subject to payment delays inherent in government payment review processes. Of the balances outstanding as at March 31, 2012, $4,740 or 45% of the net amount outstanding had been collected as of May 10, 2012. Management believes that the remaining outstanding balance is fully collectible.

The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters that could delay the collection of funds at an early stage.

During the three months ended March 31, 2012, there were no customers comprising greater than 10% of sales (2011 - nil).

Liquidity risk
At March 31, 2012, the Company had a revolving demand credit facility with a Canadian Chartered Bank of up to $1,500 which can be drawn as direct advances or letters of guarantee, subject to margin criteria, bearing interest at the lender's prime lending rate plus 1.5%. In addition, the Company obtained a $500 non-revolving term loan facility with interest at the lender's prime lending rate plus 2.5% and a maturity date of September 30, 2013. The credit facility is collateralized by a general charge on all the assets of the Company. At March 31, 2012, the Company carried a balance on the term loan facility of $431. In addition, the Company has a $170 credit card facility with a Canadian Chartered Bank. As at March 31, 2012, the Company has met its obligations under the credit facility.

At March 31, 2012, the Company's trade and other payables were $5,623 (December 31, 2011 - $6,755), $4,795 (December 31, 2011 - $5,823) of which became due and payable within the normal terms of trade, generally between 30 and 90 days. The remainder of trade and other payables relates to accruals for restructuring charges.

Market risk

Foreign exchange risk

The Company has operations based in the United Kingdom and the United States in the form of its wholly owned subsidiaries. The Company's financial results are reported in Canadian dollars. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the US dollar ("USD"), as a majority of the Company's revenues are earned in USD. During the three months ended March 31, 2012, 64% of the Company's revenue was in USD (2011 – 59%) and 4% was in British Pounds ("GBP") (2011 – 4%). The Company periodically estimates its obligations payable in these foreign currencies and converts excess foreign funds into Canadian currency to mitigate the risks associated with changes in foreign currency rates. The Company does not currently have any derivative instruments. At March 31, 2012, the Company held net current monetary assets in USD and in GBP equal to $7,737 CAD and $686 CAD, respectively (December 31, 2011 - $7,707 CAD and $896 CAD).

The Company estimates the impact of a 10% change in exchange rates on its net current monetary assets to be $842 (December 31, 2011 - $860).

Interest rate risk

The Company estimates the impact on net income of a 2% change in interest rates on its debt affected by variable interest rates to be $10 (March 31, 2011 - $23).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

The Company's management is responsible for designing disclosure controls and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company are not aware of any changes regarding the Company's disclosure controls and procedures since the date of the last test. The CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place as at March 31, 2012 are effective to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow for timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for designing, establishing and maintaining an adequate system of internal control over financial reporting. The Company's internal control system was designed based on the Risk Management and Governance: Guidance on Control (COCO Framework), published by the Canadian Institute of Chartered Accountants, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

The CEO and CFO of the Company are not aware of any changes regarding the Company's internal control over financial reporting since the date of the last test. The CEO and CFO have concluded that as at March 31, 2012, the Company's internal control over financial reporting is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

ADDITIONAL RISKS

The following risk factors, as well as risks not currently known to Webtech Wireless, could materially adversely affect Webtech Wireless' future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to Webtech Wireless. Before making an investment decision, consideration should be made of the principal risks and uncertainties. The risk factors are more fully described in the Company's most recently filed Annual Information Form which is available on the Canadian System for Electronic Document Analysis and Retrieval website ("SEDAR") (www.sedar.com).

Profitability

The Company did not attain accounting profitability during the quarter ended March 31, 2012, and it may not be able to return to profitability from operations for the current fiscal year or in the foreseeable future.

Technology

The Company operates in a highly competitive environment where its hardware and other products and services are subject to rapid technological change.

Intellectual Property
The trade secrets held by Webtech Wireless with respect to the assembly of hardware products and copyright attached to the software is of extreme importance to Webtech Wireless' success. Webtech Wireless protects its intellectual property through trade secrets, reliance upon copyright legislation and patent applications.

Competition
The AVL and telematics industry is very competitive. A number of the Company's existing competitors have substantially greater financial, marketing and other resources.

Additional Funding Requirements
The Company's success is predicated on its ability to finance growth.

Stock Price Volatility
In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

Variable Revenues / Earnings
The revenues and earnings of the Company may fluctuate from quarter to quarter, which could affect the market price of the Company's Common Shares.

Earnings and Dividend Record
The Company incurred a net loss for the quarter ended March 31, 2012 and the years ended December 31, 2011, December 31, 2010, December 31, 2009, the five-month Transition Period ended December 31, 2008 and for the fiscal years ended July 31, 2008 and July 31, 2007 after reporting earnings for the previous three years following several years of no earnings since inception. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future.

Acquisitions and Divestitures
As part of the business strategy of the Company, the Company may acquire additional assets and businesses principally relating to or complementary to its current operations or divest non-core assets or business. Any acquisitions and/or mergers will be accompanied by the risks commonly encountered in acquisitions of companies.

Conflicts of Interest
Certain directors and officers of the Company are or may become directors or officers of, or have significant shareholdings in, other technology based companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

Warranty Claims
Webtech Wireless provides its customers with a limited warranty on its products. Despite quality control procedures, there is no assurance that the Company's provision for this warranty is adequate.

Inventory Management
The Company's hardware is comprised of component parts with long lead times. The Company typically purchases component parts and out-sources manufacturing in advance of receiving confirmed purchase orders. As a result, the Company may have significant inventory volumes that could be subject to write down from obsolescence.

Portal System Failure
Webtech Wireless' SaaS portal system is subject to failure due to loss of power, connectivity or human error. In the event that the Company's systems become inoperative for a period of time, the Company could be adversely affected by a reduction in customer satisfaction, loss of business and customer claims.

Operations
The Company's operations are dependent upon its ability to protect its network infrastructure and customers' equipment against damage from human error, telecommunications failures, fire, earthquakes, floods, power loss, sabotage, intentional acts of vandalism and similar events. Despite precautions taken by, and planned to be taken by the Company, the occurrence of a natural disaster or other unanticipated problem at one or more of the Company's network facilities could result in interruptions to the services provided by the Company.

Foreign Exchange
Fluctuations in the exchange rate between the Canadian and US dollars and between the Canadian dollar and the GBP affect Webtech Wireless by impacting revenue, expenses and assets and liabilities. Although the Company reports its financial results in Canadian dollars, for the quarter ended March 31, 2012, 64% (2011 – 59%) of revenues were US dollar denominated and 4% (2011 – 4%) were in GBP. A strengthening of the Canadian dollar against these currencies decreases revenues when reported in Canadian dollars.

General Economic Conditions
The Company's results could be adversely affected by changing economic conditions in the countries in which it operates.

Suppliers
Webtech Wireless has relationships with several suppliers and service providers upon which it depends to provide critical components for its products and services.

Distributors
The Company relies on distributors to sell its products in various countries around the world and there is a risk that certain of these distributors may terminate their relationship with the Company.

Liability Claims
Webtech Wireless may be subject to claims arising from the use of its products and services. A product liability claim could adversely impact the Company's business due to the cost of settlements and due to the costs of defending such claims.

Credit Concentration and Credit Risk
The Company provides credit to its customers in the normal course of operations. The Company estimates, on a continuing basis, the probable losses, and records a provision for such losses based on the estimated realizable value. There is no assurance that this provision will be adequate.

Dependence on Personnel
Due to the technical nature of its business and the dynamic market in which the Company competes, its success depends on its ability to attract and retain highly skilled engineering, managerial, marketing and sales personnel.

Government Regulations
The Company operates in a global marketplace, with sales in numerous countries. The Company may be required to incur additional costs in order to comply with foreign and state government regulations as they might pertain to certain issues concerning compliance with local regulations governing its devices, content, privacy, taxation and other considerations.

Market Demand for the Product and Services
The Company's success is dependent on its ability to market its products and services. There is no guarantee the Company's products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands.

Foreign Operations
The Company has four foreign subsidiaries, incorporated and operating in the United Kingdom, and United States, In addition, there is a non-operating subsidiary in Brazil. Such subsidiaries are subject to the laws of their jurisdiction of incorporation and any changes to such laws.

Insurance Inadequacy
No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at economically feasible premiums or at all. There is no assurance that in the event of claim or loss that the Company will have adequate insurance coverage.

OUTSTANDING SHARE DATA

As at May 10, 2012, the Company had 105,424,265 common shares outstanding. The Company has 6,999,033 share purchase options outstanding entitling the holders to purchase one common share for each option held at prices from $0.28 to $1.35 per share expiring on various dates up to November 28, 2016.

SEDAR

Additional information relating to the Company, including the Company's AIF, is available on SEDAR at www.sedar.com.

webtech wireless

2011 ANNUAL REPORT

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Message from the President

Dear shareholders,

2011 was a year of change, of adaptation and of improved outcomes for Webtech Wireless.

We achieved positive Adjusted EBITDA for the year in 2011, the first positive year since 2006. This occurred in a year during which we reinvented the InterFleet business, reorganized our board and realigned our sales focus.

Throughout 2011 we continued our progress towards a Software as a Service ("SaaS") business model, reporting more than 52% of revenues from subscriptions. This compares to the last three years when subscriptions were 50%, 41% and 30% of revenues respectively. This shift in revenue mix from a majority of hardware revenue to a majority of recurring high margin subscriptions has come about through a change in strategic direction. We now focus on attracting and retaining customers who appreciate the rich features and functions in our software platforms, InterFleet® for winter maintenance and municipal government fleets, Quadrant® for transport/service fleets and the oil and gas vertical and NextBus®. These verticals produce long term high margin and high dollar value recurring subscriptions and are businesses where we have strategic advantages.

InterFleet continued to consolidate our market lead by beginning to implement on an RFP win from Cleveland and by expanding in Quebec City, Chicago, and in Kentucky. We also had a number of solid renewals in the year.

Sales of Quadrant solutions also grew in the year with a major southeastern US utility being our largest single deployment in 2011 and by expanding its subscriber base by several thousand.

NextBus had a number of wins including a full system launch for the Toronto Transit Commission and roll-outs in Los Angeles and Boston. We are very happy with this business and believe that the strategic review process currently underway will ensure the best return for our shareholders.

Our distributor in Mexico, Prolog, had a strong 2011 with installations at GNP Insurance, but we have decided that the price points and margins are too low and the customer turnover too high for us to become dependent upon this business and so we expect lower volumes in 2012. We also expect to see declines in the overall dollar value of hardware-only sales in 2012 continuing a trend we saw in 2011, albeit at improved margins. We are confident that growth in our core telematics verticals will more than offset these declines, and be replaced by higher margin stickier business in our core verticals.

The InterFleet business changes, and efficiencies implemented in other parts of the business in 2011 resulted in an approximately $5 million reduction in annual run rate expenses by the fourth quarter, or 23%, all while maintaining our revenues year on year. These savings were the result of the hard work and dedication of all of our employees as we moved ourselves away from high cost low margin activities – like in-house manufacturing, maintaining an on-call field services team and employee installers – to a variable cost basis of outsourcing these functions. We also consolidated a number of operations under single leadership and a single methodology. This further improved efficiencies and costs and of course, quality for our customers while improving the working environment and career opportunities for our staff. The credit for the majority of this work goes to Larry Juba, our Chief Operating Officer.

We did of course take financial charges in 2011 to implement the changes made, but we believe that these are being paid back rapidly through the savings achieved and by allowing us to focus on the most profitable parts of our business. Please see our enclosed financial statements and MD&A for a complete discussion of this and other details of our financial results.

We raised $6 million in equity in early 2011 and later changed the composition of our board of directors. Our new board is working well together and supports the company's strategy of growing its subscription and services revenue base by focusing on the highest margin, stickiest revenue opportunities in our core verticals. I'd like to thank them and acknowledge their work in 2011.

A number of leadership changes and additions also occurred throughout 2011: Harald Fritz was promoted to SVP, Sales and Marketing; Chris Jackson was promoted to VP Operations and Project Management, InterFleet and Zahir Addetia now heads InterFleet development. Karen Mongelli joined as VP Government Sales/ Account Management, and David Greer became VP Marketing responsible for the brand building activities of the past year including our new website, and our social media and webmail campaigns all of which have increased leads and opportunities for us.

As I look back at 2011, I am pleased at the improvements made to our business and am confident and excited about what we can accomplish in 2012. Early wins so far this year include a large pilot with the Port of Vancouver and roll outs with Harlan Labs and Blue Bell Creameries, all with high recurring revenue and a close fit with our core strategy of focusing on customers who appreciate our high value-added solutions.

We will extend our technology reach in 2012 by releasing our first mobile applications for smart phones, porting our Hours of Service functionality onto third-party handheld devices, and by beginning to market our first set of Business Intelligence solutions. These and other initiatives are designed to grow our market beyond solutions anchored by modular hardware components and to deliver our vision of providing our customers with "Fleet Intelligence Anywhere".

Webtech Wireless' product roadmap, funnel, and subscription revenue have never been stronger and all of this is occurring at a time when the telematics industry is predicted to show strong continued growth. This gives us confidence in our belief that we are positioned for near term and long term success and we would like to thank you for your continuing support.

Regards,

Scott

Scott Edmonds
President & Chief Executive Officer

Corporate Overview

Founded in 1999, Webtech Wireless Inc. is a publicly held company (TSX:WEW), headquartered in Vancouver, British Columbia. We are a leading provider of vehicle fleet location-based services (LBS) and telematics technology. We develop, manufacture, and support end-to-end wireless solutions that improve the productivity, profitability, environmental compliance, safety, and security of vehicle fleets and their operators.

To date, Webtech Wireless has installed over 250,000 Locators in more than forty countries, with a particular focus in the regions of Canada, the United States, the United Kingdom, Mexico, and through distributors in other markets.

Webtech Wireless works closely with numerous technology partners, wireless carriers, resellers, and distributors worldwide, such as AT&T, Bell, Rogers, Motorola, TMW Systems, Garmin, and IBM (to name just a few).

Our Brands and Our Market Focused Approach
Webtech Wireless offers a comprehensive set of tightly integrated business solutions to an ever increasing variety of customers in three industries: government fleets, transit fleets, and commercial/ service fleets. Through our InterFleet®, NextBus® and Quadrant® brands—we have correspondingly structured our business units to best serve and support these industry segments.

InterFleet® (Government Fleets)
InterFleet is an advanced fleet management SaaS solution that provides real-time and historical vehicle location and telematics data, as well as live dispatch map displays for public sector fleets, such as public works, waste services, emergency services, and public safety. Today, InterFleet provides and manages GPS/ AVL tracking systems for over 350 state and local government clients across North America with over 35,000 units in the field.

InterFleet features include:

- Ten-second reporting
- Automatic Vehicle Location (AVL)
- Controller monitoring and reporting for winter maintenance vehicles
- Real-time mapping and route display
- Tracks (breadcrumb trails across the screen as vehicle travels)
- Geofencing and landmarks
- Query playback
- Many third-party and sensory integrations, (such as power takeoffs, sweepers, and arm up/down)

InterFleet's ability to integrate with a wealth of machine-to-machine interfaces and legacy software, and its ability for customers to modify any or all of the core system components, has enabled InterFleet to meet the various needs of different public sector fleets, including the City of Ottawa, the City of Saint John, LaGuardia and JFK airports, and the New York City Fire Department.

NextBus® (Transit Fleets)
NextBus represents a breakthrough in the way people use transit. NextBus is a real-time passenger information SaaS system utilizing Webtech Wireless patented technology to predict transit vehicle arrivals in real-time, based on the real-time GPS location of transit vehicles. NextBus provides this information to transit riders through electronic digital signs, mobile phones, enabled personal computers, and NextBus' automated Telephone Information System (accessible from any phone). Transit riders can also sign up for automatic email or text alerts, sent minutes before a given bus is predicted to arrive, giving a rider time to meet the bus and reduce wait times. NextBus also provides transit authorities with numerous fleet management tools designed to improve operating efficiency, enhance service, and meet government reporting requirements.

NextBus is in use by approximately 100 transit agencies, educational institutions, and other transit operators across North America, including San Francisco MUNI, Washington DC WMATA, Los Angeles Metro, the Boston MBTA, and the Toronto Transit Commission.

Quadrant® (Commercial/Service Fleets)
Quadrant provides a complete fleet management solution using real-time GPS-based location information, telematics information, and detailed reports, to optimize customer fleet performance.

Quadrant features include:
- Automatic Vehicle Location (AVL)
- Mapping route display
- Geo-fencing
- Key management performance reports
- Fully digital Hours of Service (HOS)
- Automated fuel tax reporting
- Two-way messaging
- Job management

Offered on a scalable SaaS platform, Quadrant brings every piece of critical fleet data together and delivers it to back-office and third-party applications, enabling fleet managers to make informed decisions to improve business processes and increase efficiency. Quadrant's numerous customers include the City of Chicago, the Commonwealth of Kentucky, Cybit Ltd. (UK), and GNP Insurance (Mexico).

Responding to the Needs of Individual Customers
Each of these business units is intimately familiar with the needs and complexities of their individual customers and can respond with customized solutions, whether Quadrant, InterFleet, or NextBus.

Even within these segments, there is often great variation in customer needs: vehicle fleets vary greatly (by size, type, and purpose); and, different local operational and regulatory requirements mean customized compliance rules. While our competitors offer point solutions that solve a small part of customer needs, Webtech Wireless provides integrated solutions that meet the complete operational and management requirements of organizations. We offer national coverage in both the United States and Canada through our mobility and satellite partners—something few of our competitors can offer.

These solutions, along with a host of support services, help organizations manage their mobile assets as never before. They represent the latest and most innovative telematics technology available today, and through our commitment to continuous research and development, we have maintained our leadership in the industry.

Benefits of Webtech Wireless' Solutions
Running a business that relies on fleets of vehicles and drivers—and all the maintenance and logistics to keep it running—is a big challenge for fleet managers. Our telematics solutions make it easier for customers to gain key insights into productivity, customer service, fuel economy, routes, maintenance, and vehicle performance.

These are the top-ten benefits of a Webtech Wireless solution in our diverse vertical markets:

Attract Top Drivers
Transportation and other fleet managers are facing a shortage of quality drivers. A fleet manager's ability to monitor vehicles and drivers provides the data needed to reduce inefficient driving practices and improve driver safety.

Telematics improves overall fleet efficiency by using information obtained to improve driver behaviour. For example, by using Webtech Wireless' turn-by-turn navigation a company can easily obtain accurate IFTA fuel tax data on miles driven and automatically generate fuel tax reports for efficient compliance with tax regulations.

Comply with Regulations
Webtech Wireless provides many features to help customers meet regulatory compliance with CSA Safety regulation (automated Hours of Service), and IFTA Fuel Taxes for both the US Department of Transportation and Transport Canada.

Enhance Customer Service
Increasingly, customers demand faster and more efficient service delivery, and with growing pressure to increase productivity, service fleets are looking for new ways to optimize their operations. Webtech Wireless' GPS vehicle tracking and telematics solutions allow organizations to monitor scheduled routes from start to finish, to locate mobile assets with precise accuracy, and to correct any unforeseen obstacles that may impact productivity and efficiency.

Improve Fuel Economy
With ever-rising fuel costs, fuel economy is critical to reducing fleet expenses. Research is showing that reduced idling, reduced driving speeds, and driver training play a huge part in improving fuel economy. Simply by reducing drivers idling times and speed, many Webtech Wireless customers have achieved as much as a 22% reduction in fuel consumption.

Increase Safety
Fleet managers are responsible for mobile workers who are at risk whenever they work alone—especially in hazardous environments, such as the oil and gas sector. Without real-time visibility into these workers activities, customer credibility, safety reputation, and of course the worker's well-being is at risk. Webtech Wireless AVL solutions—such as man down, lone worker, and real-time vehicle location notifications—help fleet managers across multiple industries improve safety, reduce insurance costs, and improve operations.

Lower Costs
Driver training is a big part of the Webtech Wireless solution, allowing customers to maximize their investment in GPS vehicle tracking. Vehicle telemetry allows customers to identify specific problems with vehicle use and make cost-saving changes. By improving driver behaviour, customers can realize savings in fuel consumption, idling reduction, fewer hard starts and stops, and reduced speeding reducing unnecessary costs. Webtech Wireless' vehicle diagnostics improves fleet performance, because customers can identify vehicle problems and schedule maintenance when problems are still minor.

