

Vecima Signs Private Label Supply Agreement with Major Customer for High Definition Video Solution

- Product Enables New HDTV Market Services -

VICTORIA – (January 28, 2010) – Vecima Networks Inc. (“Vecima” or “the Company”) (TSX:VCM), a leading designer and manufacturer of equipment providing broadband access to cable, wireless and telephony networks, today announced it has signed a multi-year worldwide supply agreement with a major networking company to private label and exclusively sell a platform providing secure High Definition (HD) video. Vecima will retain the rights to sell the platform directly to a single leading US Multiple Service Operator. The new cable network product is designed to provide cable system operators with market leading technology delivering HD digital video streams in a secure format connecting directly to newer flat panel TVs, eliminating the need for an additional Digital Set Top Box. The result is a cleaner and more reliable installation offering a broader range of video services and a simplified user experience. This new technology is highly desired by the hospitality industry, hospitals, schools, universities and other institutions because it streamlines infrastructure requirements and reduces costs.

Driven by the upcoming large scale transition to HD in hotels, the market is expected to grow to a cumulative \$600 million worldwide over the next ten years and creates opportunities for operators to deploy all-digital services to new market segments. In return for providing this customer the exclusive right to sell this product, the contract calls for a minimum annual revenue of \$10 to \$15 million. This product will start shipping in the first half of calendar 2010, ramping up rapidly thereafter.

“This is a major win for new breakthrough technology that Vecima has recently developed,” said Vecima Chief Executive and Chairman, Dr. Surinder Kumar. “Our partnership with this industry leading networking company will ensure that together we are the dominant supplier to this growth market.”

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

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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 press release may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include but are not limited to statements regarding management's intentions, belief or current expectations with respect to market and general economic conditions, future costs and operating performance. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and/or are beyond our control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include, but are not limited to, the current significant general economic uncertainty and credit and financial market volatility and the distinctive characteristics of Vecima's operations and industry that may have a material impact on, or constitute risk factors in respect of Vecima's future financial performance, as set forth under the heading "Risk Factors" in the Company's Annual Information Form dated September 28, 2009, a copy of which is available at www.sedar.com. In addition, although the forward-looking statements in this press release are based on what management believes are reasonable assumptions, such assumptions may prove to be incorrect. Consequently, readers should not place undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made. Vecima disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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