

Preface

With such an eventful history we knew from the start of this project that the most difficult challenge would be what could be left out to meet space constraints

and still capture the spirit and uniqueness that is the essence of Mitel. Of course Mitel never shied from difficult tasks and so, neither did we. You hold the result in your hands. We've extracted information from many sources including past and present employees, old documents and photos, newsletters, cartoons, even annual reports and any information that came to hand during our informal research. To those who took the time to share their stories goes our gratitude, to those we missed along the way, our apologies. We have done our best to present the people, products, and places that played, and continue to play, a vital role in the evolution of this unique, very special company. Join us now for a trip back to the beginning and a look at special moments in the journey to this, the 25th anniversary of Mitel Corporation.

We enjoyed the journey and hope you do too. With best wishes for continued success, we are:

Connie Cochran, Janet Finlayson, John Thompson and Bill Drake.

1973

Take two keen, bright young entrepreneurs.

Add opportunity, a little cash and a big dash of risk and what do you get? Mitel!

In 1969, Mike Cowpland, working on his doctorate at Carleton University, and Terry Matthews, a recent engineering grad from

the Welsh Valleys, met at Northern Telecom's Microsystems International Ltd. (MIL) in Ottawa. At MIL, Terry worked with customers and discovered his gift for selling ideas as well as products. This ability, combined with Mike's entrepreneurial spirit, produced a unique and dynamic duo.

In 1971, while still at MIL, the pair established a consulting firm called Advanced Devices Consultants of Canada Ltd. In their spare time, they developed a handful of innovative, but commercially unsuccessful ventures including a hotel fire alarm that operated through telephones in guest rooms, and a scheme for marketing lawnmowers. At about this time, the public telephone system was introducing touch-tone telephones that would replace rotary dial phones. Mike's academic work made him familiar with the technology and he began developing ideas for products to detect and decode the tones. He also began exploring methods of translating tones into pulses and visa versa. Terry envisioned a terrific commercial potential in selling such products to telephone companies. So, in 1973 they left MIL and "with a little help from their friends", started Mitel.

Gentlemen,





Michael Cowpland and
Terry Matthews.



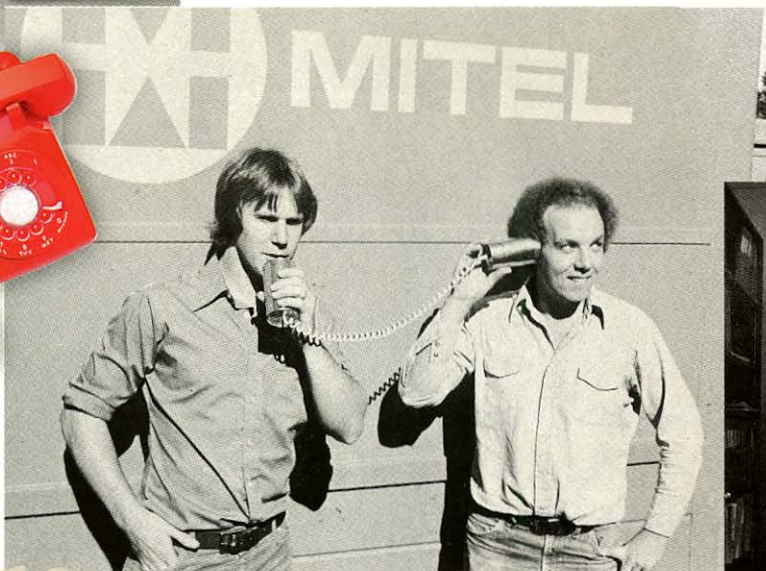
Mike and Terry Lawn Mowers

Folklore has it that, of the many product ideas that Mike and Terry had when they formed the company, they selected their environmentally sound "mulch as it mows" lawn mower idea to form Mike and

Terry Lawnmowers:- MITEL.

The project died when essential parts didn't arrive till late summer. Not even Terry could market mowers in Canada in the fall so it's fortunate that Mike and Terry Electronics fits MITEL as well!

Carl Carruthers
and Lynn McDiarmid
demo the SX-1.



Michael Cowpland in
the early years.

Start Your Engines!

telecommunications. The Watergate crisis heats up in Washington.



The OPEC oil embargo triggers a worldwide energy crisis. Skylab goes into orbit.

One of Mitel's
first marketing
posters.



Enterprise – Mitel is
feature company in
'75 high tech news.



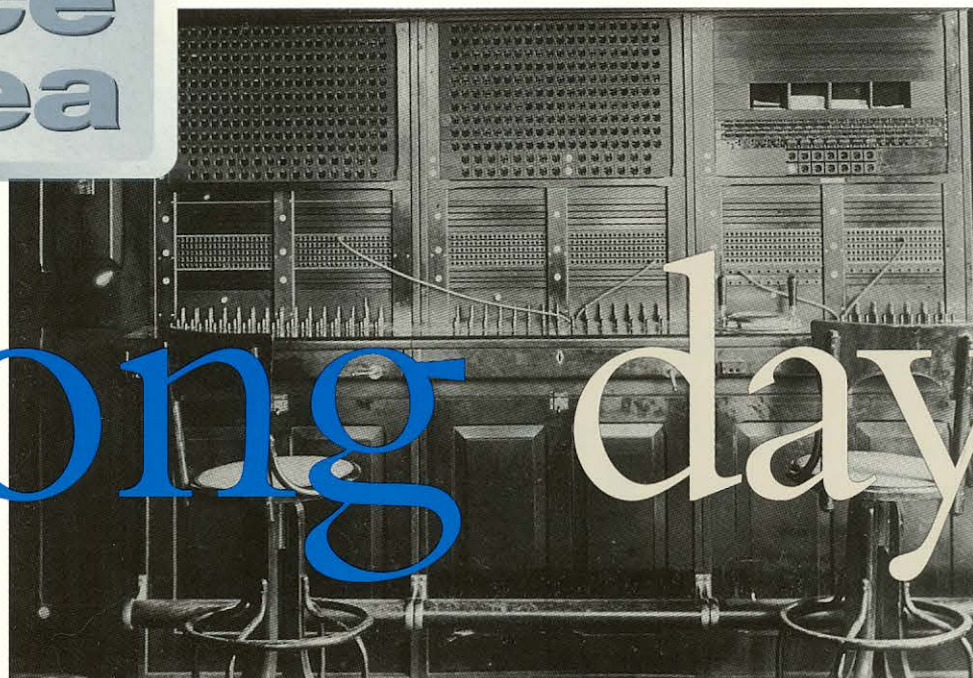
This office housed the design team, marketing and sales.



No Entrance Secure Area

Jacob Cepelinski remembers: There were less than 50 people in October of 1975 when I applied for a job at Mitel. I had to convince Mike that I could work in an office as well as a lab. Terry gave me a tough technical quiz. In my first 3 years I collaborated with marketing on specs and planning, did product testing in the lab and in the field and worked on a variety of products, most of which evolved from the basic DTMF receiver designed by Mike Cowpland.

Long days,



Although much
of this really old
equipment had been
replaced, the Telco's
were still way behind
the times.

1974 • Hank Aaron becomes the all-time home run hitter, eclipsing Babe Ruth's 714 home runs.



President Richard Nixon resigns.



First Touch Tone Receiver board designs.

'74-'75

Mitel's first location was part of a small office block on Leacock Way in Kanata where the lights were soon burning deep into the night. 1974 and 1975 were typical "start up" years. A handful of staff spent long hours designing, making and selling Touch Tone circuit board

products. The fledgling venture got a boost when MIL ceased operations and gave Mitel an opportunity to pick up both product lines and customers from MIL. With their original quarters bursting at the seams, the venture found a new home by subletting part of a factory on the March Road in Kanata originally built to manufacture small hovercraft. The story goes that when important customers visited the site, special notices reading, "No Entrance – Secure Area" were placed on doors to other tenants' areas, creating an impression that Mitel occupied much of the site. Adding to the illusion were lab coats with "Production Director" and "Quality Director," etc., issued just for the duration of customer visits. Later Mitel would move part of its operation back into this very facility, but this time they occupied the entire building and still there wasn't space enough!

First on the scene: Tom Mcleod was the first person hired by Mike and Terry. After a successful 20-plus year career with Mitel, Tom now works in the high technology sector in Vancouver; John Keane worked from his home in Puerto Rico until the facility in Catano expanded to become a major manufacturing force; Ed Savage, with Mitel Ogdensburg, commuted to Kanata before the Ogdensburg facility was established (he thought he'd be stuck in Kanata forever); George Smith worked from his home in Chelmsford, U.K. until the facility in Slough was established. George passed away in 1995; Pat Roberts, a native of Shannon, helped establish Mitel's first European facility in Ireland.

late nights



1976

Mitel took its first giant step with CM 1625 Tone-to-Pulse Converters. These devices were sold to Telco's and installed in Central offices where they allowed the telephone company's existing electro-mechanical switches to operate with the new touch tone phones, extending the life of the telcos' massive investment in equipment. The converters sold in the millions and this success financed the next level of expansion.

