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MITEC REPORTS SECOND QUARTER RESULTS

Montreal, December 14, 2006 – Mitec Telecom Inc. (TSX: MTM) today announced the results for the three months period ended October 31, the second quarter of its 2007 fiscal year.

Sales for the second quarter were \$8.8 million, a decrease of 7 % compared to the \$9.5 million reported in the second quarter of fiscal 2006. Gross profit for the quarter increased to \$1.8 million, or 20% of the sales, versus a gross profit of \$0.6 million, or 6.7% of the sales, reported in the same period last year. Operating expenses for the second quarter of fiscal 2007 totalled \$4.1 million, compared to operating expenses of \$4.6 million for the same period last year. The net loss from continuing operations, including one-time restructuring charges for the second quarter of fiscal 2007 was \$4.2 million, or \$0.04 per share, as compared to \$4.8 million, or \$0.06 cents per share, in the second quarter of fiscal 2006. Net loss includes a one-time restructuring cost and other expenses related to the termination of some executives and employees in the amount of \$1.3 million. Without these non-recurring expenses, the net loss from continuing operations would have been \$2.9 million, which is a significant improvement compared to a net loss of \$4.6 million for the same period last year.

For the year-to-date, sales were \$17.5 million, as compared to \$22.8 million for the previous year. Gross profit was \$2.0 million, compared to \$2.3 million for the previous year. Operating expenses for the year-to-date were \$7.9 million, versus operating expenses of \$9.8 million for the comparable period last year. The net loss from continuing operations for the period was \$8.6 million, or \$0.10 cents per share, versus a net loss of \$9.9 million, or \$0.13 for the comparable period in the previous year.

Mitec's results are consistent with the Company's restructuring plan. "On the whole, we are satisfied with the results, especially considering the significant increase in our gross profit" said Dan Piergentili, President of Mitec. "We will strive to improve margins and streamline our cost base."

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.

Mitec Telecom Inc. is listed on the Toronto Stock Exchange under the symbol MTM. On-line information about Mitec is available at www.mitectelecom.com.

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.

MITEC TELECOM INC.
INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of Canadian dollars)

Unaudited

	As at October 31, 2006 \$	As at April 30, 2006 \$
ASSETS		
Current		
Cash and cash equivalents	8,251	1,468
Short-term investments	—	10,089
Trade receivables	7,145	10,849
Other receivables	598	632
Income tax recoverable	968	1,075
Inventories	8,563	7,546
Prepaid expenses and other	604	491
Current assets related to discontinued operations	—	278
Total current assets	26,129	32,428
Property, plant and equipment	7,967	8,564
Intangible assets	2,976	3,851
Deferred charges	1,697	2,129
	38,769	46,972
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	—	6,016
Accounts payable and accrued liabilities	10,903	11,912
Current portion of long-term debt	847	953
Current liabilities related to discontinued operations	—	63
Total current liabilities	11,750	18,944
Long-term debt	708	958
	12,458	19,902
Shareholders' equity		
Common shares	123,808	116,357
Contributed surplus	8,558	8,126
Deficit	(104,364)	(95,680)
Cumulative translation adjustment	(1,691)	(1,733)
Total shareholders' equity	26,311	27,070
	38,769	46,972

MITEC TELECOM INC.**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

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

Unaudited

	For the three months ended		For the six months ended	
	2006	October 31, 2005	2006	October 31, 2005
	\$	\$	\$	\$
Sales	8,838	9,518	17,514	22,810
Cost of sales	7,058	8,883	15,546	20,515
Gross profit	1,780	635	1,968	2,295
Expenses				
Selling and administrative	2,078	2,897	4,101	6,312
Research and development	1,793	1,694	3,815	3,537
Amortization of intangible assets	398	525	895	1,050
Financial expenses	132	311	300	841
Interest income	(9)	(38)	(60)	(170)
Stock-based compensation	368	103	432	672
Restructuring and other expenses	1,342	80	1,342	318
	6,102	5,572	10,825	12,560
Loss from continuing operations before income taxes	(4,322)	(4,937)	(8,857)	(10,265)
Income tax recovery	(67)	(149)	(181)	(298)
Loss from continuing operations	(4,255)	(4,788)	(8,676)	(9,967)
Loss from discontinued operations	—	53	(8)	(30)
Net loss for the period	(4,255)	(4,735)	(8,684)	(9,997)
Deficit, beginning of the period	(100,109)	(83,779)	(95,680)	(78,517)
Deficit, end of the period	(104,364)	(88,514)	(104,364)	(88,514)
Basic and diluted loss per common share from continuing operations	(0.04)	(0.06)	(0.10)	(0.13)
Basic and diluted loss per common share from discontinued operations	(0.00)	(0.00)	(0.00)	(0.00)
Basic and diluted loss per common share	(0.04)	(0.06)	(0.10)	(0.13)
Weighted average number of outstanding common shares	95,683,469	76,405,263	86,044,366	76,405,263

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars)
Unaudited

	For the three months ended		For the six months ended	
	2006	October 31, 2005	2006	October 31, 2005
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Loss from continuing operations	(4,255)	(4,788)	(8,676)	(9,967)
Add items not affecting cash				
Amortization of property, plant and equipment, intangible assets and deferred charges	1,017	1,319	2,129	2,688
Loss on disposal of property, plant and equipment	—	25	2	25
Stock-based compensation	368	103	432	672
	(2,870)	(3,341)	(6,113)	(6,582)
Changes in non-cash working capital balances related to continuing operations	(75)	640	1,706	3,613
Cash flows used in operating activities	(2,945)	(2,701)	(4,407)	(2,969)
INVESTING ACTIVITIES				
Additions to property, plant and equipment and intangible assets	(99)	(372)	(206)	(459)
Proceeds on disposal of property, plant and equipment	4	252	4	265
Purchases of short-term investments	—	(6,177)	(597)	(6,177)
Sales of short-term investments	597	12,294	10,686	12,294
Cash flows provided (used) in investing activities	502	5,997	9,887	5,923
FINANCING ACTIVITIES				
Increase in bank indebtedness	—	836	349	1,870
Repayment of bank indebtedness	—	(1,356)	(6,365)	(2,015)
Repayment of long-term debt	(179)	(177)	(356)	(354)
Repayment of obligations under capital lease	—	(11)	—	(30)
Issuance of common shares and warrants	7,451	—	7,451	—
Cash flows provided (used) by financing activities	7,272	(708)	1,079	(529)
Effect of exchange rate fluctuations changes on cash and cash equivalents	34	249	260	167
Net increase (decrease) in cash and cash equivalents from continuing operations	4,863	2,837	6,819	2,592
Cash flows used in discontinued activities	—	(236)	(36)	(584)
Cash and cash equivalents, beginning of the period	3,388	4,976	1,468	5,569
Cash and cash equivalents, end of the period	8,251	7,577	8,251	7,577