



For Immediate Release

**RUGGEDCOM REPORTS 193% INCREASE IN PROFITABILITY
ON REVENUE GROWTH OF 53% FOR Q3 FISCAL 2009**

(All dollar amounts are in US dollars)

Highlights from the Quarter:

- 193% increase in Net Income year over year
- 80% increase in Gross Margin year over year
- 53% increase in Revenue year over year
- 38% increase in Purchase Orders year over year
- Added 98 new customers, up 10% year over year

Woodbridge, Ontario, February 11, 2009 –

RuggedCom Inc. (“RuggedCom”) (TSX:RCM), a leading provider of rugged communications networking solutions designed for mission-critical applications in harsh environments, today announced its financial results for the third quarter of fiscal 2009, ended December 31, 2008.

“Our third quarter results reflect consistently strong growth in both orders and revenues.” said Marzio Pozzuoli, President and Chief Executive Officer. “Improvements in our gross margins and other factors resulted in the Company achieving another record quarter of earnings.”

Third Quarter Results

Total revenue for the quarter was \$15.8 million, representing the Company’s 18th consecutive record quarter. Revenue increased 53% from the comparable quarter of a year ago. Revenue growth was primarily driven by increased sales in the electric power market, which comprised 68% of the Company’s total revenue, and which grew 54% over the same quarter last year.

Customer purchase orders totaled \$15.3 million for the quarter, representing an increase of 38% over the same quarter last year.

Gross margin for the quarter was \$10.4 million, an increase of 80% over the comparable period last year. On a percentage of revenue basis, third quarter gross margin was 65.7%, a significant increase of 9.5 percentage points over a gross margin of 56.2% for the same period last year. The increase was due to ongoing efforts to reduce product unit costs, favourable product and customer mix, in addition to the favourable effects of a weaker Canadian dollar versus the US dollar.

Third quarter net income was \$4.0 million, representing the Company’s 15th consecutive quarter of profitability. This represents a significant increase over net income of \$1.4 million in the third quarter last year. The increase was mainly due to a combination of revenue growth and significant increase in gross margin percentage, offset by only a modest increase in operating expenses. The Company also recorded a provision for income taxes of \$2.0 million with an effective tax rate of 33.2%. This compares to \$1.1 million income tax expense in the same period last year.

Third quarter basic earnings per share were \$0.34 compared to \$0.12 for the same quarter last year while fully diluted earnings per share were \$0.33 compared to \$0.11 for the same quarter last year.

The Company added 98 new customers in the quarter, an increase of 10% over the same quarter last year.

Conference Call and Webcast

Management will host a conference call at **8:30 a.m. (ET) on Thursday, February 12, 2009**. Listeners may attend the conference call by dialing **416-644-3414** or **1-800-733-7571**. The live audio webcast can be accessed at RuggedCom’s web site at www.RuggedCom.com. The webcast will also be archived on the site. A taped

rebroadcast will be available to listeners following the call until 11:59 PM (ET) on February 19, 2009. To access the rebroadcast, please call **416-640-1917** or **1-877-289-8525** and enter passcode **21293732#**.

About RuggedCom Inc.

RuggedCom is a leading provider of rugged communications networking solutions designed for mission-critical applications in harsh environments. RuggedCom's technology solutions include Ethernet switches, network routers, wireless devices, serial servers, media converters, software and professional services. RuggedCom's products are designed for use in harsh environments such as those found in electrical power substations and “Smart Grids”, intelligent transportation systems, industrial process control and military applications. For further information, please visit www.RuggedCom.com.

The unaudited consolidated interim financial statements and management's discussion and analysis of the results of operations and financial condition for the three month and nine month periods ended December 31, 2007 and December 31, 2008 can be found under the Company's profile at www.sedar.com. They can also be found in the Investor Relations section of the Company's website at www.RuggedCom.com.

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For further information:

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RuggedCom Inc.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
3rd Quarter ended December 31, 2008

RuggedCom Inc.
CONSOLIDATED BALANCE SHEETS
(in thousands of United States dollars)

	December 31, 2008	March 31, 2008
	(unaudited)	(audited)
	\$	\$
Assets		
Current		
Cash and cash equivalents (note 4)	43,768	8,037
Short term investments (note 4)	-	34,194
Accounts receivable (note 5)	7,660	6,602
Prepaid expenses and other	1,138	2,188
Inventories (note 6)	5,089	3,446
Income taxes recoverable	-	166
Future income taxes	458	579
	58,113	55,212
Future income taxes	502	737
Property and equipment	2,453	2,022
Other assets	299	239
	61,367	58,210
Liabilities		
Current		
Accounts payable and accrued liabilities	5,127	4,196
Current portion of warranty liability	505	569
Income taxes payable	1,878	-
Current portion of deferred income	48	-
Current portion of obligations under capital leases	167	269
	7,725	5,034
Warranty liability	663	504
Deferred income	21	-
Obligations under capital leases	65	213
Leasehold inducements	13	39
	8,487	5,790
Shareholders' Equity		
Capital stock (note 7)	46,718	46,384
Contributed surplus (note 8)	1,001	684
Accumulated other comprehensive income (loss) (note 9)	(7,083)	2,018
Retained earnings	12,244	3,334
	5,161	5,352
	52,880	52,420
	61,367	58,210