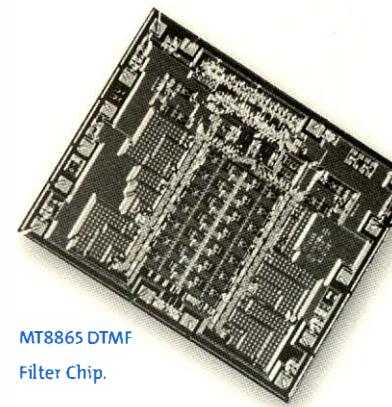
Mitel sold circuit boards and modules to companies that made Private Automatic Branch Exchanges or PABXs. Once familiar with PABX designs of the day, Mike and Terry felt confident they could build a better, cheaper system. Brisk component sales financed the hiring of additional staff and soon the SR-80 Remote Electronic Exchange project took off. It could handle 8 to 80 extension telephones and boasted four outside or "trunk" lines, all neatly packaged in a 1.6 cubic metre cabinet. The system's microprocessor control hinted at things to come. Only about six units were actually built and probably no more than two were installed for customers.

The next giant step was undoubtedly the 1976 acquisition of an IC manufacturing facility in Bromont, Quebec, from a company in receivership. Mitel turned the plant into a profitable, world class facility that initially manufactured microchips for other electronic companies. It was here that the Company, led by Alan Aitken, developed, perfected, and patented an Isolated Oxide Silicon Gate (ISO-CMOS) process to manufacture low power, high density, high performance integrated circuits. Mitel began LSI (Large Scale Integrated Circuits) chip designs for use in its own products such as tone receivers, tone to pulse converters and tone ringers.

The Ogdensburg facility has remained an important contributor to Mitel's success. It began making the CM 1625 Converters and other Telecom board products and then went on to produce the Super 10, the first SUPERSET 4's, the SMART-1 Dialer and the SX-50. The NA repair center was relocated there in 1989 and today that, the Dialers and the SX-50 keep it busy. Ogdensburg has produced over 750,000 CM 1625's and over 1,200,000 Dialers.



Giant steps



MT8865 DTMF
Filter Chip.

Frank Dea remembers the day that changed his life, June 2, 1976:

11:00 a.m.
call Mitel about a job

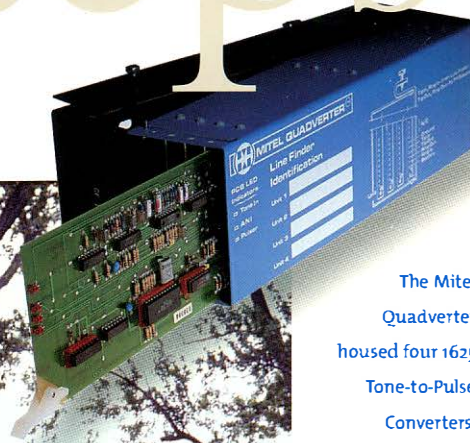
1:00 p.m.
arrive at Mitel, spend 10 minutes on test drafted by Mike

1:30 p.m.
interview by Mike – Can I identify components on a tone receiver board? Use a soldering iron? Good bench work skills? (Yes to all, I learned it during summer jobs at BNR.)

2:00 p.m.
I quote min/max compensation. Mike picks min, I start at 8:00 the next morning.

Don Malanka shares some memories: I started January 20, 1976. Mike's interview seemed to be about ensuring I wouldn't be on the take, Terry wanted to know if I was colour blind. I had to rhyme off the colour-code bands on a resistor to prove I was okay. My original job of maintaining the building (the old Hovercraft facility) quickly expanded to cover leasing vehicles, organizing hockey games and tournaments and getting Mike to sponsor a team. We worked hard, played hard, and each employee was responsible for doing whatever was required to get the job done. It was and still is, a great place to work!

The Mitel
Quadverter
housed four 1625
Tone-to-Pulse
Converters.



Ogdensburg and Serendipity

In the mid-seventies, Terry Matthews was on his way to Syracuse in search of a manufacturing location. He stopped to ask for directions at the Ogdensburg Bridge and Port Authority, just over the Prescott/Ogdensburg bridge. That office must have been home to some sharp salesmen because Mitel was soon the first tenant of Ogdensburg's new Industrial Park, a park so new it existed only in an artist's rendering.

On one of my first weekends, I had to come in on a Saturday for a while. I was met at the door by Terry Matthews. He was wearing knee-high rubber boots and carrying a plumber's helper. The septic system at the old Telecom building was not very reliable and Terry had come in to make repairs himself rather than call a plumber on a Saturday. – Lyn McDiarmid



Terry checking out early prototype of the SX-200.



Mitel won several awards for novel advertising of it's Telecom Products, using movie themes (King Kong).

Doug Oddy Talks About Old Times: I started on 25 November, 1976 working for Bob Durance. I was interviewed by Ray Whitbread, Pay Beirne, Graham Neathway, Bob, Mike, and Terry. I remember sharing the desk, I used it mornings, another designer used it in the afternoons. I used to look out my window (in the March Road building now across from Newbridge) and watch a little fountain spray up from the septic tank every time someone flushed a toilet. And it seemed like every week Terry would race through the building telling us how great sales were going.



March Road, Kanata.



The Ogdensburg Test Group of '77. Many are still at Mitel!



Semiconductor – an essential role

1977

The range of “Telecom” products expanded rapidly, fuelled by some 16 new CMOS chips. By combining ideas from the original SR-80 PABX with the new semiconductor capability, Mitel’s engineers created the SX-200, microprocessor-controlled PABX, a world beater. No one could know that it was destined to become not merely successful, but the most successful PABX ever.

Semi introduced several telecommunications firsts; the ISO-CMOS 8804 Analog Cross Point Chip (packing a lot of functionality onto one chip), hybrid line and trunk interfaces replacing transformers, a dramatic space-saver. One small cabinet replaced at least two tall cabinets, with low power – no fans in the system, and programmable extensions from the console, replacing hard wiring.

A hybrid facility, for the SX-200 project, was stuffed into the Kanata facility, aggravating an already critical space problem. Mitel acquired its first March Road property in Kanata, but that was soon filled to the brim with every single office having multiple occupants.

Mitel’s first European design and manufacturing location was opened in Shannon County Clare, Ireland, covering Telecom products for Europe. There were only about 35 people then but it established Mitel’s European presence which has grown into the EMEA organization.

World Beater

We have 1978

The race was on to get the SX-200 into production somewhere near the date that Terry was promising! Finally the first customer shipment was made in March to Hunt Tel in Nebraska. The switch worked the first time it was powered up. Over the years Hunt Tel upgraded the system, finally outgrew it, replaced it with a Generic 1000 digital version and eventually with an

SX-2000. Hunt Tel remains, to this very day, a loyal and happy customer. You can see the original system, still working, on display in the museum of the Phase IV lobby at Kanata.

To celebrate success on several fronts, Mitel organized a free trip to Florida for all employees and their partners over the long weekend in May. With the exception of an unfortunate few, the entire company flew to Ft. Lauderdale in a single plane and had a ball. They watched Montreal v/s Boston in the Stanley Cup while lolling on the beach, saw giant turtles and zipped among alligators in the Everglades. Sunburns glowed everywhere. The ladies received a memento in the form of an encapsulated MT8804 Mitel IC, a device that was key to the SX-200 design.

Mitel licensed its ISO/CMOS technology and the SX-200 to Tesla, a Czechoslovakian telecommunications company, through an intermediary in the form of the government agency, Kovo. The systems manufacturing plant was located in the picturesque Tatras mountains and many visits were made over the next few years to complete the technology transfer. This was hard work with long hours and long formal meetings, signed minutes and all, but there was something memorable about every trip. For example, two employees fell asleep on their train and were awakened by guards at the Polish border; a Mitel employee became the first westerner to receive an amateur radio license in Slovakia; a would-be hijacker was shot dead on a plane carrying two Mitel employees from Poprad to Bratislava, and a suspect was marched off the train at the Austrian border for interrogation after Czech money was found in his possession.

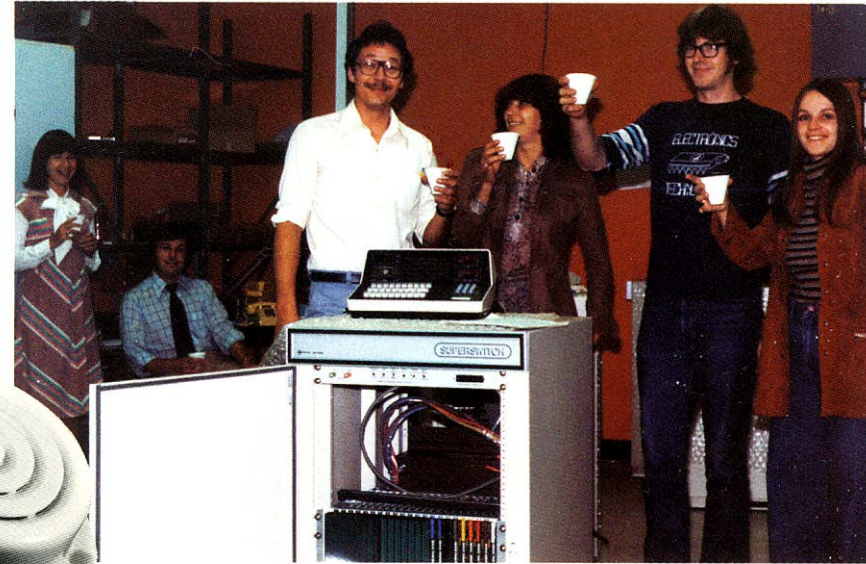
Ignition!

Terry: "Lyn McDiarmid, you have only been here a short time, but we have been very impressed with your dedication and Mike and I have decided to give you a special honour." My heart leaped right into my throat as I waited to be invited to Florida. Then Terry said "We are going to let you stay in the building night and day while we are away so we don't have to worry about theft and we will even pay you for the hours you work." I found it difficult to properly thank Terry for the 'great honour.' It was even harder to wish everyone bon voyage as they headed to the airport for the flight to Florida.