Optimize Fleet Performance
Industry best practices demonstrate that improving fleet performance can be the single biggest area to gain returns from a telematics solution. Webtech Wireless provides timely insight into vehicle data, which customers use to schedule maintenance (vehicle diagnostics), monitor driver behaviour (telemetry), and improve company best practices (automated dispatch).

Prevent Theft
Webtech Wireless solutions provide the ability to access detailed vehicle movement data for theft recovery purposes. Our complete location-based services and telematics solutions help customers confront the risk and cost of theft and the rising cost of vehicle insurance.

Realize ROI
High-value fleet managers want an edge over the competition through greater fuel savings, on-time delivery, and improved customer service. By deploying a telematics solution, our customers invariably report a quick return on their investment with additional unforeseen revenue-generating opportunities—such as improved dispatch and driver performance allowing drivers to service more customers. An overall goal of 15 to 20% improved productivity for an entire fleet is achievable after deploying a Webtech Wireless solution.

Reduce Emissions
Cutting CO_2 emissions enhances your corporate identity while saving your money. Webtech Wireless' solutions are great for cutting emissions. Our own customers appreciate that by reducing your CO_2 emissions, their fleets are better for the environment too.

Our Purpose
At Webtech Wireless, we are committed to providing solutions for a variety of organizations—public and private—that depend on efficient and effective mobile resource management.
We have invested in maintaining our technology leadership through research and development, as well as a proven team of dedicated professionals that share in the vision of providing "Fleet Intelligence Anywhere."

Management's Discussion & Analysis

GENERAL

Certain statements in this document, including statements which may contain words such as "could", "expect", "believe", "will", and similar expressions and statements related to matters that are not historical facts, are forward-looking statements. These forward-looking statements relate to, among other things, financial results, product plans, timing, content and pricing of products, market and industry expectations, and general economic, business and political conditions. All forward-looking statements in this document are based on management's beliefs, intentions and expectations with respect to future events. Such forward-looking statements involve known and unknown risks and uncertainties, including those set out below under the heading Additional Risks and described in greater detail under Risk Factors in the Annual Information Form ("AIF") of Webtech Wireless Inc. (the "Company"), which may cause the actual results, performances, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements.

In light of the many risks and uncertainties that may cause future results to differ materially from those expected, the Company cannot give assurances that the forward-looking statements contained in this document will be realized. Forward-looking statements are not guarantees of future performance.

The financial data contained in this report and in the audited Consolidated Financial Statements of the Company for the year ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in Canadian dollars, unless otherwise noted. In addition to the results reported in accordance with IFRS, the Company uses various non-GAAP financial measures, which are not recognized under IFRS, as supplemental indicators of the Company's operating performance and financial position. These non-GAAP financial measures are provided to enhance the user's understanding of the Company's historical and current financial performance and its prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of the Company's core operating results and ongoing operations and provide a more consistent basis for comparison between quarters and years. Details of such non-GAAP financial measures and how they are derived are provided in conjunction with the discussion of the financial information reported.

The Company has reclassified certain balances to conform to the presentation adopted in the current year. In addition, there may be minor differences due to rounding of numbers.

OVERVIEW

Founded in 1999, the Company is a leading provider of telematics and vehicle fleet location-based services ("LBS") in the Mobile Resource Management ("MRM") industry, that helps organizations efficiently measure, monitor and manage the performance of their mobile assets in real-time. The company consists of three major divisions: Quadrant®, InterFleet®, and NextBus®. The market for hardware and software products from the Quadrant division are sold and used globally in diverse markets including, but not limited to, transportation, oil & gas, waste management, utilities, and service fleets. The InterFleet division focuses on a telematics solution for winter operations and LBS hardware and software solutions to municipal and state governments throughout Canada and the US. NextBus provides a real-time predictive information ("RTPI") solutions for public and private transit fleets.

The Company's hardware and software products and services enable customers to improve the productivity, profitability, regulatory compliance and safety and security of their fleets, drivers and fleet operations through both client server and hosted applications offered on an enterprise license or Software as a Service ("SaaS") basis. In addition, NextBus provides transit riders with real time information about the arrival of the next transit vehicle. Through a combination of organic growth and acquisitions, the Company now serves customers of all sizes in numerous vertical markets and to original equipment manufacturer ("OEM") markets.

The Company develops, manufactures and supports its own hardware and software products, as well as offering hosted and enterprise applications. A typical sale involves the installation of a Webtech Wireless Locator™ or Tracker™ in-vehicle device, which functions using advanced global position system ("GPS") and general packet radio service ("GPRS") technology as well as 3G and other cellular and satellite communications technology. An annual or multi-year subscription connects the Locator to the Company's Internet-based Quadrant or InterFleet portals, which provide detailed mapping, reporting, dispatching, and operational analysis capabilities. The InterFleet Locators average ten second updates with second-by-second reporting—critical to real-time fleet operations—and automatic refresh updated status changes every three seconds. In the case of NextBus, the Locator connects to the Company's NextBus portal, which provides both fleet management information to transit agencies and information to transit rides via transit signs, websites, SMS message and smart phone applications. Alternatively, the NextBus portal can connect to most computer aided dispatch/automatic vehicle location systems via its open interface technology.

These services are offered through an application service provider ("ASP") layer, or SaaS, or on an enterprise basis for large customers with their own IT infrastructure and complex fleets. Under the enterprise model, the Company licenses its software on a stand-alone basis through an enterprise license, which attracts a one-time licensing fee plus recurring annual maintenance fees. The Company's NextBus solution is also offered on an ASP/SaaS basis.

The Company sells its hardware, software and services through a combination of direct and indirect sales channels. By working with qualified local partners and distributors, the Company has been able to penetrate international markets.

The Company expects to grow organically in transport, government, service, and transit markets as the overall industry grows. It will also continue to seek accretive acquisitions as appropriate.

Statement of operations	Year Ended December 31, 2011 (IFRS)	Year Ended December 31, 2010 (IFRS)	Year Ended December 31, 2009 (Canadian GAAP)
Revenue	41,408	41,377	27,217
Net loss	(7,301)	(15,389)	(10,725)
Net loss per share	(0.07)	(0.17)	(0.17)
Statement of financial position			
Total assets	45,140	46,566	59,275
Total non-current financial liabilities	—	229	1,818

RECENT DEVELOPMENTS

On January 12, 2012, the Company announced that it is considering strategic alternatives with respect to its NextBus operations. Webtech Wireless is undertaking a process to consider the various options to extract value from its NextBus operations, including a possible sale of the NextBus business. The Company retained Raymond James Ltd. as financial advisor to assist Webtech Wireless in reviewing all of its strategic alternatives. The Company has not yet identified a purchaser for the Nextbus assets and must reach an agreement with any such purchaser through negotiation, at a price and on terms that are acceptable to both the Company and the purchaser. The proceeds from any disposition will be added to working capital.

Operationally, acquiring and retaining recurring subscription revenue continued to be the focus of the Company and made up 53% of revenue in the fourth quarter and year (2010: 46% and 50%, respectively). Commercial hardware sales (which are the genesis of recurring subscription revenue) increased in 2011, most notably in the theft recovery segment, and drove a substantial increase in subscriber count to support the growth in recurring revenue, despite a drop in OEM hardware sales (which do not generate recurring subscriptions). Overall, on a currency adjusted basis recurring revenue is up 24% for the quarter and 9% for the year, due to increased sales of Quadrant and NextBus solutions that have also resulted in a growing subscriber base. Service revenue, dropped due to high one-time services revenues related to a large US courier customer and the City of Chicago recorded in 2010. Gross margins were 52% for the quarter. The Q4 2011 gross margin percentage increased from the 36% in Q4 2010 to a more normalized level as the 2010 results reflected $1,208 in one-time charges included in cost of sales from a review of the InterFleet operations. On a normalized basis, the Q4 2010 gross margin percentage would have been 47%. The current quarter was also impacted by the increase of high margin recurring revenue in the revenue mix relative to hardware revenue. For the year, gross margins improved to 55% in 2011 from 52% in 2010 largely due to revenue mix and the prior year charges from the InterFleet operational review. Operational expenses decreased by 20% in Q4 2011 as compared to the quarter ended December 31, 2010 as the Company had significantly restructured and reduced both staff levels and administrative overhead. In addition, the impairment of intangible assets recorded in 2010 significantly reduced amortization in 2011.

InterFleet re-organization and corporate restructuring

The Company executed a number of measures discussed below to restructure operations in the fourth quarter of 2010 and continued this restructuring program in 2011. As a result, the Company significantly reduced operating costs in the year and incurred and accrued $4,384 of restructuring costs during the year ended December 31, 2011. The objective of these programs was to improve efficiency and reduce costs, with the goal to allow the Company to earn an acceptable level of profit and return on invested capital. In addition, the Company restructured its Board of Directors in 2011 and incurred and accrued $685.

In December 2010, the Company determined to make certain management changes at its InterFleet operation and implemented a restructuring program largely focused on its Toronto and New York locations, but also its Vancouver location. The restructuring process included a program to rectify issues with certain InterFleet hardware components, which arose in the fourth quarter of 2010, and a review and rationalization of the InterFleet hardware product offerings, product roadmap and manufacturing process. The restructuring changes included:

- Appointment of Mr. Larry Juba to the position of Chief Operating Officer;
- Outsourcing manufacturing formerly conducted at the Company's SMT (surface-mount technology) line in Toronto and a resulting reduction in the workforce and facilities at this location;
- Departure of three senior executives of InterFleet Inc.;
- Closure of the Company's New York facility and resulting reduction in work force;
- Centralization of certain functions in the Vancouver headquarters of the Company;
- Reorganization of the sales leadership and team based on industry verticals;
- Greater coordination and integration of the Company's product development teams;
- Consolidation of administration teams; and
- A reduction of the Company's Vancouver workforce.

(Dollar amounts in 000's except number of shares and per share amounts)

These restructuring actions resulted in charges totaling $4,384 for the year ending December 31, 2011 as follows:

- Severance and working notice commitments of approximately $2,025 for 2011 related to executive and staff changes;
- $493 in 2011 related to the write down of Toronto and New York inventory that is no longer useful due to the rationalization of the InterFleet locator product line;
- For 2011, $1,148 related to a reduction of space occupied by approximately 60% at the Toronto facility, which has a lease in place until 2018 and the closure of the New York office;
- For 2011, $257 related to the write down of manufacturing machinery and equipment at its Toronto location that was disposed of in the third quarter of 2011; and
- $461 in 2011 for various legal, consulting, and administrative costs.

In addition, in the first quarter of 2011, the board of directors was restructured following a shareholder action resulting in costs of $685 taking the total 2011 restructuring costs to $5,069.

Financing
On March 1, 2011, the Company completed a bought deal private placement offering of 15,000,000 common shares (the "Offering") at a price of $0.40 per share for total gross proceeds to the Company of $6,000 (net proceeds of $5,458). The Company plans to use the net proceeds from the Offering for working capital and for general corporate purposes.

Correction of Misstatements from Prior Periods
As reported in the consolidated interim financial statements and management, discussion and analysis for the three and six-months ended June 30, 2011, Management determined that in prior periods the Company's consolidation process resulted in certain accounts requiring adjustment. Management has determined that the adjustments required are not material to the prior period financial statements and management discussion and analysis, but have made the determination that the prior period comparatives presented in the current financial statements should be adjusted. As a result, prior period comparative figures as at and for the year ended December 31, 2010 were adjusted. Prior period financial statements and management discussion and analysis will not be restated, amended or re-filed. The items adjusted are as follows:

1. Inventory was understated and losses overstated from 2007 to 2010. This issue arose due to an internal calculation matter. The cumulative effect resulted in inventory being understated at December 31, 2010 by $1,286, the 2010 net loss being overstated by $788 and opening deficit being overstated by $497. There is no impact on the year ended December 31, 2011.
2. A purchase price adjustment to reduce deferred revenue that arose on the acquisition of Interfleet Inc. (formerly Grey Island Systems International Inc.) was taken in one period and it has since been determined that it should have been amortized. Deferred revenue was understated at December 31, 2010 by $290, 2010 net loss was understated by $208, and 2010 opening deficit was understated by $82. There is no impact on the year ended December 31, 2011.
3. The Company carried a balance in accrued liabilities as an offset to its warranty reserve due to intercompany sales. This offset is no longer required, and as a result, the warranty reserve at December 31, 2010 was understated by $167 and 2010 deficit was understated by $167. There is no impact on the year ended December 31, 2011.

The aggregate impact of these adjustments was to decrease the loss for the comparative year ended December 31, 2010 by $580. There is no impact on the year ended December 31, 2011.

Please refer to Note 24 of the consolidated financial statements for December 31, 2011 for the details of the impact of these adjustments.

INDUSTRY AND ECONOMIC FACTORS

Industry
The Company develops, manufactures and sells turnkey wireless telematics and predictive arrival solutions designed to improve the productivity, security, emissions and profitability of government, commercial and transit fleets, and consumer automobiles through the application of telematics and LBS. In addition, the predictive arrival solution provides real-time information to transit riders about the location and arrival time of their transit vehicle. The Company has developed fully integrated end-to-end systems, comprising GPS, wireless communication technologies, the Internet, and enterprise-based tracking and reporting software leveraging the Webtech Wireless Locator Series, a family of discrete GPS tracking devices that provides telematics and LBS information to a variety of consumer automotive, transportation, service, public transit and government vertical markets.

Products include wireless hardware and software services running on cellular and satellite networks, offering the following:

- Telematics: The ability to communicate remotely with onboard vehicle systems and human machine interfaces ("HMI").
- Intelligent Telematics: Systems that provide advanced abilities to improve operations, processes, and maximize equipment lifecycles.
- Location Based Services: Real-time location data including mapping, landmark reporting, speed reporting and geofencing (which defines virtual electronic boundaries to monitor vehicle location and movement).
- Regulatory Compliance: Driver logs and other measures required for Hours of Service ("HOS") regulations, automated reporting in regulatory formats, driver and other alerts, trip recorder (detailed record of telemetry inputs and location information).
- Safety and Security: Vehicle recovery, transport of hazardous material, air-bag deployment notification, remote door lock/unlock, and remote vehicle diagnostics.
- Connectivity: Dispatch, voice/cellular communication, data transmission, text messaging, and enabling peripherals including laptops and personal digital assistants ("PDAs") to gain access to corporate applications.
- Predictive Arrival: Public transit and shuttle fleet customer communication providing real-time predictive arrival information

through message displays at bus stops, to handheld devices and the Internet and interactive voice response systems, as well as passenger counting and stop enunciation solutions.

The Company sells its telematics and LBS solutions around the world. The global market for telematics and LBS is expected to grow between 15% and 20% per year based on independent research. Factors driving the worldwide increase in the use and application of telematics include:

- Continuing need to improve efficiencies and operational control;
- Requirements to comply with regulatory reporting of driver activity;
- Increased awareness of the benefits of telematics by trucking companies, service providers, insurance companies, automobile manufacturers and consumers, including as a theft reduction tool;
- Growing acknowledgement by consumers, regulators and manufacturers of the enabling contributions which telematics can make in reducing carbon emissions;
- New wireless networks and reduced costs for hardware and airtime;
- Continued trend for municipal governments to focus on increased usage of public transit;
- More comprehensive and better subscriber services at similar prices;
- Trends toward safety and security of mobile workers and assets; and,
- Homeland security concerns in the US.

Industry factors are more fully described in the Company's most recently filed AIF which is available on SEDAR at www.sedar.com.

Economic
Based on the Company's analysis, the Company expects the pace of global economic recovery to continue to be slow, gradual and varied across worldwide economies. Domestically generated demand and demand for commodities in emerging economies is increasing while demand from industrialized economies is varied as consumers and governments have implemented austerity measures to address fiscal imbalances. Increased currency and commodity price volatility continue to put significant pressure on companies' capital spending and growth plans. These ongoing effects of slow economic growth could have a negative impact on the Company's planned growth strategy despite overall growth in the global telematics industry.

Currency
The Company has operations in three countries, has made sales in over 40 countries and operates in three currencies; the US dollar ("USD"), the Canadian dollar ("CAD") and the British pound ("GBP"). The Company's reported revenue and net results can be materially affected by fluctuations in the exchange rates of the CAD against the USD and the GBP.

In general, a strengthening of the CAD against the USD or the GBP adversely impacts the Company's reported revenues and accounts receivable. This adverse effect is partially offset by a smaller favourable impact on expenses and accounts payable. The inverse is true when the CAD weakens against the USD and GBP.

The Company believes uncertainty in global financial markets and a slow, varied recovery across world economies in 2011 continues to drive volatility in worldwide currency markets. In 2011, the CAD strengthened against the USD for the majority of the year but weakened in the final quarter of the year, resulting in a net favourable impact on the Company's reported earnings. Based on forecasts by leading Canadian Banks, the Company expects the Canadian dollar to continue to fluctuate relative to the USD throughout 2012.

Technology
The Company operates in a rapidly evolving technology market. Its continued success depends on its ability to keep pace with these technology changes. In particular, its future growth depends on the development, enhancement and protection of intellectual property related to its hardware and software solutions, as well as keeping pace with the deployment of next generation wireless data and voice networks by its technology partners. The Company has deployed the following enhances and new products:

Hardware
The company designs, builds, and in partnership with outsource providers, manufactures its own hardware as well as providing a variety of third party designed peripherals and "add-ons".

The Company announced the release of its Asset Watcher product during 2011. The Asset Watcher is a third party device designed to monitor in-yard and other high value non-powered assets, for theft recovery and mobile resource management. This product line is known as the 2100 series. This product expands the Company's product range and allows it to compete with other low cost products and solutions.

The Company also announced an expansion of its 5000 series of Locators with the launch of the WT5100 Series Locators as the successor to the WT5000 Locator and a mid-tier telematics solution. The WT5100 series enables small and medium vehicle fleet operators, a key market for the Company, to continue to take advantage of our advanced Quadrant Manager platform. The WT5100 series can also be used with the InterFleet and NextBus software platforms.

The WT7000 series, which builds upon the functionality of the WT5000 line of hardware but adds the ability to measure engine diagnostics and driver behavior and integrates with the Company's in-cab touch screen data terminal (the WT3100), was updated with a refresh of firmware and a new enhanced GPS chip and modem in late 2011.

During the quarter, the Company also rebranded what was formerly known as the InterFleet Atmel solution as the WT9000 series locator. This is a Linux based locator and communications platform with multiple I/O and communications capabilities designed primarily for connection to on-board controllers as well as traditional telematics and engine control applications.

InterFleet
The InterFleet product line consists of server software and WT Locator devices. In 2011, there were several InterFleet software releases including:

- Full French translation of the InterFleet application, including the reports module and the adminframe tool;
- A number of new reporting and user interface enhancement designed to improve usability and extend functionality.

Quadrant
The Quadrant product line consists of server software, WT Locator devices and Mobile Data Terminal (MDT) products. In 2011, there were several major Quadrant enhancements focused on updating the solution, extending Hours of Service functionality particularly for the Oil and Gas Industry and enabling integration with best of breed transportation "back of the house" systems. These developments include the following:

- The release of the Enterprise version of Quadrant 9e, including the WT-7000H Locator, for supporting 3G networks, and support for roadside assistance, job management and supporting key customers on in-vehicle devices from Garmin International Inc.;
- Hours of Service support for Canadian Oil and Gas and US Intrastate rule sets;
- Hours of Service alerts capability adhering to 395.16 regulatory requirements for US interstate rules;
- Release of a version of the Quadrant Interface to TMW Suite software for first customer deployment;
- Release of an AEMP interface that is used for communication between Quadrant and AEMP standard construction industry maintenance systems, used by several large customers; and
- A number of new reporting and user interface enhancement designed to improve usability and extend functionality.

NextBus
The NextBus product line consists of a passenger website, Smartphone site, and XML feeds. In 2011, NextBus software enhancements included the following:

- A Spanish-language version of the passenger website was added;
- GPS-enabled Smartphone viewing received the following enhancements: automatically directed to a site that shows predictions for complicated nearest stops; color scheme and layout modified;
- A number of new reporting and user interface enhancement designed to improve usability and extend functionality.

The Company also made several new patent and trademark applications to increase the value of its intellectual property portfolio. The portfolio now consists of nine issued patents, sixteen registered trademarks, forty-nine registered domain names, and a number of pending rights expected to issue or register in due course. In 2011, Webtech Wireless had a total of eight patent applications pending broken down into 2 design and 6 utility patents. The design patents were focused on Webtech Wireless' Quadrant and InterFleet joint rebranding strategy, while the utility patents targeted core product areas in Driver Performance management (2), Vehicle Diagnostics (1), fleet Job Management (1) and transportation HOS/DLOGS (2).