Contingent liabilities (note 10)

See accompanying notes to interim consolidated financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS (DEFICIT)
(in thousands of United States dollars except per share information)
(unaudited)

	3 month period ended December 31, 2008	3 month period ended December 31, 2007	9 month period ended December 31, 2008	9 month period ended December 31, 2007
	\$	\$	\$	\$
Revenue	15,821	10,312	42,957	27,713
Cost of goods sold	5,420	4,520	15,897	12,390
Gross margin	10,401	5,792	27,060	15,323
Operating expenses				
Research and development — net of investment tax credits of \$139 (2007 - \$113, 9 month 2008 - \$638, 2007 - \$573)	1,052	732	2,915	2,041
Sales and marketing	2,666	1,777	7,743	5,367
General and administrative	751	1,137	3,256	3,656
Amortization	271	214	859	598
	4,740	3,860	14,773	11,662
Operating income	5,661	1,932	12,287	3,661
Net interest income	303	484	1,131	773
Earnings before income taxes	5,964	2,416	13,418	4,434
Income taxes (note 15)				
Current	1,829	1,043	4,357	1,781
Future	153	16	151	78
	1,982	1,059	4,508	1,859
Net earnings for the period	3,982	1,357	8,910	2,575
Retained earnings (deficit) — Beginning of period	8,262	(312)	3,334	(1,530)
Retained earnings — End of period	12,244	1,045	12,244	1,045
Net earnings per common share (note 11)				
Basic	\$ 0.34	\$ 0.12	\$ 0.76	\$ 0.27
Diluted	\$ 0.33	\$ 0.11	\$ 0.72	\$ 0.26
Basic weighted average number of common shares	11,798,435	11,510,060	11,760,669	9,624,458
Diluted weighted average number of common shares	12,251,346	12,286,253	12,296,445	10,478,209

See accompanying notes to interim consolidated financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands of United States dollars)
(unaudited)

	3 month period ended December 31, 2008	3 month period ended December 31, 2007	9 month period ended December 31, 2008	9 month period ended December 31, 2007
	\$	\$	\$	\$
Net earnings for the period	3,982	1,357	8,910	2,575
Unrealized foreign currency translation gain (loss) (note 9)	(7,067)	164	(9,101)	3,904
Comprehensive income (loss) - For the period	<u>(3,085)</u>	<u>1,521</u>	<u>(191)</u>	<u>6,479</u>

See accompanying notes to interim consolidated financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of United States dollars)
(unaudited)

	3 month period ended December 31, 2008	3 month period ended December 31, 2007	9 month period ended December 31, 2008	9 month period ended December 31, 2007
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Net earnings for the period	3,982	1,357	8,910	2,575
Non-cash items				
Amortization of property and equipment	253	202	808	535
Amortization of other assets	18	12	51	63
Gain on disposal of property and equipment	-	(13)	-	(16)
Future income taxes	153	16	151	78
Accretion and cumulative dividends on preferred shares	-	-	-	148
Stock based compensation	139	108	475	311
Warranty liability	104	80	295	239
Leasehold inducements	(7)	1	(23)	3
Net change in non-cash working capital (note 14)	(29)	(647)	87	(1,038)
	<u>4,613</u>	<u>1,116</u>	<u>10,754</u>	<u>2,898</u>
Investing activities				
Disposal of (additions to) short term investments	-	-	34,787	(33,359)
Proceeds from disposal of property and equipment	-	24	-	35
Additions to property and equipment	(619)	(283)	(1,632)	(615)
Additions to other assets	(63)	(57)	(160)	(102)
	<u>(682)</u>	<u>(316)</u>	<u>32,995</u>	<u>(34,041)</u>
Financing activities				
Repayment of obligations under capital leases	(56)	(68)	(196)	(186)
Issuance of common shares	3	88	176	39,691
Share issuance costs	-	-	-	(3,802)
	<u>(53)</u>	<u>20</u>	<u>(20)</u>	<u>35,703</u>
Effect of foreign currency exchange rates on cash and cash equivalents	<u>(5,785)</u>	<u>22</u>	<u>(7,998)</u>	<u>1,350</u>
Increase (decrease) in cash and cash equivalents during the period	<u>(1,907)</u>	<u>842</u>	<u>35,731</u>	<u>5,910</u>
Cash and cash equivalents — Beginning of period	<u>45,675</u>	<u>8,384</u>	<u>8,037</u>	<u>3,316</u>
Cash and cash equivalents — End of period (note 14b)	<u><u>43,768</u></u>	<u><u>9,226</u></u>	<u><u>43,768</u></u>	<u><u>9,226</u></u>

See accompanying notes to interim consolidated financial statements.