

6 May 2010

MTI Wireless Edge Ltd ('MTI' or the 'Company')

Financial results for the three months ended 31 March 2010

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 2010.

Highlights

- Revenue of US\$2.8m (Q1 2009: US\$3.4m), a reduction mainly due to a late influx of orders
- Q1 operating loss of US\$542k (Q1 2009: profit of US\$76k)
- Book to Bill ratio of 1.2 in the quarter
- Cash and cash equivalents of US\$12.5m as at 31 March 2010

Dov Feiner, Chief Executive Officer, commented:

“Results for the first quarter of 2010 have been disappointing in terms of both revenue and profit. The major factors in this were timing issues, and in particular that there was an influx of commercial orders late in the quarter and it was difficult to ship these before the end of March. Whilst this has impacted Q1 numbers, we believe that this is revenue that has been delayed rather than revenue lost because the problem has now been resolved and the backlog of orders was cleared in April.

“In addition, we have booked orders in Q1 2010 of 20% more than billing and enter Q2 with stronger forward bookings and with further significant contracts under negotiation.

“MTI continues to have a strong balance sheet and our current forward order book allows the Board to remain confident in the long term growth prospects of the Company.”

Contacts:

MTI Wireless Edge +972 3 900 8900
Dov Feiner, CEO
Moni Borovitz, Financial Director

Execution Noble & Company Limited +44 207 456 9191
Harry Stockdale

Threadneedle Communications +44 207 653 9850
Graham Herring
Josh Royston

About MTI Wireless Edge

MTI is engaged in the development, production and marketing of High Quality, Low Cost, Flat Panel Antennas for Commercial & for Military applications. Commercial applications such as: WiMAX, Wireless Networking, RFID readers &, Broadband Wireless Access. With over 40 years experience, supplying antennas 100KHz to 90GHz including directional antennas and Omni directional for outdoor and indoor deployments including Smart Antennas for WiMAX, Wi-Fi, Public Safety, RFID and for Base Stations and Terminals – Utility Market. Military applications includes a wide range of broadband, tactical and specialized communications antennas, antenna systems and DF arrays installed on numerous airborne, ground and naval, including submarine, platforms worldwide.

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

**INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)**

| | Three months ended March 31, | | Year ended December 31, |
|--|---|-------------------|------------------------------------|
| | 2010 | 2009 | 2009 |
| | U.S. \$ in thousands | | |
| | Unaudited | | Audited |
| Revenues | 2,801 | 3,429 | 13,453 |
| Cost of sales | <u>1,992</u> | <u>2,259</u> | <u>8,756</u> |
| Gross profit | 809 | 1,170 | 4,697 |
| Research and development expenses | 358 | 226 | 1,114 |
| Selling and marketing expenses | 549 | 488 | 2,050 |
| General and administrative expenses | <u>444</u> | <u>380</u> | <u>1,469</u> |
| Profit (loss) from operations | (542) | 76 | 64 |
| Finance expense | 14 | 73 | 128 |
| Finance income | <u>8</u> | <u>107</u> | <u>110</u> |
| Profit (loss) before tax | (548) | 110 | 46 |
| Tax expense (income) | <u>(13)</u> | <u>209</u> | <u>34</u> |
| Net and comprehensive Income (loss) | <u>(535)</u> | <u>(99)</u> | <u>12</u> |
| Attributable to: | | | |
| Owners of the parent | (523) | (99) | 17 |
| Non-controlling interest | <u>(12)</u> | <u>-</u> | <u>(5)</u> |
| | <u>(535)</u> | <u>(99)</u> | <u>12</u> |
| Earnings per share | | | |
| Basic and Diluted (dollars per share) | <u>(0.0101)</u> | <u>(0.0019)</u> | <u>0.0003</u> |
| Weighted average number of shares outstanding | | | |
| Basic and Diluted | <u>51,571,990</u> | <u>51,571,990</u> | <u>51,571,990</u> |

