



**Source:** Mitec Telecom Inc.  
**Contact:** Mr. Hubert Marleau  
Tel.: (514) 397-0188

**MaisonBrison**  
**Mr. Rick Leckner**  
Tel.: (514) 731-0000

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## **Mitec Telecom Appoints New CEO and Announces Rights Offering**

**Montreal, August 15, 2006** — The Board of Directors of Mitec Telecom Inc. (TSX: MTM) today announced the appointment of Daniel Piergentili as President and Chief Executive Officer, effective immediately. In addition, Mitec Telecom intends to file a short form Rights Offering Prospectus.

With his appointment, Daniel Piergentili becomes a member of the Mitec Board of Directors. Keith Findlay will step down as President and Chief Executive Officer effective immediately and assume a consulting role.

Mr. Piergentili joins Mitec from Ericsson Inc. where he held positions in wireless telecommunication and satellite communication (satcom) product development. Most recently, he was Vice-President, Engineering, for Ericsson's North American Wireless Unit responsible for all wireless development centres throughout the United States and Canada. He began his career in 1988 as a System Engineer at General Telephone and Electronics (GTE) in Boston. After holding a series of progressively more senior positions at GTE, he joined Mitec in 1992 as Director of Engineering and was subsequently promoted to Vice-President responsible for all wireless and satcom business units. He left Mitec in 1997 to further his experience at Ericsson. Mr. Piergentili holds a Master of Science in Electrical Engineering from Northeastern University.

"We appreciate the leadership that Keith Findlay has provided to Mitec," said interim Chairman, Hubert Marleau. "Dan Piergentili's appointment marks the completion of our strategic initiative phase. His proven leadership and strong technical knowledge in communication infrastructure development make him well-qualified for the role of CEO. He has the skills and experience to drive the operations of the company to maximize shareholder value."

### **New Financing Supported by Stand-By Agreement**

As a condition of Mr. Piergentili's acceptance of the CEO position which included an equity investment of minimum \$3.5 million in the company, Mitec Telecom will file a short form Rights Offering Prospectus. Under a Stand-By Purchase Agreement, the following parties have agreed to provide Mitec with up to \$3.5 million: Howson Tattersall Investment Counsel Limited (Mitec's largest shareholder), Palos Capital Pool LP (a fund related to Mitec interim Chairman Hubert Marleau), Mi3 SD Inc. (a corporation managed by Mitec Director Jeffrey Mandel), and Notre-Dame Capital Inc.

The Rights Offering will provide Mitec with the opportunity to raise additional capital without diluting the ownership interests of existing shareholders. Shareholders who opt to exercise their Rights will be able to purchase shares at a price below current market. The Stand-By Purchase Agreement ensures that Mitec will receive at a minimum \$3.5 million which is approximately 46 percent of the total funding possible under the Rights Offering.

### **About Mitec Telecom**

Mitec Telecom 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. The Company 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, the Company also operates facilities in the United States and China.

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

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