

**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): July 29, 2008

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:

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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))
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ITEM 2.02 Results of Operations and Financial Condition

On July 29, 2008, WPCS International Incorporated (the "Company") announced its operating results for the fiscal year ended April 30, 2008. 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 July 29, 2008, issued by WPCS International Incorporated.

SIGNATURE

Pursuant to the requirement of the Securities 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/ JOSEPH HEATER
Joseph Heater
Chief Financial Officer

Dated: July 29, 2008

WPCS Reports Record Revenue and \$0.52 EPS for FY2008

EXTON, PA - July 29, 2008 – WPCS International Incorporated (NASDAQ: WPCS), a leader in design-build engineering services for specialty communication systems and wireless infrastructure, today reported financial results for the fiscal year ended April 30, 2008. WPCS reported record revenue of approximately \$101.4 million for fiscal year 2008 compared to \$70.0 million a year ago, which represents an increase of approximately 45%. WPCS reported net income of approximately \$4.1 million or \$0.52 per diluted share for the fiscal year ended April 30, 2008. For the same period last year, the reported net income was approximately \$4.6 million or \$0.72 per diluted share.

For the fourth quarter ended April 30, 2008, WPCS reported revenue of approximately \$26.7 million compared to \$17.7 million a year ago, which represents an increase of approximately 51%. For the fourth quarter, the reported net income was approximately \$921,000 or \$0.13 per diluted share. For the same period last year, the reported net income was approximately \$1.4 million or \$0.18 per diluted share.

The company will be conducting a conference call today at 4:30 pm Eastern Time. To participate on the conference call, please dial 888-299-4099 for calls within the U.S. and 302-709-8337 for calls from international locations. Upon reaching the operator, verbally transmit the participant code VH51651. Andrew Hidalgo, CEO of WPCS, will be discussing the company's financial performance for FY2008 and will provide an operational and economic overview of the business that will include guidance for fiscal year 2009. When the overview concludes, your questions can be asked by pressing *1 and your questions can be removed from the queue by pressing the number sign. Replays of the conference call will be available for a period of five days by dialing 800-355-2355 and using 51651# as the pass code.

About WPCS International Incorporated:

WPCS is a design-build engineering company that focuses on the implementation requirements of wireless technology. The company serves the specialty communication systems and wireless infrastructure sectors and provides services that include site design, technology integration, electrical contracting, construction and project management for corporations, government entities and educational institutions worldwide. For more information, please visit 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.

Contact:

WPCS International Incorporated
610-903-0400 x101
ir@wpcs.com

WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
REVENUE	\$ 26,707,999	\$ 17,689,343	\$ 101,431,128	\$ 70,000,070
COSTS AND EXPENSES:				
Cost of revenue	19,239,593	11,578,549	73,084,310	47,781,351
Selling, general and administrative expenses	5,150,992	3,370,454	19,302,773	13,244,909
Depreciation and amortization	782,399	358,521	2,398,603	1,239,486
Total costs and expenses	25,172,984	15,307,524	94,785,686	62,265,746
OPERATING INCOME	1,535,015	2,381,819	6,645,442	7,734,324
OTHER EXPENSE (INCOME):				
Interest expense	145,497	169,507	522,984	496,330
Interest income	(74,865)	(230,611)	(511,122)	(525,524)
Minority interest	(58,996)	23,099	(22,115)	23,099
INCOME BEFORE INCOME TAX PROVISION	1,523,379	2,419,824	6,655,695	7,740,419
Income tax provision	602,463	1,057,176	2,577,348	3,146,818
NET INCOME	\$ 920,916	\$ 1,362,648	\$ 4,078,347	\$ 4,593,601
Basic net income per common share	\$ 0.13	\$ 0.20	\$ 0.58	\$ 0.80
Diluted net income per common share	\$ 0.13	\$ 0.18	\$ 0.52	\$ 0.72
Basic weighted average number of common shares outstanding	7,218,643	6,879,964	7,090,789	5,772,423
Diluted weighted average number of common shares outstanding	7,258,741	7,679,006	7,840,852	6,409,333

WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	April 30, 2008	April 30, 2007
		(Note 1)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 7,449,530	\$ 21,558,739
Accounts receivable, net of allowance of \$98,786 at April 30, 2008 and April 30, 2007	29,092,488	16,560,636
Costs and estimated earnings in excess of billings on uncompleted contracts	3,887,152	2,499,940
Inventory	2,791,782	2,260,082
Prepaid expenses and other current assets	1,002,993	732,043
Prepaid income tax	122,342	-
Deferred tax assets	35,939	27,000
Total current assets	44,382,226	43,638,440
PROPERTY AND EQUIPMENT, net	6,828,162	5,488,920
OTHER INTANGIBLE ASSETS, net	2,929,937	1,683,349
GOODWILL	28,987,501	20,469,608
OTHER ASSETS	820,315	273,353
Total assets	<u>\$ 83,948,141</u>	<u>\$ 71,553,670</u>

WPCS INTERNATIONAL INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (continued)

LIABILITIES AND SHAREHOLDERS' EQUITY

	April 30, 2008	April 30, 2007 (Note 1)
CURRENT LIABILITIES:		
Current portion of loans payable	\$ 1,272,112	\$ 1,881,682
Borrowings under line of credit	750,000	-
Current portion of capital lease obligations	91,491	-
Accounts payable and accrued expenses	9,305,791	6,802,110
Billings in excess of costs and estimated earnings on uncompleted contracts	3,602,422	2,272,688
Deferred revenue	602,560	504,458
Due to shareholders	2,300,083	1,424,190
Income taxes payable	-	433,361
Total current liabilities	<u>17,924,459</u>	<u>13,318,489</u>
Borrowings under line of credit	4,376,056	4,454,217
Loans payable, net of current portion	156,978	284,016
Capital lease obligations, net of current portion	215,780	-
Deferred tax liabilities	1,173,786	611,000
Total liabilities	<u>23,847,059</u>	<u>18,667,722</u>
Minority interest in subsidiary	<u>1,331,850</u>	<u>1,353,965</u>
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, 7,251,083 and 6,971,698 shares issued and outstanding at April 30, 2008 and April 30, 2007, respectively	725	697
Additional paid-in capital	50,775,938	47,901,159
Retained earnings	7,709,562	3,631,215
Accumulated other comprehensive income (loss) on foreign currency translation	<u>283,007</u>	<u>(1,088)</u>
Total shareholders' equity	<u>58,769,232</u>	<u>51,531,983</u>
Total liabilities and shareholders' equity	<u><u>\$ 83,948,141</u></u>	<u><u>\$ 71,553,670</u></u>

Note 1. Certain reclassifications have been made to prior period consolidated financial statements to conform to the current presentation.