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2010:

| | Attributed to owners of the parent | | | | Total | Non-controlling interest | Total equity |
|--|------------------------------------|----------------------------|----------------------------------|-------------------|---------------|--------------------------|---------------|
| | Share capital | Additional paid-in capital | Employee equity benefits reserve | Retained earnings | | | |
| U.S. \$ in thousands | | | | | | | |
| Unaudited | | | | | | | |
| Balance at January 1, 2010 (Audited) | 109 | 14,945 | 88 | 4,433 | 19,575 | - | 19,575 |
| Changes during the three months ended March 31, 2010: | | | | | | | |
| Total comprehensive loss for the period | - | - | - | (523) | (523) | (12) | (535) |
| Share based payment | - | - | 15 | - | 15 | - | 15 |
| Balance at March 31, 2010 | <u>109</u> | <u>14,945</u> | <u>103</u> | <u>3,910</u> | <u>19,067</u> | <u>(12)</u> | <u>19,055</u> |

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2009:

| | Attributed to owners of the parent | | | | Total | Non- controlling interest | Total equity |
|--|------------------------------------|----------------------------------|---|----------------------|--------|---------------------------------|-----------------|
| | Share capital | Additional paid-in capital | Employee equity benefits reserve | Retained earnings | | | |
| U.S. \$ in thousands | | | | | | | |
| Unaudited | | | | | | | |
| Balance at January 1, 2009 (Audited) | 109 | 14,945 | 29 | 5,014 | 20,097 | - | 20,097 |
| Changes during the three months ended March 31, 2009: | | | | | | | |
| Total comprehensive loss for the period | - | - | - | (99) | (99) | - | (99) |
| Issue of capital to non-controlling interest in subsidiary | - | - | - | - | - | 5 | 5 |
| Share based payment | - | - | 15 | - | 15 | - | 15 |
| Balance at March 31, 2009 | 109 | 14,945 | 44 | 4,915 | 20,013 | 5 | 20,018 |

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2009:

| | Attributed to owners of the parent | | | | Total | Non-controlling interest | Total equity |
|--|------------------------------------|----------------------------|----------------------------------|-------------------|---------------|--------------------------|---------------|
| | Share capital | Additional paid-in capital | Employee equity benefits reserve | Retained earnings | | | |
| U.S. \$ in thousands | | | | | | | |
| Audited | | | | | | | |
| Balance at January 1, 2009 | 109 | 14,945 | 29 | 5,014 | 20,097 | - | 20,097 |
| Changes during 2009: | | | | | | | |
| Total comprehensive loss for the year | - | - | - | 17 | 17 | (5) | 12 |
| Issue of capital to minority in subsidiary | - | - | - | - | - | 5 | 5 |
| Dividends | - | - | - | (598) | (598) | - | (598) |
| Share based payment | - | - | 59 | - | 59 | - | 59 |
| Balance at December 31, 2009 | <u>109</u> | <u>14,945</u> | <u>88</u> | <u>4,433</u> | <u>19,575</u> | <u>-</u> | <u>19,575</u> |

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

MTI WIRELESS EDGE LTD.**(An Israeli Corporation)****INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | <u>31.3.2010</u> | <u>31.3.2009</u> | <u>31.12.2009</u> |
|------------------------------------|-----------------------------|------------------|-------------------|
| | <u>U.S. \$ in thousands</u> | | |
| | <u>Unaudited</u> | | <u>Audited</u> |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 12,518 | 3,903 | 3,212 |
| Other financial assets | 23 | 9,490 | 10,346 |
| Trade receivables | 4,338 | 4,701 | 4,405 |
| Other receivables | 597 | 210 | 198 |
| Inventories | <u>2,447</u> | <u>2,431</u> | <u>2,318</u> |
| Total current assets | <u>19,923</u> | <u>20,735</u> | <u>20,479</u> |
| | | | |
| LONG TERM PREPAID EXPENSES | <u>63</u> | <u>37</u> | <u>51</u> |
| | | | |
| PROPERTY AND EQUIPMENT, NET | <u>1,580</u> | <u>1,687</u> | <u>1,621</u> |
| | | | |
| GOODWILL | <u>406</u> | <u>406</u> | <u>406</u> |
| | | | |
| DEFERRED TAX ASSETS | <u>135</u> | <u>110</u> | <u>121</u> |
| | | | |
| | <u>22,107</u> | <u>22,975</u> | <u>22,678</u> |

