

WIRELESS TELECOM GROUP INC  
Form 10-Q  
August 13, 2009

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

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**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2009**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission file number**  
1-11916

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**WIRELESS TELECOM GROUP, INC.**

(Exact name of registrant as specified in its charter)

New Jersey  
(State or Other Jurisdiction  
of Incorporation or Organization)  
25 Eastmans Road  
Parsippany, New Jersey  
(Address of Principal Executive Offices)

22-2582295  
(I.R.S. Employer  
Identification No.)

07054  
(Zip Code)

(973) 386-9696  
(Registrant's Telephone Number, Including Area Code)

Not Applicable  
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (see the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act). (Check one):

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of Common Stock outstanding as of August 12, 2009: 25,658,203

Number of non-affiliated shares of Common Stock outstanding as of August 12, 2009: 19,167,537

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## PART 1 FINANCIAL INFORMATION

## Item 1 Financial Statements

WIRELESS TELECOM GROUP, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

|   | June 30,<br>2009     | December 31,<br>2008 |
|---|----------------------|----------------------|
|   | (unaudited)          |                      |
| <b>- ASSETS -</b>   |                      |                      |
| <b>CURRENT ASSETS:</b>  |                      |                      |
| Cash and cash equivalents   | \$ 7,066,929         | \$ 6,627,397         |
| Investment in short-term U.S. Treasury securities, at cost  | 2,036,123            | 5,016,092            |
| Accounts receivable - net of allowance for doubtful accounts of \$259,932 and \$156,913 for 2009 and 2008, respectively | 9,400,536            | 7,278,561            |
| Income taxes recoverable  | 1,861,000            | 1,551,000            |
| Inventories   | 9,214,822            | 10,028,314           |
| Deferred income taxes-current   | 361,064              | 198,216              |
| Prepaid expenses and other current assets   | 1,367,044            | 1,147,999            |
| <b>TOTAL CURRENT ASSETS</b>   | <b>31,307,518</b>    | <b>31,847,579</b>    |
| <b>PROPERTY, PLANT AND EQUIPMENT - NET</b>  | <b>5,460,189</b>     | <b>5,835,178</b>     |
| <b>OTHER ASSETS:</b>  |                      |                      |
| Goodwill  | 1,351,392            | 1,351,392            |
| Deferred income taxes - non-current   | 380,559              | 527,599              |
| Cash surrender value of foreign pension insurance and other assets  | 3,946,393            | 3,970,861            |
| <b>TOTAL OTHER ASSETS</b>   | <b>5,678,344</b>     | <b>5,849,852</b>     |
| <b>TOTAL ASSETS</b>   | <b>\$ 42,446,051</b> | <b>\$ 43,532,609</b> |
| <b>- LIABILITIES AND SHAREHOLDERS EQUITY -</b>  |                      |                      |
| <b>CURRENT LIABILITIES:</b>   |                      |                      |
| Accounts payable  | \$ 3,092,004         | \$ 3,893,436         |
| Accrued expenses and other current liabilities  | 2,829,455            | 2,732,454            |
| Current portion of note payable - bank  | 367,776              | 369,059              |
| Current portion of mortgage payable   | 61,042               | 58,784               |
| <b>TOTAL CURRENT LIABILITIES</b>  | <b>6,350,277</b>     | <b>7,053,733</b>     |
| <b>LONG TERM LIABILITIES:</b>   |                      |                      |
| Notes payable - bank  | 1,471,107            | 1,660,768            |
| Mortgage payable  | 2,803,549            | 2,834,645            |
| Deferred rent payable   | 103,176              | 101,666              |
| Provision for pension liability and other long term liabilities   | 1,200,164            | 1,204,350            |
| <b>TOTAL LONG TERM LIABILITIES</b>  | <b>5,577,996</b>     | <b>5,801,429</b>     |
| <b>COMMITMENTS AND CONTINGENCIES</b>  |                      |                      |
| <b>SHAREHOLDERS EQUITY:</b>   |                      |                      |
| Preferred stock, \$.01 par value, 2,000,000 shares authorized, none issued  | 287,539              | 287,539              |

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Common stock, \$.01 par value, 75,000,000 shares authorized, 28,753,861 shares issued,  
25,658,203 shares outstanding

|  |                      |               |
|--|----------------------|---------------|
| Additional paid-in-capital                       | <b>37,437,934</b>    | 37,259,386    |
| Retained (deficit)                               | <b>(410,450)</b>     | (47,072)      |
| Accumulated other comprehensive income           | <b>749,569</b>       | 724,408       |
| Treasury stock at cost, 3,095,658 shares         | <b>(7,546,814)</b>   | (7,546,814)   |
| <b>TOTAL SHAREHOLDERS EQUITY</b>                 | <b>30,517,778</b>    | 30,677,447    |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b> | <b>\$ 42,446,051</b> | \$ 43,532,609 |

