

Tranzeo's third quarter 2007 results show revenue up and gross profit up over Q3 2006.

Pitt Meadows, British Columbia – November 15, 2007 —Tranzeo Wireless Technologies Inc. (TSX:TZT), a leading producer of high-speed wireless broadband communication systems, reports results for the third quarter ended September 30, 2007.

Financial Highlights for the Quarter

- Revenue increased 2% to 4.6 million, year over year
- Gross profit improved 9% year over year to \$1.8 million
- Gross margin percentage improved 7% year over year to 39.1% of sales
- Earnings after tax decreased 50% to \$0.2 million, from Q2 2007

Revenues Increased

Revenue for the third quarter of 2007 increased to \$4.6 million from \$4.5 million for the same period in 2006, representing a 2% increase. Year to date revenue increased to \$14.7 from \$13.8 million for the same period in 2006, representing a 6% increase.

Tranzeo attributes the increase to ongoing growth in demand for its wireless products, new products being offered, competitive pricing and accelerating expansion of its dealer and distributor base.

Gross Profit Improved

Gross profit increased to \$1.8 million for the third quarter of 2007 from \$1.6 million for the same period in 2006, representing a 9% increase. Gross margins were 39.1% for the third quarter of 2007, compared to 36.4% for the same period in 2006. Year to date gross margin increased to \$5.8 million from \$4.8 million for the same period in 2006, representing a 19% increase. The continual increase in gross margins is attributable to lower manufacturing costs, achieved by bringing additional manufacturing processes in house away from third party supplier manufacturing. Larger component purchases – fuelled by increased sales – have brought further cost savings. Management expects further cost saving improvements will be achieved.

Earnings Decreased

Earnings after tax for the third quarter of 2007 decreased by 50% to \$0.2 million from \$0.4 million for the previous three months ended June 30 2007. As a percentage of revenue after tax earnings represented 4.4% in the third quarter of 2007 compared to 7.6% for the second quarter in 2007. EBITDA for the third quarter of 2007 decreased to \$0.52 million from EBITDA of \$0.78 million for the second quarter of 2007. As a percentage of revenue, EBITDA represented 11.4% in the third quarter of 2007 and 14.8% in the second quarter of 2007. The impact of foreign exchange movement in regards to US\$ sales is significantly reduced as the company has natural foreign exchange hedging through the incurrence of US\$ expenses.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. We use words such as “anticipate”, “plan”, “expect”, “believe”, “intend” and similar expressions to identify forward-looking statements that relate to our business, management, operating results and financial condition. These statements are not historical facts, but reflect our current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risk Factors” and other sections of our prospectus which may be found on SEDAR at www.sedar.com.

About Tranzeo

At the forefront of the growing fixed wireless industry, Tranzeo Wireless Technologies Inc. (TSX:TZT) designs, builds and distributes a full range of high-bandwidth wireless data network and WiMax products. Our innovative approach and in-house expertise ensures our products are reliable yet affordable, offer state-of-the-art features, and are easy to install, operate and deploy. We are continually adding products and features to provide our customers with the latest available innovations and end-to-end fixed wireless solutions, through a growing global network of distributors. For more information about our company and our products, visit www.tranzeo.com.

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TRANZEO WIRELESS TECHNOLOGIES INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30 2007

(Unaudited)

(IN CANADIAN DOLLARS)

INTERIM CONSOLIDATED BALANCE SHEETS

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TRANZEO WIRELESS TECHNOLOGIES INC.

Interim Consolidated Balance Sheet

	Sept 30, 2007 (Unaudited)	Dec. 31, 2006
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 1,054,244	\$ 389,249
Accounts receivable.....	3,180,889	1,472,965
Current portion of future income taxes.....	253,504	412,729
Prepaid expenses	470,887	268,454
Inventories (Note 3).....	6,034,264	4,208,724
	10,993,788	6,752,121
Property plant, and equipment	10,682,031	5,824,907
Deferred development costs.....	1,542,531	236,041
Future income taxes.....	218,540	-
	\$ 23,436,890	\$ 12,813,069
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities.....	\$ 1,782,247	\$ 2,253,781
Current portion of capital lease obligation (Note 8).....	476,723	513,843
	2,258,970	2,767,624
Future income taxes.....	-	5,201
Capital lease obligation (Note 8).....	641,504	971,668
	2,900,474	3,744,493
Shareholders' equity:		
Share Capital (Note 6).....	17,491,824	7,343,319
Contributed Surplus	668,634	292,566
Retained Earnings	2,375,958	1,432,691
	20,536,416	9,068,576
	\$ 23,436,890	\$ 12,813,069

