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MITEC TELECOM ANNOUNCES YEAR-END AND FOURTH QUARTER RESULTS FOR FISCAL 2010

MONTREAL, July 28, 2010 - Mitec Telecom (TSX: MTM) today announced its year-end and fourth quarter results for the 2010 fiscal year, which ended April 30, 2010.

Annual Results

Annual sales in fiscal 2010 were \$25.4 million, compared with \$40.3 million in fiscal 2009. The Corporation's net loss for the year was \$11.4 million, or \$0.05 per share compared with a net loss of \$4.6 million, or \$0.02 per share in the previous year. These results also include a one-time, non-cash, accounting charge of \$2.7 million for goodwill and intangible assets impairment associated with the prior acquisition of the Corporation's U.S. operations. Without this adjustment, Mitec's net loss for the year would have been reduced to \$8.7 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for fiscal 2010 were negative \$6.7 million, compared with negative \$0.7 million for fiscal 2009.

Fourth Quarter Results

Sales for the fourth quarter of fiscal 2010 were \$6.4 million, compared with \$6.9 million in fiscal 2009.

The net loss for the quarter was \$5.2 million, or \$0.02 per share compared with a net loss of \$3.1 million, or \$0.01 in the fourth quarter of 2009. Results for the quarter also include the one-time, non-cash, accounting charge of \$2.7 million referred to in the summary of year-end results above. Without this adjustment, the fourth quarter net loss would have been \$2.5 million, compared with a net loss of \$2.0 million in the fourth quarter of the previous year.

EBITDA for the quarter was negative \$1.8 million compared to negative \$1.4 million during the fourth quarter of fiscal 2009.

Management Commentary

The period encompassing fiscal 2010 was a challenging period worldwide for companies in the Telecommunications industry. In addition to reacting to the realities that the unprecedented global financial crisis and worldwide recession presented, Mitec had to revisit its sales strategy to adapt to constantly changing requirements from customers having to deal with reduced capital expenditure budgets while at the same time fulfilling the demand that the growth of wireless communication, broadcasting and social networking trends continue to generate.

During the same period, Mitec succeeded in penetrating the Satcom market with a series of new Very Small Aperture Terminal (VSAT) products, which have generated global interest and have been accepted by its customer base as Mitec's standard line of products going forward. Significant R&D and marketing efforts were made during fiscal 2010, which impacted the profitability of this new line of products as the company transitioned out of the legacy product line into the next generation MTX product line, which is now well positioned to deliver long-term, profitable revenues for these products going forward.

The Corporation's San Diego, California based Military division, Keragis Corporation, was also negatively impacted by ongoing budget approval delays which inhibited its backlog. These delays are only now being gradually lifted as military spending budgets are now slowly reaching approval. Nevertheless, Keragis' patented and disruptive Solid State Power Amplifier (SSPA) technology is considered the industry leader for a variety of applications currently being assessed by Keragis.

Management, the board of directors and the company's major shareholders continued to support a strategy of streamlining product lines to service niche markets and shifting its focus away from supplying generic components in what continues to be a highly competitive marketplace. During fiscal 2009, major shareholders reinforced their commitment to supporting Mitec by providing funds required to redeem maturing debt. In addition, the Corporation continues to evaluate ways to ensure that it is able to continue to have the financial strength to stay competitive and achieve long-term profitability.

"Although Mitec's operations in fiscal 2010 generated losses, in order to stay competitive and protect our position as a niche player in various sectors, we continued to design and deliver state of the art solutions which provide our customers with ways of reducing operating costs and expanding bandwidth", commented Dan Piergentili, Mitec's President and CEO. "We are beginning to see that these solutions are gaining traction now that we have finished shifting our focus into these areas and are optimistic about our wireless portfolio going forward", he said.

Over the past several months, Mitec has announced several major wireless wins relating to these product lines, including:

- Selection as lead supplier for a core component (diplexers) for point-to-point radios by one of the world's largest and fastest growing telecom providers. To date, volume production has been set up in Mitec's Suzhou, China facility and remains on schedule for \$3.0 million in orders for the balance of the year;
- Selection as lead supplier for an additional core component (flexible waveguide) for point-to-point radios by the same customer referred to above. To date volume production has generated over \$1.5 million in orders and should reach \$2.0 million as anticipated;
- Receipt of first commercial order for its Distributed Antenna System (DAS network) from a North American integrator. Although this technology has been field tested over the past several years, deliveries have now been made and Mitec is optimistic that its solution can be a significant entrant in this growing, valuable telecom market;
- Selection as lead supplier and initial shipment of Long Term Evolution (LTE) 4G wireless network components to the same customer referred to above. These initial shipments, which totalled \$1.7 million, are part of a larger volume initiative to support 4G growth worldwide with this customer;
- Selection as supplier of low noise amplifiers as part of a European Telecom company's network upgrade with a value of \$1.5 million;
- Selection for mobile broadcast trials for a North American satellite radio service provider involving Mitec's proven, high performance filters. These trials are expected to generate a series of higher volume, follow-on orders in 2011.