See accompanying notes

**WIRELESS TELECOM GROUP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

|   | For the Three Months<br>Ended June 30, |                      | For the Six Months<br>Ended June 30, |                       |
|---|--|----------------------|--------------------------------------|-----------------------|
|   | 2009                                   | 2008                 | 2009                                 | 2008                  |
| <b>NET SALES</b>                            | <b>\$ 11,502,889</b>                   | <b>\$ 13,007,863</b> | <b>\$ 22,864,632</b>                 | <b>\$ 25,996,427</b>  |
| <b>COST OF SALES</b>                        | <b>5,967,030</b>                       | <b>6,793,331</b>     | <b>11,677,687</b>                    | <b>13,616,173</b>     |
| <b>GROSS PROFIT</b>                         | <b>5,535,859</b>                       | <b>6,214,532</b>     | <b>11,186,945</b>                    | <b>12,380,254</b>     |
| <b>OPERATING EXPENSES</b>                   |  |                      |                                      |                       |
| Research and development                    | 1,666,806                              | 2,047,877            | 3,557,668                            | 3,920,081             |
| Sales and marketing                         | 2,581,880                              | 2,949,838            | 5,007,815                            | 5,783,728             |
| General and administrative                  | 1,761,001                              | 2,284,130            | 3,446,360                            | 4,301,161             |
| <b>TOTAL OPERATING EXPENSES</b>             | <b>6,009,687</b>                       | <b>7,281,845</b>     | <b>12,011,843</b>                    | <b>14,004,970</b>     |
| <b>OPERATING (LOSS)</b>                     | <b>(473,828)</b>                       | <b>(1,067,313)</b>   | <b>(824,898)</b>                     | <b>(1,624,716)</b>    |
| <b>OTHER (INCOME) EXPENSE</b>               |  |                      |                                      |                       |
| Interest (income)                           | (6,080)                                | (83,808)             | (32,004)                             | (191,212)             |
| Interest expense                            | 54,329                                 | 55,385               | 108,929                              | 111,022               |
| Other (income) - net                        | (55,058)                               | (291,923)            | (139,738)                            | (463,161)             |
| <b>TOTAL OTHER (INCOME) EXPENSE</b>         | <b>(6,809)</b>                         | <b>(320,346)</b>     | <b>(62,813)</b>                      | <b>(543,351)</b>      |
| <b>(LOSS) BEFORE INCOME TAXES</b>           | <b>(467,019)</b>                       | <b>(746,967)</b>     | <b>(762,085)</b>                     | <b>(1,081,365)</b>    |
| <b>PROVISION (BENEFIT) FOR INCOME TAXES</b> | <b>(390,112)</b>                       | <b>242,849</b>       | <b>(398,707)</b>                     | <b>437,428</b>        |
| <b>NET (LOSS)</b>                           | <b>\$ (76,907)</b>                     | <b>\$ (989,816)</b>  | <b>\$ (363,378)</b>                  | <b>\$ (1,518,793)</b> |
| <b>NET (LOSS) PER COMMON SHARE:</b>         |  |                      |                                      |                       |
| <b>BASIC</b>                                | <b>\$ (0.00)</b>                       | <b>\$ (0.04)</b>     | <b>\$ (0.01)</b>                     | <b>\$ (0.06)</b>      |
| <b>DILUTED</b>                              | <b>\$ (0.00)</b>                       | <b>\$ (0.04)</b>     | <b>\$ (0.01)</b>                     | <b>\$ (0.06)</b>      |

See accompanying notes

**WIRELESS TELECOM GROUP, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

|  | For the Six Months<br>Ended June 30, |                      |
|--|--------------------------------------|----------------------|
|  | 2009                                 | 2008                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                      |                      |
| Net (loss)   | \$ (363,378)                         | \$ (1,518,793)       |
| Adjustments to reconcile net (loss) to net cash (used for) provided by operating activities: |                                      |                      |
| Depreciation and amortization  | 452,288                              | 960,532              |
| Stock compensation expense   | 178,548                              | 237,038              |
| Deferred rent  | 1,510                                | (1,988)              |
| Deferred income taxes  | (15,808)                             | 47,890               |
| Provision for (recovery from) losses on accounts receivable                                  | 99,875                               | (19,525)             |
| Changes in assets and liabilities:   |                                      |                      |
| Accounts receivable  | (1,908,176)                          | 1,582,019            |
| Inventory  | 763,824                              | 2,367,791            |
| Prepaid expenses and other assets  | (410,168)                            | (372,460)            |
| Accounts payable, accrued expenses and other current liabilities                             | (1,022,437)                          | (1,827,740)          |
| Pension liability and other long-term liabilities  |                                      | 2,007                |
| <b>Net cash (used for) provided by operating activities</b>                                  | <b>(2,223,922)</b>                   | <b>1,456,771</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                      |                      |
| Capital expenditures   | (55,538)                             | (279,011)            |
| Proceeds from dispositions of property, plant and equipment                                  |                                      | 19,450               |
| Proceeds from sale of short term securities - net  | 2,979,969                            |                      |
| <b>Net cash provided by (used for) investing activities</b>                                  | <b>2,924,431</b>                     | <b>(259,561)</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                                      |                      |
| Payments of mortgage note  | (28,838)                             | (26,745)             |
| Payments of bank note payable  | (174,774)                            |                      |
| Acquisition of treasury stock  |                                      | (477,885)            |
| <b>Net cash (used for) financing activities</b>  | <b>(203,612)</b>                     | <b>(504,630)</b>     |
| Effect of foreign currency on cash and cash equivalents                                      | (57,365)                             | 75,787               |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>   | <b>439,532</b>                       | <b>768,367</b>       |
| Cash and cash equivalents, at beginning of period  | 6,627,397                            | 10,387,250           |
| <b>CASH AND CASH EQUIVALENTS, AT END OF PERIOD</b>   | <b>\$ 7,066,929</b>                  | <b>\$ 11,155,617</b> |
| <b>SUPPLEMENTAL INFORMATION:</b>   |                                      |                      |
| Cash paid during the period for:   |                                      |                      |
| Taxes  | \$ 257,850                           | \$ 577,840           |

|          |                        |    |         |    |         |
|----------|------------------------|----|---------|----|---------|
| Interest |                        | \$ | 148,881 | \$ | 111,770 |
|          | See accompanying notes |    |         |    |         |



**WIRELESS TELECOM GROUP, INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES**

The condensed, consolidated balance sheet as of June 30, 2009 and the condensed, consolidated statements of operations for the three and six month periods ended June 30, 2009 and 2008 and the condensed, consolidated statements of cash flows for the six month periods ended June 30, 2009 and 2008 have been prepared by the Company without audit. The condensed, consolidated financial statements include the accounts of Wireless Telecom Group, Inc. and its wholly-owned subsidiaries Boonton Electronics Corporation, Microlab/FXR, Willtek Communications GmbH, WTG Foreign Sales Corporation and NC Mahwah, Inc., collectively the Company. All significant intercompany transactions and balances have been eliminated in consolidation.

