

Investor Presentation

September 2008

This presentation contains forward-looking statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on the current expectations or beliefs of Alvarion's management and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the failure of the market for WiMAX products to develop as anticipated; Alvarion's inability to capture market share in the expected growth of the WiMAX market as anticipated, due to, among other things, competitive reasons or failure to execute in our sales, marketing or manufacturing objectives; inability to further identify, develop and achieve success for new products, services and technologies; increased competition and its effect on pricing, spending, third-party relationships and revenues; as well as the inability to establish and maintain relationships with commerce, advertising, marketing, and technology providers, the failure of the agreement with Nortel Networks limited to generate increased sales as anticipated, fluctuations in the \$US exchange rate and changes in interest rates, and other risks detailed from time to time in the company's 20-F Annual Report Risk Factors section, as well as in other filings with the Securities and Exchange Commission.

Leader in broadband wireless access market for more than a decade

15 years of broadband Wireless IP experience

World's preferred WiMAX choice

About \$340M in WiMAX shipments (cumulative thru Q2:08)



- **The #1 brand name**

- **Technology/market leader**

- **WiMAX Forum Wave 2 certification for mobile WiMAX base station**
- **OFDM development since 1998**
- **Standards development leadership; Intel partner since 2003**
- **Most extensive product line – all frequencies and applications**
- **Broad customer base**
- **Most widely deployed WiMAX RAN: 230 commercial WiMAX networks**

- **Largest pure-play vendor**

- **Large-scale deployment experience**
- **Complete E2E solution via global ecosystem of best-of-breed partners**
- **Strong balance sheet with about \$149 million in cash**
- **Profitable and cash flow positive**