Mitel soccer team, 1978.



Toasting the shipment of the first SX-200.



The CM3240 Tone Ringer, replaces the bells in a telephone. The designer of the product is listed as Mike Cowpland with Assembly and Packaging from Kin Tam of the Hong Kong office.



Think, man, think!

"I was hired in 1978. A secretary said I had just 30 minutes to complete two tests. She was timing me when Terry walked in and started talking to me. He talked for ten or fifteen minutes, then left the room.

But the stop watch kept ticking. I was given no extra time for the interruption. Needless to say, I didn't finish. Then Terry went over the test with me, question by question, until I got the answer right. But a question on amplifier gain stumped me. I was wracking my brain to recall the proper equation when Terry leaned across the table, put his face next to mine, and yelled, 'Think man, think!' I thought I was going to die! But I didn't. He hired me. And I've been here for twenty years!" —Geoff Smith

The Lakewood, Colorado Sales office was closed for just an hour on October 26, 1979 when the bank in the building was robbed. In true Mitel spirit, staff continued to take orders for SX-200 systems as gunfire echoed through the streets. It wasn't until a bomb, carried by the fleeing robber, exploded, that the staff decided to close down. But just for an hour, mind you. After all, there were PBXs to sell!

Working Under Fire



Production
Testing SX-200's.



Mitel Semi
design group.



1st March Road building
after the extension
(but still on septic tank!).

Kathy Hill remembers: Fond memories of my early days at Mitel – joined in 1979! Being interviewed at a picnic table on the front lawn. Taking the Mitel aptitude test at my interview. Living in Atco trailers as we outgrew the Phase 1 building. Getting asked out on a date by an employee who had come to see me about his termination papers. Dating a friend of the guy who asked me out during his termination interview and marrying this friend 6 years later! Oh yes, and Win Currie – the cafeteria lady who wore pink fluffy slippers!

A blizzard and temperatures of -18° C. (-25° F) weren't enough to halt a ceremonial ground breaking for Phase 1 Kanata.



(not to mention ice!)



1979

Everyone in Kanata welcomed the start of construction for a new, 82,000 square foot world headquarters building. It would mean at least a temporary end to the crowded conditions in the Telecom building where eight trailers were being used and a tent housed various departments. Perhaps the biggest news was the Company's first public share offering, followed by the

announcement of a profit sharing plan. An attractive employee stock purchase plan was added later.

Janet Finlayson remembers: I was hired by Don Gibbs, Vice President of Finance in February, 1979. Over the last 19-1/2 years I've had 13 bosses! All but two of them have left, but I still hear from most of them. The great thing about Mitel is the rapport and friendships that you quickly develop when projects come fast and furious. I remember running alongside the helicopter as it hovered outside Phase 1 on its way to Bromont, getting last minute instructions from those inside, and meeting the plane at the Carp airport only to be hauled aboard for a flight to Bromont so more last minute instructions could be given and acted upon before I was returned to Kanata. The only place to sit was in the co-pilot's seat and I had to bring box lunches for everyone on board.

I remember the first cold spell after we moved into our present headquarters building — we were bombarded, literally, with dying flies. We had to have exterminators brought in and the millions of tiny corpses vacuumed up the next day. We had snakes, raccoons, mice and bats the first few years until the local wildlife realized that Mitel was here to stay.

At this point the Company was organized into four main divisions: Switching Systems, Telecom Products, Integrated Circuits, and Hybrids. Of Integrated Circuits, President Cowpland noted that it was becoming, "...a major business area in its own right."

Phase 1 of the Kanata complex completed.



Mitel goes public, offering 1.1M shares. The USSR invades Afghanistan. Iranian militants seize the American Embassy in Tehran.

1980

If a single word summed up the year, the word was “growth.” New Mitel offices were opened from Colorado and Alabama, to Pennsylvania, New Jersey, Georgia and Texas. National headquarters for Mitel Inc., the US branch of the Company, was in Arlington, Virginia and a new 10,000 square foot facility was nearing completion in Boca Raton, Florida. Ralph

Bennett, Vice President and General Manager of the Microelectronic division, announced a \$72 million expansion in Bromont.

Between John McLennan’s Ottawa team and Bob Durance’s Florida team, Mitel was preparing to ship more PBX lines than any company in the world. Pat Bierne’s “baby,” the SX-20, with Les Kirkland’s software was a hit before the first unit shipped with some 2,000 advance orders.

After the most successful new offering on the Toronto Stock Exchange in June, in which 1.5 million shares were sold at \$10.50, the share price climbed – in just six months – to \$19. The reputation of Mitel PBX systems was also climbing with systems operating reliably under the harsh conditions of North Sea drilling rigs and Arabian desert outposts.

Growth.



The Mitel Hong Kong office sign.

敏迪(香港)有限公司



John Mahan,
working on
industrial design
of new set.

The SX-20
with console,
BLF and sets.



My name is Manuel (Manny) Fernandez.
I started with Mitel in May, 1980
in the Deerfield Beach, Florida
facility, fresh out of technical school.
I now work in the repair center in
Ogdensburg, where we see many
analog products coming through.
Apparently our old analog
SX-100 and SX-200 systems
are still work horses for a lot of our
customers! Ah, quality!

*The shares jumped \$5 in a day, I
made more money on the stock market
that day than my annual salary!*

— Lyn McDiarmid

Overcoming Challenge after Challenge

The giant monopolies that built and operated the world's public telephone networks used equipment exclusively from captive suppliers until a court decision ended the practice in the United States in 1968. This created the Interconnect industry, a growing assortment of companies that made and sold everything from telephones to switches for "interconnection" to the network. With a similar agreement in place in Canada by 1980, all of North America was opened to competition for the likes of Mitel.

Selling in Europe presented other challenges. There, each phone company or "PTT" (for Postal Telegraph and Telephone) developed proprietary standards which they were not obliged to make widely available. Mitel engineers spent long hours in hotel rooms around the world, taking electrical measurements and ferreting out signalling schemes, knowledge that was used to tailor Mitel switches for international markets.

Then there was the language barrier. What's "Callback Busy" in German? Or French? Mitel employees travelling overseas were instructed to pocket (read swipe!) brochures from local manufacturers to guide Mitel translators in preparing documentation for international markets.

Mt. St. Helens erupts.



Ronald Reagan is elected President.

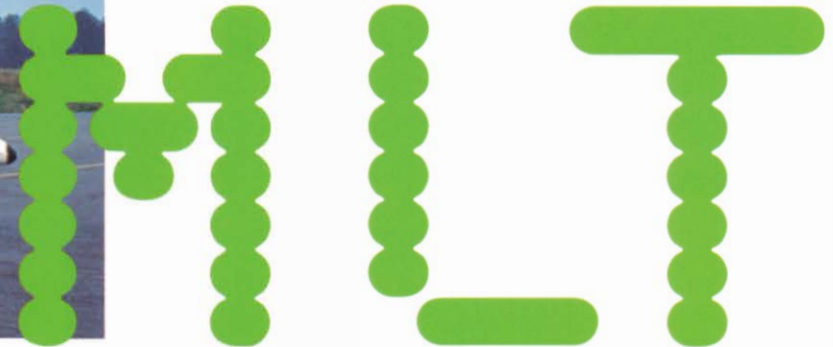


Mitel U.K., celebrates
the first SX-200
systems to come
through the line.

During the years immediately following the SX-200 system's introduction, facilities for manufacture and repair were established in the United States. The U.K. Design capability was added to adapt the switch to European standards and it was this group that came up with an exciting new small system for a major Mitel customer, British Telecom. The system, the SX-50 was introduced in 1988 and sales quickly exceeded BT's expectations. North American Sales quickly found a market and to this day the SX-50 is a hot item in the small hotel/motel marketplace.



One of "Air Mitel's"
fleet of 5 aircraft
that operated out of
Ogdensburg airfield.



In 1981 the telecom industry belonged to Mitel. We were known variously as: "Everyone's Favourite High Tech Superstar," and "The Hottest High Tech Property on the Market"



“...to share in the success of one of the fastest-growing companies in North America!”

– John Farmer, regarding employee stock option plan

1981

Big news in 1981 included the highly successful May 18 listing of Mitel Shares on the New York Stock Exchange. John Farmer, Corporate Secretary, announced details of an employee stock option plan to allow employees, “... to share in the success of one of the fastest growing companies in North America.”

The Company was not only growing, it was growing up. Ray Whitbread, then Vice President of R&D, noted a change from circuit ideas scribbled hastily on the back of an envelope to formal documentation. “Still,” he cautioned at the time, “don’t throw out any scrappy-looking envelopes.”

Mitel took advantage of the Burlington, Vermont free trade zone, shipping parts into the United States for assembly, then exporting the finished goods, duty-free. In 1981, manufacturing began in Frankfurt, West Germany and in Hong Kong. In Kanata, 36 trailers overflowed with people and equipment while the new, 135,000 square foot switching building took shape.

Mighty Mitel



Space shuttle “Columbia” flies for the first time.

*The Mitel name is written
in the stars – literally*

1982

Although Mitel unveiled a full working model of the SX-2000 Integrated Communications System (ICS) in Canada and the U.S. in May, there was still much work to be done before the product was ready for release. Thanks to Semiconductor's innovative chips, the ICS would come to market 60% smaller in physical size and power consumption than its closest rival. The first

field trial was slated for August with Revenue Canada. Another Semiconductor winner, the MT8870 single chip tone receiver, produced by Greg Aasen, Richard Charlebois and Frank Dea, also contributed to the machine's unique combination of high performance and compact size.