In the opinion of management, the accompanying condensed consolidated financial statements referred to above contain all necessary adjustments, consisting of normal accruals and recurring entries, which are necessary to present fairly the Company's results for the interim periods being presented.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including inventory valuation, accounts receivable valuation, valuation of deferred tax assets, accrued warranty expense and estimated fair values of stock options) and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of net revenue and expenses during the reporting period. Actual results could differ from those estimates.

The accounting policies followed by the Company are set forth in Note 1 to the Company's financial statements included in its annual report on Form 10-K for the year ended December 31, 2008. Specific reference is made to that report since certain information and footnote disclosures normally included in financial statements in accordance with US GAAP have been condensed or omitted from this report.

The results of operations for the three and six-month periods ended June 30, 2009 and 2008 are not necessarily indicative of the results to be expected for the full year.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and U.S. treasury investments and accounts receivable.

At June 30, 2009 and December 31, 2008, an unrelated customer represented 34% and less than 1% of the outstanding accounts receivable balance, respectively. Sales to this unrelated customer accounted for approximately 29% and 28% of sales, respectively, for the three and six months ended June 30, 2009 and approximately 12% and 9% of sales, respectively, for the three and six months ended June 30, 2008.

The Company maintains significant cash investments primarily with three financial institutions, which at times may exceed federally insured limits. The Company performs periodic evaluations of the relative credit rating of these institutions as part of its investment strategy.

Concentrations of credit risk with respect to accounts receivable are limited due to the Company's large customer base. However, at June 30, 2009, primarily all of the Company's receivables do pertain to the telecommunications industry.

The carrying amounts of cash and cash equivalents, short-term investments, trade receivables, other current assets and accounts payable approximate fair value due to the short-term nature of these instruments. The carrying value of mortgage and notes payable approximate fair value based on their terms which reflect market conditions existing as of June 30, 2009.

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of bank and money market accounts.

**WIRELESS TELECOM GROUP, INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (Continued)**

The Company classifies investments as short-term investments if their original or remaining maturities are greater than three months and their remaining maturities are one year or less. As of June 30, 2009, the Company had approximately \$1,000,000 and \$996,000 invested in U.S. treasury bills with maturity dates of August 6, 2009 and November 19, 2009, respectively.

The Company has evaluated subsequent events through August 13, 2009, which is the date on which these condensed, consolidated financial statements were issued. Subsequent to June 30, 2009, the Company received cash payment in the amount of \$3,281,961 from the unrelated customer discussed above. This payment satisfied 100% of the customer's open accounts receivable balance at June 30, 2009. The Company has determined that there were no other subsequent events or transactions which would require recognition or disclosure in the condensed, consolidated financial statements.

Certain prior period information has been reclassified to conform to the current period's reporting presentation.

**NOTE 2 RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2009, the FASB issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (SFAS 168). SFAS 168 established the FASB Accounting Standards Codification (Codification), which officially launched July 1, 2009, to become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. The subsequent issuances of new standards will be in the form of Accounting Standards Updates that will be included in the Codification. Generally, the Codification is not expected to change U.S. GAAP. All other accounting literature excluded from the Codification will be considered non-authoritative. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company will adopt SFAS 168 for the quarter ending September 30, 2009. The Company is currently evaluating the effect on its financial statement disclosures as all future references to authoritative accounting literature will be references in accordance with the Codification.

In April 2009, the FASB issued FSP No. FAS 107-1 and APB 28-1, Interim Disclosures about Fair Value of Financial Instruments. This FSP essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the FSP requires certain additional disclosures regarding the methods and significant assumptions used to estimate fair value of financial instruments. This FSP was effective for the Company beginning April 1, 2009 on a prospective basis. The additional disclosures required by this standard are included in Note 1.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133, which amends and expands the disclosure requirements of SFAS 133 to require qualitative disclosure about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. This statement became effective for the Company beginning in fiscal 2009 and did not have an impact on the Company's condensed consolidated financial statements.

In December 2007, the FASB issued two new statements: (a.) SFAS No. 141 (revised 2007), Business Combinations, and (b.) No. 160 Non-controlling Interests in Consolidated Financial Statements. These statements became effective for fiscal years beginning after December 15, 2008. The application of these standards is intended to improve, simplify and converge internationally the accounting for business combinations and the reporting of non-controlling interests in consolidated financial statements. Effective January 2009, the Company adopted SFAS 141(R) and SFAS 160. The adoption of these standards did not have any impact on its condensed consolidated financial statements.

**WIRELESS TELECOM GROUP, INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**NOTE 2 RECENT ACCOUNTING PRONOUNCEMENTS (Continued)**

(a.) SFAS No. 141(R) requires an acquiring entity in a business combination to: (i) recognize all (and only) the assets acquired and the liabilities assumed in the transaction, (ii) establish an acquisition-date fair value as the measurement objective for all assets acquired and the liabilities assumed, and (iii) disclose to investors and other users all of the information they will need to evaluate and understand the nature of, and the financial effect of, the business combination, and, (iv) recognize and measure the goodwill acquired in the business combination or a gain from bargain purchase.

