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NEWS RELEASE

Mitel Reports First Quarter Results

5/7/2015

Mitel® (Nasdaq:MITL) (TSX:MNW), a global leader in business communications, today announced financial results for the first quarter of 2015. As reported highlights include:

- $248.1 million in revenue for the quarter
- Adjusted EBITDA of $30.4 million for the quarter
- Non-GAAP quarterly EPS of $0.16

	Q1 '15 As reported	Constant Currency1	Q1 '14 Proforma2	As reported3
Revenue	$248.1	$268.9	$277.4	$241.5
Net Income (Loss)	$5.3	$10.2	($30.8)	($13.6)
Non-GAAP Net Income	$16.5	$21.4	$16.9	$19.8
Adjusted EBITDA	$30.4	$35.3	$32.8	$35.6

All results are reported in millions of US dollars

See tables for reconciliation of non-GAAP measures to GAAP measures

1 - Constant currency in Q1-2015 assumes the same foreign currency exchange rates as in Q1-2014

2 - Proforma in Q1-2014 consists of the combined results of Mitel and Aastra from January 1, 2014 through March 31, 2014

3 - As reported in Q1-2014 consists of the results of Mitel for the full quarter and Aastra from the date of acquisition of January 31, 2014

Commenting on the quarter, Richard McBee, President and Chief Executive Officer, Mitel said, "Mitel's broad portfolio of enterprise solutions and strong execution in both our premise and cloud businesses delivered another solid quarter for Mitel. These results were achieved despite significant foreign exchange headwinds and our continued move to a recurring revenue model in our rapidly growing cloud business. Our operational discipline ensures that our premise business remains consistently profitable, a source of financial strength and cash generation which we are reinvesting in strategic growth initiatives. Demand was strong for our cloud communications solutions as demonstrated in our adding over 35,000 new recurring seats during the quarter."

"During the quarter, we took another major step in Mitel's transformation as a leader in the enterprise and mobility communications industry with the acquisition of Mavenir Systems. Today, we have a unique and established foothold in the rapidly growing adjacent mobile market. The acquisition, which was completed last week, provides Mitel with an immediate revenue growth engine that uniquely positions the company to capitalize on the convergence of enterprise and mobile markets now rapidly transitioning to common IP network technology. Feedback from the mobile customer community is overwhelmingly favorable since we announced the deal."

In the first quarter Mitel installed 98,600 new cloud seats, including 35,800 recurring cloud seats. Year-over-year, Mitel's recurring cloud seats increased 114% and its total installed cloud base was up 82%. The table below highlights Mitel's cloud operational metrics, as of March 31, 2015:

Cloud Operational Metrics *

	Q1'14*	Q2'14	Q3'14	Q4'14	Q1'15
Total Cloud Seats	625,699	754,045	861,624	1,039,032	1,137,679
Recurring Cloud Seats	142,600	195,673	244,889	269,155	304,956
Retail Monthly Average Revenue Per User (ARPU)	$48	$47	$46	$50	$50
Retail Average # of Seats per Customer	32	34	39	37	39
Retail Cloud Monthly Churn	0.6%	0.6%	0.7%	0.4%	0.8%

* Consists of the combined results of Mitel and Aastra from January 1, 2014 through March 31, 2014.

Financial Highlights

Mitel completed the acquisition of Aastra Technologies Limited on January 31, 2014. "As reported" results are referred to below and in the tables attached to this press release. Comparative pro-forma results reflect results of the company as if it had been fully combined with Aastra Technologies for the entire first quarter of 2014.