The Superset 4, another world first for Mitel, was introduced on the SX-200 and SX-20 PBX Systems. The sets introduced "soft keys" that changed function depending on the call state and displayed options in plain language on an LCD. It was the star of the TCA show in San Diego and Mitel used a magician to demonstrate its prowess.

The Kontact was a new generation multi-functional, multi-tasking workstation, possibly the world's first to combine telephony and office computing. It had e-mail, 2-line telephone, spreadsheet integrated with word processing, IBM/DEC terminal emulation, calendar, and time-management. It was a great success until the IBM PC emerged.

a great place to work

1982 • Joe Montana leads 49ers to first of 4 Superbowl Championships. The sky's the limit – Mitel Skyswitch Systems link with American Satellite Corp.

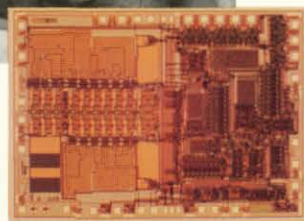


The Kontakt
and its team.



The Kontakt.

SX-200 consoles on
the production
floor.



MT8870 design team
and the MT8870 chip.



Superset 4.

"ET" opens in theatres. The compact disc (CD) was introduced.



John Thompson has been around for twenty of Mitel's twenty-five years – he remembers starting in January, 1978: "My interview, conducted by the whole management team, was at 7:00 a.m. in the Town and Country Restaurant. I was the mixed grill! My office was 8 x 8 feet, had four occupants, two desks, two chairs, and one phone, and we had it good! Later that year, when the Puerto Rico location was expanded, everyone wanted to go, until the selected crew described the trip down in an old DC-3 cargo plane, sitting on test equipment boxes with only egg sandwiches and warm soda pop for the long flight. They didn't even manage to return with a tan!"

In witness whereof we hereunto set our hands and affix the seal of the International Star Registry this 6th day of December 1982
K. Butler Secretary

Know ye herewith that the International Star Registry doth hereby redesignate Star number Draco RA18h23m55.0s 48°43'8" to the name *Mitel*
Know ye further that this Star will henceforth be known by this name this name is permanently filed in our Swiss vault and recorded in a book which will be registered in the copyright office of the Library of Congress in the United States of America



Recalling our beginnings
with the Mike and Terry
Lawnmower.

*“...it isn’t merely technology
that makes Mitel mighty. ...
Quite simply, people – each
one of us – regardless of
location or job responsibility,
have made Mitel a success...”*

Interface, 10th anniversary article, June, 1983.



Raise a glass

10 Years

At the end of the workday on June 8th, 1983, champagne glasses were raised at Mitel facilities worldwide in celebration of the Company's 10th

anniversary. Highlights of the year included the opening of a state-of-the-art manufacturing facility in Renfrew, Ontario; the establishment of a sales office in Dublin, Ireland; and the introduction of the industry-leading human/machine interface, the Superset 4. Elsewhere around a burgeoning Mitel world, Bernie Watts, VP European Operations was looking after business in Egypt, Italy, Japan, Puerto Rico and Denmark as well as overseeing manufacturing plants in Hong Kong, Germany, Mexico, and New Zealand. The Board created a new position, Executive VP and Chief Operating Officer and appointed Don Gibbs to fill it.

As champagne bubbles popped, Caldicot, Phase II was nearing completion in Wales and the Guadalajara facility of Mitel de Mexico, a joint venture with Telefonos de Mexico, was implemented with hybrid and IC assembly capability. Guadalajara supplied the Mexican market, and the Corporation at large, which helped Mitel minimize dependence on off-shore component assembly in Taiwan, Manila, Hong Kong and Korea.

And something new called voice mail was being trialed on Mitel's in-house phone system. The Company was interested in adding the capability to its PBX products.

to ten great years!



Mitel celebrates 10th anniversary. • New Renfrew facility opens.

*So when you are rocking in your favourite chair,
Telling your tales to a small child so fair,
Of Kings and Knights, some old and new,
Forget ye not the days of the old Frew Crew!*

— from Those Were the Days by Marilyn Simons

1983

What a contrast! The new plant in Renfrew, Ontario used the same design as Caldicot, – huge pre-cast concrete beams, great expanses of windows and a waterfall in the cafeteria – was officially opened in July.

Mitel's presence in Renfrew started in 1981 in more humble surroundings. Anxious to relieve the space crunch in Kanata before a new building could be constructed, Mitel shared a century old red brick building, formerly the Bluebell Wrangler jean factory, with uneven floors and exposed wooden beams. Initially, rumour had it that a big toy company was coming to town. Then rumour gave way to fact – it wasn't Mattel, it was Mitel!

The new Caldicot Plant was officially opened by HRH Prince of Wales. It was the first factory designed by Bill Teron of Kanata fame. It was pre-cast off site and transported down the narrow lanes of South Wales and was soon dubbed "Stonehenge Two". The site is ideally located next to a ruined castle and many pubs! The new plant became the UK headquarters housing Semi hybrid manufacturing as well as all the Mitel systems functions.

Mitel had already established itself in Caldicot and occupied a number of small "Industrial Units" for design and manufacturing systems. The "temporary" canteen was of course in a pub, "The Pill House".

Giddday, Frew Crew!

Morning, Boyo



HR Highness the Prince of Wales
performs the official opening of
the Caldicot facility.

Marg McGregor remembers: I joined in November of '77. I went from part-time to doing two jobs in just a couple of months. I worked for Don Gibbs and Terry MacIver in Finance, paying the bills, which meant sitting in front of Terry at least one full day a week to get cheques signed. He questioned everything. No answer, no signature. I got pretty good at convincing him the vendors needed to be paid. I also prepared lunch for all two hundred employees when Win Currie was away. The most I'd ever cooked for before that was twenty people!

Worldwide management team.



Kathy Enright remembers being photographed for her badge: "You had to smile and brace yourself, the floors were so slanted that if you didn't, you would slide out of view before the picture could be snapped." Four years later, when changing business fortunes caused Mitel to close the operation, Kathy joined other staffers to create a book of memories titled *Mirage, or Mitel in Renfrew – A Glimpse Everlasting*. She still sees copies of the book on desks around the Company and people consult it when reminiscing.



Renfrew's new facility.

The Payroll crew in Kanata.



Halloween in Ogdensburg.





An early advertisement for the Trillium "Talk To" key system

Ray Hull on being interviewed by Terry Matthews: "...after several hundred technical questions Terry said, 'Why is the cooling system in your car pressurized?' I gave an answer, wrong, in fact, then asked the point of the question. 'There was none, I just wanted to see how you would react!' I must have reacted okay, because he hired me."



They are smiling! That's the first production SX-2000 SG ready to go!



CAD/CAM engineer Steve Grant sang a solo and graphic designer Alan Cranny played guitar with the band as 300,000 Ottawans celebrated mass with Pope John Paul II. Mitel loaned the organizing committee an SX-200, Superset Telephones and Kontact Workstations to help with the mammoth logistics of a papal visit.



Mitel met the challenge of the digital revolution with the SX-2000 ICS.



Product management team, Caldicot, U.K.



The DLIC team.



The Phase IV team inspects plans of the just-completed facility. From left to right, Dave Seymour, Kevin Jones, Karen Frisby, Laurie Lefavre, Madeleine L'Abbé, Lou Tobey, Lee Gavel, Roger Nash, and Gordon Franks.

1984

Surely the high point of 1984 was the birth of the SX-2000 ICS. At its introduction the system met network connection standards in three countries simultaneously. In its compact size, miserly use of power, and ability to send data at high speeds over ordinary copper office wiring, it significantly outperformed every competitor on the market. But the price for this triumph was steep.

The product was launched in January and the very next month Mitel announced its first-ever loss. Management responded with plant closings and, for the first time ever, layoffs. But the news wasn't all bad.

In the autumn of 1984, Mitel Datacom was incorporated to manufacture dialer products. The Company would eventually make and sell more than a million of the devices. Between sales of DTMF and ST-BUS components, Semiconductor grew by a button-busting fifty percent.

A group of Mitel employees founded "Trillium" which specialized in small key systems and phone sets using merchandising marketing methods. Manufacturing was established in Kanata and Hong Kong producing a whole range of great products including the Talk To series for the home office, the Panther Key System, and the Spectrum Key System, sold worldwide. It grew to \$50 M in 2 1/2 years.

another.
Giant
step

1984 •



First untethered walk in space. Desmond Tutu wins the Nobel Peace Prize.



First SX-2000 ships.

*Losses mount – what's needed
is an ally with deep pockets*

1985

Two major events cheered employees and shareholders alike. In May, British Telecom PLC, one of the largest telephone network operators in the world, announced its interest in acquiring a controlling 51 percent interest in Mitel for \$380 million Canadian. BT had annual revenue of \$12 billion Canadian and earned a profit of \$2.3 billion. If completed, the deal would give

Mitel time and resources to attack its problems. In October, after 10 straight quarterly losses, the Board of Directors brought in a man experienced in returning troubled companies to profitability, naming Anthony F. Griffiths as President and Chief Executive Officer. Griffiths, with a Harvard MBA and a 25-year business career under his belt, was a thoroughly professional manager who liked playing tennis and, he once said, “solving puzzles.”

The British are Coming!





Mitel Semi DNIC
Design Team.