(b.) SFAS No. 160 is intended to improve the relevance, comparability and transparency of financial information provided to investors by requiring all entities to: (i) report non-controlling (minority) interests in subsidiaries in the same manner, as equity but separate from the parent's equity, in consolidated financial statements, (ii) net income attributable to the parent and to the non-controlling interest must be clearly identified and presented on the face of the consolidated statement of income, and (iii) any changes in the parent's ownership interest while the parent retains the controlling financial interest in its subsidiary be accounted for consistently.

**NOTE 3 INCOME TAXES**

The Company records deferred taxes in accordance with SFAS No. 109, Accounting for Income Taxes (SFAS 109). This statement requires recognition of deferred tax assets and liabilities for temporary differences between the tax basis of assets and liabilities and the amounts at which they are carried in the financial statements, based upon the enacted tax rates in effect for the year in which the differences are expected to reverse. The Company establishes a valuation allowance when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company periodically assesses the value of its deferred tax asset, which has been generated by a history of net operating losses and determines the necessity for a valuation allowance. The Company evaluates which portion, if any, will more likely than not be realized by offsetting future taxable income, taking into consideration any limitations that may exist on its use of its net operating loss carryforwards.

The income tax benefit for the three and six-months ended June 30, 2009 is primarily due to adjustments recorded for the recoverability of taxes paid in prior periods. The income tax provision for the three and six-months ended June 30, 2008 results from operating income derived from the Company's U.S. business entities and the net reduction of certain deferred tax benefits.

**NOTE 4 - INCOME (LOSS) PER COMMON SHARE**

Basic earnings (loss) per share is calculated by dividing income (loss) available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share are calculated by using the weighted average number of shares of common stock outstanding and, when dilutive, potential shares from stock options and warrants to purchase common stock, using the treasury stock method.

|   | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|---|--------------------------------|------------|------------------------------|------------|
|   | 2009                           | 2008       | 2009                         | 2008       |
| Weighted average common shares outstanding                    | 25,658,203                     | 25,665,775 | 25,658,203                   | 25,767,240 |
| Potentially dilutive stock options                            |                                |            |                              | 22,814     |
| Weighted average common shares outstanding, assuming dilution | 25,658,203                     | 25,665,775 | 25,658,203                   | 25,790,054 |

Common stock options were included in the diluted earnings (loss) per share calculation for the six months ended June 30, 2008 due to certain option exercise prices being greater than the average market price of the common shares for the periods

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presented. The weighted average number of potentially dilutive shares not included in diluted earnings (loss) per share for the three months ended June 30, 2009 and 2008 was 3,336,967 and 3,513,984, respectively. For the six months ended June 30, 2009 and 2008, the weighted average number of potentially dilutive shares not included in diluted earnings (loss) per share was 3,336,967 and 3,508,495, respectively.

**WIRELESS TELECOM GROUP, INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**NOTE 5 SHAREHOLDERS EQUITY**

On January 17, 2008 the Board of Directors authorized the repurchase of up to 5% of the Company's outstanding common stock. The stock repurchase authorization does not have an expiration date and the timing and amount of shares repurchased will be determined by a number of factors including the levels of cash generation from operations, cash requirements for investments, and current share price. During the first six-months ended June 30, 2008, the Company repurchased 295,958 shares at a cost of \$477,885. The Company did not repurchase shares during the six months ended June 30, 2009. The stock repurchase program is still active and may be modified or discontinued at any time.

Comprehensive income (loss) represents changes in equity during a period, except those resulting from investments by owners and distributions to owners. During the six-months ended June 30, 2009 and 2008, other comprehensive income (loss) consisted of foreign currency translation gains and losses. The net amounts recognized in other comprehensive income (loss) was \$245,374 and \$(9,272) for the three-months ended June 30, 2009 and 2008, respectively, and \$25,161 and \$(20,680) for the six-months ended June 30, 2009 and 2008, respectively.

|                                    | For the Three Months<br>Ended June 30, |                     | For the Six Months<br>Ended June 30, |                       |
|------------------------------------|--|---------------------|--------------------------------------|-----------------------|
|                                    | 2009                                   | 2008                | 2009                                 | 2008                  |
| Net income (loss)                  | \$ (76,907)                            | \$ (989,816)        | \$ (363,378)                         | \$ (1,518,793)        |
| Other comprehensive income (loss): |  |                     |                                      |                       |
| Foreign currency gain (loss)       | 245,374                                | (9,272)             | 25,161                               | (20,680)              |
| Comprehensive income (loss)        | <u>\$ 168,467</u>                      | <u>\$ (999,088)</u> | <u>\$ (338,217)</u>                  | <u>\$ (1,539,473)</u> |

**NOTE 6 INVENTORIES**

Inventory carrying value is net of inventory reserves of \$2,797,256 and \$2,729,259 at June 30, 2009 and December 31, 2008, respectively.

Inventories consist of:

|                 | June 30,<br>2009    | December 31,<br>2008 |
|-----------------|---------------------|----------------------|
| Raw materials   | \$ 4,774,910        | \$ 4,969,592         |
| Work-in-process | 2,077,897           | 2,223,859            |
| Finished goods  | 2,362,015           | 2,834,863            |
|                 | <u>\$ 9,214,822</u> | <u>\$ 10,028,314</u> |

**NOTE 7 - GOODWILL**

The Company reviews its goodwill for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable, and also reviews goodwill annually in accordance with Statement of Financial Accounting Standard ( SFAS ) No. 142. The process of evaluating the potential impairment of goodwill is ongoing.

subjective and requires significant judgment and estimates regarding future cash flows and forecasts. Goodwill represents the excess of the cost of an acquisition over fair value of net assets acquired. Testing for the impairment of goodwill involves a two step process. The first step of the impairment test requires the comparing of a reporting units fair value to its carrying value. If the carrying value is less than the fair value, no impairment exists and the second step is not performed. If the carrying value is higher than the fair value, there is an indication that impairment may exist and the second step must be performed to compute the amount of the impairment. In the second step, the impairment is computed by estimating the fair values of all recognized and unrecognized assets and liabilities of the reporting unit and comparing the implied fair value of reporting unit goodwill with the carrying amount of that unit's goodwill. At June 30, 2009 and December 31, 2008, goodwill is attributable to one of the Company's reporting units, Microlab/FXR.

