

North American Enterprise Communications Spending Up 13% in Third Quarter of 2007

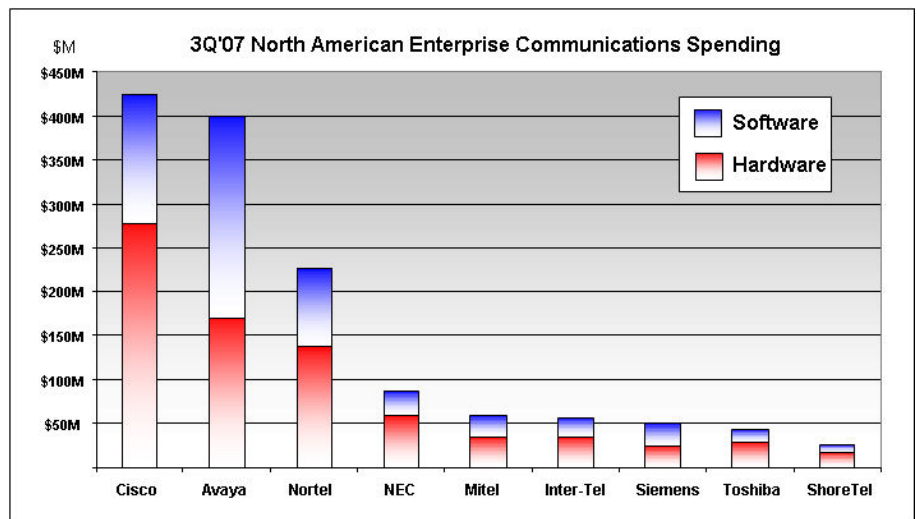
Cisco Leads Market in Product and Hardware Revenues While Avaya Leads in Software Revenues

UNION, NJ--(Marketwire - December 11, 2007) - According to new research from industry analyst firm IntelliCom Analytics, North American Enterprise Communications product revenues increased by 13% in the third quarter of 2007 compared to the previous quarter. This includes both IP Telephony and traditional TDM platforms, end user devices, and all associated communication applications including Messaging, Contact Center, and Unified Communications.

"Mainstream adoption of IP Telephony solutions is driving strong growth in the market, both in terms of new customer sales and accelerated rollouts by existing customers to branch locations," stated Frank Stinson, Senior Analyst at IntelliCom Analytics.

Cisco led the North American market with **22.7%** of total product revenues compared to second place Avaya's **21.4%**. Cisco was also the market leader in terms of revenues associated with platform hardware supporting call control solutions, related applications, and end user devices, with **26%** share of total hardware-related revenues.

Avaya, on the other hand, led in terms of total revenues associated with the applications that overlay IP infrastructures, with **29%** share of total Business Communication Software revenues for the quarter. This included leadership in the Call Control, Messaging, and Contact Center segments.



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"Avaya and Cisco are engaged in a closely fought battle for overall market leadership," explains Stinson. "But there are distinct differences in each company's mix of revenues in the different value layers, with Avaya making demonstrable progress in transforming its business model to a software-centric basis, while Cisco continues to benefit from supplying the supporting hardware required in new IP Telephony implementations."

The IntelliCom Market Performance Dashboard is a quarterly market tracking service that evaluates vendor performance across all layers of the Enterprise Communications value stack. Key areas of focus include Business Communications Software applications, telephony platform hardware, end user devices, and supporting services.

About IntelliCom Analytics

IntelliCom Analytics is a professional services and business research provider focused on the rapidly evolving intelligent communications market. With a broad set of competencies ranging from competitive assessments and benchmarking to highly targeted demand forecasts based on detailed embedded base analyses, IntelliCom Analytics brings a wealth of finely honed skills, expertise and market opportunity insights to client engagements. For further information, visit www.intellicom-analytics.com.

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