



Source: Mitec Telecom Inc.
Contact: Mr. Dan Piergentili
President and CEO
Tel.: (514) 694-9000

Mitec Telecom Inc.
Mr. Bruno Dumais
Vice-President, Finance and CFO
Tel.: (514) 694-9000

MITEC REPORTS FOURTH QUARTER AND YEAR END RESULTS

Montreal, July 30, 2007 – Mitec Telecom (TSX: MTM) today announced its results for the fourth quarter and its 2007 fiscal year ended April 30, 2007. The Company's forward momentum proceeds as gross profits increased 100 % compared to the same quarter of fiscal 2006. The EBITDA from continuing operations adjusted for restructuring expenses and recovery of non-refundable tax credits improved from negative \$2.6 million in the fourth quarter of fiscal 2006 to negative \$47,000 in the current quarter.

"The results of the fourth quarter of fiscal 2007 show that we focused on margins and profit, rather than just revenue," said Dan Piergentili, CEO of Mitec Telecom. "We have achieved a great deal but our challenges are not over and we remain focused on driving operational excellence and boosting productivity throughout the firm."

Mitec's revenue for the fourth quarter was \$7.8 million, compared to \$10.4 million for the fourth quarter of 2006. Gross profit for the fourth quarter reached \$2.6 million, compared to \$1.2 million for the corresponding quarter of fiscal 2006. Operating expenses for the fourth quarter of fiscal 2007, without the positive impact of the recovery of non-refundable tax credits, were \$2.5 million, compared to \$3.9 million in the prior period. Net loss for the fourth quarter of fiscal 2007 was \$1.1 million, or \$0.01 per share, versus a net loss of \$4.4 million, or \$0.06 a share in the fourth quarter of fiscal 2006.

For the 2007 fiscal year as a whole, sales were \$33.8 million, compared to \$44.5 million in fiscal 2006. Gross profit for fiscal 2007 was \$5.5 million, versus a gross profit of \$5.3 million in 2006. For fiscal 2006, total operating expenses, without the positive impact of the recovery of non-refundable tax credits, were \$13.7 million, compared to the \$16.5 million in the previous year. Net loss in fiscal 2007 was reduced to \$12.4 million, or \$0.10 per share, versus a net loss of \$17.6 million, or \$0.23 a share in the corresponding period of the previous year.

MITEC TELECOM INC.
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars)

	As at April 30, 2007 \$	As at April 30, 2006 \$
		<i>Restated</i>
ASSETS		
Current		
Cash and cash equivalents	6,286	1,468
Short-term investments	75	10,089
Trade receivables	5,064	10,849
Other receivables	889	632
Income tax recoverable	1,112	1,075
Inventories	7,672	7,546
Prepaid expenses and other	757	491
Current assets related to discontinued operations	—	278
Total current assets	21,855	32,428
Property, plant and equipment	7,106	8,564
Intangible assets	2,365	3,851
Investments	750	—
Deferred charges	1,248	2,129
	33,324	46,972
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	—	6,016
Accounts payable and accrued liabilities	6,647	12,079
Current portion of long-term debt	500	953
Current liabilities related to discontinued operations	—	63
Total current liabilities	7,147	19,111
Long-term debt	458	958
	7,605	20,069
Shareholders' equity		
Common shares	125,631	116,357
Warrants	1,311	—
Contributed surplus	8,645	8,126
Deficit	(108,951)	(96,579)
Cumulative translation adjustment	(917)	(1,001)
Total shareholders' equity	25,719	26,903
	33,324	46,972

