

**MTI WIRELESS EDGE LTD**  
**FINANCIAL RESULTS FOR THE THREE MONTHS ENDED**  
**31 MARCH 2008**

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 2008.

**Highlights**

- Revenue decreased by 11% year on year to US\$4.2m (Q1 2007: US\$4.7m)
- Negative impact from continued strength of Israeli Shekel versus US Dollar
- Indian facility on course for production in Q3 of current year
- Current order book higher than three months ago
- Share buy back policy to continue

**Dov Feiner, Chief Executive Officer, commented:**

“Results for the first quarter of 2008 have been disappointing in terms of both revenue and profit for two main reasons, namely a weaker quarter in terms of revenues booked, and the strength of the Israeli Shekel against the US Dollar. The present order book is higher than three months ago, with a good level of enquiry in our military division, which together provide the Board with confidence on business volumes going forward. Finally, while RFID revenue continues to be a small proportion of the total, it also continues to grow rapidly.

“Appreciation of the Shekel against the Dollar has a negative effect on the Group’s profit margins because the majority of our orders are invoiced in Dollars, while our fixed cost base is mostly in Shekels. Should the current Shekel / Dollar rate continue throughout 2008 this will clearly affect the Group’s full year profit outcome.

“Our production facility in India remains on course to commence production in the third quarter of the current year. Not only will this improve our supply to the increasingly important Asian market, but in future years will also help to mitigate the importance of the Shekel / Dollar exchange rate.

“We continue to be at the forefront of WiMax technology and maintain our market leading position in both fixed broadband wireless access and military. Globally, we have continued to see major investment in WiMax technology over the last few months as the market is expected to grow at pace. A recent report from

Juniper Research suggests that there could be 47m WiMax subscribers by 2013, replacing up to 12% of the current Digital Subscriber Line (DSL) installed base.

“The Board remains confident in the growth prospects of the company. Given our very strong financial position, we will continue our share buy back policy implemented after the 2007 results.”

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**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.

**MTI WIRELESS EDGE LTD.**  
**(An Israeli Corporation)**  
**STATEMENTS OF OPERATIONS**

	<b>For the three months ended March 31,</b>		<b>Year ended December 31,</b>
	<b>2008</b>	<b>2007</b>	<b>2007</b>
<b>U.S. \$ in thousands</b>			
Revenues	4,200	4,722	19,035
Cost of sales	<u>2,666</u>	<u>2,750</u>	<u>10,605</u>
Gross profit	1,534	1,972	8,430
Research and development expenses	370	332	1,415
Distribution costs	577	546	1,946
General and administrative expenses	<u>381</u>	<u>275</u>	<u>1,340</u>
Profit from operations	206	819	3,729
Finance cost	115	79	94
Finance income	<u>266</u>	<u>157</u>	<u>1,369</u>
Profit before tax	357	897	5,004
Tax expense (income)	<u>(132)</u>	<u>89</u>	<u>364</u>
Net profit	<u>489</u>	<u>808</u>	<u>4,640</u>
<b>Earnings per share:</b>			
Basic (dollars per share)	<u>0.01</u>	<u>0.02</u>	<u>0.09</u>
Diluted (dollars per share)	<u>0.01</u>	<u>0.02</u>	<u>0.09</u>
<b>Weighted average number of shares outstanding:</b>			
Basic	<u>53,544,529</u>	<u>53,779,998</u>	<u>53,779,998</u>
Diluted	<u>53,544,529</u>	<u>54,735,714</u>	<u>54,405,033</u>

The accompanying notes form an integral part of the financial statements.

**MTI WIRELESS EDGE LTD.****(An Israeli Corporation)****BALANCE SHEETS**

	<u>31.3.2008</u>	<u>31.3.2007</u>	<u>31.12.2007</u>
	<u>U.S. \$ in thousands</u>		
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	3,031	2,488	3,370
Other financial assets	10,804	10,925	11,203
Trade receivables	6,537	5,100	6,248
Other receivables	272	248	121
Inventories	<u>2,194</u>	<u>2,034</u>	<u>2,253</u>
<b>Total current assets</b>	<u>22,838</u>	<u>20,795</u>	<u>23,195</u>
<b>LONG TERM PREPAID EXPENSES</b>	<u>55</u>	<u>31</u>	<u>55</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>1,506</u>	<u>1,563</u>	<u>1,522</u>
<b>GOODWILL</b>	<u>406</u>	<u>406</u>	<u>406</u>
<b>DEFERRED TAX ASSETS</b>	<u>228</u>	<u>75</u>	<u>95</u>
	<u>25,033</u>	<u>22,870</u>	<u>25,273</u>

The accompanying notes form an integral part of the financial statements.

	<u>31.3.2008</u>	<u>31.3.2007</u>	<u>31.12.2007</u>
	<u>U.S. \$ in thousands</u>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Financial liabilities	-	87	22
Trade payables	2,401	3,003	2,625
Other accounts payables	760	758	597
Tax liability	431	354	494
Liabilities due to warrants	164	1,287	298
<b>Total current liabilities</b>	<u>3,756</u>	<u>5,489</u>	<u>4,036</u>
<b>LONG-TERM LIABILITIES:</b>			
Employee benefits	<u>297</u>	<u>242</u>	<u>266</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	112	115	115
Additional paid-in capital	14,945	14,945	14,945
Retained earnings	<u>5,923</u>	<u>2,079</u>	<u>5,911</u>
<b>Total shareholders' equity</b>	<u>20,980</u>	<u>17,139</u>	<u>20,971</u>
	<u>25,033</u>	<u>22,870</u>	<u>25,273</u>

