



Source: Mitec Telecom Inc.
Contact: Mr. Jeffrey Mandel
Director, Investor and Corporate Relations
jeffrey.mandel@mitectelecom.com
Tel.: (514) 694-9000

MITEC TELECOM ANNOUNCES YEAR-END AND FOURTH QUARTER RESULTS FOR FISCAL 2009

MONTREAL, July 29, 2009 - Mitec Telecom (TSX: MTM) today announced its year-end and fourth quarter results for the 2009 fiscal year, which ended April 30, 2009.

Annual sales in fiscal 2009 were \$40.3 million, which is an increase of 12 per cent over sales in 2008 of \$36.2 million. In addition, the Corporation's net loss for the year was reduced to \$4.6 million, or \$0.02 per share compared with a net loss of \$6.4 million, or \$0.03 per share in the previous year. These results also include a one-time, non-cash, after-tax accounting charge of \$1.1 million for goodwill associated with the prior acquisition of the Corporation's U.S. operations. Without this adjustment, Mitec's net loss for the year would have been reduced to \$3.5 million.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") for fiscal 2009 were negative \$666,000. This marks a significant improvement over 2008 EBITDA which was negative \$1,933,000.

"Fiscal 2009 represents a third consecutive year of consistent and substantial improvement for Mitec," says Dan Piergentili, Mitec President and CEO. "This is progress in the face of a brutal recession which we addressed, in part, through effective cost containment that helped us achieve sustainable gross margins. "

"We have begun to see a gradual improvement in economic conditions over the last few months, as worldwide demand for mobile data access continues to necessitate cellular network upgrades. There is also a strong commitment throughout the telecom industry to expand and upgrade wireless capacity and Mitec is well-positioned to benefit from it."

Mitec also committed over \$4.3 million in fiscal 2009 to research and development activities, including the Corporation's Keragis product line. Cash flow generated from operating activities improved by 146 per cent from negative \$1.9 million in fiscal 2008 to positive \$0.9 million in fiscal 2009.

Fourth Quarter Results

Sales for the fourth quarter of fiscal 2009 were \$6.9 million. This is a decrease of 13 percent compared with sales during the previous quarter, and a reduction of 36 per cent in comparison with an unusually strong fourth quarter sales in 2008.

The net loss for the quarter was \$3.1 million, or \$0.01 per share compared with a net loss of \$1.8 million, or \$0.01 in the fourth quarter of 2008. Results for the quarter also include the one-time, non-cash, after-tax accounting charge of \$1.1 million referred to in the summary of yearend results above. Without this adjustment, the fourth quarter net loss would have been \$2.0 million, compared with a net loss of \$1.8 million in the fourth quarter of the previous year. EBITDA for the quarter were negative \$1.4 million compared to negative \$507,000 during the fourth quarter of fiscal 2008.

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 California 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.

Certain statements in this release, including statements regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for the Corporation's products, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors listed in the Corporation's public filings with the appropriate securities regulatory authorities.

MITEC TELECOM INC.
CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)

Audited

	As at April 30, 2009	As at April 30, 2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	4,485	4,784
Short-term investments, consisting of money market funds	181	77
Trade receivables	5,592	10,036
Other receivables	126	630
Income tax recoverable	323	839
Inventories	8,088	8,759
Prepaid expenses and other	629	580
Total current assets	19,424	25,705
Property, plant and equipment	5,493	6,084
Intangible assets	3,263	4,310
Goodwill	1,991	3,598
Investments	25	25
Deferred charges	—	321
Future income tax	125	—
	30,321	40,043
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	5,449	11,373
Current portion of long-term debt	1,215	382
Total current liabilities	6,664	11,755
Long-term debt	—	742
Future Income tax	—	515
	6,664	13,012
Shareholders' equity		
Common shares	132,142	132,097
Warrants	1,925	1,931
Equity component of convertible debentures	14	46
Contributed surplus	9,836	9,223
Deficit	(119,980)	(115,372)
Accumulated other comprehensive loss	(280)	(894)
Total shareholders' equity	23,657	27,031
	30,321	40,043

