

MTI WIRELESS EDGE LTD.

ADMISSION TO AIM

MTI Wireless Edge Ltd. (“MTI” or “the Company”), a market leader in the manufacture of flat panel antennas for fixed wireless broadband, is pleased to announce that today its shares started to trade on AIM with the ticker “MWE”.

The Company designs and manufactures flat panel antennas, largely supplied to the global original equipment manufacturers (“OEMs”) of fixed broadband wireless access systems. These products, originally designed to cope with requirements of the company’s first customers, the military forces, are robust and high performance. With over 35 years of technical ‘know-how’, flexible high volume manufacturing capabilities and low failure rates, MTI’s antennas now comprise approximately 25% of the global fixed broadband wireless access antenna market.

The Company’s nominated advisor and broker, Corporate Synergy Plc, placed approximately 15.4 million new Ordinary Shares at 39 pence per share and the issue was well supported by investors in the UK, France and Israel. The new shares represent 28.61% of the share capital of the Company. In addition MTI’s parent company, Tel Aviv listed MTI Computers and Software Services (1982) Ltd., sold approximately 2.6 million ordinary shares.

The placement and sale raised a total of £7 million, representing £6 million (£5.05 million net) new money to MTI and £1 million to its parent company. At the placing price MTI had a market capitalisation of approximately £21 million and a free float at admission of 33%.

MTI CEO Dov Feiner, commented, “Our IPO today gives us the resources to strengthen our relationships with our international customer base. The world is going wireless and all wireless systems rely on quality antennas to perform. In this fast growing environment we need to protect our share of the fixed wireless broadband antenna market as well as apply our technology to new areas.”

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NOTES TO EDITORS:

MTI is a developer and manufacturer of sophisticated antennas and antenna systems, including antennas that are sold for use in worldwide interoperability for microwave access (“WiMAX”) compliant systems. Antennas transmit and receive electromagnetic waves wirelessly. The Company produces antennas ranging in frequency from 100 kilohertz (“KHz”) to 40 gigahertz (“GHz”), for both military and commercial applications and has an international customer base.

MTI’s business has grown rapidly in recent years as wireless broadband technology has increasingly become an established global commodity. Over 80 per cent of the Company’s sales are in the fixed wireless communications market, predominantly for broadband systems. The directors estimate that the Company has captured a 25 per cent global market share in the fixed broadband wireless access (“FBWA”) antenna market, largely via a number of leading OEMs who are MTI’s customers.

PRODUCTS

The Company offers more than 200 varieties of antennas for the FBWA market, as well as antennas for other markets and uses. In 2005 the Company sold more than 220,000 antennas, the overwhelming proportion of which were outdoor flat panel antennas for the FBWA market. MTI supplies antennas to a large number of leading providers of wireless broadband connectivity solutions for integration in their solution offerings, which in turn are sold across developed and developing countries. The Company's antennas are typically mounted externally on base stations and end-user premises and act as the enabling technology for wireless communications for those users.

Wireless technology, which relies on communication antennas, offers many advantages over traditional fixed line/digital subscriber line ("DSL") technology, including:

- faster deployment than wired systems (no need to install cable to every user);
- higher bandwidth;
- satisfying the demand for fundamental data and voice telecom services in un-served areas where wired infrastructure cannot do so;
- lower upfront capital and maintenance costs (build out can be scaled both in terms of area coverage and capacity – each installed base station can support many subscribers);
- it is ideal for developing countries and last mile access in cities;
- true remote working (no need for fixed phone link cabling);
- familiarity: wireless fidelity ("WiFi") is available to consumer lap-tops and is already user-friendly; and
- multiple services using a single network.

Commercial

The Company specialises in flat panel antennas, principally for fixed wireless communication and also seeks to apply its technology for use in other markets.

Fixed Wireless Communication

The Company's flat panel antennas incorporate proprietary technology, which is partly protected by several patents registered in the US and Israel. Other patents are pending in Europe, Israel, the US and Canada.

In the FBWA market, the Company's antennas are used in systems that provide wireless broadband data and voice services for subscribers in the last mile. MTI's antennas can operate in licensed and licence-free bands ranging from 700 megahertz ("MHz") to 18GHz in conformity with industry standards.

In addition to these core products, the Company sells antenna mounting kits and enclosures which allow OEMs to introduce a low-cost system solution.

