

Vecima to Supply Major US-Based MSO with Key Product to Support Transition to All-Digital Network

VICTORIA, BC – (October 6, 2008) – Vecima Networks Inc. ("Vecima or the Company") (TSX:VCM), a leading provider of equipment supporting broadband access to cable, wireless and telephony networks, today announced it has signed a multi-year engineering, supply and maintenance contract with a leading, US-based cable multiple system operator (Cable MSO) for a new cable network product. The product is designed to reclaim analog bandwidth all the way to the outer edge of the cable network including multi-dwelling units or household service groups. The engineering portion of the contract is valued at two to three million dollars alone and should lead to substantial additional supply and maintenance revenue. The new product facilitates the Cable MSOs transition to all-digital operation across its entire network, maximizing the value of existing infrastructure, while allowing them to continue to provide both high quality digital services and basic analog cable TV services to subscribers.

"According to industry studies, the global market for bandwidth reclamation products is expected to reach \$1.5 billion in the next five years as the industry-wide transition to all digital networks, focused on delivering higher video quality and a broader range of HDTV services, is completed," said Vecima Chief Executive and Chairman, Dr. Surinder Kumar. "This contract is part of our broader growth strategy, as we continue to exploit opportunities to productize innovative technology that meets the needs of our customers and we believe we are well positioned to capture a meaningful piece of this market."

Cable MSOs and the original equipment manufacturers that supply them, including Vecima, are under increasing pressure to meet growing demand for bandwidth across legacy hybrid fiber-coaxial networks. The key driver is virtually insatiable consumer demand for bandwidth, digital video streaming, social networking and file sharing applications, and increased personalized television offerings. As a result there is an opportunity for advanced infrastructure products for digital cable and data-over-cable services that re-use reclaimed bandwidth for HDTV delivery, countering competition to the 100+ HD channel universe offered by satellite and fiber-to-the-home operators. Cable MSOs want to reclaim as much analog spectrum as possible while remaining transparent to the subscriber. Analog signals consume a disproportionate amount of signal space, as compared to all-digital transmission. An all-digital network allows the Cable MSO to operate fully digitally up to the "last

tenths of a mile" providing improved efficiency and maximizing the footprint and value of existing infrastructure.

Vecima's new products allow Cable MSOs to reclaim analog spectrum all the way to a multi-dwelling unit or a network service group of households, at the very outer edge of the network. This increases available bandwidth for the 100+ HDTV channel race and provides additional revenue generating opportunities for Cable MSOs.

About Vecima Networks

Vecima Networks Inc. (TSX:VCM) designs, manufactures and sells products that enable broadband access to cable, wireless and telephony networks. Vecima's hardware products incorporate original embedded software to meet the complex requirements of next-generation, high-speed digital networks. Service providers use Vecima's solutions to deliver services to a converging worldwide broadband market, including what are commonly known as "triple play" (voice, video and data) and "quadruple play" (voice, video, data and wireless) services. Vecima's solutions allow service providers to rapidly and cost-effectively bridge the final network segment that connects the system directly to end users, commonly referred to as "the last mile," by overcoming the bottleneck resulting from insufficient carrying capacity in legacy, last mile infrastructures. Vecima's products are directed at two principal markets: Converged Wired Solutions and Broadband Wireless. The Company has also developed, and continues to focus on developing, products to address emerging markets such as Voice over Internet Protocol, fibre to the home and IP video. www.vecima.com

Forward-Looking Statements

Certain statements in this news release may constitute forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this news release, such statements are generally identified by the use of such words as "may", "will", "expect", "believe", "plan", "intend" and other similar terminology. These statements reflect Vecima's current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors including, but not limited to, the factors discussed under "Risk Factors" in the Company's Annual Information Form dated September 25, 2007 available on SEDAR (www.sedar.com), could



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cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Vecima Networks

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