Commitments and Contingencies (Note 8)

The accompanying notes are an integral part of these consolidated financial statements

TRANZEO WIRELESS TECHNOLOGIES INC.

Interim Consolidated Statements of Operations and Deficit (Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Sales.....	\$4,601,415	\$4,523,692	\$14,661,941	\$13,803,901
Cost of goods sold.....	2,800,785	2,877,051	8,900,363	8,968,955
Gross Profit.....	<u>1,800,630</u>	<u>1,646,641</u>	<u>5,761,578</u>	<u>4,834,946</u>
Expenses				
Sales and marketing.....	446,554	250,899	1,198,784	916,303
Research and development (Note 4).....	147,506	37,456	666,886	187,129
General and administrative.....	624,550	593,408	1,804,430	1,512,183
Amortization.....	177,217	101,152	459,159	317,790
	<u>1,395,827</u>	<u>982,915</u>	<u>4,129,259</u>	<u>2,933,405</u>
Earnings from operations.....	404,803	663,726	1,632,319	1,901,541
Other expenses (income)				
Interest Income.....	(12,774)	-	(71,814)	-
Interest on long term debt.....	34,832	28,130	114,688	68,392
Foreign exchange loss.....	57,564	10,237	76,245	21,330
	<u>79,622</u>	<u>38,367</u>	<u>119,119</u>	<u>89,722</u>
Earnings before income taxes.....	325,181	625,359	1,513,200	1,811,819
Income taxes (Note 4).....	124,080	213,364	569,934	515,247
Net earnings	201,101	411,995	943,266	1,296,572
Retained Earnings (deficit), beginning of period.....	<u>2,174,857</u>	<u>767,170</u>	<u>1,432,692</u>	<u>(117,407)</u>
Retained earnings, end of period.....	<u>\$2,375,958</u>	<u>\$1,179,165</u>	<u>\$2,375,958</u>	<u>\$1,179,165</u>
Earnings per share for the period (Note 6)				
Basic.....	\$.01	\$.02	\$.04	\$.06
Diluted.....	<u>\$.01</u>	<u>\$.02</u>	<u>\$.04</u>	<u>\$.06</u>
Weighted average number of shares - basic.....	26,278,405	21,927,485	25,550,908	21,927,485

The accompanying notes are an integral part of these consolidated financial statements

TRANZEO WIRELESS TECHNOLOGIES INC.

Interim Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Cash flows from operating activities:				
Net income for the period	\$201,101	\$411,995	\$943,266	\$1,296,572
Adjustments to reconcile net loss to net cash from operating activities:				
Amortization	177,217	101,153	459,159	317,790
Amortization of deferred developments costs.....	23,850	-	43,500	-
Interest on capital leases.....	34,832	28,500	114,688	68,984
Future income taxes.....	(35,920)	7,350	(64,516)	172,183
Stock based compensation.....	38,497	-	158,135	-
	<u>439,577</u>	<u>548,998</u>	<u>1,654,232</u>	<u>1,855,529</u>
Changes in working capital assets and liabilities:				
Prepaid expenses.....	15,965	(38,923)	(202,433)	(13,644)
Accounts receivable.....	(228,651)	408,224	(1,707,924)	(836,149)
Accounts payable and accrued liabilities.....	(804,919)	(214,385)	(471,533)	295,916
Inventories.....	(486,437)	(44,479)	(1,825,540)	211,195
Net cash flows used in operating activities	<u>(1,064,465)</u>	<u>659,435</u>	<u>(2,553,198)</u>	<u>1,512,847</u>
Cash flows from investing activities				
Additions to property, plant and equipment	(734,589)	(371,606)	(5,316,283)	(1,525,627)
Deferred development expenses.....	(664,539)	-	(1,289,052)	-
Net cash flows from investing activities	<u>(1,399,128)</u>	<u>(371,606)</u>	<u>(6,605,335)</u>	<u>(1,525,627)</u>
Cash flows from financing activities:				
Capital lease obligation.....	(163,936)	(86,926)	(481,972)	(346,043)
Issuance of common shares net.....	-	-	10,305,500	-
Net cash flows from financing activities	<u>(163,936)</u>	<u>(86,926)</u>	<u>9,823,528</u>	<u>(346,043)</u>
Net increase (decrease) in cash.....	(2,627,529)	200,903	664,995	(358,823)
Cash, beginning of period.....	<u>3,681,773</u>	<u>602,213</u>	<u>389,249</u>	<u>1,161,939</u>
Cash, end of period.....	<u>\$ 1,054,244</u>	<u>\$ 803,116</u>	<u>\$1,054,244</u>	<u>\$803,116</u>
Supplementary cash information				
Cash paid for interest.....	\$34,832	\$28,130	\$114,688	\$68,392

