NEWS RELEASE

Mitel Reports September Quarter Results

11/2/2017

Mitel® (Nasdaq:MITL) (TSX:MNW), a global leader in business communications, today announced financial results for the third quarter ended September 30, 2017.

“Mitel delivered solid financial results in what was a very busy quarter for the company. Enterprise customers transitioning to the cloud helped push our cloud bookings up over 30% to a new record while revenues grew 24% on an as-reported basis. With the completion of the ShoreTel acquisition, we significantly accelerated our cloud strategy, moving Mitel firmly into the #2 position in the UCaaS market on a worldwide basis,” said Rich McBee, Chief Executive Officer. “With the integration process well under way, we believe that the combined company is ideally positioned to leverage our global scale and strength, and market leading positions in Europe and North America to take customers to the cloud any way they want – leveraging on-site investments, a hybrid solution, or straight to the cloud.”

As Reported Financial Highlights from Continuing Operations

in millions (except per share data)	Q3 2017	Q2 2016 Historical Currency	Constant Currency1

GAAP Revenues	$ 241.5	$ 234.5	$ 239.1
GAAP Net (Loss)	($ 26.8)	$ 33.8	$ 34.9
Non-GAAP Net Income2	$ 20.2	$ 14.9	$ 16.0
GAAP EPS - basic	($ 0.23)	$ 0.28	$ 0.29
Non-GAAP EPS3	$ 0.16	$ 0.12	$ 0.13
Adjusted EBITDA4	$ 34.2	$ 27.3	$ 28.4

1 – Constant currency is a non-GAAP measure that adjusts Q3-2016 results by using the same foreign currency exchange rates as in Q3-2017. See “Non-GAAP Financial Measurements” below.
2 –- Non-GAAP Net Income is a non-GAAP measure defined as Net Income (Loss), adjusted for items as noted in the table included in this press release under “Reconciliation of Net Income (Loss) to Non-GAAP Net Income (Loss)”. See “Non-GAAP Financial Measurements” below.
3 – Non-GAAP EPS (earnings per share), or Non-GAAP net income per common share, is a non-GAAP measure defined as Non-GAAP Net Income divided by weighted average number of common shares outstanding, fully diluted. See the table included in this press release under “Reconciliation of Net Income (Loss) to Non-GAAP Net Income (Loss).” See “Non-GAAP Financial Measurements” below.
4 – Adjusted EBITDA is a non-GAAP measure defined as Net Income (Loss), adjusted for items as noted in the table included in this press release under “Reconciliation of Net Income (Loss) to Adjusted EBITDA”. See “Non-GAAP Financial Measurements” below.

“Cost reduction actions initiated earlier in the year enabled us to close the September quarter with a strong liquidity position,” commented Steve Spooner, Chief Financial Officer. “In conjunction with the closing of the ShoreTel acquisition, we put in place a debt structure that enables Mitel to maintain the flexibility we need to run the business and execute on our long-term growth strategy. Strong demand for our debt offering enabled us to obtain excellent terms, which exceeded our expectations.”

Business Highlights

- Recurring cloud seats surpassed the 1,000,000 seat milestone.
- Mitel was named as a Visionary in the 2017 Gartner Magic Quadrant for UCaaS published in August and again ranked highest among vendors for the hybrid UC requirement use case in the Gartner Critical Capabilities for UCaaS published in October.
- Mitel was selected by Dollar Tree to roll out UCaaS services for 6,000 users with total contract value of $2.4 million over 36 months.
- Westcon-Comstor Launched Mitel Cloud Communications for Small and Medium Enterprises in Australia
- Mitel displaced the incumbent to win a major contract in France with Airbus valued in excess of 7 million Euros.

Business Outlook

Mitel has set the following financial performance guidance for the quarter ending December 31, 2017.

