

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 Or 15(D) of The Securities Exchange Act of 1934

Date of report (date of earliest event reported): September 14, 2005

WPCS INTERNATIONAL INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation)	0-26277 (Commission File Number)	98-0204758 (IRS Employer Identification No.)
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One East Uwchlan Avenue, Suite 301, Exton, PA 19390
(Address of principal executive offices)

Registrant's telephone number, including area code: (610) 903-0400

Copy of correspondence to:

Marc J. Ross, Esq.
Sichenzia Ross Friedman Ference LLP
1065 Avenue of the Americas
New York, New York 10018
Tel: (212) 930-9700 Fax: (212) 930-9725

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- ITEM 2.02 Results of Operations and Financial Condition

On September 14, 2005, WPCS International Incorporated (the "Company") announced its operating results for the first quarter ended July 31, 2005. A copy of the press release that discusses this matter is filed as Exhibit 99.1 to, and incorporated by reference in, this report. The information in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as shall be expressly set forth by specific reference in any such filing.

ITEM 9.01 Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release, dated September 14, 2005, issued by WPCS International Incorporated.

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SIGNATURE

Pursuant to the requirement of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WPCS INTERANTIONAL INCORPORATED

By: /s/ ANDREW HIDALGO

Andrew Hidalgo

President

Dated: September 14, 2005

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WPCS Reports Record Revenue and Net Income in First Quarter FY2006

EXTON, PA -- (PR Newswire-First Call) - September 14, 2005 - NASDAQ: WPCS - News) WPCS International Incorporated (WPCS), a leader in wireless infrastructure services and specialty communication systems, has reported its financial results for the first quarter ended July 31, 2005.

For the quarter ended July 31, 2005, WPCS reported total revenue of approximately \$12.2 million compared to \$7.3 million for the same period a year ago, which represents an increase of approximately 67%. For the first quarter of FY2006, the reported net income was approximately \$315,000 or \$0.08 per share. For the same period last year, the reported net income was approximately \$76,000 or \$0.04 per share.

For the quarter ended July 31, 2005, EBITDA, or earnings before interest, income taxes, depreciation and amortization was approximately \$778,000, compared to \$267,000 for the same period in the prior year. The reconciliation of net income per the Condensed Consolidated Statements of Income to the non-GAAP financial measure of EBITDA is included herein.

Other First Quarter Highlights Include:

- o The announcement of over \$17 million in new projects.
- o A contract to design the wireless distribution system for the new World Trade Center Building.
- o A contract from a major wireless carrier for services spanning 4,700 remote cell sites in 15 states.
- o The finalization of a \$5 million credit facility with a commercial bank.
- o The completion of the business insurance consolidation program for cost savings.

Andrew Hidalgo, CEO of WPCS, stated: "This has obviously been a milestone quarter for WPCS, in which we have set a record in both revenue and net income. Even after a record revenue quarter, the backlog remains healthy and continues to be replenished with new contract awards. Our backlog is currently at \$21 million, which we expect to recognize over the next eight months. In addition, we currently have pending bids totaling \$36 million. The management team is confident that we remain on track for achieving our FY2006 financial objectives."

About WPCS International Incorporated:

WPCS International Incorporated is an engineering company that focuses on the implementation requirements of wireless technology and specialty communication systems. The company provides a range of services including site design, product integration, security, structured cabling, construction and project management. The company has an extensive customer base that includes many major corporations, government entities and educational institutions. For more information, please visit our website at www.wpcs.com

Statements about the company's future expectations, including future revenue and earnings and all other statements in this press release, other than historical facts, are "forward looking" statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve risks and uncertainties and are subject to change at any time. The company's actual results could differ materially from expected results. In reflecting subsequent events or circumstances, the company undertakes no obligation to update forward-looking statements.

Condensed consolidated statements of income and condensed consolidated balance sheets follow.

