

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) November 2, 2006

RELM Wireless Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

000-07336

(Commission File Number)

59-34862971

(IRS Employer Identification No.)

7100 Technology Drive, West Melbourne, FL

(Address of principal executive offices)

32904

(Zip Code)

Registrant's telephone number, including area code (321) 984-1414

N/A

(Former name or former address, if changed since last report)

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:

- 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 November 2, 2006, the Company announced its financial and operating results for the third quarter and nine months ended September 30, 2006 in the press release furnished herewith as Exhibit 99.1 and incorporated herein by reference.

The information furnished pursuant to Item 2.02 (including Exhibit 99.1), shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release issued by the Company on November 2, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RELM WIRELESS CORPORATION

(Registrant)

By: _____

William P. Kelly

Executive Vice President and

Chief Financial Officer

Date: November 2, 2006

Exhibit Index

Exhibit Number	Description
99.1	Press Release issued by the Company on November 2, 2006

Company Contact:
RELM Wireless Corporation
David Storey, Pres. & CEO
(321) 984-1414

Investor Relations Contact:
KCSA Worldwide
Jeffrey Goldberger / Lee Roth
(212) 896-1249 / 1209

RELM Wireless Reports Third Quarter And Nine Month 2006 Results

Nine Month Sales Increased 27.7% Year-Over-Year

Nine Month Pre-Tax Income Increased 51.3% Year-Over-Year

Cash and Cash Equivalents Increased to \$9.9 Million – Up 87.2% Year-Over-Year

WEST MELBOURNE, FL, November 2, 2006 - RELM Wireless Corporation (Amex: RWC) today announced its financial and operating results for the third quarter and nine months ended September 30, 2006.

For the third quarter ended September 30, 2006, sales increased approximately 20.7% to \$9.2 million from \$7.6 million for the same quarter last year. Pre-tax income for the third quarter was \$1.7 million compared to \$1.9 million for the same period last year. Net income for the third quarter was \$1.1 million, or \$0.08 per diluted share, compared to net income of \$1.2 million, or \$0.09 per diluted share, for the same quarter last year. The third quarter 2006 includes non-cash stock-based employee compensation expense totaling \$0.33 million. No stock-based employee compensation expense was recognized for the same period last year.

Gross margins for the third quarter ended September 30, 2006 improved to 55.5% compared to 55.0% for the same quarter last year. For the third quarter of 2006, selling, general and administrative (SG&A) expenses as a percentage of sales were 38.1% compared to 30.5% for the same quarter last year. During the third quarter, RELM increased its investment in engineering / product development and selling / marketing initiatives, where spending was up 40.6% (\$250,000) and 65.5% (\$650,000), respectively, compared to the same period last year. General and administrative expenses for the quarter increased 39.1% (\$277,000) driven by non-cash stock-based employee compensation expense.

For the nine months ended September 30, 2006, sales increased approximately 27.7% to \$24.9 million, compared to \$19.6 million for the same period in 2005. Pre-tax income for the period increased 51.3% to \$4.8 million, from \$3.2 million for 2005. Net income for the first nine months of 2006 was \$3.0 million, or \$0.21 per diluted share, compared to net income of \$2.0 million, or \$0.15 per diluted share, for 2005. The nine months ended September 30, 2006 includes non-cash stock-based employee compensation expense totaling \$0.84 million. No stock-based employee compensation expense was recognized for the same period last year.

As of September 30, 2006, cash and cash equivalents increased approximately 87.2% to \$9.9 million from \$5.3 million at December 31, 2005.

RELM President and Chief Executive Officer David Storey commented, "RELM Wireless is committed to making prudent investments in product development and sales to support the momentum we are experiencing. I am especially pleased with our recent success in penetrating various U.S. government agencies, including the Department of Defense, Homeland Security and

the Department of Interior. There is a correlation between these orders and the investments we have made and expect to make in the future. Over the next year, we expect to continue introducing new P25 digital and other products that we believe will increase our addressable market opportunities.”

Mr. Storey concluded, “While we remain committed to analog products, a majority of our sales increases during the quarter were attributable to our higher margin, APCO P25 digital products, which experienced a 23.7% increase in sales year-over-year. In addition, sales to the U.S. government grew to approximately \$5.6 million (61.5%) of our total sales, compared to \$4.2 million (55.3%) for the same period last year.”

***About APCO Project 25 (P25)**

APCO Project 25 (P25), which requires interoperability among compliant equipment regardless of the manufacturer, was established by the Association of Public-Safety Communications Officials and is approved by the U.S. Department of Homeland Security. The shift towards interoperability has gained momentum as a result of the recent communications failures during the Oklahoma City bombings, 9/11 attacks and more recently Hurricane Katrina. RELM was one of the first manufacturers to develop P25-compliant technology.

