NEWS RELEASE

Mitel Reports Record Fourth Quarter Results

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Integration synergies and strong cash flows are driven by solid execution

Total cloud seats installed stands at a milestone 1,039,000 - an increase of 83% year-over-year

Mitel® (Nasdaq:MITL) (TSX:MNW), a global leader in business communications, today announced financial results for the fourth quarter and full year ended December 31, 2014. As reported highlights include:

- Quarterly and annual revenue of $301.4 million and $1.1 billion, respectively
- Record quarterly and annual adjusted EBITDA of $57.9 million and $166.9 million, respectively
- Record non-GAAP quarterly and annual EPS of $0.36 and $0.99, respectively

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	As Reported Q4'14	Q4'13	Pro-Forma* Q4'13
Revenue	$301.4	$144.8	$319.3
Net Income (Loss)	$10.8	$(2.8)	$0.8
Non-GAAP Net Income	$37.8	$11.3	$28.7
Adjusted EBITDA	$57.9	$23.2	$47.8

All results are reported in millions of US dollars
See tables for reconciliation of non-GAAP measures to GAAP measures
*Consists of the combined results of Mitel and Aastra from October 1, 2013 through December 31, 2013

"2014 was a transformational year for Mitel in which we set new benchmarks for our financial results and emerged as a true global market share and industry leader. Our sales performance speaks to the fact that our broad portfolio of business communications solutions - premise, cloud and hybrid - is able to address the diverse and evolving needs of customers in markets around the world," said Richard McBee, President and Chief Executive Officer, Mitel. "We have carried that momentum into 2015 with confirmation earlier this month that Mitel is now the fastest growing and #1 market share leader in cloud communications, with more than 1,000,000 total seats installed. Our foundation is solid, our growth initiatives are delivering, our team is running at full speed, and we are seeing the results of the full scale and power of the new Mitel."

In the fourth quarter Mitel installed over 177,000 new cloud seats, including over 24,000 recurring cloud seats. Year-over-year, Mitel's recurring cloud seats increased to 269,155, up 122% and its total installed cloud base increased to over 1,039,000 seats, up 83%. The table below highlights Mitel's cloud operational metrics, as of December 31, 2014:

Cloud Operational Metrics *

	Q4'13	Q1 '14	Q2 '14	Q3 '14	Q4 '14
Total Cloud Seats	566,562	625,699	754,045	861,624	1,039,032
Recurring Cloud Seats	121,314	142,600	195,673	244,889	269,155
Retail Cloud Monthly Average Revenue Per User (ARPU)	$ 48	$ 48	$ 47	$ 46	$ 50
Retail Cloud Average # of Seats per Customer	31	32	34	39	37
Retail Cloud Monthly Customer Churn	0.5%	0.6%	0.6%	0.7%	0.4%

*Information reflects results on a pro-forma basis, as if the Aastra acquisition had been completed on January 1, 2013.

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.

AS REPORTED:

- Total revenue increased 108% to $301.4 million for the fourth quarter of 2014 compared to the prior year, primarily as a result of the Aastra acquisition.
- GAAP net income of $10.8 million, or $0.10 per diluted share, compared to a net loss of $2.8 million, or $0.05 per diluted share.
- Non-GAAP net income for the fourth quarter of 2014 was $37.8 million, or $0.36 per diluted share, compared

to $11.3 million, or $0.19 per diluted share in the fourth quarter of 2013. The number of non-GAAP weighted-average common shares outstanding was 103.8 million and 58.1 million, respectively.
- Adjusted EBITDA for the fourth quarter of 2014 was $57.9 million compared to $23.2 million in the year ago period, due primarily to a combination of adjusted EBITDA growth from the legacy Mitel business and adjusted EBITDA resulting from the acquisition of Aastra.

PRO-FORMA:

- Total revenue was down 5.6% from $319.3 million in fourth quarter 2013 largely as a result of currency effects experienced during the period.
- Gross margins improved to 55.1% in the fourth quarter of 2014 compared to 51.5% in the prior year, as a result of integration synergies, cost reductions and improved product mix.
- Non-GAAP net income improved to $37.8 million, or $0.36 per diluted share, compared to $28.7 million, or $0.28 per diluted share in the fourth quarter of 2013. The number of non-GAAP weighted-average common shares outstanding for the fourth quarter of 2013 was 102.3 million.
- Adjusted EBITDA for the fourth quarter of 2014 increased to $57.9 million compared to $47.8 million in the year ago period, reflecting improved operating performance and synergy realization.

"Profitability and integration continue to be high priorities. Our performance in the December quarter demonstrates the underlying strength of our investment in growth initiatives, M&A consolidation strategies and disciplined management approach. Synergies of $30 million were well ahead of upwardly revised targets and were a positive factor in delivering solid growth in gross margins, record adjusted EBITDA, record earnings per share and strong cash flows," said Steve Spooner, Chief Financial Officer, Mitel. He added, "We were especially pleased to record such solid profitability during a period of significant currency volatility, which impacted our quarterly revenue by approximately $14 million on a constant currency basis."

Recent Business Highlights

- Confirmed by Synergy Research as the global market share leader for cloud communications, with the fastest growing cloud communications business worldwide based on subscribers and seats.
- Launch of the latest release of the MiCloud solution for service providers, with enhanced features designed to lower Total Cost of Ownership (TCO) and speed time to market.
- Two major North American cloud customer wins accounting for just over 3,700 seats and contract values totaling approximately $6 million.

Business Outlook

Mitel has set the following financial performance guidance for the first quarter of 2015 ending March 31, 2015.

- Revenue is expected to be in the range of $245 million to $265 million, reflecting continued volatility in foreign currency exchange markets.
- Gross margin percentage is expected to be in the range of 52.5% to 54.0%.
- Adjusted EBITDA margin percentage is expected to be in the range 11.5% to 13%; and
- Non-GAAP earnings per share is expected to be in the range of $0.13 to $0.16.

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 fourth quarter ended December 31, 2014. 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, March 2, 2015. To access the replay, all callers should please dial 404-537-3406 and enter pass code 80160131. 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.