Primary Broadband where

Emerging Markets



Rural and Urban Regions
in Developed Markets



what

High speed Internet
and Voice Services



Personal Broadband

where

Developed Markets

High broadband penetration

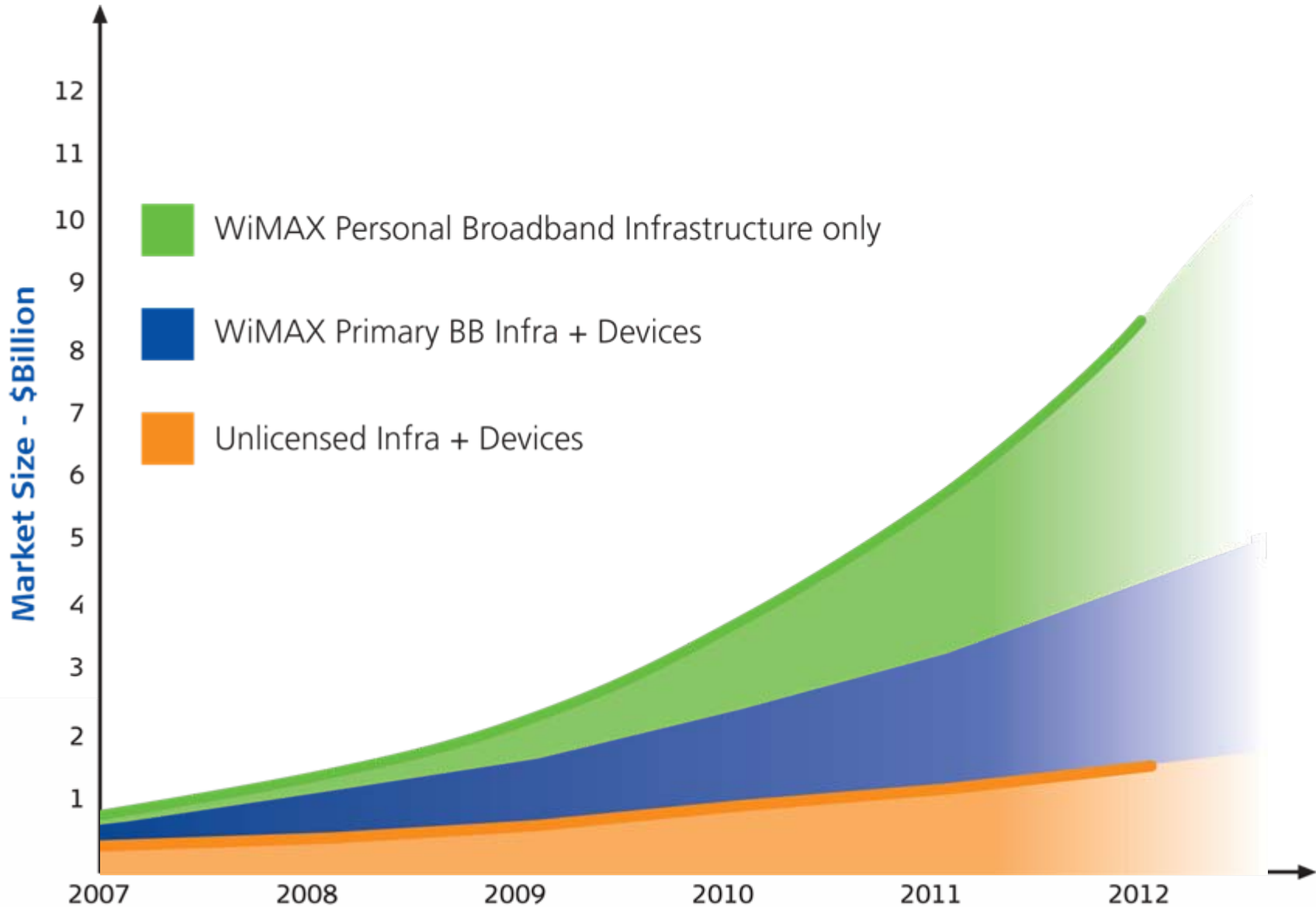
what

Broadband
everywhere

Anywhere on my
devices

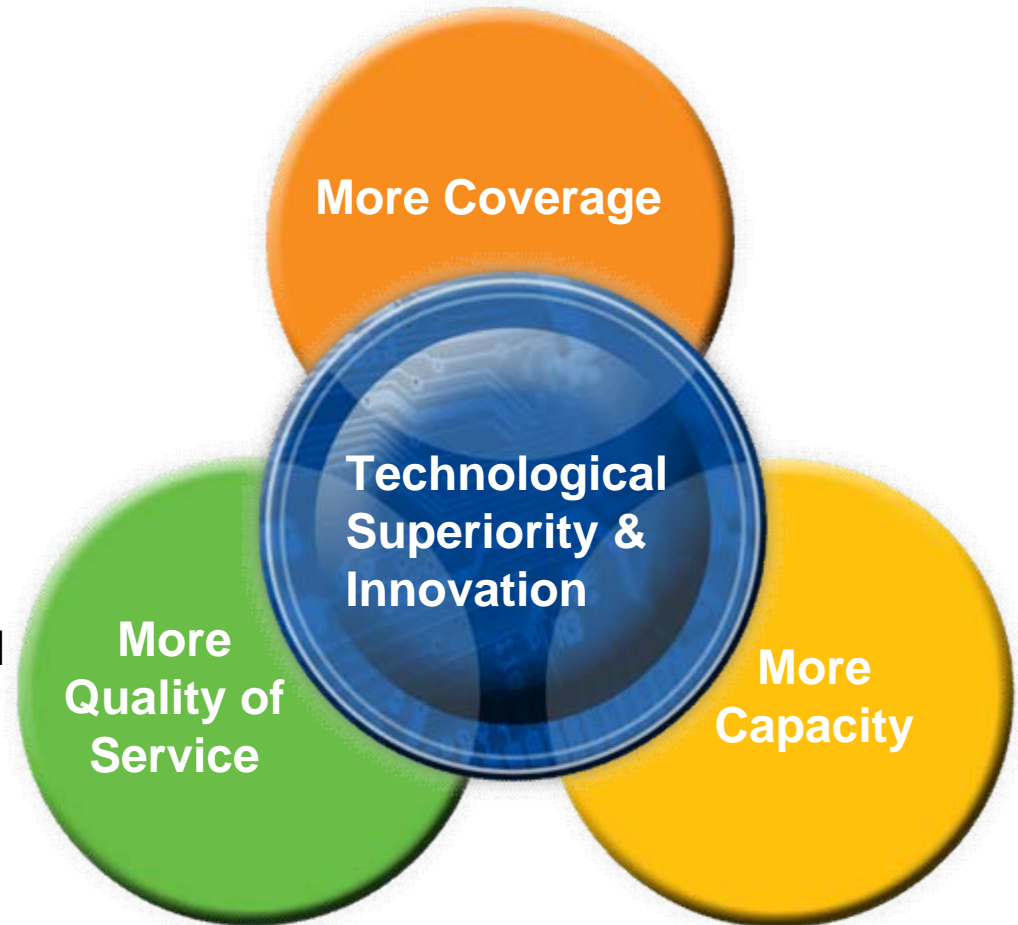


Served Market Growing Rapidly



Source: Alvarion based on various research reports

- **Thousands of staff years of broadband wireless IP development**
- **First to market with**
 - True broadband wireless IP (1999)
 - Commercial WiMAX solution (2004)
 - 802.16e-based products (2006)
- **Own core technology**
 - Set pace of new features and services
 - Continuous cost reduction
- **Ample opportunity to add value above the standard**