Credit availability and cost
The Company's reported assets, while stable, have grown in prior fiscal years through raising capital on the financial markets and, through the acquisition of InterFleet Inc. Developments in global credit markets have impacted the ability of companies to obtain debt financing or raise capital through public markets. The Company completed a $6,000 equity financing in March 2011 as previously discussed. The Company has relied on growth in hardware sales in previous quarters, and a growing customer base generating recurring revenue to fund operating activity and used its credit facilities to bridge any timing differences between cash outflows and inflows which occurred. While management believes the Company is sufficiently funded at this time, there is no guarantee that it will not need additional external funding in the future.

Customer demand
While the telematics and LBS industry is expected to grow, there is a possibility that decreasing investments by customers as a result of the continued effects of the gradual global economic recovery could slow the adoption of new technology. Projects may be delayed and customers will require shorter payback periods on their investments. Existing vehicle fleets may also be reduced, resulting in the retirement of their associated GPS locators and cancellation of location-based services and telematics solutions. Offsetting these negative factors are the low-capital-cost and fast return-on-investment features of the Company's solution which provide the savings and operating efficiencies which customers demand during difficult economic times.

Competitors
The Company operates in a highly competitive environment. The Company's key telematics competitors are: Qualcomm, Telogis, Trimble/Peoplenet, and HTI/Networkfleet. Qualcomm Enterprise Services develops telematics systems such as OmniVision and OmniTRACS. Trimble offers web-based vehicle tracking services including PeopleNet Fleet Manager, which it acquired in 2011, @Road GeoManager and @Road Pathway. HTI/Networkfleet offers their on-board diagnostics and telematics solutions.

For predictive arrival, the key competitors offer large CAD/AVL or fare box solutions that also provide transit arrival and scheduling solutions. These competitors include INIT AF, Affiliated Computer Services Inc./Xerox, Clever Devices and the Trapeze Group. There are also a number of small niche predictive arrival companies.

Counterparties
The Company has several key supplier and strategic partnership relationships which may be impacted by weakened demand arising from the weaker economy. The Company has established partnerships with large, established organizations and does not foresee significant counterparty risk.

RESULTS FROM OPERATIONS

Summary Of Results Of Operations for Year Ended December 31, 2011

	Year ended			
	December 31, 2011	December 31, 2010	Variance ($)	Variance (%)
Hardware revenue	$ 14,245	$ 14,576	$ (331)	-2%
Recurring revenue	21,897	20,576	1,321	6%
Services and other revenue	5,266	6,225	(959)	-15%
Total Revenue	**41,408**	**41,377**	**31**	**0%**
Cost of sales	18,823	19,976	(1,153)	-6%
Gross margin	22,585	21,401	1,184	6%
	55%	*52%*		
Expenses				
Sales and marketing	7,625	8,758	(1,133)	-13%
Research and development	6,620	7,597	(977)	-13%
General and administrative	8,368	8,683	(315)	-4%
Stock based compensation	565	1,776	(1,211)	-68%
Depreciation and amortization	2,044	3,280	(1,236)	-38%
Total operating expenses	25,222	30,094	(4,872)	-16%
Loss before the undernoted	(2,637)	(8,693)	6,056	-70%
Finance expense	210	44	166	377%
Foreign exchange (gain) loss on operations	(200)	1,194	(1,394)	-117%
Impairment of intangible assets	—	4,183	(4,183)	-100%
Restructuring expense	5,069	2,364	2,705	114%
Net loss before taxes	**(7,716)**	**(16,478)**	**8,762**	**-53%**
Income tax recovery	415	1,089	(674)	-62%
Net loss for the period	**$ (7,301)**	**$ (15,389)**	**$ 8,088**	**-53%**
Net loss per share (basic and diluted)	$ (0.07)	$ (0.17)	$ 0.10	-58%
Weighted average number of shares outstanding	102,958,512	90,218,787	12,739,725	14%

Financial position	December 31, 2011	December 31, 2010
Total assets	$ 45,140	$ 46,566
Total long-term liabilities	$ 1,366	$ 1,597

(Dollar amounts in 000's except number of shares and per share amounts)

	Year ended December 31, 2011	Year ended December 31, 2010
Net loss as reported	$ (7,301)	$ (15,389)
Add (deduct)		
Depreciation and amortization	2,044	3,280
Interest and other expenses	103	44
Loss on sale of assets	23	—
Stock based compensation	565	1,776
Tax recovery	(415)	(1,089)
Foreign exchange loss (gain)	(200)	1,194
Restructuring cost including stock based compensation	5,069	2,364
Intellectual property litigation	467	814
Litigation settlement	225	—
California state tax audit	135	—
Toronto T4 amendment	50	—
One-time accounting fees	83	—
Impairment of intangible assets	—	4,183
Adjusted EBITDA (Loss) (1)	**$ 848**	**$ (2,823)**

(1) Adjusted EBITDA (Loss) is a non-GAAP measure and is therefore not universally defined. Adjusted EBITDA (Loss) is defined as earnings before interest, tax, depreciation, amortization, stock based compensation, foreign exchange (gain) loss on operations, restructuring charges, and other non-recurring items as outlined above.

Revenue

Total revenue is consistent with 2010; however, the mix in revenue has changed and improved year on year. In 2011, recurring revenue increased particularly due to sales of Quadrant transportation solutions, sales in the theft recovery segment and several large NextBus projects that were implemented in 2011. OEM hardware-only revenue dropped in 2011 due to a change in focus and pricing adjustments to improve gross margins. Commercial hardware sold as part of the solution sale increased, which lead to the reported increase in recurring revenue. Services and other revenue dropped in 2011 due to enterprise license sales to a large US courier company and City of Chicago recognized in 2010, and delays in planned InterFleet projects during the year resulting from the restructuring process. The strong Canadian dollar throughout the majority of the year also impacted 2011 revenue relative to 2010. On a same currency basis, revenue was up 4%.

Revenues by category

	Year ended December 31, 2011 $	%	Year ended December 31, 2010 $	%	Variance %
Hardware revenue	$ 14,245	34%	$ 14,576	35%	-2%
Recurring revenue	21,897	53%	20,576	50%	6%
Services and other revenue	5,266	13%	6,225	15%	-15%
	$ 41,408	**100%**	**$ 41,377**	**100%**	**0%**

(Dollar amounts in 000's except number of shares and per share amounts)

Hardware revenue for the year has decreased over the prior comparable year as a result of the drop in OEM hardware-only sales discussed above. The Company has increased its focus on sales of complete solutions with hardware, recurring and service revenue components, and as a result, is allocating fewer resources to the OEM hardware sales aspects of the business with its attendant lower margins. InterFleet hardware sales were also the impacted by restructuring and product warranty issues. These product issues are now resolved, the restructuring process is now complete and new sales leadership and processes have now been implemented.

The increase in recurring revenue is due to the implementation of NextBus at several large customers in 2011 including the Los Angeles County Metropolitan Transportation Authority and the Toronto Transit Commission. In addition, sales of the Quadrant theft recovery solution in Mexico were strong. The increase was offset by the impact of two major customers, purchasing enterprise licenses in Q3 and Q4 of 2010 respectively, and thus no longer paying monthly subscription fees. The enterprise customers now pay annual recurring license, maintenance and hosting fees, but the quantum of these replacement fees is lower than the previous subscription fees. The strong Canadian dollar throughout the majority of the year also decreased 2011 recurring revenue relative to 2010. On a same currency basis, recurring revenue was up 9% for the year.

At December 31, 2011, the subscriber base was approximately 102,000 subscribers, including both direct and enterprise subscribers as well as data pump subscribers. Increases in Quadrant, InterFleet and NextBus full service subscribers drove the increase.

	('000)
Full service subscribers	96
Data pump subscribers	6
Total	**102**

Service and other revenue dropped in 2011 as the comparable year included large implementation project to two major customers, combined with delays in planned InterFleet projects for the year as part of the restructuring process. This drop was partially offset by increased service revenue from the InterFleet "Winter Light Up" program.

Revenue by segment

	Year ended December 31, 2011	Year ended December 31, 2010
Revenue		
Telematics	$ 32,976	$ 34,695
Predictive Arrival	8,432	6,682
Total Revenue	**$ 41,408**	**$ 41,377**

Telematics includes the sale of products and services under the Quadrant and InterFleet brands as well as OEM hardware sales. Predictive Arrival incorporates the sale of products and services under the NextBus brand. The telematics revenue is primarily derived through solution sales that include hardware, subscription, and service components to the commercial, theft recovery and government vertical markets. In addition, there are hardware-only sales to the OEM vertical market, primarily in Europe.

Telematics revenue in 2011 decreased due to the non-recurrence of enterprise license sales recorded in Q3 and Q4 of 2010. The InterFleet restructuring process also impacted telematics revenue. The strong Canadian dollar throughout the majority of the year also decreased 2011 revenue relative to 2010 as discussed above.

The revenue from the predictive arrival segment is primarily derived from the municipal transit vertical, but also includes sales to educational institutions, colleges and universities. Predictive arrival revenue increased largely due to the recurring and services revenue related to several large customers as discussed above. In addition, recurring revenue continues to grow as new customers are added. This segment also benefits from very low attrition. The strong Canadian dollar throughout the majority of the year decreased 2011 revenue relative to 2010 as discussed above.

Revenue distribution by geography

In 2011, the majority of sales came from Canada, US and Mexico but the Company continues its historical pursuit outside of its home markets – including Asia, South America and the Middle East.

	Year ended December 31, 2011			Year ended December 31, 2010			Variance
		$	%		$	%	%
United States	$	21,921	53%	$	21,221	51%	3%
Canada		12,903	31%		13,340	32%	-3%
Europe		3,814	9%		4,476	11%	-15%
Mexico & Latin America		2,087	5%		1,635	4%	28%
Rest of the world		683	2%		705	2%	-3%
	$	**41,408**	**100%**	**$**	**41,377**	**100%**	**0%**

For the year ended December 31, 2011, revenue from sales in the US increased over the prior year due to a number of large Quadrant commercial projects and increased sales in the predictive arrival segment. Canadian sales were impacted by a drop in revenue from the InterFleet product related to the restructuring and product remediation programs required, as discussed above. European sales dropped due to the fall in OEM sales in 2011 as compared 2010 due to the change in focus and pricing strategy as discussed above. Sales in Mexico, Latin America and rest of the world increased in aggregate as a result of hardware revenue relating to sales of the Company's theft recovery solution to the insurance market in Mexico.

Gross Margins
The increase in gross margin percentage is due to recurring gross margins improvements resulting largely from an increase in subscription revenue and realized cost savings in 2011. In addition, there were significant sales of high margin predictive arrival services in 2011.

The strong Canadian dollar throughout the majority of the year also decreased 2011 gross margin percentage relative to 2010, as 60% of revenue is denominated in US dollars and the majority of costs were incurred in Canadian dollars.

Sales and Marketing
Sales and marketing expenses decreased over the prior comparable year, primarily as a result of reduced staff levels and associated drops in travel, variable compensation and marketing activities as a result of the restructuring program discussed above.

Research and Development
The Company continues to invest in research and development activities to maintain technical leadership in transportation markets. Research and development costs decreased over the prior year as the Company reduced staffing and consulting costs by integrating its Toronto and Vancouver research and development activities and increasing its focus on software development.

General and Administrative
General and administrative spending included one-time costs associated with legal fees related to intellectual property litigation, settlement and the negotiations related to an intellectual property franchise agreement, accounting costs associated with the restatement of prior period comparative figures discussed above, and taxes arising from sales and payroll audits.

Excluding the impact of these one-time item expenses, general and administrative costs decreased by 6% over the prior year as a result of the restructuring program previously discussed. In particular staff, rent and consulting costs dropped significantly.

Depreciation and amortization
Depreciation and amortization decreased over the prior year, primarily as a result of the intangible asset impairment recorded at December 31, 2010 and the disposal of property and equipment during the current year.

Finance expense and foreign exchange (gain) loss on operations
Finance expense includes interest income and expense and the abandonment of unrecoverable funds held in Brazil. The foreign exchange gain is due to the weaker Canadian dollar relative to the UK Pound at December 31, 2011 as the Company has significant accounts intercompany balances outstanding with its UK Subsidiary. This gain was partially offset by the foreign exchange losses resulting from the strengthening of the Canadian dollar relative to the US dollar throughout the year.

Restructuring expense
As discussed above under "Recent Developments", the Company completed certain restructuring programs in Toronto, New York and Vancouver during Q4 2010, and throughout 2011. Restructuring cost totaled $4,384 for the year.

Additionally, the Company restructured its Board of Directors in the first quarter of 2011, and as a result incurred $685 in associated costs for the year. Restructuring costs in 2010 were related to management changes and were composed of severance, legal fees, and stock-based compensation.

Net Income/Loss and Other Comprehensive Income/Loss
The Company is reporting net loss of $7,301 for the year ended December 31, 2011 compared with a net loss of $15,389 for the prior comparable year.

For the year ended December 31, 2011, the Company reported a loss per share of $0.07, compared with a $0.17 loss per share in the prior year ended December 31, 2010.

Adjusted EBITDA (Loss)
Adjusted EBITDA (Loss) in the year ended December 31, 2011 amounted to $848 compared to a loss of $2,823 in the prior comparable period, respectively.

(Dollar amounts in 000's except number of shares and per share amounts) 15

RESULTS FROM OPERATIONS

Summary Of Results Of Operations For Quarter Ended December 31, 2011

	Quarter ended			
	December 31, 2011	December 31, 2010	Variance ($)	Variance (%)
Hardware revenue	$ 4,166	$ 3,879	$ 287	7%
Recurring revenue	6,064	5,009	1,055	21%
Services and other revenue	1,219	2,086	(867)	-42%
Total Revenue	**11,449**	**10,974**	**475**	**4%**
Cost of sales	5,492	6,981	(1,489)	-21%
Gross margin	5,957	3,993	1,964	49%
	52%	*36%*		
Expenses				
Sales and marketing	1,841	2,518	(677)	-27%
Research and development	1,469	1,981	(512)	-26%
General and administrative	2,139	1,948	191	10%
Stock based compensation	142	362	(220)	-61%
Depreciation and amortization	489	790	(301)	-38%
Total operating expenses	6,080	7,599	(1,519)	-20%
Loss before the undernoted	(123)	(3,606)	3,483	-97%
Finance expense	113	18	95	523%
Foreign exchange (gain) loss on operations	360	610	(250)	-41%
Impairment of intangible assets	—	4,183	(4,183)	-100%
Restructuring expense	360	280	80	29%
Net loss before taxes	**(956)**	**(8,697)**	**7,741**	**-89%**
Income tax recovery	22	458	(436)	-95%
Net loss for the period	**$ (934)**	**$ (8,239)**	**$ 7,305**	**-89%**
Net loss per share (basic and diluted)	$ (0.01)	$ (0.09)	$ 0.08	-90%
Weighted average number of shares outstanding	105,424,265	90,424,265	15,000,000	17%

Financial position	December 31, 2011	December 31, 2010
Total assets	45,140	46,566
Total long-term liabilities	1,366	1,597

(Dollar amounts in 000's except number of shares and per share amounts)

	Quarter ended December 31, 2011	Quarter ended December 31, 2010
Net loss as reported	$ (934)	$ (8,239)
Add (deduct)		
Depreciation and amortization	489	790
Interest and other expenses	29	18
Loss on sale of assets	—	—
Stock based compensation	142	362
Tax recovery	(22)	(458)
Foreign exchange loss (gain)	360	610
Restructuring cost including stock based compensation	360	279
Intellectual property litigation	94	228
Litigation settlement	125	—
California state tax audit	135	—
Toronto T4 amendment	50	—
One-time accounting fees	—	—
Impairment of intangible assets	—	4,183
Adjusted EBITDA (Loss) (1)	**$ 828**	**$ (2,227)**

(1) Adjusted EBITDA (Loss) is a non-GAAP measure and is therefore not universally defined. Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortization, stock based compensation, foreign exchange (gain) loss on operations, restructuring charges, and other non-recurring items as outlined above.

Revenue

Fourth quarter revenue increased 4% over 2010, but the mix in revenue changed. In 2011, recurring revenue increased particularly due to sales of Quadrant transportation solutions, sales in the theft recovery segment and several large NextBus projects that were implemented in 2011, resulting in ongoing recurring revenue arrangements. Commercial hardware sold as part of the solution sale increased, which lead to the increase in recurring revenue. Services and other revenue dropped in 2011 due to enterprise license sales to the City of Chicago recognized in Q4 of 2010; this was partially offset by the services sold for the InterFleet "Winter Light Up" program. The strong Canadian dollar throughout the quarter also impacted 2011 revenue relative to 2010. On a same currency basis, revenue increased 7%.

Revenues by category

	December 31, 2011 $	December 31, 2011 %	December 31, 2010 $	December 31, 2010 %	Variance %
Hardware revenue	$ 4,166	36%	$ 3,879	35%	7%
Recurring revenue	6,064	53%	5,009	46%	21%
Services and other revenue	1,219	11%	2,086	19%	-42%
	$ 11,449	**100%**	**$ 10,974**	**100%**	**4%**

Hardware revenue for the quarter has increased over the prior comparable year as a result of two large Quadrant commercial projects in the quarter, combined with significant NextBus hardware sales deliveries. This was partially offset by delays in planned InterFleet projects and the impact of previously identified product warranty issues, which are now resolved.

(Dollar amounts in 000's except number of shares and per share amounts) 17

The increase in recurring revenue is due to the ongoing recurring revenue arrangements, as a result of increased hardware sales throughout 2011 discussed above. The increase was offset by the impact of two major customers, purchasing enterprise licenses in Q3 and Q4 of 2010 respectively, and thus no longer paying monthly subscription fees also discussed above. The strong Canadian dollar throughout the quarter also increased 2011 recurring revenue relative to 2010. On a same currency basis, recurring revenue was up 24% for the quarter.

Service and other revenue dropped relative to Q4 2010 as the comparable quarter included large implementation project to two major customers. This drop was partially offset by increased service revenue from the InterFleet "Winter Light Up" program.

Gross Margins
The increase in gross margin percentage is due to recurring gross margins improvements resulting largely from an increase in subscription revenue and realized cost savings in 2011. In addition, there were significant sales of high margin predictive arrival services in 2011.

The strong Canadian dollar throughout the quarter also increased 2011 gross margin percentage relative to 2010 as 61% of revenue is denominated in US dollars and the majority of costs were incurred in Canadian dollars.

Sales and Marketing
Sales and marketing expenses decreased over the prior comparable quarter, primarily as a result of reduced staff levels, associated drops in travel, variable compensation and marketing activities as a result of the restructuring program discussed above.

Research and Development
Research and development costs decreased over the prior comparable quarter as the Company reduced staffing and consulting costs by integrating its Toronto and Vancouver research and development activities and increasing its focus on software development.

General and Administrative
General and administrative spending included one-time costs associated with legal fees related to intellectual property litigation and settlement and the negotiations related to an intellectual property franchise agreement, and taxes arising from sales and payroll audits.

Excluding the impact of these one-time item expenses, general and administrative costs were $1,735 in the quarter, an increase of 1% over the prior year normalized general and administrative expenses.

Depreciation and amortization
Depreciation and amortization decreased over the prior comparable quarter, primarily as a result of the intangible asset impairment recorded at December 31, 2010 and the disposal of property and equipment during the year.

Finance expense and foreign exchange (gain) loss on operations
Finance expense includes interest income and expense and the abandonment of unrecoverable funds held in Brazil. The foreign exchange losses are the result of the strengthening of the Canadian dollar relative to the US dollar throughout the quarter. This loss was partially offset by the foreign exchange gain resulting from the weaker Canadian dollar relative to the UK Pound at December 31, 2011 as the Company has significant intercompany balances outstanding with its UK Subsidiary.

Restructuring expense
As discussed above under "Recent Developments", the Company completed certain restructuring programs in Toronto, New York and Vancouver during Q4 2010, and throughout 2011. Restructuring cost totaled $360 for the quarter.

Net Income/Loss and Other Comprehensive Income/Loss
The Company is reporting net loss of $934 for the quarter ended December 31, 2011 compared with a net loss of $8,239 for the prior comparable quarter.

For the quarter ended December 31, 2011, the Company reported a loss per share of $0.01, compared with a $0.09 loss per share in the quarter ended December 31, 2010.