**WIRELESS TELECOM GROUP, INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**NOTE 8 - ACCOUNTING FOR STOCK OPTIONS**

The Company follows the provisions of SFAS 123(R), Share-Based Payment. The Company's results for the three and six-month periods ended June 30, 2009 include share-based compensation expense totaling \$89,274 and \$178,548, respectively. Results for the three and six-month periods ended June 30, 2008 include share-based compensation expense of \$118,519 and \$237,038, respectively. Such amounts have been included in the Condensed Consolidated Statements of Operations within operating expenses.

Stock option compensation expense relative to serviced-based options is the estimated fair value of options granted, amortized on a straight-line basis over the requisite service period. Stock option compensation expense relating to performance-based options is the estimated fair value of options granted, recognized when stated performance targets are achieved.

The fair value of options is estimated at the date of grant using the Black-Scholes option pricing model. For the options granted, the Company took into consideration guidance under SFAS 123(R) and SEC Staff Accounting Bulletin No. 107 (SAB 107) when reviewing and updating assumptions. The expected option life is derived from assumed exercise rates based upon historical exercise patterns and represents the period of time that options granted are expected to be outstanding. The expected volatility is based upon historical volatility of our shares using weekly price observations over an observation period of three years. The risk-free rate is based on the U.S. treasury yield curve rate in effect at the time of grant for periods similar to the expected option life.

The Company did not grant stock options during the six-months ended June 30, 2009. However, during the six-months ended June 30, 2008, the Company granted 880,000 performance-based options at an exercise price of \$1.42. No stock options were exercised, forfeited or canceled during the six-months ended June 30, 2009. During the six-months ended June 30, 2008, no stock options were exercised, 22,500 options were forfeited and 37,520 options were canceled. At June 30, 2009, the total number of stock option shares outstanding, which includes both service-based and performance-based options, was 3,336,967.

The following table represents our service-based stock options granted, exercised, forfeited and canceled during the first six months of 2009:

|   | <u>Number of<br/>Shares</u> | <u>Weighted<br/>Average<br/>Exercise<br/>Price per<br/>share</u> | <u>Weighted<br/>Average<br/>Remaining<br/>Contractual<br/>Term</u> | <u>Aggregate<br/>Intrinsic<br/>Value</u> |
|---|-----------------------------|--|--|--|
| Service-based Stock Options<br>Outstanding at January 1, 2009 | 2,456,967                   | \$ 2.55  |  |  |
| Granted   |                             |  |  |  |
| Exercised   |                             |  |  |  |
| Forfeited   |                             |  |  |  |
| Canceled  |                             |  |  |  |
| Outstanding at June 30, 2009                                  | 2,456,967                   | \$ 2.55  | 4.6  |  |
| Exercisable at June 30, 2009                                  | 1,885,467                   | \$ 2.55  | 3.8  |  |

**WIRELESS TELECOM GROUP, INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**NOTE 8 - ACCOUNTING FOR STOCK OPTIONS (Continued)**

The following table represents our performance-based stock options granted, exercised, forfeited and canceled during the first six months of 2009:

|                                 | Number of<br>Shares | Weighted<br>Average<br>Exercise<br>Price per<br>share | Weighted<br>Average<br>Remaining<br>Contractual<br>Term | Aggregate<br>Intrinsic<br>Value |
|---------------------------------|---------------------|---|---|---------------------------------|
| Performance-based Stock Options |                     |   |   |                                 |
| Outstanding at January 1, 2009  | 880,000             | \$ 1.42   |   |                                 |
| Granted                         |                     |   |   |                                 |
| Exercised                       |                     |   |   |                                 |
| Forfeited                       |                     |   |   |                                 |
| Canceled                        |                     |   |   |                                 |
| Outstanding at June 30, 2009    | 880,000             | \$ 1.42   | 8.8   |                                 |
| Exercisable at June 30, 2009    |                     |   |   |                                 |

The unearned compensation related to Company granted service-based and performance-based incentive stock options as of June 30, 2009, is \$519,533 and \$556,766, respectively.

**NOTE 9 SEGMENT INFORMATION: REGIONAL ASSETS AND SALES**

The Company, in accordance with SFAS No. 131 Disclosures about Segments of an Enterprise and Related Information , has disclosed the following segment information:

| Property, Plant and Equipment - net | As of June<br>30,<br>2009 | As of<br>December<br>31,<br>2008 |
|-------------------------------------|---------------------------|----------------------------------|
| United States                       | \$ 4,623,156              | \$ 4,858,059                     |
| Europe                              | 837,033                   | 977,119                          |
|                                     | <b>\$ 5,460,189</b>       | <b>\$ 5,835,178</b>              |

| Revenues by region                 | For the Three Months<br>Ended June 30, |              | For the Six Months<br>Ended June 30, |               |
|------------------------------------|--|--------------|--------------------------------------|---------------|
|                                    | 2009                                   | 2008         | 2009                                 | 2008          |
| Americas                           | \$ 7,153,445                           | \$ 7,171,540 | \$ 14,766,417                        | \$ 13,853,814 |
| Europe, Middle East, Africa (EMEA) | 3,508,002                              | 4,355,989    | 6,333,408                            | 9,465,882     |



|      |                      |               |                      |               |
|------|----------------------|---------------|----------------------|---------------|
| Asia | <b>841,442</b>       | 1,480,334     | <b>1,764,807</b>     | 2,676,731     |
|      | <b>\$ 11,502,889</b> | \$ 13,007,863 | <b>\$ 22,864,632</b> | \$ 25,996,427 |

Net sales are attributable to a geographic area based on the destination of the product shipment.

