

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): December 15, 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.)
---	--	--

One East Uwchlan Avenue, Suite 301, Exton, PA 19341  
(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 December 15, 2005, WPCS International Incorporated (the "Company") announced its operating results for the second quarter ended October 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 December 15, 2005, issued by WPCS International Incorporated.

2

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 INTERNATIONAL INCORPORATED

By: /s/ ANDREW HIDALGO  
-----

Andrew Hidalgo  
President

Dated: December 15, 2005

PRESS RELEASE

SOURCE: WPCS International Incorporated

## WPCS Posts Record \$0.20 EPS for 2nd Quarter FY2006

EXTON, PA -- (PR Newswire-First Call) - December 15, 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 second quarter, ended October 31, 2005. For the quarter ended October 31, 2005, WPCS reported total revenue of approximately \$14.3 million compared to \$10.3 million for the same period a year ago, which represents an increase of approximately 38%. For the second quarter of FY2006, the reported net income was approximately \$785,000 or \$0.20 per diluted share. For the same period last year, the reported net income was approximately \$31,000 or \$0.02 per diluted share.

For the six months ended October 31, 2005, WPCS reported total revenue of approximately \$26.4 million compared to \$17.6 million for the same period a year ago, which represents an increase of approximately 50%. For the six months ended October 31, 2005, the reported net income was approximately \$1.1 million or \$0.29 per diluted share. For the same period last year, the reported net income was approximately \$108,000 or \$0.06 per diluted share. For the quarter ended October 31, 2005, EBITDA, or earnings before interest, income taxes, depreciation and amortization was approximately \$1.6 million, compared to \$172,000 for the same period in the prior year. For the six months ended October 31, 2005, EBITDA, or earnings before interest, income taxes, depreciation and amortization was approximately \$2.3 million, compared to \$439,000 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.

Andrew Hidalgo, CEO of WPCS, stated: "The management team is pleased with the efforts this quarter to produce record revenue, net income and earnings per share for our shareholders. The company is working efficiently and is beginning to generate the results we are capable of delivering. The results posted in the second quarter keeps us right on track for achieving our \$0.58 fiscal year diluted EPS objective. Business remains robust and even after posting record revenue of \$14.3 million for the quarter the company still maintains a backlog of \$20 million of projects that should be recognized over the third and fourth quarters. We also have a bid list that stands at \$45 million. Currently, we do not see any slowdown in the deployment of wireless networks and the demand for our engineering services. With a growing customer base, WPCS has established itself as a leader in wireless engineering services for all facets of wireless deployment. The management team is confident in achieving its financial objectives for FY2006 and will review its third quarter results before deciding whether to adjust guidance for this current fiscal year."

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](http://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

WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

<TABLE>  
<CAPTION>

Three Months Ended

Six Months

Ended

31, 2004	October 31,		October
	2005	2004	2005
		(Note 1,2)	
(Note 1,2)			
<S>	<C>	<C>	<C>
<C>			
REVENUE	\$ 14,250,243	\$ 10,295,266	\$ 26,421,882
\$ 17,574,419			
COSTS AND EXPENSES:			
Cost of revenue	10,339,132	8,604,711	19,469,223
14,224,298			
Selling, general and administrative expenses	2,351,653	1,518,421	4,615,608
2,911,112			
Depreciation and amortization	209,593	124,662	421,060
246,693			
Total costs and expenses	12,900,378	10,247,794	24,505,891
17,382,103			
OPERATING INCOME	1,349,865	47,472	1,915,991
192,316			
OTHER EXPENSE:			
Interest expense	56,035	11,650	94,800
12,763			
INCOME BEFORE INCOME TAX PROVISION	1,293,830	35,822	1,821,191
179,553			
Income tax provision	509,025	4,539	721,108
71,895			
NET INCOME	\$ 784,805	\$ 31,283	\$ 1,100,083
\$ 107,658			
Basic net income per common share	\$ 0.20	\$ 0.02	\$ 0.29
0.06			\$
Diluted net income per common share	\$ 0.20	\$ 0.02	\$ 0.29
0.06			\$
Basic weighted average number of common shares outstanding	3,853,994	1,737,498	3,837,689
1,737,498			
Diluted weighted average number of common shares outstanding	3,869,522	1,777,797	3,846,313
1,804,162			

</TABLE>

WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>  
<CAPTION>

ASSETS	October 31,	April 30,
	2005	2005
	(Unaudited)	
<S>	<C>	<C>
CURRENT ASSETS:		



Total shareholders' equity	21,755,176	20,355,093
	-----	-----
Total liabilities and shareholders' equity	\$ 34,345,110	\$ 30,176,711
	=====	=====

</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.

Reconciliation of Non-GAAP Financial Measures (Unaudited)

EBITDA:

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

<TABLE>

<CAPTION>

	Three Months Ended October 31,		Six Months Ended October 31,	
	2005	2004	2005	
2004				
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	
<C>				
NET INCOME	\$784,805	\$31,283	\$1,100,083	
\$107,658	-----	-----	-----	-----
Plus:				
Income tax provision	509,025	4,539	721,108	
71,895				
Interest expense	56,035	11,650	94,800	
12,763				
Depreciation and amortization	209,593	124,662	421,060	
246,693	-----	-----	-----	-----
EBITDA	\$1,559,458	\$172,134	\$2,337,051	
\$439,009	=====	=====	=====	=====
	=====	=====	=====	=====

</TABLE>

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 line of credit facility.