*“The trends are overwhelmingly positive.
...Mitel is returning to profitability.”*

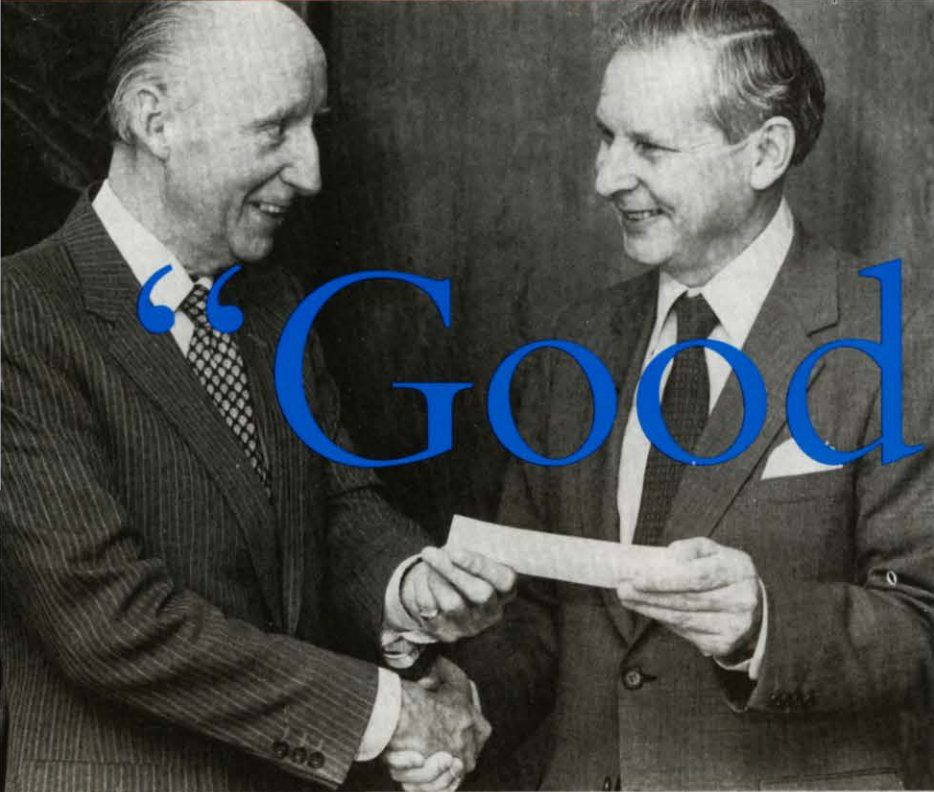
— Duncan Campbell, Chief Financial Officer,
addressing the Company's continuing losses.



"Live Aid" rocks the world and raises \$70 million for famine relief in Africa.

Birth of the
Generic 1000 system in
Renfrew. A competition
was held to guess the
baby's weight.





Semi ISDN Team.

“Good enough

With the handover of a cheque for \$322 million, British Telecom becomes a 51% owner of Mitel Corporation. President, Anthony F. Griffiths, accepts the cheque and a handshake from BT Deputy Chairman, Deryk Vander Weyer.



The PBX product range.

isn't good

Giving Mitel products a look that uniquely combines form with function is the task of the Industrial Design Department, including, from left to right, Eric Hillmer, Hans Beisner, John Mahan, and Dave Nogas.



1986 • Vancouver hosts Expo '86. SEMI introduces the world's first 2B1Q ISDN U-Interface transceiver chip.



SA-1000 and SA-2000 DIGITAL

1986

It took nearly nine months to wrap up the regulatory red tape and another six months to negotiate the fine points but at last the Mitel/BT deal was sealed. With cash in hand, the Company was able to vigorously pursue the priorities established by President Griffiths: returning to profitability, achieving a stronger position in the marketplace, streamlining the product

line, and getting behind a worldwide quality improvement program. Such phrases as “zero defects,” and “doing it right the first time” along with, “good enough isn’t good enough, anymore” crept into employee vocabularies.

In Kanata, engineers worked around the clock to enhance the SX-2000 SG and complete design of a small version (the ‘S’) to address a wider market. It was done in a record 8 months, however, losses continued to mount. The troubles in PBX-land spilled over into the Semiconductor division where a severe operating loss was also experienced. The peak total Mitel employment figure of 6,140, reached during the year, fell rapidly to 4,655 as plants were closed and massive layoffs were undertaken to check the flood of red ink.

And now the good news. A new digital version of the portfolio’s leading performer, the SX-200 PBX was introduced to rave reviews and brisk sales.

enough anymore!”

Mitel must change, and change more dramatically than we had previously contemplated.

'87-'88

In July, as losses diminished, the Company welcomed a new president, John E. Jarvis, from one of the world's top consulting firms. Former president, Anthony Griffiths, moved to Chairman of the Board. A new compact, digital, community dial office, the GX5000, was introduced. Mitel Semiconductor had a

big hit on its hands with the ISDN Express card, a unique software developer's tool, based on ideas from customers in both North America and Europe.

Caldicot started shipping the SX-50, a small fully-featured digital PBX system designed in the U.K. initially for sale to British Telecom. Sales skyrocketed and the product was soon adapted for its introduction to the North American market. It still sells well, with more country variants having been produced than any other Mitel product.

Downsizing continued as the Company battled recessions and price wars in its major markets and worked hard to become an efficient, low-cost producer.

An exceptional resource
of skill, talent, ability,
and ideas

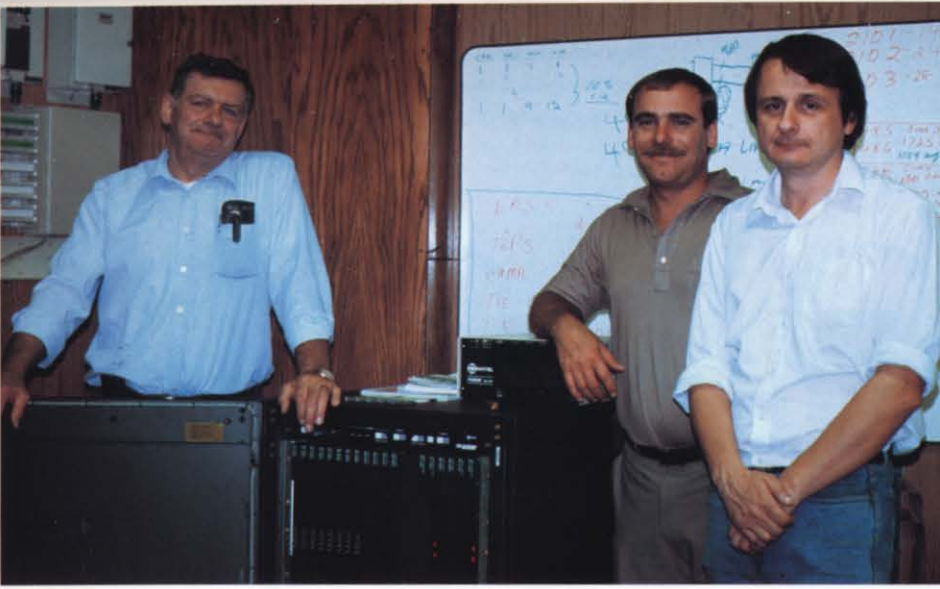
1987 • The musicals "Les Miserables" and "Phantom of the Opera" open.



Into Public Switching.



The Dow Jones plummets. Glasnost takes hold of the USSR.



The first GX5000 live installation at Moose Creek, Ontario. Tom Gray with the customers.

Ray Brown recalls the first United States sale of the GX5000 central office switch. "The owner of the Farber Telephone Company in Farber, Missouri had purchased, and installed in a local business, an early SX-100 system. Mr. Farber was impressed by the reliability of the SX-100 and the customer support delivered by Mitel. As a result he had no qualms about taking on a GX5000 to serve his small community, even though Mitel was a

brand new player in this market. Today we have installations from Alaska to Alabama. These systems are supplying phone service under some of the harshest environmental conditions on the planet, in parts of Africa, Asia, Central and South America.



The SX-50.

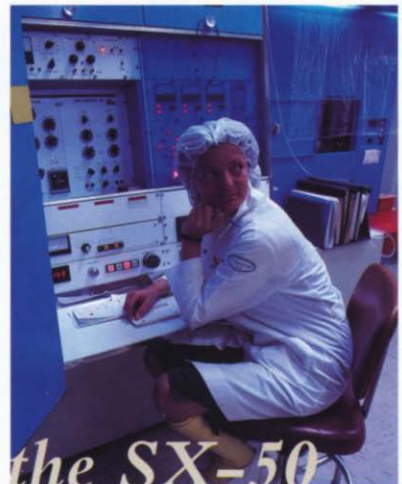
Computing Power, ala 1987

Mitel Telecom purchased a VAX 8700 computer, six times more powerful than any of its previous computers. Terminals connected directly to the computer via the "new" ethernet technology.



Rumour has it someone took a hacksaw to an SX-2000 backplane and produced a rough-and-ready prototype of what became, with much refining, the SX-2000 Small, enabling the system to attack new markets.

First prize, fancy dress competition, U.K. : Carolyn Farrell – "A Christmas Tree"



And in the UK - ISO 9000 and the SX-50

1988 - First Mitel ISO 9000 Certification by U.K. manufacturing



Computer "viruses" and "global warming" become growing concerns. Steffi Graf wins the tennis "Grand Slam"





The builders of the first exported GX5000 system, a switch that was installed on the island of Rodrigues in the Indian Ocean for the Mauritius Telephone Company in time to smooth communications during a papal visit. Front row, left to right: Bev Presley, Donna Davis, Elaine Pilgrim, Christine Dedo, Corrine Thomson, Margaret Kiely. Standing, left to right: John Ludlow, Gerry Chartrand, Bill Jamieson, Sharri Thatcher, Martin Kitts, Kim Ball, Marilyn Ring, Bill Passmore, Richard Beaudoin, Donna Miller, Anthony Fabbicino, Art Shane, Jim McKittrick, Phil Maynard, Alec Hart.