AS REPORTED:

- Total revenue increased 2.7% to $248.1 million for the first quarter of 2015 compared to the prior year, primarily as a result of the Aastra acquisition offset by foreign currency impacts.
- GAAP net income of $5.3 million, or $0.05 per diluted share, compared to a net loss of $13.6 million, or $0.16 per diluted share.
- Non-GAAP net income for the first quarter of 2015 was $16.5 million, or $0.16 per diluted share, compared to $19.8 million, or $0.22 per diluted share in the first quarter of 2014. The number of non-GAAP weighted-average common shares outstanding was 104.8 million and 88.5 million, respectively.
- Adjusted EBITDA for the first quarter of 2015 was $30.4 million compared to $35.6 million in the year ago period, driven largely by the impact of unfavorable foreign exchange effects.

PRO-FORMA:

- Total revenue was down 10.6% from $277.4 million in first quarter 2014 largely as a result of adverse foreign exchange movement and transition to recurring cloud.
- Gross margins improved to 52.6% in the first quarter of 2015 compared to 51.9% in the prior year, as a result of integration synergies. In constant currency, gross margins expanded to 53.7%.
- Non-GAAP net income for the first quarter of 2015 was $16.5 million, or $0.16 per diluted share.
- Adjusted EBITDA for the first quarter of 2015 was $30.4 million.

"Mitel's disciplined operating approach enabled the company to deliver another quarter of solid profitability despite revenue headwinds of $21 million from foreign exchange and an estimated $14 million impact from transitioning to a recurring cloud revenue model. Leveraging the successful ongoing integration of Aastra, we are now gearing up our integration program for Mavenir as our near-term priority," said Steve Spooner, Chief Financial Officer, Mitel. He added, "The expected EBITDA growth will position us to rapidly pay down debt and invest for growth."

Recent Business Highlights

- Successfully completed the acquisition of Mavenir Systems
- In a transaction that was almost three times oversubscribed, closed a new US$660 million term loan facility (maturing April 2022) together with a US$50 million undrawn revolver (maturing April 2020). The proceeds from the new term loan facility were used to pay down and discharge our existing term loan facility and to partially fund the acquisition of Mavenir.
- Strengthened management team with appointments of Wes Durow to the position of Chief Marketing Officer and Graham Bevington as Chief Sales Officer

Business Outlook

Mitel has set the following financial performance guidance for the second quarter ending June 30, 2015. This guidance reflects approximately $29 million of unfavorable foreign currency impacts on revenue compared to the prior year.

	Q2 2015 Guidance Pro-forma*	As Reported+
Revenue#	$280M - $305M	$275M - $300M
Gross Margin%	52% - 54%	52% - 54%
Adjusted EBITDA%	7% - 11%	10% - 14%
Non-GAAP EPS	$0.07 - $0.13	$0.15 - $0.22

*Proforma consists of the combined results of Mitel and Mavenir from January 1, 2015

+As reported will consist of Mitel's full quarter results for the quarter ended June 30, 2015 and two months of results from Mavenir from April 29, 2015 (date of acquisition)

Conference Call Information

Mitel will host an investor conference call and live webcast today at 8:30 a.m. ET (5:30 a.m. PT) to discuss its financial results for the first quarter ended March 31, 2015. To access the conference call, dial 888-734-0328. Callers outside the U.S. and Canada should dial 678-894-3054. A replay of the conference call will be available through 5:00p ET on Monday, May 11, 2015. To access the replay, all callers should please dial 404-537-3406 and enter pass code 32709536. The live webcast will be accessible on Mitel's investor relations website at **http://investor.mitel.com/** and will be archived and available on this site for at least three months.

Non-GAAP Financial Measurements

This press release includes references to non-GAAP financial measures including adjusted EBITDA, non-GAAP net income and non-GAAP operating expenses. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. We use these non-GAAP financial measures to assist management and investors in understanding our past financial performance and prospects for the future, including changes in our operating results, trends and marketplace performance, exclusive of unusual events or factors which do not directly affect what we consider to be our core operating performance. Non-GAAP measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods. Investors are cautioned that non-GAAP financial measures should not be relied upon as a substitute for financial measures prepared in accordance with generally accepted accounting principles.

Please see the reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure attached to this release.