	Q4-2017 Guidance
Non-GAAP Revenues1	$335 million to $360 million
Non-GAAP Gross Margin %1	56.5% to 58.5%
Adjusted EBITDA %2	14.0% to 18.0%
Non-GAAP Net Income2	8.0% to 11.0%
Diluted Share count	123,500,000

1 – Non-GAAP Revenues and Non-GAAP Gross Margins exclude purchase accounting adjustments. Reconciliations between Non-GAAP Revenues and Non-GAAP Gross Margin % and the most comparable financial measures calculated in accordance with GAAP have not been provided because such reconciliations are not available without unreasonable efforts. More specifically, purchase accounting adjustments are not available without unreasonable efforts due to their high variability, complexity and low visibility due to the recent nature of the ShoreTel acquisition. We expect the adjustments to have a significant, and potentially unpredictable, impact on our future GAAP financial results.
2 – A reconciliation between the Business Outlook for Q4-2017 on a GAAP and non-GAAP basis is provided in the table entitled “Reconciliation of Guidance-Non-GAAP Net Income and Adjusted EBITDA to GAAP Net Income (Loss), before income taxes” located in the tables at the end of this release.

Conference Call Information

Mitel will host an investor conference call and live webcast on Thursday, November 2, 2017 at 8:30 a.m. ET (5:30 a.m. PT) to discuss its financial results for the third quarter ended September 30, 2017. To access the conference call, dial 888-734-0328. Callers outside the U.S. and Canada should dial 678-894-3054. The live webcast will be accessible on Mitel's investor relations website at www.mitel.com. It will be archived and available on this site for replay on or about Thursday, November 2, 2017 after 12:00 p.m. ET. We have also provided a slide deck to help illustrate our financial results. It has been posted on www.mitel.com. Our Form 10-Q is expected to be filed with the SEC on or before November 2, 2017 and will include our complete financial results for the quarter ended September 30, 2017.

Non-GAAP Financial Measurements

This press release includes references to non-GAAP financial measures including non-GAAP revenue, non-GAAP gross margins, Adjusted EBITDA, non-GAAP net income, non-GAAP EPS (earnings per share) or non-GAAP net income per common share and Constant Currency. 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 and other 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 U.S. generally accepted accounting principles. Please see the reconciliations of non-GAAP financial measures to the most directly comparable U.S. GAAP measure attached to this release.

Forward Looking Statements

Some of the statements in this communication are forward-looking statements (or forward-looking information) within the meaning of applicable U.S. and Canadian securities laws. These include statements using the words believe, target, outlook, may, will, should, could, estimate, continue, expect, intend, plan, predict, potential, project and anticipate, and similar statements which do not describe the present or provide information about the past. There is no guarantee that the expected events or expected results will actually occur. Such statements reflect the current views of management of Mitel and are subject to a number of risks and uncertainties. These statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, operational and other factors. Any changes in these assumptions or other factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to Mitel, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. In addition, material risks that could cause actual results to differ from forward-looking statements include: the inherent uncertainty associated with financial or other projections; the integration of Mitel and ShoreTel and the ability to recognize the anticipated benefits from the acquisition of ShoreTel; the anticipated size of the markets and continued demand for Mitel and ShoreTel products and services; the impact of competitive products and pricing and disruption to the combined business that could result from the acquisition of ShoreTel; access to available financing on a timely basis and on reasonable terms; risks associated with the non-cash consideration received by Mitel in connection with the divestment of Mitel's mobile division; Mitel's ability to achieve or sustain profitability in the future; fluctuations in quarterly and annual revenues and operating results; fluctuations in foreign exchange rates; current and ongoing global economic instability, political unrest and related sanctions; intense competition; reliance on channel partners for a significant component of sales; dependence upon a small number of outside contract manufacturers to manufacture products; and, Mitel's ability to successfully implement and achieve its business strategies, including its growth of the company through acquisitions and the integration of recently acquired businesses and realization of synergies, including the acquisition of ShoreTel. Additional risks are described under the heading "Risk Factors" in Mitel's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC and Canadian securities

regulatory authorities on March 1, 2017 and in Mitel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 to be filed with the SEC and Canadian securities regulatory authorities. Forward-looking statements speak only as of the date they are made. Except as required by law, Mitel has no intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.