Sales and marketing Rap
(Caldicot) Paul Butcher
and Rad Weatherton.



*In the US –
1 out of every 10
PBXs is a Mitel*

A World Leader



Mitel Enterprises can trace its history back to the initial days of the Corporation. Building on the Company's superb tone receiver and generator technologies, a variety of central office enhancement products were created and successfully marketed to telephone companies. When the Corporation entered the PBX business in 1977, responsibility for enhancement products fell to the Mitel Telecom Division. For the next six years, Mitel Telecom and its Ogdensburg, N.Y. factory flourished, producing products that helped telephone companies modernize their facilities. New opportunities came with the 1984 break-up of AT&T. The federal court ruling brought competition to the long distance business for the first time, but the technology wasn't in place to provide easy access to the new carrier's networks. Mitel and a number of other parties invested in auto-dialer technology and started manufacturing equipment in the Ogdensburg, New York plant. By November of 1984, Mitel Datacom absorbed Mitel Telecom and began managing its portfolio as well as the auto-dialer products. In 1988, the Corporation purchased the remaining interest in auto-dialer technology and renamed the group – Mitel Enterprises. Opportunities for Mitel Enterprises' communications access solutions is still growing as international markets continue to deregulate and the wave of internet technology takes off.

Now recognized as the premiere supplier of auto-dialer access products, Mitel Enterprises has shipped over one million units under the SMART-1 family name, to Network Service Providers around the world.

*“In our core markets, we are
a force to be reckoned with!”*

1989

“How Are We Doing?” asked the headline in the Company’s Direct Lines newsletter. Here’s how: about 1 of every 10 PBXs in the United States was a Mitel Superswitch along with 1 of every 50 key systems. In the United Kingdom, Mitel systems owned 16% of the market and in Canada, the Company had 28% of the

PBX business, 12% of key systems. The Japanese, who make millions of microchips, were also buying millions of Mitel chips. Mitel Semiconductor’s MT8870 tone receiver turned up in about 70% of all telephone answering machines made in Japan and was becoming popular in home security devices and VCRs, too.

in Telecom/Datacom Components

1989 • Massive earthquake in northern California, measuring 7.1 on the Richter scale.



Integrated voice mail & auto attendant introduced.



Emperor Hirohito of Japan dies.

Around the World— *then and now*

1990

In 1990 the products that Mitel people built reached more and more of the world. Systems were sold in Italy, West Germany, Ireland, Denmark, the Netherlands, Portugal, the United Kingdom, Finland, Norway, and Sweden. Sales were also growing in New Zealand, Fiji, and Australia. In the Far East, Mitel Spectrum key systems and telephones were sold to booming

markets in Hong Kong and mainland China. In total, the Company's people and products were active in more than 100 countries, from Saudi Arabia to Zimbabwe.

President John Jarvis noted that Mitel's corporate philosophy was focused on success in terms of profits, products, and people. He told employees that, "...we measure success by our ability to deliver the highest quality products and services... our ability to provide a good financial return to shareholders and by our ability to create and foster an environment where employees grow, develop, and realize their potential. "People," he added, "are the key".

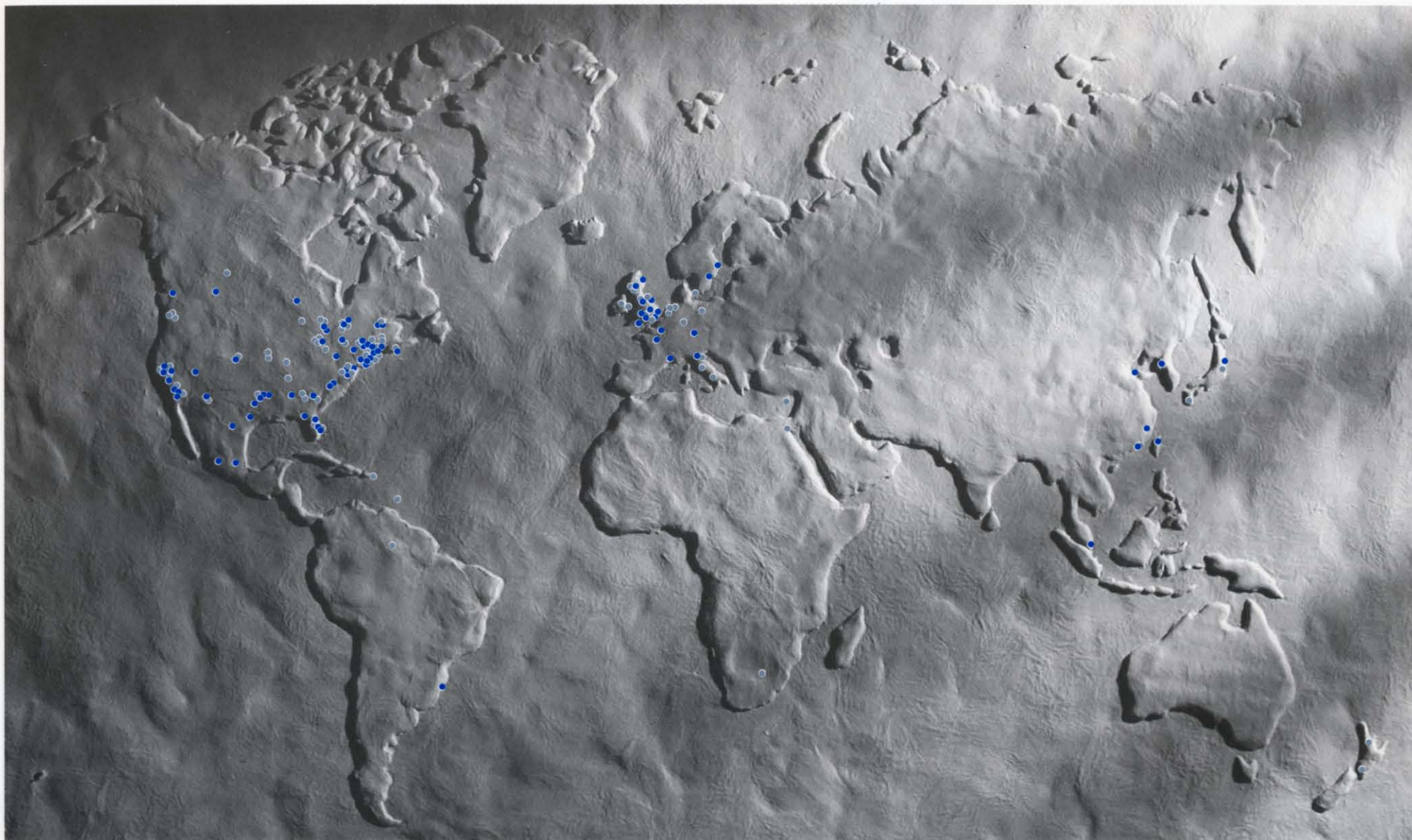
“...the *real reason*
is the *people*”

— Lyn McDiarmid

1990 • First transatlantic DPNSS link demonstrated via SX-2000



Nelson Mandela is freed. McDonald's opens in Moscow.



CANADA: Bromont, PQ, Burnaby, BC, Calgary, AB, Edmonton, AB, Etobicoke, ON, Halifax, NS, Kanata, ON, Mississauga, ON, Montreal, PQ, Renfrew, ON, Toronto, ON, Ville Saint Laurent, PQ, Waterloo, ON, Willowdale, ON, Winnipeg, AB **USA:** Albany, NY, Arlington, VA, Atlanta, GA, Augusta, GA, Aurora, CO, Baltimore, MD, Bellview, WA, Birmingham, AL, Birmingham, MI, Bloomingdale, IL, Boca Raton, FL, Brantford, CT, Buffalo, NY, Burlington, VT, Canton, MI, Carlsbad, CA, Carrollton, TX, Charlotte, NC, Chesterfield, MO, Clifton, NJ, Costa Mesa, CA, Dallas, TX, Dayton, OH, Deerfield Beach, FL, Duxbury, MA, Eagan, MN, East Berlin, CT, East Syracuse, NY, Elmsford, NY, Emerville, CA, Encino, CA, Fairfax, VA, Fairfield, CT, Fort Lauderdale, FL, Germantown, TN, Havertown, PA, Helena, AL, Henderson, NV, Herndon, VA, Houston, TX, Independence, OH, Indianapolis, IN, Irvine, CA, Irving, TX, Kinberly WI, Kirkland, WA, Lakewood, CO, Lansdale, PA, Latiam, NY, Lenexa, KS, Little Chute, WI, Littleton, CO, Long Island, NY, Lyndhurst, NJ, Marietta, GA, Mendota Heights, MN, Meriden, CT, Milwaukee, WI, Mountaintop NJ, Mt. Dora, FL, Mt. Laurel, NJ, Naperville, IL, New Hartford, NY, New York, NY, Newburgh, NY, Newburyport, MA, Norisend, NY, Northbrook, IL, Oakbrook, IL, Ogdensburg, NY, Orlando, FL, Overland Park, KS, Philadelphia, PA, Pittsburgh, PA, Plano, TX, Plainview, NY, Plymouth, MI, Raleigh, NC, Rancho La Costa, CA, Reston, VA, Richmond, VA, Rochester, NY, Rocky River, OH, Sacramento, CA, San Diego, CA, San Francisco, CA, San Jose, CA, San Mateo, CA, San Ramon, CA, Sanford, FL, Scotts Valley, CA, Seattle, WA, South Burlington, VT, Stevens-Point, WI, Stoneham, MA, Tampa, FL, Tarreytown, NY, Temple, AZ, Tracy, CA, Tucson, AZ, Vestal, NY, Washington, DC, Wellsville, KS, Williamsville, NY, Woburn, MA **PUERTO RICO:** Catano, Bayamon, Hato Rey **UK:** Aberdeen, Scotland, Berkshire, England, Birmingham, England, Caldicot, South Wales, Chiswick, England, Dublin, Ireland, East Kilbride, Scotland, Glasgow, Scotland, Haydock, England, Leeds, England, London, England, Maidenhead, England, Newport, South Wales, Sharnon, Ireland, Slough, England, Strathelyde, Scotland, Warrington, England, Portskeewett, Gwent, Wales **MEXICO:** Guadalajara, Mexico City, Monterey **GERMANY:** Berlin, Eschborn, Filderstadt, Frankfurt, Heidelberg, Steinback **NEW ZEALAND:** Auckland, Wellington **HONG KONG:** Kowloon, Sheung Wan, Tsuen Wan, Wanchi **CHINA:** Taipei, Tianjin, Shenzhen **CZECH REPUBLIC, PORTUGAL, SOUTH AFRICA:** Johannesburg **ITALY:** Milan, Naples, Rome, Verona **THE NETHERLANDS:** Amsterdam, Delft, **DENMARK:** Copenhagen, Hellerup **FRANCE:** Aix-en-Provence, Paris, Tours **AFRICA:** Cairo **JAPAN:** Fukuoka, Kasuga City, Tokyo, **CYPRUS:** Nicosia **HOLLAND:** Leiden **WEST INDIES:** Barbados **SINGAPORE, SWEDEN:** Jarfalla **BRAZIL:** Florianopolis, Sao Paulo, **SOUTH KOREA:** Seoul