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

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

	For the three months ended		For the twelve months ended	
	2007	April 30, 2006	2007	April 30, 2006
	\$	\$	\$	\$
		<i>Restated</i>		<i>Restated</i>
Sales	7,757	10,350	33,807	44,510
Cost of sales	5,176	9,105	28,357	39,164
Gross profit	2,581	1,245	5,450	5,346
Expenses				
Research and development	1,049	1,949	6,269	7,335
Government assistance – recovery of non-refundable tax credits	(814)	—	(814)	—
Net research and development	235	1,949	5,455	7,335
Selling and administrative	1,500	1,976	7,453	9,147
Amortization of intangible assets	250	541	1,394	2,118
Financial expenses	68	155	305	591
Foreign exchange	625	113	160	1,099
Interest income	(4)	(87)	(74)	(344)
Stock-based compensation	30	58	519	843
Write-down of property, plant and equipment	—	470	85	470
Write-down of intangibles assets	—	363	156	363
Restructuring and other expenses	196	231	1,728	1,764
	2,900	5,769	17,181	23,386
Loss from continuing operations before income taxes	(319)	(4,524)	(11,731)	(18,040)
Income tax recovery	814	(149)	633	(594)
Loss from continuing operations	(1,133)	(4,375)	(12,364)	(17,446)
Loss from discontinued operations	—	(69)	(8)	(121)
Net loss for the period	(1,133)	(4,444)	(12,372)	(17,567)
Basic and diluted loss per common share from continuing operations	(0.01)	(0.06)	(0.10)	(0.23)
Basic and diluted loss per common share from discontinued operations	—	(0.00)	(0.00)	(0.00)
Basic and diluted loss per common share	(0.01)	(0.06)	(0.10)	(0.23)
Weighted average number of outstanding common shares	167,769,266	76,405,263	121,903,323	76,405,263

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF DEFICIT
(In thousands of Canadian dollars)

	For the three months ended		For the twelve months ended	
	2007	April 30, 2006	2007	April 30, 2006
	\$	\$	\$	\$
		<i>Restated</i>		<i>Restated</i>
Deficit, beginning of the period				
As previously represented	(106,919)	(91,313)	(95,680)	(78,517)
Cumulative adjustment to prior years' foreign exchange losses	(899)	(822)	(899)	(495)
As restated	(107,818)	(92,135)	(96,579)	(79,012)
Net loss for the period	(1,133)	(4,444)	(12,372)	(17,567)
Deficit, end of the period	(108,951)	(96,579)	(108,951)	(96,579)

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

	For the three months ended		For the twelve months ended	
	2007	April 30, 2006	2007	April 30, 2006
	\$	\$	\$	\$
		<i>Restated</i>		<i>Restated</i>
OPERATING ACTIVITIES				
Loss from continuing operations	(1,133)	(4,375)	(12,364)	(17,446)
Add items not affecting cash				
Amortization of property, plant and equipment, intangible assets and deferred charges	902	1,319	3,893	5,283
Loss on disposal and write-down of property, plant and equipment	3	537	97	563
Write-down of intangible assets	—	363	156	363
Stock-based compensation	30	58	519	843
	(198)	(2,098)	(7,699)	(10,394)
Changes in non-cash working capital balances related to continuing operations	(1,995)	790	(185)	5,210
Cash flows used in operating activities	(2,193)	(1,308)	(7,884)	(5,184)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(47)	(93)	(288)	(309)
Additions to intangible assets	(3)	(41)	(32)	(159)
Proceeds on disposal of property, plant and equipment	49	88	76	142
Purchases of short-term investments	—	(10,089)	(3,117)	(23,187)
Sales of short-term investments	75	5,446	13,131	(25,327)
Purchase of investments	(750)	—	(750)	—
Cash flows provided (used) in investing activities	(825)	(4,689)	9,020	1,814
FINANCING ACTIVITIES				
Increase in bank indebtedness	—	818	349	3,665
Repayment of bank indebtedness	—	(834)	(6,365)	(3,327)
Repayment of long-term debt	(125)	(174)	(953)	(707)
Repayment of obligations under capital lease	—	(14)	—	(46)
Issuance of common shares and warrants	2,929	—	10,398	—
Cash flows provided (used) by financing activities	2,804	(204)	3,429	(415)
Effect of exchange rate fluctuations changes on cash and cash equivalents	136	(18)	46	55
Net increase (decrease) in cash and cash equivalents from continuing operations	(78)	(6,219)	4,611	(3,730)
Cash flows provided (used) in discontinued activities	—	110	207	(371)
Cash and cash equivalents, beginning of the period	6,364	7,577	1,468	5,569
Cash and cash equivalents, end of the period	6,286	1,468	6,286	1,468

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 Pointe-Claire, Canada, the Company also operates facilities 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.

-30-

For further information:

Dan Piergentili, President & CEO, Mitec Telecom: (514) 694-9000

Bruno Dumais, Vice President, Finance & CFO, Mitec Telecom: (514) 694-9000