About Mitec Telecom

Mitec is a leading designer and provider of radio frequency (RF) products for the telecommunications and satellite communications industries, as well as a variety of other sectors. Mitec sells its products worldwide to network providers for incorporation into high-performing wireless networks used in voice and data/internet communications. Headquartered in Montreal, Canada, Mitec also operates facilities in California and China. Mitec is listed on the Toronto Stock Exchange under the symbol MTM. On-line information about Mitec is available at www.mitectelecom.com.

Due to confidentiality provisions, Mitec is generally not able to disclose the names of its major customers or the financial data related to sales transactions. Certain statements in this release, including statements regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for Mitec's products, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors listed in Mitec's public filings with the appropriate securities regulatory authorities.

MITEC TELECOM INC.**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(in thousands of Canadian dollars, except per share data and number of shares)

	<i>Unaudited</i>		<i>Audited</i>	
	For the three months ended	For the three months ended	For the twelve months ended	For the twelve months ended
	April 30,	April 30,	April 30,	April 30,
	2010	2009	2010	2009
	\$	\$	\$	\$
Sales	6,358	6,927	25,424	40,348
Cost of sales	5,403	5,844	21,756	31,836
Gross profit	955	1,083	3,668	8,512
Expenses				
Research and development	777	1,137	3,559	4,369
Selling and administrative	1,794	2,087	6,712	7,510
Financial expenses	299	178	834	853
Foreign exchange loss (gain)	287	(470)	969	(1,706)
Loss on disposal and impairment of property, plant and equipment	33	80	8	470
Impairment of intangible assets	724	50	724	50
Impairment of goodwill	1,991	1,607	1,991	1,607
Stock-based compensation	44	45	193	607
	5,949	4,714	14,990	13,760
Loss before income taxes	(4,994)	(3,631)	(11,322)	(5,248)
Income tax expense (recovery)	242	(523)	125	(640)
Net loss for the year	(5,236)	(3,108)	(11,447)	(4,608)
Net change in the unrealized (loss) gain on translating financial statements of self-sustaining foreign operations	(21)	(575)	(404)	614
Comprehensive loss for the year	(5,260)	(3,683)	(11,851)	(3,994)
Basic and diluted loss per outstanding common share	(0.02)	(0.01)	(0.05)	(0.02)
Weighted average number of outstanding common shares	220,666,756	220,666,756	220,666,756	220,658,990

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars, except for number of shares)

Audited

	Common shares		Warrants		Equity component of convertible debentures	Contributed surplus	Deficit	Accumulated other comprehensive loss	Shareholders' equity
	# (000)	\$	# (000)	\$	\$	\$	\$	\$	\$
Balance, April 30, 2008	220,312	132,097	38,016	1,931	46	9,223	(115,372)	(894)	27,031
Issued upon conversion of convertible debentures	354	45	—	—	(32)	—	—	—	13
Expired warrants	—	—	(187)	(6)	—	6	—	—	—
Stock-based compensation	—	—	—	—	—	607	—	—	607
Other comprehensive profit for the year	—	—	—	—	—	—	—	614	614
Net loss for the year	—	—	—	—	—	—	(4,608)	—	(4,608)
Balance, April 30, 2009	220,666	132,142	37,829	1,925	14	9,836	(119,980)	(280)	23,657
Issued under a convertible debenture financing	—	—	—	—	754	—	—	—	754
Expired warrants	—	—	(14,226)	(773)	—	773	—	—	—
Stock-based compensation	—	—	—	—	—	193	—	—	193
Other comprehensive loss for the year	—	—	—	—	—	—	—	(404)	(404)
Net loss for the year	—	—	—	—	—	—	(11,447)	—	(11,447)
Balance, April 30, 2010	220,666	132,142	23,603	1,152	768	10,802	(131,427)	(684)	12,753

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

	<i>Unaudited</i>		<i>Audited</i>	
	For the three months ended		For the twelve months ended	
	2010	April 30, 2009	2010	April 30, 2009
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the period	(5,236)	(3,108)	(11,447)	(4,608)
Items not affecting cash				
Amortization	405	478	1,714	2,327
Loss on disposal and impairment of property, plant and equipment	33	80	8	470
Impairment of intangibles assets	724	50	724	50
Impairment of goodwill	1,991	1,607	1,991	1,607
Income tax charge (recovery)	242	(523)	125	(640)
Stock-based compensation	140	45	193	607
Accretion expense	44	104	448	636
	(1,657)	(1,267)	(6,244)	449
Changes in non-cash working capital balances related to operating activities	746	2,246	2,787	435
	(911)	979	(3,457)	884
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	(5)	(437)	(166)	(786)
Additions to intangible assets	—	(3)	(10)	(3)
Proceeds on disposal of property, plant and equipment	14	2	31	15
Purchase of short-term investment	—	(337)	(181)	(516)
	—	335	181	412
	9	(440)	(145)	(878)
CASH FLOW FROM FINANCING ACTIVITIES				
Convertible debentures issued	—	—	1,678	—
Repayment of long-term debt	—	(68)	(1,400)	(458)
Credit facility	733	—	733	—
	733	(68)	1,011	(458)
(Loss) gain on foreign cash and cash held	19	153	(8)	153
Net decrease in cash	(150)	624	(2,599)	(299)
Cash, beginning of the year	2,036	3,861	4,485	4,784
Cash, end of the period	1,886	4,485	1,886	4,485