- **500+ world-class engineers in R&D, marketing, customer support and professional services**
- **Deep understanding of customer requirements and challenges**
- **Now deploying 4th generation broadband wireless solutions**
- **Field-proven WiMAX solution – shipping since 2004**
- **230 commercial WiMAX deployments**



A **Business & Technology** approach that empowers an operator to deploy a best-of-breed WiMAX solution

Business

Partnerships



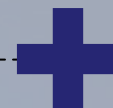
Interoperability between vendors



Simple & quick certification process

Technology

Roadmap committed to standards evolution



Development environment for partners



Implementation of standard interfaces

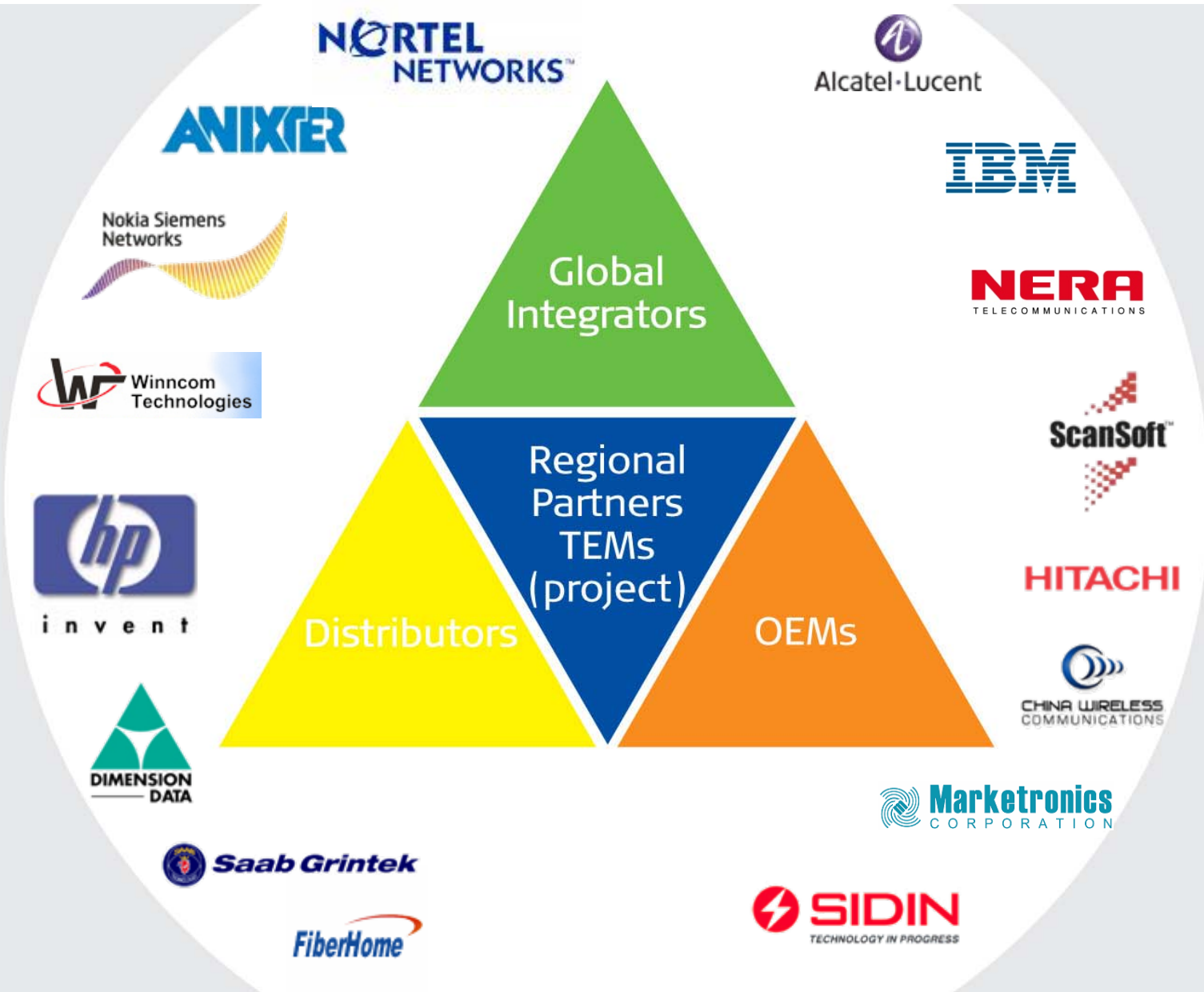
● Creates world class end-to-end solution

