



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 TELECOM REPORTS THIRD QUARTER 2010 RESULTS

Montreal, March 4, 2010 – Mitec Telecom (TSX: MTM), a leading designer and manufacturer of mobile wireless, fixed wireless, broadcast and satellite components today announced its results for the third quarter of fiscal 2010, the three month period ended January 31, 2010.

Revenue for the quarter was \$5.2 million compared with \$7.9 million for the third quarter of fiscal 2009. For the third quarter of fiscal 2010, the loss from operations was \$2.3 million or \$0.01 per share, compared with a loss of \$361,000, or nil per share in the third quarter of fiscal 2009. Mitec's loss before interest, taxes, depreciation and amortization, on an adjusted basis ("Adjusted EBITDA") was \$1.6 million compared with a loss of \$608,000 in the same period in fiscal 2009. Gross profit for the quarter was approximately 17%, compared with 24% for the same period in fiscal 2009.

Corporate performance this quarter was affected by a variety of factors, including delays in booking anticipated revenues for the quarter as a result of the postponement in infrastructure spending. Over this quarter and the previous quarter, Mitec continued to invest in R&D initiatives for new product lines which have now resulted in the launch of a new series of fixed wireless and very small aperture technology ("VSAT") products utilized for wireless backhaul.

"Our new product lines, including our coverage solutions products and our fixed wireless products, have begun to generate expected results. In addition, our newly designed and launched VSAT MTX Block Upconverter line, which was a significant R&D and marketing project during the last 2 years, has gained significant traction in its market. It is one of the realities of our business that our revenues tend to fluctuate depending on the stages of various transactions in our pipeline. We are looking forward to improved results in the current quarter as some of these transactions have now closed," commented Daniel Piergentili, Mitec's President and CEO.

Mitec is also working with its Mergers and Acquisitions Committee to assess various opportunities with the objectives of increasing its presence in the wireless market and achieving long-term profitability.

Mitec also reports that it has arranged a receivables financing facility in the amount of \$2.5 million - which can be increased up to \$5 million at Mitec's option and under certain terms and conditions - from a Canadian financial institution specializing in servicing the needs of small and medium sized businesses entering growth phases. The facility, which is subject to standard conditions, including final approval from the lender's credit committee, due diligence and completion of final documentation, will be used to support Mitec's working capital requirements and growth opportunities.

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 January 31, 2010	As at April 30, 2009
	\$	\$
	Unaudited	Audited
ASSETS		
Current		
Cash and cash equivalents	2,036	4,485
Short-term investments	181	181
Trade receivables	4,849	5,592
Other receivables	259	126
Income tax recoverable	494	323
Inventories	5,542	8,088
Prepaid expenses and other	656	629
Total current assets	14,017	19,424
Property, plant and equipment	4,759	5,493
Intangible assets	2,670	3,263
Goodwill	1,991	1,991
Investments	25	25
Future income tax	241	125
	23,703	30,321
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	4,689	5,449
Current portion of long-term debt	—	1,215
Total current liabilities	4,689	6,664
Long-term debt	1,041	—
	5,730	6,664
Shareholders' equity		
Common shares	132,142	132,142
Warrants	1,151	1,925
Equity component of convertible debentures	747	14
Contributed surplus	10,787	9,836
Deficit	(126,191)	(119,980)
Accumulated other comprehensive loss	(663)	(280)
Total shareholders' equity	17,973	23,657
	23,703	30,321

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

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

Unaudited

	For the three months ended		For the nine months ended	
	2010	January 31, 2009	2010	January 31, 2009
	\$	\$	\$	\$
Sales	5,161	7,922	19,066	33,421
Cost of sales	4,299	6,025	16,353	25,992
Gross profit	862	1,897	2,713	7,429
Expenses				
Research and development	1,027	1,039	2,769	3,188
Selling and administrative	1,499	1,430	4,336	4,678
Amortization of intangible assets	199	211	595	789
Financial expenses	161	301	535	675
Foreign exchange	279	(786)	682	(1,236)
(Gain) loss on disposal of property, plant and equipment	—	39	(25)	39
Impairment of property, plant and equipment	—	—	—	351
Stock-based compensation	41	113	149	562
	3,206	2,347	9,041	9,046
Loss before income taxes	(2,344)	(450)	(6,328)	(1,617)
Income tax recovery	(39)	(89)	(117)	(117)
Net loss for the period	(2,305)	(361)	(6,211)	(1,500)
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	(32)	1,167	(383)	1,189
Comprehensive gain (loss) for the period	(2,337)	806	(6,594)	(311)
Basic and diluted loss per common share	(0.01)	(0.00)	(0.03)	(0.01)
Weighted average number of outstanding common shares	220,666,756	220,666,756	220,666,756	220,656,485

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, 2008	220,312	132,097	38,016	1,931	46	9,223	(115,372)	(894)	27,031
Issued upon conversion of convertible debentures	354	25	—	—	—	—	—	—	25
Impact of deferred expenses on convertible debentures	—	—	—	—	(23)	—	—	—	(23)
Expired warrants	—	—	(187)	(6)	—	6	—	—	—
Stock-based compensation	—	—	—	—	—	562	—	—	562
Other comprehensive gain the period	—	—	—	—	—	—	—	1,189	1,189
Net loss for the period	—	—	—	—	—	—	(1,500)	—	(1,500)
Balance, January 31, 2009	220,666	132,122	37,829	1,925	23	9,791	(116,872)	295	27,284
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	—	—	—	—	747	—	—	—	747
Expired warrants	—	—	(14,226)	(774)	—	774	—	—	—
Stock-based compensation	—	—	—	—	—	149	—	—	149
Other comprehensive loss the period	—	—	—	—	—	—	—	(383)	(383)
Net loss for the period	—	—	—	—	—	—	(6,211)	—	(6,211)
Balance, January 31, 2010	220,666	132,142	23,603	1,151	747	10,787	(126,191)	(663)	17,973

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

Unaudited

	For the three months ended		For the nine months ended	
	2010	January 31, 2009	2010	January 31, 2009
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(2,305)	(361)	(6,211)	(1,500)
Add items not affecting cash				
Amortization of property, plant and equipment, intangible assets and deferred charges	420	476	1,309	1,849
(Gain) loss on disposal of property, plant and equipment	—	39	(25)	39
Impairment of property, plant and equipment	—	—	—	351
Stock-based compensation	41	113	149	562
Accretion expense	93	287	308	532
Income tax recovery	(39)	(89)	(117)	(117)
	(1,790)	465	(4,587)	1,716
Changes in non-cash working capital balances related to operating activities	1,606	(1,520)	2,198	(1,811)
Cash flows used in operating activities	(184)	(1,055)	(2,389)	(95)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(35)	(48)	(361)	(349)
Additions to intangible assets	(10)	—	(12)	—
Proceeds on disposal of property, plant and equipment	10	13	45	13
Purchase of short-term investments	—	(100)	(181)	(179)
Sale of short-term investments	—	—	181	77
Cash flows used in investing activities	(35)	(135)	(328)	(438)
FINANCING ACTIVITIES				
Convertible debentures issued	(24)	—	1,679	—
Repayment of long-term debt	—	(125)	(1,400)	(390)
Cash flows provided (used) by financing activities	(24)	(125)	279	(390)
Gain (loss) on foreign cash and cash equivalents held	2	—	(11)	—
Net increase (decrease) in cash and cash equivalents for the period	(241)	(1,315)	(2,449)	(923)
Cash and cash equivalents, beginning of the period	2,277	5,176	4,485	4,784
Cash and cash equivalents, end of the period	2,036	3,861	2,036	3,861