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MITEC TELECOM REPORTS IMPROVED RESULTS FOR Q2 FISCAL 2011

Montreal, December 14, 2010 - Mitec Telecom Inc. ("Mitec") (TSX: MTM), a leading designer and manufacturer of mobile wireless, fixed wireless, broadcast and satellite components, today announced its results for the second quarter of fiscal 2011, the three-month period ended October 31, 2010.

Revenue was \$7.0 million for the quarter and Mitec recorded a net loss of \$711,000, or \$nil per share. These improved results compare to sales of \$7.2 million and a net loss of \$1.8 million or \$0.01 per share in the second quarter of fiscal 2010. It is notable that although second quarter revenues remained at the same levels, net income improved by over 2.5 times in fiscal 2011 compared with fiscal 2010.

EBITDA from operating activities (earnings before interest, income taxes, depreciation and amortization), improved to negative \$319,000 during the period, compared with negative \$1.4 million during the second quarter of fiscal 2010, more than a fourfold improvement.

"The results generated for this quarter are clear evidence that Mitec's product lines are now generating the sustainable profit margins that we have been working towards since they were launched", said Dan Piergentili, Mitec's President and CEO. Consolidated gross margin improved to 26 percent during the quarter - an improvement of 120 percent for the period - compared with 11 percent in the same quarter in fiscal 2010.

"Mitec's Satcom gross margins were 36 percent for this quarter as a result of the success we have generated through our recently launched product lines and our ability to differentiate them in the marketplace. Having reached these levels is a significant event for Mitec and we expect to make up for the shortfall in legacy revenue we experienced from the traction we continue to gain from our VSAT MTX product line as well as our military division, Keragis, which delivered 42 percent gross margins this quarter", Piergentili commented.

Mitec's Telecom revenue improved by almost 75 percent during the quarter, to \$3.5 million compared with \$2 million in the same quarter in fiscal 2010.

"Even through gross margins, at 15 percent, were much higher than in previous quarters, we continue to explore ways to ensure that Mitec can streamline its operations and increase these margins even further", said Piergentili.

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 facilities in California and China. 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.

MITEC TELECOM INC.
INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of Canadian dollars)

	As at October 31, 2010	As at April 30, 2010
	\$ Unaudited	\$ Audited
ASSETS		
Current		
Cash	908	1,886
Short-term investments	182	181
Trade receivables	6,946	5,732
Other receivables	151	288
Income tax recoverable	38	380
Inventories	6,007	5,447
Prepaid expenses and other assets	320	493
Total current assets	14,552	14,407
Property, plant and equipment	4,345	4,510
Intangible assets	1,590	1,762
Investments	25	25
	20,512	20,704
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Credit facility	1,229	733
Accounts payable and accrued liabilities	6,561	6,061
Current portion of the long-term debt	1,882	—
Total current liabilities	9,672	6,794
Long-term debt	—	1,157
Total liabilities	9,672	7,951
Shareholders' equity		
Common shares	132,142	132,142
Warrants	—	1,152
Equity component of convertible debentures	788	768
Contributed surplus	12,018	10,802
Deficit	(133,480)	(131,427)
Accumulated other comprehensive loss	(628)	(684)
Total shareholders' equity	10,840	12,753
	20,512	20,704

MITEC TELECOM INC.

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

Unaudited

	For the three months ended		For the six months ended	
	2010	October 31, 2009	2010	October 31, 2009
			\$	\$
Sales	7,024	7,198	12,795	13,905
Cost of sales	5,229	6,381	10,191	12,053
Gross profit	1,795	817	2,604	1,852
Expenses				
Research and development	720	683	1,434	1,751
Selling and administrative	1,543	1,796	2,894	3,222
Financial expenses	209	222	397	376
Foreign exchange (gain) loss	3	(8)	(131)	403
Gain on disposal and impairment of property, plan and equipment	—	(50)	(1)	(25)
Stock-based compensation	31	50	64	109
	2,506	2,693	4,657	5,836
Loss before income taxes	(711)	(1,876)	(2,053)	(3,984)
Income tax recovery	—	(39)	—	(78)
Net loss for the period	(711)	(1,837)	(2,053)	(3,906)
Net change in the unrealized gain (loss) on translating financial statements of self- sustaining foreign operations	30	(7)	58	(351)
Comprehensive loss for the period	(681)	(1,844)	(1,995)	(4,257)
Basic and diluted loss per outstanding common share	(0.00)	(0.01)	(0.01)	(0.02)
Weighted average number of outstanding common shares	220,666,756	220,666,756	220,666,756	220,666,756

MITEC TELECOM INC.
INTERIM 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
	# (000)	\$	# (000)	\$	\$	\$	\$	\$	\$
Balance, April 30, 2009	220,666	132,142	37,829	1,925	14	9,836	(119,980)	(280)	23,657
Issued upon conversion of convertible debentures	—	—	—	—	(14)	28	—	—	14
Issued under a convertible debentures financing	—	—	—	—	758	—	—	—	758
Expired warrants	—	—	(14,226)	(774)	—	774	—	—	—
Stock-based compensation	—	—	—	—	—	109	—	—	109
Other comprehensive loss the period	—	—	—	—	—	—	—	(351)	(351)
Net loss for the period	—	—	—	—	—	—	(3,906)	—	(3,906)
Balance, October 31, 2009	220,666	132,142	23,603	1,151	758	10,747	(123,886)	(631)	20,281
Balance, April 30, 2010	220,666	132,142	23,603	1,152	768	10,802	(131,427)	(684)	12,753
Issued under a convertible debenture financing	—	—	—	—	20	—	—	—	20
Expired warrants	—	—	(23,603)	(1,152)	—	1,152	—	—	—
Stock-based compensation	—	—	—	—	—	64	—	—	64
Other comprehensive gain for the period	—	—	—	—	—	—	—	56	56
Net loss for the period	—	—	—	—	—	—	(2,053)	—	(2,053)
Balance, October 31, 2010	220,666	132,142	—	—	788	12,018	(133,480)	(628)	10,840

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

Unaudited

	For the three months ended		For the six months ended	
	2010	October 31, 2009	2010	October 31, 2009
			\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(711)	(1,837)	(2,053)	(3,906)
Items not affecting cash				
Amortization	338	420	616	889
Gain on disposal and impairment of property, plant and equipment	—	(50)	(1)	(25)
Stock-based compensation	31	50	64	109
Accretion expense	124	105	245	215
Income tax recovery	—	(39)	—	(78)
	(218)	(1,351)	(1,129)	(2,796)
Changes in non-cash working capital balances related to operating activities	(1,128)	(85)	(549)	591
Cash flows used in operating activities	(1,346)	(1,436)	(1,678)	(2,205)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(22)	(73)	(326)	(290)
Proceeds on disposal of property, plant and equipment	—	—	37	—
Additions to intangible assets	—	—	(8)	—
Purchases of short-term investments	(182)	(181)	(363)	(181)
Sales of short-term investments	181	181	362	181
Cash flows used in investing activities	(23)	(73)	(298)	(290)
FINANCING ACTIVITIES				
Secured debentures issued	500	—	500	—
Credit facility	1,129	—	496	—
Convertible debentures issued	—	1,702	—	1,702
Repayment of credit facility	—	(1,400)	—	(1,400)
Cash flows used by financing activities	1,629	302	996	302
Gain (loss) on foreign cash held	7	(6)	2	(15)
Net increase (decrease) in cash for the period	267	(1,067)	(978)	(2,208)
Cash, beginning of the period	641	3,344	1,886	4,485
Cash, end of the period	908	2,277	908	2,277