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31.3.2010 | 31.3.2009 | 31.12.2009 |
|--|-----------------------------|------------------|-------------------|
| | U.S. \$ In thousands | | |
| | Unaudited | Unaudited | Audited |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Trade payables | 1,926 | 1,520 | 1,974 |
| Other accounts payables | 762 | 737 | 633 |
| Tax liability | 31 | 458 | 173 |
| Total current liabilities | 2,719 | 2,715 | 2,780 |
| NON- CURRENT LIABILITIES: | | | |
| Employee benefits | 253 | 215 | 243 |
| Provisions | 80 | 27 | 80 |
| Total non-current liabilities | 333 | 242 | 323 |
| EQUITY | | | |
| Share capital | 109 | 109 | 109 |
| Additional paid-in capital | 14,945 | 14,945 | 14,945 |
| Employee equity benefits reserve | 103 | 44 | 88 |
| Retained earnings | 3,910 | 4,915 | 4,433 |
| Equity attributable to owners of the parent | 19,067 | 20,013 | 19,575 |
| Non-controlling interest | (12) | 5 | - |
| Total equity | 19,055 | 20,018 | 19,575 |
| | 22,107 | 22,975 | 22,678 |

May 6, 2010

Date of approval of
financial statements

Moshe Borovitz
Finance Director

Dov Feiner
Chief Executive Officer

Zvi Borovitz
Non-executive Chairman

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three months ended March 31, | | Year ended December 31, |
|--|---------------------------------|-----------|----------------------------|
| | 2010 | 2009 | 2009 |
| | U.S. \$ in thousands | | |
| | Unaudited | Unaudited | Audited |
| Cash Flows from Operating Activities: | | | |
| Net profit (loss) | (535) | (99) | 12 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation | 94 | 91 | 374 |
| Gain from short-term investments | (18) | (109) | (71) |
| Equity settled share-based payment expense | 15 | 15 | 59 |
| Tax expense (Income) | (13) | 209 | 34 |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in inventories | (129) | 140 | 253 |
| Decrease in trade receivables | 67 | 1,197 | 1,493 |
| Decrease (increase) in other accounts receivables for short and long term | (411) | 19 | 17 |
| Decrease in trade payables | (86) | (1,052) | (905) |
| Increase (decrease) in other accounts payables | 129 | (227) | - |
| Increase (decrease) in provisions | - | (3) | 11 |
| Increase (decrease) in employee benefits | 10 | (17) | 50 |
| Income tax paid | (143) | (118) | (239) |
| Net cash (used in) provided by operating activities | (1,020) | 46 | 1,088 |

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Three months ended March 31, | | Year ended December 31, |
|--|---------------------------------|--------------|----------------------------|
| | 2010 | 2009 | 2009 |
| | U.S. \$ in thousands | | |
| | Unaudited | | Audited |
| Cash Flows From Investing Activities: | | | |
| Sale (purchase) of short-term investment, net | 10,341 | 146 | (748) |
| Purchase of property and equipment | (15) | (100) | (341) |
| Net cash (used in) provided by investing activities | <u>10,326</u> | <u>46</u> | <u>(1,089)</u> |
| Cash Flows From Financing Activities: | | | |
| Dividend paid to the owners of the parent | - | - | (598) |
| Issue of capital to minority in subsidiary | - | 5 | 5 |
| Net cash (used in) provided by financing activities | <u>-</u> | <u>5</u> | <u>(593)</u> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 9,306 | 97 | (594) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>3,212</u> | <u>3,806</u> | <u>3,806</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>12,518</u> | <u>3,903</u> | <u>3,212</u> |

