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MITEC TERMINATES NEGOTIATIONS WITH SHAREHOLDERS OF COMHAT AB

Montreal, January 23, 2007 - Mitec Telecom announced today that it has terminated ongoing negotiations with the shareholders of Comhat AB, a Swedish-based company. Mitec had previously announced that it had signed a letter of intent on December 13, 2006, to purchase shares of Comhat AB. After several weeks of complex negotiations, Mitec was not able to reach terms that were acceptable to both parties. Mitec Telecom and the shareholders of Comhat AB have now terminated negotiations.

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 a facility in 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.

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