1 December 5th, the City of Ottawa is awarded an NHL franchise. Voyager I sends back first pictures of the entire solar system.



The Sistine Chapel reopens after ten year renovation.



Kanata – Health
and safety unit.



Frank Dea, Mitel
Semiconductor, Kanata.

Lyn McDiarmid: I guess the real reason so many of us are still here twenty years later is the people. Overall this company is loyal to its people, fair in its dealings, and in general, a fun place to come to each day.

Beginning in September of 1990, Mitel Semiconductor people began a series of World Telecommunications Technology Seminars, taking the division's excellent microchip story to design engineers in 30 key cities in North America, the Far East and Europe. At the same time, Semi was meeting the keen challenge of selling chips into the Japanese marketplace for use in answering machines, fax machines and route selectors. Another chapter in the Semiconductor story was written in a joint announcement with the late Honourable Robert Bourassa, then Premier of Quebec, revealing a three-year, \$50 million expansion program for the CMOS facility in Bromont. The only cloud to rain on this ongoing parade was the fact that British Telecom had announced its intention to sell all or a portion of its 51% interest in Mitel. Employees the world over put on a brave face, "it's business as usual" they said, but the unresolved ownership issue would dog their efforts until the middle of 1992.

Ted Binkowski, Donna
Bombard, Cindy Lottie
lead Ogdensburg to
ISO 9000 registration.



Mitel de Mexico.



1991 • Soviet Union accepts independence of Latvia, Estonia, & Lithuania.



The "LIGHT" PBX is announced.

Battling Global

*“...downsizing, consolidating,
amalgamating”*

1991

On January 8, 1991, Anthony F. Griffiths resumed the role of President and Chief Executive Officer of the Company and retained his position as Chairman of the Mitel Board. In spite of the losses, Griffiths was bullish on the Corporation's future. “We are downsizing,” he said, “consolidating and amalgamating to bring operations and expenses into balance.” The result was a

combining of Canadian, Caribbean, Latin American and United States sales groups into a single organization; the closing of the Boca Raton facility; and the establishment of a new United States headquarters near Washington, D.C., Operations from the Pacific Rim to the United Kingdom to Continental Europe were consolidated and Mitel New Zealand was shut down.

In the face of a global recession, PBX demand declined in the Company's core markets, down 7 percent in the United States, off 13 percent in Canada and 16 percent in the United Kingdom, yet, against these odds, Mitel held on to its number four ranking in the United States, and its number two position in both Canada and the United Kingdom.

Recession

The Warsaw Pact is formally dissolved. The Chicago Bulls win their first of three consecutive NBA Championships.

1992

For 1992 Mitel gained a new attitude and a new owner. Schroders and Partners Ltd., the Canadian affiliate of Schroder Ventures, concluded an agreement in June to buy BT's controlling interest in Mitel. Employees around the world heaved a collective sigh of relief.

The new attitude came in the form of a bold new strategy. Mitel began to articulate the idea that telephony was about to follow in the footsteps of computing. That is, just as the power of computing moved from the cloistered mainframe out to a PC on the user's desk, so too, would telephony evolve, from the cloistered PBX in a basement equipment room, to desktop telephony that could be shaped to serve at the level of the enterprise, the workgroup, and the individual.

Along with its new attitude, the Company pulled off a brilliant re-packaging and re-positioning of the flagship SX-2000 PABX. The new line was dubbed, "the SX-2000 LIGHT," and featured a modular design, with modules interconnected by fibre optic cable. The main control was about the size of a PC tower and could easily be tucked under a desk. An SX-200 LIGHT soon followed along with new telephones, featuring the SUPERSET 400 family. The systems were enthusiastically received.

Winds of change

a new attitude.



Greg Spierkel signs deal with Hong Kong Telephone CSL.



Mitel people have an attitude that challenges patterned thinking. It translates into products that allow businesses to concentrate on doing business. The attitude says it's okay to feel empathy and sympathy for customers and to treat them like human beings.





“This was also the year that Semiconductor stood up on its hind legs and roared”.

A Significant *force*



Town hall meeting,
Hong Kong office.

François Cordeau
and Kirk Mandy,
ISO certification.



The Company welcomed a new leader, Dr. John Millard, who said, as he came on board: “What I’ve found at Mitel is a group of very knowledgeable, dedicated and resourceful people who, given a goal and a reasonable plan to get there, are going to significantly over-achieve. The Company has an excellent opportunity to be a very significant force in the marketplace...”

*...interaction,
contention,
reveals best solution*

1993

Dr. Millard joined Mitel from NEC America where he had been a Senior Vice President for the Customer Premise Equipment division. Commenting on his management style he noted that, "The key element... is an openness in discussions and a willingness to say what's on your mind. ...I welcome interaction and contention because in the end it often reveals the best solution to a problem."

Under Millard the Company concentrated on three areas: computer-related, multimedia telecommunications products aimed at the growing market for Computer/Telephony Integration (CTI); the network enhancement business based on the RADICAL set-handler; and the core telecommunications business which included PBX systems, the GX5000 digital central office switch, dialers, and semiconductor products.

This was also the year that Mitel Semiconductor stood up on its hind legs and roared. Revenue gained more than 40% over the previous the year. Business was so brisk in the Far East that an office was planned for Singapore, just one year after the office in Fukuoka, Japan opened. Chips for the new world of custom calling services such as Caller Identification, a video switch, and a chip devoted exclusively to switching data were evidence of the division's rapidly-expanding product portfolio.

in the Marketplace

SpectraLink wireless communications introduced on Mitel's PBX's. SEMI starts developing ATM products



Jean Chrétien becomes Prime Minister of Canada.

1994

In October Mitel announced that the Kanata Switching Products Group had received the 1994 Ottawa Valley/Outaouais Quality Award for outstanding achievement in business excellence, through a commitment to quality management. The award criteria covered customer focus, leadership, planning, management, human resources, results obtained and contribution to the community.

The Company enjoyed record sales and earnings. In the United States, PBX line shipments grew by 33%. Mitel passed NEC to claim fourth position behind AT&T, Nortel and Siemens Rolm. In total the Company built and shipped systems amounting to 732,000 lines. Sales held steady in Canada and the Asia-Pacific markets while in the UK the Company worked to strengthen distribution in the wake of British Telecom's decision to sell products from Nortel instead of those from Mitel.

The SX-2000 LIGHT systems continued to win favour around the world with sales reported in Syria, Portugal, Ghana, Saudi Arabia and Botswana. In the Far East lines shipped grew from 89,000 to 134,000.

Record sales

1994 • Record sales and strong earnings.



SX-2000 MICRO LIGHT

SX-2000 MICRO LIGHT and CTI products introduced.



On a roll!

A group of Ogdensburg veterans, from left to right:
Pete Lashomb, Sherry Bigwarfe, Kathy Bennett,
Jane Kronyak, Joan Gibson, Ann Ruddy.

15 year service awards
in Ogdensburg.



Attitude Day
in Reston, VA.



& earnings

Bruce Springsteen's



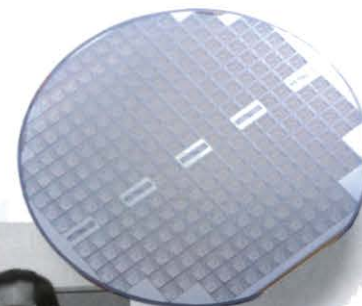
"Streets of Philadelphia" wins Academy Award for best song. Nelson Mandela becomes President of South Africa. Richard Nixon and Jacqueline Bouvier Kennedy Onassis pass away.



Product training in Hong Kong.



Mitel MediaPath.



