

PRESS RELEASE



MBTH Announces Appointment of George Schmitt as CEO and Conversion of \$5m in Debt to Equity

Sarasota, Fla.—Dec. 1, 2010—MB Technology Holdings, LLC (“MBTH” or “the Company”) announced today that George Schmitt has been appointed CEO of the Company. Simultaneously with the appointment, MB Merchant Group, LLC agreed to convert its \$5m in debt to equity. In addition, MB Merchant Group, LLC contributed its 60M share block held in xG Technology (Nasdaq: XGTI; XGTIW) (“xG”), Inc. to MBTH. The block currently has a \$.25/share market price or \$15m, for a total equity capitalization of \$20m.

George Schmitt bio

George Schmitt has over 40 years of broad telecom experience in wireless and wireline companies. He serves on the boards of Calient, Secure Alert, Ready Jet Go Airlines, and Teleworx. Mr. Schmitt is an SBIC Director at TeleSoft Partners, a Silicon Valley-based venture capital firm specializing in early stage, mid stage, late stage, and growth capital.

Mr. Schmitt’s experience includes e.spire Communications, Omnipoint Communications, LHS Group, Objective Systems Integrators, PCS PrimeCo, AirTouch Communications, Mannesmann Mobilfunk (Germany), Pacific Telesis, Pacific Telephone, and AT&T.

Most recently, Mr. Schmitt was Chairman and Chief Executive Officer of e.spire Communications, a provider of voice, data and Internet services to markets throughout the U.S. Previously, Mr. Schmitt was President and Director of Omnipoint Communication Services (NASDAQ: OMPT) until VoiceStream’s acquisition of Omnipoint Corporation in 2000. Subsequently, Deutsche Telekom acquired Voicestream to form T-Mobile U.S.

Mr. Schmitt also served as a Director of two telecom software companies: LHS Group (NASDAQ: LHSG), where he was a member of the Audit Committee prior to its acquisition by Sema in 2000, and Objective Systems Integrators (NASDAQ: OSII), where he was Chairman of the Audit Committee and member of the Compensation Committee. That company was acquired by Agilent Technologies in 2000.

Prior to joining Omnipoint, Mr. Schmitt was President and Chief Executive Officer of PCS PrimeCo (now part of Verizon Wireless), a national PCS partnership formed by AirTouch, Bell Atlantic, NYNEX and U.S. West. Mr. Schmitt came to PrimeCo from AirTouch where he was Executive Vice President of International Operations responsible for AirTouch’s operations in its ventures in Germany, France, Sweden, Belgium, Italy, Portugal, Japan, Korea and Thailand.

Prior to PCS PrimeCo, Mr. Schmitt was a member of the board of management of Mannesmann Mobilfunk in Germany, and also headed the company’s technical department. Mr. Schmitt’s department

was responsible for the complete development and operation of the D2 network, the first commercial GSM network in the world. Mr. Schmitt also served as the Chairman of the GSM Association, an international organization responsible for overseeing the worldwide implementation of GSM wireless technology.

Mr. Schmitt received an M.S. in Management from Stanford University, where he was a Sloan Fellow, and a B.A. in Political Science from Saint Mary's College.

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ABOUT MB TECHNOLOGY HOLDINGS, LLC

MB Technology Holdings, LLC (MBTH) is a technology holding and service company established in 2010. Its mission is to pursue suitable acquisitions for its portfolio by identifying companies requiring assistance in their next phases of growth, both organically and via add-on acquisitions. MBTH strives to add immediate and measurable value to such firms by using proven methods that include everything from cash flow optimization techniques, realignment of cost structures, development of capital and liquidity strategies, and transitioning from a private to a public entity.

MBTH leverages the considerable experience that its executive team has amassed in creating the suitable financial structures (IPO's, follow-on offerings, private placements, other financial know-how) as well as the organizational frameworks (executive strategy and leadership, key C-level and technical staffing, supply chain development, etc.) that are critical yet often beyond the means and experience of private companies.

MBTH is able to offer the advantage of a global vision and perspective due to its international base of directors, close colleagues, investments and financial dealings. This gives MBTH a presence in, and access to, major centers including London, Stockholm, San Francisco, Zurich, San Jose and Reykjavik.

ABOUT XG TECHNOLOGY

[xG Technology](#) has created a broad portfolio of intellectual property that makes wireless networks more intelligent, accessible, affordable and reliable. The company has created [xMax, a patented all-IP cognitive radio technology](#) that enables robust mobile broadband communications for private, consumer and government networks. xMax can solve [the crisis facing the wireless industry](#) caused by data-hungry devices and applications that are straining network capacity. It eliminates the need to acquire scarce and expensive licensed spectrum, thus lowering the total cost of ownership for wireless broadband access. xG's goal is to help wireless broadband networks deliver voice, video and data services to fixed and mobile users. The xMax cognitive radio system incorporates advanced optimizing technologies that include spectrum sharing, interference mitigation, multiple-input multiple-output (MIMO) and software defined radio (SDR). These and other technologies make xMax ideal for wide area, as well as rapid emergency communication deployment. xG offers solutions for [numerous industries](#)

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[worldwide](#), including urban and rural wireless broadband, utilities, defense, emergency response and public safety.

Based in Sarasota, Florida, xG has 60 U.S. and over 130 international patents and pending patent applications. xG is a publicly traded company listed on the NASDAQ Capital Market where xG common stock is traded under the symbol [XGTI](#) and xG warrants are traded under the symbol [XGTIW](#). For more information, please visit www.xgtechnology.com.

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