Contact:

Heather Tocket / Corporate Communications Manager
WPCS International Incorporated
610-903-0400 x102
ir@wpcs.com

	Three Months Ended	
	July 31,	
	2005	2004
<S>	<C>	<C> (Note 1, 2)
REVENUE	\$12,171,639	\$ 7,279,153
COSTS AND EXPENSES:		
Cost of revenue	9,130,091	5,619,587
Selling, general and administrative expenses	2,263,955	1,392,691
Depreciation and amortization	211,467	122,031
Total costs and expenses	11,605,513	7,134,309
OPERATING INCOME	566,126	144,844
OTHER EXPENSE:		
Interest expense	38,765	1,113
INCOME BEFORE INCOME TAX PROVISION	527,361	143,731
Income tax provision	212,083	67,356
NET INCOME	\$ 315,278	\$ 76,375
Basic net income per common share	\$ 0.08	\$ 0.04
Diluted net income per common share	\$ 0.08	\$ 0.04
Basic weighted average number of common shares outstanding	3,821,385	1,737,498
Diluted weighted average number of common shares outstanding	3,835,335	1,768,783

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WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	JULY 31,	APRIL
	2005	2005
30,		
<S>	<C>	<C>
	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,308,740	\$
989,252		
Accounts receivable, net of allowance of \$75,786 at July 31, 2005 and April 30, 2005	9,784,349	
9,907,316		
Costs and estimated earnings in excess of billings on uncompleted contracts	1,429,122	
908,955		
Inventory	818,662	
885,624		
Prepaid expenses and other current assets	835,410	
536,331		
Deferred income taxes	77,000	
112,000		
Total current assets	15,253,283	
13,339,478		
PROPERTY AND EQUIPMENT, net	1,574,813	
1,560,271		
CUSTOMER LISTS, net	1,083,972	
1,158,388		
GOODWILL	14,027,312	
13,961,642		
DEBT ISSUANCE COSTS, net	150,174	
-		
OTHER ASSETS	167,044	
156,932		

Total assets
\$30,176,711

\$32,256,598
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WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

APRIL 30, 2005	LIABILITIES AND SHAREHOLDERS' EQUITY	JULY 31, 2005	
-----		-----	-
<S>		<C>	
<C>		(Unaudited)	
CURRENT LIABILITIES:			
Borrowings under line of credit		\$ -	\$
382,281			
Current portion of capital lease obligation		1,399	
2,073			
Current portion of loans payable		192,316	
187,420			
Accounts payable and accrued expenses		4,752,684	
5,338,813			
Billings in excess of costs and estimated earnings on uncompleted contracts		1,478,919	
1,204,491			
Due to shareholders		172,995	
915,290			
Income taxes payable		287,151	
24,790			
Deferred income taxes		170,000	
139,000			
-----		-----	-
Total current liabilities		7,055,464	
8,194,158			
Borrowings under line of credit		3,000,000	
-			
Loans payable, net of current portion		290,758	
261,455			
Due to shareholders, net of current portion		927,005	
927,005			
Deferred income taxes		313,000	
439,000			
-----		-----	-
Total liabilities		11,586,227	
9,821,618			
-----		-----	-
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY:			
Preferred Stock - \$0.0001 par value, 5,000,000 shares authorized, none issued		-	
-			
Common Stock - \$0.0001 par value, 75,000,000 shares authorized, 3,821,385 shares issued and outstanding at July 31, 2005 and April 30, 2005		382	
382			
Additional paid-in capital		21,107,240	
21,107,240			
Accumulated deficit		(437,251)	
(752,529)			
-----		-----	-
Total shareholders' equity		20,670,371	
20,355,093			
-----		-----	-
Total liabilities and shareholders' equity		\$ 32,256,598	\$
30,176,711			
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</TABLE>

Note 1. Reflects the retroactive effect of the January 10, 2005 one-for-twelve reverse stock split.

Note 2. Certain reclassifications have been made to prior period financial statements to conform to current presentation.

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Reconciliation of Non-GAAP Financial Measures (Unaudited)

EBITDA:

Reconciliation of net income per the Condensed Consolidated Statements of Income to EBITDA:

	Quarter ended July 31, 2005 -----	Quarter ended July 31, 2004 -----
Net income	\$315,278	\$ 76,375
Plus:		
Income tax provision	212,083	67,356
Interest expense	38,765	1,113
Depreciation & amortization	211,467	122,031
	-----	-----
EBITDA	\$777,593 =====	\$266,875 =====

EBITDA is defined as earnings before interest expense, income taxes, and depreciation and amortization. Our measure of EBITDA may not be comparable to similarly titled measures of other companies. WPCS management believes that the non-GAAP financial information provides investors a useful indicator to understand our operating results. WPCS management uses such non-GAAP financial measures internally to evaluate the Company's operating performance and to determine compliance with debt covenants under the credit facility.

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