The accompanying notes are an integral part of these consolidated financial statements

TRANZEO WIRELESS TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements
(Unaudited)
September 30, 2007

1. OPERATIONS

Tranzeo Wireless Technologies Inc. (the “Company”) was incorporated on December 6, 2000 under the Company Act, British Columbia, and was continued as a Canadian Federal Corporation on April 1, 2004 under the Canada Business Corporations Act. The Company was formed for the purpose of developing and selling wireless internet connectivity solutions.

On October 4, 2005, the Company’s common shares were listed and called for trading on the Toronto Stock Exchange (“TSX”) under the symbol TZT after completing an initial public offering.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These financial statements are expressed in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles.

Certain comparative figures have been reclassified to conform with the current year’s method of presentation.

(b) Interim financial statements

These interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2006. The disclosure in these interim consolidated financial statements do not meet all disclosure requirements of Canadian generally accepted accounting principles for annual financial statements.

(c) Principles of Consolidation

These financial statements have been prepared on a consolidated basis and include the accounts of the Company and its wholly owned subsidiaries, Tranzeo EMC Laboratories Inc, Tranzeo Wireless Technologies USA Inc and Tranzeo Wireless Technologies Ireland Limited. All significant inter-company balances, revenues and expenditures have been eliminated.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets and useful lives for depreciation and amortization, fair values of financial instruments, the future income tax valuation allowance, and the determination of fair value for stock-based awards and compensation. Where estimates have been used financial results as determined by actual events could differ from those estimates.

TRANZEO WIRELESS TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

3. INVENTORIES

	September 30 2007	December 31 2006
Raw materials	5,234,636	3,412,758
Finished goods	799,428	795,966
	6,034,264	4,208,724

4. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	Quarter Ended September 30 2007	Quarter Ended September 30 2006
	\$	\$
Income before income taxes	325,181	625,359
Stock based compensation – non deductible	38,497	
Income for tax purposes	363,678	625,539
Current income taxes at statutory rates-34.12%	124,080	213,364

Tax Credits:

The Company is entitled to claim certain tax credits from the federal and provincial governments in respect of qualifying expenditures incurred in carrying out Scientific Research and Experimental Development (SR&ED) in Canada. The Company recorded \$80,000 (2006 - \$326,780) of tax credits which was applied to reduce research and development expenses in the current quarter and \$100,992 (2006 - \$122,000) of refundable tax credits in the first quarter of 2007 and \$150,000 (2006 - \$237,000) of refundable tax credits in the second quarter of 2007.

TRANZEO WIRELESS TECHNOLOGIES INC.

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 2007

5. SHARE CAPITAL

On May 19, 2005, the Company amended its authorized share capital from 100,000,000 common shares to an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. Preferred shares are entitled to priority over the common shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company.

