



Makers of Relm and BK Radio

Company Contact:
RELM Wireless Corporation
William Kelly, EVP & CFO
(321) 984-1414

Investor Relations Contact:
SM Berger & Company
Stan Berger
(216) 464-6400

RELM Wireless Reports First Quarter 2010 Results

-Sales Up 62% and Gross Margins as a Percentage of Sales Up 5% from Prior Year First Quarter-

WEST MELBOURNE, Florida -- May 5, 2010 -- RELM Wireless Corporation (NYSE: Amex - RWC) today announced its financial and operating results for the quarter ended March 31, 2010.

For the quarter ended March 31, 2010, sales increased \$2.5 million (62.3%) to approximately \$6.4 million, compared with approximately \$4.0 million for the same quarter last year. Pretax income for the quarter improved by \$0.9 million, to approximately \$2,000 compared with a pretax loss of approximately \$0.9 million for the same quarter last year. Net income for the first quarter 2010 approximated \$1,000, or \$0.00 per diluted share, compared with a net loss of approximately \$0.9 million, or \$0.06 per share, for the prior year's first quarter.

Gross profit margin for the first quarter 2010 improved to 46.0% of sales, versus 40.6% of sales for the same quarter last year. Selling, general and administrative expenses were approximately \$3.0 million (45.7% of sales) in the first quarter 2010, compared with approximately \$2.5 million (62.1% of sales) in the first quarter last year.

The Company had approximately \$17.7 million in working capital as of March 31, 2010 of which \$11.2 million was comprised of cash and trade receivables; substantially unchanged from December 31, 2009. Additionally, the Company had no indebtedness on its revolving credit facility as of March 31, 2010.

RELM President and Chief Executive Officer David Storey commented, "We were pleased to report sales growth in the first quarter relative to the same quarter in 2009. This growth was driven primarily by our legacy digital products and one of our longest term customers, both of which will continue to be valuable components to our success. While we would have preferred better gross margins and operating profits, they were impacted by pricing considerations and operating costs. Some of these factors are specific to circumstances in the first quarter and are not expected to be recurring, nor are they reflective of a permanent change in our pricing or cost structure. Meanwhile our working capital position remains strong and liquid. Our new product development is forging ahead with KNG mobiles and P25 Trunking scheduled for later in the year, which we believe opens more opportunities for profitable growth."

Conference Call and Webcast

The Company will host a conference call and webcast for investors at 9:00 a.m. Eastern Time, Thursday, May 6, 2010. Shareholders and other interested parties may participate in the

conference call by dialing 800-860-2442 (international/local participants dial 412-858-4600) and asking to be connected to the “RELM Wireless Corporation Conference Call” a few minutes before 9:00 a.m. Eastern Time on May 6, 2010. The call will also be webcast at <http://www.relm.com>. Please allow extra time prior to the call to visit the site and download any necessary software to listen to the Internet webcast. An online archive of the webcast will be available on the Company’s website for 30 days following the call at <http://www.relm.com>.

A replay of the conference call will be available one hour after the completion of the call until May 16, 2010, by dialing 877-344-7529 (international/local participants dial 412-317-0088) and entering the conference ID# 440121.

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 toward interoperability gained momentum as a result of significant communications failures during events such as the Oklahoma City bombings, the 9/11 attacks and Hurricane Katrina. RELM was one of the first manufacturers to develop P25-compliant technology.

About RELM Wireless Corporation

As an *American Manufacturer* for more than 60 years, RELM Wireless Corporation has produced high-specification two-way communications equipment of unsurpassed reliability and value for use by public safety professionals and government agencies, as well as radios for use in a wide range of commercial and industrial applications. Advances include a broad new line of leading digital two-way radios compliant with APCO Project 25 specifications. RELM’s products are manufactured and distributed worldwide under BK Radio and RELM brand names. 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. The Company’s common stock trades on the NYSE Amex market under the symbol “RWC”.

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: risks relating to the current financial crisis and adverse economic conditions; 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 amid the financial crisis; 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 fiscal year ended December 31, 2009 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.

###

(Financial Tables to Follow)

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

	<u>Three Months Ended</u>	
	<i>(Unaudited)</i>	
	<u>3/31/2010</u>	<u>3/31/2009</u>
Sales, net	\$ 6,449	\$ 3,973
Expenses:		
Cost of products	3,485	2,358
Selling, general and administrative expenses	<u>2,950</u>	<u>2,467</u>
Total expenses	<u>6,435</u>	<u>4,825</u>
Operating income (loss)	14	(852)
Other (expense) income:		
Interest (expense) income	0	(16)
Other (expense) income	<u>(12)</u>	<u>1</u>
Pretax income (loss)	2	(867)
Income tax (expense) benefit	<u>(1)</u>	<u>-</u>
Net income (loss)	<u>\$ 1</u>	<u>\$ (867)</u>
Income (loss) per share - basic	<u>\$ 0.00</u>	<u>\$ (0.06)</u>
Income (loss) per share - diluted	<u>\$ 0.00</u>	
Weighted average common shares outstanding, basic	13,437	13,411
Weighted average common shares outstanding, diluted	13,874	

RELM WIRELESS CORPORATION
Condensed Consolidated Balance Sheets
(In Thousands, Except Share Data) (Unaudited)

	<u>March 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
<u>ASSETS</u>		
Current assets:		
Cash & cash equivalents	\$ 5,684	\$ 7,660
Trade accounts receivable, net	5,555	3,767
Inventories, net	7,296	6,623
Deferred tax assets, net	1,610	1,611
Prepaid expenses & other current assets	<u>830</u>	<u>896</u>
Total current assets	20,975	20,557
Property, plant and equipment, net	1,282	1,306
Deferred tax assets, net	6,203	6,183
Capitalized software, net	3,383	3,024
Other assets	<u>342</u>	<u>351</u>
Total assets	<u>\$ 32,185</u>	<u>\$ 31,421</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 1,898	\$ 1,250
Accrued compensation and related taxes	829	1,086
Accrued warranty expense	276	228
Accrued other expenses and other current liabilities	<u>299</u>	<u>195</u>
Total current liabilities	3,302	2,759
Long-term debt	-	-
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, 13,484,815 and 13,416,127 issued and outstanding shares at March 31, 2010 and December 31, 2009, respectively.	8,091	8,050
Additional paid-in capital	24,250	24,071
Accumulated deficit	<u>(3,458)</u>	<u>(3,459)</u>
Total stockholders' equity	<u>28,883</u>	<u>28,662</u>
Total liabilities and stockholders' equity	<u>\$ 32,185</u>	<u>\$ 31,421</u>