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MITEC TELECOM REPORTS FISCAL 2009 Q1 RESULTS

Sales reach \$14.9 million — a 96% increase year-over-year.

EBITDA from continuing operations grew to \$831,000.

Net income of \$55,000.

Montreal, September 11, 2008 - Mitec Telecom (TSX: MTM) today announced its results for the first quarter of fiscal 2009, the three-month period ended July 31, 2008.

Sales were \$14.9 million, an increase of 36% over the previous quarter and 96% year-over-year. A net profit of \$55,000, or \$0.00 per share was also reported. This compares to a net loss of \$1.8 million or \$0.01 per share in the previous quarter, and a net loss of \$977,000 or \$0.01 per share in the first quarter of fiscal 2008.

EBITDA from continuing operations (earnings before interest, income taxes, depreciation and amortization) was \$831,000 compared to losses of \$507,000 during the previous quarter and \$184,000 during the first quarter of fiscal 2008.

The majority of revenue during the first quarter was generated by Mitec's Telecom segment, which experienced sales of \$10.4 million—an increase of 250% year-over-year. This growth resulted from high demand for Mitec's wireless products from clients that are expanding wireless networks in developing countries.

"I'm very pleased with our results this quarter. Our focus on using Mitec's expertise and operational capability to take advantage of niche market opportunities continues to generate results. In this quarter, the Telecom segment growth we experienced helped deliver a profitable quarter", said President and CEO Dan Piergentili. "We continue to diversify and grow our product portfolio, expanding this strategy into the mobile wireless, military and next generation broadcasting areas as well as to our legacy telecom and satcom products, which have been updated and refined."

"The results generated this quarter are a further indication that Mitec's turnaround is succeeding," said Chairman Jeffrey Mandel. "Credit for this belongs to our CEO, Dan Piergentili and his talented staff in Canada, the United States and China who have demonstrated that they are able to satisfy the needs of some of the world's largest and most demanding telecom and satellite corporations."

The company's Annual General Meeting will take place on Thursday October 16, 2008 at 11:00 a.m. at Fraser Milner Casgrain LLP, 1 Place Ville Marie, Suite 3900, Montreal Quebec. The meeting will be accessible by webcast. For details please visit www.mitectelecom.com.

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.

MITEC TELECOM INC.
INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of Canadian dollars)

	As at July 31, 2008	As at April 30, 2008
	\$	\$
	<i>Unaudited</i>	<i>Audited</i>
ASSETS		
Current		
Cash and cash equivalents	3,245	4,784
Short-term investments	79	77
Trade receivables	16,797	10,036
Other receivables	325	630
Income tax recoverable	644	839
Inventories	8,754	8,759
Prepaid expenses and other	473	580
Total current assets	30,317	25,705
Property, plant and equipment	5,980	6,110
Intangible assets	3,979	4,284
Goodwill	3,598	3,598
Investments	25	25
Deferred charges	128	321
	44,027	40,043
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	15,106	11,373
Current portion of long-term debt	276	382
Total current liabilities	15,382	11,755
Long-term debt	791	742
Future income tax liabilities	501	515
	16,674	13,012
Shareholders' equity		
Common shares	132,140	132,097
Warrants	1,931	1,931
Equity component of convertible debentures	46	46
Contributed surplus	9,425	9,223
Deficit	(115,317)	(115,372)
Accumulated other comprehensive loss	(872)	(894)
Total shareholders' equity	27,353	27,031
	44,027	40,043

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

	2008	July 31,
	\$	2007
		\$
Sales	14,931	7,603
Cost of sales	11,765	5,540
Gross profit	3,166	2,063
Expenses		
Research and development	1,013	1,007
Selling and administrative	1,534	1,486
Amortization of intangible assets	305	227
Financial expenses	186	30
Foreign exchange	(108)	245
Interest income	(7)	(3)
Stock-based compensation	202	48
	3,125	3,040
Profit (loss) before income taxes	41	(977)
Income tax recovery	(14)	—
Net profit (loss) for the period	55	(977)
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	22	(67)
Comprehensive profit (loss) for the period	77	(1,044)
Basic and diluted profit (loss) per common share	0.00	(0.01)
Weighted average number of outstanding common shares	220,343,256	174,502,223

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 compre- hensive loss	Share- holders' equity	
	# (000s)	\$	\$	\$	\$	\$	\$	
Balance, April 30, 2007	174,502	125,631	1,311	—	8,645	(108,951)	(917)	25,719
Stock-based compensation	—	—	—	—	48	—	—	48
Other comprehensive loss for the period	—	—	—	—	—	—	(67)	(67)
Net loss for the period	—	—	—	—	—	(977)	—	(977)
Balance, July 31, 2007	174,502	125,631	1,311	—	8,693	(109,928)	(984)	24,723
Balance, April 30, 2008	220,312	132,097	1,931	46	9,223	(115,372)	(894)	27,031
Issued upon conversion of convertible debentures	354	43	—	—	—	—	—	43
Stock-based compensation	—	—	—	—	202	—	—	202
Other comprehensive gain for the period	—	—	—	—	—	—	22	22
Net profit for the period	—	—	—	—	—	55	—	55
Balance, July 31, 2008	220,666	132,140	1,931	46	9,425	(115,317)	(872)	27,353

MITEC TELECOM INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars)
Unaudited

For the three months ended

	2008	July 31, 2007
	\$	\$
OPERATING ACTIVITIES		
Net profit (loss)	55	(977)
Add items not affecting cash		
Amortization of property, plant and equipment, intangible assets and deferred charges	753	770
Loss on disposal of property, plant and equipment	—	33
Stock-based compensation	202	48
Accretion expense	128	—
Income tax recovery	(14)	—
	<u>1,124</u>	<u>(126)</u>
Changes in non-cash working capital balances related to continuing operations	(2,416)	(1,631)
Cash flows used in operating activities	(1,292)	(1,757)
INVESTING ACTIVITIES		
Additions to property, plant and equipment and intangible assets	(149)	(32)
Proceeds on disposal of property, plant and equipment	—	14
Purchase of short-term investments	(79)	(75)
Sale of short-term investments	77	75
Cash flows used in investing activities	(151)	(18)
FINANCING ACTIVITIES		
Repayment of long-term debt	(94)	(127)
Cash flows used by financing activities	(94)	(127)
Effect of exchange rate fluctuations changes on cash and cash equivalents	—	(41)
Net increase (decrease) in cash and cash equivalents	(1,537)	(1,943)
Cash and cash equivalents, beginning of the period	4,861	6,286
Cash and cash equivalents, end of the period	3,324	4,343