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

Following an investigation by the New Jersey Department of Environmental Protection (NJDEP) in 1982, of the waste disposal practices at a certain site formerly leased by Boonton, the Company put a ground water management plan into effect as approved by the NJDEP. Costs associated with this site are charged directly to income as incurred. The owner of this site has notified the Company that if the NJDEP investigation proves to have interfered with a sale of the property, the owner may seek to hold the Company liable for any loss it suffers as a result. However, corporate counsel has informed management that, in their opinion, the owner would not prevail in any lawsuit filed due to the imposition by law of the statute of limitations. The Company will continue to be liable under the plan, in all future years, until such time as the NJDEP releases it from all obligations applicable thereto.

The Company is subject to contingent liabilities for employee notice and severance payments for any actions taken by management to restructure or reduce employees in Germany, the United States or other worldwide locations. These payments could have a significantly negative impact on the Company's cash flow and results of operations.

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**INTRODUCTION**

Wireless Telecom Group, Inc., and its operating subsidiaries, Boonton Electronics Corporation, Microlab/FXR and Willtek Communications GmbH, (collectively, the Company), develop, manufacture and market a wide variety of electronic noise sources, electronic testing and measuring instruments including power meters, voltmeters and modulation meters, high-power passive microwave components and handset production testers for wireless products. The Company's products have historically been primarily used to test the performance and capability of cellular/PCS and satellite communication systems and to measure the power of RF and microwave systems. Other applications include radio, radar, wireless local area network (WLAN) and digital television.

The financial information presented herein includes:

(i) Condensed Consolidated Balance Sheets as of June 30, 2009 (unaudited) and as of December 31, 2008 (ii) Condensed Consolidated Statements of Operations for the three and six-month periods ended June 30, 2009 (unaudited) and 2008 (unaudited) and (iii) Condensed Consolidated Statements of Cash Flows for the six month periods ended June 30, 2009 (unaudited) and 2008 (unaudited).

**FORWARD LOOKING STATEMENTS**

The statements contained in this Quarterly Report on Form 10-Q that are not historical facts, including, without limitation, the statements under Management's Discussion and Analysis of Financial Condition and Results of Operations, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as believes, expects, intends, plans, may, will, should, anticipates or continues or the negative thereof of other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. These statements are based on the Company's current expectations of future events and are subject to a number of risks and uncertainties that may cause the Company's actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, product demand and development of competitive technologies in our market sector, the impact of competitive products and pricing, the loss of any significant customers, the effects of adoption of newly announced accounting standards, the effects of economic conditions and trade, legal and other economic risks, among others. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. These risks and uncertainties are disclosed from time to time in the Company's filings with the Securities and Exchange Commission, the Company's press releases and in oral statements made by or with the approval of authorized personnel. The Company assumes no obligation to update any forward-looking statements as a result of new information or future events or developments.

**CRITICAL ACCOUNTING POLICIES**

Management's discussion and analysis of the financial condition and results of operations are based upon the Company's condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses for each period. The following represents a summary of the Company's critical accounting policies, defined as those policies that the Company believes are: (a) the most important to the portrayal of its financial condition and results of operations, and (b) that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain.

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(Continued)**

***Share-Based Compensation***

The Company follows the provisions of Statement of Financial Accounting Standards SFAS 123(R), Share-Based Payment. The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. For the performance-based options granted in 2008, the Company took into consideration guidance under SFAS 123(R) and SEC Staff Accounting Bulletin No. 107 (SAB 107) when reviewing and updating assumptions. The expected option life is derived from assumed exercise rates based upon historical exercise patterns and represents the period of time that options granted are expected to be outstanding. The expected volatility is based upon historical volatility of our shares using weekly price observations over an observation period of three years. The risk-free rate is based on the U.S. treasury yield curve rate in effect at the time of grant for periods similar to the expected option life. Due to the Company's history with respect to incentive stock options, the estimate of forfeitures included in the option valuation was zero.

***Revenue Recognition***

Revenue from product shipments, including shipping and handling fees, is recognized once delivery has occurred provided that persuasive evidence of an arrangement exists, the price is fixed or determinable, and collectibility is reasonably assured. Delivery is considered to have occurred when title and risk of loss have transferred to the customer. Sales to international distributors are recognized in the same manner. If title does not pass until the product reaches the customer's delivery site, then recognition of revenue is deferred until that time. There are no formal sales incentives offered to any of the Company's customers. Volume discounts may be offered from time to time to customers purchasing large quantities on a per transaction basis. There are no special post shipment obligations or acceptance provisions that exist with any sales arrangements.

***Valuation of Inventory***

Raw material inventories are stated at the lower of cost (first-in, first-out method) or market. Finished goods and work-in-process are valued at average cost of production, which includes material, labor and manufacturing expenses.

***Allowances for Doubtful Accounts***

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. A key consideration in estimating the allowance for doubtful accounts has been, and will continue to be, our customer's payment history and aging of its accounts receivable balance. If the financial condition of any of its customers were to decline, additional allowances might be required.

***Income Taxes***

As part of the process of preparing the condensed consolidated financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. The process incorporates an assessment of the current tax exposure together with temporary differences resulting from different treatment of transactions for tax and financial statement purposes. Such differences result in deferred tax assets and liabilities, which are included within the condensed consolidated balance sheet. The recovery of deferred tax assets from future taxable income must be assessed and, to the extent that recovery is not likely, the Company establishes a valuation allowance. Increases in valuation allowances result in the recording of additional tax expense. Further, if the ultimate tax liability differs from the periodic tax provision reflected in the condensed consolidated statements of operations, additional tax expense may be recorded.