Radio Frequency Identification ("RFID")

In 2005, the Company achieved its first sales of antennas for readers for emerging RFID applications. RFID is a technology used to track assets in a variety of different applications, including those related to supply chain management as an alternative to bar code technology. Very small RFID transponders or tags containing a unique identifier are placed on assets, for example pallets, cases, or individual items and these tags communicate with the RFID readers. The Company has recently entered the market for RFID readers, which use several flat panel antennas. RFID requires very accurate antennas to support complex logistics management systems. RFID sales accounted for revenue of \$0.15 million in 2005.

Military

The Company has over 35 years experience in developing, designing, manufacturing, testing and marketing specialised antennas in high frequency to millimetre wave bands. These antennas are used for a wide range of systems including communication, communication jamming, signal intelligence, electronic warfare systems (passive and active) and spectrum monitoring. The Company also provides a range of antenna arrays for direction finding systems, electronic surveillance measure antennas for submarines and unmanned aerial vehicles special antennas.

Military antenna development keeps the Company at the forefront of antenna technology, strengthening company research and development. The resulting knowledge is applied to commercial as well as military antenna designs. The Company's antennas have been installed on various airborne, ground, naval and submarine applications.

The Company began targeting markets outside Israel several years ago and has succeeded in penetrating Asia, Europe and North America with several types of antennas. The Company is also a supplier of military antennas to the Israeli defence industry and foreign defence establishments. Military sales accounted for revenue of \$1.65 million in 2005.

TECHNOLOGY

The Company's product development expertise is applied to both off-the-shelf products and contract engineering, for commercial and military applications.

Materials Engineering

Whilst designing military antennas, MTI's engineering staff developed significant expertise in identifying and manipulating materials to optimise antenna function. This expertise enables the Company to use a wide range of materials in innovative ways to enhance the performance and durability of its commercial antenna range. It also enables the Company to use less expensive materials to reduce product costs, while maintaining performance.

High Gain

These antennas amplify relatively weak radio signals, traditionally through geometric focusing of radio waves by means of a horn or parabolic dish to a central feed point. The Company has developed innovative means of amplifying signals that enable it to produce smaller, lower profile antennas with gain equivalent to traditional parabolic antennas.

Wideband Matching

The Company produces antennas for a wide range of frequencies which can be used in systems transmitting and receiving on multiple, but not necessarily contiguous, channels. In addition, wideband antennas enable a standard off-the-shelf product to be used by service providers transmitting on a wide range of assigned frequencies.

Development

The Company has control processes in place to track development time and costs throughout the product development cycle. These controls provide timely warning of time or cost deviations and allow management to address and correct potential problems at an early stage.

THE MARKET

COMMERCIAL

Broadband

Maravedis Inc. (WiMAX, NLOS and broadband wireless access (sub 11GHz) worldwide market analysis 2004-2008 (February 2004)) have forecast that the sub-11GHz fixed broadband wireless system market, will grow from \$430 million in 2003 to more than \$1.6 billion by the end of 2008. MTI believes that on average, the antenna market is 5-7 per cent of this system market.

Growth of the wireless broadband market is currently driven by demand for broadband connectivity. Increasing deregulation should open up the telecommunications / internet access markets to new suppliers. As more countries enable carriers and service providers to operate on a variety of frequencies, new broadband access markets are opening. Unlike the built-in delivery systems of wireline infrastructure to transfer voice and data, wireless technology requires the use of frequencies contained within a given spectrum.

Wireless broadband technology offers opportunity and growth potential to carriers targeting emerging market sectors, such as small office and / or home office (“SOHO”), small and medium enterprise (“SME”) and many parts of the residential market because of its bandwidth, low capital and operating costs and the ability to use the technology to deliver sophisticated data and voice services. Roth Capital (Roth Capital Partners – WiMAX and the broadband wireless industry (10 February 2005)) have forecast that the WiMAX systems are expected to lead the growth of the FBWA market from \$560 million in 2004 to over \$2 billion by 2010, led by residential and SOHO market segments. The Asia Pacific region is expected to be the dominant region for WiMAX systems. The Company supplies antennas that are integrated into WiMAX compliant systems and intends to supply its products for use in base stations that serve WiMAX compliant mobile devices.