Adjusted EBITDA (Loss)
Adjusted EBITDA (Loss) in the quarter ended December 31, 2011 amounted to $828 compared to a loss of $2,227 in the prior comparable period.

SUMMARY OF QUARTERLY RESULTS

Selected Quarterly Financial Information (unaudited)

	Quarter ended Mar 31, 2010	Quarter ended Jun 30, 2010	Quarter ended Sep 30, 2010	**Quarter ended Dec 31, 2010**	Quarter ended Mar 31, 2011	Quarter ended Jun 30, 2011	Quarter ended Sep 30, 2011	**Quarter ended Dec 31, 2011**
Revenue	$ 10,462	$ 9,607	$ 10,334	**$ 10,974**	$ 9,332	$ 9,842	$ 10,785	**$ 11,449**
Gross Profit	$ 5,693	$ 5,099	$ 6,616	**$ 3,993**	$ 4,744	$ 5,794	$ 6,091	**$ 5,957**
Gross Margin %	54%	53%	64%	**36%**	51%	59%	56%	**52%**
Expenses	$ 9,266	$ 7,293	$ 7,999	**$ 12,232**	$ 11,007	$ 6,532	$ 5,457	**$ 6,892**
Net earnings (loss)	$ (3,573)	$ (2,194)	$ (1,384)	**$ (8,239)**	$ (6,263)	$ (738)	$ 634	**$ (934)**
EPS (Basic)	$ (0.04)	$ (0.03)	$ (0.02)	**$ (0.08)**	$ (0.07)	$ —	$ 0.01	**$ (0.01)**
EPS (Diluted)	$ (0.04)	$ (0.03)	$ (0.02)	**$ (0.08)**	$ (0.07)	$ —	$ 0.01	**$ (0.01)**
Total Assets	$ 56,061	$ 55,129	$ 53,013	**$ 46,566**	$ 48,709	$ 44,388	$ 46,308	**$ 45,140**
Total Long Term Liabilities	$ 2,768	$ 2,555	$ 3,704	**$ 1,597**	$ 1,432	$ 1,488	$ 1,406	**$ 1,366**

The quarterly results are presented under IFRS.

(Dollar amounts in 000's except number of shares and per share amounts)

The Company's sales cycle to customers depends upon the complexity of the products and services provided, and can vary from a few weeks to many months. In addition, the Company continues to seed the market by providing product to potential customers for use on a trial basis. Some of these trials may last for over one year. Consequently, results may vary from quarter to quarter as sales cycles or trials may close in a particular quarter or slip into a later quarter. Quarterly results are also affected by factors such as the seasonality of the buying patterns of customers who ramp up operations for winter (snow removal) and to meet budgeted spending levels (government) prior to fiscal year ends and fluctuations in the US/Canadian dollar and GBP/Canadian dollar exchange rates. To mitigate the impact of these long lead time sales efforts, the Company has developed relationships with large distributors who generate both small and medium-sized leads, as well as larger sales leads. The Company has also recently developed an inside sales and sales support group to assist in developing and closing small and medium-sized opportunities in an effort to accelerate revenue growth and reduce the fluctuation of the Company's hardware sales revenues quarter over quarter and year over year. The Company has also modified its sales compensation plans and its sales team focus to seek out and encourage continuously repeated sales to customers rather than large one-time sales, in part to improve customer satisfaction, but also to smooth revenue capture.

LIQUIDITY AND CAPITAL RESOURCES	**December 31, 2011**	**December 31, 2010**	**Variance $**	**Variance %**
Cash and cash equivalents	$ 5,856	$ 4,020	$ 1,836	46%
Accounts receivable, net of allowance	10,340	9,302	1,038	11%
Inventory, net of allowance	5,235	8,414	(3,179)	-38%
Prepaid expenses and deposits	1,007	475	532	112%
Total current assets	22,438	22,211	227	1%
Bank indebtedness	472	1,370	898	-66%
Accounts payable and accrued liabilities	6,755	5,485	(1,270)	23%
Capital lease obligation	—	108	108	-100%
Current portion of deferred revenue	2,848	1,983	(865)	44%
Acquisition liabilities	500	1,500	1,000	-67%
Total current liabilities	10,575	10,446	(129)	1%
Working Capital	$ 11,863	$ 11,765	$ 98	1%

WORKING CAPITAL

The change in cash balance for the quarter and year are summarized in the following table:

Change in cash balance	**Quarter ended December 31, 2011**	**Year ended December 31, 2011**
Cash, beginning of period	$ 5,074	$ 4,020
Provided by (used in) operations	374	(849)
Financing activities		
Common shares issued, net of issuance costs	—	5,458
Proceeds from (repayment of) borrowing	472	(898)
Repayment of finance lease obligation	(22)	(337)
Interest received on cash and cash equivalents	9	33
Investing activities		
Proceeds on disposal of property and equipment	—	310
Purchase of property and equipment	(101)	(214)
Purchase of intangible assets	(26)	(38)
Payment of acquisition liabilities	—	(1,000)
Increase in restricted cash	150	(564)
Other	(74)	(65)
Cash, end of period	**$ 5,856**	**$ 5,856**

(Dollar amounts in 000's except number of shares and per share amounts) 19

The Company has historically invested in product and market development and carried significant inventory to meet customer requirements. As a result, the Company has historically had negative cash flows. However, as a result of the significant restructuring executed in the current year, it has taken steps to improve its ability to generate cash from operations and as a result, the Company's cash position improved by $782 and $1,836 for the quarter and year, respectively. The March 1, 2011 financing of $6,000 and the October 19, 2011 term loan of $500 substantially improved the Company's liquidity position. The improvement was offset by the payment of $3,334 in restructuring costs and $1,000 in acquisition liabilities related to the 2009 acquisition of Interfleet Inc. paid during the year.

The Company does not anticipate any large capital or other cash outlays in the near term that would require it to seek financing.

Subject to the factors set out elsewhere in this document, including under the header "Additional Risks" and under the heading "Risk Factors" in the Company's AIF, the Company does not currently foresee any working capital deficiencies. Notwithstanding the Company's positive working capital position, the Company may require financing in order to satisfy future growth activities. The Company may also need additional capital to fund specific growth projects or acquisitions in the future, and while no such projects are planned at this time, a change in circumstances could result in the need for additional capital.

Capital management
The Company considers its share capital and other capital reserves as capital, the total book value of which totaled $107,772 at December 31, 2011 (2010 – $101,696).

The Company manages its capital structure to safeguard its ability to operate as a going concern, to provide sufficient resources to meet day-to-day operating requirements, to allow it to enhance existing product offerings as well as develop new ones, and to have the financial ability to expand the size of its operations by taking on new customers. In managing its capital structure, the Company takes into consideration various factors, including the growth of its business and related infrastructure and the upfront cost of taking on new clients.

The Company's officers and senior management are responsible for managing the Company's capital and do so through regular meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

The Company manages its capital through the issuance of new share capital to the public.

The Company is not subject to any externally imposed capital requirements.

Current assets
The increase in current assets is driven by positive operating results in the quarter and the receipt of cash from recurring sales in advance of revenue recognition. In addition, favourable trade terms on significant spends on raw materials have increased trade financing and enable the Company to hold cash longer.

Cash and cash equivalents
At December 31, 2011, the Company had cash and cash equivalents of $5,856 compared with $4,020 in the prior year.

Accounts receivable
The Company continues to manage its customers' payment terms, particularly government customers who require extended payment terms, but are ultimately low collections risks. Included in accounts receivable is $422 from the Company's manufacturing partner. The Company has sold raw material inventory that was formerly held by the partner, but owned by Webtech. No revenue was recorded on this transaction.

Inventory
Inventory decreased from $8,414 at December 31, 2010 to $5,235 at December 31, 2011. The decrease was largely due to improved management techniques and a $493 reduction related to inventory write-offs associated with changes in the product road map associated with the restructuring in the year. As well, the Company increased the obsolescence provision by $547 at December 31, 2011. In addition, as discussed above, $422 of raw materials was sold to the Company's manufacturing partner in China. No revenue was recorded on this transaction.

Bank Indebtedness
Bank indebtedness is related to a three year, $500 term loan drawn from a Canadian bank. On December 31, 2011, the Company was not in compliance with a certain covenant and the remaining balance term loan has been classified as a current liability within working capital.

Accounts payable and accrued liabilities
The Company's accounts payable and accrued liabilities at December 31, 2011 totaled $6,755 compared with $5,485 in the prior year, with the increase due to the accrual of restructuring costs and increased activity related to the manufacturing of new products.

Acquisition liabilities
Under the terms of the acquisition agreement with InterFleet, three InterFleet executives were entitled to retention bonuses in the amount of $1,000 each, totaling $3,000, of which $1,500 was paid in January 2010. Subsequent to the termination of the employment contracts of the three executives, $1,000 of the remaining liabilities were paid during the year ended December 31, 2011 with the remaining $500 payable at December 31, 2011.

OUTLOOK

The Company is planning to achieve growth in the coming periods by increasing recurring subscription revenue, services sales, and hardware sales in both its telematics business (Quadrant and InterFleet) and from increasing subscriptions revenue from its NextBus business. However, the Company is considering strategic alternatives with respect to its NextBus operations. Webtech Wireless is undertaking a process to consider the various options to extract value from its NextBus operations, including a possible sale of the NextBus business. Webtech Wireless has retained Raymond James Ltd. as financial advisor to assist Webtech Wireless in reviewing all of its strategic alternatives. Webtech Wireless has not yet made a determination regarding NextBus.

For the commercial market of the telematics segment, the Company expects to see growth within its Quadrant brand driven by increasing regulation in the transportation sector (Hours of Service and related driver reporting driven by the US regulation CSA 2010), the adoption of telematics to improve efficiencies, and continued hardware-only OEM sales. The Company is also gaining sales traction in the oil and gas vertical with its recently developed and launched lone worker, and Hours of Service solutions aimed at this market, where adoption of telematics is being driven by corporate governance, safety, and efficiency concerns.

In the government market, the Company expects to achieve growth in the coming periods with its InterFleet brand, as awareness of the InterFleet brand as a solution for public sector service winter maintenance grows among fleet managers. The InterFleet brand encompasses function-specific solutions for operators of snowplows, salt spreaders, waste management vehicles, emergency medical services ("EMS"), police vehicles, and other government functions. In the short term, the warranty issues with the InterFleet product previously described may have an impact on new customer acquisition. The Company has taken a number of pro-active steps to resolve these issues and avoid any impact on sales and believes that this product will become increasingly attractive to customers with the changes made.

With predictive arrival, the NextBus product is currently in place in five of the top-ten transit authorities in North America and, as a result, has significant brand recognition amongst its target customer base—regional transit authorities. NextBus revenue is expected to continue to grow due to greater adoption of real-time passenger information systems by medium and small transit authorities.

The Company intends to continue to develop and add to these solutions and expand its customer base through both direct and indirect sales efforts.

Assuming sales prices and the product mix between hardware and non-hardware revenue remains consistent, the Company expects gross margins at above 50% to be sustainable into the foreseeable future.

The restructuring executed by Webtech Wireless in 2011 positions the Company to deliver operating leverage as revenue grows.

LITIGATION

In August 2009, a competitor alleged patent infringement by the Company. No damages are specified in the lawsuit and the Company is unable to estimate the dollar value or the outcome of this claim.

The Company has filed lawsuits against a former reseller. The reseller has also filed a claim against the Company. The outcome cannot be practicably determined. The Company believes the reseller's claim to be without merit and will vigorously defend the claim.

The Company was named in a lawsuit initiated by PJC Logistics claiming patent infringement. The Company reached a settlement with PJC Logistics in 2011.

In addition, by virtue of the nature of the Company's business and products, the Company is involved in other legal matters which arise from time to time in the ordinary course of the Company's business. At this time, there are no legal matters of this type which are believed to be material to the Company's results of operations, liquidity, or financial condition except as discussed above.

COMMITMENTS

Under operating lease agreements for office premises, the Company is required to make future annual minimum lease payments as follows:

		Total
2012	$	1,508
2013		941
2014		936
2015 through 2018		2,474
Total	**$**	**5,859**

The Company has no commitments outside the normal course not described above.

TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Related parties include key management, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Two independent members of the board of directors also serve on the board of directors of an insurance company under which the Company holds $1,470 in performance and materials bonds.

Included within current liabilities is a retention bonus in the amount of $500 owed to a former executive. Refer to note 10 for details.

Key management includes the Company's directors and Executive Officers.

(Dollar amounts in 000's except number of shares and per share amounts) 21

The remuneration of key management for the year ended December 31, 2011 and 2010 is as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Salaries and short-term benefits	$ 1,658	$ 3,107
Share-based payments	248	866
	$ 1,906	**$ 3,973**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting estimates are defined as estimates and assumptions management must make, which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. The underlying assumptions are based on historical experience and other factors that management believes to be reasonable under the circumstances, and are subject to change as new events occur, as more industry experience is acquired, as additional information is obtained and as the Company's operating environment changes. Critical accounting estimates are reviewed quarterly by the Audit Committee of the Board of Directors. Management's judgment is applied in the following significant areas: purchase price allocations in business combinations, valuation of intangible assets, assessment of asset and goodwill impairment, allowances for doubtful accounts, net realizable value of inventory, warranty provisions, revenue recognition for multi-element arrangements, useful economic life of property and equipment and intangibles, stock-based compensation, contingencies and future income tax valuation reserves.

The Company's critical accounting estimates are as follows:

- The estimated useful lives of intangible assets are reviewed annually. The Company amortizes its intangible assets using assumptions of amortization methods and useful lives;
- The Company reviews goodwill at least annually and other non-financial assets when there is any indication that the asset might be impaired. The Company has estimated the value in use and fair value of operating segments to which goodwill is allocated using discounted cash flow models that required assumptions about future cash flows, margins and discount rates.

CHANGE IN ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company commenced reporting on this basis in its 2011 interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of financial statements as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") and IFRS 1, First-time Adoption of International Financial Reporting Standards. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 25 discloses the impact of the transition to IFRS on the Company's reported consolidated statements of financial position, operations and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010.

These consolidated financial statements for the year ended December 31, 2011 were approved by the Board of Directors for issue on March 14, 2012.

The following discussion explains the significant differences between the Company's previous GAAP accounting policies and those applied by the Company under IFRS. IFRS accounting policies have been retrospectively and consistently applied except where specific IFRS 1 optional and mandatory exemptions permitted an alternative treatment upon transition to IFRS for first-time adopters.

(Dollar amounts in 000's except number of shares and per share amounts)

	Year ended Dec 31, 2010	Quarter ended Mar 31, 2010	Quarter ended Jun 30, 2010	Quarter ended Sep 30, 2010	Quarter ended Dec 31, 2010
Net loss – Canadian GAAP, as adjusted	$ (13,709)	$ (1,932)	$ (1,452)	$ (1,151)	$ (9,174)
After-tax addition (deduction)					
Stock based compensation	(751)	(109)	(370)	(280)	8
Stock based compensation – cancelled options	545	—	—	—	545
Foreign currency translation	(660)	(606)	164	47	(265)
Restructuring liabilities	(814)	(926)	(535)	—	647
	(1,680)	(1,641)	(741)	(233)	935
Net loss — IFRS	$ (15,389)	$ (3,573)	$ (2,193)	$ (1,384)	$ (8,239)

Share Based Payments
IFRS 2 is effective for the Company as of January 1, 2010 and is applicable to stock options and grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company resulted in the following:

- The requirements of IFRS 2 have not been applied to stock options and share grants prior to November 7, 2002;
- The requirements of IFRS 2 have been applied to stock options and share grants subsequent to November 7, 2002 if they remained unvested as of the transition date; and
- As of January 1, 2010, all stock options, share grants and other share-based payments will be expensed in accordance with the policy stated in Note 3 to the condensed interim consolidated financial statements.

In accordance with IFRS, where stock options or share grants are subject to graded vesting, each annual tranche in an award is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

In accordance with Canadian GAAP, for grants of share-based payments with graded vesting, the Company recognized the fair value of these awards on a straight-line basis over the vesting period.

As a result, the Company adjusted its expense for share-based awards to reflect this difference in recognition.

Restructuring and Severance Liabilities
Under IFRS, a liability is recognized when a constructive obligation has been incurred. With respect to a restructuring or severance liability, a constructive obligation is incurred after a detailed formal plan has been completed and the individuals affected have been informed.

Under Canadian GAAP, a liability is recognized with the approval of management having the relevant authority.

As a result, certain severance liabilities arising from restructuring decisions are accrued in a later period under IFRS than would be the case under Canadian GAAP.

Translation of Non-Monetary Assets of Foreign Operations
Under IFRS, the method used to translate foreign subsidiaries for the purposes of consolidation is dependent on the assessment of functional currency. All subsidiaries with a functional currency different from the parent are translated using the current rate method.

Canadian GAAP similarly requires that the functional currency of subsidiaries be assessed; however, the method used to translate foreign subsidiaries for the purposes of consolidation is dependent on the classification of subsidiaries as either "self-sustaining" or "integrated". Self-sustaining subsidiaries are translated using the current rate method. Integrated subsidiaries are translated using the temporal method.

As a result of the above, the method used to translate non-monetary assets within these subsidiaries has been adjusted. Assets that are monetary in nature remain unchanged.

Financial Statement Presentation
The components of a complete set of IFRS financial statements are as follows: consolidated statements of financial position (balance sheet), consolidated statements of operations and deficit, consolidated statements of other comprehensive income (loss), consolidated statements of changes in equity, consolidated statements of cash flows, and notes including accounting policies. Under IFRS, the statement of financial position may be presented in ascending or descending order of liquidity.

Certain other balances and financial statement captions have been reclassified from Canadian GAAP to conform to the presentation requirements of IFRS. The reclassification of these balances and captions has had no impact on net equity or net income (loss) as at transition to IFRS.

(Dollar amounts in 000's except number of shares and per share amounts) 23

Equipment
IFRS contains extensive guidance with respect to the accounting for components of equipment. When an item of equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting).

Canadian GAAP contains similar guidance but is less extensive.

The Company reviewed its equipment and did not identify any material components of equipment requiring different depreciation methods. Accordingly, there was no impact upon transition.

Impairment of Intangible Assets
Under IFRS, an asset is impaired if the recoverable amount is lower than the asset's carrying amount. Assets are evaluated either individually or grouped in a cash generating unit ("CGU") for impairment-testing purposes. A CGU is the smallest group of assets that generates independent cash inflows and may be smaller than an asset group or a reporting unit under Canadian GAAP. Assets are tested, and any resulting impairment charges are measured using a one-step test that compares an asset or CGU's carrying value to its recoverable amount.

Under Canadian GAAP, a two-step approach is used to measure impairment. In step 1, a recoverability test is performed by comparing the expected undiscounted future cash flows to be derived from the asset with its carrying amount. If the asset fails the recoverability test, step 2, is triggered and the entity must record an impairment loss calculated as the excess of the asset's carrying amount over its fair value.

The Company has concluded that there is no material difference between the carrying values of its intangible assets under IFRS and Canadian GAAP.

Revenue Recognition
The Company derives revenue from the sale of telematics hardware and software, including license, maintenance and subscription revenues, as well as professional services associated with customizing its product.

Under IFRS, there is relatively little guidance in respect of multiple element arrangements other than the requirement to consider whether the components of a contract should be accounted for separately or as a single transaction.

Under Canadian GAAP, there is extensive guidance on the accounting for multiple elements within a single arrangement.

The Company has concluded that there is no material difference between its revenue recognition policies under IFRS and Canadian GAAP.

IFRS-1 Transitional Policy Choices and Exceptions for Retrospective Application
Significant IFRS 1 exemptions taken by the Company as at January 1, 2010 include the following:

- Business combinations entered into prior to January 1, 2010 were not retrospectively restated in accordance with IFRS. Accordingly, any goodwill arising on such business combinations before the January 1, 2010 have not been adjusted from the carrying value previously determined under Canadian GAAP as a result of applying these exemptions.
- IFRS 2, Share-based Payments ("IFRS 2"), encourages application of its provision to equity instruments granted on or before November 7, 2002, but only permits the application to equity instruments granted after November 7, 2002, that have not vested by the transition date. The Company has elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that have not vested by the transition date.
- IFRS 1 provides a choice between measuring equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical cost basis under prior Canadian GAAP. The Company elected to use the historical cost carrying values for equipment as determined under prior Canadian GAAP for transitional purposes.
- IFRS 1 allows a first-time adopter to an exemption as it relates to the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates, for cumulative translation differences that existed at the date of transition to IFRS. The company has elected to reset the cumulative translation adjustment account, which includes gains and losses arising from the translation of foreign operations, to zero at the date of transition to IFRS.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new standards, amendments to standards, and interpretations are not yet effective for the current reporting period, and therefore have not been applied in preparing these consolidated financial statements. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements:

IFRS 7, Financial Instrument - Disclosures ("IFRS 7")
The IASB amended IFRS 7 in October 2010. IFRS 7 was amended to provide guidance relating to disclosures with respect to the transfer of financial assets that results in derecognition, and continuing involvement in financial assets. The amendments to this standard are effective for annual periods beginning on or after July 1, 2011 with earlier application permitted.

