

Vecima Completes Review of Strategic Alternatives and Proposes Special Cash Distribution of \$1.00 per Share

VICTORIA – (January 21, 2013) – Vecima Networks Inc. (“Vecima” or “the Company”)(TSX:VCM), a leading designer and manufacturer in the broadband cable and wireless network infrastructure market, announced today that it has completed its previously announced review of strategic alternatives to maximize shareholder value. This review concluded with the Board of Directors today authorizing the Company to seek shareholder approval to permit a special cash distribution to common shareholders, in the form of a return of capital, of \$1.00 per share.

Vecima began its review of strategic alternatives in August 2012. Vecima evaluated a range of alternatives. The Board of Directors have determined that, at this time, it would be in the best interest of Vecima to make the proposed special cash distribution to common shareholders, in the form of a return of capital, and to continue focusing on its core business of designing and manufacturing broadband access products.

The proposed special cash distribution, in the form of a return of capital, is conditional upon the Company’s shareholders approving a special resolution to reduce the stated capital of the common shares. Dr. Surinder Kumar, Dr. Hugh Wood and their respective holding companies, which collectively hold approximately 78.2% of the outstanding shares of the Company, have advised Vecima that they intend to vote their shares in favour of the special resolution. The Company plans to hold the shareholder meeting to consider the special resolution on March 11, 2013. If the return of capital is approved by shareholders, it is expected the special cash distribution will be paid to shareholders on or about March 27, 2013.

“We are pleased to be in a position to announce this proposed special cash distribution,” said Dr. Surinder Kumar, Chairman and Chief Executive Officer of Vecima. “A range of strategic alternatives were considered, but in the end, we believe that the proposed special cash distribution, in the form of a return on capital, and renewed focus on the Company’s core business provided the greatest potential to maximize shareholder value. Following the proposed distribution, we will have a strong balance sheet and will continue to explore opportunities to maximize shareholder value, including the possibility of future dispositions of non-core assets and cash dividends or distributions.”



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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. More information is available at our website at www.vecima.com

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words "believes", "may", "plans", "will", "anticipates", "intends", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about: the proposed special cash distribution to common shareholders, in the form of a return of capital, of \$1.00 per share; the intention of Dr. Surinder Kumar, Dr. Hugh Wood and their respective holding companies to vote their shares in favour of the special resolution; the Company's plans to hold the shareholder meeting to consider the special resolution on March 11, 2013; the Company's expectation to pay the special cash distribution to shareholders on or about March 27, 2013 if the return of capital is approved by shareholders; and, the Company's intention to continue to explore opportunities to maximize shareholder value, including the possibility of future dispositions of non-core assets and cash dividends or distributions.

In connection with the forward-looking information contained in this news release, Vecima has made numerous assumptions, regarding, among other things: shareholders of the Company approving a special resolution to reduce the stated capital of the common shares; the strength of the Company's balance sheet; the current share price of the Company; and, the present or potential value of the Company's core technologies, business operations and asset holdings. While Vecima considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause Vecima's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information



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contained herein. Known risk factors include, among others: the Company's shareholders may not approve the special resolution required to reduce the stated capital of the common shares; any of Dr. Surinder Kumar, Dr. Hugh Wood and their respective holding companies may not vote their shares in favour of the special resolution; the planned date of the Company's shareholder meeting and the expected date of the special distribution may change; there may be no opportunities to maximize shareholder value, including future dispositions of non-core assets or cash dividends or distributions; receipt of regulatory approval and satisfaction of the other conditions required for the sale of the radio spectrum may not occur; the Company's share price may never increase and may decrease significantly; the Company's balance sheet, as well as value of its core technologies, business operations and asset holdings may be significantly weaker than currently estimated by the Company; there may be no further growth or profitability of the Company; and, there may be no further development or introduction of new products.

A more complete discussion of the risks and uncertainties facing Vecima is disclosed under the heading "Risk Factors" in the Company's Annual Information Form dated September 28, 2012, as well as the Company's continuous disclosure filings with Canadian securities regulatory authorities available at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Vecima disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

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