May 14, 2008

Date of approval of  
financial statements

Moshe Borovitz  
Finance Director

Dov Feiner  
Chief Executive Officer

Zvi Borovitz  
Non-executive Chairman

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the three months ended March 31, 2008:**

	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>U.S. \$ in thousands</b>			
<b>Unaudited</b>				
<b>Balance at January 1, 2008(Audited)</b>	115	14,945	5,911	20,971
<b>Changes during the three months ended March 31, 2008:</b>				
Net profit	-	-	489	489
<b>Total recognized income for the period</b>	-	-	489	489
Buyback purchase of stock (*)	(3)	-	(477)	(480)
<b>Balance at March 31, 2008</b>	<u>112</u>	<u>14,945</u>	<u>5,923</u>	<u>20,980</u>

(\*) see note 3

**For the three months ended March 31, 2007:**

	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>U.S. \$ in thousands</b>			
<b>Unaudited</b>				
<b>Balance at January 1, 2007(Audited)</b>	115	14,945	2,169	17,229
<b>Changes during the three months ended March 31, 2007:</b>				
Net profit	-	-	808	808
<b>Total recognized income for the period</b>	-	-	808	808
Dividend distributed	-	-	(898)	(898)
<b>Balance at March 31, 2007</b>	<u>115</u>	<u>14,945</u>	<u>2,079</u>	<u>17,139</u>

**For the year ended December 31, 2007:**

	<b>Share capital</b>	<b>Additional paid-in capital</b>	<b>Retained earnings (accumulated deficit)</b>	<b>Total</b>
	<b>U.S. \$ in thousands</b>			
<b>Audited</b>				
<b>Balance at January 1, 2007</b>	115	14,945	2,169	17,229
<b>Changes during 2007:</b>				
Net profit	-	-	4,640	4,640
<b>Total recognized income for the year</b>	-	-	4,640	4,640
Dividend distributed	-	-	(898)	(898)
<b>Balance at December 31, 2007</b>	<u>115</u>	<u>14,945</u>	<u>5,911</u>	<u>20,971</u>

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

	For the three months ended March 31,		Year ended December 31,
	2008	2007	2007
	U.S. \$ in thousands		
	Unaudited	Unaudited	Audited
<b>Cash Flows from Operating Activities:</b>			
Net profit	489	808	4,640
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	81	73	309
Gain from short-term investments	(114)	(152)	(104)
Deferred tax assets	(133)	(6)	(26)
Increase(decrease) in fair value of liabilities due to warrants	(134)	47	(942)
Changes in operating assets and liabilities:			
Decrease (increase) in inventories	59	(310)	(529)
Decrease (Increase) in trade receivables	(289)	54	(1,094)
Decrease (increase) in other accounts receivables for short and long term	(151)	(41)	62
Increase (decrease) in trade payables	(228)	477	180
Increase (decrease) in other accounts payables	163	(42)	(200)
Increase (decrease) in tax liability	(63)	104	244
Increase in employee benefits	31	11	35
<b>Net cash (used in) provided by     operating activities</b>	<u>(289)</u>	<u>1,023</u>	<u>2,575</u>

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

	For the three months ended March 31,		Year ended December 31,
	2008	2007	2007
	U.S. \$ in thousands		
	Unaudited	Unaudited	Audited
<b>Cash Flows From Investing Activities:</b>			
Sale of short-term investment, net	513	360	34
Purchase of property and equipment	(61)	(142)	(421)
<b>Net cash (used in) provided by investing activities</b>	<u>452</u>	<u>218</u>	<u>(387)</u>
<b>Cash Flows From Financing Activities:</b>			
Dividend distributed	-	(898)	(898)
Buyback purchase of stock	(480)	-	-
Repayment of bank borrowing	(22)	(22)	(87)
<b>Net cash used in by financing activities</b>	<u>(502)</u>	<u>(920)</u>	<u>(985)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(339)	321	1,203
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>3,370</u>	<u>2,167</u>	<u>2,167</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>3,031</u></u>	<u><u>2,488</u></u>	<u><u>3,370</u></u>

### Appendix A - Non-cash activities:

	For the three months ended March 31,		Year ended December 31,
	2008	2007	2007
	U.S. \$ in thousands		
Purchase of property and equipment against trade payables	<u>45</u>	<u>125</u>	<u>41</u>

### Appendix B - Additional Information

	For the three months ended March 31,		Year ended December 31,
	2008	2007	2007
	U.S. \$ in thousands		
Income tax	<u>65</u>	<u>39</u>	<u>181</u>

The accompanying notes form an integral part of the financial statements.

## **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, 2007 are applied consistently in these interim consolidated financial statements.

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

### **NOTE 3 – SHARE CAPITAL:**

Further to the US\$1.5 million share buyback program announced with the full year results, on 6 March 2008 the Company purchased for cancellation 883,008 ordinary shares for total of \$480 thousand.

Following the above transaction the Company has 52,896,990 ordinary shares in issue.

### **NOTE 4 – SUBSEQUENT EVENTS:**

- A. The company intended to approve a new option scheme for key Directors and Employees under which options will be granted on 1.5 million shares (approximately 2.84% of the Company's current issued and voting share capital of 52,896,990 ordinary shares), including 275,000 options (0.52%) to each of Dov Feiner and Moni Borovitz, with a vesting date of 1st April 2011 and an exercise price of 30p per share, which exercise price represents a premium to today's share price. Any further amounts of options to be granted under the new scheme will be presented to shareholders for their approval.
- B. On April 4, 2008 the company paid a dividend of 1.85 cents per share totaling US\$ 978,594.