IFRS 9, "Financial Instruments: Classification and Measurement"
IFRS 9 was issued in November 2009 and contained requirements for the classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statements of operations to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit or loss would generally be recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted.

IFRS 10, "Consolidation"
IFRS 10 was issued in May 2011 and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidation and Separate Financial Statements. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted, so long as IFRS 10 and 11 are adopted at the same time.

IFRS 11, "Joint Arrangements"
In May 2011, IFRS 11 was issued and requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 superseded IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted, so long as IFRS 10 and 11 are adopted at the same time.

IFRS 12, "Disclosure of Interests in Other Entities"
IFRS 12 was issued in May 2011 and establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special-purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted.

IFRS 13, "Fair Value Measurement"
IFRS 13 was issued in May 2011 and is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted.

IAS 1, Presentation of Financial Statements ("IAS 1")
IAS 1 was amended to align the presentation of items in other comprehensive income with U.S. GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that might be reclassified into net earnings and those that will not be reclassified. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

FINANCIAL INSTRUMENTS

Measurement categories, fair values and valuation methods
As explained in Note 3, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statements of operations and other comprehensive income. Those categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost. The following table shows the carrying values of assets and liabilities for each of these categories at December 31, 2011 and 2010 and January 1, 2010.

The carrying value of the Company's financial assets and liabilities is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

	December 31, 2011		December 31, 2010		January 1, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans and receivables	$ 17,215	$ 17,215	$ 13,777	$ 13,777	$ 18,427	$ 18,427
Other financial liabilities	7,727	7,727	8,692	8,692	8,211	8,211

Fair value hierarchy
Financial assets and liabilities that are recognized on the balance sheet at fair value follow in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial risk factors
The Company is exposed to a number of risks. These risks include credit risk, liquidity risk, and market risk. The Company has established policies and procedures to manage these risks, with the objective of minimizing the adverse effects that changes in the variable underlying these risks could have on the Company's consolidated financial statements.

Credit risk
Credit risk is the risk that a counter-party will not meet their obligations under a financial instrument or customer contract, leading to a financial loss being incurred by the Company. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, trade and other receivables, and restricted cash.

The Company limits its exposure to credit loss by maintaining its cash and cash equivalents with high credit quality financial institutions in Canada, the United States and the United Kingdom.

The Company provides credit to its customers in the normal course of operations. The Company minimizes its credit risk associated with its accounts receivable by performing credit evaluations on customers, maintaining regular and ongoing contact with customers, routinely reviewing the status of individual accounts receivable balances and following up on overdue amounts. Concentration of credit risk with respect to accounts receivable is considered to be limited as the Company deals with a significant number of customers in multiple jurisdictions. From time to time, however, the Company does enter into agreements with very large customers that, due to the size of the transaction, will result in some concentration of credit risk. The Company estimates, on a continuing basis, the probable losses on its accounts and records a provision for losses based on the estimated realizable value of the accounts. Management does not believe that there is significant credit risk arising from any of the Company's customers; however, should one of the Company's main customers be unable to settle amounts due, the impact on the Company could be significant. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts.

The following table provides information regarding the aging of financial assets that are past due as at December 31, 2011:

	Neither past due nor impaired	Past due 31 - 60 days	Past due 61 - 90 days	Past due 91 days +	Carrying Value
Trade accounts receivable	$ 3,563	$ 2,846	$ 927	$ 2,602	$ 9,938
Other accounts receivable	402	N/A	N/A	N/A	402
Total	**$ 3,965**	**$ 2,846**	**$ 927**	**$ 2,602**	**$ 10,340**

Allowance for doubtful accounts	**December 31, 2011**	**December 31, 2010**	**January 1,2010**
Opening balance	$ 1,600	$ 2,674	$ 636
Increase (decrease) in provision	(210)	(307)	1,969
Bad debts (written off) recovered	(398)	(767)	69
Closing balance	**$ 992**	**$ 1,600**	**$ 2,674**

(Dollar amounts in 000's except number of shares and per share amounts)

As at December 31, 2011, $6,375 of the Company's accounts receivable balance of $10,340 was past due. The definition of items that are past due is determined by reference to terms agreed with individual customers, net of any provisions for losses. Unimpaired amounts past due in excess of 90 days are attributable to government contracts subject to payment delays inherent in government payment review processes. None of the unimpaired amounts outstanding has been challenged by customers and the Company continues to provide services and products to them. Of the balances outstanding as at December 31, 2011, $6,958 or 67% of the net amount outstanding had been collected as of March 14, 2012. Management believes that the remaining outstanding balance is fully collectible.

The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters that could delay the collection of funds at an early stage.

During the year ended December 31, 2011, there were no customers comprising greater than 10% of sales (2010 – nil).

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, review of trade and other receivables balances, management of cash and cash equivalents, and use of credit facilities and equity financings when appropriate.

At December 31, 2011, the Company had a revolving demand credit facility with a Canadian Chartered Bank of up to $1,500 (see note 9) which can be drawn as direct advances or letters of guarantee, subject to margin criteria, bearing interest at the lender's prime lending rate plus 1.50%. In addition, the Company obtained a $500 non-revolving term loan facility with interest at the lender's prime lending rate plus 2.5% and a maturity date of September 30, 2013. The credit facility is collateralized by a general charge on all the assets of the Company. At December 31, 2011 the Company carried a balance on the term loan facility of $472. In addition, the Company has a $170 credit card facility with a Canadian Chartered bank. As at December 31, 2011, the Company was not in compliance with a covenant, has classified the obligations under this credit facility as current and is unable to draw down on the other facility. The Company does not expect this to have any significant adverse impact on its liquidity position.

At December 31, 2011, the Company's trade and other payables were $6,755 (2010 - $5,485), $5,823 (2010 - $5,485) of which $5,823 became due and payable within the normal terms of trade, generally between 30 and 90 days. The remainder of trade and other payables relates to accruals for restructuring charges *(note 18)*.

Market risk

Foreign exchange risk
The Company operates internationally and generates revenues and incurs expenses in foreign currencies, holds cash and cash equivalents, and has operations based in the United Kingdom and the United States in the form of its wholly owned subsidiaries.

The Company's financial results are reported in Canadian dollars. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the US dollar ("USD"), as a majority of the Company's revenues are earned in USD. During the year ended December 31, 2011, 59% of the Company's revenue was in USD (2010 – 57%) and 9% was in British Pounds ("GBP") (2010 – 11%). The Company periodically estimates its obligations payable in these foreign currencies and converts excess foreign funds into Canadian currency to mitigate the risks associated with changes in foreign currency rates. The Company does not currently have any derivative instruments. At December 31, 2011, the Company held net current monetary assets in USD and in GBP equal to $6,338 and $896, respectively (2010 - $5,987 USD and $1,326 GBP).

The Company estimates the impact of a 10% change in exchange rates on its net current monetary assets to be $723 (2010 - $731).

Interest rate risk
The Company is exposed to interest rate risk by virtue of holding cash and cash equivalents, incurring debt obligations and having finance lease obligations.

The Company's objective in managing its cash and cash equivalents is to provide sufficient funds to meet day-to-day requirements, drawing on the lines of credit only at times when there are timing differences between cash outflows and cash inflows and placing excess cash in short-term deposits.

The Company estimates the impact on net income of a 2% change in interest rates on its debt affected by variable interest rates to be $14 (2010 – $26).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures
The Company's management is responsible for designing disclosure controls and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures as at December 31, 2011. Based on this evaluation, the CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place as at December 31, 2011 are effective to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow for timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for designing, establishing and maintaining an adequate system of internal control over financial reporting. The Company's internal control system was designed based on the Risk Management and Governance: Guidance on Control (COCO Framework), published by the Canadian Institute of Chartered Accountants, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting as at December 31, 2011, based on a framework recommended by the CICA. Based on this evaluation, the CEO and CFO have concluded that as at December 31, 2011, the Company's internal control over financial reporting is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company has reflected out of period adjustments in the comparable figures for the year ended December 31, 2010 in the December 31, 2011 consolidated financial statements. As discussed above, the issues arose from the consolidation process. As a result, the CEO and CFO have completed additional procedures and caused additional procedures to be completed under their supervision to verify the evaluation of the effectiveness of the company's internal control over financial reporting specifically related to the consolidation process as at December 31, 2011. Based on this verification, the CEO and CFO have concluded that as at December 31, 2011, the Company's internal control over financial reporting specifically related to the consolidation process is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

ADDITIONAL RISKS

The following risk factors, as well as risks not currently known to the Webtech Wireless, could materially adversely affect Webtech Wireless' future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to Webtech Wireless. Before making an investment decision consideration should be made of the principal risks and uncertainties. The risk factors are more fully described in the Company's most recently filed Annual Information Form which is available on the Canadian System for Electronic Document Analysis and Retrieval website ("SEDAR") (www.sedar.com).

Profitability

The Company did not attain accounting profitability during the year ended December 31, 2011, and it may not be able to return to profitability from operations for the current fiscal year or in the foreseeable future.

Technology

The Company operates in a highly competitive environment where its hardware and other products and services are subject to rapid technological change.

Intellectual Property

The trade secrets held by Webtech Wireless with respect to the assembly of hardware products and copyright attached to the software is of extreme importance to Webtech Wireless' success. Webtech Wireless protects its intellectual property through trade secrets, reliance upon copyright legislation and patent applications.

Competition

The AVL and telematics industry is very competitive. A number of the Company's existing competitors have substantially greater financial, marketing and other resources.

Additional Funding Requirements

The Company's success is predicated on its ability to finance growth.

Stock Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

Variable Revenues / Earnings

The revenues and earnings of the Company may fluctuate from quarter to quarter, which could affect the market price of the Company's Common Shares.

Earnings and Dividend Record
The Company incurred a net loss for the year ended December 31, 2011, December 31, 2010, December 31, 2009, the five-month Transition Period ended December 31, 2008 and for the fiscal years ended July 31, 2008 and July 31, 2007 after reporting earnings for the previous three years following several years of no earnings since inception. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future.

Acquisitions and Divestitures
As part of the business strategy of the Company, the Company may acquire additional assets and businesses principally relating to or complementary to its current operations or divest non-core assets or business. Any acquisitions and/or mergers will be accompanied by the risks commonly encountered in acquisitions of companies.

Conflicts of Interest
Certain directors and officers of the Company are or may become directors or officers of, or have significant shareholdings in, other technology based companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

Warranty Claims
Webtech Wireless provides its customers with a limited warranty on its products. Despite quality control procedures, there is no assurance that the Company's provision for this warranty is adequate.

Inventory Management
The Company's hardware is comprised of component parts with long lead times. The Company typically purchases component parts and out-sources manufacturing in advance of receiving confirmed purchase orders. As a result, the Company may have significant inventory volumes that could be subject to write down from obsolescence.

Portal System Failure
Webtech Wireless' SaaS portal system is subject to failure due to loss of power, connectivity or human error. In the event that the Company's systems become inoperative for a period of time, the Company could be adversely affected by a reduction in customer satisfaction, loss of business and customer claims.

Operations
The Company's operations are dependent upon its ability to protect its network infrastructure and customers' equipment against damage from human error, telecommunications failures, fire, earthquakes, floods, power loss, sabotage, intentional acts of vandalism and similar events. Despite precautions taken by, and planned to be taken by the Company, the occurrence of a natural disaster or other unanticipated problem at one or more of the Company's network facilities could result in interruptions to the services provided by the Company.

Foreign Exchange
Fluctuations in the exchange rate between the Canadian and US dollars and between the Canadian dollar and the British pound affect Webtech Wireless by impacting revenue, expenses and assets and liabilities. Although the Company reports its financial results in Canadian dollars, for the year ended December 31, 2011, 61% (December 31, 2010 – 57%) of revenues were US dollar denominated and 7% (December 31, 2010 – 12%) were in British pounds. A strengthening of the Canadian dollar against these currencies decreases revenues when reported in Canadian dollars.

General Economic Conditions
The Company's results could be adversely affected by changing economic conditions in the countries in which it operates.

Suppliers
Webtech Wireless has relationships with several suppliers and service providers upon which it depends to provide critical components for its products and services.

Distributors
The Company relies on distributors to sell its products in various countries around the world and there is a risk that certain of these distributors may terminate their relationship with the Company.

Liability Claims
Webtech Wireless may be subject to claims arising from the use of its products and services. A product liability claim could adversely impact the Company's business due to the cost of settlements and due to the costs of defending such claims.

Credit Concentration and Credit Risk
The Company provides credit to its customers in the normal course of operations. The Company estimates, on a continuing basis, the probable losses, and records a provision for such losses based on the estimated realizable value. There is no assurance that this provision will be adequate.

Dependence on Personnel
Due to the technical nature of its business and the dynamic market in which the Company competes, its success depends on its ability to attract and retain highly skilled engineering, managerial, marketing and sales personnel.

Government Regulations
The Company operates in a global marketplace, with sales in numerous countries. The Company may be required to incur additional costs in order to comply with foreign and state government regulations as they might pertain to certain issues concerning compliance with local regulations governing its devices, content, privacy, taxation and other considerations.

Market Demand for the Product and Services

The Company's success is dependent on its ability to market its products and services. There is no guarantee the Company's products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands.

Foreign Operations

The Company has four foreign subsidiaries, incorporated and operating in the United Kingdom, and United States, In addition, there is a non-operating subsidiary in Brazil. Such subsidiaries are subject to the laws of their jurisdiction of incorporation and any changes to such laws.

Insurance Inadequacy

No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at economically feasible premiums or at all. There is no assurance that in the event of claim or loss that the Company will have adequate insurance coverage.

OUTSTANDING SHARE DATA

As at March 14, 2012, the Company had 105,424,265 common shares outstanding. The Company has 8,525,084 share purchase options outstanding entitling the holders to purchase one common share for each option held at prices from $0.28 to $1.35 per share expiring on various dates up to November 28, 2016.

SEDAR

Additional information relating to the Company, including the Company's AIF, is available on SEDAR at www.sedar.com.

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March 14, 2012

Independent Auditor's Report

**To the Shareholders
of WebTech Wireless Inc.**

We have audited the accompanying consolidated financial statements of WebTech Wireless Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2011 and December 31, 2010 and January 1, 2010 and the consolidated statements of operations, other comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP Chartered Accountants
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of WebTech Wireless Inc. and its subsidiaries as at December 31, 2011 and December 31, 2010 and January 1, 2010 and their financial performance and their cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Accountants

	December 31, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current assets			
Cash and cash equivalents	$ 5,856	$ 4,020	$ 7,212
Trade and other receivables *(note 22)*	10,340	9,302	9,260
Inventories *(note 5)*	5,235	8,414	9,850
Prepaid expenses and deposits	1,007	475	533
Total current assets	22,438	22,211	26,855
Restricted cash	1,019	455	1,955
Property and equipment *(note 6)*	1,021	1,796	2,327
Intangible assets *(note 7)*	6,646	8,088	14,606
Goodwill *(note 8)*	14,016	14,016	14,016
Total assets	$ 45,140	$ 46,566	$ 59,759
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Borrowings *(note 9)*	$ 472	$ 1,370	$ —
Trade and other payables	6,755	5,485	6,269
Acquisition liabilities *(note 10)*	500	1,500	—
Finance lease obligations *(note 11)*	—	108	124
Current portion of deferred revenue	2,848	1,983	2,234
Total current liabilities	10,575	10,446	8,627
Acquisition liabilities *(note 10)*	—	—	1,500
Finance lease obligations *(note 11)*	—	229	318
Deferred lease inducement	577	687	808
Deferred revenue	789	253	638
Deferred tax liabilities	—	428	1,547
Total liabilities	11,941	12,043	13,438
SHAREHOLDERS' EQUITY			
Share capital *(note 12)*	99,628	94,170	93,685
Other capital reserves *(note 13)*	8,144	7,526	5,117
Deficit	(75,664)	(68,363)	(52,974)
Accumulated other comprehensive income	1,091	1,190	493
Total shareholders' equity	33,199	34,523	46,321
Total liabilities and shareholders' equity	$ 45,140	$ 46,566	$ 59,759

The accompanying notes are an integral part of these consolidated financial statements

Approved on behalf of the Board:

"signed" — Scott Edmonds, Director

"signed" — Robert Kittel, Director

(Dollar amounts in 000's except number of shares and per share amounts) 33

		Year ended December 31, 2011		Year ended December 31, 2010
Revenue	$	41,408	$	41,377
Cost of sales (excluding amortization)		18,823		19,976
		22,585		21,401
Sales and marketing		7,625		8,758
Research and development		6,620		7,597
General and administrative		8,368		8,683
Share-based payments		565		1,776
Depreciation and amortization		2,044		3,280
Total operating expenses		25,222		30,094
Loss before the undernoted		(2,637)		(8,693)
Finance expense		210		44
Foreign exchange (gain) loss		(200)		1,194
Impairment of intangible assets		—		4,183
Restructuring expense *(note 18)*		5,069		2,364
		5,079		7,785
Net loss before tax		(7,716)		(16,478)
Tax recovery		415		1,089
Net loss for the year	$	(7,301)	$	(15,389)
Net loss per share (basic and diluted)	$	(0.07)	$	(0.17)
Weighted average number of shares outstanding		102,958,512		90,218,787

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

		Year ended December 31, 2011		Year ended December 31, 2010
Net loss for the year	$	(7,301)	$	(15,389)
Other comprehensive (loss) income on translation of foreign subsidiaries		(99)		697
Total comprehensive loss for the year	$	(7,400)	$	(14,692)

The accompanying notes are an integral part of these consolidated financial statements

(Dollar amounts in 000's except number of shares and per share amounts)

	Year ended December 31, 2011	Year ended December 31, 2010
Share capital		
Beginning of year	$ 94,170	$ 93,685
Share issuance	5,458	485
End of year	99,628	94,170
Other capital reserves		
Beginning of year	7,526	5,117
Share-based payments	618	2,409
End of year	8,144	7,526
Deficit		
Beginning of year	(68,363)	(52,974)
Net loss for the period	(7,301)	(15,389)
End of year	(75,664)	(68,363)
Accumulated other comprehensive income		
Beginning of year	1,190	493
Other comprehensive (loss) income on translation of foreign subsidiaries	(99)	697
End of year	1,091	1,190
Total shareholders' equity	$ 33,199	$ 34,523

The accompanying notes are an integral part of these consolidated financial statements

(Dollar amounts in 000's except number of shares and per share amounts) 35

For the years ended December 31, 2011 and December 31, 2010

		Year ended December 31, 2011		Year ended December 31, 2010
OPERATING ACTIVITIES				
Net loss for the period	$	(7,301)	$	(15,389)
Items not involving cash:				
Depreciation of property and equipment		506		718
Amortization of intangible assets		1,480		2,354
Amortization of deferred revenue on purchase allocation		58		208
Amortization of leasehold inducement		(110)		(121)
Share-based payments		565		1,776
Share-based payments – restructuring		53		633
Recovery of deferred tax liability		(428)		(1,119)
Loss on disposal of assets		23		—
Loss on disposal of assets – restructuring		149		—
(Gain) loss on translation of foreign subsidiaries		(99)		697
Unrealized foreign exchange loss		159		173
Impairment of intangible assets		—		4,183
Changes in non-cash working capital items related to operations:				
Trade and other receivables		(1,065)		(450)
Inventories		3,179		1,440
Prepaid expenses and deposits		(532)		58
Trade and other payables		1,260		(450)
Deferred revenue		1,344		(844)
Interest paid		(90)		(45)
Net cash used in operating activities		(849)		(6,178)
INVESTING ACTIVITIES				
Proceeds on disposal of property and equipment		310		—
Purchase of property and equipment		(214)		(188)
Purchase of intangible assets		(38)		(18)
Payment of acquisition liabilities		(1,000)		—
Restricted cash		(564)		1,500
Net cash (used in) provided by investing activities		(1,506)		1,294
FINANCING ACTIVITIES				
Common shares issued, net of issuance costs		5,458		485
(Repayments of) proceeds from borrowings		(898)		1,370
Repayment of finance lease obligations		(337)		(105)
Interest received on cash and cash equivalents		33		24
Net cash provided by financing activities		4,256		1,774
Effect of foreign currency exchange rates on cash and cash equivalents		(65)		(82)
Net increase (decrease) in cash and cash equivalents		1,836		(3,192)
Cash and cash equivalents, beginning of period		4,020		7,212
Cash and cash equivalents, end of period	$	5,856	$	4,020
Cash and cash equivalents consist of:				
Balances with financial institutions	$	5,856	$	3,120
Cash equivalents	$	—	$	900

The accompanying notes are an integral part of these consolidated financial statements

(Dollar amounts in 000's except number of shares and per share amounts)

Notes To The Consolidated Financial Statements

Note 1
General information

Webtech Wireless Inc. and its subsidiaries (together "Webtech" or "the Company") is a global provider of telematics and location-based services. The Company sells and provides subscription and other services for location-based and telematics software as well as selling its own and third party hardware. Webtech was incorporated under the laws of the Yukon Territory on May 12, 1999, continued to Alberta on July 24, 2000 and British Columbia on August 1, 2006. The Company is domiciled in Canada and the address of its registered office is in 4299 Canada Way, Suite 215, Burnaby, British Columbia, Canada.

