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MER TELEMAGEMENT SOLUTIONS LTD  
Form 6-K  
May 09, 2007

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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F O R M 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2007

MER TELEMAGEMENT SOLUTIONS LTD.  
(Name of Registrant)

22 Zarhin Street, Ra'anana 43662, Israel  
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

This Form 6-K is being incorporated by reference into the Registrant's Form F-3 Registration Statement File No. 333-128225 and Form S-8 Registration Statements File Nos. 333-12014 and 333-123321.

MER Telemagement Solutions Ltd.

6-K Items

1. Press release re MTS Announces First Quarter 2007 Financial Results

SIGNATURES

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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.

MER TELEMANAGEMENT SOLUTIONS LTD.  
(Registrant)

By: /s/Eytan Bar  
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Eytan Bar  
President and  
Chief Executive Officer

Date: May 9, 2007

### MTS ANNOUNCES FIRST QUARTER 2007 FINANCIAL RESULTS

RA'ANANA, ISRAEL - MAY 9, 2007 - MTS - MER TELEMANAGEMENT SOLUTIONS LTD. (NASDAQ CAPITAL MARKET: MTSL), a global provider of business support systems (BSS) for comprehensive telecommunication management and customer care & billing (CC&B) solutions, today announced its financial results for the first quarter of 2007.

Revenues for the first quarter of 2007 were \$2.45 million, compared with revenues of \$2.8 million in the first quarter of 2006. Operating loss for the first quarter of 2007 was \$602,000 compared with a loss of \$588,000 in the first quarter of 2006. Net loss for the first quarter was \$585,000 or (\$0.10) per diluted share, compared with a net loss of \$485,000 or (\$0.08) per diluted share in the first quarter of 2006.

MTS ended the quarter with approximately \$1.9 million in cash and cash equivalents, including marketable securities.

MTS ended the first quarter with an accumulated backlog of orders of approximately \$1 million. The backlog represents orders booked but not yet recognized as revenue (excluding deferred maintenance revenues) as of March 31, 2007.

Mr. Eytan Bar, President and CEO of MTS said, "We gained market visibility and were exposed to a solid pipeline for the billing market, in the IPTV, mobile, and WiMax areas. We also increased our business opportunities in the field of Interconnect Billing following the successful implementation of this product by one of our customers, Bezeq International. As a result, additional sales opportunities have opened for our company. In the area of Telecommunications Expense Management (TEM), we concluded the first installations of our Invoice Management solution.

During the first quarter of 2007, we didn't succeed in converting a number of business opportunities in the different segments of the market in which we operate into orders that would lead to revenues for our company. Nevertheless, we expect to penetrate the market in the next few quarters. We see the market opportunities and are ready to leverage our solutions," concluded Mr. Bar.

CONFERENCE CALL INFORMATION

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MTS will conduct a teleconference to discuss the first quarter results on Wednesday, May 9 at 11:00 a.m Eastern Time/6:00 p.m Israel time.

To access the conference call, please dial +1-800-909-5202 (U.S.), +1-785-830-7975 (international), at least 10 minutes prior to commencement of the call. Reference the MTS conference call or conference ID #MULTIVU

A replay of the call will be available from May 9 through 11:59 p.m. EST on May 16. To access the replay, please dial +1-800-839-2670.

### ABOUT MTS

Mer Telemanagement Solutions Ltd. (MTS) is a global provider of business support systems for comprehensive telecommunication management and customer care & billing solutions. MTS' business support system is a full-featured customized solution for telecommunications management, Interconnect and customer care & billing. Its telecommunications expense management solution is used by corporations and organizations to improve the efficiency and performance of all telecommunication and information technology operations, and to significantly reduce associated costs. Its service providers and carriers solutions are used to support sophisticated billing, web-based self-provisioning, partners management and interconnect billing.

Headquartered in Israel, MTS markets through wholly owned subsidiaries in the United States, Hong Kong, Holland, and Brazil, and through OEM partnerships with Siemens, Phillips, NEC and other vendors. MTS' shares are traded on the NASDAQ Capital Market (symbol MTSI). For more information please visit the MTS web site: [www.mtsint.com](http://www.mtsint.com)

