

FINANCIAL FUNDAMENTALS

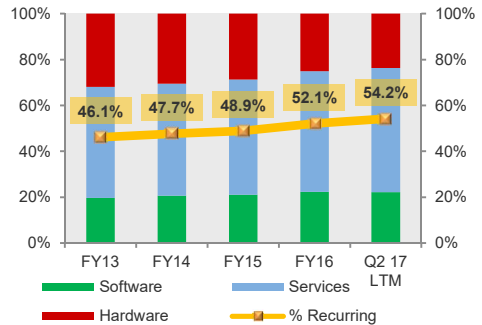
Overview

- Transition as a software and services business is advancing
- Strong, highly diversified customer base with significant long-term relationships
- Market share leader in key segments
- Solid financial performance with multi-year upward trajectory in Gross Margin & Adjusted EBITDA %
- Committed to technology innovation and exceptional customer satisfaction

Q2'17 Highlights

- Software & Services ~79% of total revenue
- Recurring revenue >57% of total revenue
- Non-GAAP operating margin of 18.4% of revenue, a record % for a second fiscal quarter
- Adjusted EBITDA of 24.8% of revenue, a record % for a second fiscal quarter
- Cash flow from operations was \$97 million, and \$53 million for YTD fiscal 2017
- Net Promoter Score of 55 for customer satisfaction

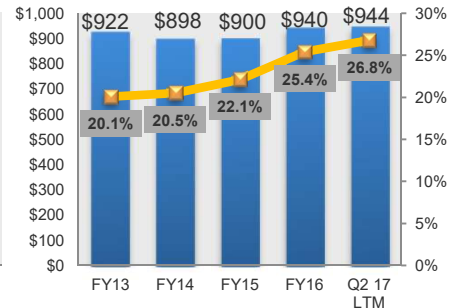
Revenue Composition and % Recurring



Gross Margin %



Adjusted EBITDA (\$M) & Margin %



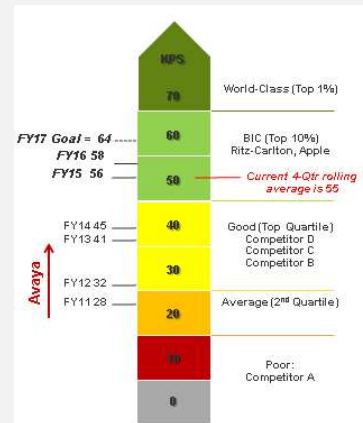
Committed to technology innovation and exceptional customer satisfaction

- Enhanced product portfolio with ~\$2B in R&D, including \$75M in technology acquisitions & investments since 2012
- Consistent history of R&D Investment
- Innovation focused on emerging technologies such as mobility, cloud-enabled communications, video, application integration, fabric networking, wireless, cloud, security, & services

Investments and M&A Complement R&D



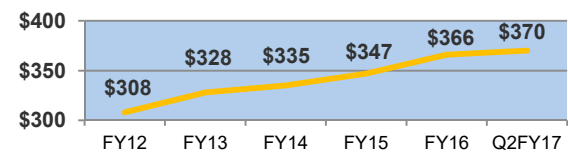
Net Promoter Score



Subsequent Developments

- Filed restructuring plan, paving way for emergence from chapter 11
- Signed more than 1,100 customer contracts since filing for chapter 11 restructuring through end of FQ2'17
- Avaya ENGAGE 2017 conference attracted ~2,600 attendees
- \$764 million cash on the balance sheet
- Positive cash flow from operations for the FQ2'17 and six months ended 3/31/17

Revenue per employee**



Trailing Twelve Months

**Headcount as of the end of the period indicated

All amounts shown are non-GAAP metrics and reflect the sale of the ITPS business.

For a reconciliation of non-GAAP to GAAP financial information, please see our most recent filings at www.sec.gov.