Appendix A - Non-cash activities:

| | Three months ended March 31, | | Year ended December 31, |
|--|---------------------------------|-----------|----------------------------|
| | 2010 | 2009 | 2009 |
| | U.S. \$ in thousands | | |
| | Unaudited | | Audited |
| Purchase of property and equipment against trade payables | <u>45</u> | <u>31</u> | <u>7</u> |

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

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL:

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

The formal address of the company is 11 Hamelacha Street, Afek industrial Park, Rosh-Ha'Ayin, Israel.

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

In March 2008, the Company established a wholly owned subsidiary, Switzerland based AdvantCom Sarl (hereafter AdvantCom). AdvantCom is engaged in selling and distributing of antennas and accessories and in manufacturing through an Indian subsidiary.

In February 2009, pursuant to the founder's agreement, 20 percent of the issued and outstanding share capital of GlobalWave Technologies PVT Ltd (formerly a wholly owned Indian based subsidiary of AdvantCom), was allotted to investors in return for approximately \$5,000.

Certain rental, operational and administrative services are provided by the Parent Company to the Company.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

The interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in International Financial Reporting Standard IAS 34 ("Interim Financial Reporting").

The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2009 are applied consistently in these interim consolidated financial statements, except for the impact of the adoption of the Standards and Interpretations described below.

- IFRS 3 (Revised) - Business Combinations and IAS 27 (Revised) - Consolidated and Separate Financial Statements:

These standards have been applied prospectively from 1 January 2010. The implementation of these standards will affect future acquisitions and transactions with non-controlling interests.

The principal changes following the adoption of these Standards are:

- (a) IFRS 3 previously prescribes that goodwill, as opposed to the acquiree's other identifiable assets and liabilities, should be measured as the excess of the cost of the acquisition over the acquirer's share in the fair value of the identifiable assets, net on the acquisition date. According to the Revised Standards, goodwill can be measured at its full fair value and not only based on the acquired part, with each business combination transaction measured separately.

MTI WIRELESS EDGE LTD.

(An Israeli Corporation)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

- IFRS 3 (Revised) - Business Combinations and IAS 27 (Revised) - Consolidated and Separate Financial Statements (Cont.):

- (b) A contingent consideration in a business combination is measured at fair value and changes in the fair value of the contingent consideration, which do not represent adjustments to the acquisition cost in the measurement period, should not be simultaneously recognized as goodwill adjustment. Normally, the contingent consideration is considered a financial derivative within the scope of IAS 39 and presented at fair value through profit or loss.
- (c) Direct acquisition costs attributed to a business combination transaction are recognized in the comprehensive income statement as incurred as opposed to the previous requirement of carrying them as part of the consideration of the cost of the business combination, which has been removed.
- (d) A minority transaction, whether a sale or an acquisition, will be accounted for as an equity transaction and will therefore not be recognized in the statement of income or have any effect on the amount of goodwill, respectively.
- (e) A subsidiary's losses, although resulting in the subsidiary's deficiency, are allocated between the parent company and non-controlling interests, even if the non-controlling interests have not guaranteed or have no contractual obligation of sustaining the subsidiary or carrying out another investment.
- (f) On the loss of control of a subsidiary, the remaining investment in the subsidiary, if any, is revalued to fair value against gain and loss from the sale and this fair value will represent the cost basis for the purpose of subsequent treatment.

- Amendments to IFRS 2 - Group Cash-settled Share-based Payment Transactions

In June 2009, the International Accounting Standards Board amended IFRS 2 to clarify its scope and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction. The amendments also incorporate the guidance contained in the following Interpretations:

- IFRIC 8 Scope of IFRS 2
- IFRIC 11 IFRS 2—Group and Treasury Share Transactions.

The implementation of Amendments to IFRS 2 has had no impact on the reported results or financial position of the Company.