



**DDSI Digital Descriptor Systems, Inc.**

## Digital Descriptor Systems, Inc. Announces 2nd Quarter '06 Results

Revenues Increase to \$1,233,729, up 40.9 Percent from Q2 '05

For Immediate Release

SEA GIRT, N.J./EWorldWire/Aug. 21, 2006 --- Digital Descriptor Systems, Inc. (Pink Sheets: DDSI) is an industry leader in the development of Homeland Security and other commercial security related products and today announced results for the period ending June 30, 2006. Revenues grew 40.9 percent, to \$1,233,729, from second quarter 2005 revenues of \$875,513. Gross profit rose over 210 percent, to \$899,191 from \$428,053 for the same period in 2005.

"We are pleased with the results of our plan to date," says Anthony Shupin, CEO of DDSI. "Our earnings before interest, taxes, depreciation and amortization are \$221,785 versus a negative \$214,124 in Q2 '05. Our immediate focus has been to achieve increased revenue along with positive cash-flow. This will enable us to sustain the company as we grow the use of our security products and services to more companies and agencies throughout the world."

DDSI CFO Michael Pellegrino adds: "Overall, we have a healthier company today than one year ago. Total six month revenues, compared '06 to '05 are up 205 percent to \$2,104,693 from \$1,024,388, while gross profit is up 277 percent increasing \$944,586 over the prior year. Operating income (income prior to interest, depreciation, amortization and taxes) increased from a loss in '05 of \$373,902 to a profit of \$109,184 for the same period. Net loss for the period and year-to-date increased \$215,942 and \$516,938 respectively mainly due to an increase in expenses related to our debt."

### About Digital Descriptor Systems, Inc.

The company, based in Sea Girt, N.J., develops and markets integrated enterprise-wide image applications specifically designed for criminal justice organizations. Customers include states, cities, counties, corrections, justice, and public safety agencies. Additional information is available online at [www.ddsi-cpc.com](http://www.ddsi-cpc.com).

Its subsidiary, CGM Applied Security Technologies, Inc., based in Somerset, N.J., is a leading manufacturer and distributor of Homeland Security products, including indicative and barrier security seals, security tapes and related packaging security systems, protective security products for palletized cargo, physical security systems for tractors, trailers and containers, as well as a number of highly specialized authentication products. Additional information is available online at [www.cgmsecuritysolutions.com](http://www.cgmsecuritysolutions.com).

### Safe Harbor Statement

*Safe Harbor Statement Under the Private Securities Litigation Act of 1995 - With the exception of historical information, the matters discussed in this press release are forward-looking statements that involve a number of risks and uncertainties. The actual future results of the company could differ significantly from those statements. Factors that could cause actual results to differ materially include risks and uncertainties such as the inability to finance the company's operations or expansion, inability to hire and retain qualified personnel, changes in the general economic climate, including rising interest rate and unanticipated events such as terrorist activities. Forward-looking statements can be identified by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms, or other comparable terminology. These statements are only predictions. Although management believes that the expectations reflected in the forward-looking statements are reasonable, such statements*

---

*should not be regarded as a representation by the company, or any other person, that such forward-looking statements will be achieved. The company undertakes no duty to update any of the forward-looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, readers are cautioned not to place undue reliance on such forward-looking statements. For further risk factors associated with the company, review its SEC filings.*

HTML: <http://www.eworldwire.com/pressreleases/15312>

MOBILE: <http://e4mobile.com/pressreleases/15312>

PDF: <http://www.eworldwire.com/pdf/15312.pdf>

ONLINE NEWSROOM: <http://www.eworldwire.com/newsroom/305379.htm>

LOGO: <http://www.eworldwire.com/newsroom/305379.htm>

**CONTACT:**

Steven Reid  
732-892-5000  
sreidassoc@aol.com

**WEBSITES:** <http://www.ddsi-cpc.com>, <http://www.cgm-ast.com>, <http://www.cgmsecuritysolutions.com>

**KEYWORDS:** Digital Imaging, biometrics, Security, Software, cargo and transportation security, identification security, homeland security, mug shots, Port Security, Pharmaceuticals, Drugs, Global Positioning Systems, RFID, Tamper evident, palletized cargo, Truck saf

**SOURCE:** DDSI