



For Immediate Release

RUGGEDCOM REPORTS 154% INCREASE IN PROFITABILITY ON REVENUE GROWTH OF 54% FOR FISCAL 2009

(All dollar amounts are in US dollars)

Highlights for the Full Fiscal Year:

- 46% increase in Purchase Orders over prior year
- 54% increase in Revenues over prior year
- 68% increase in Gross Margin dollars over prior year
- 154% increase in Net Income over prior year
- Added 393 new customers during the fiscal year

Highlights from the Quarter:

- 23% increase in Purchase Orders year over year
- 52% increase in Revenues year over year
- 50% increase in Gross Margin year over year
- 49% increase in Net Income year over year
- Added 105 new customers during the quarter

Woodbridge, Ontario, May 20, 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 fourth quarter and full fiscal year ended March 31, 2009.

“We are pleased to complete our latest fiscal year with another solid financial performance which included our 19th consecutive record quarterly increase in revenues. This latest quarter demonstrates the Company’s ability to deliver both top line and bottom line growth in a challenging economic environment.” said Marzio Pozzuoli, President and Chief Executive Officer.

Fourth Quarter and Full Year Results

Total revenue for the quarter was \$17.4 million, representing the Company’s 19th consecutive record quarter. Revenue increased 52% from the comparable quarter of a year ago. Revenue growth was primarily driven by increased sales in the electric power market, which comprised 63% of the Company’s total revenue, and which grew 43% over the same quarter last year.

For the full year, revenue reached \$60.4 million, an increase of 54% over fiscal 2008.

Customer purchase orders totaled \$16.5 million for the quarter, the 2nd highest in Company history, representing an increase of 23% over the same quarter last year. During the quarter the Company received a record purchase order totaling over \$US 2 million from a major U.S. utility for RuggedCom’s RuggedSwitch® and RuggedRouter® family of products for use in substation automation and Smart Grid applications. The utility was also a new customer for RuggedCom, one of 105 new customers for the quarter.

For the full year, the Company booked \$61.8 million in orders, a 46% increase over the \$42.4 million booked in fiscal 2008.

Gross margin for the quarter was \$11.0 million, an increase of 50% over the comparable period last year. On a percentage basis, fourth quarter gross margin was 63.4% compared to 64.4% for the same period last year.

Gross margins were \$38.1 million for the full year, a 68% increase over the comparable period last year. On a percentage basis, fiscal 2009 gross margin was 63.1%, 5.1 points higher than the 58.0% recorded for fiscal 2008. Favourable product and customer mix on top of continuing product cost improvements contributed to this increase.

Fourth quarter net income was \$3.4 million, representing the Company’s 16th consecutive quarter of profitability. This represents a 49% increase over net income of \$2.3 million in the fourth quarter last year. The increase was mainly due to the Company’s continuing growth in revenues. In addition, the Company recorded \$0.1 million of net interest income for the quarter compared to \$0.5 million in the same quarter last year. The Company also recorded a provision for income taxes of \$1.9 million with an effective tax rate of 35.4%, which compares to 32.8% for the same period a year ago.

For the full year, net income was \$12.3 million, an increase of 154% over fiscal 2008 net income of \$4.9 million. The Company recorded a provision for income taxes of \$6.4 million for fiscal year 2009 which equates to an effective rate of 34.1%, which compares to 37.9% for fiscal year 2008.

Fourth quarter earnings per basic share were \$0.29 compared to \$0.20 for the same quarter last year while earnings per diluted share were \$0.28 compared to \$0.19 for the same quarter last year. Earnings per basic share for the full year were \$1.05 compared to \$0.48 for the last fiscal year while earnings per diluted share were \$1.00 compared to \$0.46 for the last fiscal year.

The Company added 105 new customers in the quarter, an increase of 24% over the same quarter last year; 393 new customers were added during fiscal 2009, an increase of 19% over fiscal 2008.

Conference Call and Webcast

Management will host a conference call at **8:30 a.m. (ET) on Thursday, May 21, 2009**. Listeners may attend the conference call by dialing **416-644-3423** or **1-800-732-9307**. 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 May 28, 2009. To access the rebroadcast, please call **416-640-1917** or **1-877-289-8525** and enter passcode **21304339#**.

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 audited annual consolidated financial statements for the fiscal years ended March 31, 2008 and March 31, 2009 and management's discussion and analysis of the results of operations and financial condition for the three month and full year periods ended March 31, 2008 and March 31, 2009 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.
CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2009

RuggedCom Inc.
CONSOLIDATED BALANCE SHEETS
As at March 31, 2009 and 2008
(in thousands of United States dollars)

