Press Release

Avaya Introduces Multi-Tenant Blade Server Solution For Cost-Effective Delivery of Hosted Communications Applications

Service Providers securely provide hosted IP telephony, contact center and messaging applications from Avaya on partitioned, industry-standard IBM Blade Servers

<u>**FOR IMMEDIATE RELEASE: Monday, September 20, 2005**</u>

BASKING RIDGE, N.J., US - Avaya (NYSE:AV), a global leader in business communications applications, systems and services, today announced a new efficient and cost-effective platform for Avaya Hosted Solutions based on an industry-standard, off-the-shelf IBM Blade Server. Working with IBM, Avaya designed a software solution that securely partitions IBM eServer BladeCenter systems to provide multiple instances of business communications applications to multiple customers on a single blade. Using the Avaya SBS3000 Shared Blade Server solution, Service Providers can cost-effectively expand service offerings for business customers to include Avaya enterprise communications applications on a per-seat, per-month basis.

Up to 10 discrete instances of Avaya Communication Manager, the company's flagship business communications software, can be hosted on a single blade server system, enabling Service Providers to deliver secure applications to multiple customers, and scaling to up to 780 customers in a rack of 84 blade servers.

"Enterprise-grade, fully-featured business communications applications are usually identified with premises-based solutions," said Denzil Samuels, vice president and general manager of Avaya Global Managed Services. *"The flexibility of the blade server architecture will open up a whole new way for businesses to access advanced communications features and functions and experience the benefits of intelligent communications. Service Providers will be able to deliver Avaya Communication Manager with scalability that can affordably reach customers with as few as 25 users."*

The blade server solution architecture will enable companies of all sizes to take advantage of Avaya business communications applications for Internet Protocol (IP) telephony, contact center and messaging, with lower upfront capital investments. The dense processor and storage configuration and cost- and space-saving advantages of the partitioned IBM blade allow Service Providers to efficiently offer enterprise-class communications to business customers of all sizes, enhancing the value service providers can offer in a flexible delivery model that enables companies to migrate to IP telephony and expand communications capabilities as their business priorities evolve.

"Market demand for Hosted IP Telephony and Applications Services currently exceeds available supply-side offers for many customer segments, which could be addressed by this solution approach," said Eric Schmiedeke, partner at IntelliCom Analytics. "Strategically, this solution is a tangible demonstration of Avaya's migration to an increasingly software-centric business model, enabling the creation of annuity revenue streams for its channel partners."

One of the first Service Providers to embrace the Avaya Blade Server strategy is Sprint, who today announced plans to offer Avaya Hosted Messaging and Avaya Hosted IP Telephony, along with plans for a wireless integration offer that will expand mobility capabilities for Sprint cellular and enterprise customers by integrating Avaya communications applications.

"Many businesses are looking for a single source for integrated communications services," said Tony Krueck, VP - Product Development and Management, Sprint. *"Avaya Hosted Solutions based on the Blade Server architecture lets Sprint provide industry-leading business communications applications in a way that makes sense for us and our customers."*

To learn more about how more than 100 forward-thinking companies from all over the world are already working with Avaya to use Intelligent Communications to gain a distinct competitive advantage, visit our world of possibilities at Inside Intelligence, www.avaya.com/intelligence.