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**(Continued)**

***Valuation of goodwill***

The Company reviews its goodwill for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable, and also reviews goodwill annually in accordance with SFAS No. 142. The process of evaluating the potential impairment of goodwill is ongoing, subjective and requires significant judgment and estimates regarding future cash flows and forecasts. Goodwill represents the excess of the cost of an acquisition over fair value of net assets acquired. Testing for the impairment of goodwill involves a two step process. The first step of the impairment test requires the comparing of a reporting unit's fair value to its carrying value. If the carrying value is less than the fair value, no impairment exists and the second step is not performed. If the carrying value is higher than the fair value, there is an indication that impairment may exist and the second step must be performed to compute the amount of the impairment. In the second step, the impairment is computed by estimating the fair values of all recognized and unrecognized assets and liabilities of the reporting unit and comparing the implied fair value of reporting unit goodwill with the carrying amount of that unit's goodwill. At June 30, 2009 and December 31, 2008, goodwill is attributable to one of the Company's reporting units, Microlab/FXR.

**RESULTS OF OPERATIONS**

The following discussion of our financial condition and results of operations should be read in conjunction with our interim condensed consolidated financial statements and the notes to those statements included in Part I, Item I of this Quarterly Report on Form 10-Q and in conjunction with the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2008.

For the six-months ended June 30, 2009 as compared to the corresponding period of the previous year, net sales decreased to approximately \$22,865,000 from approximately \$25,996,000 a decrease of approximately \$3,131,000 or 12.0%. For the three-months ended June 30, 2009 as compared to the corresponding period of the previous year, net sales decreased to approximately \$11,503,000 from approximately \$13,008,000 a decrease of approximately \$1,505,000 or 11.6%. These decreases are primarily due to an overall softness in the wireless handset market. Further, for the periods presented herein, a significant percentage of the resulting sales are attributable to an unrelated customer. Sales to this unrelated customer accounted for approximately 29% and 28% of sales, respectively, for the three and six months ended June 30, 2009 and approximately 12% and 9% of sales, respectively, for the three and six months ended June 30, 2008.

Gross profit on net sales for the six-months ended June 30, 2009 was approximately \$11,187,000 or 48.9% as compared to approximately \$12,380,000 or 47.6% of net sales for the six-months ended June 30, 2008. Gross profit on net sales for the three-months ended June 30, 2009 was approximately \$5,536,000 or 48.1% as compared to approximately \$6,215,000 or 47.8% of net sales for the three-months ended June 30, 2008. Gross profit margins are higher primarily due to more favorable product mix, particularly in the Company's foreign subsidiary, and lower manufacturing labor and overhead costs. The Company can experience variations in gross profit based upon the mix of products sold as well as variations due to revenue volume and economies of scale. The Company continues to carefully monitor costs associated with material acquisition, manufacturing and production.

Operating expenses for the six-months ended June 30, 2009 were approximately \$12,012,000 or 53% of net sales as compared to approximately \$14,005,000 or 54% of net sales for the six-months ended June 30, 2008. Operating expenses for the quarter ended June 30, 2009 were approximately \$6,010,000 or 52% as compared to approximately \$7,282,000 or 56% of net sales for the quarter ended June 30, 2008. Operating expenses are lower during the first six months of 2009 primarily due to a reduction in headcount, lower professional and consulting fees and positive effects on the Company's expenses due to lower average foreign currency exchange rates. Additionally, due to the Company's decision to write-off of its intangible assets at December 31, 2008, no intangible amortization expense was incurred during 2009. During the first quarter of 2009, the Company made a decision to shift some of its research and development to a consultant in the U.S. The objective of this decision is both to improve our competitive position and to further improve operating results in future periods. Additionally, during the first quarter of 2008, the Company implemented a cost reduction plan to bring operations spending more closely in line with near-term market conditions.

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**  
**(Continued)**

Interest income decreased by approximately \$78,000 for the three-months ended June 30, 2009 as compared to the corresponding period of the previous year. For the six-month period ended June 30, 2009, interest income decreased by approximately \$159,000 as compared to the corresponding period of the previous year. These decreases were primarily due to lower interest rates and lower average cash and short-term investment balances, and consequently lower returns, in a working capital management account.

For the three and six-months ended June 30, 2009, other income decreased by approximately \$237,000 and \$323,000, respectively. These decreases were primarily due to non-operating income realized in the second quarter of 2008 relating to the partial recovery of a preferred stock investment previously written-off in a prior period.

For the six-months ended June 30, 2009, the Company incurred a net (loss) of approximately \$(363,000), or \$(.01) per share basic and diluted, as compared to a net (loss) of approximately \$(1,519,000), or \$(.06) per share basic and diluted for the six-months ended June 30, 2008. For the three-months ended June 30, 2009, the Company incurred a net (loss) of approximately \$(77,000), or \$(.00) per share basic and diluted, as compared to a net (loss) of approximately \$(990,000), or \$(.04) per share basic and diluted for the three-months ended June 30, 2008. The explanation of the change in net (loss) can be derived from the operations analysis given above for the three and six-month periods ending June 30, 2009 and 2008, respectively.

**LIQUIDITY AND CAPITAL RESOURCES:**

The Company's working capital has increased by approximately \$163,000 to approximately \$24,957,000 at June 30, 2009, from approximately \$24,794,000 at December 31, 2008. At June 30, 2009 the Company had a current ratio of 4.9 to 1, and a ratio of debt to tangible net worth of .4 to 1. At December 31, 2008, the Company had a current ratio of 4.6 to 1, and ratio of debt to tangible net worth of .4 to 1.

