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OTCBB: WTRO.OB

Wi-Tron Inc., Announces Results of First Quarter 2006 Operations

RARITAN, N.J., May 30, 2006 -- Wi-Tron, Inc. (OTCBB: [WTRO](#) - [News](#)), a manufacturer of ultra-linear high power amplifiers, today announced a net loss of (\$319,156) for the quarter ended March 31, 2006, compared to losses of (\$162,291) in first quarter 2005.

The Company continues to reduce debt by renegotiating, restructuring and paying down debts so as to improve its balance sheet while ensuring sufficient cash is on hand to grow the core business. During first quarter, Wi-Tron improved its working capital by \$67,414 to (\$1,106,369) and plans to further reduce this debt substantially during the second quarter.

Wi-Tron stepped up its restructuring operations in the first quarter by raising operating capital, stepping up the R&D program, increasing the marketing and sales program, and attracting world class talent.

Wi-Tron Chairman and CEO, Mr. John Chase Lee remarked, "Our employees and investors have weathered some rough sailing during reorganization, but we are making substantial progress. We are very excited now and desire to show the wireless industry that we can develop the most advanced amplifier products in the world, which will give Wi-Tron a strategic time-to-market advantage against the largest names in the industry."

With reorganization nearly complete, management intends to aggressively market its products, control operating costs and broaden its product base through product enhancements. The Company believes that these measures may provide sufficient liquidity for it to continue as a going concern in its present form.

Business Outlook

Wi-Tron is assembling a world-class engineering research and development team to take advantage of the many opportunities that exist in advanced RF Amplifier design for second, third and fourth generation wireless telecommunication systems. Wi-Tron believes this market has the highest margins, the greatest unmet demand and the greatest opportunity for penetration and growth.

Currently, Wi-Tron is designing a series of ultra-linear power amplifier products, which are key components for the wireless industry, necessary for achieving high voice quality, high speed data, video and streaming video transmissions. The Wi-

Tron team is building a series of design platforms in order to expand its market opportunity across technologies, frequency bands and power ranges.

Goals for the remainder of 2006:

- ✓ \$4,000,000 in revenue for the year
- ✓ Reduce debt to acceptable levels
- ✓ Win new customers in the wireless amplifier market
- ✓ Partner with leading global companies to jointly develop innovative products, yield new product orders and subsequently further expand such relationships
- ✓ Open a Wi-Tron subsidiary in China
- ✓ Enlarge business sales in Latin America

Main Revenue Sources

Wi-Tron aims to generate sales revenue of least \$4 million in 2006 for its WCDMA and GSM amplifiers, and other products that are under development. The 80W WCDMA product was developed and a prototype unit was shipped for testing in March. Management anticipates 80W WCDMA and GSM amplifier shipments in third and fourth quarter to satisfy a previously announced purchase order.

Forward Looking Statements

Statements in this release that are "forward-looking statements" are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors such as:

- ✓ Recent history of losses and expected losses
- ✓ Limited available cash may lead to additional financing to continue operations
- ✓ Inadequate growth of wireless telecommunications services industry
- ✓ Inability to enter into strategic partnerships
- ✓ Limited number of suppliers
- ✓ Small number of customers and sales orders magnify the effect of delays and cancelled orders
- ✓ Lack of automated manufacturing processes and dependence on third party manufacturers
- ✓ The report from our independent auditors includes an explanatory paragraph regarding the doubt that we can continue as a going concern
- ✓ Compliance with Sarbanes-Oxley and SEC governance regulations

About Wi-Tron Inc.

Wi-Tron, Inc. designs, manufactures and sells ultra-linear single and multi-channel high power amplifiers to the worldwide wireless telecommunications market. Single and multi-carrier linear power amplifiers are critical components for all wireless system base stations. Amplifiers increase the power of radio frequency and microwave signals with low distortion. Wi-Tron's products are designed and

marketed for a wide range of applications across many frequencies, including second, third and fourth generation wireless, X-band, and local loop segments of the wireless telecommunications industry.

FINANCIAL STATEMENTS

Statement of Operations

Three Months Ended March 31

	Three Months Ended March 31	
	2006	2005
Net sales	\$ 40,156	\$ 142,593
Cost of goods sold	65,522	103,408
	-----	-----
Gross profit (loss)	(25,366)	39,185
	-----	-----
Operating expenses		
Selling, general and administrative	190,444	99,252
Research, engineering and development	88,811	101,873
	-----	-----
Operating loss	(304,621)	(161,940)
	-----	-----
Nonoperating income (expenses)		
Other income	3,292	3,563
Interest expense	(4,500)	(300)
Federal tax penalties and interest	(12,827)	(3,000)
	-----	-----
Loss before income taxes	(318,656)	(161,677)
Provision for income taxes	500	614
	-----	-----
NET LOSS	\$ (319,156)	\$ (162,291)
	=====	=====
Net loss per share - basic and diluted	\$ (0.01)	\$ (0.02)
	=====	=====
Weighted average number of shares outstanding	25,071,878	10,376,500
	=====	=====

Cash Flow

	Three Months Ended March 31	
	2006	2005
Cash flows from operating activities:		
Net Loss	\$(319,156)	\$(162,291)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,082	1,747
Amortization of share based compensation	2,489	--
(Decrease) increase in allowance for doubtful accounts	298	(4,000)
Interest accrued on convertible promissory note		300
Interest accrued on notes payable issued in connection with private placement of common stock	4,500	--
Salary deferred, added to officer loans	--	3,942
Changes in assets and liabilities		
Accounts receivable	8,344	(23,436)
Inventories	4,043	(27,468)
Prepaid expenses and other assets	1,208	
Customer advances	--	10,741
Accounts payable and accrued expenses	(74,500)	32,201
Total adjustments	(52,536)	(27,455)
Net cash (used) for operating activities	(371,692)	(189,746)
Cash flows from investing activities:		
Net cash provided by investing activities	--	--
Cash flows from financing activities:		
Officer loans	(14,300)	(2,200)
Advances pursuant to financing agreement	--	92,000
Proceeds from sale of common stock	383,000	--
Net cash provided by financing activities	368,700	89,800
DECREASE IN CASH	(2,992)	(99,946)
Cash at beginning of period	34,998	122,234
Cash at end of period	\$ 32,006	\$ 22,288
Supplemental disclosures of cash flow information:		
Cash paid for: Interest	\$ --	\$ --
Income taxes	\$ 500	\$ 614

Assets

ASSETS (Pledged)	March 31 2006	December 31 2005
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CURRENT ASSETS		
Cash and cash equivalents	\$ 32,006	\$ 34,998
Accounts receivable, net of allowance for doubtful accounts of \$1,000 and \$702 in 2006 and 2005, respectively	13,284	21,926
Inventories	104,548	108,591
Prepaid expenses and other	--	1,208
	-----	-----
Total current assets	149,838	166,723
	-----	-----
PROPERTY AND EQUIPMENT - AT COST		
Machinery and equipment	587,276	587,276
Furniture and fixtures	43,750	43,750
Leasehold improvements	8,141	8,141
	-----	-----
	639,167	639,167
Less accumulated depreciation and amortization	(622,389)	(621,306)
	-----	-----
	16,778	17,861
	-----	-----
SECURITY DEPOSITS AND OTHER NON-CURRENT ASSETS		
	5,500	5,500
	-----	-----
	\$ 172,116	\$ 190,084
	=====	=====

For additional product information, visit our website at www.Wi-Tron.com

To receive press releases, investor newsletters and corporate updates, please email your request to: info@segue.biz
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