

MTI WIRELESS EDGE LTD
FINANCIAL RESULTS FOR THE THREE MONTHS ENDED
MARCH 31, 2007

MTI Wireless Edge Ltd., (ticker: MWE) ('MTI' or 'the Company'), a market leader in the manufacture of flat panel antennas for fixed wireless broadband, today announces its unaudited results for the three months ended 31 March 2007.

Highlights

- Revenue increased by 39% year on year to US\$4.7m (Q1 2006: US\$3.4m)
- Profit before tax up 53% year on year to US\$944k (Q1 2006: US\$617k)
- Net profits improved by 47% year on year to US\$855k (Q1 2006: US\$583k)
- Gross profit margin of 42%
- Net cash at 31 March 2007 of \$13.4m
- Cash flow from operating activities of \$1M

Dov Feiner, Chief Executive Officer, commented:

“The Board is pleased to deliver a seventeenth consecutive quarter of growth. The first quarter of the year has shown continued solid trading with the Group performing in line with management’s expectations. The current military backlog and sales have already surpassed the whole of 2006 while the overall company order book and prospects remain fully consistent with our expectations for the year as a whole— as a result we look forward to the rest of the year with confidence.

“Our markets remain strong with good demand for WiMax compliant antennas as well as growing interest for our radio frequency identification (RFID), providing the Company with a wider product offering. Our ability to provide high specification technology to our military customers as well as catering to the growing needs of our other clients has enabled us to maintain our dominant position in the wireless fixed broadband market.

Contacts:

MTI Wireless Edge	+972 3 900 8900
Dov Feiner, CEO	
Moni Borovitz, Financial Director	
Blue Oar Securities Plc	+44 20 7448 4400
Luke Ahern	
David Seal	
Threadneedle Communications	+44 207 936 9605
Graham Herring	
Josh Royston	

About MTI Wireless Edge

MTI designs and manufactures flat panel antennas, largely supplied to international OEMs of fixed broadband wireless access systems. With over 30 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 antenna market. In addition, the Company has successfully developed products for new commercial applications as wireless systems become increasingly prevalent in new markets.

PROFIT AND LOSS STATEMENT

	For the three months ended March 31, 2007	Year ended December 31, 2006
	U.S. \$ in thousands	
Revenues	4,722	16,463
Cost of sales	2,750	9,159
Gross profit	1,972	7,304
Research and development expenses	332	1,121
Selling and marketing expenses	546	1,783
General and administrative expenses	275	1,088
Operating profit	819	3,312
Financial expenses	32	102
Financial income	157	574
Profit before taxation	944	3,784
Tax on profit	89	161
Net profit	855	3,623
 Earnings per share:		
Basic	0.0159	0.0736
Diluted	0.0156	0.0708
 Weighted average number of shares outstanding:		
Basic	53,779,998	49,262,202
Diluted	54,735,714	51,182,578

BALANCE SHEET

	<u>31.3.2007</u>	<u>31.12.2006</u>
	<u>U.S. \$ in thousands</u>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	2,488	2,167
Short-term investments	10,925	11,133
Trade receivables	5,100	5,154
Other receivables	248	206
Inventories	<u>2,034</u>	<u>1,724</u>
Total current assets	<u>20,795</u>	<u>20,384</u>
LONG TERM PREPAID EXPENSES	<u>31</u>	<u>32</u>
PROPERTY AND EQUIPMENT, NET	<u>1,563</u>	<u>1,435</u>
OTHER ASSETS, NET	<u>481</u>	<u>475</u>
	<u>22,870</u>	<u>22,326</u>

<u>31.3.2007</u>	<u>31.12.2006</u>
<u>U.S. \$ in thousands</u>	

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Current maturities of long-term loans	87	87
Trade payables	3,003	2,470
Other accounts payables	<u>1,112</u>	<u>1,047</u>
Total current liabilities	<u>4,202</u>	<u>3,604</u>

LONG-TERM LIABILITIES:

Liabilities to banks	-	22
Accrued severance pay	<u>242</u>	<u>231</u>
	<u>242</u>	<u>253</u>

SHAREHOLDERS' EQUITY

Share capital	115	115
Additional paid-in capital	16,357	16,357
Retained earnings	<u>1,954</u>	<u>1,997</u>
Total shareholders' equity	<u>18,426</u>	<u>18,469</u>

<u>22,870</u>	<u>22,326</u>
---------------	---------------

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months ended March 31, 2007:

	Share capital	Additional paid-in capital	Retained earnings	Total
	U.S. \$ in thousands			
Balance at January 1, 2007	115	16,357	1,997	18,469
Changes during the three months ended March 31, 2007:				
Profit for the year	-	-	855	855
Dividend distributed	-	-	(898)	(898)
Balance at March 31, 2007	<u>115</u>	<u>16,357</u>	<u>1,954</u>	<u>18,426</u>

For the year ended December 31, 2006:

	Share capital	Additional paid-in capital	Retained earnings/ (accumulated deficit)	Total
	U.S. \$ in thousands			
Balance at January 1, 2006	2	7,561	374	7,937
Changes during 2006:				
Profit for the year	-	-	3,623	3,623
Issuance of share capital	*-	79	-	79
Share capital as a result of split	80	(80)	-	-
Additional capital raised in AIM listing	33	8,797	-	8,830
Dividend distributed	-	-	(2,000)	(2,000)
Balance at December 31, 2006	<u>115</u>	<u>16,357</u>	<u>1,997</u>	<u>18,469</u>

* Less than 1 thousands dollar.

STATEMENTS OF CASH FLOWS

	For the three months ended March 31, 2007	Year ended December 31, 2006
	U.S. \$ in thousands	
Cash Flows from Operating Activities:		
Net profit	855	3,623
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	73	281
Gain from short-term investments	(152)	(340)
Deferred taxes	(6)	(13)
Issuance of share capital	-	79
Changes in operating assets and liabilities:		
Decrease (increase) in inventories	(310)	(716)
Decrease (Increase) in trade receivables	54	(1,749)
Decrease (increase) in other accounts receivables for short and long term	(41)	43
Increase (decrease) in trade payables	477	789
Increase (decrease) in other accounts payables	62	446
Severance pay, net	11	57
Net cash provided by operating activities	1,023	2,500

STATEMENTS OF CASH FLOWS

	For the three months ended March 31, 2007	Year ended December 31, 2006
	U.S. \$ in thousands	
Cash Flows From Investing Activities:		
Sale (purchase) of short-term investment, net	360	(10,793)
Purchase of property and equipment	(142)	(263)
Net cash (used in) provided by investing activities	218	(11,056)
Cash Flows From Financing Activities:		
Dividend distributed	(898)	(2,000)
Issue of ordinary shares	-	8,830
Repayment of long-term loans	(22)	(87)
Net cash (used in) provided by financing activities	(920)	6,743
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	321	(1,813)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,167	3,980
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,488	2,167

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - GENERAL:

MTI wireless Edge Ltd. (hereafter - the Company) is an Israeli corporation. It was incorporated on December 30, 1998 as a wholly - owned subsidiary of M.T.I. Computers & Software Services (1982) Ltd. (hereafter - the Parent Company) and commenced operations on July 1, 2000 and since March 2006, the Company's shares have been traded on the AIM Stock Exchange.

The Company is engaged in the development, design, manufacture and marketing of antennas.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2006 are applied consistently in these interim consolidated financial statements.

The Company prepares its financial statements in accordance with the international reporting standards.