



FOR IMMEDIATE RELEASE

31 July 2006

Unaudited Interim Results for the six months ended 30 June 2006

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 interim results for the six months ended 30 June 2006, its fourteenth consecutive quarter of revenue growth.

Highlights

- Revenues up 36% year on year to US\$ 7.3 million (US\$ 5.4 million)
- Gross profit up 44% year on year to US\$ 3.2 million (US\$ 2.2 million) with gross margin of 44.3% (41.7%)
- Net profits up 84% year on year to US\$ 1.4 million (US\$ 0.75 million) with increased net margin of 19.1% (14.1%)
- Basic earnings per share up 30% to 3.1¢ (2.4¢)
- Positive outlook for remainder of 2006 with healthy order book and opportunity pipeline
- Net cash position of US\$ 12 million (equating to 12p per ordinary share) as at 30 June 2006
- Intention to pay out approximately 25 per cent. of net profit as dividend for the full financial year
- Successful initial public offering and admission to AIM in March 2006 with offering oversubscribed and raising net proceeds of GB £5 million

Dov Feiner, Chief Executive Officer, commented: “MTI continued its strong top line and earnings momentum in the first six months of the year, with improved margins at all levels reporting its 14th consecutive revenue growth. Our contracted but as yet unfulfilled order book is very healthy with US\$ 4.1 million of committed revenues for the remainder of 2006, compared to US\$ 2.75 million at this stage last year. US\$ 3.8 million of this current order book is due for completion during the third quarter. We have won significant new contracts and our forward opportunity pipeline is encouraging. We sell our products to the world’s leading original equipment manufacturers of wireless broadband systems, and our antennas are now installed in over 130 countries, worldwide.

“The fixed wireless broadband equipment market is estimated to be growing by more than 40 per cent. per year, according to Skylight Research, and therefore presents an enormous potential for MTI as the world leader in the provision of fixed broadband wireless antennas. We continue to work hard to develop long-term business relationships with key partners and customers around the world, as well as to leverage our market leading position by developing additional emerging applications such as Radio Frequency Identification (‘RFID’) antennas for use in inventory tracking and supply chain management in large warehouses.

“The successful completion of our IPO is a major step for the Company, providing us with additional capital to pursue our strategic international expansion and product development whilst, at the same time, helping to raise our international profile.”

For further information, please visit www.mtiwe.com or contact:

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Profit and Loss statement for the six month period ended 30 June 2006

(US\$ '000s)	Unaudited		Audited
	30 June 2006	30 June 2005	31 December 2005
Turnover	7,290	5,372	11,694
Gross Profit	3,229	2,242	4,914
Operating Profit	1,350	836	2,043
Net Profit	1,392	756	1,749
Basic earnings per share (US Cents)	3.1	2.4	5.6
Diluted earnings per share (US Cents)	2.95	2	4.6

Balance Sheet as at 30 June 2006

	30 June 2006	30 June 2005	31 December 2005
	U.S. \$ in thousands		
	Unaudited		Audited
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	1,495	3,299	3,980
Short-term investment	10,678	-	-
Trade receivables	4,168	2,950	3,405
Other receivables	181	263	265
Inventories	1,287	1,093	1,008
Total current assets	17,809	7,605	8,658
LONG TERM PREPAID EXPENSES	28	10	26
PROPERTY AND EQUIPMENT, NET	1,415	1,471	1,441
OTHER ASSETS, NET	458	372	450
	19,710	9,458	10,575

LIABILITIES AND			
SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities of long-term loans	87	87	87
Trade payables	2,229	1,663	1,669
Other accounts payables	883	483	599
Total current liabilities	<u>3,199</u>	<u>2,233</u>	<u>2,355</u>
LONG-TERM LIABILITIES:			
Liabilities to banks	65	152	109
Accrued severance pay	208	166	174
	<u>273</u>	<u>318</u>	<u>283</u>
SHAREHOLDERS' EQUITY			
Share capital	115	2	2
Additional paid-in capital	16,357	7,524	7,561
Retained earnings	(234)	(619)	374
Total shareholders' equity	<u>16,238</u>	<u>6,907</u>	<u>7,937</u>
	<u>19,710</u>	<u>9,458</u>	<u>10,575</u>

Cash Flow Statement for the six months ended 30 June 2006

(US\$ '000s)	Unaudited		Audited
	30 June 2006	30 June 2005	31 December 2005
Net Cash provided from operating activity	1,373	301	1,100
Cash Flows From Investing Activities:			
Sale (purchase) of short-term investment	(10,529)	2,095	2,095
Purchase of property and equipment	<u>(115)</u>	<u>(37)</u>	<u>(112)</u>
Net cash (used in) provided by investing activities	(10,644)	2,058	1,983
Cash Flows From Financing Activities:			
Dividend distributed	(2,000)	-	
Additional capital raised in Aim Listing, net	8,830	-	
Repayment of long-term loans	<u>(44)</u>	<u>(44)</u>	<u>(87)</u>
Net cash used in financing activities	6,786	(44)	(87)
Increase (Decrease) in cash and cash equivalents	(2,485)	2,315	2,996
cash and cash equivalents at beginning of period	<u>3,980</u>	<u>984</u>	<u>984</u>
cash and cash equivalents at end of period	<u>1,495</u>	<u>3,299</u>	<u>3,980</u>

Notes to the Interim Results

1. Basis of Preparation

The results for the six months ended 30 June 2006 are unaudited. They have been prepared on accounting bases and policies that are consistent with those used in the preparation of the financial statements of the company for the 12 months ended 31 December 2005, which were prepared with accordance with International Financial Reporting Standards (IFRS).

2. Earnings per Share

Earnings per share has been calculated based on 44,644,010 (47,264,710 fully diluted) ordinary shares for the six months ended 30 June 2006 and 31,470,000 (37,932,000 fully diluted) ordinary shares for the six months ended 30 June 2005.

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.