- Accelerates time to market
- Nortel shifting investment from internal WiMAX RAN development to Alvarion's R&D
- Nortel brings excellent core network elements and applications such as VoIP

● Relationship has numerous benefits to Alvarion

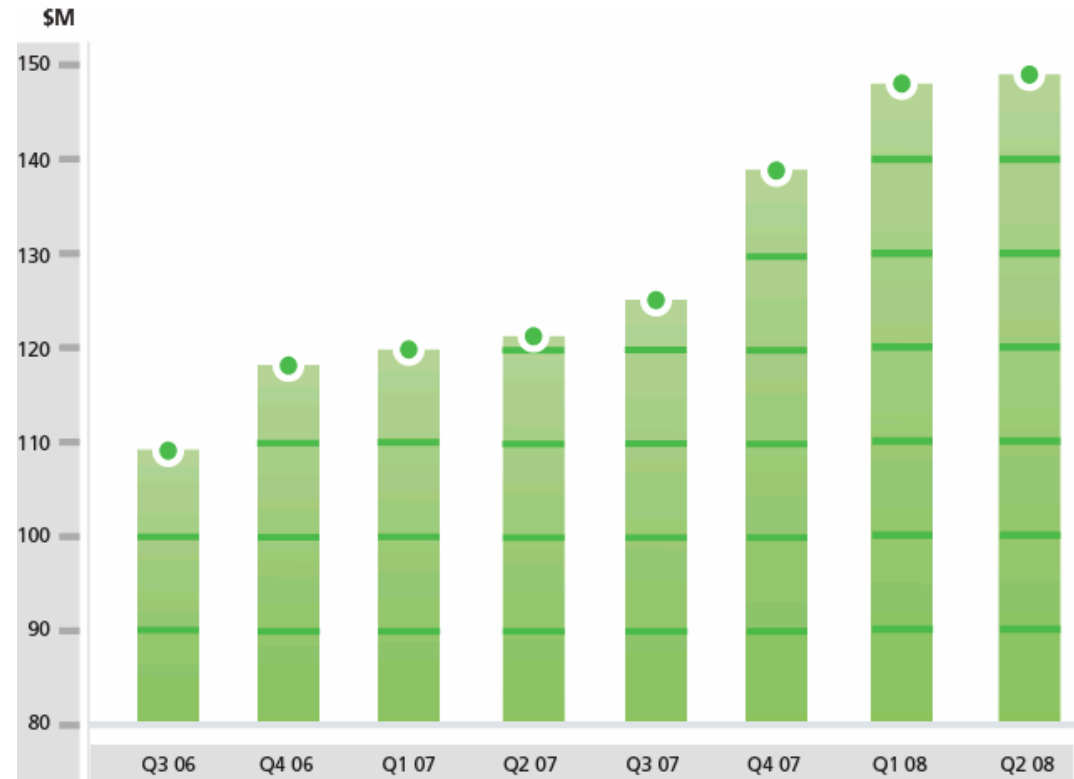
- Extends market reach and positioning in industry
- Provides network planning/deployment resources for large projects
- Substantial mobile expertise
- Substantial funding for R&D enables Alvarion to do more and do it quickly

The combined investment of Alvarion and Nortel in the joint solution is one of the largest in the industry and by far the most effective



- Self-funding since IPO
- On profitability path
- Cash flow positive
- Committed to improving operating leverage during investment cycle
- Strong working capital management

Cash Position



- **Working with our customers from the very early stages of their WiMAX business**
 - Rewarded with customer loyalty

- **Understanding our customers' business model, consulting in Broadband Wireless IP services rollout**
 - Earning customer trust and partnership
 - Customer consultant
 - Eco system catalyst

- **Complete Broadband Wireless network planning to ensure top quality service and network scalability**
 - Expertise

- **Best fit for fast moving innovative customers**

Some Announced WiMAX Customers



Strategic Vision

- **Broadband everywhere**
- **Operator-centric, best-of-breed networks**
- **New, differentiated applications and services**
- **Consumer electronics sales distribution channels**

Strategic Direction

- **Extend and enhance primary broadband leadership**
- **Leverage strengths to become a major vendor in personal broadband**

