



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 FIRST QUARTER RESULTS

Gross margins improved tenfold, or by \$1.9 million
\$3.4 million reduction of the net loss

Montreal, September 13, 2007 - Mitec Telecom Inc. (TSX: MTM) today reported its results for the first quarter of fiscal 2008, the three-month period ended July 31, 2007. Results showed sustained improvement both at the gross margin and the net loss levels.

"We are extremely pleased with the strides made," said Dan Piergentili, Mitec's President and CEO. "The introduction of new products and improved inroads with the OEM market has allowed us to diversify and enhance our customer and revenue base. Moreover, our efforts to contain costs have allowed us to significantly increase our operating margins; first quarter bookings were very strong resulting in a significant backlog as we enter into the second quarter."

Sales for the first quarter reached \$7.6 million versus \$8.7 million reported in the first quarter of fiscal 2007. Gross profit for the quarter was \$2.1 million, compared to \$188,000 in the same period of last fiscal year. Operating expenses for the first quarter of fiscal 2008 were \$2.5 million, compared to \$4.0 million reported in the first quarter of fiscal 2007.

The net loss for the first quarter was \$1.0 million, or \$0.01 per share, compared to a net loss of \$4.4 million, or \$0.06 a share in the same period of last fiscal year.

Mitec's Board of Directors announced that Mitec's Annual General Meeting will take place at Mitec Headquarters, 9000 Trans-Canada Highway, Pointe-Claire, Quebec, on October 19, at 11:00 am EST.

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.

MITEC TELECOM INC.
INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of Canadian dollars)

Unaudited

	As at July 31, 2007	As at April 30, 2007
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	4,343	6,286
Short-term investments	75	75
Trade receivables	6,870	5,064
Other receivables	659	889
Income tax recoverable	668	1,112
Inventories	7,328	7,672
Prepaid expenses and other	798	757
Total current assets	20,741	21,855
Property, plant and equipment	6,737	7,106
Intangible assets	2,138	2,365
Investments	750	750
Deferred charges	895	1,248
	31,261	33,324
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	5,845	6,647
Current portion of long-term debt	416	500
Total current liabilities	6,261	7,147
Long-term debt	277	458
	6,538	7,605
Shareholders' equity		
Common shares	125,631	125,631
Warrants	1,311	1,311
Contributed surplus	8,693	8,645
Deficit	(109,928)	(108,951)
Accumulated other comprehensive income	(984)	(917)
Total shareholders' equity	24,723	25,719
	31,261	33,324

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

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

Unaudited

	For the three months ended	
	2007	July 31, 2006
	\$	\$
Sales	7,603	8,676
Cost of sales	5,540	8,488
Gross profit	2,063	188
Expenses		
Selling and administrative	1,486	2,023
Research and development	1,007	2,022
Amortization of intangible assets	227	497
Financial expenses	30	135
Foreign exchange	245	33
Interest income	(3)	(51)
Stock-based compensation	48	64
	3,040	4,723
Loss from continuing operations before income taxes	(977)	(4,535)
Income tax recovery	—	(114)
Loss from continuing operations	(977)	(4,421)
Loss from discontinued operations	—	(8)
Net loss for the period	(977)	(4,429)
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	(67)	60
Comprehensive loss for the period	(1,044)	(4,369)
Basic and diluted loss per common share from continuing operations	(0.01)	(0.06)
Basic and diluted loss per common share from discontinued operations	(0.00)	(0.00)
Basic and diluted loss per common share	(0.01)	(0.06)
Weighted average number of outstanding common shares	174,502,223	76,405,263

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT

(In thousands of Canadian dollars)

Unaudited

For the three months ended
July 31,

	2007	2006
	\$	\$
Deficit, beginning of the period	(108,951)	(96,579)
Net loss for the period	(977)	(4,429)
Deficit, end of the period	(109,928)	(101,008)

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

Unaudited

For the three months ended

July 31,

	2007	2006
	\$	\$
OPERATING ACTIVITIES		
Loss from continuing operations	(977)	(4,421)
Add items not affecting cash		
Amortization of property, plant and equipment, intangible assets and deferred charges	770	1,112
Loss on disposal of property, plant and equipment	33	2
Stock-based compensation	48	64
	(126)	(3,243)
Changes in non-cash working capital balances related to continuing operations	(1,631)	1,781
Cash flows used in operating activities	(1,757)	(1,462)
INVESTING ACTIVITIES		
Additions to property, plant and equipment and intangible assets	(32)	(107)
Proceeds on disposal of property, plant and equipment	14	—
Purchase of short-term investment	(75)	—
Sale of short-term investments	75	9,492
Cash flows provided (used) in investing activities	(18)	9,385
FINANCING ACTIVITIES		
Increase in bank indebtedness	—	349
Repayment of bank indebtedness	—	(6,365)
Repayment of long-term debt	(127)	(177)
Cash flows used by financing activities	(127)	(6,193)
Effect of exchange rate fluctuations changes on cash and cash equivalents	(41)	226
Net increase (decrease) in cash and cash equivalents from continuing operations	(1,943)	1,956
Cash used by discontinued activities	—	(36)
Net cash (decrease) in cash and cash equivalents	(1,943)	1,920
Cash and cash equivalents, beginning of the period	6,286	1,468
Cash and cash equivalents, end of the period	4,343	3,388