

Lyrtech provides operational update

-Company engages advisors to assist new CEO with restructuring plan-

Quebec City, QC, Canada, December 7, 2007 – Lyrtech Inc. (TSX-V:LYT), a leader in digital signal processing (DSP) technologies, today announced it has implemented a cost reduction and restructuring program designed to optimize the use of strategic resources in the face of operational challenges.

Under the leadership of Dr. Alain Houle, recently appointed President and CEO, management is rapidly effecting operational change including headcount reductions in certain manufacturing and sales areas of the business. The focus of these initiatives is to improve productivity and conserve cash resources while management and its advisors seek additional capital.

To assist management and the Board with this operational and financial restructuring, the Company has engaged the services of Hawk Sight Limited, a European Merchant Bank and Mario Lemire, a Quebec-based financial professional with seasoned turnaround experience.

“While we maintain our focus on delivering quality products and fulfilling customer commitments, we have made considerable improvements by bringing new operating discipline to the business,” said Alain Houle, President and CEO. “Despite the challenges we face today, management and the Board remain committed to our current business model, and believe that changes enacted today will best enable the Company to recapitalize and succeed long-term.”

To fund ongoing operations and to meet its interim financial obligations, the Company is negotiating with lenders and in discussion with potential financial partners. The Company can provide no assurances that these discussions will be successful.

About Lyrtech Inc.

Lyrtech develops and manufactures advanced digital signal processing solutions for companies worldwide, a vital technology to network and wireless communications, audio and video processing, as well as electronic systems in all fields of technology. Lyrtech offers a full range of DSP-FPGA development platforms, as well as design, prototyping, and manufacturing of electronic products through its Innovator division. From the company's state-of-the-art facility, Innovator offers prototyping services, new product introduction services, turnkey assembly, box build assembly, and other electronic manufacturing services, providing customers with a quality production run of highly complex products with a fast turnaround. For more information, please visit www.lyrtech.com.

Forward looking Statements

Certain statements made in this press release regarding Lyrtech's future operations, expected financial position, future revenues, projected costs, prospects, plans and objectives are forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Lyrtech considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions that these assumptions regarding future events, many of which are beyond Lyrtech's control, may ultimately prove to be incorrect. Factors and risks which could cause actual results to differ materially from current expectations are discussed in Lyrtech's annual report for the year ended December 31, 2006. Lyrtech disclaims any intention or obligation to update or revise any forward-looking statements. For additional information on risks and uncertainties relating to these forward-looking statements, investors should consult Lyrtech's ongoing filings, including its most recent annual report, found on SEDAR at www.sedar.com

The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy and accuracy of this release.

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