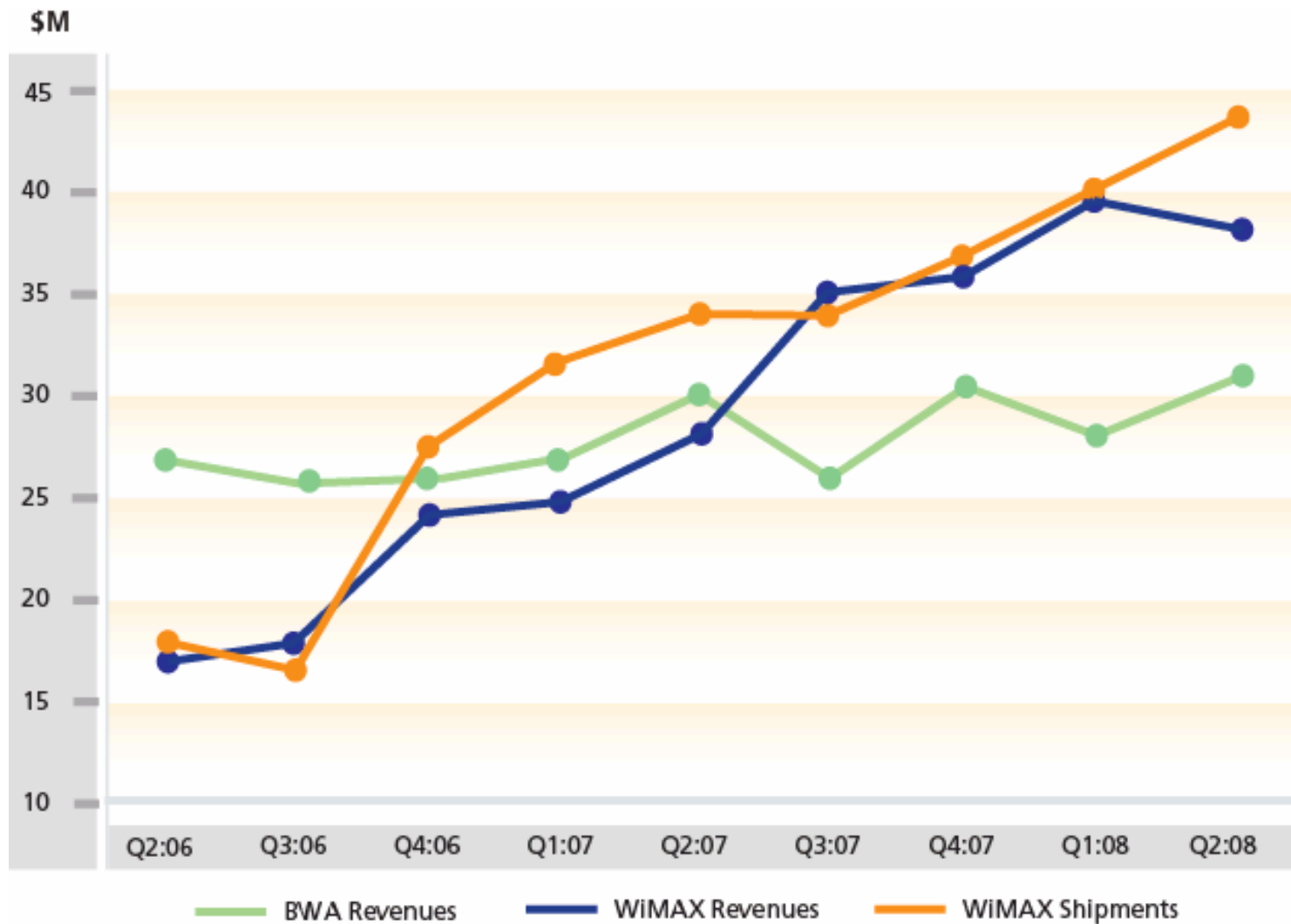
- Record shipments and revenues
- Consistently profitable
- WiMAX Forum Wave2 certification for Mobile WiMAX base station
- First to launch commercial Mobile WiMAX PBB service in the US
- First to market with 802.16e-based solution
- Premiere brand identity extended to mobile WiMAX
- Additional strategic partnerships
- Proven ability to compete for large projects



