

PRESS RELEASE



MBTH Announces Completion of Approximately \$7m Equity Raise; Funds Will Be Used to Invest in xG Technology

Sarasota, Fla.—Jan. 15, 2011—MB Technology Holdings, LLC (“MBTH”) announced today the completion of an approximately \$7m equity raise. The funding was led by George Schmitt, Larry Townes and Blooston, Mordkofsky. The funds will be used to invest in xG Technology, Inc. (Nasdaq: XGTI; XGTIW), MBTH’s core holding.

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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 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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