The Company's shares are listed for trading on the TSX under the symbol WEW.

Note 2
Basis of presentation

Statement of compliance and first time adoption of IFRS
The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company commenced reporting on this basis in its 2011 interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of financial statements as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") and IFRS 1, First-time Adoption of International Financial Reporting Standards. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 25 discloses the impact of the transition to IFRS on the Company's reported consolidated statements of financial position, operations and other comprehensive income, and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010.

These consolidated financial statements for the year ended December 31, 2011 were approved by the Board of Directors for issue on March 14, 2012.

Use of critical accounting judgments and estimates
The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The estimated useful lives of intangible assets are reviewed annually. The Company amortizes its intangible assets using assumptions of amortization methods and useful lives. Refer to note 7 for more details about methods and assumptions used in the amortization of intangible assets;
- The Company reviews goodwill at least annually and other non-financial assets when there is any indication that the asset might be impaired. The Company has estimated the value in use and fair value of operating segments to which goodwill is allocated using discounted cash flow models that required assumptions about future cash flows, margins and discount rates. Refer to notes 7 and 8 for more details about methods and assumptions used in estimating net recoverable amount.

Note 3
Significant accounting policies

Basis of measurement
The consolidated financial statements have been prepared under the historical cost convention, except for investments in debt and equity securities, and derivatives, including warrants, which are measured at fair value.

Consolidation
The financial statements of the Company consolidate the accounts of Webtech Wireless Inc. and its subsidiaries. Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. All operating segment results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related income, corporate assets and head office expenses, and income tax assets and liabilities.

Foreign currency translation

(i) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the parent's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of operations are translated at average exchange rates; and
- All resulting exchange differences are included in other comprehensive income.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of operations.

Cash and cash equivalents
Cash and cash equivalents consist of cash on deposit and callable short-term interest bearing investments, with original maturities of three months or less.

Restricted cash
Restricted cash represents cash that has been pledged as collateral for a letter of credit.

Financial instruments
Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(a) Financial assets and liabilities at fair value through profit or loss
A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statements of operations. Gains and losses arising from changes in fair value are presented in the statements of operations within other gains and losses in the period in which they arise.

Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of trade and other receivables, cash and cash equivalents and restricted cash, and are included in current assets due to their short-term nature.

Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(c) Financial liabilities at amortized cost
Financial liabilities at amortized cost include trade and other payables, acquisition liabilities, borrowings and finance lease obligations. Financial liabilities are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Impairment of financial and non-financial assets

(a) Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

All impairment losses are recognized in the statements of operations. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive income is transferred to the statements of operations. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, an impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(b) Non-financial assets
The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets which are separately assessed, are reviewed each reporting date to determine whether there are any events or changes that are indicators of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together in the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or "CGU"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less costs to sell. In assessing value in use, future discounted cash flows are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statements of operations. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

Management allocates and monitors its goodwill based on its CGU's which are its operating segments.

The Company evaluates impairment losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration and accordingly, goodwill is assessed for impairment together with the assets and liabilities of the related segment.

Inventories
Inventory is comprised of parts and finished goods, and is stated at the lower of cost and net realizable value. Parts and finished goods cost is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Inventory is regularly reviewed for obsolescence and is recorded net of any obsolescence provisions. When there is a significant change in economic circumstances, inventory that had been previously written down below cost may be written back up provided the reversal does not exceed the original write down.

Property and equipment
All property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the items. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognized in the statements of operations on a straight-line basis over the estimated useful lives which are as follows:

Computer equipment	4 years
Furnitures and fixtures	4 years
Leasehold improvements	Lease term
Office and other equipment	4 years

Intangible assets
Identifiable intangible assets acquired either individually or with a group of other assets are initially recognized or measured at cost.

Intangible assets with finite useful lives are amortized over their estimated useful lives. The amortization methods and estimated useful lives of intangible assets are as follows:

Computer software	Straight line	2 years
Non compete agreements	Straight line	3 years
Technology	Declining balance	15% or 25%
Contractual customer relationships	Declining balance	10% or 15%

Goodwill
Goodwill represents the excess of costs of an acquisition over the fair value of the identifiable net assets acquired.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Provisions
Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated and discounted where the effect is material.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Income tax
The tax expense for the period comprises current and deferred tax. Tax is recognized in the statements of operations, except to the extent that it relates to items recognized in other comprehensive income or directly in shareholders' equity. In this case the tax is also recognized in other comprehensive income or directly in shareholders' equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Revenue recognition
The Company derives revenue from the sale of telematics hardware and software, as well as professional services associated with customizing its products. License, maintenance, subscription revenue is derived from location-based software and software services. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue from hardware and software license sales is recognized when the hardware is shipped or the software is delivered and when all significant contractual obligations have been satisfied. Revenue from software license sales is recognized upon delivery where there is evidence of an arrangement, the selling price is fixed or determinable and there are no significant remaining performance obligations. Software licenses sold to application service provider ("ASP") customers are deferred and recognized over the related term of the ASP service agreement.

Revenue from professional services is recognized as earned, based on performance according to specific terms of the contract or on the basis of the percentage of completion method where the revenue is reconcilable to services performed as a proportion of total services to be completed. Foreseeable losses, if any, are recognized in the year or period in which the loss is determined.

Maintenance and support service revenues are recognized proportionately over the term of the contract.

Revenue from subscription services is invoiced in advance and deferred and recognized on a monthly basis as the services are provided.

Revenue arrangements with multiple elements are reviewed in order to determine whether the multiple elements can be divided into separate units of accounting. If separable, the consideration received is allocated among the separate units of accounting based on their respective fair values, and the applicable revenue recognition criteria are applied to each of the separate units. Otherwise, the applicable revenue recognition criteria are applied to the revenue arrangement as a single unit.

Cost of sales
Cost of sales includes personnel and material costs relating to the provision of services and sale of goods. In addition, cost of sales includes inventory write downs other than as a direct consequence of restructuring.

Research and development
Research expenditures are expensed when incurred. Development costs are capitalized in the event they meet capitalization criteria under IFRS, otherwise they are expensed as incurred. To date, no development costs have been capitalized.

Share capital
Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from share capital, net of any tax effects.

Share-based payments
The Company grants stock options to directors, officers, employees, and consultants. Each tranche in an award is considered a separate award with its own vesting period and grant-date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. The grant-date fair value of options granted to directors, officers, employees, and consultants is recognized as share-based payment expense, with a corresponding increase in equity, over the period that the individual becomes unconditionally entitled to the options. The amount recognized as an expense is adjusted to reflect the number of share options for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of share options that do meet the related service and non-market performance conditions at the vesting date.

Earnings (loss) per share
Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares using the treasury stock method.

A dilutive share capital quantification has not been performed as the Company is in a net loss position for the periods resulting in an anti-dilutive quantification.

Note 4
New standards and interpretations not yet applied

Certain new standards, amendments to standards, and interpretations are not yet effective for the current reporting period, and therefore have not been applied in preparing these consolidated financial statements. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements:

IFRS 7, Financial Instrument – Disclosures ("IFRS 7")
The IASB amended IFRS 7 in October 2010. IFRS 7 was amended to provide guidance relating to disclosures with respect to the transfer of financial assets that results in derecognition, and continuing involvement in financial assets. The amendments to this standard are effective for annual periods beginning on or after July 1, 2011 with earlier application permitted.

IFRS 9, "Financial Instruments: Classification and Measurement"
IFRS 9 was issued in November 2009 and contained requirements for the classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statements of operations to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit or loss would generally be recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted.

IFRS 10, "Consolidation"
IFRS 10 was issued in May 2011 and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under existing IFRS, consolidation is required when an entity has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidation and Separate Financial Statements. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted, so long as IFRS 10 and 11 are adopted at the same time.

IFRS 11, "Joint Arrangements"
In May 2011, IFRS 11 was issued and requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 superseded IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted, so long as IFRS 10 and 11 are adopted at the same time.

IFRS 12, "Disclosure of Interests in Other Entities"
IFRS 12 was issued in May 2011 and establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special-purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted.

IFRS 13, "Fair Value Measurement"
IFRS 13 was issued in May 2011 and is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted.

IAS 1, Presentation of Financial Statements ("IAS 1")
IAS 1 was amended to align the presentation of items in other comprehensive income with U.S. GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that might be reclassified into net earnings and those that will not be reclassified. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

Note 5
Inventories

	December 31, 2011	December 31, 2010	January 1,2010
Parts	$ 4,671	$ 7,723	$ 7,946
Finished goods	564	691	1,904
	$ 5,235	**$ 8,414**	**$ 9,850**

The direct cost of inventory included in cost of sales for the year ended December 31, 2011 amounted to $9,139 (2010 – $9,180). During the period, inventory was reviewed for obsolescence as part of ongoing operations and restructuring activities. As at December 31, 2011, the obsolescence provision against inventory totaled $1,047 (2010 – $288).

(Dollar amounts in 000's except number of shares and per share amounts)

Note 6
Property and equipment

	Computer equipment	Furnitures and fixtures	Leasehold Improvements	Office and other equipment	Total
Cost					
Balance January 1, 2010	$ 2,132	$ 503	$ 1,071	$ 868	$ 4,574
Currency translation adjustments	(7)	(1)	—	(4)	(12)
Additions	100	11	21	62	194
Disposals/write-offs	—	—	—	—	—
Balance December 31, 2010	$ 2,225	$ 513	$ 1,092	$ 926	$ 4,756
Cost					
Balance January 1, 2011	$ 2,225	$ 513	$ 1,092	$ 926	$ 4,756
Currency translation adjustments	(5)	(1)	—	(6)	(12)
Additions	162	18	33	13	226
Disposals/write-offs	(75)	(22)	(48)	(704)	(849)
Balance December 31, 2011	$ 2,307	$ 508	$ 1,077	$ 229	$ 4,121
Accumulated depreciation					
Balance January 1, 2010	$ 1,557	$ 270	$ 215	$ 205	$ 2,247
Currency translation adjustments	(2)	—	—	(3)	(5)
Depreciation charge for the period	299	92	140	187	718
Disposals/write-offs	—	—	—	—	—
Balance December 31, 2010	$ 1,854	$ 362	$ 355	$ 389	$ 2,960
Accumulated depreciation					
Balance January 1, 2011	$ 1,854	$ 362	$ 355	$ 389	$ 2,960
Currency translation adjustments	—	1	—	—	1
Depreciation charge for the period	159	63	147	137	506
Disposals/write-offs	(4)	(2)	—	(361)	(367)
Balance December 31, 2011	$ 2,009	$ 424	$ 502	$ 165	$ 3,100
Net Book Value					
Balance January 1, 2010	$ 575	$ 233	$ 856	$ 663	$ 2,327
Balance December 31, 2010	$ 371	$ 151	$ 737	$ 537	$ 1,796
Balance December 31, 2011	$ 298	$ 84	$ 575	$ 64	$ 1,021

Total depreciation of property and equipment for the year ended December 31, 2011 was $506 (2010 – $718).

Office and other equipment includes certain manufacturing and other equipment under finance lease agreements (note 11).

During 2011, the lease commitments were settled and subsequently, the manufacturing equipment was disposed of as part of restructuring activities (note 18). As at December 31, 2011, the net book value of office and other equipment under finance lease agreements was nil (2010 – $329).

(Dollar amounts in 000's except number of shares and per share amounts)

Note 7
Intangible assets

The following table presents details of movement in the carrying value of the intangible assets by type:

	Contractual customer relationships	Technology	Non compete agreements	Computer software	Total
Cost					
Balance January 1, 2010	$ 10,731	$ 2,668	$ 1,500	$ 933	$ 15,832
Currency translation adjustments	—	—	—	1	1
Additions	—	—	—	18	18
Balance December 31, 2010	$ 10,731	$ 2,668	$ 1,500	$ 952	$ 15,851
Cost					
Balance January 1, 2011	$ 10,731	$ 2,668	$ 1,500	$ 952	$ 15,851
Additions	—	—	—	40	40
Disposals/write-offs	—	—	—	(2)	(2)
Balance December 31, 2011	$ 10,731	$ 2,668	$ 1,500	$ 990	$ 15,889
Accumulated amortization					
Balance January 1, 2010	$ 232	$ 99	$ 90	$ 805	$ 1,226
Amortization charge for the period	1,268	537	470	79	2,354
Impairment charge for the period	4,102	81	—	—	4,183
Balance December 31, 2010	$ 5,602	$ 717	$ 560	$ 884	$ 7,763
Accumulated amortization					
Balance January 1, 2011	$ 5,602	$ 717	$ 560	$ 884	$ 7,763
Amortization charge for the period	699	398	313	70	1,480
Balance December 31, 2011	$ 6,301	$ 1,115	$ 873	$ 954	$ 9,243
Net Book Value					
Balance January 1, 2010	$ 10,499	$ 2,569	$ 1,410	$ 128	$ 14,606
Balance December 31, 2010	$ 5,129	$ 1,951	$ 940	$ 68	$ 8,088
Balance December 31, 2011	$ 4,430	$ 1,553	$ 627	$ 36	$ 6,646

Total amortization of intangible assets for the year ended December 31, 2011 was $1,480 (2010 – $2,354). Of that amount, $1,410 (2010 – $2,275) related to amortization of intangible assets acquired from the acquisition of InterFleet Inc. ("InterFleet") in 2009.

For the year ended December 31, 2010, certain external factors resulted in changes to cash flow projections associated with a technology asset and a customer relationship asset which had been recognized in connection with the acquisition of InterFleet. As a result, the Company concluded there was an indicator of impairment present.

The Company used a present value technique to discount a series of expected future cash flows for the CGU to which the technology and customer relationship assets were allocated in order to estimate the value in use. Cash flows were projected based on actual operating results and the Company's projected budget. A pre-tax discount rate of 24.5% was applied in determining the recoverable amount. The discount rate was estimated based on an industry average weighted average cost of capital. The values assigned to key assumptions represent management's assessment of future trends and are based on both external and internal sources.

When compared to the carrying value, it was determined that a non-cash impairment charge of $4,102 was required to be recorded against the customer relationship asset and $81 against the technology asset as at December 31, 2010.

The Company determined there were no indicators of impairment at December 31, 2011.

(Dollar amounts in 000's except number of shares and per share amounts)

Note 8
Goodwill

Goodwill of $14,016 arose as a result of the acquisition of InterFleet Inc. in 2009. Goodwill has been allocated to the following CGU's:

	December 31, 2011	December 31, 2010	January 1,2010
Quadrant	$ 7,752	$ 7,752	$ 7,752
Grey Island Systems	—	6,264	6,264
InterFleet	3,352	—	—
NextBus	2,912	—	—
	$ 14,016	**$ 14,016**	**$ 14,016**

In 2011, the Company restructured its operations. Prior to the restructuring, it had two operating segments, those being the recently acquired Grey Island Systems and Quadrant. Post-restructuring, the Grey Island Systems segment was reorganized into its constituent businesses; InterFleet and NextBus which are also CGU's.

The Company performs its annual test for goodwill impairment in the fourth quarter. The recoverable amount of each CGU has been determined using a value in use ("VIU") calculation that made maximum use of observable markets for inputs and outputs. Key assumptions included future cash flows and growth projections, estimates of key operating metrics and the weighted average cost of capital.

The cash flow projections are based upon the Company's cash flow budgets approved by management, projected over a period of five years. Key assumptions upon which the projections are based included a pre-tax discount rate of 24.5% and a terminal growth rate of 3-5%.

Reasonably possible changes in key assumptions are unlikely to cause the recoverable amount of goodwill to fall below the carrying values of each CGU. Sensitivity testing was conducted as a part of the December 2011 annual impairment test. A moderate change in the key assumptions used resulted in the Company continuing to be able to recover the carrying value of the goodwill for the foreseeable future.

Note 9
Borrowings

On September 30, 2011, the Company obtained a demand credit facility of a maximum of $2,000 in the form of a $1,500 revolving line of credit and a $500 term loan, both secured by a general security arrangement over all of the Company's assets.

The $1,500 revolving line of credit facility bears interest at the lender's prime rate plus 1.5%. As at December 31, 2011, the interest rate on the credit facility was 4.5% and the unused portion of the facility amounted to $1,500.

On October 19, 2011, the Company drew $500 from the non-revolving term facility. The $500 facility has an amortization period of 36 months and a maturity date of September 30, 2013. Interest on the term facility is the lender's prime rate plus 2.5%. As at December 31, 2011, the outstanding balance on the facility was $472 and the interest rate on the credit facility was 5.5%.

The facility contains a covenant that requires the Company to maintain certain financial ratios. As at December 31, 2011, the Company was not in compliance with a covenant, has classified the obligations under this credit facility as current and is unable to draw down on the unused $1,500 on the line of credit facility.

The Company's previously existing $3,000 secured line of credit facility was cancelled effective September 30, 2011.

Note 10
Acquisition liabilities

Under the terms of the acquisition agreement with InterFleet, three InterFleet executives were entitled to retention bonuses in the amount of $1,000 each, totaling $3,000, of which $1,500 was paid in January 2010. Subsequent to the termination of the employment contracts of the three executives, $1,000 of the remaining liabilities were paid during the year ended December 31, 2011 with the remaining $500 payable at December 31, 2011.

Note 11
Finance lease obligations

The Company had finance lease obligations for certain manufacturing equipment and other equipment. The lease obligations were secured exclusively by the equipment, beared interest at rates between 4.74% and 12.15% per annum with blended monthly payments of $10, and matured between November 2013 and April 2014. Total interest paid for the year ended December 31, 2011 was $29 (2010 – $21).

The manufacturing and other equipment were included in property and equipment and were capitalized at their fair value of $544 at inception. Amortization charged during the year totaled $63 for the equipment.

During 2011, the lease commitments were settled and the majority of the equipment was disposed of as part of restructuring activities (note 18). As at December 31, 2011, the Company had no finance lease obligations.

(Dollar amounts in 000's except number of shares and per share amounts)

Note 12
Share capital

Authorized: Unlimited common shares with no par value
Authorized: Unlimited preferred shares with no par value issuable in series

	Number of common shares		Amount
Balance January 1, 2010	**89,590,936**	**$**	**93,685**
Issued for cash:			
Private placement[(1)]	833,329		500
Less: share issue costs	—		(15)
Balance December 31, 2010	**90,424,265**	**$**	**94,170**
Issued for cash:			
Private placement[(2)]	15,000,000		6,000
Less: Share issue costs	—		(542)
Balance December 31, 2011	**105,424,265**	**$**	**99,628**

(1) On April 1, 2010, the Company closed a private placement to certain members of senior management and the Company's Board of Directors (the "Private Placement"). Pursuant to the Private Placement, the Company issued 833,329 common shares at the market price of $0.60 per common share to certain members of senior management and the Company's Board of Directors for gross proceeds of $500.

(2) On March 1, 2011, the Company closed a private placement, issuing 15,000,000 common shares at a price of $0.40 for gross proceeds of $6,000.

Share-based payments
The Company has two Stock Option Plans from which it makes awards to employees, directors and consultants.