MITEC TELECOM INC.**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

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

	<i>Unaudited</i>		<i>Audited</i>	
	For the three months ended		For the twelve months ended	
	2009	April 30, 2008	2009	April 30, 2008
	\$	\$	\$	\$
Sales	6,927	10,766	40,348	36,176
Cost of sales	5,844	8,367	31,836	28,058
Gross profit	1,083	2,399	8,512	8,118
Expenses				
Research and development	1,122	1,300	4,310	4,477
Selling and administrative	1,891	1,577	6,569	6,229
Amortization of intangible assets	211	222	1,000	1,145
Financial expenses	178	110	853	518
Foreign exchange	(470)	147	(1,706)	787
Impairment of property, plant and equipment	80	104	470	104
Impairment of intangible assets	50	40	50	40
Impairment of goodwill	1,607	—	1,607	—
Impairment of investments	—	450	—	725
Stock-based compensation	45	325	607	611
	4,714	4,247	13,760	14,636
Loss before income tax	(3,631)	(1,848)	(5,248)	(6,518)
Income tax recovery	(523)	(97)	(640)	(97)
Net loss for the period	(3,108)	(1,751)	(4,608)	(6,421)
Net change in the unrealized gain (loss) on translating financial statements of self-sustaining operations	(575)	(125)	614	23
Comprehensive loss for the period	(3,683)	(1,876)	(3,994)	(6,398)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.02)	(0.03)
Weighted average number of outstanding common shares	220,666,756	217,037,556	220,658,990	197,634,243

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands of Canadian dollars, except for number of shares)
Unaudited

	Common shares		Warrants		Equity component of convertible debentures	Contributed surplus	Deficit	Accumulated other comprehensive loss	Shareholders' equity
	# (000s)	\$	# (000s)	\$	\$	\$	\$	\$	\$
Balance, April 30, 2007	174,502	125,631	27,915	1,311	—	8,645	(108,951)	(917)	25,719
Issued for business acquisition	32,841	4,883	—	—	—	—	—	—	4,883
Issued under a convertible debenture financing	—	—	13,888	753	70	—	—	—	823
Issued upon conversion of convertible debentures	8,832	999	—	—	(24)	—	—	—	975
Stock options exercised	350	72	—	—	—	(33)	—	—	39
Warrants exercised	3,787	512	(3,787)	(133)	—	—	—	—	379
Stock-based compensation	—	—	—	—	—	611	—	—	611
Other comprehensive profit for the year	—	—	—	—	—	—	—	23	23
Net loss for the year	—	—	—	—	—	—	(6,421)	—	(6,421)
Balance, April 30, 2008	220,312	132,097	38,016	1,931	46	9,223	(115,372)	(894)	27,031
Issued upon conversion of convertible debentures	354	45	—	—	(32)	—	—	—	13
Expired warrants	—	—	(187)	(6)	—	6	—	—	—
Stock-based compensation	—	—	—	—	—	607	—	—	607
Other comprehensive profit for the year	—	—	—	—	—	—	—	614	614
Net loss for the year	—	—	—	—	—	—	(4,608)	—	(4,608)
Balance, April 30, 2009	220,666	132,142	37,829	1,925	14	9,836	(119,980)	(280)	23,657

MITEC TELECOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)

	<i>Unaudited</i>		<i>Audited</i>	
	For the three months ended		For the twelve months ended	
	April 30,		April 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(3,108)	(1,751)	(4,608)	(6,421)
Items not affecting cash				
Amortization of property, plant and equipment, intangible assets and deferred charges	478	734	2,327	3,276
Loss on disposal and impairment of property, plant and equipment	80	205	470	211
Impairment of intangibles assets	50	40	50	40
Impairment of goodwill	1,607	—	1,607	—
Impairment of investments	—	450	—	725
Income tax recovery	(523)	(97)	(640)	(97)
Stock-based compensation	45	325	607	611
Accretion expense	104	14	636	325
	(1,267)	(80)	449	(1,330)
Changes in non-cash working capital balances related to operating activities	2,246	14	435	(571)
Cash flows from operating activities	979	(66)	884	(1,901)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(437)	(442)	(786)	(619)
Additions to intangible assets	(3)	(56)	(3)	(64)
Proceeds on disposal of property, plant and equipment	2	—	15	48
Business acquisition, net of cash acquired of \$14	—	—	—	(1,231)
Purchase of short-term investment	(337)	—	(516)	(229)
Sale of short-term investments	335	—	412	227
Cash flows from investing activities	(440)	(498)	(878)	(1,868)
FINANCING ACTIVITIES				
Common shares issued upon exercise of warrants	—	379	—	379
Common shares upon exercised of stock options	—	—	—	39
Convertible debentures issued	—	—	—	2,294
Repayment of long-term debt	(68)	(125)	(458)	(500)
Cash flows from financing activities	(68)	254	(458)	2,212
Gain on foreign cash and cash equivalents held	153	7	153	55
Net increase (decrease) in cash and cash equivalents	624	(303)	(299)	(1,502)
Cash and cash equivalents, beginning of the period	3,861	5,087	4,784	6,286
Cash and cash equivalents, end of the period	4,485	4,784	4,485	4,784