About RELM Wireless

For nearly six decades, RELM Wireless Corp. has manufactured and marketed high-specification two-way communications equipment for use by public safety professionals and government agencies, as well as radios for use in a wide range of commercial and industrial applications, including disaster recovery. Revolutionary advances include new interoperable, low-cost digital two-way radios compliant with APCO Project 25 technical specifications. Products are manufactured and distributed worldwide under BK Radio, RELM/BK and RELM product lines. The company maintains its headquarters in West Melbourne, Florida and can be contacted through its web site at www.relm.com or directly at 1-800-821-2900.

This press release contains certain forward-looking statements that are made pursuant to the “Safe Harbor” provisions of the Private Securities Litigation Reform Act Of 1995. These forward-looking statements concern the Company’s operations, economic performance and financial condition and are based largely on the Company’s beliefs and expectations. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others, the following: reliance on contract manufacturers; heavy reliance on sales to the U.S. Government; federal, state and local budget deficits and spending limitations; limitations in available radio spectrum for use by land mobile radios; general economic and business conditions; changes in customer preferences; competition; changes in technology; changes in business strategy; the debt and inventory levels of the Company; quality of management, business abilities and judgment of the Company’s personnel; and the availability, terms and deployment of capital. Certain of these factors and risks, as well as other risks and uncertainties, are stated in more detail in the Company’s Annual Report on Form 10-K for the year ended December 31, 2005 and in the Company’s subsequent filings with the SEC. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

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(Financial Tables To Follow)

RELM WIRELESS CORPORATION
Condensed Consolidated Statements of Income
(In Thousands, Except Per Share Amounts)

	Three Months Ended		Nine Months Ended	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<u>9/30/2006</u>	<u>9/30/2005</u>	<u>9/30/2006</u>	<u>9/30/2005</u>
Sales	\$ 9,178	\$ 7,602	\$ 24,958	\$ 19,550
Costs & Expenses:				
Cost of Products (Includes non-cash stock-based employee compensation expense of \$81 and \$219 for the three and nine months ended September 30, 2006, respectively)	4,086	3,424	11,156	9,667
Selling, General and Administrative Expenses (Includes non-cash stock-based employee compensation expense of \$247 and \$622 for the three and nine months ended September 30, 2006, respectively)	<u>3,496</u>	<u>2,319</u>	<u>9,160</u>	<u>6,691</u>
Total Costs & Expenses	7,582	5,743	20,316	16,358
Operating Income	1,596	1,859	4,642	3,192
Other Income (Expense):				
Interest Expense	(4)	(15)	(20)	(28)
Interest Income	82	18	182	44
Other Income	<u>51</u>	<u>7</u>	<u>27</u>	<u>(16)</u>
Pretax Income	1,725	1,869	4,831	3,192
Income Tax Expense	<u>649</u>	<u>703</u>	<u>1,817</u>	<u>1,183</u>
Net Income	<u>\$ 1,076</u>	<u>\$ 1,166</u>	<u>\$ 3,014</u>	<u>\$ 2,009</u>
Earnings per share - basic	<u>\$ 0.08</u>	<u>\$ 0.09</u>	<u>\$ 0.23</u>	<u>\$ 0.15</u>
Earnings per share - diluted	<u>\$ 0.08</u>	<u>\$ 0.09</u>	<u>\$ 0.21</u>	<u>\$ 0.15</u>
Weighted Average Common Shares Outstanding, Basic	13,307	13,101	13,258	13,054
Weighted Average Common Shares Outstanding, Diluted	14,248	13,705	14,275	13,554

RELM WIRELESS CORPORATION			
Condensed Consolidated Balance Sheets			
<i>(In Thousands, Except Share Data) (Unaudited)</i>			
		September 30,	December 31,
		2006	2005
ASSETS			
Current Assets:			
	Cash & Cash Equivalents	\$ 9,892	\$ 5,283
	Trade Accounts Receivable, Net	5,584	5,504
	Inventories, Net	6,827	7,091
	Deferred tax assets, net	2,042	3,783
	Prepaid Expenses & Other Current Assets	662	470
	Total Current Assets	25,007	22,131
	Property, Plant and Equipment, Net	994	1,220
	Deferred tax assets, net	7,407	7,407
	Other Assets	573	358
	Total Assets	\$ 33,981	\$ 31,116
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
	Accounts payable	\$ 541	\$ 1,520
	Accrued compensation and related taxes	951	1,280
	Accrued warranty expense	182	153
	Accrued other expenses and other current liabilities	440	345
	Total Current Liabilities	2,114	3,298
	Commitments and Contingencies	-	-
Stockholders' Equity:			
	Preferred stock; \$1.00 par value; 1,000,000 authorized shares, none issued or outstanding.	-	-
	Common stock; \$0.60 par value; 20,000,000 authorized shares, 13,317,991 and 13,135,324 issued and outstanding shares at September 30, 2006 and December 31, 2005, respectively.	7,990	7,878
	Additional paid-in capital	23,634	22,711
	Deficit	243	(2,771)
	Total Stockholders' Equity	31,867	27,818
	Total Liabilities and Stockholders' Equity	\$ 33,981	\$ 31,116