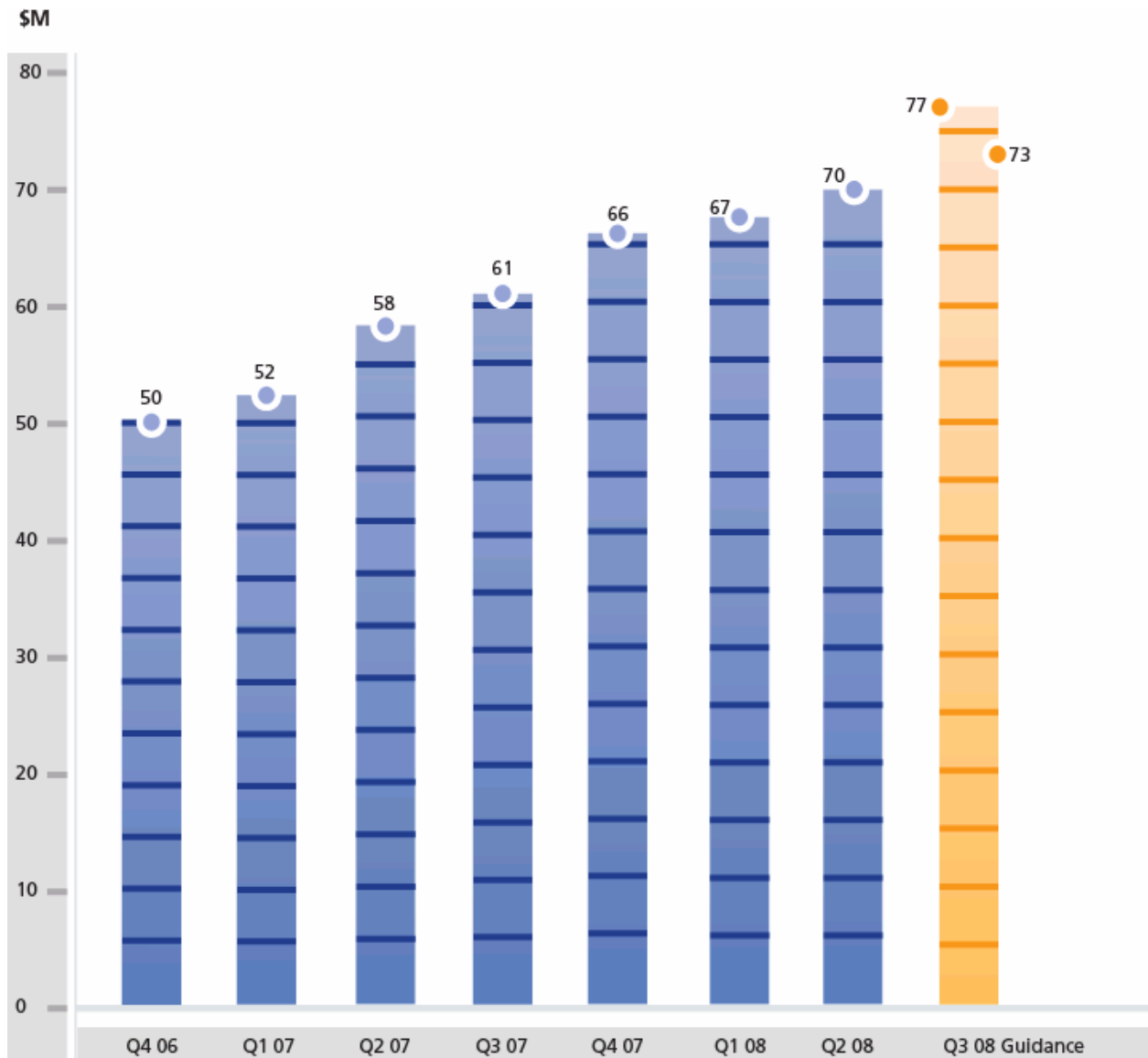


Financials

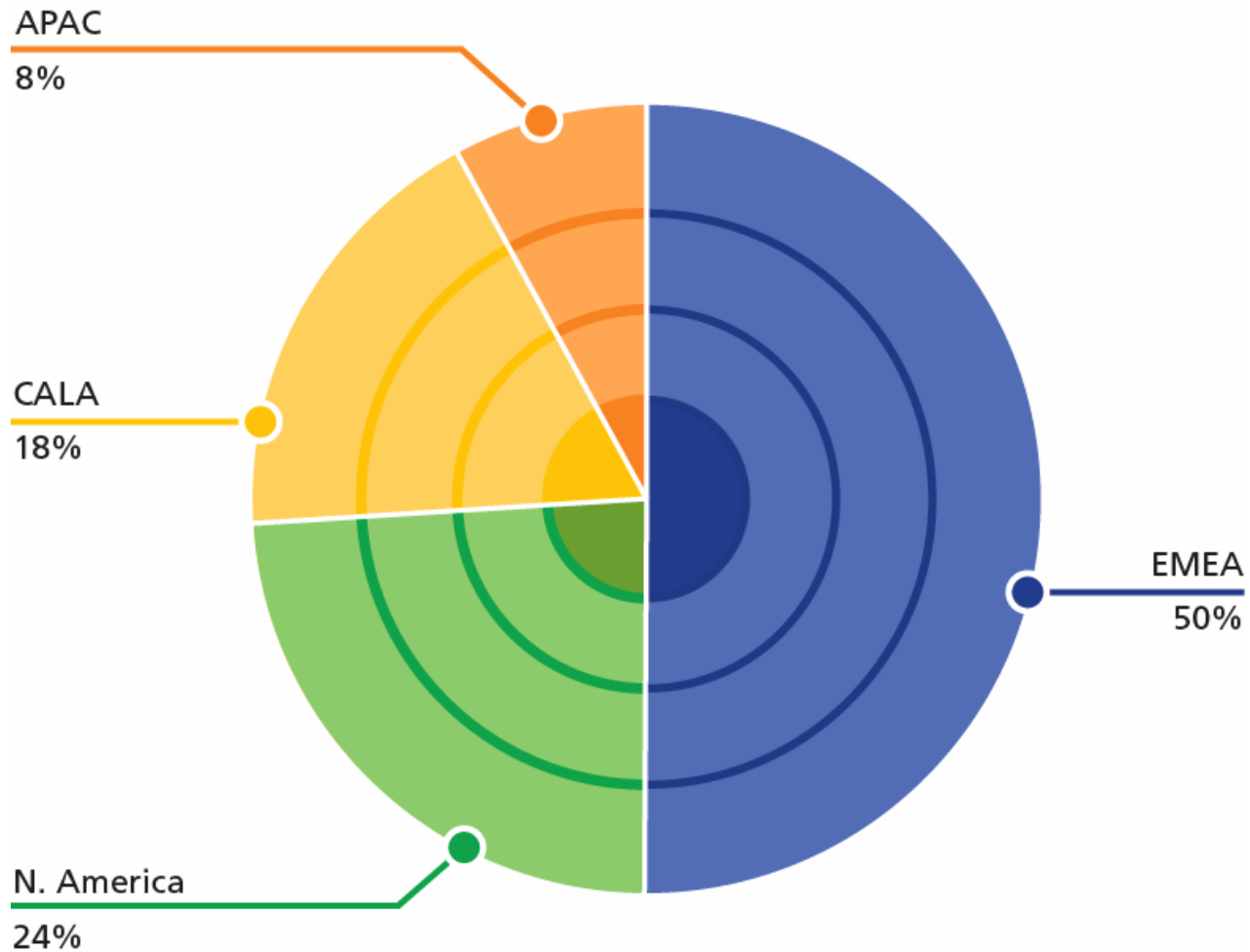
WiMAX Growing Rapidly



Total Revenue Growth



Q2 2008 Regional Breakdown



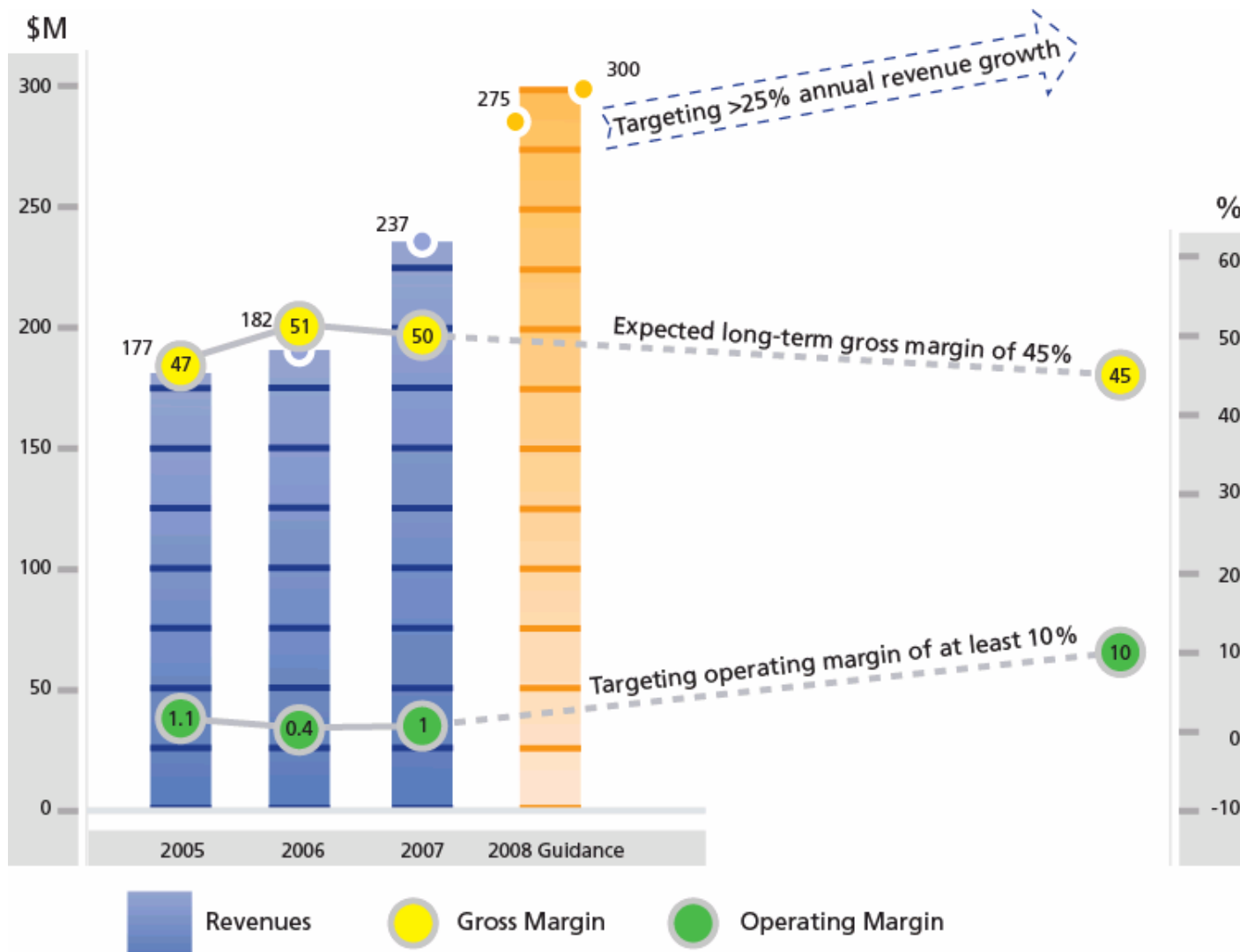
Results of Operations – Non GAAP *

US dollars in millions except per share data



	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08
Sales	58	61	66	67	70
Gross Margin	51%	50%	49%	49%	49%
Operating Expenses					
R&D, net Expenses	13	12	13	15	15
	22%	20%	20%	22%	22%
S&M and G&A	16	18	18	18	19
	28%	29%	27%	26%	26%
Total Operating Expenses	29	30	31	33	34
	50%	49%	47%	48%	48%
Operating Income	0	1	2	1	1