On December 14, 2005, the Company adopted a stock option plan ("Old Plan"). Under the Old Plan, the Company was authorized to grant up to a total of 8,020,135 share purchase options. At December 31, 2011, the Company had 159,000 share purchase options issued and outstanding under the Old Plan.

On December 8, 2008, the Company implemented the New Plan. Under the terms of the New Plan, the Board of Directors may grant share purchase options to employees, directors and consultants equal to the lesser of: (i) 10% of the issued and outstanding common shares as determined from time to time, or (ii) 10 million share purchase options. At December 31, 2011, the Company was authorized to grant 10,000,000 share purchase options, of which it had 8,653,955 share purchase options issued and outstanding (8,494,955 share purchase options under the New Plan), leaving 1,346,045 share purchase options available for future issue.

Share purchase options are awarded at a Canadian dollars exercise price equal to the closing market price of the Company's common shares on the day prior to the date of grant. The share purchase options generally vest over three years with one-third of the options vesting on each of the first, second and third anniversaries of the grant date. The share purchase options have a five-year term from date of grant and are exercisable in exchange for cash.

A summary of the activity in the Company's Stock Option Plans is presented below:

Old stock option plan	Number of options		Weighted average exercise price
Options outstanding January 1, 2010	**746,035**	**$**	**1.06**
Forfeited	(138,533)	$	1.19
Expired	(282,000)	$	0.80
Cancelled	(19,500)	$	1.32
Options outstanding December 31, 2010	**306,002**	**$**	**1.24**
Expired	(145,502)	$	1.14
Forfeited	(1,500)	$	1.10
Options outstanding December 31, 2011	**159,000**	**$**	**1.34**

(Dollar amounts in 000's except number of shares and per share amounts)

New stock option plan	Number of options	Weighted average exercise price
Options outstanding January 1, 2010	**5,702,643**	**$ 0.99**
Granted	3,243,470	$ 0.44
Forfeited	(374,712)	$ 0.96
Cancelled	(1,981,942)	$ 0.98
Options outstanding December 31, 2010	**6,589,459**	**$ 0.68**
Granted	4,061,000	$ 0.39
Forfeited	(2,155,504)	$ 0.83
Options outstanding December 31, 2011	**8,494,955**	**$ 0.51**

The following weighted average assumptions were used in calculating the fair value of stock options granted during the period using the Black-Scholes model:

	December 31, 2011	December 31, 2010
Risk free rate	1.58%	2.13%
Dividend yield	0%	0%
Expected volatility	69%	77%
Expected life	3.27	3.62
Forfeiture rate	11.81%	12.14%
Weighted average expected option life	3 years	3 years
Weighted average fair value of options granted	$ 0.20	$ 0.24

During the year ended December 31, 2011, the Company recorded share-based payments expense of $618 (2010 – $2,409), of which $53 (2010 – $633) relate to restructuring activities (note 18). The fair value of each option is accounted for over the period of the options and the related credit is included in other capital reserves.

As at December 31, 2011, the Company had 8,653,955 share purchase options outstanding (2010 – 6,895,461), entitling the holders to purchase one common share for each option held as follows:

	Outstanding Awards			Exercisable Options		
Exercise price range	Quantity	Weighted average remaining contractual life (Years)	Weighted average exercise price	Quantity	Weighted average remaining contractual life (Years)	Weighted average exercise price
$0.28-$0.34	1,889,000	4.52	$0.33	—	—	—
$0.35-$0.39	1,896,900	3.46	$0.37	732,288	2.91	$0.37
$0.40-$0.49	2,148,515	3.78	$0.45	364,843	1.90	$0.45
$0.50-$0.79	1,808,824	2.27	$0.70	1,193,012	1.97	$0.72
$0.80-$1.35	910,716	2.42	$1.07	910,716	2.42	$1.07
	8,653,955	**3.41**	**$0.52**	**3,200,859**	**2.30**	**$0.71**

(Dollar amounts in 000's except number of shares and per share amounts)

Note 13
Other capital reserves

		Amount
Balance January 1, 2010	**$**	**5,117**
Share-based payments (note 25)		1,776
Share-based payments – restructuring		633
Balance December 31, 2010	**$**	**7,526**
Share-based payments		565
Share-based payments – restructuring		53
Balance December 31, 2011	**$**	**8,144**

Note 14
Expenses by nature

	Year Ended			
		December 31, 2011		December 31, 2010
Wages and employee benefits	$	21,144	$	22,247
Hardware for resale		9,139		9,180
Professional fees		4,874		5,116
Occupancy		3,390		2,823
Telecommunications		3,172		2,998
Depreciation and amortization		2,044		3,280
Selling expenses		1,622		1,888
Software		705		593
Share-based payments		618		2,409
Other		2,416		7,321
	$	**49,124**	**$**	**57,855**

Note 15
Compensation of key management

Key management includes the Company's directors and Executive Officers.

The remuneration of directors and key management for the year ended December 31, 2011 and 2010 is as follows:

	Year Ended			
		December 31, 2011		December 31, 2010
Salaries and short-term benefits	$	1,658	$	3,107
Share-based payments		248		866
	$	**1,906**	**$**	**3,973**

(Dollar amounts in 000's except number of shares and per share amounts)

Note 16
Income tax

The provision for income taxes differs from the amount computed by applying the statutory income tax rate to the loss for the year. The sources and tax effects of the differences are as follows:

	Year Ended December 31, 2011	Year Ended December 31, 2010
Income tax (recovery) expense at statutory rate 2011 – 26.5% (2010 – 28.5%)	$ (2,044)	$ (4,696)
Change in valuation allowance	1,048	3,927
Entities with different income tax rates and other tax adjustments	553	(856)
Tax (recovery) expense at rates other than statutory rate	15	245
Permanent difference from other non-deductible items	428	1,350
Income tax (recovery) expense	**$ —**	**$ (30)**

The tax effects of the significant components of temporary differences that give rise to future income tax assets and liabilities are as follows:

	Year Ended December 31, 2011	Year Ended December 31, 2010
Deferred income tax assets Accruals not currently deductible	$ 249	$ 170
Depreciable capital assets & Other intangible assets	(24)	(260)
Loss carryforwards	16,230	15,714
Scientific Research and Experimental Development	749	1,036
Share Issuance	111	8
Other	21	1,903
Valuation Allowance	(17,336)	(18,999)
Total deferred income taxes assets, net	**$ —**	**$ (428)**

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company did not recognize deferred tax assets of $17,336 (2010 – $18,999) that can be carried forward against future taxable income.

The Company has non-capital loss carry forwards of $57,011 as at December 31, 2011 that expire in varying amounts from 2025 to 2031.

The Company has Scientific Research and Experimental Development ("SR&ED") expenditures of $999 which can be carried forward indefinitely to reduce future years' taxable income.

Note 17
Segmented information

The Company operates in the location-based services industry and has two distinct reporting business segments, telematics and predictive arrival, as described below:

- Telematics segment – includes the revenues, and operations of the Company's Quadrant and InterFleet solutions which provide telematics and vehicle fleet location-based services to commercial and government fleets. These two operating segments have been aggregated for reporting purposes as they possess similar economic characteristics.
- Predictive arrival segment – includes the revenues and operations of the Company's NextBus brand which provides real-time predictive information ("RTPI") solutions for public and private transit fleets.

(Dollar amounts in 000's except number of shares and per share amounts)

The Company's chief operating decision maker is the Chief Executive Officer.

As a result of the restructuring in 2011 (note 18), the Company reviewed the qualification criteria for each of its operating units and concluded its reportable segments had changed; the comparatives have been restated to reflect this change.

The following information is regularly provided to, and reviewed by the chief operating decision maker.

	Year Ended December 31, 2011		Year Ended December 31, 2010	
Revenue				
Telematics	$	32,976	$	34,695
Predictive Arrival		8,432		6,682
Total Revenue	**$**	**41,408**	**$**	**41,377**
Gross Margin (1)				
Telematics	$	17,972	$	18,588
Predictive Arrival		4,613		2,813
Total Gross Margin	**$**	**22,585**	**$**	**21,401**

(1) Gross Margin is defined as revenue less cost of sales, excluding amortization

	As at December 31, 2011		As at December 31, 2010	
Assets				
Telematics(1)	$	42,772	$	43,729
Predictive Arrival		2,368		2,837
Total Assets	**$**	**45,140**	**$**	**46,566**

(1) Shared or common assets are not allocated to the indvidual segments, they have been included within the telematics segment

	As at December 31, 2011		As at December 31, 2010	
Liabilities				
Telematics(1)	$	9,578	$	10,422
Predictive Arrival		2,363		1,621
Total Liabilities	**$**	**11,941**	**$**	**12,043**

(1) Shared or common liabilities are not allocated to the indvidual segments, they have been included within the telematics segment

The Company has sales in Canada, the United States, the UK, Mexico, and in other areas of the world. As at December 31, 2011, 92% (2010 – 93%) of the Company's property and equipment were located in Canada and 8% (2010 – 7%) were located in the UK and the United States, where they are held by the Company's wholly owned subsidiaries.

(Dollar amounts in 000's except number of shares and per share amounts)

Revenue by geographic segment is as follows:

	Year Ended December 31, 2011	Year Ended December 31, 2010
United States	$ 21,921	$ 21,221
Canada	12,903	13,340
Europe	3,814	4,476
Mexico & Latin America	2,087	1,635
Rest of the world	683	705
	$ 41,408	**$ 41,377**

Revenue by category is as follows:

	Year Ended December 31, 2011	Year Ended December 31, 2010
Hardware	$ 14,245	$ 14,576
Recurring	21,897	20,576
Services and other	5,266	6,225
	$ 41,408	**$ 41,377**

Revenue is impacted by seasonality, as the Company traditionally experiences higher revenue in the first and last quarter of each year because of the business and purchasing cycles of its customers and the Company plans its operations accordingly. If these cycles were to alter, the Company might be adversely affected.

The Company's property and equipment, intangible assets, and goodwill are located in the following geographic regions:

	December 31, 2011	December 31, 2010
Plant and equipment		
Canada	$ 939	$ 1,662
United States	80	133
Europe	2	1
	$ 1,021	**$ 1,796**
Intangible assets		
Canada	$ 2,727	$ 3,478
United States	3,919	4,610
	$ 6,646	**$ 8,088**
Goodwill		
Canada	$ 10,004	$ 10,004
United States	4,012	4,012
	$ 14,016	**$ 14,016**

(Dollar amounts in 000's except number of shares and per share amounts)

Note 18
Restructuring expense

The Company determined to make a number of significant operational and organizational changes which lead to certain restructuring activities in 2010. Restructuring costs related to severance, share based compensation, and legal fees totaling $2,364 were recorded on the consolidated statements of operations for the year ending December 31, 2010.

During the year ended December 31, 2011, the Company incurred costs of $5,069 related to further significant internal restructuring and changes to the Company's Board of Directors.

Of the $5,069 of restructuring costs incurred during 2011, restructuring costs totaling $4,384 were related to severance, legal fees, share based compensation, lease abandonment, machinery and equipment disposal, inventory adjustments, consulting and various other administrative costs directly related to the restructuring, and $685 related to the changes to the Company's board of Directors included various legal, consulting, proxy solicitation, investment banking and board fees.

As at December 31, 2011, the restructuring provision included in trade and other payables totaled $932 (2010 – nil).

Note 19
Commitments

Under operating lease agreements for office premises, the Company is required to make future annual minimum lease payments as follows:

		Total
2012	$	1,508
2013		941
2014		936
2015 through 2018		2,474
Total	**$**	**5,859**

Note 20
Litigation and other contingencies

(a) In August 2009, a competitor alleged patent infringement by the Company. No damages are specified in the lawsuit and the Company is unable to estimate the dollar value or the outcome of this claim.

(b) The Company has filed lawsuits against a former reseller. The reseller has also filed a claim against the Company. The outcome cannot be practicably determined. The Company believes the reseller's claim to be without merit and will vigorously defend the claim.

(c) The Company was named in a lawsuit initiated by PJC Logistics claiming patent infringement. The Company reached a settlement with PJC Logistics in 2011.

(d) In addition, by virtue of the nature of the Company's business and products, the Company is involved in other legal matters which arise from time to time in the ordinary course of the Company's business. At this time, there are no legal matters of this type which are believed to be material to the Company's results of operations, liquidity, or financial condition except as discussed above.

(e) In the normal course of business, the Company provides surety bonds under standard contractual performance terms in service agreements with its government customers. At December 31, 2011 the Company was obligated under bonds totaling $4,429 (2010 - $1,470). Related to the bonds, the Company also carries $1,000 USD letter of credit at December 31, 2011, which is 100% secured by restricted cash on deposit at a US banking institution.

Note 21
Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Related parties include key management, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Two independent members of the board of directors also serve on the board of directors of an insurance company under which the Company holds $1,470 in performance and materials bonds.

Included within current liabilities is a retention bonus in the amount of $500 owed to a former executive. Refer to note 10 for details.

Note 22
Financial instruments and fair values

Measurement categories, fair values and valuation methods
As explained in Note 3, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statements of operations and other comprehensive income. Those categories are: fair value through profit or loss; loans and receivables; available for sale assets; and, for liabilities, amortized cost. The following table shows the carrying values of assets and liabilities for each of these categories at December 31, 2011 and 2010 and January 1, 2010.

The carrying value of the Company's financial assets and liabilities is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

(Dollar amounts in 000's except number of shares and per share amounts)

	December 31, 2011		December 31, 2010		January 1, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans and receivables	$ 17,215	$ 17,215	$ 13,777	$ 13,777	$ 18,427	$ 18,427
Other financial liabilities	7,727	7,727	8,692	8,692	8,211	8,211

Fair value hierarchy
Financial assets and liabilities that are recognized on the balance sheet at fair value follow in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial risk factors
The Company is exposed to a number of risks. These risks include credit risk, liquidity risk, and market risk. The Company has established policies and procedures to manage these risks, with the objective of minimizing the adverse effects that changes in the variable underlying these risks could have on the Company's consolidated financial statements.

Credit risk
Credit risk is the risk that a counter-party will not meet their obligations under a financial instrument or customer contract, leading to a financial loss being incurred by the Company. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, trade and other receivables, and restricted cash.

The Company limits its exposure to credit loss by maintaining its cash and cash equivalents with high credit quality financial institutions in Canada, the United States and the United Kingdom.

The Company provides credit to its customers in the normal course of operations. The Company minimizes its credit risk associated with its accounts receivable by performing credit evaluations on customers, maintaining regular and ongoing contact with customers, routinely reviewing the status of individual accounts receivable balances and following up on overdue amounts. Concentration of credit risk with respect to accounts receivable is considered to be limited as the Company deals with a significant number of customers in multiple jurisdictions. From time to time, however, the Company does enter into agreements with very large customers that, due to the size of the transaction, will result in some concentration of credit risk. The Company estimates, on a continuing basis, the probable losses on its accounts and records a provision for losses based on the estimated realizable value of the accounts. Management does not believe that there is significant credit risk arising from any of the Company's customers; however, should one of the Company's main customers be unable to settle amounts due, the impact on the Company could be significant. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts.

The following table provides information regarding the aging of financial assets that are past due as at December 3, 2011.

	Neither past due nor impaired	Past due 31 - 60 days	Past due 61 - 90 days	Past due 91 days +	Carrying Value
Trade accounts receivable	$ 3,563	$ 2,846	$ 927	$ 2,602	$ 9,938
Other accounts receivable	402	N/A	N/A	N/A	402
Total	**$ 3,965**	**$ 2,846**	**$ 927**	**$ 2,602**	**$ 10,340**

Allowance for doubtful accounts	December 31, 2011	December 31, 2010	January 1,2010
Opening balance	$ 1,600	$ 2,674	$ 636
Increase (decrease) in provision	(210)	(307)	1,969
Bad debts (written off) recovered	(398)	(767)	69
Closing balance	**$ 992**	**$ 1,600**	**$ 2,674**

(Dollar amounts in 000's except number of shares and per share amounts)

As at December 31, 2011, $6,375 of the Company's accounts receivable balance of $10,340 was past due. The definition of items that are past due is determined by reference to terms agreed with individual customers, net of any provisions for losses. Unimpaired amounts past due in excess of 90 days are attributable to government contracts subject to payment delays inherent in government payment review processes. None of the unimpaired amounts outstanding has been challenged by customers and the Company continues to provide services and products to them. Of the balances outstanding as at December 31, 2011, $6,958 or 67% of the net amount outstanding had been collected as of March 14, 2012. Management believes that the remaining outstanding balance is fully collectible.

The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters that could delay the collection of funds at an early stage.

During the year ended December 31, 2011, there were no customers comprising greater than 10% of sales (2010 – nil).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, review of trade and other receivables balances, management of cash and cash equivalents, and use of credit facilities and equity financings when appropriate.

At December 31, 2011, the Company had a revolving demand credit facility with a Canadian Chartered Bank of up to $1,500 (see note 9) which can be drawn as direct advances or letters of guarantee, subject to margin criteria, bearing interest at the lender's prime lending rate plus 1.50%. In addition, the Company obtained a $500 non-revolving term loan facility with interest at the lender's prime lending rate plus 2.5% and a maturity date of September 30, 2013. The credit facility is collateralized by a general charge on all the assets of the Company. At December 31, 2011 the Company carried a balance on the term loan facility of $472. In addition, the Company has a $170 credit card facility with a Canadian Chartered bank. As at December 31, 2011, the Company was not in compliance with a covenant and have classified the obligations under this credit facility as current. The Company does not expect this to have any significant adverse impact on its liquidity position.

At December 31, 2011, the Company's trade and other payables were $6,755 (2010 – $5,485), $5,823 (2010 – $5,485) of which $5,823 became due and payable within the normal terms of trade, generally between 30 and 90 days. The remainder of trade and other payables relates to accruals for restructuring charges *(note 18)*.

Market risk

Foreign exchange risk

The Company operates internationally and generates revenues and incurs expenses in foreign currencies, holds cash and cash equivalents, and has operations based in the United Kingdom and the United States in the form of its wholly owned subsidiaries.

The Company's financial results are reported in Canadian dollars. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the US dollar ("USD"), as a majority of the Company's revenues are earned in USD. During the year ended December 31, 2011, 59% of the Company's revenue was in USD (2010 – 57%) and 9% was in British Pounds ("GBP") (2010 – 11%). The Company periodically estimates its obligations payable in these foreign currencies and converts excess foreign funds into Canadian currency to mitigate the risks associated with changes in foreign currency rates. The Company does not currently have any derivative instruments. At December 31, 2011, the Company held net current monetary assets in USD and in GBP equal to $6,338 and $896, respectively (2010 – $5,987 USD and $1,326 GBP).

The Company estimates the impact of a 10% change in exchange rates on its net current monetary assets to be $723 (2010 – $731).

Interest rate risk

The Company is exposed to interest rate risk by virtue of holding cash and cash equivalents, incurring debt obligations and having finance lease obligations.

The Company's objective in managing its cash and cash equivalents is to provide sufficient funds to meet day-to-day requirements, drawing on the lines of credit only at times when there are timing differences between cash outflows and cash inflows and placing excess cash in short-term deposits.

The Company estimates the impact on net income of a 2% change in interest rates on its debt affected by variable interest rates to be $14 (2010 – $26).

Note 23
Capital risk management

The Company considers its share capital and other capital reserves as capital, the total book value of which totaled $107,772 at December 31, 2011 (2010 - $101,696).

The Company manages its capital structure to safeguard its ability to operate as a going concern, to provide sufficient resources to meet day-to-day operating requirements, to allow it to enhance existing product offerings as well as develop new ones, and to have the financial ability to expand the size of its operations by taking on new customers. In managing its capital structure, the Company takes into consideration various factors, including the growth of its business and related infrastructure and the upfront cost of taking on new clients.

The Company's officers and senior management are responsible for managing the Company's capital and do so through regular meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

The Company manages its capital through the issuance of new share capital to the public.

The Company is not subject to any externally imposed capital requirements.

Note 24

Correction of misstatements from prior periods

The Company has identified certain non-cash adjustments relating to the valuation of inventories, trade and other payables and deferred revenue which accumulated over several prior years, and has adjusted amounts previously reported under Canadian generally accepted accounting principles by adjusting the prior period comparative information. The impact of the adjustments on the balance sheet, statements of operations and statements of cash flows is summarized in the explanations provided below. All corrections have been made in arriving at the opening position for the purposes of transitioning to IFRS (note 25).