CERTAIN MATTERS DISCUSSED IN THIS NEWS RELEASE ARE FORWARD-LOOKING STATEMENTS THAT INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES INCLUDING, BUT NOT LIMITED TO, RISKS IN PRODUCT DEVELOPMENT PLANS AND SCHEDULES, RAPID TECHNOLOGICAL CHANGE, CHANGES AND DELAYS IN PRODUCT APPROVAL AND INTRODUCTION, CUSTOMER ACCEPTANCE OF NEW PRODUCTS, THE IMPACT OF COMPETITIVE PRODUCTS AND PRICING, MARKET ACCEPTANCE, THE LENGTHY SALES CYCLE, PROPRIETARY RIGHTS OF THE COMPANY AND ITS COMPETITORS, RISK OF OPERATIONS IN ISRAEL, GOVERNMENT REGULATIONS, DEPENDENCE ON THIRD PARTIES TO MANUFACTURE PRODUCTS, GENERAL ECONOMIC CONDITIONS AND OTHER RISK FACTORS DETAILED IN THE COMPANY'S FILINGS WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

### CONTACTS: COMPANY:

Shlomi Hagai  
Corporate COO & CFO  
Tel: +972-9-762-1733  
Email: [shlomi.hagai@mtsint.com](mailto:shlomi.hagai@mtsint.com)

### CONSOLIDATED BALANCE SHEETS

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U.S. DOLLARS IN THOUSANDS

	DECEMBER 31,	MARCH 31,	
	2006	2006	2007
	-----	-----	-----
	AUDITED	UNAUDITED	
	-----	-----	
ASSETS			

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CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,474	\$ 2,438	\$ 1,674
Short-term bank deposits	100	-	100
Marketable securities	159	134	125
Trade receivables, net	2,484	2,298	1,964
Unbilled receivables	51	146	188
Other accounts receivable and prepaid expenses	763	425	416
Inventories	138	169	148
	-----	-----	-----
TOTAL current assets	5,169	5,610	4,615
	-----	-----	-----
LONG- TERM INVESTMENTS:			
Investment in an affiliate	1,598	1,795	1,648
Severance pay fund	673	514	702
Other investments	366	365	367
Deferred income taxes	112	115	105
	-----	-----	-----
TOTAL long-term investments	2,749	2,789	2,822
	-----	-----	-----
PROPERTY AND EQUIPMENT, NET	439	544	385
	-----	-----	-----
OTHER ASSETS:			
Goodwill	4,058	3,787	4,069
Other intangible assets, net	1,639	905	1,502
	-----	-----	-----
TOTAL other assets	5,697	4,692	5,571
	-----	-----	-----
TOTAL assets	\$14,054	\$13,635	\$13,393
	=====	=====	=====

CONSOLIDATED BALANCE SHEETS

U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE AND PER SHARE DATA)

	DECEMBER 31, 2010
	-----
	AUDITED
	-----
LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Short term bank credit and current maturities on bank loan	\$
Trade payables	2
Accrued expenses and other liabilities	1
Deferred revenues	-----
TOTAL current liabilities	4
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LONG-TERM LIABILITIES:

Long term bank loan  
Accrued severance pay

TOTAL long-term liabilities

SHAREHOLDERS' EQUITY:

Share capital -

Ordinary shares of NIS 0.01 par value - Authorized: 12,000,000 shares at December 31, 2006 and March 31, 2006 and 2007; Issued: 5,784,645, 5,774,645 and 5,784,645 shares at December 31, 2006 and March 31, 2006 and 2007, respectively; Outstanding: 5,773,845, 5,763,845 and 5,773,845 shares at December 31, 2006 and March 31, 2006 and 2007, respectively

Additional paid-in capital

Treasury shares (10,800 Ordinary shares)

Accumulated other comprehensive income

Accumulated deficit

TOTAL shareholders' equity

TOTAL liabilities and shareholders' equity

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE AND PER SHARE DATA)

	YEAR DECEMBER 20
	AUDIT
Revenues	\$
Cost of revenues	*)
Gross profit	-----
Operating expenses:	
Research and development, net	*)
Selling and marketing	*)
General and administrative	*)
TOTAL operating expenses	-----
Operating loss	
Financial income (expenses), net	-----
Loss before taxes on income	

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Taxes on income

Loss before equity in earnings of affiliate  
Equity in earnings of affiliate

Net loss

Net loss per share:

Basic and diluted net loss per Ordinary share

Weighted average number of Ordinary shares used in computing basic and diluted net  
loss per share

- \*) Including stock-based employee compensation in the amounts of \$ 4, \$ 6, \$ 4 and \$ 9 for the 3 months period ended March 31, 2007 (December 31, 2006 - \$ 21, \$ 101, \$ 17 and \$ 71 and March 31, 2006 - \$ 10, \$ 15, \$ 13 and \$ 25) in cost of revenues, research and development, selling and marketing and general and administrative, respectively.