| | 2009 | 2008 |
|--|-------------|-------------|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash and cash equivalents (note 4) | 45,099 | 8,037 |
| Short-term investments (note 5) | - | 34,194 |
| Accounts receivable (note 6) | 9,780 | 6,602 |
| Prepaid expenses and other (note 7) | 1,025 | 2,188 |
| Inventories (note 8) | 4,555 | 3,446 |
| Income taxes recoverable | - | 166 |
| Future income taxes (note 14(a)) | 283 | 579 |
| | 60,742 | 55,212 |
| Future income taxes (note 14(a)) | 246 | 737 |
| Property and equipment (note 9) | 2,929 | 2,022 |
| Other assets (note 10) | 313 | 239 |
| | 64,230 | 58,210 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | 5,793 | 4,196 |
| Current portion of warranty liability | 482 | 569 |
| Income taxes payable | 2,268 | - |
| Current portion of deferred income | 50 | - |
| Current portion of obligations under capital leases (note 16(b)) | 126 | 269 |
| | 8,719 | 5,034 |
| Warranty liability | 347 | 504 |
| Deferred income | 21 | - |
| Obligations under capital leases (note 16(b)) | 48 | 213 |
| Leasehold inducements | 6 | 39 |
| | 9,141 | 5,790 |
| Shareholders' Equity | | |
| Capital stock (note 11) | 46,820 | 46,384 |
| Contributed surplus (note 13) | 1,559 | 684 |
| Accumulated other comprehensive income (loss) (note 12) | (8,952) | 2,018 |
| Retained earnings | 15,662 | 3,334 |
| | 6,710 | 5,352 |
| | 55,089 | 52,420 |
| | 64,230 | 58,210 |

Commitments (note 16)

Contingent liabilities (note 17)

See accompanying notes to consolidated financial statements.

Approved by the Board of Directors

"Peter Crombie"

Peter Crombie, Director

"J. Ian Giffen"

J. Ian Giffen, Director

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS (DEFICIT)
For the years ended March 31, 2009 and 2008
(in thousands of United States dollars except per share information)

| | 2009 | 2008 |
|--|-------------|-------------|
| | \$ | \$ |
| Revenue | 60,373 | 39,179 |
| Cost of goods sold | 22,268 | 16,468 |
| | <hr/> | <hr/> |
| Gross margin | 38,105 | 22,711 |
| | <hr/> | <hr/> |
| Operating expenses | | |
| Research and development — net of scientific research and experimental development tax credits of \$1,048 (2008 - \$722) | 3,919 | 2,924 |
| Sales and marketing | 10,765 | 7,611 |
| General and administrative | 5,561 | 4,664 |
| Foreign currency loss (gain) | (742) | 85 |
| Amortization | 1,166 | 823 |
| | <hr/> | <hr/> |
| | 20,669 | 16,107 |
| | <hr/> | <hr/> |
| Operating income | 17,436 | 6,604 |
| Net interest income | 1,273 | 1,234 |
| | <hr/> | <hr/> |
| Earnings before income taxes | 18,709 | 7,838 |
| | <hr/> | <hr/> |
| Provision for income taxes (note 14(b)) | | |
| Current | 5,827 | 2,785 |
| Future | 554 | 189 |
| | <hr/> | <hr/> |
| | 6,381 | 2,974 |
| | <hr/> | <hr/> |
| Net earnings for the year | 12,328 | 4,864 |
| | <hr/> | <hr/> |
| Retained earnings (deficit) — Beginning of year | 3,334 | (1,530) |
| | <hr/> | <hr/> |
| Retained earnings — End of year | 15,662 | 3,334 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Net earnings per common share (note 18) | | |
| Basic | \$ 1.05 | \$ 0.48 |
| Diluted | \$ 1.00 | \$ 0.46 |
| Basic weighted average number of common shares | 11,771,439 | 10,127,253 |
| Diluted weighted average number of common shares | 12,326,514 | 10,935,387 |

See accompanying notes to consolidated financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended March 31, 2009 and 2008
(in thousands of United States dollars)

| | 2009 | 2008 |
|---|--------------|--------------|
| | <u>\$</u> | <u>\$</u> |
| Net earnings for the year | 12,328 | 4,864 |
| Unrealized foreign currency translation gain (loss) (note 12) | (10,970) | 2,072 |
| | <hr/> | <hr/> |
| Comprehensive income for the year | <u>1,358</u> | <u>6,936</u> |

See accompanying notes to consolidated financial statements.

RuggedCom Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31, 2009 and 2008
(in thousands of United States dollars)

| | 2009 | 2008 |
|---|-------------|-------------|
| | \$ | \$ |
| Cash provided by (used in) | | |
| Operating activities | | |
| Net earnings for the year | 12,328 | 4,864 |
| Non-cash items | | |
| Amortization of property and equipment | 1,097 | 746 |
| Amortization of other assets | 69 | 77 |
| Gain on disposal of property and equipment | - | (19) |
| Future income taxes | 554 | 189 |
| Accretion and cumulative dividends on preferred shares | - | 148 |
| Stock-based compensation | 1,082 | 432 |
| Warranty liability | (8) | 185 |
| Leasehold inducements | (29) | 4 |
| Net change in non-cash working capital (note 15(a)) | (574) | (4,442) |
| | 14,519 | 2,184 |
| Investing activities | | |
| Disposal of (additions to) short-term investments | 34,787 | (33,361) |
| Proceeds from disposal of property and equipment | - | 40 |
| Additions to property and equipment | (2,486) | (959) |
| Additions to other assets | (203) | (145) |
| | 32,098 | (34,425) |
| Financing activities | | |
| Repayment of obligations under capital leases | (247) | (253) |
| Issuance of common shares | 228 | 39,965 |
| Effect of exchange rates on preferred shares | - | 335 |
| Share issuance costs | - | (3,802) |
| | (19) | 36,245 |
| Effect of foreign currency exchange rates on cash and cash equivalents | (9,536) | 717 |
| Increase in cash and cash equivalents during the year | 37,062 | 4,721 |
| Cash and cash equivalents — Beginning of year | 8,037 | 3,316 |
| Cash and cash equivalents — End of year (note 15(b)) | 45,099 | 8,037 |

See accompanying notes to consolidated financial statements.