Authorized:

Unlimited voting common shares, no par value

Unlimited preferred shares, no par value

Issued:

	Common	\$
Balance at December 31, 2006	21,927,485	7,343,319
Issued for asset acquisition	840,337	2,000,000
Public Equity Financing	3,200,000	8,000,000
Agents Warrants from IPO exercised	2,333	5,133
Stock Options exercised	25,500	25,500
Share Warrants from IPO exercised	282,750	706,875
Agency fees		(480,000)
Agency warrant – stock based compensation to Contributed Surplus		(143,241)
Equity Financing - stock based compensation to Contributed Surplus		(13,754)
Financing costs		(175,749)
Balance at Sept 30, 2007	26,278,405	17,268,083
Tax benefit recognized on share financing charges		223,741
Balance at Sept 30, 2007	26,278,405	17,491,824

Stock Options

The following table summarizes stock option transactions that occurred during the period:

	Number of Common Shares subject to Options	Weighted Average Exercise Price per Share
Balance, December 31, 2006	1,708,000	1.18
Granted	520,110	1.60
Exercised	(25,500)	1.00
Expired	-	-
Cancelled	(165,162)	2.47
Balance, Sept 30, 2007	2,037,448	1.18

The weighted average remaining life of the options as at December 31, 2006 was 9.75.

Share Purchase Warrants

The following table summarizes outstanding warrants:

	Warrants	Weighted Average Exercise Price \$	Weighted Average Remaining Life (Years)
Breakdown at December 31, 2006			
Warrants from initial public offering (Note a)	1,196,412	\$2.50	-
Agent warrants	298,503	\$2.20	0.01
Balance as at December 31, 2006	1,494,915	\$2.44	0.01
Current Year Activity			
IPO Warrants exercised	(282,750)	\$2.50	
IPO Warrants expired	(913,662)	\$2.50	
Agents warrants from Feb 14 share offering	192,000	\$2.50	0.38
Agents Warrants from IPO exercised	(2,333)	\$2.20	
Balance at Sept 30, 2007	488,170	\$2.32	0.15

7. EARNINGS PER SHARE

The following is a reconciliation of basic and diluted net earnings per share:

	Sept 30, 2007	Sept 30, 2006
	\$	\$
Net income available to shareholders	201,101	411,995
Weighted average shares outstanding	26,278,405	21,927,485
Effect of dilutive securities, stock options and warrants	446,434	388,101
	26,724,839	22,315,586
Basic earnings per share	\$ 0.01	\$ 0.02
Diluted earnings per share	\$ 0.01	\$ 0.02

TRANZEO WIRELESS TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
(Unaudited)
September 30, 2007

8. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company has operating lease commitments for office premises, office equipment, and vehicles, requiring payments in each of the five years as follows (see Note 9 – Related Party Transactions):

	\$
2007	422,760
2008	357,543
2009	318,730
2010	257,388
2011	240,188
	<u>1,596,608</u>

Capital Lease Obligations

The following is a schedule of future minimum lease payments under the capital leases expiring July 31 2010 together with the balance of the obligation under capital lease.

Year ending December 31	\$
2007	177,293
2008	550,919
2009	461,032
2010	85,416
Total minimum lease payments as at September 30 2007	1,274,650
Amount representing interest at 13.5%	(156,423)
Balance of the obligation	1,118,227
Current Portion	476,723
Long term portion	<u>641,504</u>

9. RELATED PARTY TRANSACTIONS

The Company paid or accrued total rent of \$60,048 in current quarter (\$60,048 September 30, 2006) to companies owned by the President of the Company. Included in lease commitments (Note 8) is \$1,200,940 (2006 – \$1,206,940) that will be payable to these related companies over the next five years.

The Company purchased raw materials of \$416,989 (2006 - \$683,222) in the current quarter from a company whose chief executive officer is a director of the Company. Included in accounts payable is \$166,356 (2006 - \$432,317) payable to the same related company.

TRANZEO WIRELESS TECHNOLOGIES INC.

Notes to Consolidated Financial Statements
(Unaudited)
September 30, 2007

10. SEGMENTED INFORMATION

	Canada	US	Other	Total
	\$	\$	\$	\$
September 30, 2007				
Sales	2,809,160	9,617,173	2,235,608	14,661,941
Capital assets	10,682,031	-	-	10,682,031
September 30, 2006				
Sales	2,317,844	9,876,883	1,608,621	13,803,901
Capital assets	4,775,513	-	-	4,775,513