



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

MITEC RECEIVES US\$4.1 MILLION FOR ITS CHINA FACILITY

Montreal, February 28, 2011 - Mitec Telecom Inc. ("Mitec") (TSX: MTM), a leading designer and manufacturer of mobile wireless, fixed wireless, broadcast and satellite components, is pleased to announce that it has successfully closed a transaction with HK Weishun Int'l Limited to sell its RF conditioning business and Suzhou, China based assets for proceeds of US\$4.1 million in cash..

The transaction was made through the sale of Mitec Communications Ltd., a wholly owned subsidiary incorporated in Barbados which owns all of the shares of Mitec Telecom (Suzhou) Co., Ltd.

Jeffrey Mandel, Mitec's Executive Chairman stated, "As previously announced to shareholders, Mitec's Board of Directors believed that the Corporation's stock price and market capitalization were substantially undervalued. We therefore undertook a careful analysis of our assets to establish the true value of Mitec's various divisions with the objective of unlocking Mitec's underlying assets. The \$4.1 million cash proceeds from the sale of our China facility provides substantial non-dilutive cash and significantly strengthens our balance sheet. And we continue to own our North American wireless, satcom, VSAT and military divisions. This is an excellent outcome for shareholders proving the soundness of our stated strategy."

Daniel Piergentili, Mitec's President and CEO stated, "As some aspects of the business landscape in China have become very competitive, it became evident that transitioning to outsourced volume manufacturing through third parties allows us to focus on our strength as a systems integrator and provide niche product solutions to operators, while protecting our gross margins without the associated operational overhead and risks. For these reasons, Mitec has entered into agreements with HK Weishun to provide volume manufacturing for several of its product lines as part of this agreement. This represents a significant win-win for all concerned."

About Mitec Telecom Inc.

Mitec 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. Mitec 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, Mitec also operates a facility in California. Mitec is listed on the Toronto Stock Exchange under the symbol MTM. On-line information about Mitec is available at www.mitectelecom.com.

Due to confidentiality provisions, Mitec is generally not able to disclose the names of its major customers or the financial data related to sales transactions. 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 Mitec's products, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors listed in Mitec's public filings with the appropriate securities regulatory authorities.