	1%	1%	2%	1%	1%
Net Income	2	2	3	2	2
EPS	\$0.03	\$0.04	\$0.05	\$0.03	\$0.03

- The NON-GAAP reports exclude amortizations of intangibles, stock-based compensation expenses, results of discontinued operations and other income



June 30, 2008

(US \$M)

Cash, cash equivalents & investments	149
Total assets	330
Total debt	0
Shareholders' equity	223
DSO	52



Commitment and Experience



Market & Industry Leadership



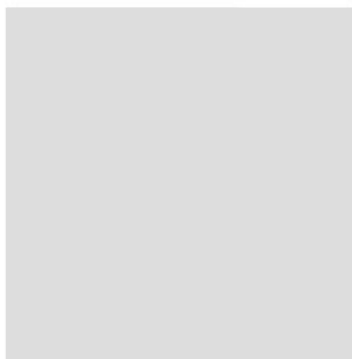
Flexibility and Innovation



OPEN Solution with Strategic Partners



Financial Strength



Thank You

● Faster time-to-market

- Mass market availability of products, solutions, devices by 2009
- WiMAX Certified products already available
- At least 2 years advantage over LTE

● Personal BB (WiMAX, LTE) is an overlay to 2G/3G networks

● WiMAX promotes PC model for personal mobile devices

- Embedded device market drives Personal BB
- For example: Intel, M-Taiwan and WiMAX Forum initiatives

● WiMAX IPR industry model superior to 3G/LTE IPR cost model

- LTE IPR relies on 3G IPR

● Personal BB network requires wide bandwidth new spectrum allocations

- WiMAX 2.3 GHz, 2.5 GHz TDD is already allocated in many markets
- New FDD high bandwidth allocation, auctions, ... will take time