

Subject: Mitel to Focus Business and Channel Model

This morning Mitel issued a news release outlining key changes to its business strategy. These changes include a simplified organizational structure; a focused R&D investment for the mid market; and a realignment of sales and channel in the US. As valued Mitel channel partners, I felt it was very important to share with you some of the highlights of these changes.

Since joining the Mitel team I have had the opportunity to study in depth the market, the competition and our own organization. I have met with our customers, partners and employees. I have also studied what we do, how we do it, and what we stand for.

When looking at the market, what has become crystal clear is that our industry is changing rapidly from a hardware-centric model to a pure IP and software-based model. Customers around the world are demanding flexible applications and devices that can operate within an open IT architecture versus closed, 'walled garden' that have dominated the industry in the past.

This is great news for us, because with the Mitel Freedom architecture we have a very strong foundation to build on – delivering an open, cloud-ready communications software with flexible deployment options for IT and extending our unified communications and collaboration (UCC) capabilities to users on any device, anywhere.

But it means we must also change to meet the rapidly changing needs of the market. With this in mind, the senior management team has worked diligently to identify strengths and opportunities that will allow us to take the company to the next level. We are making changes to increase the speed at which we make decisions with clear responsibility, accountability and authority. Today, I am excited to share with you our growth strategy and the supporting organizational structure.

This strategy will be routed in a “Three-Plus-One” execution plan:

- 1) Simplify the business
- 2) Focused R&D investment for the mid market
- 3) A realignment of our US sales and channel
- +1 Exploit our leadership in voice virtualization

First, we will implement a new organization structure aimed at simplifying our business model. This means creating a flatter organization made up of three key business units and two geographic sales organizations. This new, more agile organizational structure will enable Mitel to better serve its customers and innovate more quickly, all with the goal of increasing shareholder value and ensuring clear lines of authority, responsibility and accountability.

Effective immediately, Mitel's organizational structure is comprised of the following lines of business:

- Mitel Communications Solutions – which will deliver unified communications and collaboration products and services to businesses.
- Mitel NetSolutions – which provides the US market with network and hosted services, mobile services, and broadband connectivity.
- Mitel DataNet/CommSource – which distributes a wide variety of third-party products and enhanced professional services to partners and customers.
- Two sales organizations representing the Americas and International

With this in mind, I am pleased to announce Mitel's senior leadership team:

- Ron Wellard is promoted to the role of General Manager and Executive Vice President of Mitel Communications Solutions. Ron's area of responsibility will include R&D, operations, product support, PLM, product and services marketing, and the office of the CTO.
- Jon Brinton will continue to lead the Mitel NetSolutions Group business unit as the General Manager.
- Ryan Donovan is promoted to General Manager of Mitel DataNet/CommSource.
- Graham Bevington is promoted to Executive Vice President of International Sales, Service, and Field Marketing. Graham's area of responsibility will include Europe, Middle East and Africa (EMEA), Asia Pacific, and the Caribbean and Latin America (CALA).
- Philip Keenan is promoted to Executive Vice President of Americas Sales, Service, and Field Marketing with responsibility for Canada and the US.
- Steve Spooner continues as Chief Financial Officer with responsibility for finance, IT, legal, leasing, and facilities.
- Stephen Beamish will continue as Vice President of Corporate Marketing and Business Development with responsibility for strategic partnerships, internal communications, public relations, industry analyst relations and marketing communications.
- Kathy Enright will continue as Vice President of Human Resources.

After more than 25 years at Mitel, Paul Butcher will be stepping down from his role as President and Chief Operating Officer. Paul has made tremendous contributions to the company. He played a major role in the company's IPO, the development of key strategic relationships with our channel partners, and our expansion into the global marketplace. I would like to personally thank Paul on behalf of the Mitel team for his service and dedication, and wish him all the best in the future. Effective Saturday, April 30, 2011, I assumed the role of President and the Chief Operating Officer role was eliminated.

The second initiative will see a re-direction of our R&D investment to products serving the high-growth market of 100 to 2,500 user organizations. We will continue to innovate in this area to provide flexibility to both IT and the end user and to take advantage of the opportunity in the mid market segment.

Third, as the market evolves, so must our go-to-market strategy. We will reorganize our U.S. sales organization to more effectively deliver our products through channel partners to reach more customers and make our products and services available where and how customers expect to buy. We will increase our headcount to support indirect channel growth which will better serve existing partners and facilitate expansion. We will reposition our branch offices to be direct touch sales, expanding Mitel's presence in the mid market. We will keep a direct sales force aimed at specifically a group of named accounts. This model more closely mirrors how we have operated and been successful in other parts of the world. This is a positive development for our channels, specifically in the US.

Finally, as an emerging objective or a "Plus One" we intend to exploit our significant market leadership in voice virtualization. This means continuing to partner with virtualization leader VMware and continuing to jointly innovate in this area. This has been a differentiator for us in acquiring new customers and providing a migration path for existing Mitel 3300 IP Communications Platform customers to Virtual Mitel Communications Director. Our customers have made it clear to us that this is a priority for them and, as a result, it is a strong priority for us.

By implementing this strategy, we are aiming to better serve you, our channel, our joint customers, improve Mitel's performance, and grow operating results for Mitel. There are a lot of details to come, therefore, I hope to see you at the Mitel Business Partner Conference in June (<http://www.mitel.com/bpc2011>), where we will share with you, greater detail on our "Three-Plus One" strategy.

For full details on our strategy announcement visit
<http://mitl.client.shareholder.com/releasedetail.cfm?ReleaseID=573418>

Rich McBee
President and Chief Executive Officer
Mitel