Design team for
Semi's first web site.

New Frontiers

*What the heck
is Mitel doing here?*

1995

It was the year Mitel people began turning up at information technology trade shows, prompting the question, “What the heck is Mitel doing here?” The answer was “client server telecom,” a new niche in the IT industry that the Company was ready to fill with MediaPath, a product that single-handedly integrated call control, unified messaging and integrated voice response into a LAN environment.

For its distinguished 19-year record of exporting its products to world markets Mitel Semiconductor won the prestigious Canada Export Award and for the first time, Semiconductor’s product information became available on an exploding phenomenon known as the Internet. In October the division beat Bombardier, among other manufacturers to take top prize in a competition sponsored by the local Granby-Bromont Chamber of Commerce. The award recognized every facet of a company from financial and operational performance to human resources development and quality programs. At the time, Mitel Bromont was averaging 80 hours of training per employee.

Voice and IT Convergence

1995 • Microsoft’s “Windows 95” goes on sale. Princess Diana & Prince Charles announce their separation.

 Growth continues, led by the Semiconductor division.

A key launch – a major acquisition

1996

Mitel Semiconductor acquired ABB Haffo, a long-established, highly respected business in Järfälla, Sweden. The acquisition brought new technology and new products to Semi's portfolio. At the same time the thriving division launched a \$34 million expansion at its Bromont facility and continued its record-shattering growth.

● On the systems side of the business, Mitel's NeVaDa was hailed as the next step in the continuing evolution of the SX-2000 technology. Following an increasingly popular industry ploy, the Company partnered in order to gain technology that would have required too much time and money to develop in-house. NeVaDa, for example, is based on Madge MultiNet™ intelligent switching hubs and modules and MultiMan™ network management products and it transports voice, video and data traffic over a single, integrated network. The net result integrates, simplifies, and improves business communications.

Partnering *for success*

1996



Researchers in Scotland succeed in cloning sheep.



Donavan Bailey wins the 100 metre race at the Atlanta Olympic Games. SEMI acquires ABB Haffo.



Salut à Semi, Bromont



Bromont, Quebec.



Employees with
20 years service at
Mitel Semiconductor,
Bromont.



The system side of the
business took a giant
step forward with the
introduction of
NeVaDa, networked
voice and data.

Mitel, Hjärtliga Gratulationer på 25-årsdagen

In Semiconductor the big news was an acquisition, ABB Haffo of Sweden, a company noted for superb technology and for a product range that took the division into such markets as medicine and space for the first time.





In 1997 Semiconductor undertook a bold marketing move. The division signed with Tasman Motor Sports to gain access to their high-powered, global marketing programs. The tip of this sales and marketing iceberg is part-sponsorship of a race car that is seen by millions of people around the world throughout the CART Championship racing season. The program was a resounding success.

Welcome, Gandalf Employees!

The new SX-200 ML was so small that the first system passed down a human chain from dock to truck!



Semi management team.



The Gandalf
XPressConnect 5232i.

A solid base



1997 • Canadian Jacques Villeneuve wins Formula-1 championship.



Record results.



Mitel MediaPath, Mitel Personal Assistant,



SX-200 ML,

*...A strong, financially sound
company with excellent prospects”*

– Dr. John Millard, President & CEO

1997

Revenues were up by a whopping 21% but problems remained. An \$8 million restructuring charge put a dent in earnings as the Business Communications Systems division (BCS) underwent a reorganization. Although write-offs came to \$13 million, the balance sheet was stronger than ever with ample cash reserves. Two new products showed promise – the SX-200 ML, a smaller version of the highly successful SX-200 LIGHT PBX, and

the Mitel Personal Assistant, a telephone and software combo that turns a PC into a small office/home office communications center. The product received good reviews and by year end was drawing interest from major distributors. On the acquisition front, Mitel purchased the Remote Access Division of Gandalf.

From Semiconductor came a new digital chip that eliminates echoes that degrade voice communications and a second chip that improves voice communications over ATM networks. Both areas are “hot” markets.

future business

new digital SEMI devices introduced. El Niño disrupts weather patterns worldwide. Britain's Thrust SSC  captures the land speed record and the sound barrier simultaneously.

*It's been a wonderful
journey so far...*

1998

The thousands of people who work for Mitel in countries around the world share a common goal: leadership in microelectronics and telecommunications. In many areas, this goal has already been attained; in others, new breakthroughs happen almost every day. None of the company's achievements, past, present, or future, could be reached without the special Mitel people.

Mitel has been able to attract and keep people of true talent, because a commitment to excellence is something good people want to be a part of.

Our most important
strength...
people.

1998 • Mitel acquires Plessey Semiconductors Group.



SEMI achieves ISO 14001 registration. The future begins...



SX-2000 for Windows NT.



Welcome Centigram with exciting new products.



SX-200 ML.



SUPERSET 4000 Series telephones.

We've evolved from 4" to 8" wafer fabrication, from 9.0 micron to 0.35 micron!



Greetings to TSC in Bonnie Scotland

Leadership through the Years

Year	President
1979 - 1983	Dr. Michael C.J. Cowpland
1984 - 1985	Terence Matthews
1986 - 1987	Anthony F. Griffiths
1988 - 1990	John E. Jarvis
1991 - 1992	Anthony F. Griffiths
1993 - Present	John B. Millard



Mitel Semiconductor made another major acquisition early in 1998. "The GEC-Plessey Semiconductor plant in the UK, brings us technology and capacity that we'll put to good use in meeting the growing worldwide demand for leading edge micro technology." -François Cordeau VP and General Manager of Mitel Semiconductor.



Although my direct involvement with Mitel has only been since 1993, I have followed Mitel's fortunes from the beginning. In fact, Mitel was one of my first forays into investing, as I experienced the exhilaration of the rise in the stock price and the disappointment of the fall. A lesson learned!

I started my business career in 1975, after 15 years at Bell Telephone Laboratories, close to Mitel's inception. At that time I wasn't in a directly competitive business as I was designing transmission equipment but later I joined Executone, who was a competitor. When visiting Executone's extremely loyal distributors, I observed one constant, they all carried the Mitel product line as well. The reasons: market fit, quality and reliability.

Today Mitel, to me, is the people who have reinforced the pride developed in the early years, who have rededicated themselves to the quality of product and services we deliver to our customers, and who respect and reinforce each other in our goal to create a truly world class company. Finally, Mitel is the families who support us and whom we love and to whom we are devoted above all. I look forward to Mitel's continued strength, growth and vitality.

Dr. John B. Millard
President & Chief Executive Officer



Over the last 25 years, Mitel has gone through virtually all of the phases of growth and ownership of a textbook enterprise. Start-up in a garage, some private money, then public money, sky-high valuation, decline, take-over by a foreign enterprise, venture capital ownership, then rediscovery by the capital markets again leading to full public ownership. Over the last five years we have issued 25 million new shares and sold 45 million secondary shares (Schroders), increasing the public market float of Mitel from \$80 million to approximately \$2 billion. We also recently issued around \$400 million of senior term debt to acquire our new U.K. semiconductor operation. We now have the critical capital mass (we are solidly among the top 100 TSE-listed companies) to fuel our future growth. Congratulations Mitel!

Jean Jacques Carrier
Vice President of Finance
& Chief Financial Officer



At this twenty-five year point, I think one thing is evident for us — change is not an event, it's a process, a path towards growth. Looking back over recent milestones in our growth, it's apparent everything we have done in the past has positioned us for what we envision achieving in the future. Since I've had a front row seat to this change, I'm often asked what is the secret of our consistently high performance and ability to capitalize on an opportunity. I believe our successful past is the result of strong leadership and the empowerment of our employees, guided by a common commitment to do whatever it takes to succeed. Add to this philosophy cost-effective, flexible manufacturing, a "total solution" product offering and solid application knowledge from our designers, and our Sales and Distribution channels, and it's obvious that despite our illustrious history, the best is yet to come.

François Cordeau
Vice President & General Manager
Mitel Semiconductor



I joined Mitel in October of 1984 and began my career supervising SX-2000 Test Engineering activities. Some fourteen years and many assignments later, I find myself working in the Executive ranks helping to develop the Company on behalf of our shareholders, customers and employees.

Mitel values its employees and provides immense opportunity for personal growth, as I can certainly attest to. I have witnessed, first hand, how employees rise to the considerable challenges this company routinely faces — the immense struggle to bring the SX-2000 ICS to market, the sale of the Company to BT, plant closings and downsizing, sale again of the Company to Schroder Ventures and finally, a return to growth, profitability and public market ownership. Through it all, Mitel employees have consistently shown determination, tenacity, resilience and the will to compete and win.

I am very proud to be an employee of this Company, and look forward to contributing in developing Mitel into a truly world class enterprise. Happy 25th Mitel!

Kirk Mandy
Vice President
Business Communications Systems
& Semiconductors



After 25 exciting years of growth, Mitel has come of age with a distinctive and delightful character and personality all its own. The culture of this fledgling company has developed from the initial days of unbridled, and sometimes undisciplined, entrepreneurial youth to today's sophisticated and focused customer-driven powerhouse. This was achieved through the dedicated efforts and teamwork of Mitel's 6000 plus employees. Today, Mitel represents the sum of those 6000 plus parts who have imbued the company with their skill, eagerness, commitment, drive and indomitable spirit. Many things have changed through the years, however, many things have stayed the same; the esprit de corps, the sense of fun and adventure remain strong, the remnants of a youth well spent, as we continue our journey.

Don McIntyre
Vice President
Human Resources
General Counsel
& Secretary