The Company had a combined cash and short-term investment balance of approximately \$9,103,000 at June 30, 2009, compared to approximately \$11,643,000 at December 31, 2008. The Company believes its current level of cash and short-term investments is sufficient enough to fund the current operating, investing and financing activities. The Company believes the full benefit of the cost actions taken over the past twelve months, along with additional productivity initiatives in process, will further reduce our cost structure and will bring expenses in-line with the near-term market dynamics.

The Company used cash for operating activities of approximately \$2,224,000 for the six-month period ending June 30, 2009. The use of this cash for operations was primarily due to an increase in accounts receivable, a decrease in accounts payable, accrued expenses and other current liabilities, and an increase in prepaid expenses and other assets, partially off-set by a decrease in inventory.

The Company has historically been able to collect its account receivables approximately every two months. This average collection period has been sufficient to provide the working capital and liquidity necessary to operate the Company. The Company continues to monitor production requirements and delivery times while maintaining manageable levels of goods on hand.

The Company realized cash from operating activities of approximately \$1,457,000 for the six-month period ending June 30, 2008. The primary source of this cash was due to a decrease in inventory and a decrease in accounts receivable, partially off-set by a decrease in accounts payable, accrued expenses and other current liabilities, an increase in prepaid expenses and other assets and a decrease in income taxes payable.

Net cash provided by investing activities for the six-months ended June 30, 2009 was approximately \$2,924,000. The primary source of these funds was from the sale of short-term securities, off-set by capital expenditures. For the six-months ended 2008, net cash used for investing activities was approximately \$260,000. The use of these funds was for capital expenditures, off-set by proceeds from the dispositions of property, plant and equipment.

Cash used for financing activities for the six-months ended June 30, 2009 was approximately \$204,000. The use of these funds was for the periodic payments of a bank loan and a mortgage note. Cash used for financing activities for the six-months ended June 30, 2008 was approximately \$505,000. The use of these funds was for the acquisition of treasury stock and the periodic payment of a mortgage note.

**ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
(Continued)**

On January 17, 2008, the Company's Board of Directors authorized the repurchase of up to 5% of the Company's common stock. The stock repurchase authorization does not have an expiration date and the timing and amount of shares will be determined by a number of factors including the levels of cash generation from operations, cash requirements for investments, and current share price. During the first six-months ended June 30, 2008, the Company repurchased 295,958 shares at a cost of \$477,885. The Company did not repurchase shares during the six-months ended June 30, 2009. The stock repurchase program may be modified or discontinued at any time.

The Company believes that its financial resources from working capital provided by operations are adequate to meet its current needs. However, should current global economic conditions continue to deteriorate, additional working capital funding may be required which may be difficult to obtain due to restrictive credit markets.

**INFLATION AND SEASONALITY**

The Company does not anticipate that inflation will significantly impact its business or its results of operations nor does it believe that its business is seasonal.

**ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

**ITEM 4 - CONTROLS AND PROCEDURES**

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, as of the end of the period covered by this report, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Act of 1934. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be included in our Securities and Exchange Commission (SEC) reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, relating to Wireless Telecom Group, Inc., including our consolidated subsidiaries, and was made known to them by others within those entities, particularly during the period when this report was being prepared. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of the period covered by this report, our disclosure controls and procedures are effective at these reasonable assurance levels.

(b) Changes in Internal Controls over Financial Reporting

In connection with the evaluation required by paragraph (d) of Rule 13a-15 under the Exchange Act, there was no change identified in our internal control over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

## Item 1. LEGAL PROCEEDINGS

The Company is not aware of any material legal proceeding against the Company or in which any of their property is subject.

## Item 1A. RISK FACTORS

The Company is not aware of any material changes from risk factors as previously disclosed in its Form 10-K for the year ended December 31, 2008.

## Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

## Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

## Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) The Registrant held its Annual Meeting of Stockholders on June 11, 2009. The following proposal was adopted by the votes indicated.

(b) (c) (1) Seven directors were elected at the Annual Meeting to serve until the Annual Meeting of Stockholders in 2010. The names of these Directors and the votes cast in favor of their election and shares withheld are as follows:

| NAME                     | VOTES FOR  | VOTES WITHHELD |
|--------------------------|------------|----------------|
| Savio W. Tung            | 20,151,509 | 3,306,685      |
| James M. (Monty) Johnson | 20,160,361 | 3,297,832      |
| Hazem Ben-Gacem          | 20,149,498 | 3,308,695      |
| Henry L. Bachman         | 20,127,459 | 3,330,735      |
| Rick Mace                | 20,164,887 | 3,293,307      |
| Adrian Nemcek            | 20,230,185 | 3,228,009      |
| Joseph Garrity           | 20,715,314 | 2,742,880      |

## Item 5. OTHER INFORMATION

None.

## Item 6. EXHIBITS

| Exhibit No. | Description  |
|-------------|--|
| 31.1        | Certification Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 (Principal Executive Officer)  |
| 31.2        | Certification Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 (Principal Financial Officer)  |
| 32.1        | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (Principal Executive Officer) |
| 32.2        | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (Principal Financial Officer) |





**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WIRELESS TELECOM GROUP, INC.

\_\_\_\_\_  
(Registrant)

Date: August 13, 2009

/S/Paul Genova  
\_\_\_\_\_

Paul Genova  
(Interim) Chief Executive Officer

Date: August 13, 2009

/S/Paul Genova  
\_\_\_\_\_

Paul Genova  
President, Chief Financial Officer

**EXHIBIT LIST**

| <b>Exhibit<br/>No.</b> | <b>Description</b>   |
|------------------------|--|
| 31.1                   | Certification Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 (Principal Executive Officer)  |
| 31.2                   | Certification Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 (Principal Financial Officer)  |
| 32.1                   | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (Principal Executive Officer) |
| 32.2                   | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (Principal Financial Officer) |

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