



## **MITEC TELECOM ANNOUNCES AGREEMENT TO SELL BEVE ELECTRONICS**

Signs Business Transfer Agreement with NOTE AB

- Agreement approved by the Boards of Directors of NOTE and Mitec
- Sale will significantly reduce Mitec's debt level
- Mitec also announces Shareholder Rights Plan

Montreal, August 22, 2003—Mitec Telecom Inc. (TSX: MTM), a leading designer and provider of wireless network, satcom and radio frequency products for a variety of industries, today announced that it has signed a Business Transfer Agreement with NOTE AB of Sweden to sell the assets of BEVE Electronics AB, Mitec's principal manufacturing operation in Sweden. NOTE AB is one of Sweden's leading electronics manufacturing services providers and a prominent member of a global EMS alliance.

The deal is structured as a cash transaction. It will significantly decrease Mitec's debt level, and allow all of BEVE's creditors to be paid off. Both NOTE's and Mitec's Boards of Directors have approved the agreement, and the sale is expected to be completed by August 29, 2003. Mitec's real estate assets in Sweden are not part of the agreement, and are being sold separately.

"With this agreement, the company-wide consolidation strategy that we put into action nearly a year ago is virtually complete," said Keith Findlay, Mitec's Executive Vice President, Finance and CFO. "One of our key goals is to ensure the continuity of supply to our customers and the transition plan being implemented is expected to achieve this important objective. This will allow Mitec to focus on its core business with direct presence in Canada, the U.S., the UK and China.

"The cash deal also enables us to reduce our debt and improves Mitec's consolidated financial position," Mr. Findlay added. "Moreover, we will be able to reduce our debt further when our Swedish real estate assets are sold. This makes us a much more viable organization, and enables us to compete more aggressively in our core markets, Mr Findlay finishes.

Mitec also presents a Shareholder Rights Plan, to ensure that shareholders will be treated fairly.

We early made the conclusion that the business has to be altered to be able to be developed. Our ideas about the agreement is that it we shall start a new "Center of Excellence", with specialty in microwave technology.

We already have three such centers | Sweden, says Erik Stenfors, president NOTE AB.

For further information, please contact:  
Keith Findlay, CFO, Mitec Telecom Inc, tel +1-514-694 90 00  
Erik Stenfors, President NOTE AB +46-709-50 80 70

#### *ABOUT MITEC TELECOM*

*Mitec Telecom is a leading designer and provider of products for the telecommunications industry. The Company sells its products worldwide to network equipment providers for incorporation into high-performing wireless networks used in voice and data/Internet communications. Additionally, the Company provides value-added services from design to final assembly and maintains test facilities covering a range from DC to 60 GHz. Headquartered in Montreal, Canada, the Company also operates facilities in the United States, Sweden, the United Kingdom and China.*

#### *About the NOTE-group*

*NOTE is a leading manufacturer of electronics with over 30 years of experience . NOTE is a complete manufacturer against contract that focus on high amount of service through close presence and flexibility towards the market.*

*NOTE offers global production close to the market. In Sweden we have 600 employees distributed on our production facilities in Norrtelje, Lund, Torsby and Lithuania with prototype manufacturing and sales office in Kista in the northern part of Stockholm and Gothenburg. Since the fusion with Xperi in the autumn 2002 the NOTE group has a turnover around one billion Swedish Crones. We also have a factory in Lithuania, and activities in Central Europe that are governed from our office in Gdansk, Poland. Through the global network of electronic manufacturers, ems-ALLIANCE, we have partners in China, Brazil, India, Italy and USA.*

*Since six years now NOTE is on the Swedish newspaper Svenska Dagbladet's list over Swedens fastest growing companies. NOTE is the only Swedish owned global supplier of EMS (Electronics Manufacturing Services).*