RFID

Firms and retailers ship hundreds of billions of units of goods annually. Technology analysts believe that RFID may become the tracking methodology of choice for an increasingly large percentage of that volume.

Frost & Sullivan (world RFID-based applications markets A696-11 (2004)) have forecast that there should be considerable upside for RFID despite many companies’ reluctance to spend on new initiatives (particularly those involving new technology). The RFID market has grown at an estimated compound annual growth rate of 27 per cent since 2000. Frost & Sullivan have forecast that in 2010, the RFID reader market (for all uses) should reach approximately \$2 billion.

The RFID system consists of readers and tags. The reader reads the information on the tag, which stores basic information about an item. The Company has designed and started to deliver antennas for the reader part of the RFID solution as it believes that the technological capabilities of its antennas are well suited for this application. These readers require flat antenna, similar to the ones developed for the FBWA market and therefore the Company can manufacture RFID antennas at competitive prices. The market for readers was estimated by Frost & Sullivan to be 25 per cent of the overall RFID market.

MILITARY

The global military spend is projected by Cobham plc, a UK quoted company, to increase over the next few years. There are two major reasons for this increase: first, the expected upgrades of existing command and control systems and second the introduction of new communications systems.

DIRECTORS

Brief biographical details of each of the directors are set out below:

Zvi Borovitz, Non-executive Chairman (age 67)

Mr Borovitz is the founder of the Company and MTI Computers. Prior to this he worked at Elta Electronics Industries Ltd., a subsidiary of Israeli Aircraft Industries, where he gained experience in microwave systems and communications and was part of the team to develop the first Israeli airborne radar. During his time at Elta he also managed an airborne electronic warfare programme. Mr Borovitz has an MS in Electrical Engineering from the Polytechnic Institute of Brooklyn.

Dov Feiner, Chief Executive Officer (age 49)

Mr Feiner has planned and implemented the Company’s entry into the commercial antenna market. Prior to joining the Company, Mr Feiner served for 12 years in the research and development division of the Israeli Defence Force. Mr Feiner holds a B.Sc. in Electrical and Computer Engineering from Ben Gurion University. Mr Feiner is responsible for the overall management of the Company and its international and domestic activities.

Moshe Borovitz, Finance Director (age 35)

Mr Borovitz, the son of Zvi Borovitz, is also Co-Chief Executive Officer of MTI Computers. He was a consultant with Ernst & Young’s Israeli affiliate Kost Forer & Gabbay, a leading Israeli certified public

accountancy firm. Mr Borovitz is a certified public accountant with a B.A. in Computer Science from Tel Aviv University, and has an MBA from Ben Gurion University. Mr Borovitz is responsible for the Company's financial activities as its finance director, assisted by a group of professionals.

Hanna Lerman, Non-executive Director (age 33)

Hanna Lerman was Chief Financial Officer of SunGard Business Integration Ltd., a subsidiary of SunGard Data Systems Inc., a global leader in software and processing solutions for financial services, and of Insider – Online Financial Services Ltd., a provider of online trading services in Israel and North America. Prior to that Ms. Lerman managed the department of professional practice at KPMG Israel. Ms. Lerman is a certified public accountant and holds a B.A. in Economics and Accounting, and an MBA majoring in Finance from Tel Aviv University.

Frank Lewis, Non-executive Director (age 60)

Frank Lewis is a businessman with over 25 years of experience in both quoted and private companies. He has held board positions both in the UK and abroad with rapidly growing, mid-market companies. Quoted companies of which he was chairman include Lloyds British Testing Plc, an engineering services company, Jetcam International Holdings Limited, a software company and Yoomedia Plc (Executive Chairman), an interactive television company. Mr Lewis is a member of the Institute of Chartered Accountants of England and Wales and is also a member of The South African Institute of Chartered Accountants.

Stewart Millman MA, FSI, Non-executive Director (age 57)

Mr Millman has over 30 years' experience in finance and the financial markets. He was an institutional fund manager for 10 years and a corporate financier for 20 years, and held managing director roles at Barclays de Zoete Wedd, NatWest Markets and HSBC Investment Bank. His corporate finance experience includes transactions involving major telecoms operators and various IT companies. Since 2002, he has been self-employed, is currently non-executive chairman of Patsystems plc, a company traded on AIM, and acts as an adviser to, and/or non-executive director of, various companies in the UK, Israel and elsewhere.