(a) On the purchase of InterFleet in 2009, the fair value of deferred revenue was valued at $370 less than its book value and this adjustment was recorded as part of the purchase accounting. Post-acquisition, the company recognized this deferred revenue at its full face value not its fair value. The difference between fair value and face value is required to be amortized over the period to which the services relate. The impact of the adjustment on the statements of financial position and statements of operations is summarized below:

Consolidated statements of financial position	As at January 1, 2010	As at December 31, 2010
Increase in deferred revenue	$ 82	$ 290
Increase in deficit	**$ 82**	**$ 290**

Consolidated statements of operations	Year Ended December 31, 2010
Increase in amortization	$ 208
Increase in loss	**$ 208**

Consolidated statements of cash flows	Year Ended December 31, 2010
Increase in net loss	$ 208
Changes in non cash working capital	(208)
Net increase (decrease) in cash	**$ —**

(b) Inventory was understated and cost of sales was overstated from 2007 to 2010. This issue arose due to an excess of intra group profit elimination on consolidation which accumulated year over year. The impact of the adjustment on the statements of financial position and statements of operations is summarized below:

Consolidated statements of financial position	As at January 1, 2010	As at December 31, 2010
Increase in inventories	$ 497	$ 1,286
Decrease in deficit	**$ 497**	**$ 1,286**

Consolidated statements of operations	Year Ended December 31, 2010
Decrease in cost of sales	$ 788
Decrease in loss	**$ 788**

Consolidated statements of cash flows	Year Ended December 31, 2010
Decrease in net loss	$ 788
Changes in non cash working capital	(788)
Net increase (decrease) in cash	**$ —**

(Dollar amounts in 000's except number of shares and per share amounts) 55

(c) The Company's policy is to provide 1% of third party sales as a warranty provision. Prior to January 1, 2010, warranty provision on intra group sales was not correctly eliminated on consolidation. Commencing January 1, 2010 this process was corrected but the brought forward balance remained within trade and other payables. As a result, accrued liabilities were understated and an adjustment to the warranty reserve on the statements of financial position and the statements of operations was required as summarized below:

Consolidated statements of financial position		**As at January 1, 2010**		**As at December 31, 2010**
Increase in trade and other payables	$	167	$	167
Increase in deficit	**$**	**167**	**$**	**167**

(d) The impact of the adjustments above resulted in an overall decrease of $0.01/share on the Company's net loss per share for the year ended December 31, 2010.

Note 25

Transition to IFRS

As stated in Basis of Presentation Note 2, the Company commenced reporting under IFRS in its 2011 interim consolidated financial statements.

The policies set out in the Significant Accounting Policies section have been applied in preparing the financial statements for the year ended December 31, 2011, the comparative information presented in these financial statements for the year ended December 31, 2010, the statements of financial position at December 31, 2010, and the opening IFRS statement of financial position at January 1, 2010 (the Company's Transition Date).

The Company has followed the recommendations in IFRS-1 First-Time Adoption of IFRS, in preparing its transitional statements. IFRS-1 provides specific one-time choices and mandates specific one-time exceptions with respect to first-time adoption of IFRS. The significant choices applicable to the Company relate to the following:

- IFRS 1 provides that Business Combinations ("IFRS 3") may be applied prospectively or retrospectively with respect to business combinations completed prior to January 1, 2010. The Company has elected to apply IFRS 3 prospectively. Consequently, business combinations entered into prior to January 1, 2010 were not retrospectively restated in accordance with IFRS. Accordingly, any goodwill arising on such business combinations before the January 1, 2010 has not been adjusted from the carrying value previously determined under Canadian GAAP as a result of applying these exemptions.
- IFRS 2, Share-based Payments ("IFRS 2"), encourages application of its provision to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002, that have not vested by the Transition Date. The Company has elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by the Transition Date.
- IFRS 1 provides a choice between measuring equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical cost basis under prior Canadian GAAP. The Company elected to use the historical cost carrying values for equipment as determined under prior Canadian GAAP for transitional purposes.
- IFRS 1 allows a first-time adopter to an exemption as it relates to the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates, for cumulative translation differences that existed at the date of transition to IFRS. The company has elected to reset the cumulative translation adjustment account, which includes gains and losses arising from the translation of foreign operations, to zero at the date of transition to IFRS.

In preparing its opening IFRS statements of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP as adjusted for the correction of prior period errors as described fully in note 24. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the additional notes that accompany the tables.

(Dollar amounts in 000's except number of shares and per share amounts)

Reconciliation of Equity

		As at January 1, 2010		
ASSETS	*Note*	**Canadian GAAP Adjusted (note 24)**	**Transition Impact**	**IFRS**
Current assets				
Cash and cash equivalents		$ 7,212	$ —	$ 7,212
Trade and other receivables		9,260	—	9,260
Inventories	*(c)*	9,859	(9)	9,850
Prepaid expenses and deposits		533	—	533
Total current assets		26,864	(9)	26,855
Restricted cash		1,955	—	1,955
Property and equipment	*(c)*	2,331	(4)	2,327
Intangible assets		14,606	—	14,606
Goodwill		14,016	—	14,016
Total assets		$ 59,772	$ (13)	$ 59,759
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade and other payables	*(b)*	$ 7,551	$ (1,282)	$ 6,269
Finance lease obligations		124	—	124
Current portion of deferred revenue		2,234	—	2,234
Total current liabilities		9,909	(1,282)	8,627
Acquisition liabilities		1,500	—	1,500
Finance lease obligations		318	—	318
Deferred lease inducement		808	—	808
Deferred revenue		638	—	638
Deferred tax liabilities		1,547	—	1,547
Total liabilities		14,720	(1,282)	13,438
Shareholders' equity				
Share capital		93,685	—	93,685
Contributed surplus	*(a)*	4,893	(4,893)	—
Other capital reserves	*(a) (b)*	—	5,117	5,117
Deficit	*(a), (b), (c)*	(53,526)	552	(52,974)
Accumulated other comprehensive income	*(c)*	—	493	493
Total shareholders' equity		45,052	1,269	46,321
Total liabilities and shareholders' equity		$ 59,772	$ (13)	$ 59,759

(Dollar amounts in 000's except number of shares and per share amounts)

Reconciliation of Equity (continued)

		As at December 31, 2010		
ASSETS	*Note*	**Canadian GAAP Adjusted (note 24)**	**Transition Impact**	**IFRS**
Current assets				
Cash and cash equivalents		$ 4,020	$ —	$ 4,020
Trade and other receivables		9,302	—	9,302
Inventories	*(c)*	8,440	(26)	8,414
Prepaid expenses and deposits		475	—	475
Total current assets		22,237	(26)	22,211
Restricted cash		455	—	455
Property and equipment	*(c)*	1,804	(8)	1,796
Intangible assets		8,088	—	8,088
Goodwill		14,016	—	14,016
Total assets		$ 46,600	$ (34)	$ 46,566
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Borrowings		$ 1,370	$ —	$ 1,370
Trade and other payables	*(b)*	6,136	(651)	5,485
Acquisition liabilities		1,500	—	1,500
Finance lease obligations		108	—	108
Current portion of deferred revenue	*(c)*	2,034	(51)	1,983
Total current liabilities		11,148	(702)	10,446
Finance lease obligations		229	—	229
Deferred lease inducement		687	—	687
Deferred revenue	*(c)*	257	(4)	253
Deferred tax liabilities		428	—	428
Total liabilities		12,749	(706)	12,043
Shareholders' equity				
Share capital		94,170	—	94,170
Contributed surplus	*(a)*	6,914	(6,914)	—
Other capital reserves	*(a), (b)*	—	7,526	7,526
Deficit	*(a), (b), (c)*	(67,233)	(1,130)	(68,363)
Accumulated other comprehensive income	*(c)*	—	1,190	1,190
Total shareholders' equity		33,851	672	34,523
Total liabilities and shareholders' equity		$ 46,600	$ (34)	$ 46,566

(Dollar amounts in 000's except number of shares and per share amounts)

Reconciliation of Operations and Other Comprehensive Income

	Note	For the year ended December 31, 2010 Canadian GAAP Adjusted (note 24)	Transition Impact	IFRS
Revenue		$ 41,377	$ —	$ 41,377
Cost of sales	*(d)*	19,974	2	19,976
Gross profit		21,403	(2)	21,401
Expenses				
Sales and marketing	*(d)*	8,931	(173)	8,758
Research and development	*(d)*	8,644	(1,047)	7,597
General and administrative	*(d)*	8,415	268	8,683
Share-based payments	*(a), (d)*	—	1,776	1,776
Depreciation and amortization		3,280	—	3,280
Total operating expenses		29,270	824	30,094
Loss before the undernoted		(7,867)	(826)	(8,693)
Other expenses				
Interest and other income	*(d)*	44	(44)	—
Finance expense	*(d)*	—	44	44
Foreign exchange loss	*(c)*	533	661	1,194
Share-based payments — cancelled options	*(d)*	620	(620)	—
Impairment of intangible assets		4,183	—	4,183
Restructuring expense	*(b)*	1,550	814	2,364
Net loss before taxes		(14,797)	(1,681)	(16,478)
Tax expense (recovery)				
Current		30	—	30
Future		(1,119)	—	(1,119)
		(1,089)	—	(1,089)
Net loss for the period		$ (13,708)	$ (1,681)	$ (15,389)
Other comprehensive loss				
Other comprehensive income on translation of foreign subsidiaries	*(c)*	—	697	697
Total comprehensive loss for the period		$ (13,708)	$ (984)	$ (14,692)
Loss per share (basic and diluted)		$ (0.15)		$ (0.17)
Weighted average number of shares outstanding		90,218,787		90,218,787

(Dollar amounts in 000's except number of shares and per share amounts)

Reconciliation of Cash Flows
There were no material differences between the statements of cash flows presented under IFRS and the statements of cash flows presented under previous Canadian GAAP as adjusted for the correction of prior period errors and thus no reconciliation of the statements of cash flows between Canadian GAAP and IFRS have been presented.

Notes to the transition adjustments

(a) Share-based payments
Under IFRS, graded vesting awards are accounted for as though each installment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP.

In addition, Contributed Surplus, previously presented separately under Shareholder's Equity, has now been grouped under "Other capital reserves" under IFRS.

The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition, is summarized as follows:

Consolidated statements of financial position		**As at January 1, 2010**		**As at December 31, 2010**
Increase in other capital reserves	$	403	$	608
Related tax impact		—		—
Increase in deficit	**$**	**403**	**$**	**608**

Consolidated statements of operations		**Year Ended December 31, 2010**
Increase in share-based payments	$	207
Adjustment before income tax	**$**	**207**

(b) Restructuring and severance liabilities
Under IFRS a liability for severance obligations is recognized when a constructive obligation has been incurred. A constructive obligation occurs once the individuals affected have been informed. Under Canadian GAAP, the severance related restructuring liabilities recorded at December 2009 and December 2010 arose from the decision to proceed with an approved restructuring plan in those periods. However, as the individuals affected were not notified until January 2010 and January 2011, the associated restructuring costs are recognized in fiscal 2010 and fiscal 2011, respectively, under IFRS.

The impact of transition to IFRS is summarized as follows:

Consolidated statements of financial position		**As at January 1, 2010**		**As at December 31, 2010**
Decrease in trade and other payables	$	1,282	$	651
Increase (decrease) in other capital reserves		(180)		4
Decrease in deficit	**$**	**1,462**	**$**	**647**

Consolidated statements of operations		**Year Ended December 31, 2010**
Increase in restructuring costs	$	814
Adjustment before income tax	**$**	**814**

(Dollar amounts in 000's except number of shares and per share amounts)

(c) Foreign currency translation
In accordance with the requirements of IAS 21, the Company assessed the functional currency of its wholly owned subsidiaries from the date these subsidiaries were formed or acquired. The assessment of functional currency may differ between IFRS and Canadian GAAP as a result of differences in importance placed upon certain indicators of functional currency between the two accounting frameworks.

Under IFRS, the method used to translate foreign subsidiaries for the purposes of consolidation is dependent on the assessment of functional currency. All subsidiaries with a functional currency different than the parent are translated using the current rate method.

As a result of the functional currency assessment performed in accordance with IFRS, the functional currencies of certain of the Company's subsidiaries have changed. Consequently, the method used to translate non-monetary assets within these subsidiaries has been adjusted. Assets which are monetary in nature remain unchanged.

The impact arising from the change is summarized as follows:

Consolidated statements of financial position	As at January 1, 2010	As at December 31, 2010
Decrease in inventories	$ (9)	$ (26)
Decrease in property and equipment	(4)	(8)
Decrease in deferred revenue	—	(51)
Increase in deficit	506	1,130
Increase in accumulated other comprehensive income	493	1,190

Consolidated statements of operations	Year Ended December 31, 2010
Increase in foreign exchange loss on operations	$ (661)
Increase in other comprehensive income on translation of foreign subsidiaries	(697)
Adjustment before income tax	**$ (1,358)**

(d) Other reclassifications
Certain other balances and financial statement captions have been reclassified from Canadian GAAP to conform with the presentation requirements of IFRS. The reclassification of these balances had no impact on net shareholders' equity.

(Dollar amounts in 000's except number of shares and per share amounts)

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Robert Kittel	Director, Audit Committee Chair
Leonard Metcalfe	Director
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Andrew Morden	Chief Financial Officer

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62 (Dollar amounts in 000's except number of shares and per share amounts)

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Appendix C – Bergmann Associates

Please see the following pages.

Bergmann Experience

Bergmann Associates Geospatial is an award winning GIS department with experience developing custom GIS and IT solutions for government and industry. The City of Rochester AVL proposal offers an opportunity to integrate many existing and future systems in a comprehensive solution that will leverage the value of the City's existing software purchases. Bergmann can offer the technical and consultancy experience to define and implement practical and powerful connections between existing applications and InterFleet's AVL.

System integration is as much about technology as it is about people and how they do their work. Any large Commercial Off-the-Shelf (COTS) solution takes time to implement, with hours and energy spent defining configurations and new work-practices. Bergmann understands that a successful AVL will integrate the existing workflows and data in software such as Faster, LAGAN, ArcGIS, RouteSmart and Dispatch. As IT consultant we have a long experience helping organizations define priorities for integration. We facilitate the conversations that help understand how and where existing business processes and technology can be integrated into new systems (with the minimum impact to departments and users). Using technology such as web services and ODBC we will help Rochester Department leaders understand how and what information can be shared with InterFleet's AVL.

Project Management

Bergmann Project managers follow a PMI (Project Management Institute) approach to organizing and managing each project. Our PMP trained Project Manager will ensure that scope, schedule and fee are based on realistic targets and quality integration deliverables. Using workflow diagrams, application interface mock-ups and iterative programming releases, we conduct meetings and reviews so that everyone understands how each AVL integration will work and enhance department's day-to-day work. Bergmann's approach to custom integration for the AVL project will be based on working closely with stakeholders to ensure that their needs and expectations are clearly defined and addressed. As a local IT consultant only 5 minutes from City Hall, we will provide the required in-person point of contact for the important design discussions required for the integration opportunities.

Appendix E – Sample Project Schedule

Please see the following pages.

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ID		Task Name	% Complete	Duration	Start	Finish	Predecessors	Resource Names
1		**Sample: City of Rochester Project Schedule**	**0%**	**77 days**	**Mon 01/10/12**	**Tue 15/01/13**		
2		**Initiation Phase**	**0%**	**1.5 days**	**Mon 01/10/12**	**Tue 02/10/12**		
3		Establish Project Team	0%	1 day	Mon 01/10/12	Mon 01/10/12		PMs
4		Project Kick Off Meeting	0%	0.5 days	Tue 02/10/12	Tue 02/10/12	3	Project Team
5		Initiation Phase Completed	0%	0 days	Tue 02/10/12	Tue 02/10/12	4	
6								
7		**Planning Phase**	**0%**	**37.5 days**	**Tue 02/10/12**	**Thu 22/11/12**		
8		**Weekly Project Status Calls Scheduled**	0%	0 days	Tue 02/10/12	Tue 02/10/12	4FF	PM
9		**Vehicle Commissioning**	**0%**	**26 days**	**Mon 15/10/12**	**Mon 19/11/12**		
10		Complete site visits.	0%	10 days	Mon 15/10/12	Fri 26/10/12		Interfleet
11		Complete test drives on all vehicles.	0%	9 days	Mon 29/10/12	Thu 08/11/12	10	City of Rochester
12		Receive commissioning reports.	0%	0 days	Thu 08/11/12	Thu 08/11/12	11FF	City of Rochester,Inter
13		Validate commissioning data.	0%	5 days	Fri 09/11/12	Thu 15/11/12	12	Interfleet
14		Obtain sign off	0%	2 days	Fri 16/11/12	Mon 19/11/12	13	City of Rochester,Inter
15		**Portal**	**0%**	**18 days**	**Mon 22/10/12**	**Wed 14/11/12**		
16		Load all required reports.	0%	15 days	Mon 22/10/12	Fri 09/11/12		Interfleet
17		Load help file.	0%	0 days	Fri 09/11/12	Fri 09/11/12	16FF	Interfleet
18		Document required logins.	0%	1 day	Mon 22/10/12	Mon 22/10/12		Project Team
19		Create new logins.	0%	0 days	Mon 22/10/12	Mon 22/10/12	18FF	Interfleet
20		Complete internal audit.	0%	2 days	Mon 12/11/12	Tue 13/11/12	16	Interfleet
21		Release portal.	0%	1 day	Wed 14/11/12	Wed 14/11/12	20	Interfleet,Agencies
22		**Customer Care Website (CCW)**	**0%**	**3 days**	**Tue 23/10/12**	**Thu 25/10/12**		
23		Document required logins.	0%	1 day	Tue 23/10/12	Tue 23/10/12	19	Project Team
24		Create logins.	0%	1 day	Wed 24/10/12	Wed 24/10/12	23	Interfleet
25		Release logins.	0%	1 day	Thu 25/10/12	Thu 25/10/12	24	Interfleet
26		**Training**	**0%**	**6 days**	**Thu 15/11/12**	**Thu 22/11/12**		
27		Establish training date and participants.	0%	1 day	Thu 15/11/12	Thu 15/11/12	21	Project Team
28		Secure training room + required equipment.	0%	2 days	Fri 16/11/12	Mon 19/11/12	27	City of Rochester
29		Gather required training manuals.	0%	3 days	Fri 16/11/12	Tue 20/11/12	27	Account Manager
30		Complete portal training.	0%	1 day	Wed 21/11/12	Wed 21/11/12	29	Account Manager
31		Complete CCW training.	0%	0 days	Wed 21/11/12	Wed 21/11/12	30FF	Account Manager
32		Complete report training.	0%	0 days	Wed 21/11/12	Wed 21/11/12	30FF	Account Manager
33		Provide participants attendance and training log.	0%	1 day	Thu 22/11/12	Thu 22/11/12	30	Account Manager
34		Planning Completed	0%	0 days	Thu 22/11/12	Thu 22/11/12	9,15,22,26	
35								
36		**Control and Monitoring Phase**	**0%**	**30 days**	**Tue 20/11/12**	**Mon 31/12/12**		
37		Heat ticket monitoring and reporting.	0%	30 days	Tue 20/11/12	Mon 31/12/12	14	Project Team
38		Weekly review of portal and reports.	0%	0 days	Mon 31/12/12	Mon 31/12/12	37FF	Project Team

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ID		Task Name	% Complete	Duration	Start	Finish	Predecessors	Resource Names
39		Maintain issue log.	0%	0 days	Mon 31/12/12	Mon 31/12/12	37FF	PM
40		Control and Monitoring Completed	0%	0 days	Mon 31/12/12	Mon 31/12/12	37	
41								
42		**Execution Phase**	**0%**	**30 days**	**Fri 23/11/12**	**Thu 03/01/13**		
43		Vehicles Commissioned, Planning Completed	0%	30 days	Fri 23/11/12	Thu 03/01/13	34	Project Team
44		Execution Completed	0%	0 days	Thu 03/01/13	Thu 03/01/13	43	
45								
46		**Closing Phase**	**0%**	**8 days**	**Fri 04/01/13**	**Tue 15/01/13**		
47		Complete Post Implementation Review	0%	6 days	Fri 04/01/13	Fri 11/01/13	43	Project Team
48		Compile Lessons Learned	0%	2 days	Mon 14/01/13	Tue 15/01/13	47	PM
49		Project Close Off	0%	0 days	Tue 15/01/13	Tue 15/01/13	46	