

IP Applications Corp. Reports Q1 2009 Results

VANCOUVER, BC – May 27, 2009 – IP Applications Corp. (TSX-Venture: IPX) today announced its quarterly results for the three-month period ended March 31, 2009.

For the quarter ended March 31, 2009 revenue was \$1.3M, a decrease of 23% from \$1.7M in the corresponding period in 2008. The net loss increased 78% to \$(245)K from \$(138)K. EBITDA loss was \$(213)K as compared to an EBITDA loss of (99)K in the corresponding quarter in 2008.

Overview of the three months ended March 31, 2009:

- Added five new SaaS subscription billing and recurring payments customers in the quarter
- Gross margin improved to 47% in the current quarter as compared to 39% in 2008
- Operating expenses increased to \$0.9M in the first quarter of 2009 as compared to \$0.8M in 2008
- Realized the cost savings from the completed shutdown of the Vancouver call center and the migration of all technical support calls to our offshore call center partner in Q4 2008

John Jacobson, President and CEO said “In the first quarter we won five new online billing customers in competition with other recurring billing and subscription payment solutions. Signing five new Software as a Service (“SaaS”) billing customers in the quarter demonstrates the competitive strengths of our recurring payments solution and the demand for our subscription billing software.

Our ongoing operations received the benefits of our major cost management efforts last year and we continued to increase the sales and marketing costs to win new customers for our SaaS and Cloud Computing recurring payment and subscription billing solution. In terms of long-term value to IP Applications, the lifetime value of a client’s recurring revenue grows as our customer’s recurring payments’ volume grows. We’re making solid progress in establishing our SaaS billing business as the dominant driver of future shareholder value.”

Non-GAAP measures

EBITDA is a key measure used by management to evaluate the Company’s performance. Management believes that EBITDA is useful as it provides an indication of the results generated by the Company’s business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and other non-cash expenditures. EBITDA is not a recognized measure under Canadian GAAP, and accordingly, investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with GAAP as an indicator of the financial performance of the Company or as a measure of the Company’s liquidity and cash flows. EBITDA may not be comparable to similar measures presented by other issuers. The schedule below details how IP Applications reconciles its net loss per GAAP to EBITDA for the most recent four quarters. Note: for the quarters ended March 31 and December 31, the impact of realized and unrealized foreign exchange gains and loss are excluded:

(000's)	March 31 2009	December 31 2008	September 30 2008	June 30 2008
Operating Loss	\$(245)	\$(238)	\$(204)	\$(374)
Amortization	32	47	46	46
Stock-Based Compensation	24	33	21	41
Other	(24)	(8)	(25)	(26)
EBITDA	\$ (213)	\$ (166)	\$ (162)	\$(313)

Additional details on the quarterly and year end results, including the audited Consolidated Financial Statements and Management Discussion and Analysis, are available at www.sedar.com under IP Applications Corp.

About IP Applications Corp.

IP Applications Corp. (www.ipapplications.com) delivers subscription billing and recurring payments for online subscription businesses. The Company's billing software, recurring payments processing and technical support services support SaaS and Cloud Computing businesses as well as internet service providers. Established in 1998, the Company's client roster includes Sprint Nextel, Bell Mobility, Amway Corporation and AOL Canada, a division of Time Warner. For more information on the Company and its services, see www.ipapplications.com.

Forward-Looking Statements

This press release may contain forward-looking statements. The Company cautions users of this forward-looking information that actual results or events may vary materially either favorably or unfavorably from those described due to a number of risks and uncertainties. Such risks and uncertainties include, but are not limited to: the inability of the Company to accurately forecast the revenue from new and existing customers; the inability of the Company's customers to accurately forecast their own demand for the Company's products and service; changes in the relative value of the US and Canadian dollars; the possibility that one or more customers or suppliers might experience financial difficulties that could affect the Company's ability to deliver and get paid for its products and services; and changes in the growth rate of technology and telecommunications concerns. Refer to the Company's most recent management's discussion and analysis ("MD&A") for further discussion of these and other risks and uncertainties in relation to such forward-looking information.

Forward-looking information is based on management's current expectations, estimates and opinions. Please refer to the MD&A for a discussion of the events and circumstances which occur that cause, or are likely to cause, actual results to differ materially from such forward-looking information.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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